

Town of **Gorham**, Maine

Grow with Us



Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2020

Photo Courtesy of GoCAM

TOWN OF GORHAM, MAINE

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Prepared by:

Sharon LaFlamme, Finance Director

TOWN OF GORHAM, MAINE
Comprehensive Annual Financial Report
June 30, 2020

Table of Contents

	<u>Statement</u>	<u>Page</u>
INTRODUCTORY SECTION		
Letter of Transmittal		1-6
June 30, 2019 Certificate of Achievement for Excellence in Financial Reporting		7
Organizational Chart		9
List of Principal Officials		10
FINANCIAL SECTION		
Report of the Independent Auditors		13-15
Management’s Discussion and Analysis		17-32
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	35
Statement of Activities	2	36
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	37-38
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4	39
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	40
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis - All Budgeted Governmental Funds	6	41-42
Statement of Fiduciary Net Position - Fiduciary Funds	7	43
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	8	44
Notes to Basic Financial Statements		45-85
Required Supplementary Information:		
Schedule of Changes in Town’s Health Plan OPEB Liability and Related Ratios		86
Schedule of Changes in School’s Health Plan OPEB Liability and Related Ratios		87
Schedule of Town’s Proportionate Share of the Net OPEB Liability		88
Schedule of Town OPEB Contributions		88
Schedule of Town’s Proportionate Share of the Net Pension Liability		89
Schedule of Town Pension Contributions		90
Notes to Required Supplementary Information		91
	<u>Exhibit</u>	
Combining and Individual Fund Financial Statements:		
General Fund:		
Comparative Balance Sheets	A-1	95
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budgetary Basis	A-2	96-99
Restricted, Committed, Assigned, and Unassigned Funds - General Fund - Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	A-3	100-106

TOWN OF GORHAM, MAINE
Comprehensive Annual Financial Report
June 30, 2020

Table of Contents, Continued

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

INTRODUCTORY SECTION

Town of Gorham

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January 29, 2021

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, 2020 is hereby submitted as required by Town Charter and State law.

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

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

Independent Audit: State statutes require an annual audit by independent certified public accountants. The accounting firm of Runyon Kersteen Ouellette, Certified Public Accountants, performed the annual audit for fiscal year ending June 30, 2020 for the Town Council. The auditor's report on the basic financial statements and combined and individual fund financial statements are included in the financial section of this report. In the opinion of the independent auditor, the Town of Gorham's basic financial statements, as of June 30, 2020, present fairly, in all material respects, the financial position of the Town, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Accounting principles generally accepted in the United States of America (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Gorham, Maine's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

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

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

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

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

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

If a School budget is not approved and validated before the first day of the fiscal year, the latest School budget approved by the Council and submitted to the voters for validation at a referendum is automatically considered the School budget for operational expenses for the ensuing year until a final budget is approved. If the Council

fails to adopt a budget on or before the first day of each fiscal year, the municipal budget as submitted by the Town Manager shall become the adopted budget of the Town for the fiscal year.

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

Local Economy

The Town's total taxable valuation for tax year 2019-2020 is \$1,635,516,700 (excludes the valuation attributable to the State Homestead Exemption and BETE personal property reimbursement), resulting in an increase of about 2.8% from the 2018-2019 total taxable valuation. Approximately 17% of the tax base is commercial and industrial with the remainder being residential (these figures include vacant parcels as well as developed parcels). The Town's rate of tax collection continues to be strong, equaling 97.5% for last fiscal year and 96.0% 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 1.7% of the state assessed value.

During fiscal year 2020, the Code Office issued permits for 71 single-family/condo dwellings and 58 commercial/institutional structures. The department issued a total of 1,364 permits during fiscal year 2020.

In fiscal year 2020, the Town of Gorham purchased the streetlights from Central Maine Power. The Town replaced the current streetlights with LED streetlights. This reduced our monthly cost by approximately \$3,800. The Town also began to extend fiber optic to Public Works, Little Falls Recreation Center, Old Robie School and Great Falls School. This project is expected to be completed in fiscal year 2021.

In February 2020, the town issued a tax-exempt bond of \$1,940,000 million to purchase a modular building at Narragansett School to house classrooms, cafeteria space and kitchen as well as a non-tax-exempt bond of \$5,900,000 to purchase land to develop an industrial park to encourage businesses to come to the Town of Gorham.

In March 2020, the Town had to close the Municipal Center due to the Covid-19 pandemic. The Town suddenly needed to adapt to having employees work at home and try to serve the public remotely. The Finance Department implemented electronic accounts payable and payroll submissions to facilitate in working remote. All Town Council meetings were done on Zoom and Facebook.

During fiscal year 2020, the Town of Gorham continued to experience growth in businesses and subdivisions. The Railroad Avenue LLC project of a 5 story multi-use building with approximately 40 residential apartments with commercial property on the ground floor and top floor was completed. Some of the commercial business that moved into this space were Junction Bowl, a restaurant and bowling alley, Chamber Insurance Company and Grand Station Wine Bar. Harvey Performance Company constructed a 76,887 square foot building to manufacture drill bits for CNC machines.

Fiscal Year 2020 Budget

The Town of Gorham's gross budget for 2020 showed an increase of 5.0% from 2019. The gross budget increased by \$2,762,046 and the mil rate increased from \$18.20 in fiscal year 2019 to \$18.95 in fiscal year 2020. The following is a comparison of the fiscal year 2019 mil rate to the fiscal year 2020 mil rate.

	Fiscal year 2019	Fiscal year 2020	\$ Incr/(Decr)	% Chg
Town's Tax Rate	\$ 5.46	\$ 5.52	\$0.06	1.10%
School's Tax Rate	\$12.04	\$12.70	\$0.66	5.48%
County's Tax Rate	\$ 0.70	\$ 0.73	\$0.03	4.29%

This is the 15th year that the Town and School had to develop budgets under the State of Maine's Property Tax Initiative known as LD 1. The purpose of LD 1 is to curb government spending and reduce the tax burden, particularly the property tax burden. LD 1, passed in June 2004, proposed to:

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

The Town's gross expenditure budget increased by \$625,269 or 4.2%. The major increases were due to a new school resource officer for the Police Department which is shared with the school, added a new IT position, an assessing administration position increased to full time, the economic development position was increased to full-time and funding for a new recycling expense.

The Town's non-property tax revenues also saw an increase of 5.8%. The major increases were the result of a \$100,000 increase in auto excise, \$50,000 in building permits, \$100,000 state revenue sharing, and \$125,000 in investment interest.

As a result of the increase in the gross budget, net of the increase in non-property tax revenues for the municipal budget, the amount required from property taxes was up \$233,377 or 2.9%.

The School gross expenditure budget of \$4,010,533 increased by \$2,068,027 or 5.3%. The major increase in this budget was the result of increases in salaries due to contractual obligations, the addition of three teachers, three Ed Tech III positions, and 3 bus drivers, a school resource officer shared with the Town, and an increase to the Capital Improvement Projects.

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 2020, there was \$1,051,114 in funds available for allocation to capital equipment and capital project needs. On June 5, 2019, the Town Council approved the use of \$2,104,048 excess unassigned fund balance for the following purposes:

- \$108,000 to perform a full revaluation;
- \$22,000 to upgrade Vision Software program;
- \$30,000 to remodel an office in the Municipal Center for Economic Development;

- \$4,137 to purchase Automatic External Defibrillators for the Police Department;
- \$2,750 to purchase ballistic shields for Police Department;
- \$3,400 to install traffic light emitters for Public Safety;
- \$40,777 to replace Police Department’s cruisers;
- \$35,000 to install new furnaces at Central Fire Station;
- \$20,000 to install new facility doors for Public Works;
- \$35,000 to replace boiler at Public Works;
- \$5,000 to paint at Baxter Memorial Library;
- \$70,000 to purchase a large area field mower;
- \$6,000 to replace Old Robie School cabinet heaters;
- \$20,000 to install audio/video recording in Conference Room A at the Municipal Center;
- \$25,000 to complete the West Gorham Fire Station repairs;
- \$24,000 to provide consultants to help with commercial zoning directives;
- \$50 to be allocated at a later date by the Town Council;
- \$600,000 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, 2019. This was the 17th year in a row that the Town achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,

A handwritten signature in cursive script that reads "Sharon LaFlamme". The signature is written in black ink and is positioned below the word "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

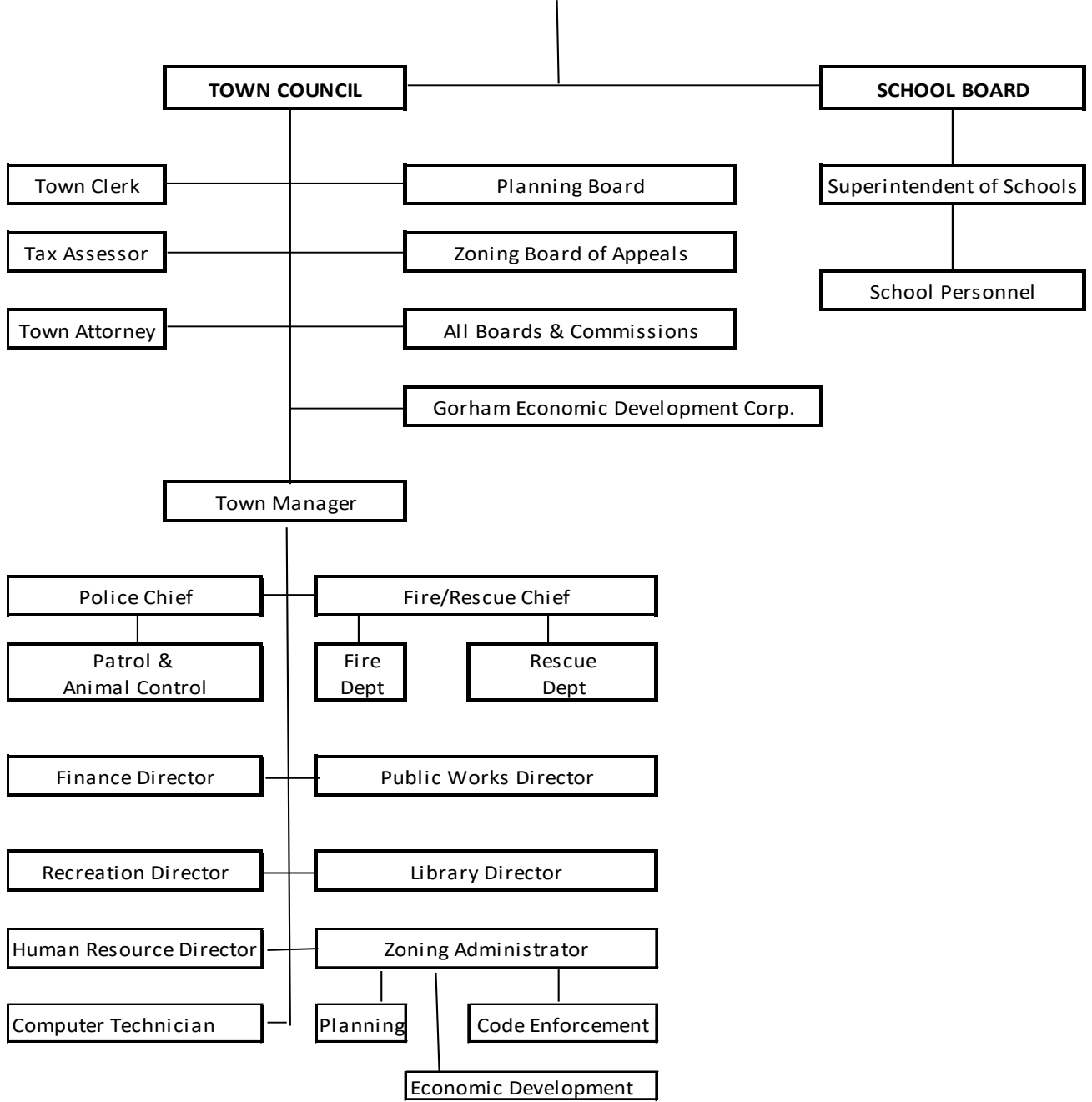
June 30, 2019

Christopher P. Morill

Executive Director/CEO

Town of Gorham, Maine Organizational Chart

Citizens of Gorham, Maine



TOWN OF GORHAM, MAINE
List of Principal Officials
June 30, 2020

Suzanne Phillips, Chairman, Town Council

Ronald Shepard, Vice Chairman	Benjamin Hartwell
Lee Pratt	James Hager Jr.
Virginia Wilder Cross	Janet Kuech

Ephrem Paraschak, Town Manager

Laurie Nordfors, Town Clerk	Sharon LaFlamme, Finance Director
Robert S. Lefebvre, Fire Chief	James Rathbun, Library Director
Christopher Sanborn, Police Chief	Robert J. Burns, Jr., Public Works Dir.
Cynthia A. Hazelton, Recreation Director	Thomas Poirer, Zoning Administrator
Christie Young, Human Resource Director	Kevin Jensen, Econ. Dev. Dir.

Benjamin Thompson, Cumberland County Tax Assessor

Stewart McClister, Chairman, School Board

Kate Livingston, Vice Chairman	William Benson
Philip Gagnon	Darryl Wright
Anne Schools	Jennifer Whitehead

Heather Perry, School Superintendent

Hollis S. Cobb, School Finance Officer

FINANCIAL SECTION

Independent Auditor's Report

Town Council
Town of Gorham, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Gorham, Maine, as of and for the year ended June 30, 2020, 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, 2020, 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 and the pension and other post-employment benefit liability schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Town Council
Town of Gorham, Maine

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021 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.



January 29, 2021
South Portland, Maine

TOWN OF GORHAM, MAINE
Management's Discussion and Analysis
For the year ended June 30, 2020

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, 2020. We encourage the readers to consider the information presented in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

- The total assets and deferred outflows of resources of the Town of Gorham exceed its liabilities and deferred inflows of resources by \$59,320,981, an increase of \$1,798,448 or 3.1%, when compared to the beginning net position figure of \$57,522,533.
- The ending fund balance for Governmental Funds is \$24,587,947. The expenditures and other financing uses exceeded the revenues and other financing sources by \$4,740,589.
- The General Fund's ending fund balance is \$17,413,628, an increase of \$1,082,813 from the prior year's ending fund balance of \$16,330,815. Of the \$17,413,628, only \$9,315,502 is unassigned. A detailed listing of the nonspendable, restricted, committed, and assigned fund balances can be found in exhibit A-3.
- The Town of Gorham has a fund balance policy. The Town must maintain a combined General Fund and Special Revenue Fund (School Operations Fund) unassigned fund balance of at least 8.5% of the succeeding year's School, Town, and Cumberland County appropriations. The combined General Fund and Special Revenue Fund – School Operations Fund unassigned fund balances as of June 30, 2020 was \$8,920,993 or 14.8% of the total fiscal year 2021 budgeted appropriations. The Town Council uses any excess funds to fund the capital needs of the community as deemed appropriate. The Town Council generally reviews and approves the capital projects during the annual budget process. It is anticipated that the Town Council will have approximately \$2,556,602 to allocate to the Capital Part II budget during the fiscal year 2022 budget process.
- The Town of Gorham's general obligation debt increased by \$4,461,875 or 15.4%.

Overview of the Financial Statements

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

Government-wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

Because the focus of *governmental funds* is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

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

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

Reporting the Town as a Whole

Net Position

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

	<u>Governmental Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	\$ 35,499,945	32,808,393	2,691,552	8.20%
Capital assets, net	78,580,309	76,031,965	2,548,344	3.35%
Total assets	<u>114,080,254</u>	<u>108,840,358</u>	<u>5,239,896</u>	4.81%
Deferred outflows of resources	<u>1,994,447</u>	<u>1,887,160</u>	<u>107,287</u>	5.69%
Long-term debt outstanding	45,517,303	39,792,495	5,724,808	14.39%
Other liabilities	<u>10,286,158</u>	<u>12,281,305</u>	<u>(1,995,147)</u>	-16.25%
Total liabilities	<u>55,803,461</u>	<u>52,073,800</u>	<u>3,729,661</u>	7.16%
Deferred inflows of resources	<u>950,259</u>	<u>1,131,185</u>	<u>(180,926)</u>	-15.99%
Net investment in capital assets	46,066,679	46,553,861	(487,182)	-1.05%
Restricted	3,690,589	3,509,301	181,288	5.17%
Unrestricted	<u>9,563,713</u>	<u>7,459,371</u>	<u>2,104,342</u>	28.21%
Total net position	<u>\$ 59,320,981</u>	<u>57,522,533</u>	<u>1,798,448</u>	3.13%

The increase of \$2,691,552 in the current and other assets category is primarily due to the large increase in cash in fiscal year 2020. This is due to unspent bonds that were issued in FY2020.

The capital asset disclosure in the notes to the financial statements (see Note 8) shows how the \$2,548,344 increase resulted.

The long-term debt disclosure in the notes to the financial statements (see Note 9) shows how the \$5,724,808 increase in long-term debt outstanding resulted.

The decrease in the other liabilities of \$1,995,147 is primarily due to the decrease in performance guarantees and letter of credits for new developments that were completed in fiscal year 2020 (\$2,401,172). There was an increase in accrued wages and benefits (\$231,449) and accounts payable (\$158,592).

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

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

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Capital assets	\$ 159,304,294	152,441,297	6,862,997	4.50%
Accumulated depreciation	(80,723,985)	(76,409,332)	(4,314,653)	(5.65%)
Deferred charge on refunding	312,380	395,965	(83,585)	(21.11%)
Bonds payable (includes premium)	(34,292,670)	(29,908,633)	(4,384,037)	(14.66%)
Finance purchases	(1,702,978)	(740,278)	(962,700)	(130.05%)
Add back non capitalized finance purchases	223,723	-	223,723	100.00%
Add back unspent bond proceeds	2,945,915	774,842	2,171,073	280.20%
Net investment in capital assets	\$ <u>46,066,679</u>	<u>46,553,861</u>	<u>(487,182)</u>	<u>(1.05%)</u>

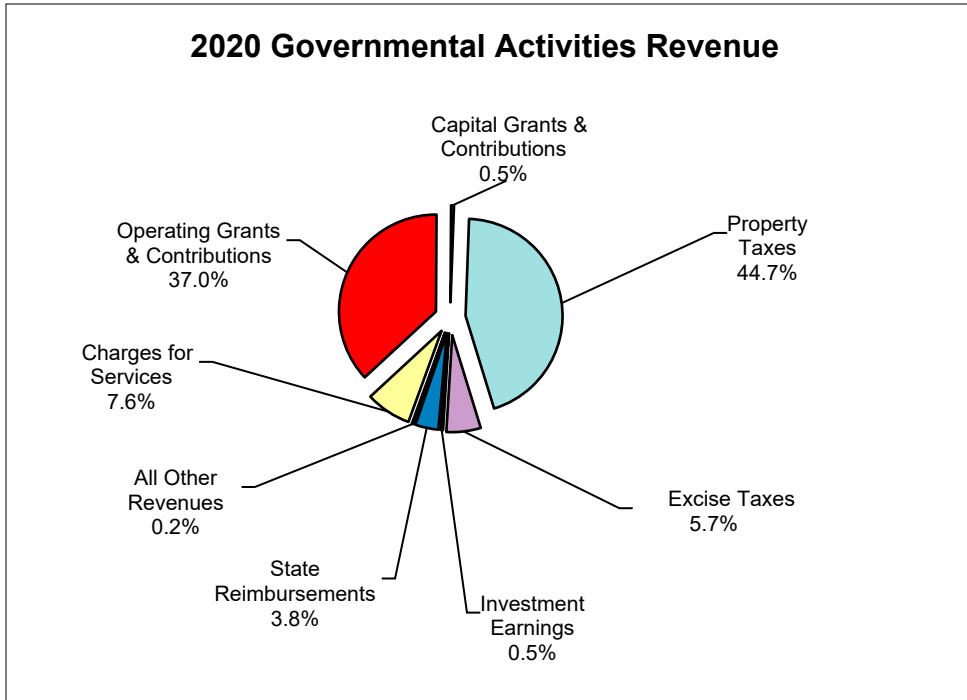
Changes in Net Position

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

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
REVENUES				
Program Revenues:				
Charges for services	\$ 5,264,603	5,339,461	(74,858)	(1.40%)
Operating grants and contributions	25,696,099	23,605,288	2,090,811	8.86%
Capital grants and contributions	333,500	-	333,500	n/a
General Revenues:				
Property taxes	31,050,052	28,985,990	2,064,062	7.12%
Payment in lieu of taxes	45,193	44,882	311	0.69%
Motor vehicle and boat excise taxes	3,981,606	3,958,242	23,364	0.59%
Grants and contributions not restricted to specific programs:				
Homestead exemption	748,076	782,870	(34,794)	(4.44%)
BETE reimbursement	592,272	539,203	53,069	9.84%
Other state aid	38,461	37,966	495	1.30%
State Revenue Sharing	1,288,868	871,428	417,440	47.90%
Unrestricted investment earnings	311,167	460,991	(149,824)	(32.50%)
Miscellaneous revenues	160,719	122,874	37,845	30.80%
Gain on sale of property	-	5,058	(5,058)	(100.00%)
Total revenues	69,510,616	64,754,253	4,756,363	7.35%
EXPENSES				
General government	6,139,815	5,780,049	359,766	6.22%
Public safety	5,897,880	4,511,091	1,386,789	30.74%
Public works	6,323,692	6,013,695	309,997	5.15%
Health and welfare	42,591	29,359	13,232	45.07%
Recreation	1,944,688	2,157,151	(212,463)	(9.85%)
Development	603,883	523,040	80,843	15.46%
Education	45,787,182	43,283,812	2,503,370	5.78%
Interest on debt	972,437	745,058	227,379	30.52%
Total expenses	67,712,168	63,043,255	4,668,913	7.41%
Change in net position	1,798,448	1,710,998	87,450	5.11%
Net position - beginning	57,522,533	55,811,535	1,710,998	3.07%
Net position ending	\$ 59,320,981	57,522,533	1,798,448	3.13%

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

The following pie chart shows the sources of revenue for fiscal year 2020.



Overall, revenues were up 4,756,363 or 7.4% when compared to fiscal year 2019. There were a number of reasons for the increase in the revenues and they are highlighted below.

Approximately 44.7% of the Town's revenues come from property taxes, while 37.0% comes from operating grants and contributions. Approximately 74.4% 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 by 8.9% or \$2,090,811, primarily because the School Department received an increase of approximately \$1,415,634 in state/federal aid and Maine PERS on-behalf payments. Also, the Town received federal grants of approximately \$479,688.

The capital grants and contributions were up \$333,500 because the Town accepted two new roads in fiscal year 2020.

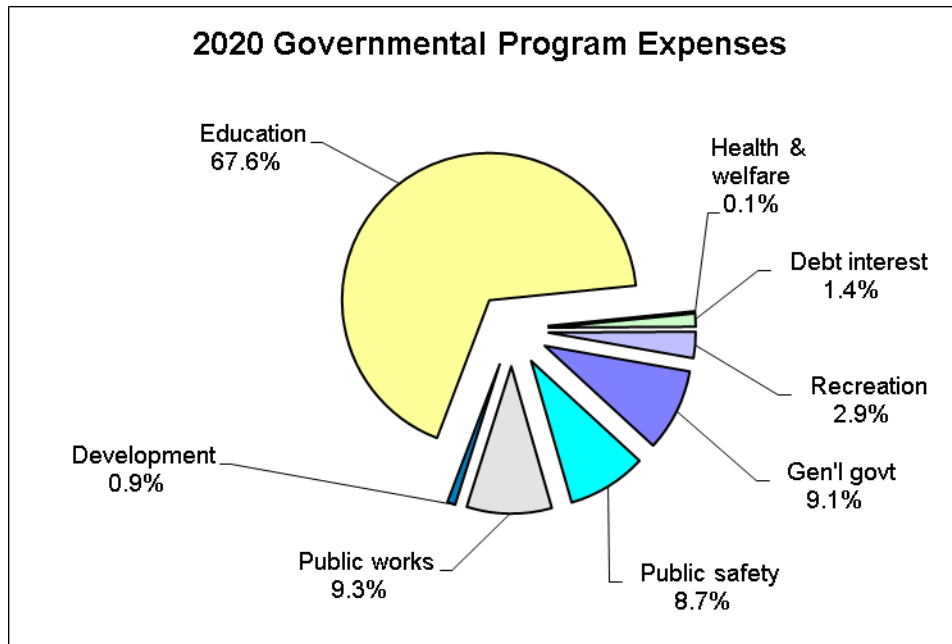
The \$2,064,062 increase in property tax revenue was due to the increase in the mil rate from \$18.20 in fiscal year 2019 to \$18.95 in fiscal year 2020.

