

TOWN OF GORHAM, MAINE

Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2015



Baxter Museum and Grounds
Baxter Memorial Library's "Painting in the Park Series"

TOWN OF GORHAM, MAINE
Comprehensive Annual Financial Report
June 30, 2015

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INTRODUCTORY SECTION

Town of Gorham

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Christine Hyland
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December 21, 2015

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, 2015 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 for the Town Council the annual audit for fiscal year ending June 30, 2015. The auditor's report on the basic financial statements and combined and individual fund statements and schedules 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, 2015, 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 OMB Circular A-133 as the Town expended more than \$500,000 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 on or before 70 days prior to the first day of each fiscal year must submit to the Town Manager the Schools' budget request in both budget category summary and in detailed analysis. 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 2014-2015 is \$1,342,175,000 (excludes the valuation attributable to the State Homestead Exemption and BETE personal property reimbursement), resulting in an increase of about 2.5% from the 2013-2014 total taxable valuation. Approximately 16.3% 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 with a 96.9% for last fiscal year and 97.0% for this fiscal year. The Town's legal debt margin is set by State law at 15% of its state assessed value. Currently, the Town's outstanding debt is 2.7% of the state assessed value.

During fiscal year 2015, the Code office issued permits for 68 single-family/condo dwellings, and 23 commercial/institutional structures. The department issued a total of 1,141 permits during fiscal year 2015.

According to the recently released updated population estimates for 533 Maine municipalities from the U.S. Census for the year 2013, the Town of Gorham is the fastest growing town in the State of Maine. The U.S. Census estimates that the Town of Gorham has increased its population by 458 from the 2010 U.S. Census.

October 30, 2014 marked the 250th anniversary of the Town of Gorham's incorporation. To commemorate the anniversary a bronze plaque was unveiled on October 30th. According to the History of Gorham by McLellan, the General Court of Massachusetts passed an act incorporating Gorham as a Town on October 30, 1764. There were three towns that were incorporated that year, and Gorham was the 20th in the State to receive that honor.

During FY2015, the Town of Gorham experienced growth in businesses. Martin's Point new Health Care facility was opened for business in September 2014. Also in September 2014, Jotul North America Stove Plant announced that it will double its production and will be hiring new employees. Mega Industries received a \$2.6 million contract to supply components for a facility being built to research rare isotopes. Anderson Equipment relocated from Portland into the Gorham Industrial Park in March. In June 2015, construction began on new senior housing and a new building that will be leased to Aroma Joes and Subway.

The Town of Gorham has seen a number of improvements during FY2015. The Town renovated the former Little Falls School funded by a bond issued in FY2014. The former Little Falls School received structural repairs, new windows, new mechanical/sprinklers system, natural gas conversion and the addition to the Town's sewer system. The improvements to the Little Falls Recreation Area started in FY2015 to construct a new multi-purpose field which was funded by the recreation area impact fees. The South Street sidewalks were rebuilt as well.

The Town issued general obligation bonds in the amount of \$4,990,000 on March 3, 2015. The bonds were issued to finance the construction of a new Police Station, as well as a complete renovation of the existing Public Safety Building into a new Fire Station. The voters of Gorham approved the issuance of these bonds at the November 4, 2014 referendum election. On June 24, 2015, the Town had a ground breaking ceremony for the new Police Station.

Fiscal Year 2015 Budget

The Town of Gorham's gross budget for 2015 showed an increase of 3.6% from the 2014 budget. The gross budget was up by \$1,637,598 and the mil rate increased from \$17.30 in FY14 to \$17.40 in FY15.

The following is a comparison of the FY2014 mil rate to the FY2015 mil rate.

	FY 13 – 14	FY 14 – 15	\$ Incr/(Decr)	% Chg
Town's Tax Rate	\$ 5.41	\$ 5.47	\$0.06	1.11%
School's Tax Rate	\$11.22	\$11.25	\$0.03	0.03%
County's Tax Rate	\$ 0.67	\$ 0.68	\$0.01	1.49%

This is the tenth 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,
- caps spending growth at all government levels, and
- directs 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 \$357,054 or 3.0%. The major increase is the addition of \$200,000 in capital improvement for road projects and the addition of 6-month's expenses for the Little Falls Activity Center

The Town's non-property tax revenues also saw an increase of 3.6%. This major increase was the result of a \$200,000 increase in auto excise.

As a result of the increase in the gross budget and the increase in non-property tax revenues for the municipal budget, the amount required from property taxes was up \$157,084 or 2.4%.

The School gross expenditure budget of \$34,152,140 was up \$1,234,011 or 3.7%. The major increase in this budget is the addition of \$536,186 to implement all day Kindergarten. Also, there are increases in salaries due to contractual obligations.

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 2015, there was \$1,005,423 in funds available for allocation to capital equipment and capital project needs. The Town Council approved at their June 3, 2014 meeting as part of the adopted budget the use of the excess unassigned fund balance of \$1,005,423 for the following purposes:

- \$235,000 to re-chassis tank 2 and replace pump;
- \$45,000 to replace 15 year old ¾ ton pickup truck and plow;
- \$160,000 to replace 16 year old trackless tractor;
- \$62,000 to replace 2 life pack 15 defibrillators;
- \$155,000 to replace 12 year old international 6-wheel dump truck and sander;
- \$42,000 to replace 7 air pack breathing units;
- \$38,000 to replace the security camera system at the Municipal Center;
- \$29,900 to make repairs to the McLellan/Sampson House on South Street;
- \$6,212 to resurface tennis/basketball courts in Little Falls Rec Area;
- \$5,000 to replace video server for GoCAT;
- \$50,000 for implementation of parking study received by Town Council on June 3, 2014;
- \$311 to be allocated at a later date by the Town Council;
- \$177,000 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, 2014. This was the 12th year in a row that the Town has 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, David Cole, 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,



Sharon LaFlamme
Finance Director



Government Finance Officers Association

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

Presented to

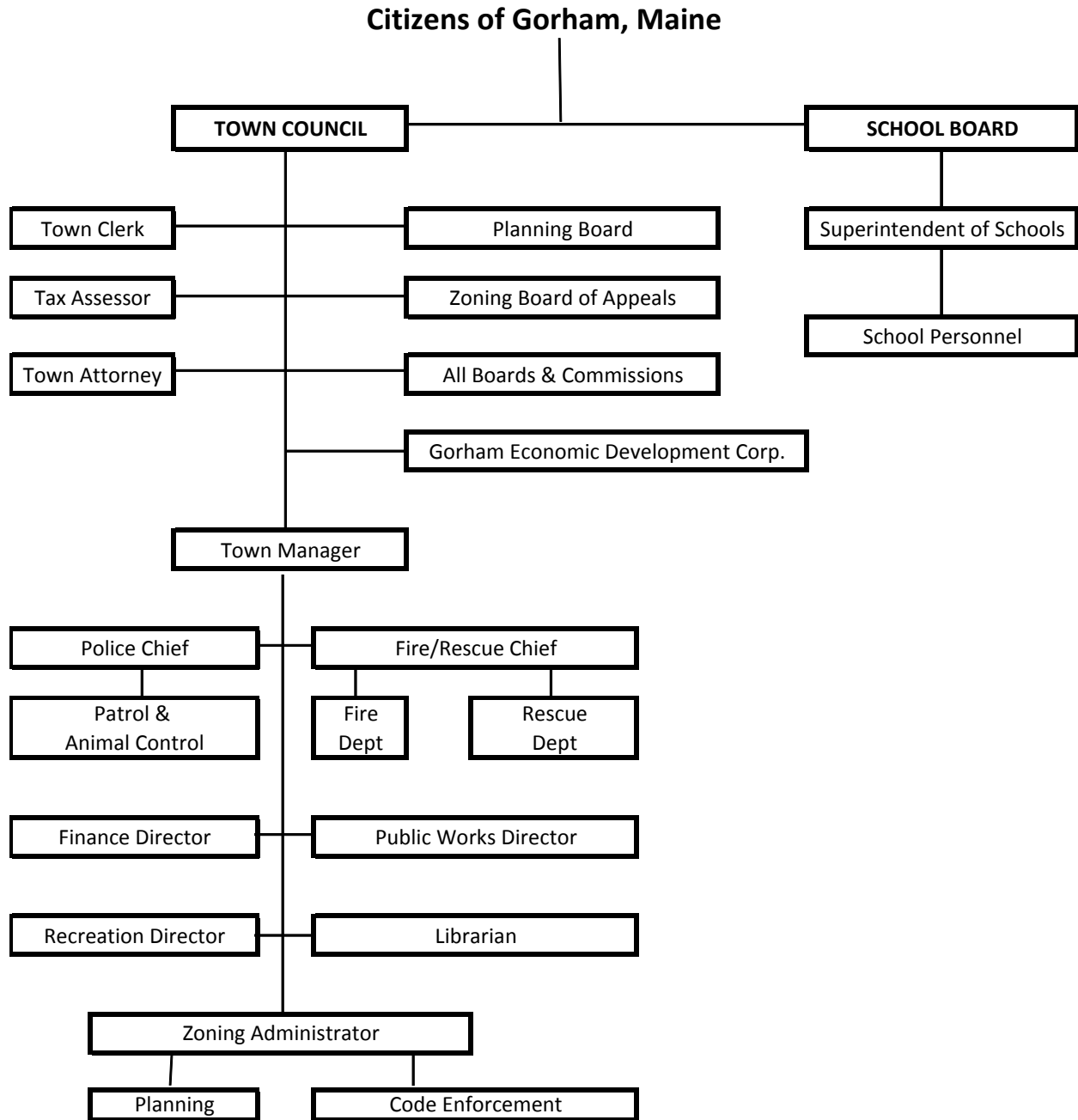
**Town of Gorham
Maine**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Town of Gorham, Maine Organizational Chart



TOWN OF GORHAM, MAINE
List of Principal Officials
June 30, 2015

Michael Phinney, Chairman, Town Council

Bruce Roullard, Vice Chairman	Ronald Shepard
Sherrie Benner	Matthew Robinson
Shonn Moulton	Benjamin Hartwell

David O. Cole, Town Manager

Jennifer C. Elliott, Town Clerk	Michael D’Arcangelo, Tax Assessor
Thomas E. Ellsworth, Econ. Dev. Dir.	Sharon LaFlamme, Finance Director
Robert S. Lefebvre, Fire Chief	Pamela E. Turner, Library Director
Christopher Sanborn, Interim Police Chief	Robert J. Burns, Jr., Public Works Dir.
Cynthia A. Hazelton, Recreation Director	David Galbraith, Zoning Administrator

Dennis Libby, Chairman, School Board

Darryl B. Wright, Vice Chairman	Suzanne Phillips
Kyle Bailey	John Doyle
Sara Nelson	Timothy Burns

Theodore G. Sharp, 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, 2015, 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, 2015, 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, the schedule of funding progress for the retiree healthcare plan, schedule of proportionate share of the net pension liability and the schedule of contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements, capital assets used in the operation of governmental funds exhibits, 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 and the capital assets used in the operation of governmental funds exhibits 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 and capital assets used in the operation of governmental funds exhibit are fairly stated in all material respects in relation to the basic financial statements as a whole.

Town Council
Town of Gorham, Maine

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015 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.

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

December 21, 2015
South Portland, Maine

TOWN OF GORHAM, MAINE
Management's Discussion and Analysis
For the year ended June 30, 2015

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, 2015. 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 or resources of the Town of Gorham exceed its liabilities and deferred inflows of resources by \$55,445,201, an increase of \$2,463,262 or 4.7% when compared to the beginning net position figure of \$52,981,939.
- The ending fund balance for Governmental Funds is \$21,535,073. The revenues exceeded expenditures by \$5,825,997.
- The General Fund's ending fund balance is \$12,755,920; an increase of \$1,168,389 from the prior year's ending fund balance of \$11,587,731. Of the \$12,755,920, only \$6,708,673 is unassigned. A detailed listing of the nonspendable, restricted, committed and assigned fund balances can be found in the notes to basic financial statements, NOTE 17, COMPONENTS OF FUND BALANCES.
- 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, 2015 was \$5,528,434 or 11.2% of the total FY16 budgeted appropriations, NOTE 18, BUDGETARY VS. GAAP ACCOUNTING. The Town Council uses any excess funds to fund the capital needs of the community as deemed appropriate. The Town Council generally reviews and approves the capital projects during the annual budget process. It is anticipated that the Town Council will have approximately \$1,344,000 to allocate to the Capital Part II budget during the FY16 budget process.
- The Town of Gorham's general obligation debt increased by \$1,841,875 or 4.9% as a result of issuing a \$4.99 million bond in March 2015 for a new police station and renovation of the existing public safety building.

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 Governmental-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* – Currently, the Town of Gorham 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-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, School Operations Fund, and Public Safety Capital Project Fund, which are all considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

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

Reporting the Town as a Whole

Net Position

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

	<u>Governmental Activities</u>			
	<u>2015</u>	<u>2014- Restated</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	\$ 29,542,466	23,317,598	6,224,868	26.70%
Capital assets, net	77,723,981	79,679,669	(1,955,688)	-2.45%
Total assets	<u>107,266,447</u>	<u>102,997,267</u>	<u>4,269,180</u>	4.14%
Deferred outflows of resources	<u>1,770,713</u>	<u>1,575,981</u>	<u>194,732</u>	12.36%
Long-term debt outstanding	44,930,338	44,436,263	494,075	1.11%
Other liabilities	7,572,609	7,155,046	417,563	5.84%
Total liabilities	<u>52,502,947</u>	<u>51,591,309</u>	<u>911,638</u>	1.77%
Deferred inflows of resources	<u>1,089,012</u>	<u>-</u>	<u>1,089,012</u>	n/a
Net investment in capital assets	42,226,881	41,744,384	482,497	1.16%
Restricted	3,949,973	3,936,188	13,785	0.35%
Unrestricted	9,268,347	7,301,367	1,966,980	26.94%
Total net position	<u>\$ 55,445,201</u>	<u>52,981,939</u>	<u>2,463,262</u>	4.65%

The increase of \$6,224,868 in the current and other assets category is primarily due to the unspent bond proceeds for the public safety project. The bonds were issued in March 2015.

The Capital Asset disclosure in the notes to the financial statements, see Note 6, shows how the change in capital assets, net change of (\$1,955,688) resulted.

The Long-term Debt disclosure in the notes to the financial statements, see Note 11, shows how the increase in long-term debt outstanding of \$494,075 resulted.

The change in the other liabilities of \$417,563 is primarily due to an increase of \$1,013,608 of performance guarantees and letter of credits of new developments, an increase in accrued wages/benefits of \$126,565, and a decrease in accounts payable of \$726,548.

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

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
Capital assets	\$ 138,112,894	136,281,944	1,830,950	1.34%
Accumulated depreciation	(60,388,913)	(56,602,275)	(3,786,638)	(6.69%)
Deferred charge on refunding	849,937	940,999	(91,062)	(9.68%)
Bonds payable (includes premium)	(41,100,775)	(39,237,510)	(1,863,265)	(4.75%)
Notes payable	(212,574)	(213,650)	1,076	0.50%
Capital leases	(416,060)	(481,939)	65,879	13.67%
Add back unspent bond proceeds	<u>5,382,372</u>	<u>1,056,815</u>	<u>4,325,557</u>	409.30%
Net investment in capital assets	<u>\$ 42,226,881</u>	<u>41,744,384</u>	<u>482,497</u>	1.16%

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

Changes in Net Position

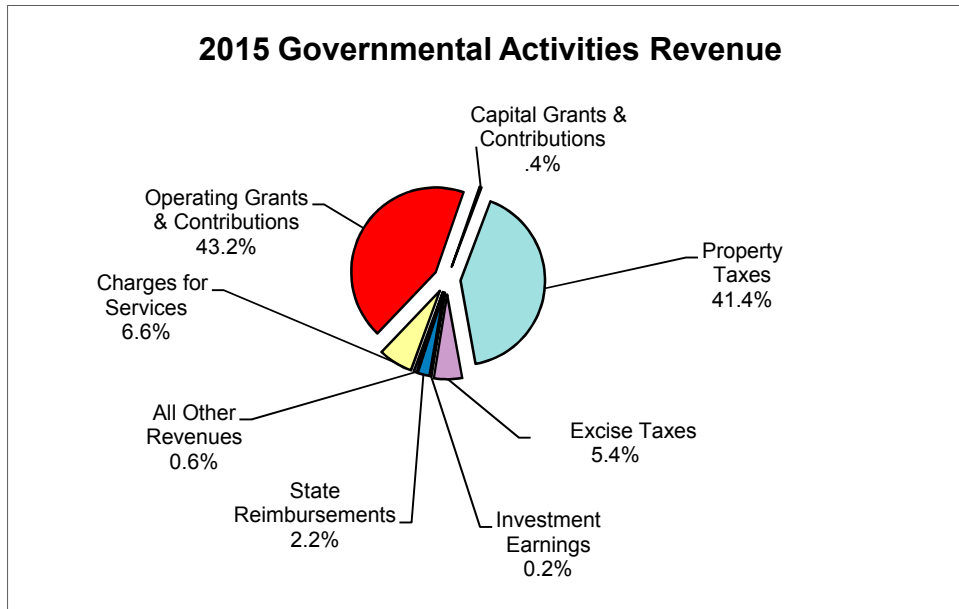
The following is a condensed version of the Statement of Activities.

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
REVENUES				
Program Revenues:				
Charges for services	\$ 3,706,523	4,302,889	(596,366)	(13.86%)
Operating grants and contributions	24,339,847	22,890,431	1,449,416	6.33%
Capital grants and contributions	217,919	1,712,233	(1,494,314)	(87.27%)
General Revenues:				
Property taxes	23,320,184	22,639,056	681,128	3.01%
Payment in lieu of taxes	58,967	59,272	(305)	(0.51%)
Motor vehicle and boat excise taxes	3,034,851	2,860,442	174,409	6.10%
Grants and contributions not restricted to specific programs:				
Homestead exemption	273,442	273,331	111	0.04%
BETE reimbursement	215,861	180,676	35,185	19.47%
Other state aid	40,914	41,730	(816)	(1.96%)
State Revenue Sharing	731,086	784,766	(53,680)	(6.84%)
Unrestricted investment earnings	118,144	91,407	26,737	29.25%
Miscellaneous revenues	262,310	308,262	(45,952)	(14.91%)
Sale of property	2,000	14,918	(12,918)	(86.59%)
Total revenues	56,322,048	56,159,413	162,635	0.29%
EXPENSES				
General government	5,212,457	5,045,971	166,486	3.30%
Public safety	3,893,475	4,181,443	(287,968)	(6.89%)
Public works	5,159,276	5,430,356	(271,080)	(4.99%)
Health and welfare	50,170	121,093	(70,923)	(58.57%)
Recreation	1,648,025	1,616,165	31,860	1.97%
Development	240,827	246,957	(6,130)	(2.48%)
Education	36,435,791	35,457,060	978,731	2.76%
Interest on debt	1,218,765	1,260,694	(41,929)	(3.33%)
Total expenses	53,858,786	53,359,739	499,047	0.94%
Change in net position	2,463,262	2,799,674	(336,412)	12.02%
Net position - beginning, as restated	52,981,939	52,437,871	544,068	1.04%
Net position ending	\$ 55,445,201	55,237,545	207,656	0.38%

* The beginning net position for 2015 has been restated due implementation of GASB #68. The effects on the 2014 column were not able to be determined, and therefore the 2014 column was not restated.

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

The following pie chart shows the sources of revenue for fiscal year 2015.

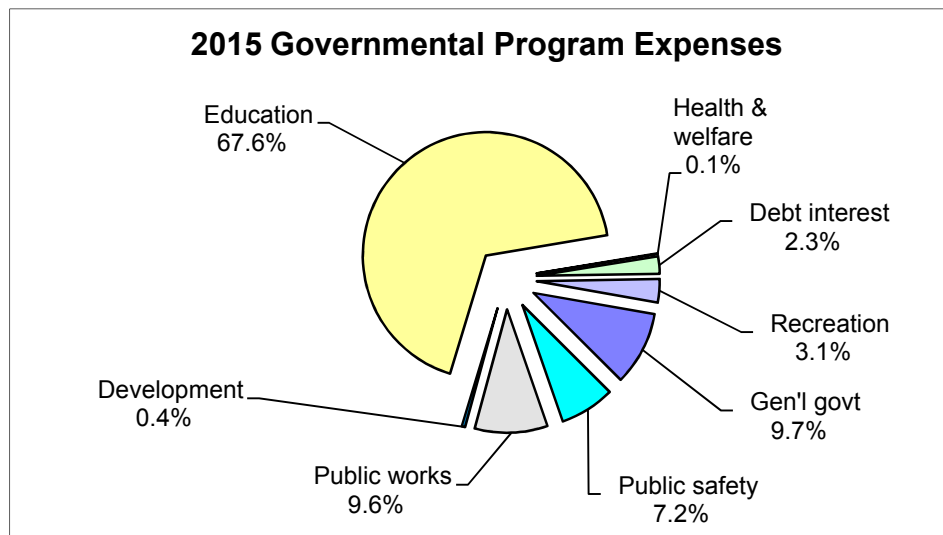


Overall, revenues were up \$162,635 or .3% when compared to fiscal year 2014. There were a number of reasons for the increase in the revenues and they are highlighted below.

Approximately 41.4% of the Town's revenues come from property taxes, while 43.2% comes from operating grants and contributions. Approximately 75.3% of the operating grants and contributions revenue source comes from state aid to education and state construction aid. The operating grants and contributions program revenues were up 6.3% or \$1,449,416 primarily because the Maine Public Employees Retirement System returned approximately \$768,583 that was the Town's overfunded pension before it was consolidated in the state's pension.

The capital grants and contributions were down \$1,494,314 or 87.3% due to the Town only accepting one road from developers during fiscal year 2015 at an estimated cost of \$193,100. This is \$1,511,479 less than the \$1,704,579 of accepted roads received in fiscal year 2014.

The increase in the property tax revenue source of \$681,128 was due to the increase in the mil rate from \$17.30 in fiscal year 2014 to \$17.40 in fiscal year 2015. The following pie chart shows functional expenses for fiscal year 2015.



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

Education makes up 67.6% of the expenses for fiscal year 2015 and had an increase of 2.8% or \$978,731.

The health and welfare expenses are lower than fiscal year 2014 by 58.6% or \$70,923. The primary reason for the decrease is due to the Town contracting out general assistance services to the Town of Windham.

Governmental Activities

The cost of all governmental activities was \$53,858,786. 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. The fiscal year 2015 expenses were a 0.9% increase over fiscal year 2014 expenses or \$499,047.

However, as shown on the Statement of Activities, the amount that the taxpayers of Gorham ended up financing through property taxes was \$23,320,184 or 41.4%, because some of the cost was paid by those who directly benefit from the programs -- \$3,706,523, or by other governments and organizations that subsidized certain programs with operating grants and contributions -- \$24,339,847, and capital grants and contributions -- \$217,919. The Town also received \$4,737,575 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 2015.

As a result of the Governmental activities' revenues of \$56,322,048 exceeding the expenses of \$53,858,786, the Town of Gorham realized an increase in its net position of \$2,463,262. Approximately \$768,583 of the increase can be attributed to the Maine Public Employees Retirement System payment of the Town's overfunded pension before it was consolidated in the state's pension during fiscal year 2015. The Town also received more revenues in excise tax and permits than anticipated.

The Town's Funds

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

General Major Governmental Functions

The following table summarizes the fiscal year 2015 revenues by source for the General Fund with the 2014 information for comparison. Information is from Statement 4.

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues by source:				
Taxes	\$ 26,105,799	25,138,970	966,829	3.85%
Licenses and permits	674,697	691,597	(16,900)	(2.44%)
Intergovernmental	1,646,630	1,707,901	(61,271)	(3.59%)
Charges for services	1,344,673	1,311,440	33,233	2.53%
Other revenues	1,729,478	819,202	910,276	111.12%
Total revenues	\$ 31,501,277	29,669,110	1,832,167	6.18%

General Fund revenues have increased by 6.2% or \$1,832,167 from the fiscal year 2014 amount. Below are some of the reasons for the changes in the revenue sources.

Taxes: In fiscal year 2015, the mil rate increased to \$17.40 from \$17.30. With an increased valuation and mil rate, tax revenue after abatements and supplements was up by \$684,588 when compared to last fiscal year. The change in deferred property taxes was a negative \$7,530. The excise tax revenues were \$174,409 higher than in fiscal year 2014.

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

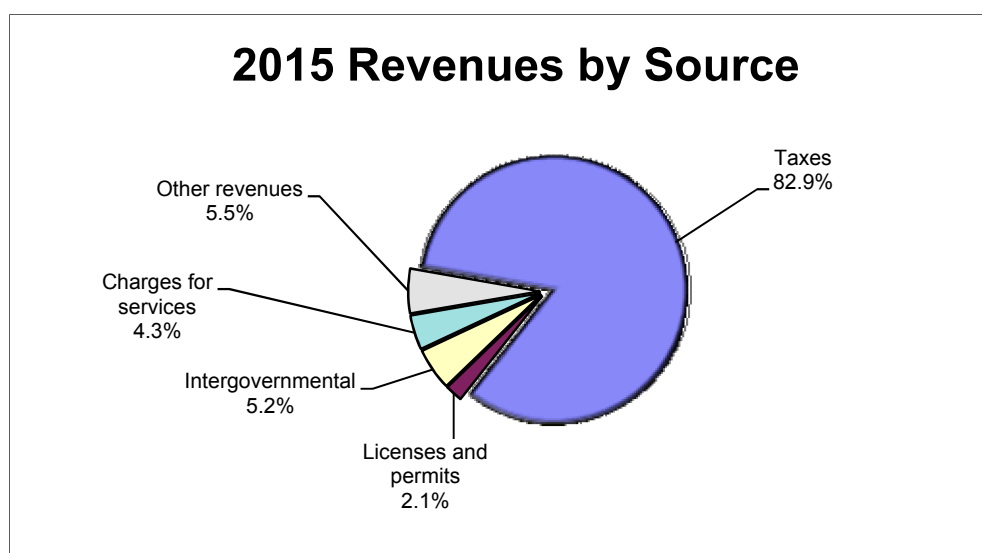
Licenses and permits: The building permit revenues were \$20,933 lower than fiscal year 2014 which can fluctuate year to year depending on if there are any large developments. In fiscal year 2014, the Town had two major developments.

Intergovernmental: The major decrease in fiscal year 2015 is a reduction of \$45,697 in human service assistance which is directly related to the general assistance expenditures. Since our general assistance expenditure has decrease so has the assistance from the state.

Charges for services: In fiscal year 2015, fire and rescue fees increased \$53,488 from fiscal year 2014. This revenue can increase/decrease year to year depending on the number of calls.

Other revenues: The increase in other revenues is that the miscellaneous/miscellaneous unbudgeted revenues were up by \$925,641 from the FY14 actual. The increase in this revenue is a combination of the following revenues that were received in FY15: \$768,583 from the Maine Public Employees Retirement System, \$45,614 from Ecomaine for recycling dividends, \$11,845 for wood that was cleared in the Little Falls multi-purpose field area and \$22,236 in contributions for a new fire memorial.

The following pie chart depicts the General Fund revenues by source for fiscal year 2015.



The following table summarizes the General Fund expenditures by function for fiscal year 2015 with 2014 information for comparison. Information is from Statement 4.

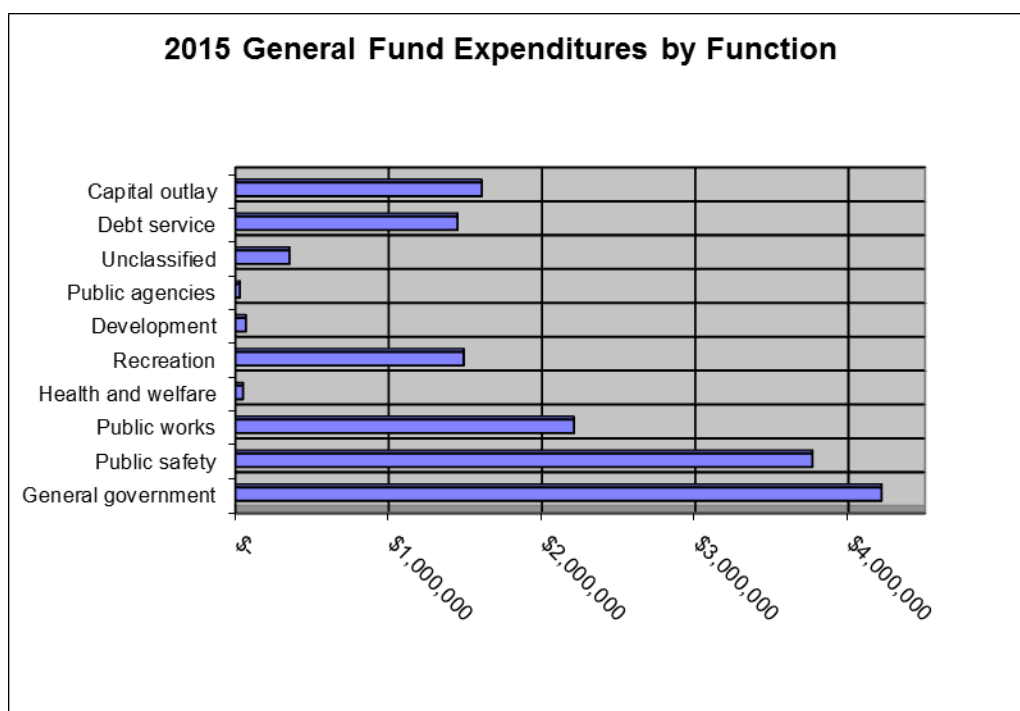
	2015	2014	\$ Change	% Change
Expenditures by function:				
General government	\$ 4,216,477	4,082,567	133,910	3.28%
Public safety	3,765,789	3,708,786	57,003	1.54%
Public works	2,208,716	2,371,880	(163,164)	(6.88%)
Health and welfare	50,170	121,093	(70,923)	(58.57%)
Recreation	1,489,780	1,435,851	53,929	3.76%
Economic development	68,674	73,970	(5,296)	(7.16%)
Public agencies	29,878	30,018	(140)	(0.47%)
Unclassified	353,314	305,397	47,917	15.69%
Debt service	1,449,587	1,388,142	61,445	4.43%
Capital outlay	1,607,298	1,380,083	227,215	16.46%
Total expenditures	\$ 15,239,683	14,897,787	341,896	2.29%

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

The General Fund expenditures increased 2.3% from fiscal year 2014 levels. The largest change was in the capital outlay, which increased by \$227,215 or 16.5%. In fiscal year 2014, \$466,800 was allocated from unassigned fund balance to fund various capital purchases, whereas in fiscal year 2015, the Town allocated \$1,005,423 from unassigned fund balance. Three of the largest projects funded in fiscal year 2015 were as follows: road maintenance projects at \$377,000, Re-chassis Tank 2 and replace pump funded at \$235,000 and replacement of the trackless tractor and dump truck/sander funded at \$315,000.

The large percentage decrease in the health and welfare category of 58.6% was due to a decrease in general assistance claims processed by the Town during fiscal year 2015. This is due to the economy improving, as well as the Town contracting out our general assistance to the Town of Windham.

The following is a graph depicting the General Fund expenditures by function for fiscal year 2015.



The net results of operations in the General Fund for fiscal year 2015 are \$1,168,389, after transfers in of \$329,258 and transfers out of \$15,422,463. The following table summarizes the General Fund's fund balance for fiscal year 2015, with 2014 information for comparison.

	2015	2014	\$ Change	% Change
Fund balance:				
Nonspendable	\$ 300,619	\$ 294,145	6,474	2.20%
Restricted	409,070	353,723	55,347	15.65%
Committed	753,401	479,606	273,795	57.09%
Assigned	4,584,157	3,892,312	691,845	17.77%
Unassigned	6,708,673	6,567,745	140,928	2.15%
Total fund balance	\$ 12,755,920	11,587,531	1,168,389	10.08%

The largest increase is in the assigned fund balance of \$691,845 or 17.8%. This is primarily due to the \$768,583 from the Maine Public Employees Retirement System. The next largest increase is in the committed funds of \$273,795 or 57.1%. This is the result of committed funds from FY2015 not fully expended. For instance \$215,770 of the committed balance of \$249,000 remains committed for the Little-Falls multi-purpose field.

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

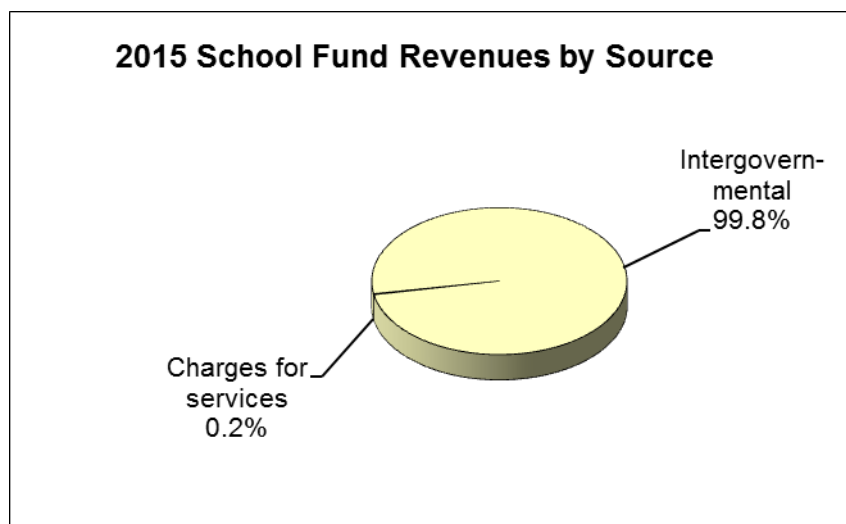
The School's Funds

The following table summarizes the fiscal year 2015 revenues by source for the Special Revenue Fund's School Operations Fund with 2014 information for comparison. The information is from Statement 4.

		<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues by source:					
Intergovernmental	\$	20,824,254	20,718,322	105,932	0.51%
Charges for services		34,928	44,364	(9,436)	(21.27%)
Other		13,519	14,121	(602)	(4.26%)
Total revenues \$		20,872,701	20,776,807	95,894	0.46%

The 0.5% increase in School Operation Fund revenues is primarily from the increase in state education subsidy.

The following is a pie chart depicting the Special Revenue Fund - School Operations Fund revenues by source for fiscal year 2015.



The following table summarizes the School Operations Fund expenditures by function for fiscal year 2015 with 2014 information for comparison. Information is from Statement 4. Following the table, an explanation of the major changes is provided.

		<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
Expenses by function:					
Regular instruction	\$	14,502,362	13,208,011	1,294,351	9.80%
Special education		4,582,763	4,946,313	(363,550)	(7.35%)
CTE instruction		459,353	481,424	(22,071)	(4.58%)
Other instruction		791,183	732,415	58,768	8.02%
Student and staff support		2,296,682	2,394,231	(97,549)	(4.07%)
System administration		981,911	828,497	153,414	18.52%
School administration		1,796,705	1,781,165	15,540	0.87%
Transportation		1,772,575	1,963,193	(190,618)	(9.71%)
Facilities maintenance		3,299,969	3,015,600	284,369	9.43%
Adult education		237,379	230,959	6,420	2.78%
Maine PERS on-behalf payments		2,505,712	2,433,426	72,286	2.97%
Debt service		2,928,749	3,573,705	(644,956)	(18.05%)
Total expenses \$		36,155,343	35,588,939	566,404	1.59%

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

The School Operations Fund's expenditures are 1.6% or \$566,404 more than fiscal year 2014. The increase is due to an increase in wages and benefits due to contractual obligations.

The net results of operations for fiscal year 2015 are \$245,056, after transfers in of \$15,422,463, transfer out of \$30,973 and capital lease proceeds of \$136,208. The following table summarizes the School Operation Fund's fund balance for fiscal year 2015 with 2014 information for comparison.

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
Fund balance:				
Unassigned	\$ (598,563)	(843,619)	245,056	29.05%
Total fund deficit	\$ (598,563)	(843,619)	245,056	29.05%

During the development of the fiscal year 2016 budget, the School Board authorized the use of budgetary fund balance in the amount of \$350,000 to help balance the fiscal year 2016 budget. The school also had \$231,676 assigned to encumbrances. These assigned amounts are reflected in unassigned fund balance since the school has a deficit in fund balance due to the school not funding summer salaries, which is required by GAAP.

The Capital Project Funds

The following table summarizes the fiscal year 2015 revenues by source for the Capital Project Fund's Public Safety Building Project with 2014 information for comparison. The information is from Statement 4.

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
Revenue by source:				
Investment income	\$ 1,049	-	1,049	n/a
Total revenues	\$ 1,049	-	1,049	n/a

During fiscal year 2015, with the issuance of bonds in March 2015 and the investment of the unspent bond proceeds, the project was able to earn interest during the last quarter of the fiscal year amounting to \$315 with the remaining investment income coming from accrued interest on the bond sale.

The following table summarizes the Public Safety Building Capital Projects Fund expenditures by function for fiscal year 2015 with 2014 information for comparison. Information is from Statement 4.

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
Expenditures by function:				
Capital improvements	\$ 316,789	-	316,789	n/a
Total expenditures	\$ 316,789	-	316,789	n/a

Construction on the public safety building began in July 2015 and will continued through fiscal year 2016. The fiscal year 2015 expenditures reflects the engineering cost of the public safety building.

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

The net results of operations for fiscal year 2015 are \$4,823,303, after bond proceeds of \$4,990,000 and a premium of \$149,043. The following table summarizes the Public Safety Building Capital Projects Fund's fund balance for fiscal year 2015 with 2014 information for comparison.

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
Fund balance:				
Restricted	<u>\$ 4,823,303</u>	<u>-</u>	<u>4,823,303</u>	n/a
Total fund balance	\$ 4,823,303	-	\$ 4,823,303	n/a

General Fund Budgetary Highlights

The Town continues to meet its responsibilities for sound financial management. As shown in Statement 6, actual revenues exceed budgeted revenues by \$2,785,785, while actual expenditures exceed budgeted appropriations by \$829,448. This resulted in a positive net effect of \$1,956,337. After transfers and changes in encumbrances, the net change in fund balance was \$1,168,389.

The unassigned fund balance at \$6,708,673 is a healthy figure and represents 13.6% of the total general fund and School Operations Fund budgeted appropriations for FY2016. The goal of the Town's fund balance policy is to maintain a General Fund and Special Revenue Fund (School Operations Fund) unassigned fund balance of at least 8.5% of the yearly School, Town, and Cumberland County appropriations. However, when the School Operations Fund's deficit balance of (\$1,180,239) is factored in the percentage drops to 11.2%. The Town's management anticipates that during the FY2017 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 2014-2015 was \$48,540,850 and there were no adjustments made to the original budget during fiscal year 2015.

Capital Asset and Debt Administration

Capital Assets

During the fiscal year 2015, the Town invested \$2,287,859 in a broad range of capital assets. The following chart identifies the assets that were added during fiscal year 2015 (including the construction in progress projects – Gorham Rail Trail Project, and Gorham High School Expansion and Renovation, Chick Property-Baseball field, Little Falls Recreation Master Plan, and Little Falls School Renovation and Public Safety feasibility study).

			Category	Category Total
Land	General Gov't	Land, Map 12, Lot 17-7 (New Portland Road)	\$ 1,669	1,669
Land improvements	Recreation	Construction in Progress – Chick Property-Baseball Field	10,679	87,576
		Construction in Progress – Little Falls Recreation Master Plan	3,665	
		Construction in Progress – Little Falls Multi-Purpose Field	33,230	
		Resurfaced Basketball/Tennis Courts at Little Falls Rec Area	40,002	

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

Buildings and building improvements			
Public Safety	Construction in Progress – Public Safety Feasibility Study	\$ 14,926	
	Construction in Progress – Public Safety Building	316,790	
Recreation	Little Falls Activity Center Heating Renovation	496,300	
			828,016
Machinery and equipment			
Public Works	2015 Trackless MT6 Tracker	139,281	
Public Safety	2014 Zoll X Series Heart Monitor/Defibrillator	32,988	
	2014 Zoll X Series Heart Monitor/Defibrillator	32,988	
Education	Mobile Rotary Truck Lifts	17,862	
	Gorham High School Outdoor Bleachers	24,231	
			247,350
Furniture and office equipment			
General Gov't	E Studio 3055C Color Copier	5,994	
	Security Camera's @ Municipal Center	33,269	
Education	Village School Office & Conference Room Furniture	13,135	
	Convert any DMP Controlled Doors to Ccure 9000	100,035	
	Gorham High School Cafeteria Booth Seating	30,770	
			183,203
Computer Equipment			
General Gov't	Dell Poweredge R720XD Server for Security Cameras	10,981	
Recreation	Livestream 5-Input Live Production Switcher	8,210	
	Livestream Studio Surface Core w/Monitor	6,320	
			25,511
Vehicles			
Public Safety	Police - 2015 Ford Police Interceptor	30,631	
	Police - 2015 Ford Explorer	34,113	
	Police – 2015 Ford Explorer	36,307	
	Fire – 2015 International 7600 SBA Tank #2	239,840	
Public Works	2015 GMC 2500HD Pick Up	39,231	
	2015 International Plow Truck	113,637	
Recreation	2015 GMC TG33803 Bus	57,575	
Education	2015 GMC 2500HD Sierra with Plow	32,172	
	2015 Chevrolet Mid Bus DE 416WR	51,767	
	2015 IC Corporation – CE Bus	84,441	
			719,714
Infrastructure			
	Accepted roads	193,100	
	Construction in progress – Little Falls Sidewalk Project	1,720	
			194,820
Total Assets Added During FY2015			\$ 2,287,859

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

During fiscal year 2015, 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 – 2008 Ford Crown Victoria	\$21,833
	General Gov't – 2010 Ford Crown Victoria	22,923
	Public Works – 2010 Ford Crown Victoria	22,923
	Public Safety – 2008 Ford Crown Victoria	(21,833)
	Public Safety – 2010 Ford Crown Victoria	(22,923)
	Public Safety – 2010 Ford Crown Victoria	(22,923)
Machinery & Equipment	Recreation -School Playground Equipment	28,949
	Education – School Playground Equipment	(28,949)
Furniture & Office Equipment	General Gov't – T351C Digital Color Copier	(7,071)
	Recreation – T351C Digital Color Copier	7,071

The depreciation expense for 2015 was \$4,137,899.

The following is a summary of the Town of Gorham's capital assets, net of depreciation. This amount represents a net decrease (including additions and deductions) of \$1,953,353 or 2.5% under last fiscal year.

Capital Assets
(Net of depreciation)

	2015	2014	\$ Change	% Change
Land	\$ 2,274,646	2,272,977	1,669	0.07%
Books/historical treasures/artwork	1,429,837	1,429,837	-	0.00%
Construction in progress	522,942	145,632	377,310	259.08%
Land improvements	6,315,680	6,623,565	(307,885)	(4.65%)
Buildings and building improvements	37,495,017	38,826,069	(1,331,052)	(3.43%)
Machinery and equipment	1,042,833	976,977	65,856	6.74%
Furniture and office equipment	948,514	991,590	(43,076)	(4.34%)
Computer equipment	50,019	54,722	(4,703)	(8.59%)
Vehicles	3,785,766	3,656,832	128,934	3.53%
Infrastructure	23,858,727	24,701,468	(842,741)	(3.41%)
Totals \$	77,723,981	79,679,669	(1,955,688)	(2.45%)

The Town has appropriated \$220,000 in fiscal year 2016 for the following capital expenditures: two police cruisers, third lease payment for excavator, and funds for road maintenance work.