The other large revenue increase was seen in state revenue sharing and miscellaneous revenues. The state revenue sharing increased \$417,440 from fiscal year 2019 due to the Governor increasing the Municipalities' percentages. Miscellaneous revenues saw an increase due to a receivable from a developer and insurance check.

Unrestricted investment earnings decreased \$149,824 due to market changes related to the Covid-19 pandemic.

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

The following pie chart shows functional expenses for fiscal year 2020.



Education makes up 67.6% of expenses for fiscal year 2020, an increase of 5.8% or \$2,503,370 from fiscal year 2019.

Fiscal year 2020 Health and Welfare is higher than fiscal year 2019 by 45.1% or \$13,232. The primary reason for this increase is that in later part of fiscal year 2020, there was an increase need for general assistance due to the pandemic. Also, Public Safety increased by \$1,386,789 or 30.7% which reflects the increase expenses for Covid-19 related items such as mask, gloves, coveralls, etc.

Governmental Activities

The cost of all governmental activities was \$67,712,168. The Town's governmental activities include general government, public safety, public works, health and welfare, recreation (includes library and museum), development, education, and interest on debt. The general government activity also includes public agencies, insurance, employee benefits, unclassified and county tax expenditures. Fiscal year 2020 expenses were 4,668,913 or 7.4% over fiscal year 2019 expenses.

As shown on the Statement of Activities, the amount that the taxpayers of Gorham ended up financing through property taxes was \$31,050,052 or 44.7%, because some of the cost was paid by those who directly benefit from the programs (\$5,264,603), and by other governments and organizations that subsidized certain programs with operating grants and contributions (\$25,696,099) and capital grants and contribution (\$333,500). The Town also received \$7,166,362 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 2020.

As a result of the governmental activities' revenues (\$69,510,616) exceeding the expenses (\$67,712,168), the Town of Gorham realized an increase in its net position of \$1,798,448. Nearly all of the increase can be attributed to the collection of excise tax, permits, state revenue sharing and federal grants, which were higher than anticipated.

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

The Town's Funds

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

General Fund Major Governmental Functions

The following table summarizes the fiscal year 2020 revenues by source for the General Fund with the 2019 information for comparison. Information is from Statement 4.

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues by source:				
Taxes	\$ 34,487,231	32,261,982	2,225,249	6.90%
Licenses and permits	879,693	772,177	107,516	13.92%
Intergovernmental	3,486,025	2,611,349	874,676	33.50%
Charges for services	2,320,552	2,353,694	(33,142)	(1.41%)
Other revenues	418,049	543,255	(125,206)	(23.05%)
Total revenues	\$ 41,591,550	38,542,457	3,049,093	7.91%

General Fund revenues increased by 7.91% or \$3,049,093 from fiscal year 2019 amounts. Below are some of the reasons for the changes in the revenue.

Taxes: In fiscal year 2020, the mil rate increased from \$18.20 to \$18.95. With an increased valuation and mil rate, property tax revenue after abatements and supplements was up by \$2,206,318, when compared to last fiscal year.

Licenses and permits: Building permit revenue and plumbing/electrical fees were \$125,980 higher than fiscal year 2019 and fluctuate year to year depending on if there are any large developments. Cable TV franchise fees were \$5,905 lower than fiscal year 2019.

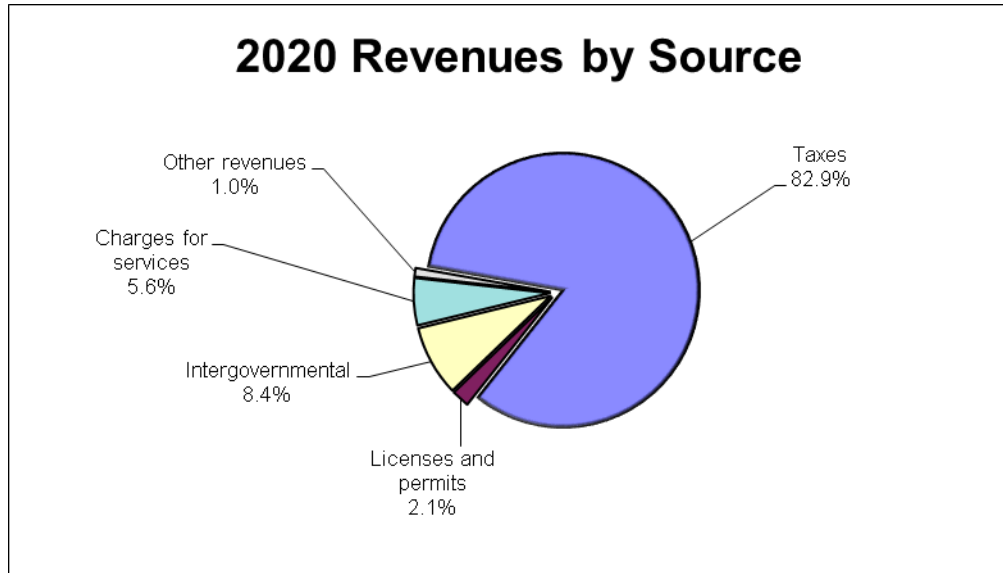
Intergovernmental: The major change in fiscal year 2020 was related to an increase in the state revenue sharing of \$417,440 due to the Governor increasing the percentage of sales tax for the Municipalities. The Town also saw a \$16,003 increase in grant funds. The Town applied for a grant for sprinklers and hoses for the fire department. The Town also expects funding from FEMA and Cares for expenses for PPE due to the Covid-19 pandemic.

Charges for services: In fiscal year 2020, recreation received \$10,823 less in revenues than in fiscal year 2019 due to the Covid-19 pandemic.

Other revenues: The major factor for the decrease in this revenue category was investment income, which was approximately \$133,137 lower than fiscal year 2019. This reflects the decrease in interest rates.

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

The following pie chart depicts the General Fund revenues by source for fiscal year 2020.



The following table summarizes the General Fund expenditures by function for fiscal year 2020 with 2019 information for comparison. Information is from Statement 4.

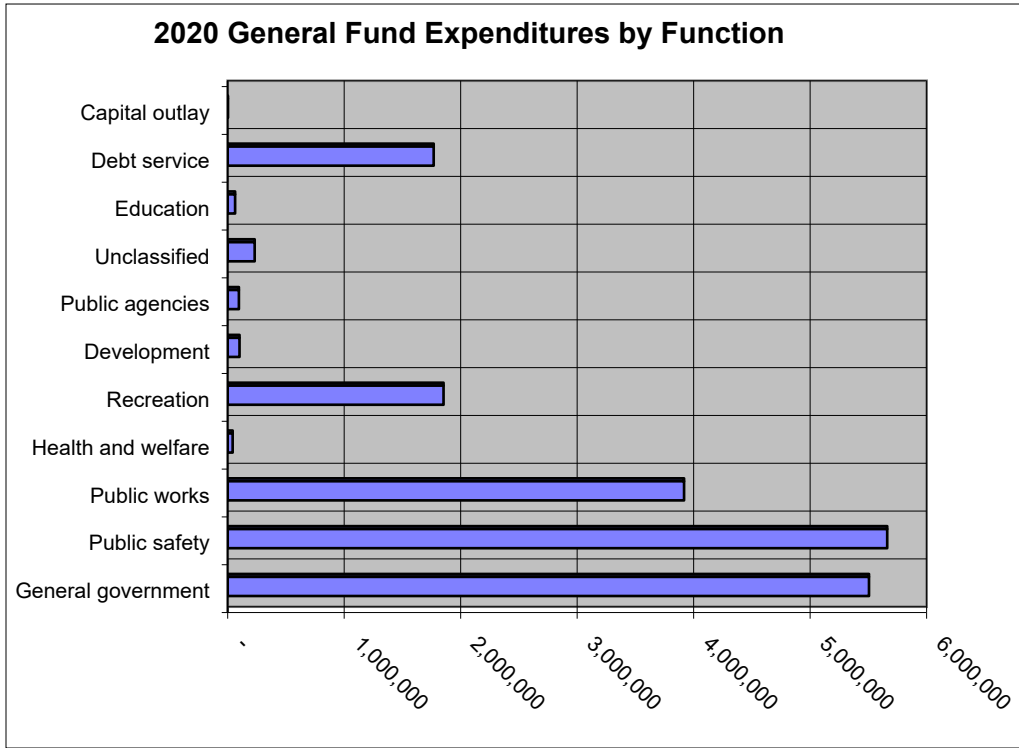
	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Expenditures by function:				
General government \$	5,508,749	5,214,384	294,365	5.65%
Public safety	5,661,748	4,969,416	692,332	13.93%
Public works	3,917,825	3,993,319	(75,494)	(1.89%)
Health and welfare	42,591	29,359	13,232	45.07%
Recreation	1,853,048	2,012,280	(159,232)	(7.91%)
Economic development	101,591	79,778	21,813	27.34%
Public agencies	96,227	87,787	8,440	9.61%
Unclassified	231,652	226,044	5,608	2.48%
Education	-	63,683	(63,683)	n/a
Debt service	1,768,397	1,741,205	27,192	1.56%
Capital outlay	2,000	6,670	(4,670)	(70.01%)
Total expenditures \$	19,183,828	18,423,925	759,903	4.12%

The General Fund expenditures increased 4.1% from fiscal year 2019 levels. The largest percentage increases are in health and welfare and economic development category. Health and welfare had an increase of 45.1% or \$13,232, which represents the increase in general assistance of \$11,152 due to the Covid-19 pandemic. Economic development increased \$21,813 or 27.3%, due to the economic development director position increasing from part-time to full-time. This increase would have been higher if this position did not have a lapse in employee for five months.

The largest percentage decrease was in the capital outlay category which was 70.0% or \$4,670. In fiscal year 2019, this was for technology upgrades which was a one-time budget item. The expenditure for fiscal year 2020 was for a grant match. The recreation category, which was 7.9% or \$159,232 lower due to less payroll and supply expenditures during fiscal year 2020. The lockdowns due to the Covid-19 pandemic closed the before/after school program.

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

The following is a graph depicting the General Fund expenditures by function for fiscal year 2020.



The net result of operations in the General Fund for fiscal year 2020 was \$1,082,813 after transfers in of \$337,016 and transfers out of \$21,661,925. The following table summarizes the General Fund's fund balance for fiscal year 2020, with 2019 information provided for comparison.

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Fund balance:				
Nonspendable	\$ 58,673	70,825	(12,152)	-17.16%
Restricted	386,208	363,413	22,795	6.27%
Committed	2,486,949	2,892,988	(406,039)	-14.04%
Assigned	5,166,296	4,054,699	1,111,597	27.42%
Unassigned	9,315,502	8,948,160	367,342	4.11%
Total fund balance	\$ 17,413,628	16,330,085	1,083,543	6.64%

The largest increase was in assigned fund balance, equal to \$1,111,597 or 27.42%. This was primarily due to the increase in capital funding from fiscal year 2019 which was \$1,205,817. The largest decrease was in committed fund balance, equal to \$406,039 or 14.04%, and was due to more projects that were completed in fiscal year 2020 than added. Road projects and LED light project decreased by \$234,020 and \$188,670, respectively.

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

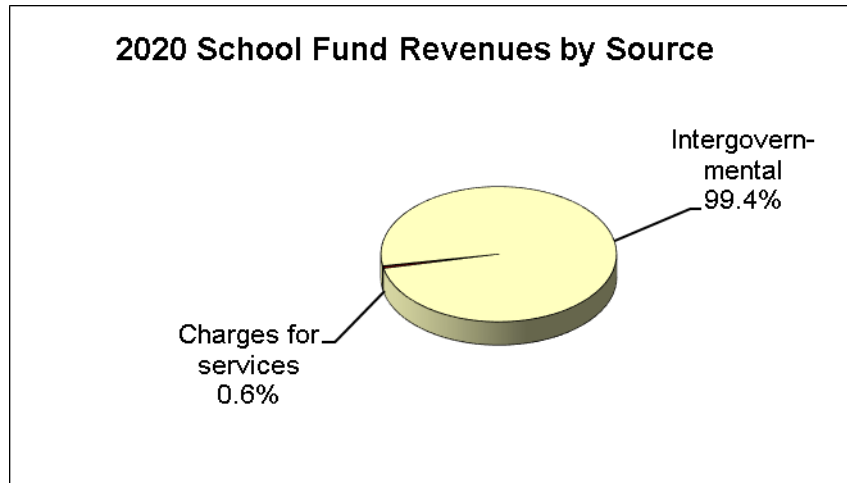
The School's Funds

The following table summarizes fiscal year 2020 revenues by source for the Special Revenue Fund's School Operations Fund with 2019 information for comparison. The information is from Statement 4.

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues by source:				
Intergovernmental	\$ 22,954,952	21,536,818	1,418,134	6.58%
Charges for services	100,669	103,117	(2,448)	(2.37%)
Other	46,133	18,702	27,431	146.67%
Total revenues \$	23,101,754	21,658,637	1,443,117	6.66%

The 6.66% increase in School Operation Fund revenues was from the increase in state education subsidy and grants (\$577,927) and an increase in Maine PERS on-behalf payments (\$837,707).

The following is a pie chart depicting the Special Revenue Fund - School Operations Fund revenues by source for fiscal year 2020.



The following table summarizes the School Operations Fund expenditures by function for fiscal year 2020 with 2019 information for comparison. The following table provides an explanation of the major changes.

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Expenses by function:				
Regular instruction	\$ 17,747,452	17,590,668	156,784	0.89%
Special education	6,139,143	5,632,073	507,070	9.00%
Other instruction	831,749	907,750	(76,001)	(8.37%)
Student and staff support	3,240,385	3,070,668	169,717	5.53%
System administration	1,256,092	1,197,875	58,217	4.86%
School administration	2,072,536	2,020,105	52,431	2.60%
Transportation	1,924,691	1,906,899	17,792	0.93%
Facilities maintenance	3,412,043	3,871,577	(459,534)	(11.87%)
Adult education	242,803	247,160	(4,357)	(1.76%)
Maine PERS on-behalf payments	3,778,188	2,940,481	837,707	28.49%
Debt service	2,663,613	2,672,688	(9,075)	(0.34%)
Capital outlay	1,443,471	511,300	932,171	182.31%
Total expenses \$	44,752,166	42,569,244	2,182,922	5.13%

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

The School Operations Fund's expenditures were 5.13% or \$2,182,922 more than fiscal year 2019. The increase was due to an increase in wages and benefits due to contractual obligations. There was an increase in the Maine PERS on-behalf payment as well as an increase in capital outlay due to new leases for buses and Narragansett portables.

The net results of operations for fiscal year 2020 were \$1,395,036 after transfers in of \$21,661,925, transfers out of \$59,948, and finance purchases proceeds of \$1,443,471. The following table summarizes the School Operation Fund's fund balance for fiscal year 2020 with 2019 information for comparison.

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Fund balance:				
Unassigned	\$ (394,509)	(1,789,545)	1,395,036	77.95%
Total fund deficit	\$ (394,509)	(1,789,545)	1,395,036	77.95%

During the development of the fiscal year 2020 budget, the School Board authorized the use of budgetary fund balance in the amount of \$100,000 to help balance the fiscal year 2020 budget. The School Department also had \$585,117 assigned to encumbrances. These assigned amounts are not reflected in fund balance as the School Department had a deficit in fund balance due to the school recognizing summer salaries and benefits, which are required by generally accepted accounting principles (GAAP).

General Fund Budgetary Highlights

The Town continues to meet its responsibilities for sound financial management. As shown in Statement 6, actual revenues exceeded budgeted revenues by \$1,970,002, while actual expenditures were under budgeted appropriations by \$825,266. This resulted in a positive net effect of \$2,795,268. The net change in fund balance was \$1,442,400 after transfers and changes in encumbrances.

The major reasons for the net positive effect of revenues is due to conservative revenue budgeting. In fiscal year 2020, the Town collected in excess of the budget in the following category: auto excise (\$603,284), building permits (170,203), state revenue sharing (\$438,868) and sales of trash bags (147,818). The State of Maine allows to have 5% of taxable value as overlay to cover taxes that were appealed and abated. The Town's overlay was \$572,333 which was 1.8% of the taxable value. This is also reflected in the excess revenues.

The major reasons for actual expenses under budgeted is due to employee turnover which resulted in a savings of approximately \$492,454.

Unassigned fund balance of \$9,315,502 is a healthy figure and represents 15.5% of the total General Fund and School Operations Fund budgeted appropriations for fiscal year 2021. The goal of the Town's fund balance policy is to maintain a General Fund and School Operations Fund unassigned fund balance of at least 8.5% of the yearly School, Town, and Cumberland County appropriations; however, when the \$394,509 School Operations Fund's deficit balance is factored in the percentage, it drops to 14.8%. The Town's management anticipates that during the fiscal year 2022 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 2019-2020 was \$57,636,867 and there were no adjustments made to the total original budget during fiscal year 2020.

Capital Asset and Debt Administration

Capital Assets

The Town invested \$7,038,373 in a broad range of capital assets during fiscal year 2020. The following chart identifies the assets that were added during the year, including the construction in progress projects (Little Falls recreation

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

multi-purpose field, Little Falls recreation field house, Gorham High School expansion and renovation, Public Works/Great Falls School fiber optic project, Gorham rail trail project, Narragansett portable addition, sprinkler project and West Gorham Fire Station Renovations, less the removal of ambulance reflected in previous fiscal years).

	Category		Category Total
Land	Economic Dev.	Rines property purchase-Industrial Park	4,000,000
			4,000,000
Land improvements	Recreation	Construction in Progress – Little Falls multi-purpose field	13,674
		Construction in Progress – Little Falls field house	17,386
		Construction in Progress – Gorham rail trail	7,970
			39,030
Buildings and building improvements	Public Safety	Construction in Progress – West Gorham Fire Station renovations	10,225
		Construction in Progress – Sprinklers	130,461
	Education	Construction in Progress - Narragansett School portable addition	1,352,634
		Construction in Progress – Gorham HS expansion & renovation	63,442
			1,556,762
Machinery and equipment	Public Work	2018 Jacoben Gang Mower	67,302
		2019 John Deere 5090M Tractor	51,369
		Cam Trailer	5,225
	Education	2020 Reelmaster Tractor	31,938
			155,834
Furniture and office equipment	Education	GMS Choral Risers	16,000
			16,000
Computer Equipment	Education	Dell Power Edge R740xd Server	9,978
			9,978

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

Vehicles

Public Safety	Police – 2020 Ford Explorer	41,389	
	Police – 2020 Ford Explorer	41,681	
	Fire – 2019 Chevy 5500 Ambulance	191,700	
Economic Dev	2020 Ford Escape SE	27,400	
Recreation	2019 Chevrolet CG33803 Bus	60,000	
Education	2021 Blue Bird Vision Type C-77	105,500	
	2021 Blue Bird Vision Type C-77	105,500	
	2020 Ford Transit Van	42,753	
	2020 F-250 4x4 SD Regular Cab with plow	36,516	
			652,439

Infrastructure

	Town Owned LED Streetlight	186,649	
	Street Acceptance-Burton Drive	195,500	
	Street Acceptance-Benjamin Way	138,000	
	Construction in Progress – Public Works/Great Falls School fiber optic project	88,181	
			608,330
	Total assets added during fiscal year 2020		<u><u>\$7,038,373</u></u>

During fiscal year 2020, assets were transferred from one function/activity to another function/activity. The following chart shows these transfers.

<u>Category</u>	<u>Function and Activity</u>	<u>Amount Transferred</u>
Vehicle	General Gov't – 2008 Ford Crown Victoria	(\$21,833)
	General Gov't – 2010 Ford Crown Victoria	(22,923)
	Public Works – 1997 International 3800	50,692
	Public Works – 1998 Chevy Suburban	5,000
	Public Works – 2001 International 3800	55,740
	Public Works – 2002 International 3800	56,985
	Public Works – 2003 Ford E450 Mini Bus	39,265
	Public Works – 2004 International Blue Bird	56,806
	Public Works – 2004 International Blue Bird	56,806
	Public Works – 2004 Blue Bird Bus	59,610
	Public Works - 2004 Blue Bird Bus	59,610
	Public Works – 2005 Ford Crown Victoria	21,330
	Public Works – 2008 Ford Crown Victoria	21,833
	Public Works – 2010 Ford Crown Victoria	22,923
	Public Works – 2010 Ford Crown Victoria	(22,923)
	Public Safety – 2005 Ford Crown Victoria	(21,330)
	Recreation – 1997 International 3800	(50,692)
	Recreation – 1998 Chevy Suburban	(5,000)
	Education – 2001 International 3800 Bus	(55,740)
	Education – 2002 International 3800 Bus	(56,985)
	Education – 2003 Ford E450 Mini Bus	(39,265)
	Education – 2004 International Blue Bird	(56,806)

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

Vehicle		
Cont.	Education – 2004 International Blue Bird	(56,806)
	Education – 2004 Blue Bird Bus	(59,610)
	Education – 2004 Blue Bird Bus	(59,610)
	Education – 2010 Ford Crown Victoria	22,923

The depreciation expense for 2020 was \$4,490,029.

The following is a summary of the Town of Gorham's capital assets, net of depreciation. This amount represents a net increase (including additions and deductions) of \$2,548,344 or 3.4% over last fiscal year.

Capital Assets
(Net of depreciation)

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 6,230,261	2,230,261	4,000,000	179.35%
Books/historical treasures/artwork	1,429,837	1,429,837	-	0.00%
Construction in progress	2,080,535	451,561	1,628,974	360.74%
Land improvements	5,282,567	5,663,354	(380,787)	(6.72%)
Buildings and building improvement	33,546,709	35,453,972	(1,907,263)	(5.38%)
Machinery and equipment	824,598	808,601	15,997	1.98%
Furniture and office equipment	431,201	556,288	(125,087)	(22.49%)
Computer equipment	48,955	49,586	(631)	(1.27%)
Vehicles	5,216,789	5,335,797	(119,008)	(2.23%)
Infrastructure	23,488,857	24,052,708	(563,851)	(2.34%)
Totals \$	78,580,309	76,031,965	2,548,344	3.35%

Additionally, the Council allocated \$2,256,931 from unassigned fund balance, which was in excess of the 8.5% fund balance policy for the following purposes:

- \$120,000 additional funds to perform a revaluation of property taxes
- \$115,000 to upgrade Town-wide computer & technology upgrades
- \$50,000 to replace Town-wide copier and printers
- \$115,632 to fund the match for the VW Grant for 2 propane buses
- \$19,500 to purchase ballistic shield for the Police Department
- \$13,202 to purchase additional voting booths
- \$94,900 to replace two police cruiser
- \$18,000 to replace heating system at Central Fire Station
- \$5,000 to install a sewer pump overflow alarm for Baxter Memorial Library
- \$30,000 to purchase electric vehicle for the Code department
- \$100,000 to fund a joint Town and School facilities assessment study
- \$50,000 to fund Covid-19 capital preparedness expenditures
- \$15,000 to repoint Brownstone at Baxter Memorial Library
- \$7,500 to repair Baxter Memorial Library's slate roof
- \$3,000 to purchase 40mm foam launchers for the Police Department
- \$20,000 to purchase turnout gear for the Fire Department
- \$55,000 to replace the radio system for Public Safety and Public Works
- \$95,000 to examine a traffic calming/pedestrian improvements in Gorham Village
- \$15,000 to repair cemetery stone walls

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

- \$155,000 to replace a 6-wheel plow truck
- \$12,000 to install a metered electric car charging station in the Gorham Village
- \$248,197 to be unallocated to fund a potential revenue shortfall due to Covid-19
- \$900,000 to provide funds for road maintenance projects

More information on the Town's capital assets is presented in the notes to the financial statements. See NOTE 1 I, SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CAPITAL ASSETS, and NOTE 8, CAPITAL ASSETS.