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

Additionally, the Council allocated \$1,130,012 from unassigned fund balance, which was in excess of the 8.5% fund balance policy for the following purposes:

- \$37,000 to install fiber network in public safety complex and Narragansett School
- \$42,000 to replace 7 air pack breathing units
- \$11,000 to fund MS4 stormwater program
- \$201,000 to replace 1993 John Deere loader and purchase a snow plow and wing
- \$16,200 to replace 22 ballistic vests in Police Department
- \$2,500 to purchase 21 Blauer vest carriers in Police Department
- \$17,650 to purchase Watch Guard digital cruiser video server and wireless connector
- \$9,000 to provide full access to Spillman and DMV databases
- \$42,000 to replace 14 year old ¾ ton pickup truck and plow at Public Works
- \$38,000 to replace Fire Chief's 14 year old vehicle
- \$38,500 to replace 16 year old ¾ ton pickup truck for Recreation
- \$15,000 to purchase internet based HVAC control system for the Baxter Memorial Library
- \$3,880 to replace intrusion control system panel at Baxter Memorial Library
- \$10,000 to pave driveway at Little Falls Activity Center
- \$4,000 to install a backflow preventer and parking space markings at the Little Falls Activity Center
- \$26,400 to replace obsolete energy management software
- \$14,056 to install security cameras at Baxter Memorial Library
- \$15,000 to replace lights with energy efficient lights
- \$65,000 to update video system in the council chambers
- \$520,000 to provide funds for road maintenance projects
- \$1,826 to be allocated at a later date by the Town Council

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

Debt Administration

As of June 30, 2015, the Town had a total of \$39,760,305 of outstanding general obligation debt. The Town's outstanding general obligation bonds as of June 30, 2015 are \$1,841,875 more than last fiscal year – an increase of 5.0%.

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 2.71% of the State's equalized value.

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

Economic Factors and Next Year's Budget and Tax Rates

One of the Town Council's approved goals was to develop a budget that maintained essential services while having a reasonable property tax rate which is certainly a challenge. The Town has done well with keeping this goal. The last four budgets (excludes School's budget and the proposed budget for 2015-16) have increased spending by 4%. This compares to the 4-year rate of inflation, as measured by the CPI-U from January 1, 2011 to December 31, 2014, of 4%.

The Town's assessed value ratio as of April 1, 2015 is 100%; an increase from the April 1, 2014 assessed value ratio and well above the State required 70%.

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

The total assessed value as of April 1, 2015, is \$1,540,655,708; an increase of \$170,364,708 or 12.4% from the prior year, while the taxable value increased \$162,900,300 from \$1,342,175,000 to \$1,505,075,300. The Town of Gorham's tax rate decreased to \$16.30, which decreased by \$1.10 from fiscal year 2014. The increase in assessed and taxable values is due to a revaluation of the properties in the Town of Gorham. This resulted in a tax rate decrease from \$17.40 to \$16.30.

The following are some of highlights of the Town's fiscal year 2015-2016 budget.

1. The State Revenue Sharing revenues in this budget year remained the same as FY2014-2015 budget. Under Maine law, the Town of Gorham should receive approximately \$1.6 million in revenue sharing instead of \$715,000. This additional \$774,000 would reduce the tax rate by 65 cents.
2. Debt Principal is up 22.4% and Debt Interest is up 38.9%, reflecting the added debt from the \$4.99 million bond to pay for the Public Safety building project.
3. Funds were added to the Police Station budget with the assumption that it will be open in January 2016. This resulted in a \$27,300 increase in the budget.

The Education fiscal year 2015-2016 budget shows an increase in state subsidy of \$389,917 over the prior fiscal year's budget. The fiscal year 2015-2016 budget includes \$70,000 for social worker/substance abuse counselor for grades 4-8 and \$48,000 for student device storage for grades 2-5.

The Town's municipal appropriation is \$13,156,141; an increase of \$707,531 or 5.7% from FY 2015. An increase in non-property tax revenue of \$225,050 and an increase in the transfer in from the TIF fund of \$3,274 resulted in a net appropriation of \$7,064,072; an increase of \$479,207 or 7.3%.

The Town's education budget is \$35,074,530; an increase of \$922,390 or 2.7%. The School Department saw an increase in non-property tax revenue of \$309,479, and a decrease in the use of fund balance of \$11,313. The net education appropriation for FY16 is \$16,036,686; an increase of \$624,224 or 4.1%.

The County tax assessment increased by \$63,292, or 6.8%. The Town's state equalized valuation went from \$1,420,400,000 in 2014 to \$1,467,850,000 in 2015; a 3.3% increase.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and 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 Finance Department, at the Town, 75 South Street, Gorham, Maine 04038.

BASIC FINANCIAL STATEMENTS

TOWN OF GORHAM, MAINE
Statement of Net Position
June 30, 2015

	Governmental Activities
ASSETS	
Cash	\$ 14,576,650
Investments	7,260,622
Receivables:	
Accounts	1,517,111
Intergovernmental	728,827
Rescue (net of allowance of \$158,000)	293,879
Taxes - current year	700,399
Taxes - prior year	47,477
Tax liens	289,573
Notes	172,790
Tax acquired property	35,132
Performance bonds	3,588,401
Inventory	103,514
Prepaid expenses	228,091
Capital assets not being depreciated:	
Books/historical treasures/artwork	1,429,837
Land	2,274,646
Construction in progress	522,942
Capital assets net of accumulated depreciation:	
Buildings and improvements	37,495,017
Improvements other than buildings	6,315,680
Machinery and equipment	5,827,132
Infrastructure	23,858,727
Total assets	107,266,447
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	849,937
Deferred outflows of resources related to pensions	920,776
Total deferred outflows of resources	1,770,713
LIABILITIES	
Accounts payable	737,115
Accrued wages and benefits	2,553,123
Performance bond deposits	4,254,277
Unearned revenues	28,093
Noncurrent liabilities:	
Due within one year	3,734,159
Due in more than one year	41,196,180
Total liabilities	52,502,947
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	1,089,012
Total deferred inflows of resources	1,089,012
NET POSITION	
Net investment in capital assets	42,226,881
Restricted for:	
Grants and programs	2,833,768
Permanent funds:	
Expendable	211,103
Nonexpendable	905,102
Unrestricted	9,268,347
Total net position	\$ 55,445,201

See accompanying notes to basic financial statements.

TOWN OF GORHAM, MAINE
Statement of Activities
For the Year Ended June 30, 2015

For the year ended June 30, 2020					Net (expense) revenue and changes in net position
Functions/programs	Expenses	Program Revenues			Primary Governmental activities
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Primary government:					
Governmental activities:					
General government	\$ 5,212,457	710,554	414,007	1,675	(4,086,221)
Public safety	3,893,475	635,994	198,500	-	(3,058,981)
Public works	5,159,276	1,522,571	306,138	199,546	(3,131,021)
Health and welfare	50,170	9,848	10,768	-	(29,554)
Recreation	1,648,025	792,628	179,970	16,698	(658,729)
Development	240,827	-	-	-	(240,827)
Education	36,435,791	34,928	23,230,464	-	(13,170,399)
Interest on debt	1,218,765	-	-	-	(1,218,765)
Total governmental activities	53,858,786	3,706,523	24,339,847	217,919	(25,594,497)
Total primary government	53,858,786	3,706,523	24,339,847	217,919	(25,594,497)
General revenues:					
Property taxes, levied for general purposes					23,320,184
Payment in lieu of taxes					58,967
Motor vehicle and boat excise taxes					3,034,851
Grants and contributions not restricted to specific programs:					
Homestead exemption					273,442
BETE reimbursement					215,861
Other State aid					40,914
State Revenue Sharing					731,086
Unrestricted investment earnings					118,144
Miscellaneous revenues					262,310
Gain on sale of property					2,000
Total general revenues					28,057,759
Change in net position					2,463,262
Net position - beginning, as restated					52,981,939
Net position - ending					\$ 55,445,201

See accompanying notes to basic financial statements.

TOWN OF GORHAM, MAINE
Balance Sheet
Governmental Funds
June 30, 2015

	General	School Operations Fund	Public Safety Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 9,142,151	-	4,846,909	587,590	14,576,650
Investments	6,041,782	-	-	1,218,840	7,260,622
Receivables:					
Accounts	1,274,504	1,000	-	241,607	1,517,111
Intergovernmental	-	31,335	-	697,492	728,827
Rescue (net of allowance of \$158,000)	293,879	-	-	-	293,879
Taxes - current year	700,399	-	-	-	700,399
Taxes - prior year	47,477	-	-	-	47,477
Tax liens	289,573	-	-	-	289,573
Notes	2,228	-	-	170,562	172,790
Interfund loans receivable	-	1,873,326	-	2,277,938	4,151,264
Tax acquired property	35,132	-	-	-	35,132
Performance bonds	3,588,401	-	-	-	3,588,401
Inventory	70,300	-	-	33,214	103,514
Prepaid expenditures	228,091	-	-	-	228,091
Total assets	\$ 21,713,917	1,905,661	4,846,909	5,227,243	33,693,730
LIABILITIES					
Accounts payable	275,586	117,772	-	42,588	435,946
Accrued wages and benefits	166,671	2,386,452	-	-	2,553,123
Interfund loans payable	3,530,693	-	23,606	602,149	4,156,448
Performance bond deposits	4,254,277	-	-	-	4,254,277
Unearned revenues	-	-	-	28,093	28,093
Total liabilities	8,227,227	2,504,224	23,606	672,830	11,427,887
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	730,770	-	-	-	730,770
Total deferred inflows of resources	730,770	-	-	-	730,770
FUND BALANCES					
Nonspendable:					
Noncurrent receivables	2,228	-	-	170,562	172,790
Prepaid items	228,091	-	-	-	228,091
Nonexpendable trust principal	-	-	-	905,102	905,102
Inventory	70,300	-	-	33,214	103,514
Restricted:					
General fund	409,070	-	-	-	409,070
Special revenue funds	-	-	-	2,424,698	2,424,698
Capital projects funds	-	-	4,823,303	559,069	5,382,372
Permanent funds	-	-	-	211,103	211,103
Committed:					
General fund	753,401	-	-	-	753,401
Special revenue funds	-	-	-	177,822	177,822
Capital projects funds	-	-	-	68,825	68,825
Assigned:					
FY15 capital funding	1,130,012	-	-	-	1,130,012
Compensated absences	396,688	-	-	-	396,688
Future general fund expenditures	256,426	-	-	-	256,426
Capital reserves	2,801,031	-	-	-	2,801,031
Special revenue funds	-	-	-	9,527	9,527
Unassigned:					
General fund	6,708,673	-	-	-	6,708,673
Special revenue funds	-	(598,563)	-	(5,509)	(604,072)
Total fund balances (deficit)	12,755,920	(598,563)	4,823,303	4,554,413	21,535,073
Total liabilities, deferred inflows of resources and fund balances	\$ 21,713,917	1,905,661	4,846,909	5,227,243	33,693,730

TOWN OF GORHAM, MAINE
Balance Sheet
Governmental Funds
June 30, 2015

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	\$	21,535,073
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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.		849,937
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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	4,227,425	
Depreciable capital assets, net	73,496,556	77,723,981

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

General obligation bonds	39,760,305	
Bond premium	1,340,470	
Notes payable	212,574	
Capital leases	416,060	
Net pension liability, including related deferred inflows and outflows of resources	1,617,877	
Compensated absences	1,004,685	
Accrued interest payable	295,985	
Other postemployment benefits	746,604	(45,394,560)

Unavailable revenues - property taxes not reported on Statement 1		730,770
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Net position of governmental activities	\$	55,445,201
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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, 2015

	General	School Operations Fund	Public Safety Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 26,105,799	-	-	323,437	26,429,236
Licenses and permits	674,697	-	-	-	674,697
Intergovernmental	1,646,630	20,824,254	-	2,034,470	24,505,354
Charges for services	1,344,673	34,928	-	1,081,736	2,461,337
Other revenues	1,729,478	13,519	1,049	306,748	2,050,794
Total revenues	31,501,277	20,872,701	1,049	3,746,391	56,121,418
Expenditures:					
Current:					
General government	4,216,477	-	-	-	4,216,477
Public safety	3,765,789	-	-	-	3,765,789
Public works	2,208,716	-	-	1,106,148	3,314,864
Health and welfare	50,170	-	-	-	50,170
Recreation	1,489,780	-	-	24,906	1,514,686
Economic development	68,674	-	-	-	68,674
Public agencies	29,878	-	-	-	29,878
Unclassified	353,314	-	-	180,826	534,140
Education:					
Regular instruction	-	14,502,362	-	-	14,502,362
Special education	-	4,582,763	-	-	4,582,763
CTE instruction	-	459,353	-	-	459,353
Other instruction	-	791,183	-	-	791,183
Student and staff support	-	2,296,682	-	-	2,296,682
System administration	-	981,911	-	-	981,911
School administration	-	1,796,705	-	-	1,796,705
Transportation	-	1,772,575	-	-	1,772,575
Facilities maintenance	-	3,299,969	-	-	3,299,969

TOWN OF GORHAM, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2015

	General	School Operations Fund	Public Safety Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Expenditures, continued:					
Current:					
Education:					
Maine PERS on-behalf payments	\$ -	2,505,712	-	-	2,505,712
Adult education	-	237,379	-	-	237,379
Grants and other special uses	-	-	-	1,160,691	1,160,691
Food services	-	-	-	886,847	886,847
Debt service:					
Principal	1,093,125	2,055,000	-	-	3,148,125
Interest and other charges	356,462	873,749	-	-	1,230,211
Capital maintenance	827,997	-	-	-	827,997
Capital improvements	779,301	-	316,789	499,439	1,595,529
Total expenditures	15,239,683	36,155,343	316,789	3,858,857	55,570,672
Excess (deficiency) of revenues over (under) expenditures	16,261,594	(15,282,642)	(315,740)	(112,466)	550,746
Other financing sources (uses):					
Capital lease proceeds	-	136,208	-	-	136,208
Bond proceeds	-	-	4,990,000	-	4,990,000
Bond premium	-	-	149,043	-	149,043
Transfers in	329,258	15,422,463	-	32,503	15,784,224
Transfers out	(15,422,463)	(30,973)	-	(330,788)	(15,784,224)
Total other financing sources (uses)	(15,093,205)	15,527,698	5,139,043	(298,285)	5,275,251
Net change in fund balances	1,168,389	245,056	4,823,303	(410,751)	5,825,997
Fund balances (deficit), beginning of year	11,587,531	(843,619)	-	4,965,164	15,709,076
Fund balances (deficit), end of year	\$ 12,755,920	(598,563)	4,823,303	4,554,413	21,535,073

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, 2015

Net change in fund balances - total governmental funds (from Statement 4)	\$ 5,825,997
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 (\$4,137,899) and loss on disposal (\$105,648) exceeded capital outlays (\$2,287,859) in the current period. (Note 6)	(1,955,688)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	7,530
Bond, note and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. (Note 10)	(1,774,920)
The Town is amortizing the deferred charge on refunding and the issuance premium over the life of the refunding bond.	(112,452)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. More specifically, this represents the change in long-term accrued compensated absences. (Note 10)	(28,706)
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 other post employment benefits liability. (Note 10)	(110,007)
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.	(26,221)
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. (Note 10)	637,729
Change in net position of governmental activities (see Statement 2)	\$ 2,463,262

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, 2015

		General Fund			
		Budgeted amounts			Variance with final budget positive (negative)
		Original	Final	Actual	
Revenues:					
Taxes	\$	25,143,786	25,143,786	26,105,799	962,013
Licenses and permits		534,350	534,350	674,697	140,347
Intergovernmental		1,597,719	1,597,719	1,646,630	48,911
Charges for services		1,306,629	1,306,629	1,344,673	38,044
Other revenues		133,008	133,008	1,729,478	1,596,470
Total revenues		28,715,492	28,715,492	31,501,277	2,785,785
Expenditures:					
Current:					
General government		2,325,359	2,346,811	2,292,561	54,250
Public safety		3,754,822	3,770,612	3,683,130	87,482
Public works		2,279,144	2,293,164	2,274,565	18,599
Health and welfare		98,900	98,900	50,170	48,730
Recreation		791,967	799,622	1,481,598	(681,976)
Economic development		65,843	67,218	68,674	(1,456)
Insurances and employee benefits		2,015,295	2,018,795	1,922,327	96,468
Public agencies		30,650	30,650	29,878	772
Unclassified		241,289	177,497	358,370	(180,873)
Capital		1,335,223	1,335,223	1,607,298	(272,075)
Debt service		1,450,218	1,450,218	1,449,587	631
Total expenditures		14,388,710	14,388,710	15,218,158	(829,448)
Excess of revenues over expenditures		14,326,782	14,326,782	16,283,119	1,956,337
Other financing sources (uses):					
Utilization of prior year unassigned fund balance		1,005,423	1,005,423	-	(1,005,423)
Transfers to special revenue -					
School Operations		(15,412,463)	(15,412,463)	(15,422,463)	(10,000)
Transfers in special revenue -					
TIF		80,258	80,258	80,258	-
Impact Fees		-	-	249,000	249,000
Total other financing uses		(14,326,782)	(14,326,782)	(15,093,205)	(766,423)
Excess of revenues and other financing sources over expenditures and other financing uses - budgetary basis		-	-	1,189,914	1,189,914
Reconciliation to GAAP basis:					
Change in encumbrances				(21,525)	
Net change in fund balance				1,168,389	
Fund balance, beginning of year				11,587,531	
Fund balance, end of year		\$		12,755,920	

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, 2015

Budgeted Special Revenue Funds				
School Operations Fund				
	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 18,350,192	18,350,192	18,318,542	(31,650)
Charges for services	61,000	61,000	34,928	(26,072)
Other revenues	10,000	10,000	13,519	3,519
Total revenues	18,421,192	18,421,192	18,366,989	(54,203)
Expenditures:				
Current:				
Regular instruction	14,296,307	14,256,279	14,256,279	-
Special education	5,534,519	5,257,791	4,661,243	596,548
CTE instruction	459,353	459,353	459,353	-
Other instruction	755,869	791,015	791,015	-
Student and staff support	2,286,171	2,354,348	2,349,968	4,380
System administration	856,313	992,060	992,060	-
School administration	1,794,002	1,803,230	1,803,230	-
Transportation	1,772,623	1,697,381	1,647,271	50,110
Facilities maintenance	3,208,463	3,352,163	3,344,712	7,451
Adult education	259,771	259,771	237,379	22,392
Debt service	2,928,749	2,928,749	2,928,749	-
Total expenditures	34,152,140	34,152,140	33,471,259	680,881
Deficiency of revenues under expenditures	(15,730,948)	(15,730,948)	(15,104,270)	626,678
Other financing sources (uses):				
Use of surplus	361,311	361,311	-	(361,311)
Transfers in general fund	15,400,610	15,400,610	15,422,463	21,853
Transfers to other funds	(30,973)	(30,973)	(30,973)	-
Total other financing sources	15,730,948	15,730,948	15,391,490	(339,458)
Excess of revenues and other financing sources over expenditures and other financing uses - budgetary basis	-	-	287,220	287,220
Reconciliation to GAAP basis:				
Change in accrued payroll			(81,550)	
Change in encumbrances			39,386	
Net change in fund balance			245,056	
Fund balance (deficit), beginning of year			(843,619)	
Fund balance (deficit), end of year	\$		(598,563)	

See accompanying notes to basic financial statements.

TOWN OF GORHAM, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Agency Funds	Scholarships Private-purpose Trust Funds
ASSETS		
Cash	\$ 394,031	-
Investments	-	44,373
Interfund receivable	5,934	150
Total assets	399,965	44,523
LIABILITIES		
Due to others	399,965	-
Interfund payable	-	900
Total liabilities	399,965	900
NET POSITION		
Held in trust	\$ -	43,623

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, 2015

	Scholarships Private-purpose Trust Funds
Additions:	
Investment income	\$ 28
Donations	250
Total additions	278
Deductions:	
Scholarships awarded	1,000
Total deductions	1,000
Change in net position	(722)
Net position, beginning of year	44,345
Net position, end of year	\$ 43,623

See accompanying notes to financial statements.

TOWN OF GORHAM, MAINE
Notes to Basic Financial Statements
For the year ended June 30, 2015

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, 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 *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 and the School Operations Fund, (a special revenue fund whose revenues sources consist primarily of taxes and governmental grants), are the Town's primary operating funds. They account for all financial resources of the general government and education, except those required to be accounted for in another fund.

The Public Safety Building Capital Project Fund is another governmental fund being reported as major for fiscal year 2015. This fund accounts for the bond revenues and related expenditures for the construction of the Public Safety Building.

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 nor 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, and donated commodities; and trash bags, compost bins, and lock boxes are recorded as expenditures/expenses when purchased rather than when consumed. The cost of gas and diesel is recorded as expenditures/expenses when consumed rather than when purchased.

H. 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 fair market 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-paks, and certain computer equipment.

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.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 & 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.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has 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 outflows relate to the net pension liability, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item recognized on the fund financial statements, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other deferred inflows relate to the net pension liability, which is reported on the statement of net position for the governmental activities. These include the differences between expected and actual experience and changes in proportion and differences between Town contributions and proportionate share of contributions, which is deferred and amortized over the average, expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

J. 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.

K. 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.

L. 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.

M. 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

N. New Pronouncements

Beginning with the fiscal year ended June 30, 2015, the Town has implemented the following Statements of Governmental Accounting Standards Board: Statement No. 68 – Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27.

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 amounts and likewise would be required to modify or rescind those commitments, which is accomplished through a Town Council vote. For assigned fund balance amounts, the Town Council or Town Manager may assign unspent budgeted amounts to specific purposes in the General Fund at 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.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The General Fund unassigned fund balance total of \$6,708,673 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 (\$598,563) and (\$5,509), respectively, as shown on Statement 3.

As of June 30, 2015, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Noncurrent receivable	\$ 2,228	-	-	-
Prepaid items	228,091	-	-	-
Inventory	70,300	-	-	-
FY15 capital funding	-	-	-	1,130,012
Encumbrances	-	-	-	256,426
Compensated absences	-	-	-	396,688
Capital reserves	-	409,070	753,401	2,801,031
Public Safety Capital Project Fund:				
Public safety building	-	4,823,303	-	-
Special Revenue Funds:				
School grants	-	124,365	-	-
School Lunch Fund:				
Inventory	33,214	-	-	-
Food services	-	79,863	-	-
Sewer operations	-	1,145,027	-	-
Impact fee	-	656,955	-	-
Library	-	19,756	-	7,554
Recreation	-	5,223	-	-
TIF Fund:				
Noncurrent receivable	170,562	-	-	-
TIFs	-	380,836	176,938	-
Miscellaneous	-	12,673	884	1,973
Capital Project Funds:				
Elementary school project	-	145,880	-	-
Fire Trucks	-	8,603	-	-
Little Falls School renovation	-	1,598	-	-
Bonded road projects	-	402,988	-	-
High School Expansion	-	-	29,780	-
Various school projects	-	-	39,045	-
Permanent Funds:				
Nonexpendable trust principal	905,102	-	-	-
Expendable trust principal	-	211,103	-	-
Total governmental funds	\$ 1,409,497	8,427,243	1,000,048	4,593,684

(See NOTE 17, COMPONENTS OF FUND BALANCES)

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 (SETP 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.

Q. 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 18, 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, 2015, expenditures exceeded appropriations in the following General Fund departments as shown on Statement 6:

Recreation	\$ 681,976
Economic development	1,456
Unclassified	180,873
Capital	272,075

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

Note 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, Continued

The recreation function overage is due to the unbudgeted expenditures related to the various Recreation Department programs that are offset by corresponding program fees. These programs are all self-supporting and are not included as part of the Town's budget.

The economic development overage is due to the budget not factoring in the landscaping that was done for the Gorham Industrial Park sign area.

The unclassified function overage is due to the unbudgeted expenditures related to the Town's various carry-forward accounts that are offset by revenues and balance transfers. These carry-forward accounts are not included as part of the Town's budget.

The capital function overage is due to the unbudgeted expenditures related to the Town's various capital reserve accounts. These capital reserve accounts are not included as part of the Town's budget and primarily funded through year end transfers and allocation of unassigned fund balance per the Town's fund balance policy.

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 (\$598,563) at June 30, 2015. This is due primarily to variations between the budgetary and GAAP methods of accounting for summer teachers' payroll. See Note 18, BUDGETARY VS. GAAP ACCOUNTING.

The Middle School Project Fund has a deficit fund balance of (\$344) at June 30, 2015. This is due primarily to this project being slightly over expended, and this fund will need to be reimbursed by the General Fund in the future.

Note 3 – 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, 2015.

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.

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

Note 3 – RISK MANAGEMENT, Continued

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, 2015. 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, 2015, the balance in this reserve account was \$31,500.

Note 4 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2015, cash consisted of the following:

	<u>Carrying amount</u>	<u>Bank balance</u>
Checking, savings, NOW, and certificates of deposit accounts:		
Government Funds	\$ 14,573,820	14,976,809
Agency Funds	394,031	415,088
Petty Cash - governmental funds	1,065	-
Postage machine balance – governmental funds	1,765	-
Totals	<u>\$ 14,970,681</u>	<u>\$ 15,391,897</u>

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, 2015, none of the Town's bank balances of \$15,391,897 was exposed to custodial credit risks. The Town changed from repurchase agreements to a demand deposit marketplace in which all of our funds are FDIC insured.

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

Note 4 - DEPOSITS AND INVESTMENTS, Continued

B. Investments

At June 30, 2015, investments consisted of the following:

Investment Type	Total	N/A	Maturities		
			Less than 1 Year	1 Year to 3 Years	Over 3 Years
Mutual Funds	\$ 341,308	341,308	-	-	-
U.S. Treasuries	6,041,782	-	6,041,782	-	-
Money market accounts	406,751	406,751	-	-	-
Commercial Paper	482,390	-	225,626	202,691	54,073
US Savings Bonds	4,304	-	4,304	-	-
Common Stock	28,460	28,460	-	-	-
Total Fair Value	\$ <u>7,304,995</u>	<u>776,519</u>	<u>6,271,712</u>	<u>202,691</u>	<u>54,073</u>
% of Portfolio		10.6%	85.9%	2.8%	0.7%

Out of the total \$7,304,995 in investments, \$7,260,622 is from investments in the governmental funds, while \$44,373 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, 2015, the Town had \$482,390 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, 2015, 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 \$7,304,995 in investments, \$748,059 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.

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

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	\$ 747,876	-	-	747,876
Tax liens	289,573	-	-	289,573
Accounts	1,274,504	1,000	241,607	1,517,111
Rescue	293,879	-	-	293,879
Intergovernmental	-	31,335	697,492	728,827
Notes	2,228	-	170,562	172,790
Net total receivables	\$ 2,608,060	32,335	1,109,661	3,750,056

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)	\$ 730,770
Total deferred inflows of resources for governmental funds	\$ 730,770

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

Note 5 – RECEIVABLES, Continued

B. Property Taxes

Property taxes for the current year were committed on August 26, 2014, 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, 2001. The assessed value represented 91.4% of the estimated State valuation of \$1,467,850,000.

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 \$587,622 for the year ended June 30, 2015. 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 2015 and 2014 levies:

	<u>2015</u>	<u>2014</u>
Taxable Assessed Value	\$1,342,175,000	\$ 1,309,539,700
Tax Rate (per \$1,000)	<u>17.40</u>	<u>17.30</u>
Commitment	23,353,845	22,655,037
Supplemental Taxes Assessed	<u>10,167</u>	<u>6,435</u>
	23,364,012	22,661,472
Less: Abatements	31,518	13,566
Collections	<u>22,632,095</u>	<u>21,953,254</u>
Receivable at June 30, 2015 and 2014	<u><u>\$ 700,399</u></u>	<u><u>\$ 694,652</u></u>
Due Date(s)	½ 11/15/2014	½ 11/15/2013
	½ 05/15/2015	½ 05/15/2014
Interest Rates on Delinquent Taxes	7.0%	7.0%
Collection Rate	97.0%	96.9%

Of the total taxes committed for the year ended June 30, 2015, the original amount allocated to the ODAT-Grondin Municipal Development Tax Increment Financing District, the Pettingill-Ross Municipal Development Tax Increment Financing District, the Gorham County Road LLC Municipal Development Tax Increment Financing District, the Nappi Municipal Development Tax Increment Financing District, the Olde Canal Business Park Municipal Development Tax Increment Financing District and Martin's Point Municipal Development Tax Increment Financing District was \$323,437.

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

Note 5 – RECEIVABLES, Continued

The following amounts were allocated to various companies located within the six tax increment financing districts located in the Town as well as the Town's share.

FY2015 TIF Activity			
	Developer's Share	Town Share	TIF District Total
ODAT - Grondin District			
ODAT	\$ 19,714	19,714	39,428
Grondin Properties	34,301	34,301	68,602
Subtotal:	54,015	54,015	108,030
Pettingill-Ross District			
Pettingill Ross	10,355	-	10,355
Subtotal:	10,355	-	10,355
Gorham County Road District			
Gorham County Road LLC	6,405	-	6,405
Subtotal:	6,405	-	6,405
Nappi District			
Nappi Distributors	74,281	68,568	142,849
Subtotal:	74,281	68,568	142,849
Olde Canal Business Park			
Olde Canal	21,252	23,022	44,274
Subtotal:	21,252	23,022	44,274
Martin's Point			
Martin's Point	5,762	5,762	11,524
Subtotal:	5,762	5,762	11,524
Total TIF Financing Plan Amount	\$ 172,070	151,367	323,437

(See Note 16, TAX INCREMENT FINANCING DISTRICT)

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

Note 5 – RECEIVABLES, Continued

C. Notes Receivables

At June 30, 2015, 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	2,228
Isherwood Enterprises, Inc.	9/2008	75,000	5.0%	9/2018	8,306	28,579
N.E. Tread & Custom Millworks, Inc.	6/2010	74,250	6.0%	6/2030	2,674	63,037
RLL Assets, LLC	4/2014	32,900	5.0%	4/2034	1,083	30,952
My Fit 24	2/2015	50,000	5.0%	2/2022	6,222	47,994
						<u>172,790</u>

Note 6 – CAPITAL ASSETS

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

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

Note 6 – CAPITAL ASSETS, Continued

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
Books/historical treasures/artwork	\$ 1,429,837	\$ -	\$ -	\$ 1,429,837
Land	2,272,977	1,669	-	2,274,646
Construction in progress	145,632	381,010	3,700	522,942
Total capital assets, not being depreciated	<u>3,848,446</u>	<u>382,679</u>	<u>3,700</u>	<u>4,227,425</u>
Land improvements	9,283,267	40,002	-	9,323,269
Buildings and building improvements	62,944,414	500,000	123,721	63,320,693
Machinery and equipment	2,824,017	247,350	49,990	3,021,377
Furniture and office equipment	3,844,893	183,203	6,395	4,021,701
Computer equipment	520,321	25,511	62,933	482,899
Vehicles	10,005,761	719,714	213,870	10,511,605
Infrastructure	43,010,825	193,100	-	43,203,925
Total capital assets being depreciated	<u>132,433,498</u>	<u>1,908,880</u>	<u>456,909</u>	<u>133,885,469</u>
Less accumulated depreciation for:				
Land improvements	2,659,702	347,887	-	3,007,589
Buildings and building improvements	24,118,345	1,741,728	34,397	25,825,676
Machinery and equipment	1,847,040	165,169	33,665	1,978,544
Furniture and office equipment	2,853,303	226,278	6,394	3,073,187
Computer equipment	465,599	30,215	62,934	432,880
Vehicles	6,348,929	590,781	213,871	6,725,839
Infrastructure	18,309,357	1,035,841	-	19,345,198
Total accumulated depreciation	<u>56,602,275</u>	<u>4,137,899</u>	<u>351,261</u>	<u>60,388,913</u>
Total capital assets being depreciated, net	<u>75,831,223</u>	<u>(2,229,019)</u>	<u>105,648</u>	<u>73,496,556</u>
Governmental activities capital assets, net	<u>\$ 79,679,669</u>	<u>\$ (1,846,340)</u>	<u>\$ 109,348</u>	<u>\$ 77,723,981</u>

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

Governmental activities:	
General government	\$ 307,326
Public safety	368,572
Public works, including depreciation of general infrastructure assets	1,308,647
Recreation	130,961
Education	<u>2,022,393</u>
Total depreciation expense – governmental activities	<u>\$4,137,899</u>

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

Note 7 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

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).

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 7.0% to 8.5% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2015, was 7.8% of annual payroll for the regular plan and 11.0% of annual payroll for the special plan. Contributions to the pension plan from the Town were \$222,645 for the year ended June 30, 2015.

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, 2015, was 15.68% of annual payroll of which 2.65% of payroll was required from the Town and 13.03% was required from the State. Contributions to the pension plan from the Town were \$437,139 for the year ended June 30, 2015.

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

NOTE 7 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, Continued

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, 2014, 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, 2015, the Town reported a liability of \$1,001,423 for its proportionate share of the net pension liability. At June 30, 2014, the Town's proportion of the PLD Plan was 0.6508%.

SET Plan – At June 30, 2015, 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	\$ 448,218
State's proportionate share of the net pension liability associated with the Town	14,819,750
Total	\$ 15,267,968

At June 30, 2014, the Town's proportion of the SET Plan was 0.0415%.

For the year ended June 30, 2015, the Town recognized pension revenue of \$319,824 for the PLD Plan and revenue of \$317,905 for support provided by the State for the SET Plan. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 94,312	\$ 1,494
Changes of assumptions	20,578	-
Net difference between projected and actual earnings on pension plan investments	-	1,004,307
Changes in proportion and differences between Town contributions and proportionate share of contributions	146,102	83,211
Town contributions subsequent to the measurement date	659,784	-
Total	\$ 920,776	\$ 1,089,012

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

NOTE 7 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, Continued

\$659,784 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2016. 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:

2016	\$ (164,783)
2017	(164,783)
2018	(247,377)
2019	(251,077)

Actuarial Assumptions - The total pension liability in the June 30, 2014 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	3.5%	3.5%
Salary Increases, per year	3.5% to 9.5%	3.5% to 13.5%
Investment return, per annum, compounded annually	7.25%	7.125%
Cost of living benefit increases, per annum	3.12%	2.55%

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

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, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US equities	20%	2.5%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%
Total	100%	

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

NOTE 7 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, Continued

Discount Rate - The discount rate used to measure the total pension liability was 7.25 for the PLD Plan and 7.125% 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 7.25% for the PLD Plan and 7.125% 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 (6.25% for PLD Plan and 6.125% for SET Plan) or 1 percentage-point higher (8.25% for PLD Plan and 8.125% for SET Plan) than the current rate:

<u>PLD Plan</u>	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Town's proportionate share of the net pension liability	\$ 3,124,146	\$ 1,001,423	\$ (772,909)
 <u>SET Plan</u>	 1% Decrease <u>(6.125%)</u>	 Current Discount Rate <u>(7.125%)</u>	 1% Increase <u>(8.125%)</u>
Town's proportionate share of the net pension liability	\$ 858,523	\$ 448,218	\$ 104,887

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, 2015.

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

Note 8 – 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 \$132,843 for the year ended June 30, 2015, and \$131,138 for the year ended June 30, 2014. 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 \$423,776 including F.I.C.A. and Medicare to the Social Security Retirement Program on behalf of Town employees for the year ended June 30, 2015 and \$417,265 for the year ended June 30, 2014.

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 \$219,041 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, 2015 and \$216,474 for the year ended June 30, 2014.

Note 9 – OTHER POST EMPLOYMENT BENEFITS

The Town of Gorham is a member of the Maine Municipal Employees Health Trust. The Health Trust contracted with an outside consultant to provide biennial actuarial valuation of the Town's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in August 2014. A copy of the financial report and the required supplementary information for the Health Trust may be obtained from the Maine Municipal Employees Health Trust, 60 Community Drive, Augusta, ME 04330.

Plan Descriptions - The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees. Town employees who participate in the Health Trust upon retirement and are over the age of 55 with 5 years of continuous service are allowed to participate in the Health Trust under the appropriate Retiree Plan. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B. The retirees pay 100% of the monthly premium set by the Health Trust. For non-Medicare eligible retirees, premiums are the same as for active employees.

Funding Policy - GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The Town currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits.

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

Note 9 – OTHER POST EMPLOYMENT BENEFITS, Continued

Annual OPEB Cost - The Town's annual OPEB cost is calculated based on the annual required contribution (ARC), an actuarial determined amount. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty (30) years.

The components of the Town's annual OPEB costs for the past three years, the amount actually contributed to the plan, and the changes in the Town's net OPEB obligation are summarized in the following table.

	FY2013	FY2014	FY2015
Normal cost	\$ 54,794	\$ 60,808	\$ 60,808
Amortization of unfunded	67,028	70,887	70,887
Interest	2,413	2,608	2,608
Annual required contribution	124,235	134,303	134,303
Interest on net OPEB obligation	16,913	21,059	25,464
Amortizing adjustment to ARC	(24,452)	(30,446)	(36,814)
Annual OPEB cost	116,696	124,916	122,953
Contributions made	(13,041)	(14,800)	(12,946)
Increase in net OPEB obligation	103,655	110,116	110,007
Net OPEB obligation - beginning of year	422,826	526,481	636,597
Net OPEB obligation - end of year	\$ 526,481	636,597	746,604

The following table represents the OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2015 and two preceding years.

Fiscal Year End	Annual OPEB Costs	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 116,696	11.18%	\$ 526,481
June 30, 2014	124,916	11.85%	636,597
June 30, 2015	122,953	10.53%	746,604

Funding Status and Funding Progress - The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2015 and two preceding years are as follows:

	FY2013	FY2014	FY2015
Actuarial accrued liability	\$ 1,205,417	1,274,815	1,274,815
Plan assets	-	-	-
Unfunded actuarial accrued liability	\$ 1,205,417	1,274,815	1,274,815
Funded ratio	0%	0%	0%
Covered payroll	\$ 4,573,747	4,675,532	4,625,713
Unfunded actuarial accrued liability as a percentage of covered payroll	26.36%	27.27%	27.56%

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

Note 9 – OTHER POST EMPLOYMENT BENEFITS, Continued

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress presented as required supplementary information provides multiyear trend information (only four years available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions - Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/14
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar
Open amortization period	30 years
Inflation rate	4.6%
Investment rate of return	4.0%
Projected salary increases	3.0%

Health Care Cost Trend Rate - The trend rates of incurred claims represent the rate of increase in employer claim payments:

<u>Year</u>	<u>Pre-Medicare</u>	<u>Medicare-Eligible</u>
2014	8.2%	8.9%
2015	7.9%	8.6%
2016	7.7%	8.3%
2017	7.5%	8.0%
2018	7.2%	7.8%
2019	7.0%	7.5%
2020	6.7%	7.2%
2021	6.5%	6.9%
2022	6.3%	6.6%
2023	6.0%	6.3%
2024	5.8%	6.0%
2025	5.6%	5.8%
2026	5.3%	5.5%
2027	5.1%	5.2%
2028	4.8%	4.9%
2029+	4.6%	4.6%

Future Plan Changes - It is assumed that the current plan and cost-sharing structure remains in place for all future years.

Payroll Growth - For the level percentage of pay amortization method, total payroll is assumed to grow at 3.00% per year.

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

Note 10 – INTERFUND ACCOUNTS

Individual interfund loans receivable and payable balances at June 30, 2015 were as follows:

<u>Fund</u>	Interfund loans <u>receivable</u>	Interfund loans <u>payable</u>
Governmental Funds:		
General Fund	\$ -	3,530,693
School Operations Fund	1,873,326	-
Public Safety Capital Project Fund	-	23,606
Other governmental funds:		
Special revenue funds:		
School Grants Fund	-	543,283
School Lunch Fund	-	56,255
Sewer Operations Fund	852,776	-
Little Falls Sewer Reserve and Loan Fund	14,552	-
Impact Fees Fund	656,955	-
Library Fund	5,003	-
Recreation Fund	3,862	-
TIF Fund	557,774	-
Miscellaneous Fund	2,857	-
Capital project funds:		
2013 GO Bond Projects	-	1,858
Elementary Project	113,534	-
Middle School Project	-	344
High School Renovation and Expansion	39,045	-
Various School Projects	29,780	-
Permanent funds:		
Cemetery Perpetual Care	1,800	-
Baxter Library and Museum	-	409
Total other governmental funds	2,277,938	602,149
Fiduciary funds:	6,084	900
Totals	\$ 4,157,348	4,157,348

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 10 – INTERFUND ACCOUNTS, Continued

Interfund transfers during the year ended June 30, 2015 consisted of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ <u>329,258</u>	<u>15,422,463</u>
School Operations Fund	<u>15,422,463</u>	<u>30,973</u>
Other governmental funds:		
Special Revenue Funds:		
School Grants	30,973	-
Impact Fees Fund	-	249,000
TIF Fund	-	80,258
Library Fund	-	1,530
Permanent Funds:		
Library fund	<u>1,530</u>	<u>-</u>
Total other governmental funds	<u>32,503</u>	<u>330,788</u>
Totals	\$ <u>15,784,224</u>	<u>15,784,224</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 (\$15,412,463) and to School Operations Fund for facilities service (\$10,000).
2. From the School Operation Fund: to School Grants to fund deficit balance in Facility Rental and Laptop (\$30,973).
3. From the Special Revenue Fund's Impact Fees Fund: to fund Little Falls multi-purpose field improvements (\$249,000).
4. From the Special Revenue Fund's TIF Fund: to provide funding for the Libby/Brackett Road debt service (\$80,258).
5. From the Special Revenue Fund's Library Fund: to provide funding for the Baxter Memorial Library Centennial fund (\$1,530).

Note 11 – 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, 2015, the Town was in compliance with these limitations. (See Table 13, STATISTICAL SECTION)

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

Note 11 – LONG-TERM DEBT, Continued

B. Changes in Long-term Debt

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning			Ending	Due Within
	Balance	Additions	Reductions	Balance	One Year
Governmental activities:					
General obligation bonds	\$ 37,918,430	4,990,000	3,148,125	39,760,305	3,378,125
Bond premium	1,319,080	149,043	127,653	1,340,470	135,105
Notes payable	213,650	-	1,076	212,574	1,932
Capital leases	481,939	136,208	202,087	416,060	168,997
Compensated absences	975,979	110,268	81,562	1,004,685	50,000
Net pension liability	2,890,588	-	1,440,947	1,449,641	-
Other post-employment benefits	636,597	122,953	12,946	746,604	-
Governmental activity long-term liabilities	\$ 44,436,263	5,508,472	5,014,396	44,930,339	3,734,159

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.

On March 3, 2015, the Town issued \$4,990,000 in general obligation bonds to construct a new police station and renovate the existing public safety building. The bond is for 20 years with interest rates ranging from 2.0% and 3.25%.

General obligation bonds currently outstanding at June 30, 2015 are comprised of the following:

	Interest	Original	Final	Balance	Due
	Rate	Issue	Maturity	End of	Within
General Obligation Bonds		Amount	Date	Year	One Year
Governmental activities:					
2015 Public Safety Building Bond	2.00-3.25%	\$ 4,990,000	6/1/2035	\$ 4,990,000	250,000
2013 Fire Truck/Little Falls School Bond	2.00-4.00%	1,400,000	11/15/2033	1,315,000	85,000
2012 Advance Refunding Bond	2.00-3.50%	17,085,000	11/1/2024	14,155,000	1,745,000
2011 Maine Municipal Bond (2000 Bond)	.50-5.20%	585,000	11/1/2019	365,625	73,125
2010 Road Projects/Heavy Rescue Bond	2.00-3.50%	3,450,000	8/1/2027	2,630,000	205,000
2010 Elementary School Bond	2.00-4.25%	20,384,680	10/1/2030	16,304,680	1,020,000
Total governmental activities				39,760,305	3,378,125

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

Note 11 – LONG-TERM DEBT, Continued

The General Fund and the Special Revenue Funds' School Operations Fund pay all governmental activities long-term debt service requirements. The annual debt service requirements to amortize bonds payable are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2016	\$ 3,378,125	\$ 1,281,413	\$ 4,659,538
2017	3,348,125	1,168,682	4,516,807
2018	3,313,125	1,091,363	4,404,488
2019	3,238,125	999,422	4,237,547
2020	3,223,125	897,200	4,120,325
2021-2025	13,600,000	2,904,326	16,504,326
2026-2030	7,305,000	1,127,307	8,432,307
2031-2035	2,354,680	146,062	2,500,742
Totals	\$ 39,760,305	\$ 9,615,775	\$ 49,376,080

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

D. Capital Leases

The Gorham School Department has entered into various lease agreements as lessee for school buses, photocopiers and a piano, and the Town has entered into a lease agreement for a new excavator. 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.