Debt Administration

As of June 30, 2020, the Town had a total of \$33,505,000 in outstanding general obligation debt. The Town's outstanding general obligation bonds as of June 30, 2020 were \$4,461,875 more than last fiscal year – an increase of 15.4%.

The Town of Gorham currently has an AA+ rating from Standard and Poor's and an Aa2 rating from Moody's on its general obligation bond issues. The Town's general obligation bonds are only 1.7% of the State's equalized value.

More detailed information on the Town's long-term debt is presented in NOTE 9, LONG-TERM DEBT to the financial statements.

Economic Factors and Next Year's Budget and Tax Rates

One of the Town Council's approved goals is to develop a budget that maintains essential services while having a reasonable property tax rate. This is more important since the Covid-19 impact on the community due to the lockdown. The goal was to have no change in the mil rate which was achieved with the exception of the increase in the Cumberland County tax which the Town has no control over. The fiscal year 2021 budget is \$2,304,968 below the Town's LD-1 property tax limit.

The Town's assessed value ratio as of April 1, 2020 is 86%; a decrease from the April 1, 2019 assessed value ratio, but well above the State required 70%.

The total assessed value as of April 1, 2020, was 1,737,807,393; an increase of \$31,575,762 or 1.9% from the prior year, while the taxable value increased \$14,400,350 from \$1,635,516,700 to \$1,649,917,050. The Town of Gorham's tax rate, equal to \$19.00, increased by \$.05 from fiscal year 2019.

The following are some of the highlights of the Town's fiscal year 2021 budget.

1. The property tax for Cumberland County increased by \$91,178 over fiscal year 2020. Every year the Town is obligated to collect property tax for the Cumberland County commitment. This year's increase is 7.4% or five cents to the mil rate.
2. In order to keep the Town's mil rate flat, there was an elimination of a 22 hour per week librarian position. This resulted a savings of \$51,228.
3. Since FY2020 was the last fiscal year of a multi-year contract for waste hauling services. Additional funds has been budgeted in anticipation of increased costs for a new contract with a private hauling service.

The Education budget for fiscal year 2021 shows an increase in state subsidy of \$823,621 over the prior fiscal year's budget. The fiscal year 2021 budget includes \$433,200 for six teachers for math lab, health, speech therapy, occupational therapy, school psychologist, school counselor, and PE teacher. This budget also includes \$72,600 for two Ed Tech III, \$125,000 for an assistant principal, and \$130,000 for additional summer and fall programming due to Covid-19. There are additional funds allocated for iPads of \$222,416.

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

The Town's municipal appropriation is \$16,183,072, an increase of \$764,790 or 5.0% over fiscal year 2020. An increase in non-property tax revenue of \$87,250 and a \$552,763 increase in the transfer in from the TIF fund resulted in a net appropriation of \$8,374,945, an increase of \$124,777 or 1.5%.

The Town's education budget is \$42,714,455, an increase of \$1,703,922 or 4.2%. The School Department saw an increase in non-property tax revenue of \$875,092 and an increase in use of fund balance of \$560,000. The net education appropriation for fiscal year 2021 is \$21,930,755, an increase of \$268,830 or 1.2%.

The County tax assessment increased by \$91,178, or 7.4%. The Town's state equalized valuation went from \$1,806,250,000 in 2019 to \$1,992,000,000 in 2020, a 10.3% increase.

Contacting the Town's Financial Management

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

BASIC FINANCIAL STATEMENTS

TOWN OF GORHAM, MAINE
Statement of Net Position
June 30, 2020

	Governmental Activities
ASSETS	
Cash	\$ 19,702,055
Investments	7,408,656
Receivables:	
Accounts	440,928
Intergovernmental	1,366,694
Rescue (net of allowance of \$136,916)	243,405
Taxes - current year	1,235,388
Taxes - prior year	159,641
Tax liens	312,066
Notes	257,476
Tax acquired property	28,930
Performance bonds	4,227,626
Inventory	95,522
Prepaid expenses	21,558
Capital assets not being depreciated:	
Books/historical treasures/artwork	1,429,837
Land	6,230,261
Construction in progress	2,080,535
Capital assets net of accumulated depreciation:	
Buildings and improvements	33,546,709
Improvements other than buildings	5,282,567
Machinery and equipment	6,521,543
Infrastructure	23,488,857
Total assets	114,080,254
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	312,380
Deferred outflows of resources related to pensions	1,317,107
Deferred outflows of resources related to OPEB	364,960
Total deferred outflows of resources	1,994,447
LIABILITIES	
Accounts payable	737,531
Accrued wages and benefits	4,119,975
Performance bond deposits	5,290,925
Unearned revenues	54,533
Taxes collected in advance	83,194
Noncurrent liabilities:	
Due within one year	4,073,097
Due in more than one year	41,444,206
Total liabilities	55,803,461
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	460,549
Deferred inflows of resources related to OPEB	489,710
Total deferred inflows of resources	950,259
NET POSITION	
Net investment in capital assets	46,066,679
Restricted for:	
Grants and programs	2,598,398
Expendable	384,453
Nonexpendable	707,738
Unrestricted	9,563,713
Total net position	\$ 59,320,981

See accompanying notes to basic financial statements.

TOWN OF GORHAM, MAINE
Statement of Activities
For the Year Ended June 30, 2020

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government Governmental activities
Primary government:					
Governmental activities:					
General government	\$ 6,139,815	1,017,435	2,810	-	(5,119,570)
Public safety	5,897,880	756,429	567,474	-	(4,573,977)
Public works	6,323,692	1,992,784	243,224	333,500	(3,754,184)
Health and welfare	42,591	5,375	10,040	-	(27,176)
Recreation	1,944,688	868,655	121	-	(1,075,912)
Development	603,883	-	-	-	(603,883)
Education	45,787,182	623,925	24,872,430	-	(20,290,827)
Interest on debt	972,437	-	-	-	(972,437)
Total governmental activities	67,712,168	5,264,603	25,696,099	333,500	(36,417,966)
Total primary government	67,712,168	5,264,603	25,696,099	333,500	(36,417,966)
General revenues:					
					31,050,052
					45,193
					3,981,606
Grants and contributions not restricted to specific programs:					
					748,076
					592,272
					38,461
					1,288,868
					311,167
					160,719
					38,216,414
					1,798,448
					57,522,533
					59,320,981

See accompanying notes to basic financial statements.

TOWN OF GORHAM, MAINE
Balance Sheet
Governmental Funds
June 30, 2020

	General	School Operations Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 16,678,342	-	3,023,713	19,702,055
Investments	6,143,862	-	1,264,794	7,408,656
Receivables:				
Accounts	162,328	18,177	260,423	440,928
Intergovernmental	760,968	3,472	602,254	1,366,694
Rescue (net of allowance of \$136,916)	243,405	-	-	243,405
Taxes - current year	1,235,388	-	-	1,235,388
Taxes - prior year	159,641	-	-	159,641
Tax liens	312,066	-	-	312,066
Notes	203	-	257,273	257,476
Interfund loans receivable	-	3,597,002	2,702,232	6,299,234
Tax acquired property	28,930	-	-	28,930
Performance bonds	4,227,626	-	-	4,227,626
Inventory	36,912	-	58,610	95,522
Prepaid expenditures	21,558	-	-	21,558
Total assets	30,011,229	3,618,651	8,169,299	41,799,179
LIABILITIES				
Accounts payable	401,935	84,406	10,855	497,196
Accrued wages and benefits	339,933	3,780,042	-	4,119,975
Interfund loans payable	5,621,614	148,712	535,083	6,305,409
Performance bond deposits	5,290,925	-	-	5,290,925
Taxes paid in advance	83,194	-	-	83,194
Unearned revenues	-	-	54,533	54,533
Total liabilities	11,737,601	4,013,160	600,471	16,351,232
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	860,000	-	-	860,000
Total deferred inflows of resources	860,000	-	-	860,000
FUND BALANCES				
Nonspendable:				
Noncurrent receivables	203	-	-	203
Prepaid items	21,558	-	-	21,558
Nonexpendable trust principal	-	-	707,738	707,738
Inventory	36,912	-	58,610	95,522
Restricted:				
General fund	386,208	-	-	386,208
Special revenue funds	-	-	2,153,580	2,153,580
Capital projects funds	-	-	2,859,643	2,859,643
Permanent funds	-	-	384,453	384,453
Committed:				
General fund	2,486,949	-	-	2,486,949
Special revenue funds	-	-	1,345,103	1,345,103
Capital projects funds	-	-	12,602	12,602
Assigned:				
FY21 capital funding	2,256,931	-	-	2,256,931
Compensated absences	531,153	-	-	531,153
Future general fund expenditures	576,266	-	-	576,266
Capital reserves/other purposes	1,801,946	-	-	1,801,946
Special revenue funds	-	-	70,843	70,843
Unassigned:				
General fund	9,315,502	-	-	9,315,502
Special revenue funds	-	(394,509)	(23,744)	(418,253)
Total fund balances (deficit)	17,413,628	(394,509)	7,568,828	24,587,947
Total liabilities, deferred inflows of resources and fund balances	\$ 30,011,229	3,618,651	8,169,299	41,799,179

TOWN OF GORHAM, MAINE
Balance Sheet
Governmental Funds
June 30, 2020

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 \$ 24,587,947

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. 312,380

Capital assets used in governmental activities are not financial
resources and therefore not reported in the funds. More
specifically:

Non-depreciable capital assets	9,740,633	
Depreciable capital assets, net	68,839,676	78,580,309

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

General obligation bonds	33,505,000	
Bond premium	787,670	
Finance purchases	1,702,978	
Net pension liability, including related deferred inflows and outflows of resources	720,313	
Compensated absences	1,245,951	
Accrued interest payable	234,160	
Net OPEB liability, including related deferred inflows and outflows of resources	6,823,583	(45,019,655)

Unavailable revenues - property taxes
not reported on Statement 1 860,000

Net position of governmental activities \$ 59,320,981

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, 2020

	General	School Operations Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 34,487,231	-	610,611	35,097,842
Licenses and permits	879,693	-	-	879,693
Intergovernmental	3,486,025	22,954,952	1,882,918	28,323,895
Charges for services	2,320,552	100,669	1,895,925	4,317,146
Other revenues	418,049	46,133	104,458	568,640
Total revenues	41,591,550	23,101,754	4,493,912	69,187,216
Expenditures:				
Current:				
General government	5,508,749	-	-	5,508,749
Public safety	5,661,748	-	-	5,661,748
Public works	3,917,825	-	1,147,056	5,064,881
Health and welfare	42,591	-	-	42,591
Recreation	1,853,048	-	22,940	1,875,988
Economic development	101,591	-	252,569	354,160
Public agencies	96,227	-	-	96,227
Unclassified	231,652	-	160,780	392,432
Education	-	40,645,082	1,395,126	42,040,208
Food services	-	-	1,022,899	1,022,899
Debt service:				
Principal	1,348,125	2,100,000	-	3,448,125
Interest and other charges	420,272	563,613	-	983,885
Capital maintenance	2,000	-	-	2,000
Capital improvements	-	1,443,471	5,853,718	7,297,189
Total expenditures	19,183,828	44,752,166	9,855,088	73,791,082
Excess (deficiency) of revenues over (under) expenditures	22,407,722	(21,650,412)	(5,361,176)	(4,603,866)
Other financing sources (uses):				
Issuance of finance purchases	-	1,443,471	-	1,443,471
Issuance of bonds	-	-	7,840,000	7,840,000
Bond premium	-	-	60,984	60,984
Transfers in	337,016	21,661,925	59,948	22,058,889
Transfers out	(21,661,925)	(59,948)	(337,016)	(22,058,889)
Total other financing sources (uses)	(21,324,909)	23,045,448	7,623,916	9,344,455
Net change in fund balances	1,082,813	1,395,036	2,262,740	4,740,589
Fund balances (deficit), beginning of year	16,330,815	(1,789,545)	5,306,088	19,847,358
Fund balances (deficit), end of year	\$ 17,413,628	(394,509)	7,568,828	24,587,947

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, 2020

Net change in fund balances - total governmental funds (from Statement 4)	\$	4,740,589
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
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 (\$4,490,029) was exceeded by capital outlays (\$7,038,373) in the current period.		2,548,344
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(10,100)
Bond, note and finance purchase 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 finance purchases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Additionally bond premium amortization is only recorded on the statement of activities.		(5,346,737)
The Town is amortizing the deferred charge on refunding and the issuance premium over the life of the refunding bond.		(83,585)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. More specifically, this represents the change in long-term accrued compensated absences.		(139,401)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. More specifically, this represents the change in OPEB liability with related deferred inflows and outflows of resources.		28,506
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.		(43,790)
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.		104,622
Change in net position of governmental activities (see Statement 2)	\$	1,798,448

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, 2020

	General Fund			Variance with final budget positive (negative)
	Budgeted amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 33,242,097	33,242,097	34,487,231	1,245,134
Licenses and permits	678,900	678,900	879,693	200,793
Intergovernmental	2,521,548	2,521,548	2,972,911	451,363
Charges for services	1,367,170	1,367,170	1,456,940	89,770
Other revenues	322,500	322,500	305,442	(17,058)
Total revenues	38,132,215	38,132,215	40,102,217	1,970,002
Expenditures:				
Current:				
General government	3,013,233	3,064,119	3,011,797	52,322
Public safety	4,481,350	4,590,113	4,511,435	78,678
Public works	2,826,467	2,872,175	2,779,350	92,825
Health and welfare	50,600	50,600	42,591	8,009
Recreation	990,594	1,008,459	956,486	51,973
Economic development	131,581	131,581	75,125	56,456
Insurances and employee benefits	2,592,956	2,623,633	2,377,538	246,095
Public agencies	97,762	97,762	96,227	1,535
Unclassified	546,557	292,658	210,123	82,535
Capital	165,777	165,777	2,000	163,777
Debt service	1,759,458	1,759,458	1,768,397	(8,939)
Total expenditures	16,656,335	16,656,335	15,831,069	825,266
Excess (deficiency) of revenues over (under) expenditures	21,475,880	21,475,880	24,271,148	2,795,268
Other financing sources (uses):				
Transfers to special revenue - School Operations fund	(21,661,924)	(21,661,924)	(21,661,925)	(1)
Transfers in special revenue - TIF fund	161,044	161,044	251,032	89,988
Transfers in capital projects - Public safety capital project fund	25,000	25,000	85,984	60,984
Transfer to reserve accounts	-	-	(1,503,839)	(1,503,839)
Total other financing sources (uses)	(21,475,880)	(21,475,880)	(22,828,748)	(1,352,868)
Net change in fund balances - budgetary basis	-	-	1,442,400	1,442,400
Reconciliation to GAAP basis:				
Change in restricted			29,442	
Change in committed			(399,025)	
Change in assigned			(93,885)	
Change in unassigned			103,881	
Net change in fund balance - GAAP basis			1,082,813	
Fund balance, beginning of year			16,330,815	
Fund balance, end of year	\$		17,413,628	

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, 2020

	Budgeted Special Revenue Funds			
	School Operations Fund			Variance with final budget positive (negative)
	Budgeted amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ 19,164,108	19,164,108	19,176,764	12,656
Charges for services	84,500	84,500	100,669	16,169
Other revenues	-	-	46,133	46,133
Total revenues	19,248,608	19,248,608	19,323,566	74,958
Expenditures:				
Current:				
Regular instruction	18,368,220	18,365,392	17,710,533	654,859
Special education	6,288,786	6,288,786	6,088,184	200,602
CTE instruction	10,000	10,000	-	10,000
Other instruction	885,932	885,932	831,749	54,183
Student and staff support	3,067,720	3,065,945	3,341,769	(275,824)
System administration	1,359,703	1,359,703	1,260,308	99,395
School administration	2,092,945	2,097,548	2,074,503	23,045
Transportation	1,997,263	1,997,263	1,924,616	72,647
Facilities maintenance	4,020,027	4,020,027	3,748,450	271,577
Adult education	265,947	265,947	247,755	18,192
Debt service	2,623,989	2,623,989	2,663,613	(39,624)
Total expenditures	40,980,532	40,980,532	39,891,480	1,089,052
Excess (deficiency) of revenues over (under) expenditures	(21,731,924)	(21,731,924)	(20,567,914)	1,164,010
Other financing sources (uses):				
Use of surplus	100,000	100,000	-	(100,000)
Transfers in - general fund	21,661,924	21,661,924	21,661,925	1
Transfer to other School funds	(30,000)	(30,000)	(59,948)	(29,948)
Total other financing sources (uses)	21,731,924	21,731,924	21,601,977	(129,947)
Net change in fund balance - budgetary basis	-	-	1,034,063	1,034,063
Reconciliation to GAAP basis:				
Change in accrued payroll			471,856	
Change in encumbrances			(110,883)	
Net change in fund balance			1,395,036	
Fund deficit, beginning of year			(1,789,545)	
Fund deficit, end of year	\$		(394,509)	

See accompanying notes to basic financial statements.

TOWN OF GORHAM, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Agency Funds	Scholarships Private-purpose Trust Funds
ASSETS		
Cash	\$ 473,029	-
Investments	-	42,728
Interfund loans receivable	6,175	-
Total assets	479,204	42,728
LIABILITIES		
Due to others	479,204	-
Total liabilities	479,204	-
NET POSITION		
Held in trust	\$ -	42,728

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, 2020

	Scholarships Private-purpose Trust Funds
Additions:	
Investment income (loss)	\$ 1,733
Donations	50
Total additions	1,783
Deductions:	
Scholarships awarded	1,000
Total deductions	1,000
Change in net position	783
Net position, beginning of year	41,945
Net position, end of year	\$ 42,728

See accompanying notes to basic financial statements.

TOWN OF GORHAM, MAINE
Notes to Basic Financial Statements
For the year ended June 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. The Reporting Entity

In evaluating how to define the reporting entity, for financial statement purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in GAAP which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there were no potential component units required to be included in this report.

B. Basis of Presentation

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

C. Basis of Accounting/Measurement Focus

Government-wide Financial Statements

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

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

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town of Gorham, at this time, does not have any business-type activities.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among the programs, functions, and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported as general revenues.

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

Governmental Funds

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

The Town reports the following major governmental funds:

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

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

Additionally, the Town reports the following fund types:

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

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

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

Revenue Recognition

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are property taxes, interest, and charges for services. Licenses and permits, fines and forfeits, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Expenditure Recognition

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

D. Encumbrances

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

E. Investments

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Investment in derivatives is forbidden under this investment policy.

Investments are stated at fair value.

F. Receivables and Payables

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

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

G. Inventories

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

I. Capital Assets

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

The following estimated useful lives are used to compute depreciation:

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

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

J. Deferred Outflows/Inflows of Resources

In additional to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) or inflow of resources (revenue) until that time. The governmental funds only report a deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as in inflow of resources in the period that the amounts become available. The governmental activities have two items that qualify for reporting in this category. One is the deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other deferred inflows and outflows relate to the net pension and OPEB liabilities, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension and OPEB liabilities in the subsequent year.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which are deferred and amortized over a five-year period.

K. Compensated Absences

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

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

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

L. Long-term Obligations

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

M. Interfund Transactions

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

N. Use of Estimates

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. Fund Equity

In the fund financial statements, governmental fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the governmental funds are as follows:

Nonspendable – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. The Town Council is the highest level of decision making authority, and can commit fund balance.

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

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

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

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

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

The General Fund unassigned fund balance total of \$9,315,502 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 (\$394,509) and (\$23,744), respectively, as shown on Statement

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

As of June 30, 2020, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Noncurrent receivables	\$ 203	-	-	-
Prepaid items	21,558	-	-	-
Inventory	36,912	-	-	-
FY21 capital funding	-	-	-	2,256,931
Future expenditures	-	-	-	576,266
Compensated absences	-	-	-	531,153
Capital reserves / other purposes	-	386,208	2,486,949	1,801,946
Special Revenue Funds:				
School grants	-	235,775	-	-
School donation	-	-	24,757	-
School lunch fund:				
Inventory	58,610	-	-	-
Food services	-	13,108	-	-
Sewer operations:				
Sewer operations	-	-	1,238,071	-
Sewer loan fund	-	-	81,391	-
Impact fees	-	452,112	-	-
Library	-	78,169	-	26,148
Recreation	-	7,277	-	-
TIF fund:				
Noncurrent receivable	-	257,273	-	-
TIFs	-	1,096,127	-	42,722
Miscellaneous	-	13,739	884	1,973
Capital Project Funds:				
Public safety building	-	62,981	-	-
Main Street road project	-	302,059	-	-
Industrial park	-	1,821,070	-	-
Great Falls Elementary school project	-	105,659	-	-
Narragansett School	-	567,874	-	-
High School renovation and expansion	-	-	12,602	-
Permanent Funds:				
Nonexpendable trust principal	707,738	-	-	-
Expendable trust principal	-	384,453	-	-
Total governmental funds	\$ 825,021	5,783,884	3,844,654	5,237,139

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 (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined based on actuary reports prepared by the OPEB Plan's actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Comparative Data/Reclassification

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

Note 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets are adopted for the General Fund and School Operations Fund only, and are adopted on a basis consistent with generally accepted accounting principles (GAAP) except as described in the budget footnote, Note 3, BUDGETARY VS. GAAP ACCOUNTING. The level of control (level at which expenditures may not exceed budget) is the Department for the general fund budget and the budget categories for the School Operations Fund. With Council authorization, mid-year budget adjustments between departments can be made. The School Board may transfer an amount not exceeding 5% of the total appropriation for any budget category without voter approval. The budget as presented reflects these changes. At the close of the fiscal year, all unexpended budgetary accounts generally lapse. However, the Town adopted a policy that allows certain departments to carry 50% of unexpended balances to be used towards future capital purchases. These amounts are shown as assigned fund balance in the general fund at year-end. Additionally, the Town has a policy in which the amount of unassigned fund balance at the end of the year, which is greater than 8.5% of the budget, is transferred to a capital reserve account. This transfer happens subsequent to year-end, during the next fiscal years' budget process.

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

Note 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, Continued

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2020, expenditures exceeded appropriations in the following Town General Fund departments and School Operations Fund cost centers as shown on Statement 6:

Town Debt Service	\$8,939
Student and staff support	275,824
School Debt Service	39,624

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 (\$394,509) at June 30, 2020. This is due primarily to variations between the budgetary and GAAP methods of accounting for summer teachers' payroll and benefits. See Note 3, BUDGETARY VS. GAAP ACCOUNTING.

The School Grant Fund has a total deficit fund balance of (\$23,744). This comprise of the following grants:

Local entitlement	\$1,705	H1N1/Flu Vaccine Clinic	1,130
AEFLA	875	Laptop protection plan	9,052
Broadband Tech-Connect ME	542	National board cert	10,372
GMS - Garden	68		

Note 3 – BUDGETARY VS. GAAP ACCOUNTING

Through June 30, 2020, the School did not budget for expenditures related to teachers' summer pay and benefits on an accrual basis. Additionally, for budgetary purposes, the Town has recorded certain encumbrances as expenditures at year-end. The following is a reconciliation of fund balance for the General Fund and School Operations Fund (Special Revenue Fund) on the basis of accounting principles generally accepted in the United States of America and on the budgetary basis.