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

Note 11 – LONG-TERM DEBT, Continued

The following is a summary of the capital lease commitments as of June 30, 2015:

	Original Purchase Price	Annual Depreciation Expense	Total Minimum Lease Payments	Interest	Present Value of Minimum Lease Payments
Education, seven (7) school buses	\$ 730,607	71,003	316,447	18,812	297,635
Education, photocopiers	146,201	n/a	32,226	1,293	30,933
Education, piano	15,400	2,200	13,548	1,035	12,513
Public Works, 2013 Komatsu Excavator	135,189	13,519	79,293	4,314	74,979
Totals	\$1,027,397	86,722	441,514	25,454	416,060

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, 2015:

Fiscal year ending	Principal	Interest	Total Lease Obligation
2016	\$ 168,997	12,813	181,810
2017	106,248	7,396	113,644
2018	109,400	4,245	113,645
2019	31,415	1,000	32,415
Totals	\$ 416,060	25,454	441,514

E. Compensated Absences

The Town's policy relating to compensated absences is described in Note 1, J. The long-term portion of this debt, amounting to \$1,004,685 for governmental activities at June 30, 2015, is expected to be paid in future years from future resources. The Town has estimated that out of the \$1,004,685 approximately \$50,000 will be due within the next year. In prior years, compensated absences have been liquidated primarily by the general fund.

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

Note 11 – LONG-TERM DEBT, Continued

Long-term compensated absences as of June 30, 2015 are comprised of the following:

<u>Type of Leave</u>	<u>Governmental Activities</u>
Sick paid upon termination	\$ 607,997
Vacation	343,740
Compensatory time	<u>52,948</u>
Total	<u>\$1,004,685</u>

F. Other Post Employment Benefits

The Town's post-retirement benefit plan providing health insurance to retiring employees is described in Note 9. The long-term portion of this benefit, amounting to \$746,604 for governmental activities at June 30, 2015, is expected to be funded on a pay-as-you-go basis. The Town does not estimate any of OPEB will be due within the next year. If and when the Town does have other post-employment benefits these will be liquidated primarily by the general fund.

Note 12 – 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, 2015, the Town's State valuation of \$1,467,850,000 was 3.73% of the County's State valuation of \$39,379,600,000. The Town's share is 3.73% or \$1,383,811 of Cumberland County's \$37,125,000 long-term debt outstanding as of June 30, 2015.

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

Note 12 – OVERLAPPING DEBT AND OTHER CONTINGENCIES, Continued

The Town is also served by the Portland Water District. At June 30, 2015, the Town's share of self-supporting bonded water debt is 5.65% or \$2,583,182 of total debt of \$45,698,839.

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 \$3,186,320, while Gorham's share of the Westbrook sewer system debt is \$856,496. 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, 2015</u>		
	<u>Direct Debt</u>	<u>Overlapping Debt</u>	<u>Total Debt</u>
Town of Gorham - general obligation bonds and notes payable	\$ 39,972,879	-	39,972,879
Town of Gorham – bond premiums	1,340,470	-	1,340,470
Cumberland County	-	1,383,811	1,383,811
Portland Water District – sewer shared with Town of Windham and City of Westbrook	-	4,042,816	4,042,816
Portland Water District - water debt	-	2,583,182	2,583,182
Totals	\$ 41,313,349	8,009,809	49,323,158

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, 2015, 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.

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

Note 12 – OVERLAPPING DEBT AND OTHER CONTINGENCIES, Continued

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.

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, 2015, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$485,000.

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	\$256,426
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Note 13 – 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, 2015 includes total assets of \$63,710,335, and total liabilities of \$19,069,573 and unrestricted net position of \$13,562,006. The liabilities include an accrual for landfill closure and postclosure care amounting to \$675,570. 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 14 – 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 2015 with 2014 information provided for comparison:

	<u>2015</u>	<u>2014</u>	<u>\$ Chg</u>	<u>% Chg</u>
Capital assets	\$138,112,894	\$136,281,944	\$ 1,830,950	1.3%
Accumulated depreciation	(60,388,913)	(56,602,275)	(3,786,638)	(6.7%)
Deferred charge on refunding	849,937	940,999	(91,062)	(9.7%)
Bonds payable (includes premium)	(41,100,775)	(39,237,510)	(1,863,265)	(4.7%)
Notes payable	(212,574)	(213,650)	1,076	0.5%
Capital leases	(416,060)	(481,939)	65,879	13.7%
Add back unspent bond proceeds	<u>5,382,372</u>	<u>1,056,815</u>	<u>4,325,557</u>	409.3%
Net investment in capital assets	<u>\$ 42,226,881</u>	<u>\$ 41,744,384</u>	<u>\$ 482,497</u>	1.2%

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 15 – 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 16 - 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 16 - 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.

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 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 and is being reimbursed from the TIF revenues generated over a 15 year period, up to a maximum of \$429,064 for construction costs related to the development of the new road.

On January 6, 2004, the Town Council approved the creation of a permanent Revolving Loan Fund program with the funding coming from the Town's portion of Tax Increment Financing revenues derived from the ODAT/Grondin Development District.

On March 2, 2004, the Town designated a 6.5-acre parcel of land in the Gorham Industrial Park as the Pettingill Municipal Development District. The Pettingill Ross Company, a sheet metal company, previously located in the Westbrook Industrial Park, acquired the old Hill-Loma building and improved, rehabilitated, constructed, and equipped a manufacturing facility at this location in the Gorham Industrial Park.

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

Note 16 - TAX INCREMENT FINANCING DISTRICT, Continued

On March 1, 2005, the Town designated a 2.1-acre parcel of land located at 14 County Road (Route 22) as the VIP, Inc. Tax Increment Financing Development District. VIP, Inc., a retail parts, tires, and automotive services business, requested the TIF designation when they found out that one of the conditions of building a new 9,620 sq. ft. retail store on the former Roberts' Welding property would be to construct a center turning lane.

VIP estimated that the cost of the turning lane to be in the \$170,000 range, a cost that "makes the project bear an unreasonable amount of its share of rectifying the traffic problem," as stated in a February 14, 2005 letter to Town Manager David Cole. The Town Council in a 4-1 vote approved a 15-year TIF, which would give back 50% of the taxes generated from the increased tax value generated from the new building.

On September 5, 2006, the Town designated a 25 +/- acre site at 615 Main Street as the Nappi Distributors Municipal Development and Tax Increment Finance District. Nappi Distributors constructed a 155,000 sq. ft. commercial facility for beverage warehousing and administration offices on the site. At full build out, the development (land and buildings) is estimated to be valued at \$7,995,500 or an increment of \$7,859,200 from the current 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, and the Town. The Town's portion of the tax increment revenues will be used to support construction and financing costs associated with road and infrastructure improvements to Brackett Road and Libby Avenue.

On May 1, 2007, the Town Council approved the Olde Canal Business Park Tax Increment Financing and Development District. Grondin Properties, LLC intends to develop 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 Town's portion of the tax increment revenues will be used to finance various public improvements such as pay remaining debt of Libby Avenue/Brackett Road project, reconstruct a small portion of New Portland Road, pave Brackett Road, Hutcherson Drive and Sanford Drive, replace brick sidewalk in Gorham Village with concrete, fix storm drains, sidewalk and road in Little Falls Village Business District, provide annual funding for the Economic Development Corporation, pay Town's share of South Street sidewalk project, install storm drain system on Cross Street, reconstruction portion of Flaggy Meadow Road, purchase land and construct parking lot in Gorham Village Business District, add funds to the Business Revolving Loan Fund, and reconstruct the traffic circle in Little Falls Business District.

At the October 6, 2009 Town Council meeting, the Council approved changing the expiration date of the Olde Canal Business Park TIF District from June 30, 2028 to June 30, 2033. The Maine Department of Economic and Community Development approved the amendment on December 21, 2009.

On September 3, 2013, the Town Council approved the Martin's Point Health Care Tax Increment Financing and Development District. Martin's Point Health Care intends to develop a 12,500 square foot building on a 19.94 acre parcel at the intersection of Route 25 and Route 237 in Gorham. This is a 15 year district with 100% of the increased assessed value being shared 50%/50% between the developer, Martin's Point Health Care and the Town.

The Town's portion of the tax increment revenues will be used to finance the operation of the Gorham Economic Development Corporation and to update the Town's Comprehensive Plan that was approved in 1993.

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

Note 17 – COMPONENTS OF FUND BALANCES

At June 30, 2015 and 2014, other fund balance components consisted of the following:

	<u>2015</u>	<u>2014</u>
General Fund:		
Nonspendable:		
Black Brook noncurrent receivable	\$ 2,228	\$ 2,634
Prepaid items	228,091	212,149
Trash bag inventory	22,383	30,817
Gas inventory	20,874	16,099
Diesel inventory	24,205	26,853
Compost Bins Inventory	-	966
Recycle Bin Inventory	1,487	3,100
Lockbox Inventory	1,351	1,527
Total general fund nonspendable	\$ 300,619	\$ 294,145
Special Revenue Fund:		
Nonspendable:		
TIF - Isherwood note receivable	28,579	36,480
TIF - N E Tread note receivable	63,037	65,760
TIF - RLL Assets, LLC note receivable	30,952	32,703
TIF - My Fit 24, Inc. note receivable	47,994	-
School lunch inventory	33,214	34,067
Total special revenue fund nonspendable	\$ 203,776	\$ 169,010
Permanent Fund:		
Nonspendable:		
Nonexpendable trust principal	905,102	746,715
Total permanent fund nonspendable	\$905,102	746,715
Total nonspendable fund balance	\$ 1,409,497	\$ 1,209,870
General Fund:		
Restricted:		
Parks & Conservation Committee	2,000	-
Heating Assistance	703	404
South Street Sewer Project	20,000	10,000
CDBG – So. Gorham	4,000	4,000
Employee wellness program	48	602
Gorham Triad	-	2,291
Gorham Triad Yellow Dot Program	-	3,716
D.A.R.E.	9,604	10,403
Little Falls substation	2,272	2,272
Drug forfeiture	8,435	11,185
Restorative justice grant	-	875

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

Note 17 – COMPONENTS OF FUND BALANCES, Continued

	<u>2015</u>	<u>2014</u>
DEA forfeiture	\$ 123,183	\$ 85,245
MEMA Grant (Homeland Security)	595	-
Child safety seats	1,146	1,409
Fire/rescue donations	75	50
Fire prevention	6,410	6,210
Fire memorial	23,456	8,200
USM Confined Space	11,045	11,045
Street opening permits	116,549	116,555
Gorham Village Grant	2,402	4,000
Little Falls Sidewalk Grant	57,600	59,320
Community Center donations	750	750
New Year's Gorham	10,215	6,609
FEMA fire grant	708	708
Sprinkler grant (fire)	7,874	7,874
Total general fund restricted	\$ 409,070	\$ 353,723
Special Revenue Fund:		
Restricted:		
School Grants	124,365	113,918
School Lunch Fund	79,863	95,274
Sewer Operations Fund	1,069,167	1,119,457
Little Falls Sewer Reserve and Loan Fund	75,860	75,822
Transfer overlay district fund	203,291	179,198
Water impact fee (Fort Hill)	270	1,076
Recreation facilities impact fee	290,968	451,928
Open space impact fee	162,426	147,531
Baxter unrestricted book trust	3,538	6,041
M Smith library trust	6,232	5,192
Materials/discretionary library trust	7,115	5,335
C Parker library trust	1,590	1,589
Museum trust	1,281	1,105
Shaw park	3,500	3,500
Community Center granite sign	362	362
Phinney shade tree recreation trust	1,361	1,360
Transformit TIF	-	803
Revolving loan fund	337,987	364,517
Grondin Properties TIF	38,170	37,640
Olde Canal TIF	1,798	3,412
Martin's Point TIF	2,881	-
M Parkhurst miscellaneous trust	212	212
Senior citizens miscellaneous trust	12,461	12,453
Total special revenue fund restricted	\$ 2,424,698	\$ 2,627,725

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

Note 17 – COMPONENTS OF FUND BALANCES, Continued

	<u>2015</u>	<u>2014</u>
Public Safety Building Fund:		
Restricted	\$ 4,823,303	\$ -
Capital Projects Fund:		
Restricted:		
2013 Bond Projects	10,201	504,934
2010 Bond Projects	402,988	406,009
Great Falls Elementary School Project	145,880	145,872
Total capital project fund restricted	\$ 5,382,372	\$ 1,056,815
Permanent Fund:		
Restricted:		
South St cemetery perpetual care	39	38
M Robie grounds recreation trust	858	857
Robie park recreation trust	3,149	3,146
Fort Hill boulder recreation trust	1,181	1,180
M Robie soldier's monument recreation trust	1,877	1,876
Phinney memorial park recreation trust	2,702	2,698
Percival Baxter library trust	11,194	12,118
Martha E Robie library trust	196	195
Lucia A Emery library trust	1,547	1,543
Lucy D Waterman library trust	1,705	1,703
Other restricted library trust	1,007	1,001
Restricted book library trust	1,531	1,523
Baxter/Knight library trust	1,763	1,760
John Cressey library trust	280	278
Marie M Irish library trust	330	329
Mary L Reid library trust	187	180
Frederick Robie library trust	801	1,306
Centennial library trust	188	793
Mary E Knight school trust	3,759	3,757
Charles Robie school trust	38,104	38,078
Ruth E Smith public purpose trust	9,280	9,271
Dana Estes public purpose trust	315	313
Giddings Chapel public purpose trust	55,963	51,012
Huston Waterman public purpose trust	73,147	73,070
Total permanent fund restricted	\$ 211,103	\$ 208,025
Total restricted fund balance	\$ 8,427,243	\$ 4,246,288

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

Note 17 – COMPONENTS OF FUND BALANCES, Continued

	<u>2015</u>	<u>2014</u>
General Fund:		
Committed:		
Land acquisition	\$ 104,006	\$ 104,006
Gorham Village parking study	350	1,100
Emergency Reserve Fund	160,311	160,000
Gorham Village parking improvements	48,575	-
McLellan/Sampson House repairs	26,266	-
Exterior painting for library, gazebo, Robie		
Gym and Municipal Center	1,463	4,400
Rte. 25/114 sidewalks	12,038	32,196
Regional fire and EMA Study	1,912	3,500
Life pack 15 defibrillators	3,166	-
Air pack breathing units	192	-
Energy Improvements at No. Gorham and		
West Gorham Fire Station	1,489	1,489
Public Safety Building	4,845	19,771
Automotive diagnostic unit	221	2,000
Ecomaine recycling reserve	10,000	10,000
Street striping	1,425	-
¾ Ton pickup truck & plow	3,375	-
Trackless tractor	20,719	-
Dump truck & sander	41,363	-
Flaggy Meadow Road	71,827	71,827
Little Falls master plan	13,438	17,103
Chick Property master plan	-	10,246
Little Falls tennis courts	-	32,993
Cemetery reserve	10,650	8,975
Little Falls multi-purpose field	215,770	-
Total general fund committed	\$ 753,401	\$ 479,606
Special Revenue Fund:		
Committed:		
Odat/Grondin TIF	56,153	2,139
Olde Canal TIF	46,456	35,518
Nappi TIF	68,567	68,173
Martin's Point TIF	5,762	-
Founder's Monument	884	884
Total special revenue fund committed	\$ 177,822	\$ 106,714

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

Note 17 – COMPONENTS OF FUND BALANCES, Continued

	<u>2015</u>	<u>2014</u>
Capital Project Fund:		
High school renovation and expansion project	\$ 29,780	\$ 29,780
Various school projects	39,045	39,045
Total capital project fund committed	\$ 68,825	\$ 68,825
Total committed fund balance	\$ 1,000,048	\$ 655,145
General Fund:		
Assigned:		
Capital budget, part II	\$ 1,130,012	\$ 1,005,423
Encumbrances:		
General government	71,874	73,463
Public safety	83,195	165,855
Public works	68,783	2,934
Recreation	24,954	27,136
Economic development	588	588
Other	7,032	7,975
Accrued compensated absences	396,688	376,121
Equipment	5,795	5,795
Capital project reserve	3,427	3,427
Municipal center building	45,629	73,172
Revaluation	149,424	180,056
Administration	7,926	15,341
Finance software/computer upgrade	32,041	32,711
Compensation study	15,100	15,100
Town clerk	55,056	46,253
Planning	26,071	32,506
Assessing	8,538	7,568
GIS system	35,165	44,565
Code	14,705	16,695
Web site development	25,038	25,038
Unemployment insurance contingency reserve	31,500	31,500
Town IUUAL	396,845	-
School IUUAL	371,738	-
Vacation/comp/sick reserve	461,800	492,373
Property insurance deductible reserve	10,000	10,000
Auto insurance deductible reserve	4,000	4,000
Outside detail (Police)	17,429	14,997
Police software	6,020	-
Police	38,440	11,178
Police vests	1,347	1,347

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

Note 17 – COMPONENTS OF FUND BALANCES, Continued

	<u>2015</u>	<u>2014</u>
Cruisers	\$ 9,100	\$ 11,413
Fire training	1,287	1,500
Fire	10,435	7,427
Air bottles	1,504	1,504
Radio reprogramming	-	8,857
Mobile truck lifts (with Town of Windham)	13,413	13,413
Rescue	28,364	28,364
Rescue vehicle reserve	20,744	20,744
Fire ponds/dry hydrants	23,721	20,005
Public Works	17,984	9,741
Public Works vehicles	100,750	102,366
Fuel depot reserve	40,063	35,255
Longfellow bridge	2,123	2,123
Storm water phase II	17,495	24,664
Public Works building	4,052	4,052
Roads	379,314	470,577
Ecomaine Recycling Dividends	45,614	-
Baxter Library	18,353	18,297
Baxter Library repairs	7,373	7,373
Little Falls Wood Clearing	11,845	-
Robie Gym repairs	4,591	16,000
Recreation	-	11,267
Cable TV	7,047	19,527
Baxter Museum repairs	19,347	20,123
Economic development reserve	82,899	82,899
Lock boxes (Fire)	1,149	1,149
Recycling committee	-	1,215
Recreation	169,430	229,340
Total general fund assigned	\$ 4,584,157	\$ 3,892,312
Special Revenue Fund:		
Assigned:		
Baxter Memorial Library Association	907	1,776
Library fund raising	6,647	6,647
Stumpage	1,973	1,973
Total special revenue fund assigned	\$ 9,527	\$ 10,396
Total assigned fund balance	\$ 4,593,684	\$ 3,902,708
Total governmental funds	\$ 15,430,472	\$ 10,014,011

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

Note 18 – BUDGETARY VS. GAAP ACCOUNTING

Through June 30, 2015, the Town 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.

	General Fund	Special Revenue School
Fund balance (deficit), June 30, 2015 – GAAP basis	\$ 12,755,920	\$ (598,563)
Accrued summer salaries	-	2,213,307
Accrued salaries – maintenance	-	16,063
Accrued MEPRS wages	-	74,367
Encumbrances	(256,426)	(231,676)
Fund balance, June 30, 2015 – budgetary basis	\$ 12,499,494	\$ 1,473,498

* The School Committee has approved \$350,000 of fund balance to reduce taxes for the 2016 fiscal year. This coupled with the \$231,676 in encumbrances, results in a deficit fund balance of \$1,180,239. Per the Town's fund balance policy, the deficit fund balance of \$1,180,239 is combined with the Town's unassigned total of \$6,708,673, when preparing the 2016 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 \$2,505,712.

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

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 \$6,500 annually.

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

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

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

Note 20 – PRIOR PERIOD ADJUSTMENT

For the fiscal year ended June 30, 2015, the Town has elected to implement Statement No. 68 of the Governmental Accounting Standards Board – Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27. As a result of implementing GASB Statement No. 68, the Town has restated beginning net position, in the government-wide statement of net position to account for the addition of the Town's proportionate share of the net pension liability of \$2,890,588 and deferred outflows for the Town's contributions subsequent to the measurement date of \$634,982, which effectively decreased the Town's net position as of July 1, 2014 by \$2,255,606.

Note 21 – SUBSEQUENT EVENT

On November 3, 2015, the voters of the Town of Gorham, Maine passed two referendums to issue general obligation bonds totaling \$1,775,500. The first bond of \$600,000 will be used to fund the Town's share to reconstruct Main Street in Gorham Village. This joint project estimated at \$2.2 million is with Maine Department of Transportation and Portland Water District. The second bond of \$1,175,500 is to pay for the costs of major roof, locks/hardware and mechanical equipment projects for Gorham Schools.

TOWN OF GORHAM, MAINE
Required Supplementary Information
For the year ended June 30, 3015

Retiree Healthcare Plan

Schedule of Funding Progress

The Town provides healthcare benefits for certain retired employees. The eligible retirees pay 100% of the health care insurance premiums to receive benefit coverage. The Town of Gorham plans to fund these benefits on a pay-as-you-go basis. The following table represents information for the year ending June 30, 2015 and five preceding years.

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
2010	1/1/2011	\$ -	\$ 1,205,417	\$ 1,205,417	0.00%	\$4,387,368	27.47%
2011	1/1/2011	\$ -	\$ 1,205,417	\$ 1,205,417	0.00%	\$4,534,098	26.59%
2012	1/1/2011	\$ -	\$ 1,205,417	\$ 1,205,417	0.00%	\$4,637,908	25.99%
2013	1/1/2011	\$ -	\$ 1,205,417	\$ 1,205,417	0.00%	\$4,573,747	26.36%
2014	1/1/2014	\$ -	\$ 1,274,815	\$ 1,274,815	0.00%	\$4,675,532	27.27%
2015	1/1/2014	\$ -	\$ 1,274,815	\$1,274,815	0.00%	\$4,625,713	27.56%

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>2015</u>
<u>PLD Plan</u>	
Town's proportion of the net pension liability	0.6508%
Town's proportionate share of the net pension liability	\$ 1,001,423
Town's covered-employee payroll	2,074,545
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	48.27%
Plan fiduciary net position as a percentage of of the total pension liability	94.10%
<u>SET Plan</u>	
Town's proportion of the net pension liability	0.0415%
Town's proportionate share of the net pension liability	448,218
State's proportionate share of the net pension liability associated with the Town	<u>14,819,750</u>
<u>Total</u>	<u>\$ 15,267,968</u>
Town's covered-employee payroll	\$ 16,495,802
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	2.72%
Plan fiduciary net position as a percentage of of the total pension liability	83.91%

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

** Only one year 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>2015</u>	<u>2014</u>
<u>PLD Plan</u>		
Contractually required contribution	\$ 222,645	\$215,650
Contributions in relation to the contractually required contribution	(222,645)	(215,650)
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>	<u>-</u>
 Town's covered-employee payroll	 \$2,074,545	 \$2,160,307
Contributions as a percentage of covered- Employee payroll	10.73%	9.98%
 <u>SET Plan</u>		
Contractually required contribution	\$ 437,139	\$419,332
Contributions in relation to the contractually required contribution	(437,139)	(419,312)
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>	<u>-</u>
 Town's covered-employee payroll	 \$16,495,802	 \$15,842,616
Contributions as a percentage of covered- Employee payroll	2.65%	2.65%

* Only two years of information available

TOWN OF GORHAM, MAINE
Notes to Required Supplemental Information
For the year ended June 30, 2015

Changes of Benefit Terms - None

Changes of Assumptions - The SET changed the discount rate from 7.25% in the 2013 valuation to 7.125% in the 2014 valuation.

GENERAL FUND

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

TOWN OF GORHAM, MAINE
Comparative Balance Sheets - General Fund
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash	\$ 9,142,151	7,910,848
Investments	6,041,782	6,041,178
Receivables:		
Accounts	1,274,504	243,054
Rescue (net of allowance of \$158,000)	293,879	243,392
Taxes - current year	700,399	694,652
Taxes - prior year	47,477	47,884
Tax liens	289,573	281,692
Notes	2,228	2,634
Tax acquired property	35,132	35,132
Performance bonds	3,588,401	3,240,669
Inventories	70,300	79,362
Prepaid expenditures	228,091	212,149
Total assets	\$ 21,713,917	19,032,646
LIABILITIES		
Accounts payable	275,586	1,067,687
Accrued wages and benefits	166,671	145,940
Interfund loans payable	3,530,693	2,267,579
Performance bond deposits	4,254,277	3,240,669
Total liabilities	8,227,227	6,721,875
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	730,770	723,240
Total deferred inflows of resources	730,770	723,240
FUND BALANCE		
Nonspendable:		
Noncurrent receivables	2,228	2,634
Prepaid items	228,091	212,149
Inventories	70,300	79,362
Restricted to:		
General government purposes	26,751	15,006
Public safety operations	194,803	151,483
Public works operations	176,551	179,875
Recreation operations	10,965	7,359
Committed to:		
General government purposes	363,659	310,677
Public safety operations	11,604	24,760
Public works operations	148,930	83,827
Recreation operations	229,208	60,342
Assigned to:		
Encumbrances	256,426	277,951
Designated for FY15 and FY14 capital budget	1,130,012	1,005,423
General government purposes	795,656	492,432
Public safety operations	172,952	147,693
Public works operations	607,394	649,994
Recreation operations	237,986	321,926
Economic development	82,899	82,899
Insurance and employee benefits	1,300,832	913,994
Unassigned	6,708,673	6,567,745
Total fund balance	12,755,920	11,587,531
Total liabilities, deferred inflows of resources and fund balance	\$ 21,713,917	19,032,646

TOWN OF GORHAM, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
Year ended June 30, 2015
(with comparative actual amounts for the year ended June 30, 2014)

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 22,442,786	22,996,747	553,961	22,330,357
Change in unavailable property tax revenue	-	(7,530)	(7,530)	(121,798)
Excise taxes	2,636,000	3,034,851	398,851	2,860,442
Interest and costs on taxes	65,000	81,731	16,731	69,969
Total taxes	25,143,786	26,105,799	962,013	25,138,970
Licenses and permits:				
Building permits	200,000	320,083	120,083	341,016
Plumbing/electrical fees	24,000	33,646	9,646	34,234
Motor vehicle renewal fees	44,000	45,469	1,469	44,987
Town clerk fees	47,000	70,227	23,227	60,766
Cable TV franchise fee	210,000	189,631	(20,369)	195,862
Code fees	6,350	9,865	3,515	6,895
Other	3,000	5,776	2,776	7,837
Total licenses and permits	534,350	674,697	140,347	691,597
Intergovernmental:				
State revenue sharing	715,000	731,086	16,086	784,766
Highway block grant	257,000	229,068	(27,932)	257,020
Human services assistance	45,000	10,768	(34,232)	56,465
Homestead exemption	273,442	273,442	-	273,331
BETE reimbursement	215,777	215,861	84	180,676
Other state grants	41,000	40,914	(86)	41,730
Other agencies	38,000	132,991	94,991	88,823
University of Southern Maine assistance	12,500	12,500	-	25,090
Total intergovernmental	1,597,719	1,646,630	48,911	1,707,901
Charges for services:				
Police fees, fines and outside work	21,000	59,344	38,344	57,289
Fire and rescue fees	596,600	572,027	(24,573)	518,539
Subdivision/development fees	25,500	30,655	5,155	32,760
Sewer inspection fees	3,000	4,950	1,950	8,662
Miscellaneous code/assessing	750	252	(498)	310
Miscellaneous public works	2,900	2,239	(661)	1,965
Solid waste user charges	454,700	457,939	3,239	463,541
Recreation fees	143,000	147,604	4,604	142,357
Payment in lieu of taxes	59,179	58,967	(212)	59,272
Sale of town property	-	2,000	2,000	14,918
Use of cruisers	-	575	575	4,173
Fuel depot reserve	-	6,446	6,446	6,729
Cemetery reserve	-	1,675	1,675	925
Total charges for services	1,306,629	1,344,673	38,044	1,311,440

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

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Revenues, continued:				
Other revenues:				
Cemetery income	\$ 10,500	6,535	(3,965)	13,423
Interest on investments	8,000	11,978	3,978	4,078
Rent	95,508	96,022	514	96,194
Recreation reimbursement	-	619,146	619,146	634,808
Senior mealsite	8,000	9,848	1,848	10,391
Miscellaneous	11,000	22,917	11,917	3,567
Miscellaneous unbudgeted	-	963,032	963,032	56,741
Total other revenues	133,008	1,729,478	1,596,470	819,202
Total revenues	28,715,492	31,501,277	2,785,785	29,669,110
Expenditures:				
Current:				
General government:				
Administration	437,464	454,189	(16,725)	449,291
Technology	104,875	99,483	5,392	99,068
Town Clerk	190,116	170,175	19,941	177,101
Planning	207,658	204,269	3,389	198,057
Assessing	134,819	131,001	3,818	129,583
Code enforcement	121,352	121,052	300	119,789
Gorham municipal center	215,850	177,715	38,135	168,034
Total general government	1,412,134	1,357,884	54,250	1,340,923
Public safety:				
Police department	1,685,382	1,626,859	58,523	1,623,310
Fire department	1,511,267	1,505,252	6,015	1,068,916
Rescue squad	-	-	-	425,955
Public safety building	94,100	67,641	26,459	95,049
Public utilities	149,500	153,107	(3,607)	146,091
Public safety contract services	330,363	330,271	92	320,646
Total public safety	3,770,612	3,683,130	87,482	3,679,967
Public works:				
Public works maintenance	1,554,054	1,537,622	16,432	1,562,130
Solid waste removal	720,300	719,828	472	754,475
Cemeteries	18,810	17,115	1,695	-
Total public works	2,293,164	2,274,565	18,599	2,316,605
Health and welfare:				
Welfare	98,300	49,570	48,730	120,493
Health council	600	600	-	600
Total health and welfare	98,900	50,170	48,730	121,093

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

	2015			2014 Actual
	Budget	Actual	Variance positive (negative)	
Expenditures, continued:				
Current, continued:				
Recreation:				
Baxter Memorial Library	\$ 443,797	443,685	112	435,079
North Gorham Library	11,000	11,000	-	10,000
Baxter Museum	5,000	2,378	2,622	2,501
Recreation	274,290	274,288	2	271,236
Middle School Softball Field	6,000	10,540	(4,540)	6,140
Old Robie School	11,975	16,363	(4,388)	16,776
Little Falls School	37,980	34,710	3,270	25,138
White Rock School	-	-	-	1,028
Robie Gym	9,580	9,580	-	11,310
Recreation - reimbursable programs	-	679,054	(679,054)	629,887
Total recreation	799,622	1,481,598	(681,976)	1,409,095
Economic development	67,218	68,674	(1,456)	67,557
Insurances:				
Multi peril policy	145,500	118,867	26,633	112,346
Public liability	11,500	9,255	2,245	9,032
Total insurances	157,000	128,122	28,878	121,378
Employee benefits:				
Direct unemployment compensation	9,000	1,713	7,287	1,539
Worker's compensation	126,166	81,156	45,010	98,713
Retirement	316,646	302,112	14,534	298,769
Major medical insurance	990,000	1,002,978	(12,978)	932,393
Social security	418,783	404,943	13,840	397,567
Group life insurance	1,200	1,303	(103)	1,255
Total employee benefits	1,861,795	1,794,205	67,590	1,730,236
Public agencies:				
Appeals board/assessment appeals	250	-	250	-
Parks and conservation	500	-	500	-
G.P.C.O.G.	16,400	16,381	19	17,081
MMA	13,500	13,497	3	12,937
Total public agencies	30,650	29,878	772	30,018
Unclassified:				
Gorham cable TV	80,997	80,956	41	64,757
Senior Mealsite	16,000	22,857	(6,857)	14,791
Memorial Day	2,200	2,176	24	2,021
Founders Festival	4,000	4,000	-	4,000
New Years Gorham	2,500	2,500	-	-
Contingency	70,000	32,994	37,006	25,042
Town Clock	800	800	-	800
Sno-Goers	1,000	1,000	-	-
Miscellaneous unbudgeted	-	211,087	(211,087)	145,697
Total unclassified	177,497	358,370	(180,873)	257,108

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

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Intergovernmental - County tax	\$ 934,677	934,677	-	888,144
Debt service (excluding education):				
Principal	1,093,125	1,093,125	-	1,013,125
Interest	357,093	356,462	631	375,017
Total debt service	1,450,218	1,449,587	631	1,388,142
Capital:				
Capital maintenance	129,800	827,997	(698,197)	214,165
Capital improvements	1,205,423	779,301	426,122	1,040,887
Total capital	1,335,223	1,607,298	(272,075)	1,255,052
Total expenditures	14,388,710	15,218,158	(829,448)	14,605,318
Excess of revenues over expenditures	14,326,782	16,283,119	1,956,337	15,063,792
Other financing sources (uses):				
Use of unassigned fund balance	1,005,423	-	(1,005,423)	-
Transfers to special revenue -				
School Fund	(15,412,463)	(15,422,463)	(10,000)	(15,000,123)
Impact Fees	-	-	-	(25,422)
Transfers in from special revenue -				
TIF	80,258	80,258	-	83,981
Impact Fees	-	249,000	249,000	62,120
Total other financing uses	(14,326,782)	(15,093,205)	(766,423)	(14,879,444)
Excess of revenues and other financing sources over expenditures and other uses - budgetary basis	-	1,189,914	1,189,914	184,348
Reconciliation to GAAP basis:				
Change in encumbrances		(21,525)		(167,438)
Net change in fund balance		1,168,389		16,910
Fund balance, beginning of year		11,587,531		11,570,621
Fund balance, end of year	\$	12,755,920		11,587,531

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF GORHAM, MAINE
Combining Balance Sheet
All Other Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash	\$ 140,197	447,393	-	587,590
Investments	97,479	-	1,121,361	1,218,840
Receivables:				
Accounts	241,607	-	-	241,607
Notes	170,562	-	-	170,562
Intergovernmental	697,492	-	-	697,492
Inventory	33,214	-	-	33,214
Interfund loans receivable	2,093,779	182,359	1,800	2,277,938
Total assets	\$ 3,474,330	629,752	1,123,161	5,227,243
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	36,041	-	6,547	42,588
Interfund loans payable	599,538	2,202	409	602,149
Unearned revenues	28,093	-	-	28,093
Total liabilities	663,672	2,202	6,956	672,830
Fund balances:				
Nonspendable	203,776	-	905,102	1,108,878
Restricted	2,424,698	559,069	211,103	3,194,870
Committed	177,822	68,825	-	246,647
Assigned	9,527	-	-	9,527
Unassigned	(5,165)	(344)	-	(5,509)
Total fund balances	2,810,658	627,550	1,116,205	4,554,413
Total liabilities and fund balances	\$ 3,474,330	629,752	1,123,161	5,227,243

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, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Taxes	\$ 323,437	-	-	323,437
Intergovernmental	2,034,470	-	-	2,034,470
Charges for services	1,081,736	-	-	1,081,736
Investment income	9,140	188	15,107	24,435
Other revenue	127,307	1,505	153,501	282,313
Total revenues	3,576,090	1,693	168,608	3,746,391
Expenditures:				
Current:				
Grants and other special uses	1,160,691	-	-	1,160,691
Food services	886,847	-	-	886,847
Public works - sewer	1,106,148	-	-	1,106,148
Recreation	24,906	-	-	24,906
Unclassified	172,153	-	8,673	180,826
Capital improvements	-	499,439	-	499,439
Total expenditures	3,350,745	499,439	8,673	3,858,857
Excess (deficiency) of revenues over (under) expenditures	225,345	(497,746)	159,935	(112,466)
Other financing sources (uses):				
Transfer in from other funds	30,973	-	1,530	32,503
Transfer to other funds	(330,788)	-	-	(330,788)
Total other financing sources (uses)	(299,815)	-	1,530	(298,285)
Net change in fund balances	(74,470)	(497,746)	161,465	(410,751)
Fund balances, beginning of year	2,885,128	1,125,296	954,740	4,965,164
Fund balances, end of year	\$ 2,810,658	627,550	1,116,205	4,554,413

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 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, 2015
(with comparative amounts for June 30, 2014)

	School Grants 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	
										2015	2014
ASSETS											
Cash	\$ -	140,197	-	-	-	-	-	-	-	140,197	155,281
Investments	-	-	-	61,308	-	22,137	1,361	-	12,673	97,479	95,972
Receivables:											
Accounts	1,202	24,014	216,391	-	-	-	-	-	-	241,607	235,976
Notes	-	-	-	-	-	-	-	170,562	-	170,562	134,943
Intergovernmental	697,492	-	-	-	-	-	-	-	-	697,492	194,330
Inventory	-	33,214	-	-	-	-	-	-	-	33,214	34,067
Interfund loans receivable	-	-	852,776	14,552	656,955	5,003	3,862	557,774	2,857	2,093,779	2,222,698
Total assets	\$ 698,694	197,425	1,069,167	75,860	656,955	27,140	5,223	728,336	15,530	3,474,330	3,073,267
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	36,041	-	-	-	-	-	-	-	-	36,041	3,464
Interfund loans payable	543,283	56,255	-	-	-	-	-	-	-	599,538	160,519
Unearned revenue	-	28,093	-	-	-	-	-	-	-	28,093	24,156
Total liabilities	579,324	84,348	-	-	-	-	-	-	-	663,672	188,139
Fund balances:											
Nonspendable:											
Noncurrent receivables	-	-	-	-	-	-	-	170,562	-	170,562	134,943
Inventory	-	33,214	-	-	-	-	-	-	-	33,214	34,067
Restricted:											
Grants	124,365	-	-	-	-	-	-	-	-	124,365	113,918
Impact fees	-	-	-	-	656,955	-	-	-	-	656,955	779,733
Library	-	-	-	-	-	19,756	-	-	-	19,756	19,262
Recreation	-	-	-	-	-	-	5,223	-	-	5,223	5,222
Miscellaneous	-	-	-	-	-	-	-	-	12,673	12,673	12,665
TIF	-	-	-	-	-	-	-	380,836	-	380,836	406,372
Food services	-	79,863	-	-	-	-	-	-	-	79,863	95,274
Sewer operations	-	-	1,069,167	75,860	-	-	-	-	-	1,145,027	1,195,279
Committed:											
TIF	-	-	-	-	-	-	-	176,938	-	176,938	105,830
Miscellaneous	-	-	-	-	-	-	-	-	884	884	884
Assigned:											
Library	-	-	-	-	-	7,554	-	-	-	7,554	8,423
Miscellaneous	-	-	-	-	-	-	-	-	1,973	1,973	1,973
Unassigned:											
Library	-	-	-	-	-	(170)	-	-	-	(170)	-
Grants	(4,995)	-	-	-	-	-	-	-	-	(4,995)	(28,717)
Total fund balances	119,370	113,077	1,069,167	75,860	656,955	27,140	5,223	728,336	15,530	2,810,658	2,885,128
Total liabilities and fund balances	\$ 698,694	197,425	1,069,167	75,860	656,955	27,140	5,223	728,336	15,530	3,474,330	3,073,267

TOWN OF GORHAM, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2015
(with comparative amounts for the year ended June 30, 2014)

				Little Falls							Totals	
	School	School	Sewer	Sewer Reserve	Impact	Library	Recreation	TIF	Miscellaneous		2015	2014
	Grants	Lunch	Operations	and Loan	Fees	Fund	Fund	Fund	Fund			
	Fund	Fund	Fund	Fund	Fund							
Revenues:												
Taxes	\$ -	-	-	-	-	-	-	323,437	-	-	323,437	308,699
Intergovernmental:												
Federal grants	979,148	-	-	-	-	-	-	-	-	-	979,148	945,634
Other state grants	184,739	296,528	-	-	-	-	-	-	-	-	481,267	213,406
USDA subsidies	-	574,055	-	-	-	-	-	-	-	-	574,055	311,217
Total intergovernmental	1,163,887	870,583	-	-	-	-	-	-	-	-	2,034,470	1,470,257
Charges for services	-	-	1,055,858	-	-	25,878	-	-	-	-	1,081,736	1,674,517
Investment income	-	-	-	38	-	13	-	9,089	-	-	9,140	7,035
Other revenues	-	-	-	-	127,298	-	1	-	8	-	127,307	199,380
Total revenues	1,163,887	870,583	1,055,858	38	127,298	25,891	1	332,526	8	-	3,576,090	3,659,888
Expenditures:												
Current:												
Grants and other special uses	1,160,691	-	-	-	-	-	-	-	-	-	1,160,691	1,251,937
Food services	-	886,847	-	-	-	-	-	-	-	-	886,847	863,289
Public works - sewer	-	-	1,106,148	-	-	-	-	-	-	-	1,106,148	1,095,306
Recreation	-	-	-	-	-	24,906	-	-	-	-	24,906	23,142
Unclassified	-	-	-	-	1,076	-	-	171,077	-	-	172,153	170,487
Total expenditures	1,160,691	886,847	1,106,148	-	1,076	24,906	-	171,077	-	-	3,350,745	3,404,161

TOWN OF GORHAM, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2015
(with comparative amounts for the year ended June 30, 2014)

	Little Falls										Totals	
	School Grants Fund	School Lunch Fund	Sewer Operations Fund	Sewer Reserve and Loan Fund	Impact Fees Fund	Library Fund	Recreation Fund	TIF Fund	Miscellaneous Fund		2015	2014
Excess (deficiency) of revenues over (under) expenditures	\$ 3,196	(16,264)	(50,290)	38	126,222	985	1	161,449	8		225,345	255,727
Other financing sources (uses):												
Capital lease proceeds	-	-	-	-	-	-	-	-	-		-	15,400
Transfers in	30,973	-	-	-	-	-	-	-	-		30,973	25,422
Transfers out	-	-	-	-	(249,000)	(1,530)	-	(80,258)	-		(330,788)	(146,101)
Total other financing sources (uses)	30,973	-	-	-	(249,000)	(1,530)	-	(80,258)	-		(299,815)	(105,279)
Net change in fund balance	34,169	(16,264)	(50,290)	38	(122,778)	(545)	1	81,191	8		(74,470)	150,448
Fund balances, beginning of year	85,201	129,341	1,119,457	75,822	779,733	27,685	5,222	647,145	15,522		2,885,128	2,734,680
Fund balances, end of year	\$ 119,370	113,077	1,069,167	75,860	656,955	27,140	5,223	728,336	15,530		2,810,658	2,885,128

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:

Public Safety Building Capital Project Fund

To account for bond revenues and related expenditures for the construction of the Public Safety Building. The Public Safety Building Capital Project Fund has been presented as a major fund. See Statements 3 and 4.

2013 GO Bond Projects

To account for the purchase of a two fire trucks and the renovation of the Little Falls School with general obligation bonds.