	<u>General Fund</u>	<u>School Operations Fund</u>
Fund balance (deficit), June 30, 2020 – GAAP basis	\$17,413,628	\$(394,509)
Accrued teacher summer salaries	-	2,863,724
Accrued teacher summer health insurance	-	739,991
Accrued MEPERS wages	-	119,131
Encumbrances	(576,266)	(585,117)
Fund balance, June 30, 2020 – budgetary basis	\$16,837,362	2,743,220

*The School Committee has approved \$660,000 of fund balance to reduce taxes for the 2021 fiscal year. This coupled with the \$585,117 in encumbrances and an approved transfer of \$100,000 to school lunch, results in a deficit fund balance of \$1,739,626. Per the Town's fund balance policy, the deficit fund balance of \$1,739,626 is combined with the Town's unassigned total of \$9,315,502, when preparing the 2022 budget.

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

Note 3 – BUDGETARY VS. GAAP ACCOUNTING

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 \$3,778,188.

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

Note 4 – RISK MANAGEMENT

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

If the assets of either the MMA Property and Casualty Pool or the Worker's Compensation Pool are at any time actuarially determined to be insufficient to enable either pool to discharge its legal liability and other obligations and to maintain actuarially sound reserves, either pool has the power to make up the deficiency by the levy of a prorated assessment upon its members for the amount needed to make up the deficiency. There has been no such deficiency in the past three years. Management believes that no such deficiency exists as of June 30, 2020.

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

Based on the coverage provided by these pools, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2020. 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, 2020, the balance in this reserve account was \$31,500.

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

Note 5 – DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2020, cash consisted of the following:

	<u>Carrying amount</u>	<u>Bank balance</u>
Checking, savings, NOW, and certificates of deposit accounts:		
Government Funds	\$ 19,693,149	20,337,497
Agency Funds	473,029	505,593
Petty Cash - governmental funds	1,095	-
Flex Plan - governmental funds	2,104	-
Postage machine balance - governmental funds	5,707	-
Totals	\$ 20,175,084	20,843,090

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, 2020, none of the Town’s bank balances of \$20,843,090 was exposed to custodial credit risks. The Town uses the demand deposit marketplace in which all of our funds are FDIC insured.

B. Investments

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

At June 30, 2020, investments consisted of the following:

Investment Type	Fair value	Maturities			Level 1 inputs
		Less than 1 Year	1 Year to 3 Years	Over 3 Years	
Mutual funds	\$ 840,065		Not applicable		840,065
U.S. treasuries	6,143,862	6,143,862	-	-	6,143,862
Money market accounts	268,551		Not applicable		Not applicable
Commercial paper	155,097	51,052	104,045	-	155,097
U.S. savings Bonds	4,304	4,304	-	-	4,304
Common stock	39,505		Not applicable		39,505
Total Fair Value	\$ 7,451,384	6,199,218	104,045	-	7,182,833

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

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

Note 5 - DEPOSITS AND INVESTMENTS, Continued

Out of the total \$7,451,384 in investments, \$7,408,656 is from investments in the governmental funds, while \$42,728 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, 2020, the Town had \$155,097 invested in commercial paper. Standard and Poor's rate the funds invested in federal money market accounts AAA. 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, 2020, 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 \$7,451,384 in investments, \$1,108,616 were in mutual funds and money market accounts which were 100% collateralized by underlying securities held by the trust department of related bank, in the Town's name.

Note 6 - 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	\$ 1,395,029	-	-	1,395,029
Tax liens	312,066	-	-	312,066
Accounts	162,328	18,177	260,423	440,928
Rescue (net of allowance of \$136,916)	243,405	-	-	243,405
Intergovernmental	760,968	3,472	602,254	1,366,694
Notes	203	-	257,273	257,476
Net total receivables	\$ 2,873,999	21,649	1,119,950	4,015,598

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

Note 6 – RECEIVABLES, Continued

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

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

	<u>Unavailable</u>
Delinquent property taxes receivable (General Fund)	<u>\$860,000</u>

B. Property Taxes

Property taxes for the current year were committed on September 6, 2019, on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Assessed values are periodically established by the Town’s Assessor at 100% of assumed market value. A revaluation was completed for the list of April 1, 2015. The assessed value represented 90% of the estimated State valuation of \$1,992,000,000.

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 \$572,333 for the year ended June 30, 2020. 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 2020 and 2019 levies:

	<u>2020</u>	<u>2019</u>
Taxable Assessed Value	\$ 1,635,516,700	\$ 1,590,777,995
Tax Rate (per \$1,000)	<u>18.95</u>	<u>18.20</u>
Commitment	30,993,041	28,952,160
Supplemental Taxes Assessed	<u>61,350</u>	<u>200,328</u>
	31,054,391	29,152,488
Less: Abatements	12,873	166,496
Collections	<u>29,806,130</u>	<u>28,263,547</u>
Receivable at June 30, 2020 and 2019	<u>\$ 1,235,388</u>	<u>\$ 722,445</u>
Due Date(s)	½ 11/15/2019 ½ 05/15/2020	½ 11/15/2018 ½ 05/15/2019
Interest Rates on Delinquent Taxes	8.0%	8.0%
Collection Rate	96.0%	97.5%

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

Note 6 – RECEIVABLES, Continued

Of the total taxes committed for the year ended June 30, 2020, the original amount allocated to the ODAT-Grondin Municipal Development Tax Increment Financing District, the Pettingill-Ross Municipal Development Tax Increment Financing District, the Gorham County Road LLC Municipal Development Tax Increment Financing District, the Nappi Municipal Development Tax Increment Financing District, the Olde Canal Business Park Municipal Development Tax Increment Financing District, Martin’s Point Municipal Development Tax Increment Financing District and the Sebago Brewing Municipal Development Tax Increment Financing District was \$610,611.

C. Notes Receivables

At June 30, 2020, 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	203
Wood Excavating	11/2015	100,000	5.0%	11/2035	4,008	82,054
Century 21	10/2016	5,000	0.0%	11/2021	917	1,083
Flagship New Portland Road LLC	6/2017	40,000	4.5%	6/2038	1,155	36,619
Seedling to Sunflower	7/2018	5,000	0.0%	1/2024	1,000	3,783
Seedling to Sunflower	7/2018	5,000	4.5%	10/2020	5,000	5,000
Southern Maine Firewood	10/2019	96,000	4.0%	10/2039	3,515	93,734
Pinecrest Hospitality Inc.	5/2020	15,000	8.0%	10/2028	787	15,000
Brave Soul	6/2020	10,000	2.5%	10/2025	1,358	10,000
All Around the World Travel LLC	6/2020	10,000	3.5%	10/2025	1 320	10,000
						<u><u>\$ 257,476</u></u>

Due to Covid-19, the Town Council allowed payment deferral on the revolving loans until September 1, 2020. Flagship New Portland Road LLC, and Seedling to Sunflower exercised this option, therefore the final maturity date has changed.

Note 7 – INTERFUND ACCOUNTS

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

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

Note 7 – INTERFUND ACCOUNTS, Continued

Individual interfund loans receivable and payable balances at June 30, 2020 were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>
Governmental Funds:		
General Fund	\$ -	5,621,614
School Operations Fund	<u>3,597,002</u>	<u>148,712</u>
Other governmental funds:		
Special revenue funds:		
School Grants Fund	-	331,688
School Donation Fund	23,657	-
School Lunch Fund	-	81,095
Sewer Operations Fund	992,335	-
Little Falls Sewer Reserve and Loan Fund	2,797	-
Impact Fees Fund	452,112	-
Library Fund	35,081	-
Recreation Fund	5,802	-
TIF Fund	1,137,740	-
Miscellaneous Fund	2,857	-
Capital project funds:		
2020 Industrial Park Project	-	42,266
Great Falls Elementary School Project	36,028	-
Narragansett School Project	-	80,034
High School Renovation and Expansion	12,602	-
Permanent funds:		
Cemetery Perpetual Care	1,100	-
Baxter Library and Museum	121	-
Total other governmental funds	<u>2,702,232</u>	<u>535,083</u>
Fiduciary funds	<u>6,175</u>	<u>-</u>
Totals	\$ <u>6,305,409</u>	<u>6,305,409</u>

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

Note 7 – INTERFUND ACCOUNTS, Continued

Interfund transfers during the year ended June 30, 2020 consisted of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ <u>337,016</u>	<u>21,661,925</u>
School Operations Fund	<u>21,661,925</u>	<u>59,948</u>
Special Revenue Funds:		
School Grants	12,963	-
School Lunch	30,000	-
TIF Fund	-	251,032
Capital Project Funds:		
2016 Public Safety Building	-	25,000
2020 Industrial Park	-	18,482
2016 CIPS School Project	15,741	-
Narragansett School Project	-	42,502
Middle School Project	344	-
Various School Project	900	-
Total other governmental funds	<u>59,948</u>	<u>337,016</u>
Totals	\$ <u>22,058,889</u>	<u>22,058,889</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 (\$21,661,925)
2. From the School Operation Fund: to move funds to cover fund balance deficit for various school grant accounts, CIPS school project, Middle School project and various school projects (\$12,963, \$15,741, \$344, and \$900 respectively)
3. From the School Operation Fund: to move funds budgeted to supplement the school lunch program (\$30,000)
4. From the Special Revenue Fund's TIF Fund: to provide funding for the Libby/Brackett Road debt service, Economic Development, comprehensive plan, stormwater and industrial park bond cost (\$251,032).
5. From the Capital Project Fund's Public Safety building: to allocate premium to general fund revenue that was budgeted (\$25,000).
6. From the Capital Project Fund's Narragansett School project and Industrial park: to use the bond premium to offset the cost of the bond costs (\$42,502 and \$18,482 respectively).

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

Note 8 – CAPITAL ASSETS

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

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance			Balance
	June 30, 2019	Increases	Decreases	June 30, 2020
Governmental Activities:				
Books/historical treasures/artwork	\$ 1,429,837	\$ -	\$ -	\$ 1,429,837
Land	2,230,261	4,000,000	-	6,230,261
Construction in progress	451,561	1,683,974	55,000	2,080,535
Total capital assets, not being depreciated	<u>4,111,659</u>	<u>5,683,974</u>	<u>55,000</u>	<u>9,740,633</u>
Land improvements	10,106,271	-	-	10,106,271
Buildings and building improvements	68,758,003	-	-	68,758,003
Machinery and equipment	3,320,697	155,834	-	3,476,531
Furniture and office equipment	4,587,978	16,000	-	4,603,978
Computer equipment	541,506	9,978	-	551,484
Vehicles	13,108,842	707,439	175,376	13,640,905
Infrastructure	47,906,341	520,148	-	48,426,489
Total capital assets being depreciated	<u>148,329,638</u>	<u>1,409,399</u>	<u>175,376</u>	<u>149,563,661</u>
Less accumulated depreciation for:				
Land improvements	4,442,917	380,787	-	4,823,704
Buildings and building improvements	33,304,031	1,907,263	-	35,211,294
Machinery and equipment	2,512,096	139,837	-	2,651,933
Furniture and office equipment	4,031,690	141,087	-	4,172,777
Computer equipment	491,920	10,609	-	502,529
Vehicles	7,773,045	826,447	175,376	8,424,116
Infrastructure	23,853,633	1,083,999	-	24,937,632
Total accumulated depreciation	<u>76,409,332</u>	<u>4,490,029</u>	<u>175,376</u>	<u>80,723,985</u>
Total capital assets being depreciated, net	<u>71,920,306</u>	<u>(3,080,630)</u>	<u>-</u>	<u>68,839,676</u>
Governmental activities capital assets, net	<u>\$ 76,031,965</u>	<u>\$ 2,603,344</u>	<u>\$ 55,000</u>	<u>\$ 78,580,309</u>

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

Governmental activities:	
General government	\$ 219,691
Public safety	684,646
Public works, including depreciation of general infrastructure assets	1,340,900
Recreation	167,731
Economic Development	1,780
Education	<u>2,075,281</u>
Total depreciation expense – governmental activities	<u>\$4,490,029</u>

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

Note 9 – 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, 2020, the Town was in compliance with these limitations. (See Table 13, STATISTICAL SECTION)

B. Changes in Long-term Debt

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning			Ending	Due Within
	Balance	Additions	Reductions	Balance	One Year
Governmental activities:					
General obligation bonds	\$ 29,043,125	7,840,000	3,378,125	33,505,000	3,590,000
Bond premium	865,508	60,984	138,822	787,670	142,581
Finance purchases	740,278	1,443,471	480,771	1,702,978	290,516
Compensated absences	1,106,550	191,617	52,216	1,245,951	50,000
Net pension liability	1,502,753	74,118	-	1,576,871	-
Other post-employment benefits	6,534,281	164,552	-	6,698,833	-
Governmental activity long-term liabilities	\$ 39,792,495	9,774,742	4,049,934	45,517,303	4,073,097

C. Bonds and Notes Payable

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

General obligation bonds currently outstanding at June 30, 2020 are comprised of the following:

General Obligation Bonds	Interest Rate	Original Issue Amount	Final Maturity Date	Balance End of Year	Due Within One Year
Governmental activities:					
2020 Industrial Park Bond	2.50-2.85%	\$ 5,900,000	10/1/2039	5,900,000	295,000
2020 Narragansett School Bond	1.72%	1,940,000	10/1/2035	1,940,000	-
2016 Advance Refunding (2010 Bond)	2.25-5.00%	11,480,000	10/1/2030	11,480,000	-
2016 Fire Truck Bond	2.00-5.00%	1,290,000	10/1/2036	1,095,000	65,000
2016 Main Street Bond	2.00-3.00%	600,000	12/1/2035	480,000	30,000
2016 School CIP Bond	2.00-3.00%	1,175,000	12/1/2035	935,000	60,000
2015 Public Safety Building Bond	2.00-3.25%	4,990,000	6/1/2035	3,740,000	250,000
2013 Fire Truck/Little Falls School Bond	2.00-4.00%	1,400,000	11/15/2033	890,000	85,000
2012 Advance Refunding Bond	2.00-3.50%	17,085,000	11/1/2024	5,820,000	1,580,000
2010 Road Projects/Heavy Rescue Bond	2.00-3.50%	3,450,000	8/1/2027	205,000	205,000
2010 Elementary School Bond	2.00-4.25%	20,384,680	10/1/2030	1,020,000	1,020,000
Total governmental activities				\$ 33,505,000	3,590,000

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

Note 9 – 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 <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,590,000	1,028,133	4,618,133
2022	3,695,000	868,674	4,563,674
2023	3,690,000	741,699	4,431,699
2024	2,760,000	640,286	3,400,286
2025	2,595,000	558,955	3,153,955
2026-2030	10,145,000	1,679,513	11,824,513
2031-2035	5,230,000	562,284	5,792,284
2036-2040	1,800,000	108,506	1,908,506
Totals	<u>\$ 33,505,000</u>	<u>6,188,050</u>	<u>39,693,050</u>

D. Finance Purchases

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

The following is a summary of the finance purchases commitments as of June 30, 2020:

	<u>Original Purchase Price</u>	<u>Annual Depreciation Expense</u>	<u>Total Minimum Lease Payments</u>	<u>Interest</u>	<u>Present Value of Minimum Lease Payments</u>
School buses (11)	\$ 1,106,210	110,621	745,580	55,925	689,655
Photocopiers	372,871	-*	223,723	-	223,723
Portable Classrooms	859,600	-*	925,477	135,877	789,600
Totals	<u>\$ 2,338,681</u>	<u>110,621</u>	<u>1,894,780</u>	<u>191,802</u>	<u>1,702,978</u>

* The photocopier agreement does not result in capitalized assets as the assets acquired do not meet the capitalization threshold individually. Additionally, portable classrooms has been capitalized but does not report depreciation expense in 2020 as the project is still part of construction in progress.

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

Note 9 – LONG-TERM DEBT, Continued

The following is a schedule of future minimum payments under the finance purchases and the present value of the minimum payments at June 30, 2020:

<u>Fiscal year</u> <u>ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Lease</u> <u>Obligation</u>
2021	\$ 290,516	50,433	340,949
2022	354,699	40,938	395,637
2023	323,137	30,872	354,009
2024	267,964	22,067	290,031
2025	87,337	15,493	102,830
2026-2029	379,325	31,999	411,324
Totals	<u>\$1,702,978</u>	<u>191,802</u>	<u>1,894,780</u>

E. Compensated Absences

The Town’s policy relating to compensated absences is described in Note 1, K. The long-term portion of this debt, amounting to \$1,245,951 for governmental activities at June 30, 2020, is expected to be paid in future years from future resources. The Town has estimated that out of the \$1,245,951, approximately \$50,000 will be due within the next year. In prior years, compensated absences have been liquidated primarily by the general fund.

Long-term compensated absences as of June 30, 2020 are comprised of the following:

<u>Type of Leave</u>	<u>Governmental</u> <u>Activities</u>
Sick paid upon termination	\$ 714,798
Vacation	450,156
Compensatory time	<u>80,997</u>
Total	<u>\$ 1,245,951</u>

Note 10 – 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, 2020, the Town’s State valuation of \$1,992,000,000 was 3.95% of the County’s State valuation of \$50,417,650,000. The Town’s share is 3.95% or \$1,399,641 of Cumberland County’s \$35,425,000 long-term debt outstanding as of June 30, 2020.

The Town is also served by the Portland Water District. At June 30, 2020, the Town’s share of self-supporting bonded water debt is 5.85% or \$3,261,992 of total debt of \$55,760,544.

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

Note 10 – OVERLAPPING DEBT AND OTHER CONTINGENCIES, Continued

The Town also shares an obligation with the Town of Windham and City of Westbrook for a joint sewer project. Gorham’s share of the Little Falls sewer system debt is \$2,052,526, while Gorham’s share of the Westbrook sewer system debt is \$796,754. 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, 2020</u>		
	<u>Direct Debt</u>	<u>Overlapping Debt</u>	<u>Total Debt</u>
Town of Gorham - general obligation bonds and notes payable	\$ 33,505,000	-	33,505,000
Town of Gorham - bond premiums	787,670	-	787,670
Town of Gorham – finance purchases	1,702,978	-	1,702,978
Cumberland County	-	1,399,641	1,399,641
Portland Water District - sewer shared with Town of Windham and City of Westbrook	-	2,849,280	2,849,280
Portland Water District - water debt	-	3,261,992	3,261,992
Totals	\$ 35,995,648	7,510,913	43,506,561

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, 2020, substantially all such calculations have been performed.

C. Grant Funds

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

D. Litigation

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

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

Note 10 – OVERLAPPING DEBT AND OTHER CONTINGENCIES, Continued

E. Conduit Debt

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

As of June 30, 2020, there was no outstanding principal amount payable.

F. Encumbrances

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

General Fund	\$ 576,266
School Operations Fund	585,117

Note 11 – NET PENSION LIABILITY

The Town contributes to two defined benefit pension plans, (1) the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and (2) the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan). As of the year ended June 30, 2020, the Town had the following balances reported in the government-wide financial statements:

		Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PLD Plan	\$	1,146,079	411,136	374,960	168,974
SET Plan		430,792	905,971	85,589	3,766,204
Total	\$	1,576,871	1,317,107	460,549	3,935,178

Detailed disclosures for each plan follow.

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.maine pers.org

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

Note 11 – NET PENSION LIABILITY, Continued

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

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

PLD Plan - Employees are required to contribute 8.1% to 9.5% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2020, was 10% of annual payroll for the regular plan and 12.8% of annual payroll for the special plan. Contributions to the pension plan from the Town were \$217,396 for the year ended June 30, 2020.

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, 2020, was 18.49% of annual payroll of which 4.16% of payroll was required from the Town and 14.33% was required from the State. Contributions to the pension plan from the Town were \$859,989 for the year ended June 30, 2020.

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, 2019, 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, 2020, the Town reported a liability of \$1,146,079 for its proportionate share of the net pension liability. At June 30, 2019, the Town's proportion of the PLD Plan was 0.3749%.

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

Note 11 – NET PENSION LIABILITY, Continued

SET Plan - At June 30, 2020, 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	\$ 430,792
State's proportionate share of the net pension liability associated with the Town	22,598,249
Total	\$23,029,041

At June 30, 2019, the Town's proportion of the SET Plan was 0.0294%.

For the year ended June 30, 2020 the Town recognized pension expense of \$168,974 for the PLD Plan. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 135,699	-
Changes of assumptions	58,041	-
Net difference between projected and actual earnings on pension plan investments	-	287,065
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	87,895
Town contributions subsequent to the measurement date	217,396	-
Total	\$ 411,136	374,960

\$217,396 is reported as deferred outflows of resources related to the PLD plan resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PLD plan will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 2,076
2022	(143,816)
2023	(39,296)
2024	(184)

For the year ended June 30, 2020, the Town recognized pension expense of \$3,766,204 for the SET Plan with revenue of \$2,962,414 for support provided by the State.

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

Note 11 – NET PENSION LIABILITY, Continued

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to the SET plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 33,510	-
Changes of assumptions	12,472	-
Net difference between projected and actual earnings on pension plan investments	-	60,809
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	24,780
Town contributions subsequent to the measurement date	859,989	-
Total	\$ 905,971	85,589

\$859,989 is reported as deferred outflows of resources related to the SET plan resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2021. 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:

2021	\$ (2,379)
2022	(23,747)
2023	(13,665)
2024	184

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary Increases, per year	2.75% to 9.0%	2.75% to 14.5%
Investment return, per annum, compounded annually	6.75%	6.75%
Cost of living benefit increases, per annum	1.91%	2.20%

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to June 30, 2015.

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

Note 11 – NET PENSION LIABILITY, Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2019 are summarized in the following table:

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

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

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

<u>PLD Plan</u>	1% Decrease (<u>5.75%</u>)	Current Discount Rate (<u>6.75%</u>)	1% Increase (<u>7.75%</u>)
Town’s proportionate share of the net pension liability	\$2,610,695	1,146,079	(223,929)
<u>SET Plan</u>	1% Decrease (<u>5.75%</u>)	Current Discount Rate (<u>6.75%</u>)	1% Increase (<u>7.75%</u>)
Town’s proportionate share of the net pension liability	\$778,861	430,792	140,740

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

Note 11 – NET PENSION LIABILITY, Continued

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

Payables to the Pension Plan - None as of June 30, 2020.

Note 12 – 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 \$192,226 for the year ended June 30, 2020, and \$176,081 for the year ended June 30, 2019. 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 \$512,314 including F.I.C.A. and Medicare to the Social Security Retirement Program on behalf of Town employees for the year ended June 30, 2020 and \$488,703 for the year ended June 30, 2019.

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 \$554,598 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, 2020 and \$543,801 for the year ended June 30, 2019.

Note 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – AGGREGATE OF LIFE AND HEALTH INSURANCE

The Town contributes to four post-employment defined benefit plans, (1) the Town's retiree health plan (City Plan), (2) the Maine Public Employees Retirement System State Employee and Teacher Group Term Life Plan (School Life Plan), (3) the Maine Public Employees Retirement System Participating Local District Life Plan (Town Life Plan) and (4) the School Department's retiree health plan (School Plan). As of the year ended June 30, 2020, the Town had the following balances reported in the government-wide financial statements:

	Total OPEB <u>Liability</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	OPEB (Gain) <u>Expense</u>
Town Health Plan	\$ 936,854	10,923	471,949	(21,975)
School Life Insurance Plan	-	-	-	79,821
Town Life Insurance Plan	192,788	17,377	17,761	14,172
School Health Plan	5,569,191	336,660	-	270,083
Total	\$ 6,698,833	364,960	489,710	342,101

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

Note 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

General Information about the OPEB Plans

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

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

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

PLD OPEB Plan - Premiums total \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB plan from the Town were \$3,149 for the year ended June 30, 2020.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the Town were \$79,821 for the year ended June 30, 2020. Employers and employees are not required to contribute to the SET OPEB plan.