2010 GO Bond Projects

To account for the purchase of a heavy rescue vehicle and the reconstruction of roads funded 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, 2015

(with comparative amounts for June 30, 2014)

		2013	2010	Great Falls	Middle	Various	High School	Totals	
		GO Bond	GO Bond	Elementary	School	School	Renovation	2015	2014
		Projects	Projects	School Project	Project	Projects	and Expansion		
ASSETS									
Cash	\$	12,059	402,988	32,346	-	-	-	447,393	1,148,067
Interfund loans receivable		-	-	113,534	-	39,045	29,780	182,359	182,359
Total assets	\$	12,059	402,988	145,880	-	39,045	29,780	629,752	1,330,426
LIABILITIES AND FUND BALANCES									
Liabilities:									
Interfund loans payable		1,858	-	-	344	-	-	2,202	205,130
Total liabilities		1,858	-	-	344	-	-	2,202	205,130
Fund balances (deficit):									
Restricted:									
Great Falls Elementary School		-	-	145,880	-	-	-	145,880	145,872
Bonded road projects		-	402,988	-	-	-	-	402,988	406,009
Fire Trucks		8,603	-	-	-	-	-	8,603	7,106
Little Falls School renovation		1,598	-	-	-	-	-	1,598	497,828
Committed:									
Various school projects		-	-	-	-	39,045	-	39,045	39,045
High School renovation and expansion		-	-	-	-	-	29,780	29,780	29,780
Unassigned:									
Middle school project		-	-	-	(344)	-	-	(344)	(344)
Total fund balances (deficit)		10,201	402,988	145,880	(344)	39,045	29,780	627,550	1,125,296
Total liabilities and fund balances	\$	12,059	402,988	145,880	-	39,045	29,780	629,752	1,330,426

TOWN OF GORHAM, MAINE
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2015
(with comparative amounts for the year ended June 30, 2014)

	2013 GO Bond Projects	2010 GO Bond Projects	Great Falls Elementary School Project	Middle School Project	Various School Projects	High School Renovation and Expansion	Totals	
							2015	2014
Revenues:								
Investment income	\$ 70	118	-	-	-	-	188	1,813
Other revenue	1,497	-	8	-	-	-	1,505	-
Total revenues	1,567	118	8	-	-	-	1,693	1,813
Expenditures:								
Capital improvements:								
Construction and renovation	496,300	3,139	-	-	-	-	499,439	918,428
Total capital improvements	496,300	3,139	-	-	-	-	499,439	918,428
Total expenditures	496,300	3,139	-	-	-	-	499,439	918,428
Excess (deficiency) of revenues over (under) expenditures	(494,733)	(3,021)	8	-	-	-	(497,746)	(916,615)
Other financing sources:								
Long-term debt issued	-	-	-	-	-	-	-	1,400,000
Total other financing sources	-	-	-	-	-	-	-	1,400,000
Net change in fund balances	(494,733)	(3,021)	8	-	-	-	(497,746)	483,385
Fund balances (deficit), beginning of year	504,934	406,009	145,872	(344)	39,045	29,780	1,125,296	641,911
Fund balances (deficit), end of year	\$ 10,201	402,988	145,880	(344)	39,045	29,780	627,550	1,125,296

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, 2015

(with comparative amounts for June 30, 2014)

	Cemetery Perpetual Care	Parks and Recreation Grounds	Baxter Library and Museum	Schools	Public Purpose and Civic Improvements	Miscellaneous	Totals	
							2015	2014
ASSETS								
Investments	\$ 491,408	13,891	362,735	47,035	14,280	192,012	1,121,361	950,397
Interfund loans receivable	1,800	-	-	-	-	-	1,800	10,980
Total assets	493,208	13,891	362,735	47,035	14,280	192,012	1,123,161	961,377
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	6,547	-	-	-	-	-	6,547	6,637
Interfund loans payable	-	-	409	-	-	-	409	-
Total liabilities	6,547	-	409	-	-	-	6,956	6,637
Fund balances:								
Nonspendable	486,623	4,125	341,597	5,170	5,000	62,587	905,102	746,715
Restricted	38	9,766	20,729	41,865	9,280	129,425	211,103	208,025
Total fund balances	486,661	13,891	362,326	47,035	14,280	192,012	1,116,205	954,740
Total liabilities and and fund balances	\$ 493,208	13,891	362,735	47,035	14,280	192,012	1,123,161	961,377

TOWN OF GORHAM, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2015
(with comparative amounts for the year ended June 30, 2014)

	Cemetery Perpetual Care	Parks and Recreation Grounds	Baxter Library and Museum	Schools	Public Purpose and Civic Improvements	Miscellaneous	Totals	
							2015	2014
Revenues:								
Investment income	\$ 9,899	9	127	30	9	5,033	15,107	8,512
Donations	-	-	153,501	-	-	-	153,501	216,906
Total revenues	9,899	9	153,628	30	9	5,033	168,608	225,418
Expenditures:								
Current:								
Other miscellaneous	6,547	-	2,126	-	-	-	8,673	14,281
Total expenditures	6,547	-	2,126	-	-	-	8,673	14,281
Excess of revenues over expenditures	3,352	9	151,502	30	9	5,033	159,935	211,137
Other financing sources:								
Transfers in	-	-	1,530	-	-	-	1,530	-
Total other financing sources	-	-	1,530	-	-	-	1,530	-
Net change in fund balance	3,352	9	153,032	30	9	5,033	161,465	211,137
Fund balances, beginning of year	483,309	13,882	209,294	47,005	14,271	186,979	954,740	743,603
Fund balances, end of year	\$ 486,661	13,891	362,326	47,035	14,280	192,012	1,116,205	954,740

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
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Agency Funds			
	School and Student Activity Funds	Public Safety Activity Funds	Recreation Activity Funds	Total Agency Funds
ASSETS				
Cash	\$ 274,624	118,293	1,114	394,031
Interfund receivable	5,934	-	-	5,934
Total assets	280,558	118,293	1,114	399,965
LIABILITIES				
Due to:				
Student groups	280,558	-	-	280,558
Public safety	-	118,293	-	118,293
Recreation	-	-	1,114	1,114
Total liabilities	\$ 280,558	118,293	1,114	399,965

TOWN OF GORHAM, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Scholarships Private-purpose Trust Funds
ASSETS	
Investments	\$ 44,373
Total assets	44,373
LIABILITIES AND NET POSITION	
Liabilities:	
Interfund payable	750
Total liabilities	750
Net position:	
Principal	40,942
Unexpended income	2,681
Total net position	43,623
Total liabilities and net position	\$ 44,373

TOWN OF GORHAM, MAINE
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2015
(with comparative amounts for June 30, 2014)

	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	GCVP	2015	2014
ASSETS									
Cash	\$ 201,686	917	13,707	10,119	11,157	35,133	1,905	274,624	279,874
Interfund receivable	5,934	-	-	-	-	-	-	5,934	5,455
Total assets	207,620	917	13,707	10,119	11,157	35,133	1,905	280,558	285,329
LIABILITIES									
Due to student groups	207,620	917	13,707	10,119	11,157	35,133	1,905	280,558	285,329
Total liabilities	\$ 207,620	917	13,707	10,119	11,157	35,133	1,905	280,558	285,329

TOWN OF GORHAM, MAINE
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015
(with comparative amounts for June 30, 2014)

	Public Safety Activity Agency Funds				Totals	
	Guns and Hoses Fund	Central Station Auxiliary Fund	S. Windham Fire Company Fund	Presumpscot Valley Hazmat Fund	2015	2014
ASSETS						
Cash	\$ 48,850	5,493	1,996	61,954	118,293	104,234
Total assets	48,850	5,493	1,996	61,954	118,293	104,234
LIABILITIES						
Due to public safety groups	48,850	5,493	1,996	61,954	118,293	104,234
Total liabilities	\$ 48,850	5,493	1,996	61,954	118,293	104,234

TOWN OF GORHAM, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015
(with comparative amounts for June 30, 2014)

	Men's Basketball League Fund	Totals	
		2015	2014
ASSETS			
Cash	\$ 1,114	1,114	5,942
Total assets	1,114	1,114	5,942
LIABILITIES			
Due to recreation groups	1,114	1,114	5,942
Total liabilities	\$ 1,114	1,114	5,942

TOWN OF GORHAM, MAINE
Combining Statement of Fiduciary Net Position
Private-purpose Trust Funds
June 30, 2015
(with comparative amounts for June 30, 2014)

	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		
								2015	2014	
ASSETS										
Investments	\$	2,731	2,413	6,569	12,676	7,795	10,367	1,822	44,373	45,445
Interfund loan receivable		-	150	-	-	-	-	-	150	-
Total assets		2,731	2,563	6,569	12,676	7,795	10,367	1,822	44,523	45,445
LIABILITIES AND NET POSITION										
Liabilities:										
Interfund loan payable		100	-	100	200	500	-	-	900	1,100
Total liabilities		100	-	100	200	500	-	-	900	1,100
Net position:										
Principal		2,531	2,527	6,369	12,326	5,000	10,367	1,822	40,942	41,008
Unexpended income		100	36	100	150	2,295	-	-	2,681	3,337
Total net position		2,631	2,563	6,469	12,476	7,295	10,367	1,822	43,623	44,345
Total liabilities and and net position	\$	2,731	2,563	6,569	12,676	7,795	10,367	1,822	44,523	45,445

TOWN OF GORHAM, MAINE
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private-purpose Trust Funds
For the year ended June 30, 2015
(with comparative amounts for the year ended June 30, 2014)

	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	
								2015	2014
Additions:									
Investment earnings:									
Interest	\$ 38	34	90	175	111	140	25	613	795
Net increase (decrease) in the fair value of investments	(36)	(32)	(86)	(167)	(106)	(134)	(24)	(585)	(454)
Donations	-	250	-	-	-	-	-	250	-
Total additions	2	252	4	8	5	6	1	278	341
Deductions:									
Current:									
Scholarships awarded	100	100	100	200	500	-	-	1,000	1,100
Total deductions	100	100	100	200	500	-	-	1,000	1,100
Changes in net position	(98)	152	(96)	(192)	(495)	6	1	(722)	(759)
Net position, beginning of year	2,729	2,411	6,565	12,668	7,790	10,361	1,821	44,345	45,104
Net position, end of year	\$ 2,631	2,563	6,469	12,476	7,295	10,367	1,822	43,623	44,345

TOWN OF GORHAM, MAINE
Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and interfund receivables:				
Student activities:				
High School Activity Fund	\$ 202,522	303,141	298,043	207,620
Gorham High School CBE	418	3,770	3,271	917
White Rock Activity Fund	15,438	35,152	36,883	13,707
Narragansett Office	12,422	20,351	22,654	10,119
Village Activity Fund	14,544	24,209	27,596	11,157
Middle School Activity Fund	38,015	86,651	89,533	35,133
GSVP	1,970	3,824	3,889	1,905
Subtotal student activities	285,329	477,098	481,869	280,558
Public safety activities:				
Guns and Hoses Fund	51,094	13,805	16,049	48,850
Central Station Auxiliary Fund	5,891	2	400	5,493
S. Windham Fire Company Fund	1,820	1,629	1,453	1,996
Presumpscot Valley Hazmat Fund	45,429	91,116	74,591	61,954
Subtotal public safety activities	104,234	106,552	92,493	118,293
Recreation activities:				
Gorham Family Fair Fund	67	-	67	-
Gorham Travel Basketball Fund	686	-	686	-
Men's Basketball League Fund	5,164	-	4,050	1,114
New Year Gorham Fund	25	-	25	-
Subtotal recreation activities	5,942	-	4,828	1,114
Total assets	\$ 395,505	583,650	579,190	399,965

TOWN OF GORHAM, MAINE
Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
LIABILITIES				
Student activities:				
High School Activity Fund	\$ 202,522	303,141	298,043	207,620
Gorham High School CBE	418	3,770	3,271	917
White Rock Activity Fund	15,438	35,152	36,883	13,707
Narragansett Office	12,422	20,351	22,654	10,119
Village Activity Fund	14,544	24,209	27,596	11,157
Middle School Activity Fund	38,015	86,651	89,533	35,133
GSVP	1,970	3,824	3,889	1,905
Subtotal student activities	285,329	477,098	481,869	280,558
Public safety activities:				
Guns and Hoses Fund	51,094	13,805	16,049	48,850
Central Station Auxiliary Fund	5,891	2	400	5,493
S Windham Fire Company Fund	1,820	1,629	1,453	1,996
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Subtotal public safety activities	104,234	106,552	92,493	118,293
Recreation activities:				
Gorham Family Fair Fund	67	-	67	-
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Men's Basketball League Fund	5,164	-	4,050	1,114
New Year Gorham Fund	25	-	25	-
Subtotal recreation activities	5,942	-	4,828	1,114
Total liabilities	\$ 395,505	583,650	579,190	399,965

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

TOWN OF GORHAM, MAINE
Capital Assets Used in the Operation of Governmental Funds - By Source
June 30, 2015
(with comparative amounts for June 30, 2014)

	Totals	
	2015	2014
Governmental fund capital assets:		
Land and buildings	\$ 75,423,120	74,629,579
Furniture and equipment	19,465,084	18,624,829
Infrastructure	43,224,690	43,027,536
Total governmental fund capital assets	\$ 138,112,894	136,281,944
Investments in governmental fund capital assets by source:		
General fund	137,589,952	136,136,311
Capital project funds	522,942	145,633
Total governmental fund capital assets	\$ 138,112,894	136,281,944

TOWN OF GORHAM, MAINE
Schedule of Capital Assets Used in the Operation of Governmental Funds - By Function and Activity
June 30, 2015
(with comparative amounts for June 30, 2014)

Function and Activity		Land and buildings	Furniture and equipment	Infrastructure	Totals	
					2015	2014
General government	\$	8,703,509	1,167,196	33,578	9,904,283	9,943,277
Education		57,936,435	6,765,317	-	64,701,752	64,620,811
Public safety		2,195,049	5,550,893	2,335	7,748,277	7,723,110
Public works		1,884,748	3,897,830	43,158,947	48,941,525	48,358,999
Recreation, library and museum		4,198,867	654,011	11,400	4,864,278	4,060,278
Construction in progress		504,512	-	18,430	522,942	145,632
Book collection, historical treasures and artwork		-	1,429,837	-	1,429,837	1,429,837
Total governmental fund capital assets	\$	75,423,120	19,465,084	43,224,690	138,112,894	136,281,944

Exhibit G-3

Schedule of Changes in Governmental Funds Capital Assets - By Function and Activity
For the year ended June 30, 2015

Function and Activity		Balance 2014	Additions	Deletions	Balance 2015
General government	\$	9,943,277	96,668	135,662	9,904,283
Education		64,620,811	354,414	273,473	64,701,752
Public safety		7,723,110	404,532	379,365	7,748,277
Public works		48,358,999	635,721	53,195	48,941,525
Recreation, library and museum		4,060,278	810,395	6,395	4,864,278
Construction in progress		145,632	383,345	6,035	522,942
Book collection, historical treasures and artwork		1,429,837	-	-	1,429,837
Totals	\$	136,281,944	2,685,075	854,125	138,112,894

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	137-141
<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	142-145
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	146-149
<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	150-151
<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	152-154
<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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u> ¹	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:										
Net investment in capital assets	\$ 17,962,590	\$ 23,204,001	\$ 21,730,596	\$ 33,293,376	\$ 33,076,636	\$ 36,550,035	\$ 38,304,529	\$ 39,771,522	\$ 41,744,384	\$ 42,226,881
Restricted	384,443	375,446	375,446	424,928	16,412,829	1,868,709	3,109,143	3,242,839	3,936,188	3,949,973
Unrestricted	<u>13,430,419</u>	<u>12,441,818</u>	<u>15,039,117</u>	<u>12,982,245</u>	<u>(1,472,158)</u>	<u>11,219,195</u>	<u>11,574,603</u>	<u>9,596,610</u>	<u>9,556,973</u>	<u>9,268,347</u>
Total governmental activities net position	<u>\$ 31,777,452</u>	<u>\$ 36,021,265</u>	<u>\$ 37,145,159</u>	<u>\$ 46,700,549</u>	<u>\$ 48,017,307</u>	<u>\$ 49,637,939</u>	<u>\$ 52,988,275</u>	<u>\$ 52,610,971</u>	<u>\$ 55,237,545</u>	<u>\$ 55,445,201</u>

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

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

	2006	2007	2008	2009	2010 ¹	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 4,023,144	\$ 3,897,193	\$ 4,262,644	\$ 4,692,737	\$ 4,791,437	\$ 4,787,454	\$ 4,768,295	\$ 4,743,171	\$ 5,045,971	\$ 5,212,457
Public safety	2,979,424	3,317,132	3,811,471	3,742,859	3,581,802	3,838,634	3,823,459	3,803,853	4,181,443	3,893,475
Public works	3,517,160	3,902,787	5,531,287	2,781,765	4,540,156	5,376,501	5,041,673	5,401,195	5,430,356	5,159,276
Health and welfare	45,423	55,774	57,765	87,628	74,469	136,853	149,617	188,183	121,093	50,170
Recreation	1,229,648	1,216,449	1,414,399	1,368,309	1,407,246	1,110,653	1,488,702	1,454,250	1,616,165	1,648,025
Development	414,130	406,590	429,849	495,299	271,516	294,540	296,115	240,178	246,957	240,827
Education	30,564,714	31,417,334	32,649,708	32,373,509	34,667,562	34,310,102	34,654,427	35,364,568	35,457,060	36,435,791
Interest on debt	1,370,154	1,272,191	1,226,075	1,250,260	1,387,958	1,878,175	1,472,657	1,310,289	1,260,694	1,218,765
Total governmental activities expenses	<u>44,143,797</u>	<u>45,485,450</u>	<u>49,383,198</u>	<u>46,792,366</u>	<u>50,722,146</u>	<u>51,732,912</u>	<u>51,694,945</u>	<u>52,505,687</u>	<u>53,359,739</u>	<u>53,858,786</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	762,661	518,926	399,105	470,309	545,365	592,358	547,377	669,844	733,768	710,554
Public safety	435,752	434,044	527,077	617,224	593,483	670,950	633,614	643,240	582,398	635,994
Public works	1,181,418	1,571,638	1,454,912	1,584,478	1,476,406	1,550,190	1,504,559	1,518,310	1,592,331	1,522,571
Health and welfare	13,710	13,672	11,261	11,643	11,305	10,106	11,217	10,454	10,391	9,848
Recreation	513,804	550,704	597,558	634,268	647,758	609,568	677,022	655,906	798,272	792,628
Development	91,139	123,738	98,601	82,050	-	-	-	-	-	-
Education	669,220	696,114	632,641	654,443	616,409	595,506	579,531	565,176	585,729	34,928
Operating grants and contributions	19,244,840	20,628,587	21,369,835	22,456,840	23,263,805	23,132,157	22,891,354	22,140,676	22,890,431	24,339,847
Capital grants and contributions	2,262,981	2,318,647	775,035	5,518,682	1,306,107	1,796,568	3,316,795	275,574	1,712,233	217,919
Total governmental activities program revenues	<u>25,175,525</u>	<u>26,856,070</u>	<u>25,866,025</u>	<u>32,029,937</u>	<u>28,460,638</u>	<u>28,957,403</u>	<u>30,161,469</u>	<u>26,479,180</u>	<u>28,905,553</u>	<u>28,264,289</u>
Net (expense)/revenue, governmental activities	<u>(18,968,272)</u>	<u>(18,629,380)</u>	<u>(23,517,173)</u>	<u>(14,762,429)</u>	<u>(22,261,508)</u>	<u>(22,775,509)</u>	<u>(21,533,476)</u>	<u>(26,026,507)</u>	<u>(24,454,186)</u>	<u>(25,594,497)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	16,918,807	17,690,199	19,138,898	19,421,626	19,309,185	19,873,946	20,677,988	20,982,710	22,639,056	23,320,184
Payment in lieu of taxes	55,469	54,396	36,385	91,351	56,684	55,469	57,067	58,207	59,272	58,967
Motor vehicle and boat excise taxes	2,480,592	2,486,679	2,486,856	2,403,379	2,374,614	2,385,626	2,425,578	2,618,905	2,860,442	3,034,851
Grants and contributions not restricted to specific programs:										
Homestead exemption	379,972	331,237	309,050	306,543	303,353	259,083	263,253	260,833	273,331	273,442
BETE reimbursement	-	-	-	78,942	131,103	163,110	161,074	189,602	180,676	215,861
Other state aid	31,716	10,865	39,204	29,003	28,486	26,611	41,956	41,769	41,730	40,914
State revenue sharing	1,372,122	1,265,414	1,389,770	1,326,817	1,131,755	1,116,472	1,124,259	1,105,086	784,766	731,086
Unrestricted investment earnings	628,511	727,022	501,024	224,431	216,622	188,676	87,250	100,293	91,407	118,144
Miscellaneous revenues	251,818	307,381	739,880	435,727	148,644	259,356	254,434	288,815	308,262	262,310
Sale of property	161,500	-	-	-	-	67,792	12,961	2,983	14,918	2,000
Total governmental activities	<u>22,280,507</u>	<u>22,873,193</u>	<u>24,641,067</u>	<u>24,317,819</u>	<u>23,700,446</u>	<u>24,396,141</u>	<u>25,105,820</u>	<u>25,649,203</u>	<u>27,253,860</u>	<u>28,057,759</u>
Change in Net Position										
Governmental activities	<u>\$ 3,312,235</u>	<u>\$ 4,243,813</u>	<u>\$ 1,123,894</u>	<u>\$ 9,555,390</u>	<u>\$ 1,438,938</u>	<u>\$ 1,620,632</u>	<u>\$ 3,572,344</u>	<u>\$ (377,304)</u>	<u>\$ 2,799,674</u>	<u>\$ 2,463,262</u>

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

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
2006	\$	16,885,807	\$	50,037	\$	2,480,592	\$	19,416,436
2007		17,678,799		59,570		2,486,679		20,225,048
2008		19,007,098		96,264		2,486,856		21,590,218
2009		19,245,826		79,229		2,403,379		21,728,434
2010		19,309,185		119,141		2,374,614		21,802,940
2011		19,873,946		118,218		2,385,626		22,377,790
2012		20,677,988		51,884		2,425,578		23,155,450
2013		20,982,710		78,623		2,618,905		23,680,238
2014		22,639,056		69,969		2,860,442		25,569,467
2015		23,320,184		81,731		3,034,851		26,436,766