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

The net OPEB liability for both the PLD and SET OPEB plans was measured as of June 30, 2019, and the net OPEB liabilities used to calculate the net OPEB liabilities was determined by actuarial valuations as of that date. The Town's proportion of the net OPEB liabilities were based on a projection of the Town's long-term share of contributions to the PLD and SET OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan - At June 30, 2020, the Town reported a liability of \$192,788 for its proportionate share of the net OPEB liability. At June 30, 2019, the Town's proportion was 0.9010%.

SET OPEB Plan - At June 30, 2020, the Town reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the Town was \$867,198 as of June 30, 2020. At June 30, 2019, the Town's proportion was 0.00%.

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

Note 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, Continued

For the year ended June 30, 2020, the Town recognized OPEB expense of \$14,172 for the PLD OPEB Plan. For the year ended June 30, 2020, the Town recognized OPEB expense of \$79,821 and also revenues of \$79,821 for support provided by the State related to the SET OPEB plan. At June 30, 2020, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan.

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$12,287	-
Changes of assumptions	-	9,142
Net difference between projected and actual earnings on OPEB plan investments	-	8,619
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,941	-
Town contributions subsequent to the measurement date	3,149	-
Total	\$ 17,377	17,761

An amount of \$3,149 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ (4,181)
2022	(4,181)
2023	(2,378)
2024	6,701
2025	506

Actuarial Assumptions - The net OPEB liability in the June 30, 2019 actuarial valuations was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

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

Note 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, Continued

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

The actuarial assumptions used in the June 30, 2019 valuations were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
US government securities	10.0%	2.3%

Discount Rate - The rate used to measure the net OPEB liability for the PLD OPEB plan was 4.98% which is a blend of the assumed long-term expected rate of return of 6.75% and a municipal bond index rate of 3.5%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2019. Projections of the plan’s fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2050. Therefore, the portion of the future projected benefit payments after 2050 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The rate used to measure the net OPEB liability for the SET OPEB plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Town’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following presents the Town’s proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 4.98%, as well as what the Town’s proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.98%) or 1 percentage-point higher (5.98%) than the current rate:

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

Note 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, Continued

		1% Decrease (3.98%)	Discount Rate (4.98%)	1% Increase (5.98%)
Net OPEB liability	\$	254,594	192,788	144,061

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

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

Note 15 - OTHER POST EMPLOYMENT BENEFITS (OPEB) – TOWN HEALTH INSURANCE

General Information about the OPEB Plans

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

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

Employees Covered by Benefit Terms – At June 30, 2020, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employee entitled to but not yet receiving benefits	-
Active employees	82
Total	89

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

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

Note 15 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – TOWN HEALTH INSURANCE, Continued

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

The Town's total Health Plan OPEB liability of \$936,854 was measured as of January 1, 2020, and was determined by an actuarial valuation as of January 1, 2020.

Changes in the Total Health Plan OPEB Liability

		Total OPEB Liability
Balance at June 30, 2019	\$	1,139,374
Changes for the year:		
Service Cost		34,673
Interest		47,274
Changes of benefit terms		(23,036)
Differences between expected and actual experience		(234,378)
Changes in assumptions or other inputs		15,412
Benefit payments		(42,465)
Net changes		<u>(202,520)</u>
Balance at June 30, 2020	\$	<u>936,854</u>

Change in assumptions reflects a change in the discount rate from 4.10% to 2.74%.

For the year ended June 30, 2020, the Town recognized OPEB gain of \$21,975 related to the Health Plan. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	377,927
Changes of assumption or other inputs		-	94,022
Contributions subsequent to measurement date		10,923	-
Total	\$	<u>10,923</u>	<u>471,949</u>

An amount of \$10,923 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2021	\$	(80,886)
2022		(80,886)
2023		(80,886)
2024		(80,886)
2025		(80,878)
Thereafter		(67,527)

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

Note 15 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – TOWN HEALTH INSURANCE, Continued

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2020 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% per year
Salary increases	2.75% per year
Discount rate	2.74%
Healthcare cost trend rates	8.55% for 2020, decreasing to 3.53% for 2040
Retirees' share of the benefit related costs	100% of projected health insurance premiums

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

The actuarial assumptions used in the January 1, 2020 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

Discount Rate - The rate used to measure the total OPEB liability for the Health Plan was 2.74%. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability related to the Health Plan calculated using the discount rate of 2.74%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.74%) or 1 percentage-point higher (3.74%) than the current rate:

	1% Decrease (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB liability	\$ 1,085,338	936,854	815,599

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 808,312	936,854	1,098,911

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

Note 16 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – SCHOOL HEALTH INSURANCE

General Information about the OPEB Plan

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

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

Employees Covered by Benefit Terms – At June 30, 2020, the following employees were covered by the benefit terms:

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

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

The Town’s total OPEB liability of \$5,569,191 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

Changes in the Total OPEB Liability

Balance at June 30, 2019	\$ 5,208,274
Changes for the year:	
Service Cost	60,366
Interest	199,964
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	305,745
Benefit payments	(205,158)
Net changes	360,917
Balance at June 30, 2020	\$ 5,569,191

Change in assumptions reflects a change in the discount rate from 3.87% to 3.50%.

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

Note 16 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – SCHOOL HEALTH INSURANCE, Continued

For the year ended June 30, 2020, The Town recognized OPEB expense of \$270,083. At June 30, 2020, The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$ 92,445	-
Town contributions subsequent to measurement date	244,215	-
Total	\$ 336,660	-

\$244,215 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ 9,753
2022	9,753
2023	9,753
2024	9,753
2025	9,756
Thereafter	43,677

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

Inflation	Not reported
Salary increases	2.75% - 14.50% per year
Discount rate	3.50% per annum
Healthcare cost trend rates - Pre-Medicare	5.55% for 2018 grading over 15 years to 3.73%
Healthcare cost trend rates - Medicare	3.72% for 2018 grading over 15 years to 2.81%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

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

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

Discount Rate - The rate used to measure the total OPEB liability was 3.50% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

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

Note 16 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – SCHOOL HEALTH INSURANCE, Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability calculated using the discount rate of 3.50%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.50%) or 1 percentage-point higher (4.50%) than the current rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 6,539,375	5,569,191	4,797,860

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 4,702,769	5,569,191	6,669,807

Note 17 - 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, 2020 includes total assets of \$62,419,588, and total liabilities of \$18,431,792 and unrestricted net position of \$12,251,869. The liabilities include an accrual for landfill closure and postclosure care amounting to \$15,346,550. 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.

Note 18 - 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 finance purchases 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 2020 with 2019 information provided for comparison:

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

Note 18 - NET POSITION

	<u>2020</u>	<u>2019</u>	<u>\$ Chg</u>	<u>% Chg</u>
Capital assets	\$159,304,294	\$152,441,297	\$ 6,862,997	4.5%
Accumulated depreciation	(80,723,985)	(76,409,332)	(4,314,653)	5.6%
Deferred charge on refunding	312,380	395,965	(83,585)	-21.1%
Bonds payable (includes premium)	(34,292,670)	(29,908,633)	(4,384,037)	14.7%
Finance purchase	(1,702,978)	(740,278)	(962,700)	130.0%
Add back non capitalized finance purchases	223,723	-	223,723	100.0%
Add back unspent bond proceeds	<u>2,945,915</u>	<u>774,842</u>	<u>2,171,073</u>	280.2%
Net investment in capital assets	<u>\$ 46,066,679</u>	<u>\$ 46,553,861</u>	<u>(487,182)</u>	-1.5%

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 19 - 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 20 - 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. 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.

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

Note 20 - TAX INCREMENT FINANCING DISTRICT, Continued

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

Below is a summary of the TIF activity for fiscal year ended June 30, 2020:

FY2020 TIF Activity			
	Developer's Share	Town Share	TIF District Total
ODAT - Grondin District			
ODAT	\$ 26,318	26,318	52,636
Grondin Properties	-	163,360	163,360
Subtotal:	26,318	189,678	215,996
Pettingill-Ross District			
Pettingill Ross	17,802	-	17,802
Gorham County Road District			
Gorham County Road LLC	10,292	-	10,292
Nappi District			
Nappi Distributors	89,581	82,690	172,271
Olde Canal Business Park			
Olde Canal	37,016	40,101	77,117
Martin's Point			
Martin's Point	29,032	29,031	58,063
Sebago Brewing			
Sebago Brewing	29,535	29,535	59,070
Total TIF Financing Plan Amount	\$ 239,576	371,035	610,611

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

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

Note 20 - TAX INCREMENT FINANCING DISTRICT, Continued

The Town had seven approved Tax Increment Financing Districts as of June 30, 2020. For fiscal year 2020, the Town captured \$610,611 in TIF tax revenues and disbursed \$239,576 in C.E.A. payments to the seven developers. The remaining \$371,035 was applied toward eligible local expenditures. The following are the C.E.A. payments that each exceeds ten (10) percent of the total amount of C.E.A. payments:

On August 5, 2003, the Town designated approximately 28.1 acres within the Gorham Industrial Park as the ODAT - Grondin Development District. The joint name is to reflect that this district involves efforts of two separate developers on two separate but geographically proximate locations. ODAT is a precision manufacturer of component machine parts and constructed a 21,000 square foot manufacturing facility on its 4.9-acre tract of land. The Town Council in a 6-0 vote approved a 15-year TIF, which would give back 50% of the taxes generated from the increased tax value. The purpose of the Grondin portion of the district is to encourage the creation of five (5) new industrial lots on 23.14 acres of land. Grondin Properties, LLC developed a new industrial park access road on part of this 23 acre parcel of land. The Town Council in a 5-1 vote approved a 15-year TIF, which would give back 50% of the taxes generated from the increased tax value up to a maximum of \$429,064 for construction costs related to the development of the new road. On April 2, 2019, the Town Council authorized the extension of the ODAT/Grondin Tax Increment Financing District for an additional 15 years and extended the C.E.A to ODAT on July 2, 2019. The total tax abatement granted in fiscal year 2020 from this C.E.A. agreement totaled \$26,318.

On September 5, 2006, the Town Council designated a 25 +/- acre site at 615 Main Street as the Nappi Distributors Municipal Development and Tax Increment Finance District with a 7-0 vote. Nappi Distributors constructed a 155,000 square foot commercial facility for beverage warehousing and administration offices on the site. At full build out, the development (land and buildings) is estimated to be valued at \$7,995,500 or an increment of \$7,859,370 from the original value of \$136,130. This district's term is for a period of twenty (20) years with 100% of the increased assessed value being split 52%-48% between the developer, Nappi Distributors, and the Town. The total tax abatement granted in fiscal year 2020 from this C.E.A. agreement totaled \$89,581.

On May 1, 2007, the Town Council approved the Olde Canal Business Park Tax Financing and Development District. Grondin Properties, LLC developed a 9 lot business park on a 55 acre parcel on Mosher Road (Route 237). This is a 20 year district with 100% of the increased assessed value being shared 48%-52% between the developer, Grondin Properties, LLC and the Town. The total tax abatement granted in fiscal year 2020 from this C.E.A. agreement totaled \$37,016.

On September 3, 2013, the Town Council approved the Martin's Point Health Care Tax Increment Financing and Development District with a 6-0 vote. Martin's Point Health Care developed a 12,500 square foot building on a 19.94 acre parcel at the intersection of Route 25 and Route 237 in Gorham. This is a 15 year district with 100% of the increased assessed value being shared 50%-50% between the developer, Martin's Point Health Care, and the Town. The total tax abatement granted in fiscal year 2020 from this C.E.A. agreement totaled \$29,032.

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

Note 20 - TAX INCREMENT FINANCING DISTRICT, Continued

On June 6, 2017, the Town Council approved the Sebago Brewing Tax Increment Financing and Development District with a 6-0 vote. Sebago Brewing Company developed a 32,650 square foot building on a 6.05 acre parcel at the intersection on Main Street in Gorham. This is a 20 year district beginning July 1, 2018 with 100% of the increased assessed value being shared 50%-50% between the developer, Sebago Brewing Company, and the Town. The total tax abatement granted in fiscal year 2020 from this C.E.A. agreement totaled \$29,535.

Note 21 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

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

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

Note 22 - SUBSEQUENT EVENTS

On August 6, 2019, the Town Council designated the Municipal Development and Tax increment #10 District. This district would include 13.03 acre site located at 200 Narragansett Street (Tax Map 39 Lot 2-1) and would capture 100% of the increased assessed value of the property for a period of 20 years. 55% of the tax revenue will be returned to the property owner, 49 Raceway Drive, LLC to be applied to costs of development of the site for the Harvey Performance Company and the remaining 45% would be retained by the Town to be used for various public improvements. This district has been approved by DECD to become active for fiscal year 2021.

On March 10, 2020, the Town Council designated the Municipal Development and Tax increment #11 District. This district is for the Gorham Village District Revitalization and includes 617.29 acres. This district will capture 100% of the increased assessed value of the property for a period of 30 years. 10% of the tax revenue will be retained by the Town to be used for various public improvements in the Downtown District. This district has been approved by DECD to become active for fiscal year 2021.

On November 3, 2020, the voters of the Town of Gorham, Maine passed a referendum to issue a general obligation bond for \$5,689,000 to finance the cost of several capital projects on various public schools in the Town.

TOWN OF GORHAM, MAINE
Required Supplementary Information
For the year ended June 30, 2020

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

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 34,673	39,091	40,376
Interest	47,274	41,977	56,510
Changes of benefit terms	(23,036)	-	-
Differences between expected and actual experience	(234,378)	-	(276,556)
Changes of assumptions or other inputs	15,412	(102,269)	(49,292)
Benefit payments	(42,465)	(40,832)	(47,987)
Net change in total OPEB Liability	(202,520)	(62,033)	(276,949)
Total OPEB liability - beginning	1,139,374	1,201,407	1,478,356
Total OPEB liability - ending	\$ 936,854	1,139,374	1,201,407
Covered-employee payroll	\$ 4,612,795	4,317,608	4,317,608
Total OPEB liability as a percentage of covered-employee payroll	20.31%	26.39%	27.82%

* Only three years of information available.

TOWN OF GORHAM, MAINE
Required Supplementary Information, Continued

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

	2020	2019
Total OPEB Liability		
Service cost	\$ 60,366	64,293
Interest	199,964	191,672
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	305,745	(237,472)
Benefit payments	(205,158)	(198,067)
Net change in total OPEB Liability	360,917	(179,574)
Total OPEB liability - beginning	5,208,274	5,387,848
Total OPEB liability - ending	\$ 5,569,191	5,208,274
Covered-employee payroll	\$ 17,474,490	17,006,803
Total OPEB liability as a percentage of covered-employee payroll	31.87%	30.62%

* Only two years of information available.

TOWN OF GORHAM, MAINE
Required Supplementary Information, Continued

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

	2020	2019	2018
<u>PLD OPEB Plan</u>			
Town's proportion of the net OPEB liability	0.90%	0.93%	0.82%
Town's proportionate share of the net OPEB liability	\$ 192,788	186,633	148,746
Town's covered payroll	1,826,577	1,846,541	1,781,967
Town's proportionate share of net OPEB liability as a percentage of its covered payroll	10.55%	10.11%	11.98%
Plan fiduciary net position as a percentage of the total OPEB liability	43.18%	43.92%	47.42%
<u>SET OPEB Plan</u>			
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	-	-
State's proportionate share of the net OPEB liability associated with the Town	867,198	843,979	771,655
Total	\$ 867,198	843,979	771,655
Plan fiduciary net position as a percentage of the total OPEB liability	49.22%	48.04%	47.29%

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

Schedule of Town OPEB Contributions
Last 10 Fiscal Years*

	2020	2019	2018
<u>PLD OPEB Plan</u>			
Contractually required contribution	\$ 3,149	2,792	1,862
Contributions in relation to the contractually required contribution	(3,149)	(2,792)	(1,862)
Contribution deficiency (excess)	-	-	-
Town's covered payroll	\$ 1,712,933	1,826,577	1,846,541
Contributions as a percentage of covered payroll	0.18%	0.15%	0.10%

* Only three years of information available.

TOWN OF GORHAM, MAINE
Required Supplementary Information, Continued

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

	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
<u>PLD Plan</u>						
Town's proportion of the net pension liability	0.3749%	0.4015%	0.4226%	0.4857%	0.5451%	0.6508%
Town's proportionate share of the net pension liability	\$ 1,146,079	\$ 1,098,780	\$ 1,730,314	\$ 2,580,562	\$ 1,739,229	\$ 1,001,423
Town's covered payroll	1,826,577	1,846,541	1,781,967	2,047,466	2,074,545	2,160,307
Town's proportion share of the net pension liability as a percentage of its covered payroll	62.74%	59.50%	97.10%	122.04%	83.84%	46.36%
Plan fiduciary net position as a percentage of the total pension liability	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%
<u>SET Plan</u>						
Town's proportion of the net pension liability	0.0294%	0.0299%	0.0340%	0.0352%	0.0339%	0.0415%
Town's proportionate share of the net pension liability	430,792	404,023	494,487	621,158	457,407	448,218
State's proportionate share of the net pension liability associated with the Town	22,598,249	20,482,449	21,227,184	25,355,628	19,001,327	14,819,750
Total	\$ 23,029,041	\$ 20,886,472	\$ 21,721,671	\$ 25,976,786	\$ 19,458,734	\$ 15,267,968
Town's covered payroll	\$20,071,546	\$19,017,990	\$18,085,543	\$17,245,735	\$16,495,802	\$ 15,872,616
Town's proportionate share of the net pension liability as a percentage of its covered payroll	2.15%	2.12%	2.73%	3.60%	2.77%	2.82%
Plan fiduciary net position as a percentage of the total pension liability	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

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

** Only six years of information available

TOWN OF GORHAM, MAINE
Required Supplementary Information

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
PLD Plan							
Contractually required contribution	\$ 217,396	229,363	222,864	200,984	229,391	222,645	215,650
Contributions in relation to the required contractually required contribution	(217,396)	(229,363)	(222,864)	(200,984)	(229,391)	(222,645)	(215,650)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
SET Plan							
Contractually required contribution	\$ 859,989	796,840	755,014	607,674	579,457	437,139	419,332
Contributions in relation to the contractually required contribution	(859,989)	(796,840)	(755,014)	(607,674)	(579,457)	(437,139)	(419,332)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
Town's covered payroll	\$ 1,712,933	1,826,577	1,846,541	1,781,967	2,047,466	2,074,545	2,160,307
Contributions as a percentage of covered payroll	12.69%	12.56%	12.07%	11.28%	11.20%	10.73%	9.98%
Town's covered payroll	\$ 20,672,815	20,071,546	19,017,990	18,085,543	17,245,735	16,495,802	15,872,616
Contributions as a percentage of covered payroll	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%	2.65%

* Only seven years of information available

TOWN OF GORHAM, MAINE
Notes to Required Supplementary Information

Net Pension Liability

Changes of Benefit Terms - None

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

	<u>2019</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate - PLD	6.75%	6.75%	6.875%	7.125%	7.25%	7.25%
Discount rate - SET	6.75%	6.75%	6.875%	7.125%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases - PLD	2.75-9.00%	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.75-14.50%	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%	3.50-13.50%
Cost of living increases - PLD	1.91%	2.20%	2.20%	2.55%	3.12%	3.12%
Cost of living increases - SET	2.20%	2.20%	2.20%	2.55%	2.55%	2.55%

Mortality rates:

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

Net OPEB Liability

Changes of Benefit Terms - None

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - SET	6.75%	6.75%	6.875%
Discount rate - PLD	4.98%	5.13%	5.41%

Total OPEB Liability

Changes of Benefit Terms - None

Changes of Assumptions - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - Town's Health Plan	2.74%	4.10%	3.44%	3.78%
Discount rate - School's Health Plan	3.50%	3.87%	3.58%	N/A

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

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

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, 2020 and 2019

	2020	2019
ASSETS		
Cash	\$ 16,678,342	16,269,001
Investments	6,143,862	6,132,522
Receivables:		
Accounts	162,328	150,455
Intergovernmental	760,968	279,552
Rescue (net of allowance of \$136,916 and \$132,820)	243,405	236,112
Taxes - current year	1,235,388	722,445
Taxes - prior year	159,641	128,229
Tax liens	312,066	300,176
Notes	203	608
Tax acquired property	28,930	28,930
Performance bonds	4,227,626	5,515,563
Inventory	36,912	38,019
Prepaid expenditures	21,558	32,198
Total assets	30,011,229	29,833,810
LIABILITIES		
Accounts payable	401,935	337,127
Accrued wages and benefits	339,933	241,698
Interfund loans payable	5,621,614	4,287,868
Taxes paid in advance	83,194	74,105
Performance bond deposits	5,290,925	7,692,097
Total liabilities	11,737,601	12,632,895
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	860,000	870,100
Total deferred inflows of resources	860,000	870,100
FUND BALANCE		
Nonspendable:		
Noncurrent receivables	203	608
Prepaid items	21,558	32,198
Inventory	36,912	38,019
Restricted for:		
General government purposes	47,969	44,167
Public safety operations	136,407	134,652
Public works operations	196,283	177,973
Recreation operations	5,549	6,621
Other purposes	-	730
Committed to:		
General government purposes	938,362	657,722
Public safety operations	114,491	351,264
Public works operations	889,620	1,263,507
Recreation operations	544,476	594,035
Other purposes	-	26,460
Assigned to:		
Encumbrances	576,266	654,458
Designated for FY20 and FY19 capital budget	2,256,931	1,051,114
General government purposes	318,103	449,714
Public safety operations	239,367	144,771
Public works operations	220,008	161,053
Recreation operations	171,527	253,376
Economic development	51,686	48,458
Insurance and employee benefits	1,331,720	1,291,755
Other purposes	688	-
Unassigned	9,315,502	8,948,160
Total fund balance	17,413,628	16,330,815
Total liabilities, deferred inflows of resources and fund balance	\$ 30,011,229	29,833,810

TOWN OF GORHAM, MAINE
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended June 30, 2020
(with comparative actual amounts for the year ended June 30, 2019)

	2020		Variance positive (negative)	2019 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 29,810,097	30,439,441	629,344	28,436,522
Change in unavailable property tax revenue	-	10,100	10,100	(193,300)
Excise taxes	3,382,000	3,981,606	599,606	3,958,242
Interest and costs on taxes	50,000	56,084	6,084	60,518
Total taxes	33,242,097	34,487,231	1,245,134	32,261,982
Licenses and permits:				
Building permits	350,000	520,203	170,203	385,846
Plumbing/electrical fees	38,000	32,524	(5,476)	40,901
Motor vehicle renewal fees	45,000	55,820	10,820	48,683
Town clerk fees	47,200	46,534	(666)	66,018
Cable TV franchise fee	190,000	214,286	24,286	220,191
Code fees	6,200	8,050	1,850	8,195
Other	2,500	2,276	(224)	2,343
Total licenses and permits	678,900	879,693	200,793	772,177
Intergovernmental:				
FEMA Reimbursement	-	1,556	1,556	1,587
State revenue sharing	850,000	1,288,868	438,868	871,428
Highway block grant	228,000	236,468	8,468	230,060
Human services assistance	10,500	10,040	(460)	909
Homestead exemption	748,076	748,076	-	782,870
BETE reimbursement	591,972	592,272	300	539,203
Other state grants	36,000	38,461	2,461	37,966
Other agencies	44,500	44,670	170	45,864
University of Southern Maine assistance	12,500	12,500	-	12,500
Total intergovernmental	2,521,548	2,972,911	451,363	2,522,387
Charges for services:				
Police fees, fines and outside work	19,500	18,159	(1,341)	20,209
Fire and rescue fees	578,900	529,414	(49,486)	517,594
Subdivision/development fees	26,500	32,220	5,720	54,127
Sewer inspection fees	5,000	4,022	(978)	6,210
Miscellaneous code/assessing	500	479	(21)	471
Miscellaneous public works	1,700	629	(1,071)	1,913
Solid waste user charges	485,000	632,718	147,718	581,135
Recreation fees	206,120	194,106	(12,014)	204,929
Payment in lieu of taxes	43,950	45,193	1,243	44,882
Sale of town property	-	-	-	5,058
Total charges for services	1,367,170	1,456,940	89,770	1,436,528