Table 4

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Nonspendable										
Noncurrent receivable	\$ 11,750	\$ 10,940	\$ 10,535	\$ 9,319	\$ 8,509	\$ 7,698	\$ 6,888	\$ 6,078	\$ 2,634	\$ 2,228
Prepaid items	-	-	-	-	-	-	2,097	105,687	212,149	228,091
Inventory ²	15,097	14,024	16,753	58,646	65,126	66,266	35,848	43,068	79,362	70,300
Restricted										
General government purposes	-	-	-	-	-	-	-	-	15,006	26,751
Public safety operations	-	-	-	-	192,996	201,653	149,347	164,996	151,483	194,803
Public works operations	-	-	-	-	91,992	93,761	100,476	106,425	179,875	176,551
Recreation operations	-	-	-	-	2,108	2,108	750	750	7,359	10,965
Committed										
General government purposes	-	-	-	-	545,620	545,620	314,731	104,006	310,677	363,659
Public safety operations	-	-	-	-	-	-	-	-	24,760	11,604
Public works operations	-	-	-	-	-	-	-	-	83,827	148,930
Recreation operations	-	-	-	-	-	-	-	-	60,342	229,208
Other purposes	-	-	-	-	145,015	219,257	98,191	754,600	-	-
Assigned										
Capital funding	186,998	622,345	691,231	541,862	1,128,800	139,220	1,721,034	466,800	1,005,423	1,130,012
Encumbrances	298,828	270,652	296,508	61,996	222,092	161,130	259,911	445,389	277,951	256,426
General government purposes	-	-	-	-	628,858	666,191	540,298	550,638	492,432	795,656
Public safety operations	-	-	-	-	365,256	208,642	171,468	187,318	147,693	172,952
Public works operations	-	-	-	-	567,559	585,374	618,224	510,559	649,994	607,394
Recreation operations	-	-	-	-	272,649	291,377	281,296	301,141	321,926	237,986
Economic development	-	-	-	-	75,316	75,316	77,100	85,399	82,899	82,899
Insurance and employee benefits	-	-	-	-	532,767	519,941	518,408	567,789	537,873	904,144
Other purposes	-	-	-	-	686,340	336,048	379,753	309,499	-	-
Capital reserves	2,827,485	3,106,331	3,172,519	3,515,695	-	-	-	-	-	-
Compensated absences	256,162	279,289	295,344	316,262	320,086	335,706	360,078	369,162	376,121	396,688
Unassigned	5,601,951	6,069,876	5,837,508	6,029,809	5,334,899	6,508,046	5,687,098	6,491,317	6,567,745	6,708,673
Total General Fund	<u>\$ 9,198,271</u>	<u>\$ 10,373,457</u>	<u>\$ 10,320,398</u>	<u>\$ 10,533,589</u>	<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>
All other governmental funds										
Nonspendable										
Special revenue funds	\$ 20,203	\$ 45,769	\$ 35,253	\$ 101,853	\$ 182,352	\$ 170,149	\$ 184,540	\$ 145,908	\$ 169,010	\$ 203,776
Permanent funds	358,817	375,446	375,446	424,928	513,326	524,205	524,988	538,345	746,715	905,102
Restricted										
Special revenue funds	602,954	974,328	997,803	1,344,305	1,419,004	1,130,992	2,364,016	2,499,236	2,627,725	2,424,698
Capital project funds	4,056,040	1,613,688	3,882,761	-	14,264,545 ³	3,807,139 ³	738,721	559,273	1,056,815	5,382,372 ³
Permanent funds	182,337	193,310	214,008	198,362	215,954	213,512	220,139	205,258	208,025	211,103
Committed										
Special revenue funds	1,499,202	1,500,520	1,388,842	1,543,348	1,536,304	1,561,139	237,637	99,629	106,714	177,822
Capital project funds	107,059	14,792	58,834	146,956	43,183	240,851	39,045	82,982	68,825	68,825
Assigned										
Special revenue funds	107,537	220,585	347,771	714,805	885,155	429,115	1,070,699	305,307	10,396	9,527
Unassigned										
Special revenue funds	(2,018,627)	(2,078,838)	(1,916,952)	(1,361,516)	(1,784,809)	(1,107,297)	(1,649,257)	(1,606,033)	(872,680)	(604,072)
Total all other governmental funds	<u>\$ 4,915,522</u>	<u>\$ 2,859,600</u>	<u>\$ 5,383,766</u>	<u>\$ 3,113,041</u>	<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>

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

³ 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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues										
Taxes	\$ 19,416,436	\$ 20,225,048	\$ 21,590,218	\$ 21,728,434	\$ 21,768,640	\$ 22,631,090	\$ 23,040,600	\$ 23,806,646	\$ 25,447,669	\$ 26,429,236
Licenses and permits	671,498	434,921	282,421	277,563	300,923	548,938	527,362	644,599	691,597	674,697
Intergovernmental	20,496,153	22,238,074	22,781,117	23,900,879	24,423,021	24,630,449	24,356,593	23,642,623	23,896,480	24,505,354
Investment income ¹	578,474	667,452	404,760	145,202	98,943	-	-	-	-	-
Charges for services	1,878,026	2,311,948	2,300,477	2,556,325	2,425,130	3,047,229	2,851,781	2,862,119	3,030,321	2,461,337
Unclassified	2,553,714	1,993,011	2,255,787	2,251,650	2,195,366	1,152,994	1,230,525	1,189,455	1,266,969	2,050,794
Total revenues	<u>45,594,301</u>	<u>47,870,454</u>	<u>49,614,780</u>	<u>50,860,053</u>	<u>51,212,023</u>	<u>52,010,700</u>	<u>52,006,861</u>	<u>52,145,442</u>	<u>54,333,036</u>	<u>56,121,418</u>
Expenditures										
General government	3,676,038	3,571,950	3,800,490	3,846,027	4,060,023	3,945,945	3,864,910	3,917,516	4,082,567	4,216,477
Public safety	2,755,743	2,944,915	3,254,798	3,395,235	3,295,577	3,401,184	3,548,053	3,483,363	3,708,786	3,765,789
Public works	2,764,528	2,890,905	3,496,519	3,103,513	3,308,541	3,394,776	3,318,793	3,375,294	3,467,186	3,314,864
Health and welfare	45,423	55,774	57,765	87,628	74,469	136,853	149,617	188,183	121,093	50,170
Recreation	1,122,005	1,164,766	1,215,668	1,187,799	1,202,986	1,245,047	1,305,319	1,275,146	1,458,993	1,514,686
Economic development	196,437	222,750	241,787	221,348	321,323	61,666	63,216	59,701	73,970	68,674
Public agencies	-	-	-	-	-	28,484	28,276	26,646	30,018	29,878
Unclassified	1,182,951	1,227,331	1,374,541	1,297,684	229,345	605,948	544,860	404,876	490,165	534,140
Education	27,706,039	28,845,645	30,034,275	30,748,351	33,329,869	32,992,753	32,933,772	33,009,864	34,130,460	35,274,132
Debt service										
Principal	2,694,646	2,659,650	2,674,650	2,664,650	2,609,650	2,404,650	3,520,000	3,593,125	3,653,125	3,148,125
Interest	1,386,092	1,303,291	1,198,483	1,305,978	1,235,485	1,852,572	1,548,720	1,361,973	1,308,722	1,230,211
Capital maintenance	1,176,816	671,071	151,694	598,297	713,962	983,754	586,728	418,072	214,165	827,997
Capital improvements	4,606,632	3,862,117	3,731,353	4,527,450	6,533,337	15,247,703	3,643,362	1,684,681	2,084,346	1,595,529
Total expenditures	<u>49,313,350</u>	<u>49,420,165</u>	<u>51,232,023</u>	<u>52,983,960</u>	<u>56,914,567</u>	<u>66,301,335</u>	<u>55,055,626</u>	<u>52,798,440</u>	<u>54,823,596</u>	<u>55,570,672</u>
Other financing sources (uses)										
Capital lease proceeds	330,058	666,521	151,694	74,639	146,972	312,792	169,130	-	399,110	136,208
Bond proceeds	5,000,000	-	4,000,000	-	20,384,680	3,450,000	-	-	-	5,139,043
Transfers in	13,401,011	12,889,444	14,727,079	14,349,706	14,101,181	13,491,112	13,709,200	14,093,904	15,171,646	15,784,224
Transfers out	(13,401,011)	(12,889,444)	(14,727,079)	(14,349,706)	(14,101,181)	(13,491,112)	(13,709,200)	(14,093,904)	(15,171,646)	(15,784,224)
Total other financing sources (uses)	<u>5,330,058</u>	<u>666,521</u>	<u>4,151,694</u>	<u>74,639</u>	<u>20,531,652</u>	<u>3,762,792</u>	<u>169,130</u>	<u>-</u>	<u>399,110</u>	<u>5,275,251</u>
Net change in fund balances	\$ 1,611,009	\$ (883,190)	\$ 2,534,451	\$ (2,049,268)	\$ 14,829,108	\$ (10,527,843)	\$ (2,879,635)	\$ (652,998)	\$ (91,450)	\$ 5,825,997
Debt service as a percentage of noncapital expenditures	9.5%	9.1%	8.0%	9.6%	7.8%	8.6%	10.6%	9.6%	9.7%	8.2%

¹ Beginning with fiscal year 2011, investment income has become part of the Unclassified revenue 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						
2006	\$ 808,313,900	\$ 237,869,000	\$ 44,511,600	\$ 220,950,100	\$ 869,744,400	\$ 18.74	\$ 1,234,200,000	70.5%
2007	841,957,600	239,730,600	47,696,100	216,041,300	913,343,000	18.65	1,352,300,000	67.5%
2008	1,098,762,800	324,401,000	49,657,400	274,295,100	1,198,526,100	15.41	1,487,700,000	80.6%
2009	1,128,282,000	313,801,500	49,080,200	275,472,200	1,215,691,500	15.38	1,492,250,000	81.5%
2010	1,136,006,800	307,125,800	48,405,200	275,176,000	1,216,361,800	15.26	1,443,450,000	84.3%
2011	1,054,053,000	423,117,200	45,804,100	270,335,500	1,252,638,800	15.30	1,432,100,000	87.5%
2012	1,073,578,500	423,490,100	42,087,400	269,169,500	1,269,986,500	15.69	1,445,250,000	87.9%
2013	1,082,943,100	469,042,200	36,987,600	298,546,200	1,290,426,700	15.66	1,409,850,000	91.5%
2014	1,092,702,600	474,477,300	41,245,100	298,885,300	1,309,539,700	16.63	1,420,400,000	92.2%
2015	1,119,027,500	478,491,000	45,522,400	300,865,900	1,342,175,000	16.72	1,467,850,000	91.4%

Sources:

¹ Gorham Assessing office.

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		
2006	\$ 5.76	\$ 12.98	\$ 18.74	\$ 0.76		\$ 19.50
2007	6.04	12.61	18.65	0.75		19.40
2008	4.95	10.46	15.41	0.59		16.00 ¹
2009	4.98	10.40	15.38	0.62		16.00
2010	5.17	10.09	15.26	0.64		15.90
2011	5.25	10.05	15.30	0.60		15.90
2012	5.46	10.23	15.69	0.61		16.30
2013	5.27	10.39	15.66	0.64		16.30
2014	5.41	11.22	16.63	0.67		17.30
2015	5.47	11.25	16.72	0.68		17.40

Source: Gorham Assessing office

- 1 The drop in the tax rate for fiscal year 2008 was the result of property value trending.

Table 8

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

Taxpayer	2015			2006		
	Current year assessed value	Rank	Percentage of total assessed value	Current year assessed value	Rank	Percentage of total assessed value
Central Maine Power Co.	\$ 61,340,000	1	4.57%	\$ 21,691,000	1	2.49%
New Portland Road Realty LLC	12,305,700	2	0.92%	10,070,100	3	1.16%
(formerly known as Gorham House)			0.00%			
Gorham Savings Bank	10,074,700	3	0.75%	6,740,700	6	0.78%
Nappi Distributors	9,632,000	4	0.72%			
Grondin, R J & Phillip	8,728,200	5	0.65%	11,221,600	2	1.29%
Scott Paper	7,036,800	6	0.52%	5,713,200	8	0.66%
Shaw Brothers Construction Co.	6,971,100	7	0.52%	5,270,400	9	0.61%
Maritimes & NE Pipeline	6,942,000	8	0.52%	6,828,900	5	0.79%
Maine Mobile Homes LTD	6,412,900	9	0.48%	5,107,700	10	0.59%
Hannaford Brothers	6,325,800	10	0.47%	6,102,300	7	0.70%
Irwin Industrial ToolAmerican Tool (formerly American Tool)				6,930,800	4	0.80%
Totals	\$ 135,769,200		10.12%	\$ 85,676,700		9.87%

Source: Gorham 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
2006	\$ 16,980,208	\$ 16,487,705	97.1%	\$ 490,260	\$ 16,977,965	100.0%
2007	17,730,424	17,116,397	96.5%	602,577	17,718,974	99.9%
2008	19,215,434	18,541,490	96.5%	664,277	19,205,767	99.9%
2009	19,458,932	18,646,974	95.8%	797,904	19,444,878	99.9%
2010	19,359,897	18,705,614	96.6%	637,169	19,342,783	99.9%
2011	19,926,919	19,368,870	97.2%	511,472	19,880,342	99.8%
2012	20,705,124	19,968,524	96.4%	695,917	20,664,441	99.8%
2013	21,037,690	20,488,787	97.4%	509,075	20,997,862	99.8%
2014	22,661,472	21,966,820	96.9%	507,965	22,474,785	99.2%
2015	23,364,012	22,663,613	97.0%	-	22,663,613	97.0%

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			
2006	\$ 32,733,250	\$ -	\$ 708,418	\$ 33,441,668	10.27%	2,174
2007	30,073,600	-	1,040,747	31,114,347	9.51%	2,013
2008	31,398,950	-	833,367	32,232,317	9.78%	2,071
2009	28,734,300	-	555,342	29,289,642	8.89%	1,882
2010	46,509,330	-	429,878	46,939,208	14.24%	3,016
2011	47,554,680	-	427,866	47,982,546	11.61%	2,929
2012	45,339,066	220,336	425,265	45,984,667	11.13%	2,807
2013	41,618,288	217,603	288,820	42,124,711	10.19%	2,572
2014	39,237,510	213,650	481,939	39,933,099	9.66%	2,438
2015	41,100,775	212,574	416,060	41,729,409	10.10%	2,547

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, 2013, 2014 and 2015 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
2006	\$ 32,733,250	2.65%	2,128
2007	30,073,600	2.22%	1,945
2008	31,398,950	2.11%	2,018
2009	28,734,300	1.93%	1,846
2010	46,509,330	3.22%	2,988
2011	47,554,680	3.32%	2,903
2012	45,339,066	3.14%	2,768
2013	41,618,288	2.95%	2,541
2014	39,237,510	2.76%	2,395
2015	41,100,775	2.80%	2,509

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

Amount for 2012-2015 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.

TOWN OF GORHAM, MAINE
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds
As of June 30, 2015

Jurisdiction	Total debt outstanding	Percentage applicable to Gorham	Amount applicable to Gorham
Direct debt:			
Town of Gorham	\$ 41,729,409	100.00%	41,729,409
Overlapping debt:			
Cumberland County	37,125,000	3.73%	1,383,811
Portland Water District - sewer shared with Windham	4,601,060	69.25%	3,186,320
Portland Water District - sewer shared with Windham and Westbrook	4,673,700	18.33%	856,496
Portland Water District - water debt	45,698,839	5.65%	2,583,182
Subtotal overlapping debt:			8,009,809
Total direct and overlapping debt:			\$ 49,739,218

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.

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
2006	\$ 185,130,000	\$ 32,733,250	\$ 152,396,750	17.68%
2007	202,845,000	30,073,600	172,771,400	14.83%
2008	223,155,000	31,398,950	191,756,050	14.07%
2009	223,837,500	28,734,300	195,103,200	12.84%
2010	216,517,500	46,509,330	170,008,170	21.48%
2011	214,815,000	47,554,680	167,260,320	22.14%
2012	216,787,500	45,339,066	171,448,434	20.91%
2013	211,477,500	41,618,288	169,859,212	19.68%
2014	213,060,000	39,237,510	173,822,490	18.42%
2015	220,177,500	41,729,409	178,448,091	18.95%

Legal Debt Margin Calculation for Fiscal Year 2015

	Outstanding bonds and notes	Percent of state assessed value of \$ 1,467,850,000	Allowable Amount	Margin
For school purposes	\$ 25,060,840	10.00%	\$ 146,785,000	\$ 121,724,160
For storm or sanitary sewer purposes	212,574	7.50%	110,088,750	109,876,176
For municipal, airport, water, and special district purposes	-	3.00%	44,035,500	44,035,500
For all other purposes	16,455,995	7.50%	110,088,750	93,632,755
Total	\$ 41,729,409	15.00%	\$ 220,177,500	\$ 178,448,091

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
2006	15,383	\$ 325,719,642	21,174	34.3	2,718	3.10%
2007	15,459	327,328,866	21,174	34.3	2,740	3.20%
2008	15,563	329,530,962	21,174	34.3	2,713	3.60%
2009	15,563	329,530,962	21,174	34.3	2,693	5.80%
2010	15,563	329,530,962	21,174	34.3	2,647	6.10%
2011	16,381	413,276,249	25,229	38.0	2,652	5.80%
2012	16,381	413,276,249	25,229	38.0	2,697	6.30%
2013	16,381	413,276,249	25,229	38.0	2,691	5.60%
2014	16,381	413,276,249	25,229	38.0	2,666	4.20%
2015	16,381	413,276,249	25,229	38.0	2,631	3.40%

Data Source

¹ U.S. Dept. of Commerce, Bureau of Census
The 2005-2008 are based on July Census estimates.
The 2009 and 2010 figures are the July 1, 2008 estimate from the Bureau of Census.
The 2011-2015 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	2015 ¹			2006		
	Employees	Rank	Percentage of Gorham's Labor Force	Employees	Rank	Percentage of Gorham's Labor Force
Town of Gorham: School/Municipal	507	1	4.9%	501	2	5.5%
University of Southern Maine*	484	2	4.7%	667	1	7.4%
New Portland Road Realty LLC (formerly known as Gorham House)	240	3	2.3%	214	3	2.4%
Nappi Distributors	210	4	2.0%			
Shaw Brothers Construction, Inc.	193	5	1.9%	130	7	1.4%
Irwin Industrial Tool (formerly American Tool)	150	6	1.5%	120	8	1.3%
Hannaford Brothers	150	7	1.5%	180	4	2.0%
R. J. Grondin	133	8	1.3%	155	6	1.7%
Gorham Savings Bank	92	9	0.9%	167	4	1.8%
Yotul Stove, Inc.	90	10	0.9%			
Maine Valve Rebuilders				50	10	0.6%
Maine Rubber International				68	9	0.7%
Totals	<u>2,249</u>		21.9%	<u>2,252</u>		24.8%

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

¹ Labor force figure was for June 2015 and provided by the Maine Department of Labor.

* Gorham campus only.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function										
General Government	16.5	17.5	16.5	15.5	15.5	19.0	17.5	17.5	18.0	18.0
Public Safety:										
Police:										
Officers	21.0	21.0	22.0	23.0	23.0	23.0	23.0	23.0	23.5	23.0
Civilians ¹	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5
Fire:										
Firefighters and EMT's	7.0	9.0	13.0	13.0	13.0	13.0	12.0	12.0	12.0	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	21.0	21.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Recreation	15.0	17.0	17.0	16.0	14.3	14.0	14.0	14.0	16.0	16.0
Development ²	4.0	4.5	4.5	4.5	4.5	1.0	1.0	1.0	1.0	1.0
Total	87.5	95.0	99.0	96.0	94.3	94.0	91.5	91.5	94.5	95.0

¹ Dispatchers eliminated in fiscal year 2006. Contracted with Cumberland County for dispatching services.

² 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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function										
General Government:										
Building permits: ²										
Single family	91	66	64	30	41	58	63	43	67	66
Condos	41	9	4	5	0	4	5	4	13	2
Commercial	16	23	22	18	17	14	19	38	43	23
Total number permits issued	1,374	n/a	1,025	n/a	n/a	941	917	966	1,116	1,141
Public Safety:										
Police:										
Number of calls for service	17,076	17,434	16,303	18,245	18,473	18,781	15,335	17,137	17,411	13,748
Number of physical arrests	353	406	423	782	771	734	777	738	648	265
Number of summons and warnings	3,168	3,427	2,960	3,674	3,621	2,725	2,301	1,906	2,059	2,132
Parking tickets issued	372	305	245	269	391	180	112	117	110	91
Number of accidents investigated	668	528	544	555	519	449	482	455	420	556
Fire:										
Number of fire and rescue calls	2,223	2,407	2,352	2,102	2,549	2,807	2,815	2,732	2,589	2,664
Number of fire hydrants	265	269	281	286	292	292	296	304	310	316
Number of fire ponds	71	70	69	69	70	71	71	71	71	71
Public Works:										
Number of roads maintained	263	269	274	276	278	283	287	288	290	290
Lane miles of roads maintained	276.0	278.5	280.3	282.2	283.1	286.7	290.7	291.0	292.8	292.8
Acres of public area maintained	113.1	113.1	113.1	113.1	113.1	113.1	129.19	154.65	154.65	154.65
Acres of cemeteries maintained	21.1	21.1	29.9	30.1	30.1	30.1	30.02	30.03	30.12	30.12
Tons of residential solid waste	2,307	2,290	2,235	2,304	2,166	2,099	2,155	2,154	2,233	2,331
Tons of waste recycled	1,356	1,555	1,421	1,444	1,200	1,246	1,266	1,314	1,266	1,260
Recreation:										
Library:										
Number of items circulated	95,179	103,080	101,158	109,409	116,050	114,309	114,159	115,826	116,987	115,477

Sources: Various town departments.

¹ Information reported for each fiscal year is for prior year's activity. Therefore, the fiscal year 2005 information is for activity in 2004.

² 2004-2011 figures shown are based on calendar year. 2012-2015 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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function										
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	13	13	13	13	13	19	19	19	19
Fire stations	6	6	6	6	6	6	6	6	6	6
Public Works:										
Streets (miles)	276.0	278.5	280.3	282.2	283.1	286.7	290.7	291.0	292.8	292.8
Street lights	366	375	381	385	385	389	392	395	405	405
Traffic signals/blinkers	11	11	11	11	11	11	11	11	11	11
Cemeteries	8	8	10	12	12	12	12	12	12	12
Recreation:										
Libraries	3	3	3	3	3	3	3	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.