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

	2020		Variance positive (negative)	2019 Actual
	Budget	Actual		
Revenues, continued:				
Other revenues:				
Cemetery income	\$ 7,800	11,691	3,891	10,145
Interest on investments	200,000	190,506	(9,494)	323,643
Rent	95,700	95,891	191	95,713
Senior mealsite	8,000	5,375	(2,625)	9,582
Miscellaneous	11,000	1,979	(9,021)	24,405
Total other revenues	322,500	305,442	(17,058)	463,488
Total revenues	38,132,215	40,102,217	1,970,002	37,456,562
Expenditures:				
Current:				
General government:				
Administration	554,058	553,758	300	512,053
Technology	157,301	156,819	482	121,147
Town Clerk	273,149	262,402	10,747	238,206
Planning	250,436	218,824	31,612	200,581
Assessing	183,220	181,920	1,300	158,624
Code enforcement	168,302	168,255	47	156,525
Gorham municipal center	239,600	231,766	7,834	240,969
Total general government	1,826,066	1,773,744	52,322	1,628,105
Public safety:				
Police department	2,014,390	1,966,964	47,426	1,887,706
Fire/Rescue department	1,862,633	1,857,922	4,711	1,806,345
Central Fire Station	91,184	90,312	872	82,688
Police Station	60,730	60,658	72	55,046
Public utilities	180,800	155,242	25,558	166,203
Public safety contract services	380,376	380,337	39	369,879
Total public safety	4,590,113	4,511,435	78,678	4,367,867
Public works:				
Public works maintenance	1,860,786	1,795,025	65,761	1,741,905
Stormwater compliance	73,293	69,405	3,888	72,036
Solid waste removal	906,404	886,962	19,442	829,635
Cemeteries	31,692	27,958	3,734	28,990
Total public works	2,872,175	2,779,350	92,825	2,672,566
Health and welfare:				
Welfare	50,000	41,991	8,009	28,759
Health council	600	600	-	600
Total health and welfare	50,600	42,591	8,009	29,359

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

	2020		Variance positive (negative)	2019 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Recreation:				
Baxter Memorial Library	\$ 515,322	514,554	768	498,841
Baxter Museum	5,205	2,351	2,854	2,034
Recreation	387,621	341,834	45,787	368,330
Middle School Softball Field	9,502	9,427	75	9,269
Little Falls Rec Area	24,400	24,382	18	23,689
Old Robie School	19,445	17,527	1,918	18,937
Little Falls School	35,834	35,760	74	34,026
Robie Gym	11,130	10,651	479	10,856
Total recreation	1,008,459	956,486	51,973	965,982
Economic development	131,581	75,125	56,456	77,158
Insurances:				
Multi peril policy	145,500	138,099	7,401	132,973
Public liability	11,500	9,391	2,109	9,609
Total insurances	157,000	147,490	9,510	142,582
Employee benefits:				
Direct unemployment compensation	8,000	3,498	4,502	1,327
Worker's compensation	200,000	262,067	(62,067)	110,582
Retirement	412,983	365,405	47,578	341,356
Major medical insurance	1,339,028	1,129,121	209,907	1,052,849
Social security	505,222	468,930	36,292	459,431
Group life insurance	1,400	1,027	373	972
Total employee benefits	2,466,633	2,230,048	236,585	1,966,517
Public agencies:				
Parks and conservation	2,000	293	1,707	104
G.P.C.O.G./PACTS	32,762	32,762	-	26,210
MMA	17,000	17,172	(172)	15,473
North Gorham Library	11,000	11,000	-	11,000
Metro	35,000	35,000	-	35,000
Total public agencies	97,762	96,227	1,535	87,787
Unclassified:				
Gorham cable TV	99,068	97,692	1,376	95,786
Senior Mealsite	22,822	8,812	14,010	17,833
Memorial Day	2,400	1,524	876	3,377
Founders Festival	5,000	-	5,000	-
New Years Gorham	8,500	-	8,500	-
Contingency	73,568	30,000	43,568	43,210
Town Clock	900	900	-	-
Lions Flags	900	1,045	(145)	800
Senior tax relief	65,000	55,650	9,350	50,590
Gorham village alliance	10,000	10,000	-	7,500
Sno-Goers	4,500	4,500	-	3,000
Total unclassified	292,658	210,123	82,535	222,096

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

	2020		Variance positive (negative)	2019 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Intergovernmental - County tax	\$ 1,238,053	1,238,053	-	1,169,303
Debt service (excluding education):				
Principal	1,348,125	1,348,125	-	1,353,125
Interest	411,333	420,272	(8,939)	388,080
Total debt service	1,759,458	1,768,397	(8,939)	1,741,205
Capital:				
Capital maintenance	40,777	-	40,777	6,670
Capital improvements	125,000	2,000	123,000	-
Total capital	165,777	2,000	163,777	6,670
Total expenditures	16,656,335	15,831,069	825,266	15,077,197
Excess (deficiency) of revenues over (under) expenditures	21,475,880	24,271,148	2,795,268	22,379,365
Other financing sources (uses):				
Transfers to special revenue -				
School Operations Fund	(21,661,924)	(21,661,925)	(1)	(20,019,800)
Transfers in from special revenue -				
Impact fees fund	-	-	-	490,000
TIF fund	161,044	251,032	89,988	124,853
Transfers in from capital projects -				
Public safety capital project fund	25,000	85,984	60,984	25,000
2016 Fire truck bond	-	-	-	26
Transfer to reserve accounts	-	(1,503,839)	(1,503,839)	(2,973,480)
Total other financing uses	(21,475,880)	(22,828,748)	(1,352,868)	(22,353,401)
Net change in fund balances - budgetary basis	-	1,442,400	1,442,400	25,964
Reconciliation to GAAP basis:				
Change in restricted		29,442		31,064
Change in committed		(399,025)		769,016
Change in assigned		(93,885)		107,693
Change in unassigned		103,881		(195,126)
Net change in fund balance - GAAP basis		1,082,813		738,611
Fund balance, beginning of year		16,330,815		15,592,204
Fund balance, end of year	\$	17,413,628		16,330,815

TOWN OF GORHAM, MAINE
Restricted, Committed, Assigned, and Unassigned Funds - General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2020

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Restricted to:								
General government purposes:								
Park & Conservation committee	\$ 4,558	-	1,707	-	-	-	-	6,265
Safety grant	(33)	-	33	-	1,176	-	321	855
Septic Loans Grant	6,000	-	-	-	-	-	-	6,000
Heating assistance	2,662	-	-	-	2,080	-	1,386	3,356
South Street sewer project	30,000	-	-	-	-	-	-	30,000
Employee wellness program	947	-	-	-	1,634	-	1,088	1,493
Total general government purposes	44,134	-	1,740	-	4,890	-	2,795	47,969
Public safety operations:								
Little Falls substation	2,272	-	-	-	-	-	2,106	166
Drug forfeiture	20,871	-	-	-	3,040	-	684	23,227
DEA forfeiture	66,086	-	-	-	-	-	-	66,086
Impaired driving grant	-	-	-	-	6,521	-	6,521	-
Speed grant	-	-	-	-	5,777	-	5,777	-
RIDE grant	-	-	-	-	1,723	-	1,723	-
Child safety seats	496	-	-	-	292	-	60	728
Fire/Rescue donations	115	-	-	-	-	-	-	115
Fire prevention	6,247	-	-	-	950	-	2,906	4,291
Fire memorial	4,131	-	-	-	625	-	64	4,692
USM confined space	7,664	-	-	-	13,555	-	11,510	9,709
FEMA fire grant	708	-	-	-	-	-	-	708
Sprinkler grant	8,874	-	34,700	-	106,283	-	130,461	19,396
Hose Grant	-	-	-	-	245,442	-	241,586	3,856
CARES Act	-	-	-	-	13,537	-	13,537	-
FEMA Grant-Covid-19	-	-	-	-	114,426	-	114,426	-
M4-King Foundation	9,844	-	-	-	-	6,411	-	3,433
Total public safety operations	127,308	-	34,700	-	512,171	6,411	531,361	136,407

TOWN OF GORHAM, MAINE
Restricted, Committed, Assigned, and Unassigned Funds - General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2020

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Restricted to:								
Public works operations:								
Street opening	\$ 156,373	-	-	-	19,150	-	-	175,523
Gorham Village grant	2,402	-	-	-	-	-	840	1,562
Little Falls sidewalk grant	19,198	-	-	-	-	-	-	19,198
Total public works operations	177,973	-	-	-	19,150	-	840	196,283
Recreation operations:								
Community center donations	750	-	-	-	-	-	-	750
New Year's Gorham	5,871	-	8,500	-	6,071	-	15,643	4,799
Total recreation operations	6,621	-	8,500	-	6,071	-	15,643	5,549
Economic development:								
Gorham Village Alliance	730	-	-	-	-	-	730	-
Total economic development	730	-	-	-	-	-	730	-
Total restricted to	356,766	-	44,940	-	542,282	6,411	551,369	386,208
Committed to:								
General government purposes:								
Office space in Municipal Center for Ec Dev	-	30,000	-	-	-	-	7,354	22,646
Air Handler for Municipal Center	1,581	-	-	-	-	-	-	1,581
Municipal center entryway repairs	10,000	-	-	26,461	-	-	36,461	-
Recreation wing painting and entry repairs	17,530	-	-	1,462	-	-	9,105	9,887
Energy Efficient Lights at Robie Gym/Mun Ctr	7,678	-	-	-	-	-	-	7,678
Revaluation	-	108,000	-	141,814	-	-	-	249,814
L.W.C.F. Grant	7,439	-	-	-	-	-	7,439	-
Land acquisition	345,175	-	-	24,264	-	25,000	5,000	339,439
Compensation Study	2,225	-	-	-	-	2,225	-	-
Town Manager search	2,277	-	-	-	-	2,277	-	-
Cable TV franchise agreement consultant	9,941	-	-	-	-	-	1,896	8,045
Founders festival	15,000	-	5,000	-	4,500	-	-	24,500
Historical Society	3,000	-	-	-	-	-	-	3,000
Cemetery reserve	24,122	-	-	-	3,925	-	-	28,047
Planning Consultant Work	-	24,000	-	-	-	-	12,616	11,384
Gorham Village parking study	350	-	-	-	-	350	-	-
Emergency reserve account	165,366	50	-	-	-	-	-	165,416
Gorham village parking improvement	44,575	-	-	350	-	-	-	44,925
Exterior painting for Library, Gazebo, Robie Gym & Municipal Center	1,463	-	-	-	-	1,463	-	-
Vision Software Upgrade	-	22,000	-	-	-	-	-	22,000
Total general government purposes	657,722	184,050	5,000	194,351	8,425	31,315	79,871	938,362

TOWN OF GORHAM, MAINE
Restricted, Committed, Assigned, and Unassigned Funds - General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2020

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Committed to:								
Public safety operations:								
Public Safety fence	\$ 16,333	-	-	-	-	16,333	-	-
Spillman & DMV database full access	9,000	-	-	-	-	-	-	9,000
Blauer vest carriers (21)	2,500	-	-	-	-	-	1,040	1,460
Police Vests	-	2,750	-	-	-	-	2,450	300
AED	-	4,137	-	-	-	147	3,990	-
Firearmsreplacement & upgrades	1,694	-	-	-	-	-	1,694	-
Traffic Lights Emitters	-	3,400	-	-	-	-	-	3,400
Criminal investigation division software	131	-	-	-	-	131	-	-
Cruiser radio repeater toggle switches	258	-	-	-	-	258	-	-
Police cruiser replacement	17,164	40,777	40,777	-	-	-	98,718	-
Life pack 15 defibrillators	628	-	-	-	-	628	-	-
Heart monitor for the 3rd ambulance	7,129	-	-	-	-	7,129	-	-
Power stretcher for 3rd ambulance	6,843	-	-	-	-	-	-	6,843
Turnout gear for Fire department	3,321	-	-	6,088	-	-	9,409	-
Fire department mechanic's truck	2,040	-	-	-	-	2,040	-	-
Ambulance 2 replacement	800	-	-	-	-	800	-	-
Fiber optic connection White Rock FS/Shaw Park	19,839	-	-	-	-	-	91	19,748
LED street light conversion	245,000	-	-	-	-	-	188,670	56,330
Traffic lights generators/electrical connections	7,563	-	-	-	-	266	7,297	-
West Gorham fire station repairs	(7,014)	25,000	-	-	-	-	10,226	7,760
Hose tower	7,988	-	-	-	-	-	-	7,988
Water filtration	955	-	-	-	-	-	-	955
Additional work stations in EOC	960	-	-	-	-	-	253	707
Central Station Furnance	-	35,000	-	1,556	-	-	36,556	-
Tractor/snow plow	1,118	-	-	-	-	1,118	-	-
Total public safety operations	344,250	111,064	40,777	7,644	-	28,850	360,394	114,491
Public works operations:								
Ecomaine recycling reserve	10,000	-	-	-	-	-	-	10,000
Roadside mower tractor	50,000	-	-	1,094	-	-	51,094	-
Extend fiber optic line to Public Works	105,708	-	-	35,000	-	-	88,092	52,616
Facility doors	-	20,000	-	-	-	-	-	20,000
Phone system at Public Works	6,300	-	-	-	-	-	5,593	707
Climate control system at Public Works	16,000	-	-	-	-	-	10,869	5,131
Boiler replacement	-	35,000	-	-	-	-	34,250	750
Plow truck	1,932	-	-	-	-	1,932	-	-
6-wheel plow truck	2,072	-	-	-	-	2,072	-	-
Fleet diagnostics systems	1	-	-	-	-	1	-	-
Road management software	316	-	-	-	-	-	316	-
Repair & upgrade fuel depot	62,000	-	-	28,613	-	-	-	90,613
Stormwater data collection compliance	4,654	-	-	-	-	-	-	4,654
Public Works LED upgrades	3,846	-	-	-	-	-	3,846	-
Roads	739,935	600,000	85,000	-	-	-	919,020	505,915
Buck Street pipe arch culvert	125,629	-	-	-	-	7,597	-	118,032
South Street	85,800	-	-	-	-	-	20,893	64,907
Utility study	28,614	-	-	-	-	28,614	-	-
Eastern cemetery stone wall repair	15,000	-	-	-	-	-	-	15,000
Shaw Mill's cemetery chain link fence	5,700	-	-	-	-	-	4,405	1,295
Total public works operations	1,263,507	655,000	85,000	64,707	-	40,216	1,138,378	889,620

TOWN OF GORHAM, MAINE
Restricted, Committed, Assigned, and Unassigned Funds - General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2020

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Committed to:								
Recreation operations:								
Baxter Library books/printed materials	\$ 197	-	-	-	-	-	197	-
Library painting	-	5,000	-	-	-	1,400	3,600	-
Chick property master plan	12,207	-	-	-	-	-	-	12,207
Little Falls-multi purpose field	39,450	-	-	-	-	-	13,673	25,777
Chick property baseball field	234,696	-	-	-	-	-	-	234,696
Robie field irrigation	4,241	-	-	-	-	-	95	4,146
Recreation field-large area field mower	-	70,000	-	-	-	2,698	67,302	-
Little Falls recreation area field house	245,000	-	-	-	-	-	17,384	227,616
Court lights replacement at Little Falls	7,500	-	-	-	-	-	-	7,500
Recreation trail	33,070	-	-	-	-	13,660	530	18,880
3/4 ton pickup truck & plow	3,777	-	-	-	-	3,777	-	-
Little Falls backflow/parking space markers	56	-	-	-	-	56	-	-
Old Robie School cabinet heaters	-	6,000	-	-	-	-	6,000	-
Shaw Gym lights	187	-	-	-	-	187	-	-
Shaw Park fence & guard rail/electricity	3,654	-	-	-	-	-	-	3,654
Shaw Park pavillion electrical work	10,000	-	-	-	-	-	-	10,000
Total recreation operations	594,035	81,000	-	-	-	21,778	108,781	544,476
Economic Development								
MP Rines	-	-	-	25,000	-	24,264	736	-
Total economic development	-	-	-	25,000	-	24,264	736	-
Education operations:								
Great Falls Elementary fire alarm	26,460	-	-	-	-	26,460	-	-
Total education operations	26,460	-	-	-	-	26,460	-	-
Unclassified:								
GoCat audio/video system for conference rm	-	20,000	-	3,361	-	-	23,361	-
Total unclassified operations	-	20,000	-	3,361	-	-	23,361	-
Total committed to	2,885,974	1,051,114	130,777	295,063	8,425	172,883	1,711,521	2,486,949
Assigned to:								
Encumbrances:								
General government	54,169	-	-	-	38,400	-	44,084	48,485
Public safety	349,093	-	-	-	242,351	-	319,545	271,899
Public works	163,911	-	-	-	56,220	-	51,232	168,899
Recreation	76,529	-	-	-	60,530	-	62,664	74,395
Economic development	588	-	-	-	-	-	-	588
Other	10,168	-	-	-	12,000	-	10,168	12,000
Total encumbrances	654,458	-	-	-	409,501	-	487,693	576,266
General government purposes:								
Home Depot gift cards	7,340	-	-	-	-	-	7,340	-
Radio programming	5,795	-	-	-	-	-	-	5,795
Capital project reserve	1,228	-	-	-	-	-	-	1,228
Metro Reserve	35,000	-	-	-	-	35,000	-	-
Municipal Center building roof replacement	19,100	-	-	-	-	-	-	19,100
Revaluation	141,815	-	-	-	-	141,815	-	-

TOWN OF GORHAM, MAINE
Restricted, Committed, Assigned, and Unassigned Funds - General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2020

	Fund	Capital Part II	Transfer	Revenues		Expenditures		Fund
	balances			from Unassigned	Transfer In	Revenues	Transfer Out	Expenditures
	beginning							end
	of year							of year
Assigned to:								
General government purposes, continued:								
Compensation study	\$ 28,516	-	-	-	-	-	-	28,516
Finance serve/computer upgrade	26,738	-	-	-	35	-	-	26,773
Administration savings account	589	-	-	-	67	-	-	656
Town Council contingency	-	-	37,500	-	-	-	-	37,500
Technology equipment	20,784	-	-	-	-	-	1,561	19,223
Town clerk savings account	31,434	-	-	-	-	-	-	31,434
Town clerk counters	-	-	10,000	-	-	-	-	10,000
Planning reimbursable expense	5,000	-	-	-	-	-	-	5,000
Planning consultants	10,000	-	-	-	-	-	-	10,000
Planning savings account	32,535	-	8,306	-	-	-	1,111	39,730
Planning electric vehicle	-	-	15,000	-	-	-	-	15,000
Assessing savings account	10,717	-	-	-	-	-	386	10,331
G.I.S. system	14,315	-	-	-	-	7,936	4,300	2,079
Code savings account	14,989	-	-	-	-	-	2,854	12,135
Web site development/maintenance	20,538	-	-	-	-	-	-	20,538
General assistance reserve	23,281	-	-	-	-	-	216	23,065
Total general government purposes	449,714	-	70,806	-	102	184,751	17,768	318,103
Public safety operations:								
Outside detail (police)	20,731	-	-	-	150,769	-	150,316	21,184
Police savings account	59,221	-	18,713	-	-	-	-	77,934
Cruisers	33,162	-	10,000	-	58,087	-	17,628	83,621
Fire savings account	992	-	-	847	-	-	-	1,839
Fire truck bond	25	-	-	-	-	-	-	25
Air bottles	1,504	-	-	-	-	-	-	1,504
Rescue savings account	847	-	-	-	-	847	-	-
Fire ponds/dry hydrants	28,289	-	1,971	-	-	-	-	30,260
LED light maintenance	-	-	23,000	-	-	-	-	23,000
Total public safety operations	144,771	-	53,684	847	208,856	847	167,944	239,367
Public works operations:								
Public works savings account	33,289	-	12,907	-	-	-	-	46,196
Public works vehicles (lease payment account)	78,901	-	-	-	-	-	-	78,901
Fuel depot reserve	24,545	-	40,000	-	2,522	-	4,245	62,822
Longfellow bridge	2,123	-	-	-	-	-	-	2,123
Storm water management	13,195	-	-	-	500	-	-	13,695

TOWN OF GORHAM, MAINE
Restricted, Committed, Assigned, and Unassigned Funds - General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2020

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Assigned to:								
Public works operations, continued:								
Stone repairs	\$ 9,000	-	3,000	-	-	-	-	12,000
Fencing	-	-	-	-	4,271	-	-	4,271
Total public works operations	161,053	-	55,907	-	7,293	-	4,245	220,008
Recreation operations:								
Baxter Library savings account	9,863	-	-	242	-	-	2,000	8,105
Baxter Library repairs	242	-	-	-	-	242	-	-
Little Falls wood clearing	318	-	-	-	-	318	-	-
Chick property wood clearing	7,181	-	-	318	-	-	-	7,499
Robie Gym repairs	2,561	-	-	-	-	-	2,561	-
Recreation savings account	2,346	-	-	-	-	-	-	2,346
Shaw Park granite sign	-	-	-	-	5,046	-	-	5,046
Recreation reimbursable	230,865	-	34,800	-	648,309	-	765,443	148,531
Total recreation operations	253,376	-	34,800	560	653,355	560	770,004	171,527
Economic Development								
Economic development savings account	48,458	-	28,228	-	-	-	25,000	51,686
Total economic development	48,458	-	28,228	-	-	-	25,000	51,686
Unclassified:								
Cable TV savings account	(335)	-	1,023	-	-	-	-	688
Total unclassified	(335)	-	1,023	-	-	-	-	688
Insurance and employee benefits:								
UIC contingency reserve	31,500	-	-	-	-	-	-	31,500
PO334 IUUAL	18,518	-	(18,518)	-	-	-	-	-
PO133 IUUAL	258,327	-	(11,482)	-	-	-	-	246,845
Vacation/compensation/sick reserve	481,518	-	40,000	-	-	-	13,296	508,222
Property insurance deductible reserve	10,000	-	-	-	-	-	-	10,000
Auto insurance deductible reserve	4,000	-	-	-	-	-	-	4,000
Accrued compensated absences	487,892	-	-	-	43,261	-	-	531,153
Total insurance and employee benefits	1,291,755	-	10,000	-	43,261	-	13,296	1,331,720
Total assigned to	3,003,250	-	254,448	1,407	1,322,368	186,158	1,485,950	2,909,365

TOWN OF GORHAM, MAINE
Restricted, Committed, Assigned and Unassigned Funds - General Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2020

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Unassigned to:								
General government purposes:								
55 Morrill Avenue	(3,776)	-	3,776	-	-	-	-	-
Municipal Center building	(1,960)	-	1,960	-	-	-	-	-
Safety committee	(330)	-	330	-	-	-	-	-
Comprehensive plan	(13,270)	-	13,270	-	-	-	-	-
Old Town Hall	(1,268)	-	1,268	-	-	-	-	-
Cemetery/GIS project	(16,501)	-	-	16,501	-	-	-	-
Total general government purposes	(37,105)	-	20,604	16,501	-	-	-	-
Public safety operations:								
D.A.R.E.	7,344	-	-	-	5,760	-	13,420	(316)
Regional fire & EMA study	(1,175)	-	-	1,175	-	-	-	-
Rechassis tank 2 & replace pump	(4,840)	-	-	4,840	-	-	-	-
Rescue 1	(494)	-	-	494	-	-	-	-
Fire Chief's vehicle replacement	(383)	-	-	383	-	-	-	-
Medical intercept vehicle	(6,300)	-	-	6,300	-	-	-	-
Marine 4 (truck) replacement	(6,411)	-	-	6,411	-	-	-	-
Energy improvements at North Gorham & West Gorham fire station	(2,642)	-	-	2,642	-	-	-	-
Storage building	(6,375)	-	-	6,375	-	-	-	-
Total public safety operations	(21,276)	-	-	28,620	5,760	-	13,420	(316)
Public works operations:								
Pedestrian Trail grant	(13,660)	-	-	13,660	-	-	-	-
Dingley Spring Road metal pipe culvert	(7,597)	-	-	7,597	-	-	-	-
Gordon Farms Road	(19,999)	-	-	-	19,999	-	-	-
Total public works operations	(41,256)	-	-	21,257	19,999	-	-	-
Recreation operations:								
Robie field building roof replacement	(2,461)	-	-	2,461	-	-	-	-
Baxter Museum repairs	(1,956)	-	1,956	-	-	-	-	-
Total recreation operations	(4,417)	-	1,956	2,461	-	-	-	-
Education operations:								
GHS expansion	(143)	-	-	143	-	-	-	-
Total education operations	(143)	-	-	143	-	-	-	-
Total unassigned reserves	(104,197)	-	22,560	68,982	25,759	-	13,420	(316)
Total General Fund Restricted, Committed Assigned and Unassigned Funds	6,141,793	1,051,114	452,725	365,452	1,898,834	365,452	3,762,260	5,782,206

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF GORHAM, MAINE
Combining Balance Sheet
All Other Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash	\$ 77,798	2,945,915	-	3,023,713
Investments	163,044	-	1,101,750	1,264,794
Receivables:				
Accounts	260,423	-	-	260,423
Notes	257,273	-	-	257,273
Intergovernmental	602,254	-	-	602,254
Inventory	58,610	-	-	58,610
Interfund loans receivable	2,652,381	48,630	1,221	2,702,232
Total assets	4,071,783	2,994,545	1,102,971	8,169,299
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	75	-	10,780	10,855
Interfund loans payable	412,783	122,300	-	535,083
Unearned revenues	54,533	-	-	54,533
Total liabilities	467,391	122,300	10,780	600,471
Fund balances:				
Nonspendable	58,610	-	707,738	766,348
Restricted	2,153,580	2,859,643	384,453	5,397,676
Committed	1,345,103	12,602	-	1,357,705
Assigned	70,843	-	-	70,843
Unassigned	(23,744)	-	-	(23,744)
Total fund balances	3,604,392	2,872,245	1,092,191	7,568,828
Total liabilities and fund balances	\$ 4,071,783	2,994,545	1,102,971	8,169,299

TOWN OF GORHAM, MAINE
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
All Other Nonmajor Governmental Funds
For the year ended June 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Taxes	\$ 610,611	-	-	610,611
Intergovernmental	1,882,918	-	-	1,882,918
Charges for services	1,895,925	-	-	1,895,925
Investment income	13,975	17,720	32,882	64,577
Other revenue	34,560	-	5,321	39,881
Total revenues	4,437,989	17,720	38,203	4,493,912
Expenditures:				
Current:				
Education	1,374,764	-	-	1,374,764
Education-other special uses	20,362	-	-	20,362
Food services	1,022,899	-	-	1,022,899
Public works - sewer	1,147,056	-	-	1,147,056
Recreation	22,940	-	-	22,940
Economic development	252,569	-	-	252,569
Unclassified	-	-	160,780	160,780
Capital improvements	-	5,853,718	-	5,853,718
Total expenditures	3,840,590	5,853,718	160,780	9,855,088
Excess (deficiency) of revenues over (under) expenditures	597,399	(5,835,998)	(122,577)	(5,361,176)
Other financing sources (uses):				
Issuance of bonds	-	7,840,000	-	7,840,000
Bond premium	-	60,984	-	60,984
Transfer in from other funds	42,963	16,985	-	59,948
Transfer to other funds	(251,032)	(85,984)	-	(337,016)
Total other financing sources (uses)	(208,069)	7,831,985	-	7,623,916
Net change in fund balances	389,330	1,995,987	(122,577)	2,262,740
Fund balances, beginning of year	3,215,062	876,258	1,214,768	5,306,088
Fund balances, end of year	\$ 3,604,392	2,872,245	1,092,191	7,568,828

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

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

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

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

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

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

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

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

TIF Fund -- To account for the activity of the Grondin-ODAT development district, the Pettingill Ross development district, the Gorham County Road development district, the Nappi development district, the Olde Canal Business Park development district, Sebago Brewing TIF, 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, 2020

(with comparative amounts for June 30, 2019)

	School Grants Fund	School Donation Fund	School Lunch Fund	Sewer Operations Fund	Little Falls		Library Fund	Recreation Fund	TIF Fund	Miscellaneous Fund	Totals	
					Sewer Reserve and Loan Fund	Impact Fees Fund					2020	2019
ASSETS												
Cash	\$ -	-	77,798	-	-	-	-	-	-	-	77,798	230,116
Investments	-	-	-	-	78,594	-	69,236	1,475	-	13,739	163,044	148,709
Receivables:												
Accounts	12,403	1,100	-	245,736	-	-	-	-	1,184	-	260,423	235,968
Notes	-	-	-	-	-	-	-	-	257,273	-	257,273	138,613
Intergovernmental	531,316	-	70,938	-	-	-	-	-	-	-	602,254	121,119
Inventory	-	-	58,610	-	-	-	-	-	-	-	58,610	47,707
Interfund loans receivable	-	23,657	-	992,335	2,797	452,112	35,081	5,802	1,137,740	2,857	2,652,381	2,470,635
Total assets	543,719	24,757	207,346	1,238,071	81,391	452,112	104,317	7,277	1,396,197	16,596	4,071,783	3,392,867
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	-	-	-	-	-	-	-	-	75	-	75	-
Interfund loans payable	331,688	-	81,095	-	-	-	-	-	-	-	412,783	130,167
Unearned revenue	-	-	54,533	-	-	-	-	-	-	-	54,533	47,638
Total liabilities	331,688	-	135,628	-	-	-	-	-	75	-	467,391	177,805
Fund balances:												
Nonspendable:												
Inventory	-	-	58,610	-	-	-	-	-	-	-	58,610	47,707
Restricted:												
Grants	235,775	-	-	-	-	-	-	-	-	-	235,775	104,588
Impact fees	-	-	-	-	-	452,112	-	-	-	-	452,112	309,659
Library	-	-	-	-	-	-	78,169	-	-	-	78,169	71,473
Recreation	-	-	-	-	-	-	-	7,277	-	-	7,277	7,219
Miscellaneous	-	-	-	-	-	-	-	-	-	13,739	13,739	13,194
TIF	-	-	-	-	-	-	-	-	1,353,400	-	1,353,400	1,230,506
Food services	-	-	13,108	-	-	-	-	-	-	-	13,108	102,308
Committed:												
School donations	-	24,757	-	-	-	-	-	-	-	-	24,757	12,997
Sewer operations	-	-	-	1,238,071	81,391	-	-	-	-	-	1,319,462	1,260,112
Miscellaneous	-	-	-	-	-	-	-	-	-	884	884	884
Assigned:												
Library	-	-	-	-	-	-	26,148	-	-	-	26,148	26,791
Miscellaneous	-	-	-	-	-	-	-	-	-	1,973	1,973	1,973
TIF	-	-	-	-	-	-	-	-	42,722	-	42,722	50,417
Unassigned:												
Grants	(23,744)	-	-	-	-	-	-	-	-	-	(23,744)	(24,766)
Total fund balances	212,031	24,757	71,718	1,238,071	81,391	452,112	104,317	7,277	1,396,122	16,596	3,604,392	3,215,062
Total liabilities and fund balances	\$ 543,719	24,757	207,346	1,238,071	81,391	452,112	104,317	7,277	1,396,197	16,596	4,071,783	3,392,867

TOWN OF GORHAM, MAINE
Combining Schedule of Revenues, Expenditures and Changes, in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2020
(with comparative amounts for the year ended June 30, 2019)

	School Grants Fund	School Donation Fund	School Lunch Fund	Sewer Operations Fund	Little Falls Sewer Reserve and Loan Fund	Impact Fees Fund	Library Fund	Recreation Fund	TIF Fund	Miscellaneous Fund	Totals	
											2020	2019
Revenues:												
Taxes	\$ -	-	-	-	-	-	-	-	610,611	-	610,611	549,468
Intergovernmental:												
Federal grants	1,172,260	-	340,833	-	-	-	-	-	-	-	1,513,093	1,114,969
Other state grants	311,446	-	-	-	-	-	-	-	-	-	311,446	150,073
USDA subsidies	-	-	58,379	-	-	-	-	-	-	-	58,379	366,961
Total intergovernmental	1,483,706	-	399,212	-	-	-	-	-	-	-	1,882,918	1,632,003
Charges for services	7,866	-	515,390	1,202,771	-	142,453	26,240	-	1,205	-	1,895,925	2,044,973
Investment income (loss)	-	-	-	624	3,011	-	2,753	58	6,984	545	13,975	10,989
Other revenues	2,438	32,122	-	-	-	-	-	-	-	-	34,560	31,610
Total revenues	1,494,010	32,122	914,602	1,203,395	3,011	142,453	28,993	58	618,800	545	4,437,989	4,269,043
Expenditures:												
Current:												
Education	1,374,764	-	-	-	-	-	-	-	-	-	1,374,764	1,319,950
Education-other special uses	-	20,362	-	-	-	-	-	-	-	-	20,362	21,836
Food services	-	-	1,022,899	-	-	-	-	-	-	-	1,022,899	1,085,485
Public works - sewer	-	-	-	1,147,056	-	-	-	-	-	-	1,147,056	1,119,792
Recreation	-	-	-	-	-	-	22,940	-	-	-	22,940	17,423
Economic development	-	-	-	-	-	-	-	-	252,569	-	252,569	232,289
Unclassified	-	-	-	-	-	-	-	-	-	-	-	198,853
Total expenditures	1,374,764	20,362	1,022,899	1,147,056	-	-	22,940	-	252,569	-	3,840,590	3,995,628
Excess (deficiency) of revenues over (under) expenditures	119,246	11,760	(108,297)	56,339	3,011	142,453	6,053	58	366,231	545	597,399	273,415
Other financing sources (uses):												
Transfers in	12,963	-	30,000	-	-	-	-	-	-	-	42,963	-
Transfers out	-	-	-	-	-	-	-	-	(251,032)	-	(251,032)	(614,853)
Total other financing sources (uses)	12,963	-	30,000	-	-	-	-	-	(251,032)	-	(208,069)	(614,853)
Net change in fund balance	132,209	11,760	(78,297)	56,339	3,011	142,453	6,053	58	115,199	545	389,330	(341,438)
Fund balances, beginning of year	79,822	12,997	150,015	1,181,732	78,380	309,659	98,264	7,219	1,280,923	16,051	3,215,062	3,556,500
Fund balances, end of year	\$ 212,031	24,757	71,718	1,238,071	81,391	452,112	104,317	7,277	1,396,122	16,596	3,604,392	3,215,062

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:

2015 Public Safety Building Bond

To account for the construction of a new police station and renovation to the public safety building.

2016 Main Street Bond

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

2020 Industrial Park Bond

To account for the development of an industrial park where lots will be sold off in the future.

2016 CIPS School Bond

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

Great Falls Elementary School Project

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

2020 Narragansett School Project Bond

To account for the construction of a modular for Narragansett 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, 2020
(with comparative amounts for June 30, 2019)

	2015 Public Safety Bldg Bond	2016 Main Street Bond	2020 Industrial Park Bond	2016 CIPS School Bond	Great Falls Elementary School Project	2020		Middle School Project	Various School Projects	High School Renovation and Expansion	Totals	
						Narragansett School Project Bond					2020	2019
ASSETS												
Cash	\$ 62,981	302,059	1,863,336	-	69,631	647,908	-	-	-	-	2,945,915	774,842
Interfund loans receivable	-	-	-	-	36,028	-	-	-	-	12,602	48,630	147,230
Total assets	62,981	302,059	1,863,336	-	105,659	647,908	-	-	-	12,602	2,994,545	922,072
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	1,518
Interfund loans payable	-	-	42,266	-	-	80,034	-	-	-	-	122,300	44,296
Total liabilities	-	-	42,266	-	-	80,034	-	-	-	-	122,300	45,814
Fund balances (deficit):												
Restricted:												
Narragansett School	-	-	-	-	-	567,874	-	-	-	-	567,874	-
Great Falls Elementary School	-	-	-	-	105,659	-	-	-	-	-	105,659	104,837
Industrial park	-	-	1,821,070	-	-	-	-	-	-	-	1,821,070	-
Main Street road project	-	302,059	-	-	-	-	-	-	-	-	302,059	626,788
Public Safety Building	62,981	-	-	-	-	-	-	-	-	-	62,981	86,953
Committed:												
High School renovation and expansion	-	-	-	-	-	-	-	-	-	12,602	12,602	76,183
Unassigned:												
CIPS School Bond	-	-	-	-	-	-	-	-	-	-	-	(17,259)
Various school projects	-	-	-	-	-	-	-	-	-	-	-	(900)
Middle School project	-	-	-	-	-	-	-	-	-	-	-	(344)
Total fund balances (deficit)	62,981	302,059	1,821,070	-	105,659	567,874	-	-	-	12,602	2,872,245	876,258
Total liabilities and fund balances	\$ 62,981	302,059	1,863,336	-	105,659	647,908	-	-	-	12,602	2,994,545	922,072

TOWN OF GORHAM, MAINE
Nonmajor Capital Project Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2020
(with comparative amounts for the year ended June 30, 2019)

	2015 Public Safety Bldg Bond	2016 Main Street Bond	2020 Industrial Park Bond	2016 CIPS School Bond	Great Falls Elementary School Project	2020		Middle School Project	Various School Projects	High School Renovation and Expansion	Totals	
						Narragansett School Project Bond					2020	2019
Revenues:												
Investment income	\$ 1,028	5,271	8,233	-	822	2,366	-	-	-	-	17,720	17,703
Total revenues	1,028	5,271	8,233	-	822	2,366	-	-	-	-	17,720	17,703
Expenditures:												
Capital improvements:												
Construction and renovation	-	330,000	4,087,163	(1,518)	-	1,374,492	-	-	-	63,581	5,853,718	128,010
Total capital improvements	-	330,000	4,087,163	(1,518)	-	1,374,492	-	-	-	63,581	5,853,718	128,010
Total expenditures	-	330,000	4,087,163	(1,518)	-	1,374,492	-	-	-	63,581	5,853,718	128,010
Excess (deficiency) of revenues over (under) expenditures	1,028	(324,729)	(4,078,930)	1,518	822	(1,372,126)	-	-	-	(63,581)	(5,835,998)	(110,307)
Other financing sources (uses):												
Issuance of bonds	-	-	5,900,000	-	-	1,940,000	-	-	-	-	7,840,000	-
Bond premium	-	-	18,482	-	-	42,502	-	-	-	-	60,984	-
Transfers - in	-	-	-	15,741	-	-	344	900	-	-	16,985	35,000
Transfers - out	(25,000)	-	(18,482)	-	-	(42,502)	-	-	-	-	(85,984)	(25,026)
Total other financing sources (uses)	(25,000)	-	5,900,000	15,741	-	1,940,000	344	900	-	-	7,831,985	9,974
Net change in fund balances	(23,972)	(324,729)	1,821,070	17,259	822	567,874	344	900	(63,581)	-	1,995,987	(100,333)
Fund balances (deficit), beginning of year	86,953	626,788	-	(17,259)	104,837	-	(344)	(900)	76,183	-	876,258	976,591
Fund balances (deficit), end of year	\$ 62,981	302,059	1,821,070	-	105,659	567,874	-	-	12,602	-	2,872,245	876,258

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, 2020

(with comparative amounts for June 30, 2019)

		Cemetery Perpetual Care	Parks and Recreation Grounds	Baxter Library and Museum	Schools	Public Purpose and Civic Improvements	Miscellaneous	Totals	
								2020	2019
ASSETS									
Investments	\$	554,529	13,509	245,455	50,991	15,481	221,785	1,101,750	1,225,888
Interfund loans receivable		1,100	-	121	-	-	-	1,221	700
Total assets		555,629	13,509	245,576	50,991	15,481	221,785	1,102,971	1,226,588
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		10,780	-	-	-	-	-	10,780	11,820
Total liabilities		10,780	-	-	-	-	-	10,780	11,820
Fund balances:									
Nonspendable		544,799	-	162,939	-	-	-	707,738	942,936
Restricted		50	13,509	82,637	50,991	15,481	221,785	384,453	271,832
Total fund balances		544,849	13,509	245,576	50,991	15,481	221,785	1,092,191	1,214,768
Total liabilities and and fund balances	\$	555,629	13,509	245,576	50,991	15,481	221,785	1,102,971	1,226,588

TOWN OF GORHAM, MAINE
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2020
(with comparative amounts for the year ended June 30, 2019)

	Cemetery Perpetual Care	Parks and Recreation Grounds	Baxter Library and Museum	Schools	Public Purpose and Civic Improvements	Miscellaneous	Totals	
							2020	2019
Revenues:								
Investment income	\$ 10,784	262	5,320	992	301	4,993	22,652	30,679
Market gain on investments	11,112	274	1,276	1,032	313	(3,777)	10,230	17,459
Donations	5,200	-	121	-	-	-	5,321	24,975
Total revenues	27,096	536	6,717	2,024	614	1,216	38,203	73,113
Expenditures:								
Current:								
Other miscellaneous	10,780	-	150,000	-	-	-	160,780	12,120
Total expenditures	10,780	-	150,000	-	-	-	160,780	12,120
Net change in fund balance	16,316	536	(143,283)	2,024	614	1,216	(122,577)	60,993
Fund balances, beginning of year	528,533	12,973	388,859	48,967	14,867	220,569	1,214,768	1,153,775
Fund balances, end of year	\$ 544,849	13,509	245,576	50,991	15,481	221,785	1,092,191	1,214,768

FIDUCIARY FUNDS

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

Agency Funds:

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

Private-purpose Trust Funds:

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

Scholarships:

Malcolm Smith Scholarship Fund

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

Bob Grant Memorial Scholarship Fund

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

Harry Shevis Scholarship Fund

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

Watson Family Scholarship Fund

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

Charles C. Shaw Scholarship Fund

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

Thomas A. Fogg Vocational Scholarship Fund

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

Arthur and Jane Fogg Memorial Scholarship Fund

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

TOWN OF GORHAM, MAINE
Combining Schedule of Fiduciary Net Position
Agency Funds
June 30, 2020

	Agency Funds				Total Agency Funds
	School and Student Activity Funds	Public Safety Activity Funds	Recreation Activity Fund		
ASSETS					
Cash	\$ 312,161	160,638	230		473,029
Interfund receivable	6,175	-	-		6,175
Total assets	318,336	160,638	230		479,204
LIABILITIES					
Due to:					
Student groups	318,336	-	-		318,336
Public safety	-	160,638	-		160,638
Recreation	-	-	230		230
Total liabilities	\$ 318,336	160,638	230		479,204

TOWN OF GORHAM, MAINE
Combining Schedule of Fiduciary Net Position
Agency Funds
June 30, 2020

(with comparative amounts for June 30, 2019)

	School and Student Activity Agency Funds						Totals	
	High School Activity Fund	High School CBE Fund	Great Falls Activity Fund	Narragansett Office	Village Activity Fund	Middle School Activity Fund	2020	2019
ASSETS								
Cash	\$ 208,735	2,255	32,775	18,807	12,140	37,449	312,161	318,408
Interfund receivable	6,175	-	-	-	-	-	6,175	6,175
Total assets	214,910	2,255	32,775	18,807	12,140	37,449	318,336	324,583
LIABILITIES								
Due to student groups	214,910	2,255	32,775	18,807	12,140	37,449	318,336	324,583
Total liabilities	\$ 214,910	2,255	32,775	18,807	12,140	37,449	318,336	324,583

TOWN OF GORHAM, MAINE
Combining Schedule of Fiduciary Net Position
Agency Funds
June 30, 2020

(with comparative amounts for June 30, 2019)

	Public Safety Activity Agency Funds				Totals	
	Guns and Hoses Fund	Central Station Auxiliary Fund	S. Windham Fire Company Fund	Presumpscot Valley Hazmat Fund	2020	2019
ASSETS						
Cash	\$ 62,055	1,814	2,056	94,713	160,638	150,418
Total assets	62,055	1,814	2,056	94,713	160,638	150,418
LIABILITIES						
Due to public safety groups	62,055	1,814	2,056	94,713	160,638	150,418
Total liabilities	\$ 62,055	1,814	2,056	94,713	160,638	150,418

TOWN OF GORHAM, MAINE
Combining Schedule of Fiduciary Net Position
Private-purpose Trust Funds
June 30, 2020
(with comparative amounts for June 30, 2019)

	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	
								2020	2019
ASSETS									
Investments	\$ 2,326	2,621	6,488	12,796	5,282	11,239	1,976	42,728	41,945
Total assets	2,326	2,621	6,488	12,796	5,282	11,239	1,976	42,728	41,945
LIABILITIES AND NET POSITION									
Liabilities:									
Interfund loan payable	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-
Net position:									
Principal	2,226	2,581	6,388	12,597	5,000	11,239	1,976	42,007	40,907
Unexpended income	100	40	100	199	282	-	-	721	1,038
Total net position	2,326	2,621	6,488	12,796	5,282	11,239	1,976	42,728	41,945
Total liabilities and and net position	\$ 2,326	2,621	6,488	12,796	5,282	11,239	1,976	42,728	41,945

TOWN OF GORHAM, MAINE
Combining Schedule of Changes in Fiduciary Net Position
Fiduciary Funds - Private-purpose Trust Funds
For the year ended June 30, 2020

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

	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	
								2020	2019
Additions:									
Investment earnings:									
Interest	\$ 47	52	128	253	112	219	38	849	984
Net increase (decrease) in the fair value of investments	49	54	134	263	117	226	41	884	908
Donations	-	50	-	-	-	-	-	50	-
Total additions	96	156	262	516	229	445	79	1,783	1,892
Deductions:									
Current:									
Scholarships awarded	100	100	100	200	500	-	-	1,000	1,000
Total deductions	100	100	100	200	500	-	-	1,000	1,000
Changes in net position	(4)	56	162	316	(271)	445	79	783	892
Net position, beginning of year	2,330	2,565	6,326	12,480	5,553	10,794	1,897	41,945	41,053
Net position, end of year	\$ 2,326	2,621	6,488	12,796	5,282	11,239	1,976	42,728	41,945

TOWN OF GORHAM, MAINE
Schedule of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
ASSETS				
Cash and interfund receivables:				
Student activities:				
High School Activity Fund	\$ 221,547	301,714	308,351	214,910
Gorham High School CBE	1,642	2,371	1,758	2,255
Great Falls Activity Fund	32,407	31,535	31,167	32,775
Narragansett Office	17,317	11,782	10,292	18,807
Village Activity Fund	14,123	12,535	14,518	12,140
Middle School Activity Fund	37,547	33,391	33,489	37,449
Subtotal student activities	324,583	393,328	399,575	318,336
Public safety activities:				
Guns and Hoses Fund	59,038	13,003	9,986	62,055
Central Station Auxiliary Fund	1,814	-	-	1,814
S. Windham Fire Company Fund	1,895	540	379	2,056
Presumpscot Valley Hazmat Fund	87,671	65,216	58,174	94,713
Subtotal public safety activities	150,418	78,759	68,539	160,638
Recreation activities:				
Men's Basketball League Fund	230	-	-	230
Subtotal recreation activities	230	-	-	230
Total assets	\$ 475,231	472,087	468,114	479,204

TOWN OF GORHAM, MAINE
Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
LIABILITIES				
Student activities:				
High School Activity Fund	\$ 221,547	301,714	308,351	214,910
Gorham High School CBE	1,642	2,371	1,758	2,255
Great Falls Activity Fund	32,407	31,535	31,167	32,775
Narragansett Office	17,317	11,782	10,292	18,807
Village Activity Fund	14,123	12,535	14,518	12,140
Middle School Activity Fund	37,547	33,391	33,489	37,449
Subtotal student activities	324,583	393,328	399,575	318,336
Public safety activities:				
Guns and Hoses Fund	59,038	13,003	9,986	62,055
Central Station Auxiliary Fund	1,814	1	-	1,815
S Windham Fire Company Fund	1,895	540	379	2,056
Presumpscot Valley Hazmat Fund	87,671	65,216	58,174	94,713
Subtotal public safety activities	150,418	78,760	68,539	160,639
Recreation activities:				
Men's Basketball League Fund	230	-	-	230
Subtotal recreation activities	230	-	-	230
Total liabilities	\$ 475,231	472,088	468,114	479,205

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	135-139
<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	140-143
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	144-147
<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	148-149
<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	150-152
<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.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 36,550,035	\$ 38,304,529	\$ 39,771,522	\$ 41,744,384	\$ 42,226,881	\$ 44,482,501	\$ 45,097,589	\$ 45,751,261	\$ 46,553,861	\$ 46,066,679
Restricted	1,868,709	3,109,143	3,242,839	3,936,188	3,949,973	4,067,304	4,000,304	3,740,750	3,509,301	3,690,589
Unrestricted	11,219,195	11,574,603	9,596,610	9,556,973	9,268,347	10,011,462	10,849,966	11,509,305	7,459,371	9,563,713
Total governmental activities net position	<u>\$ 49,637,939</u>	<u>\$ 52,988,275</u>	<u>\$ 52,610,971</u>	<u>\$ 55,237,545</u>	<u>\$ 55,445,201</u>	<u>\$ 58,561,267</u>	<u>\$ 59,947,859</u>	<u>\$ 61,001,316</u>	<u>\$ 57,522,533</u>	<u>\$ 59,320,981</u>

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

	2011	2012	2013	2014	2015 ²	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 4,787,454	\$ 4,768,295	\$ 4,743,171	\$ 5,045,971	\$ 5,212,457	\$ 5,750,902	\$ 5,487,400	\$ 5,369,140	\$ 5,780,049	\$ 6,139,815
Public safety	3,838,634	3,823,459	3,803,853	4,181,443	3,893,475	4,582,029	4,827,053	4,779,796	4,511,091	5,897,880
Public works	5,376,501	5,041,673	5,401,195	5,430,356	5,159,276	5,300,666	6,115,530	6,087,262	6,013,695	6,323,692
Health and welfare	136,853	149,617	188,183	121,093	50,170	52,100	44,098	37,848	29,359	42,591
Recreation	1,110,653	1,488,702	1,454,250	1,616,165	1,648,025	1,601,851	1,729,112	1,897,893	2,157,151	1,944,688
Development	294,540	296,115	240,178	246,957	240,827	309,488	312,953	299,326	523,040	603,883
Education	34,310,102	34,654,427	35,364,568	35,457,060	36,435,791	37,728,542	39,773,685	41,177,926	43,283,812	45,787,182
Interest on debt	1,878,175	1,472,657	1,310,289	1,260,694	1,218,765	1,231,628	1,157,647	1,083,433	745,058	972,437
Total governmental activities expenses	<u>51,732,912</u>	<u>51,694,945</u>	<u>52,505,687</u>	<u>53,359,739</u>	<u>53,858,786</u>	<u>56,557,206</u>	<u>59,447,478</u>	<u>60,732,624</u>	<u>63,043,255</u>	<u>67,712,168</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	592,358	547,377	669,844	733,768	710,554	742,951	774,965	964,088	936,800	1,017,435
Public safety	670,950	633,614	643,240	582,398	635,994	595,448	637,448	564,292	569,344	756,429
Public works	1,550,190	1,504,559	1,518,310	1,592,331	1,522,571	1,605,862	1,634,405	1,893,239	1,884,100	1,992,784
Health and welfare	10,106	11,217	10,454	10,391	9,848	10,373	8,863	8,458	9,582	5,375
Recreation	609,568	677,022	655,906	798,272	792,628	859,864	940,247	1,003,066	1,103,635	868,655
Education	595,506	579,531	565,176	585,729	34,928	640,904	694,946	758,090	836,000	623,925
Operating grants and contributions	23,132,157	22,891,354	22,140,676	22,890,431	24,339,847	22,449,423	22,828,112	23,999,725	23,605,288	25,696,099
Capital grants and contributions	1,796,568	3,316,795	275,574	1,712,233	217,919	2,696,445	1,091,087	1,058,000	-	333,500
Total governmental activities program revenues	<u>28,957,403</u>	<u>30,161,469</u>	<u>26,479,180</u>	<u>28,905,553</u>	<u>28,264,289</u>	<u>29,601,270</u>	<u>28,610,073</u>	<u>30,248,958</u>	<u>28,944,749</u>	<u>31,294,202</u>
Net (expense)/revenue, governmental activities	<u>(22,775,509)</u>	<u>(21,533,476)</u>	<u>(26,026,507)</u>	<u>(24,454,186)</u>	<u>(25,594,497)</u>	<u>(26,955,936)</u>	<u>(30,837,405)</u>	<u>(30,483,666)</u>	<u>(34,098,506)</u>	<u>(36,417,966)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	19,873,946	20,677,988	20,982,710	22,639,056	23,320,184	24,499,792	26,074,860	26,632,400	28,985,990	31,050,052
Payment in lieu of taxes	55,469	57,067	58,207	59,272	58,967	58,688	43,971	43,717	44,882	45,193
Motor vehicle and boat excise taxes	2,385,626	2,425,578	2,618,905	2,860,442	3,034,851	3,272,059	3,515,752	3,745,638	3,958,242	3,981,606
Grants and contributions not restricted to specific programs:										
Homestead exemption	259,083	263,253	260,833	273,331	273,442	287,369	435,362	601,666	782,870	748,076
BETE reimbursement	163,110	161,074	189,602	180,676	215,861	292,684	305,366	299,868	539,203	592,272
Other state aid	26,611	41,956	41,769	41,730	40,914	40,755	38,785	40,767	37,966	38,461
State revenue sharing	1,116,472	1,124,259	1,105,086	784,766	731,086	780,829	738,529	778,497	871,428	1,288,868
Unrestricted investment earnings	188,676	87,250	100,293	91,407	118,144	128,724	200,467	288,927	460,991	311,167
Miscellaneous revenues	259,356	254,434	288,815	308,262	262,310	421,513	645,630	436,450	122,874	160,719
Sale of property	67,792	12,961	2,983	14,918	2,000	289,589	225,455	27,249	5,058	-
Total governmental activities	<u>24,396,141</u>	<u>25,105,820</u>	<u>25,649,203</u>	<u>27,253,860</u>	<u>28,057,759</u>	<u>30,072,002</u>	<u>32,224,177</u>	<u>32,895,179</u>	<u>35,809,504</u>	<u>38,216,414</u>
Change in Net Position										
Governmental activities	\$ <u>1,620,632</u>	\$ <u>3,572,344</u>	\$ <u>(377,304)</u>	\$ <u>2,799,674</u>	\$ <u>2,463,262</u>	\$ <u>3,116,066</u>	\$ <u>1,386,772</u>	\$ <u>2,411,513</u>	\$ <u>1,710,998</u>	\$ <u>1,798,448</u>

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

Table 3

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

Fiscal Year	Property Taxes	Interest and Costs on Taxes	Excise Taxes	Total
2011	\$ 19,873,946	118,218	2,385,626	22,377,790
2012	20,677,988	51,884	2,425,578	23,155,450
2013	20,982,710	78,623	2,618,905	23,680,238
2014	22,639,056	69,969	2,860,442	25,569,467
2015	23,320,184	81,731	3,034,851	26,436,766
2016	24,499,792	74,179	3,272,059	27,846,030
2017	26,074,860	72,936	3,515,752	29,663,548
2018	26,632,400	57,601	3,745,638	30,435,639
2019	28,985,990	60,518	3,958,242	33,004,750
2020	31,050,052	56,084	3,981,606	35,087,742

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable										
Noncurrent receivables	\$ 7,698	\$ 6,888	\$ 6,078	\$ 2,634	\$ 2,228	\$ 1,823	\$ 1,418	\$ 1,013	\$ 608	\$ 203
Prepaid items	-	2,097	105,687	212,149	228,091	144,676	140,814	84,285	32,198	21,558
Inventory	¹ 66,266	35,848	43,068	79,362	70,300	47,988	26,185	54,600	38,019	36,912
Restricted										
General government purposes	-	-	-	15,006	26,751	31,099	29,900	41,741	44,167	47,969
Public safety operations	201,653	149,347	164,996	151,483	194,803	200,241	137,066	118,128	134,652	136,407
Public works operations	93,761	100,476	106,425	179,875	176,551	149,987	160,844	165,730	177,973	196,283
Recreation operations	2,108	750	750	7,359	10,965	9,434	9,103	7,480	6,621	5,549
Other purposes	-	-	-	-	-	-	-	-	730	-
Committed										
General government purposes	545,620	314,731	104,006	310,677	363,659	652,000	855,966	621,161	657,722	938,362
Public safety operations	-	-	-	24,760	11,604	46,313	159,562	42,549	351,264	114,491
Public works operations	-	-	-	83,827	148,930	308,509	952,792	1,468,916	1,263,507	889,620
Recreation operations	-	-	-	60,342	229,208	120,151	254,767	127,897	594,035	544,476
Other purposes	219,257	98,191	754,600	-	-	-	-	-	26,460	-
Assigned										
Capital funding	139,220	1,721,034	466,800	1,005,423	1,130,012	1,344,000	1,394,848	2,104,048	1,051,114	2,256,931
Encumbrances	161,130	259,911	445,389	277,951	256,426	544,638	398,907	457,404	654,458	576,266
General government purposes	666,191	540,298	550,638	492,432	795,656	408,959	326,572	399,074	449,714	318,103
Public safety operations	208,642	171,468	187,318	147,693	172,952	165,258	148,410	121,183	144,771	239,367
Public works operations	585,374	618,224	510,559	649,994	607,394	793,465	155,574	126,730	161,053	220,008
Recreation operations	291,377	281,296	301,141	321,926	237,986	258,284	317,634	315,670	253,376	171,527
Economic development	75,316	77,100	85,399	82,899	82,899	75,124	72,993	46,703	48,458	51,686
Insurance and employee benefits	519,941	518,408	567,789	537,873	904,144	1,061,822	1,048,933	957,326	803,863	800,567
Other purposes	336,048	379,753	309,499	-	-	-	2,294	-	-	688
Compensated absences	335,706	360,078	369,162	376,121	396,688	411,255	457,563	484,046	487,892	531,153
Unassigned	6,508,046	5,687,098	6,491,317	6,567,745	6,708,673	7,011,371	7,884,367	7,846,520	8,948,160	9,315,502
Total General Fund	<u>10,963,354</u>	<u>11,322,996</u>	<u>11,570,621</u>	<u>11,587,531</u>	<u>12,755,920</u>	<u>13,786,397</u>	<u>14,936,512</u>	<u>15,592,204</u>	<u>16,330,815</u>	<u>17,413,628</u>
All other governmental funds										
Nonspendable										
Special revenue funds	170,149	184,540	145,908	169,010	203,776	270,181	252,486	44,353	47,707	58,610
Permanent funds	524,205	524,988	538,345	746,715	905,102	933,457	933,803	929,754	942,936	707,738
Restricted										
Special revenue funds	1,130,992	2,364,016	2,499,236	2,627,725	2,424,698	2,498,548	2,464,903	2,209,543	1,838,947	2,153,580
Capital project funds	² 3,807,139	738,721	559,273	1,056,815	5,382,372	² 2,290,650	1,739,594	793,373	818,578	2,859,643
Permanent funds	213,512	220,139	205,258	208,025	211,103	213,616	220,332	224,021	271,832	384,453
Committed										
Special revenue funds	1,561,139	237,637	99,629	106,714	177,822	291,647	340,977	1,228,261	1,273,993	1,345,103
Capital project funds	240,851	39,045	82,982	68,825	68,825	68,825	29,238	184,462	76,183	12,602
Assigned										
Special revenue funds	429,115	1,070,699	305,307	10,396	9,527	10,852	12,663	75,631	79,181	70,843
Unassigned										
Special revenue funds	(1,107,297)	(1,649,257)	(1,606,033)	(872,680)	(604,072)	(720,751)	(805,304)	(1,377,570)	(1,832,814)	(418,253)
Total all other governmental funds	<u>\$ 6,969,805</u>	<u>\$ 3,730,528</u>	<u>\$ 2,829,905</u>	<u>\$ 4,121,545</u>	<u>\$ 8,779,153</u>	<u>\$ 5,857,025</u>	<u>\$ 5,188,692</u>	<u>\$ 4,311,828</u>	<u>\$ 3,516,543</u>	<u>\$ 7,174,319</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.

² The increase in capital project funds restricted fund balance was due to unspent bond proceeds from an issuance during the period for capital projects.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 22,631,090	\$ 23,040,600	\$ 23,806,646	\$ 25,447,669	\$ 26,429,236	\$ 27,906,699	\$ 29,657,648	\$ 30,434,839	\$ 32,811,450	\$ 35,097,842
Licenses and permits	548,938	527,362	644,599	691,597	674,697	684,459	728,782	824,494	772,177	879,693
Intergovernmental	24,630,449	24,356,593	23,642,623	23,896,480	24,505,354	23,951,677	24,498,894	25,670,115	25,780,170	28,323,895
Charges for services	3,047,229	2,851,781	2,862,119	3,030,321	2,461,337	3,837,878	3,992,123	4,322,463	4,501,784	4,317,146
Unclassified	1,152,994	1,230,525	1,189,455	1,266,969	2,050,794 ²	807,468	1,085,637	833,426	695,372	568,640
Total revenues	<u>52,010,700</u>	<u>52,006,861</u>	<u>52,145,442</u>	<u>54,333,036</u>	<u>56,121,418</u>	<u>57,188,181</u>	<u>59,963,084</u>	<u>62,085,337</u>	<u>64,560,953</u>	<u>69,187,216</u>
Expenditures										
General government	3,945,945	3,864,910	3,917,516	4,082,567	4,216,477	4,713,140	4,964,782	4,907,121	5,214,384	5,508,749
Public safety	3,401,184	3,548,053	3,483,363	3,708,786	3,765,789	4,063,172	4,548,080	4,419,673	4,969,416	5,661,748
Public works	3,394,776	3,318,793	3,375,294	3,467,186	3,314,864	3,980,162	4,616,022	4,612,736	5,113,111	5,064,881
Health and welfare	136,853	149,617	188,183	121,093	50,170	52,100	44,098	37,848	29,359	42,591
Recreation	1,245,047	1,305,319	1,275,146	1,458,993	1,514,686	1,685,202	1,599,650	1,918,189	2,029,703	1,875,988
Economic development	61,666	63,216	59,701	73,970	68,674	80,993	76,962	91,175	312,067	354,160
Public agencies	28,484	28,276	26,646	30,018	29,878	32,361	44,269	79,353	87,787	96,227
Unclassified	605,948	544,860	404,876	490,165	534,140	479,585	421,718	389,798	437,017	392,432
Education and food service	32,992,753	32,933,772	33,009,864	34,130,460	35,274,132	36,159,730	37,827,413	39,794,999	41,876,210	43,063,107
Debt service										
Principal	2,404,650	3,520,000	3,593,125	3,653,125	3,148,125	3,378,125	3,438,125	3,468,125	3,393,125	3,448,125
Interest	1,852,572	1,548,720	1,361,973	1,308,722	1,230,211	1,331,006	1,398,168	1,165,808	1,020,768	983,885
Capital maintenance	983,754	586,728	418,072	214,165	827,997	65,411	69,976	164,730	6,670	2,000
Capital improvements	15,247,703	3,643,362	1,684,681	2,084,346	1,595,529	5,023,751	2,036,740	997,102	639,310	7,297,189
Total expenditures	<u>66,301,335</u>	<u>55,055,626</u>	<u>52,798,440</u>	<u>54,823,596</u>	<u>55,570,672</u>	<u>61,044,738</u>	<u>61,086,003</u>	<u>62,046,657</u>	<u>65,128,927</u>	<u>73,791,082</u>
Other financing sources (uses)										
Issuance of finance purchases	312,792	169,130	-	399,110	136,208	167,928	159,710	339,200	511,300	1,443,471
Issuance of bonds	3,450,000	-	-	-	5,139,043	1,775,000	1,290,000	-	-	7,840,000
Bond premium	-	-	-	-	-	21,978	55,000	-	-	60,984
Transfers in	13,491,112	13,709,200	14,093,904	15,171,646	15,784,224	16,182,196	17,852,299	18,341,863	20,694,679	22,058,889
Transfers out	(13,491,112)	(13,709,200)	(14,093,904)	(15,171,646)	(15,784,224)	(16,182,196)	(17,852,299)	(18,341,863)	(20,694,679)	(22,058,889)
Issuance of refunding bonds	-	-	-	-	-	-	11,480,000	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	1,563,829	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	(12,943,658)	-	-	-
Total other financing sources (uses)	<u>3,762,792</u>	<u>169,130</u>	<u>-</u>	<u>399,110</u>	<u>5,275,251</u>	<u>1,964,906</u>	<u>1,604,881</u>	<u>339,200</u>	<u>511,300</u>	<u>9,344,455</u>
Net change in fund balances	\$ (10,527,843)	\$ (2,879,635)	\$ (652,998)	\$ (91,450)	\$ 5,825,997	\$ (1,891,651)	\$ 481,962	\$ 377,880	\$ (56,674)	\$ 4,740,589
Debt service as a percentage of noncapital expenditures	8.6%	10.6%	9.6%	9.7%	8.2%	8.9%	8.4%	7.8%	7.0%	6.6%

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

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

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						
2011	\$ 1,054,053,000	423,117,200	45,804,100	270,335,500	1,252,638,800	15.30	1,432,100,000	87.5%
2012	1,073,578,500	423,490,100	42,087,400	269,169,500	1,269,986,500	15.69	1,445,250,000	87.9%
2013	1,082,943,100	469,042,200	36,987,600	298,546,200	1,290,426,700	15.66	1,409,850,000	91.5%
2014	1,092,702,600	474,477,300	41,245,100	298,885,300	1,309,539,700	16.63	1,420,400,000	92.2%
2015	1,119,027,500	478,491,000	45,522,400	300,865,900	1,342,175,000	16.72	1,467,850,000	91.4%
2016	1,242,064,900	526,927,200	42,871,100	306,787,900	1,505,075,300	15.65	1,541,700,000	97.6%
2017	1,271,758,600	539,898,808	45,349,524	323,722,210	1,533,284,722	16.34	1,602,450,000	95.7%
2018	1,302,665,000	546,017,234	63,994,800	342,392,741	1,570,284,293	16.41	1,682,600,000	93.3%
2019	1,336,762,000	552,252,256	42,540,300	340,776,561	1,590,777,995	17.50	1,806,250,000	88.1%
2020	1,365,751,300	563,838,641	41,224,600	335,297,841	1,635,516,700	18.22	1,992,000,000	82.1%

Sources:

¹ Gorham Assessing office and Cumberland County Regional Assessing.

² State of Maine, Bureau of Taxation

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	
2011	5.25	10.05	15.30	0.60	15.90
2012	5.46	10.23	15.69	0.61	16.30
2013	5.27	10.39	15.66	0.64	16.30
2014	5.41	11.22	16.63	0.67	17.30
2015	5.47	11.25	16.72	0.68	17.40
2016	5.24	10.41	15.65	0.65	16.30
2017	5.38	10.96	16.34	0.66	17.00
2018	5.37	11.04	16.41	0.69	17.10
2019	5.46	12.04	17.50	0.70	18.20
2020	5.52	12.70	18.22	0.73	18.95

Source: Cumberland County Regional Assessing

Table 8

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

Taxpayer	2020			2011		
	Current year assessed value	Rank	Percentage of total assessed value	Current year assessed value	Rank	Percentage of total assessed value
Central Maine Power Co.	\$ 91,684,100	1	5.61%	\$ 38,733,000	1	3.09%
New Portland Road Realty LLC (formerly known as Gorham House)	13,137,400	2	0.80%	11,055,700	3	0.88%
Shaw Brothers Construction Co.	11,282,700	3	0.69%			
Nappi Distributors	9,584,200	4	0.59%	9,914,600	5	0.79%
Hannaford Brothers	8,879,000	5	0.54%	5,204,200	10	0.42%
Maine Mobile Homes LTD	8,080,900	6	0.49%	6,480,800	8	0.52%
Scott Paper	7,997,000	7	0.49%	7,336,700	7	0.59%
Gorham Savings Bank	7,576,700	8		10,673,900	4	0.85%
Maritime & NE Pipeline	6,942,000	9	0.42%	7,842,800	6	0.63%
Grondin, R J & Phillip	6,643,000	10	0.41%	12,855,200	2	1.03%
Irwin Industrial Tool (formerly known as American Tool)				6,368,500	9	0.51%
Totals	\$ 171,807,000		10.50%	\$ 116,465,400		9.31%

Source: Cumberland County Assessing office

Table 9

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 19,926,919	19,368,870	97.2%	517,463	19,886,333	99.8%
2012	20,705,124	19,968,524	96.4%	707,195	20,675,719	99.9%
2013	21,037,690	20,488,787	97.4%	535,382	21,024,169	99.9%
2014	22,661,472	21,966,820	96.9%	678,567	22,645,387	99.9%
2015	23,364,012	22,663,613	97.0%	680,506	23,344,119	99.9%
2016	24,538,607	23,819,148	97.1%	695,054	24,514,202	99.9%
2017	26,102,071	25,447,396	97.5%	604,733	26,052,129	99.8%
2018	26,896,932	26,195,909	97.4%	641,549	26,837,458	99.8%
2019	29,152,488	28,430,043	97.5%	549,979	28,980,022	99.4%
2020	31,054,391	29,819,003	96.0%	-	29,819,003	96.0%

¹ Tax commitment plus supplemental taxes assessed during fiscal year

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	Finance Purchases			
2011	\$ 47,554,680	-	427,866	47,982,546	11.61%	2,929
2012	45,339,066	220,336	425,265	45,984,667	11.13%	2,807
2013	41,618,288	217,603	288,820	42,124,711	10.19%	2,572
2014	39,237,510	213,650	481,939	39,933,099	9.66%	2,438
2015	41,100,775	212,574	416,060	41,729,409	10.10%	2,547
2016	39,384,157	210,642	404,010	39,998,809	9.68%	2,442
2017	37,047,529	204,621	372,207	37,624,357	9.10%	2,297
2018	33,440,581	198,853	454,000	34,093,434	8.25%	2,081
2019	29,908,633	-	740,278	30,648,911	7.42%	1,871
2020	34,292,670	-	1,702,978	35,995,648	8.71%	2,197

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 - 2020 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
2011	\$ 47,554,680	3.32%	2,903
2012	45,339,066	3.14%	2,768
2013	41,618,288	2.95%	2,541
2014	39,237,510	2.76%	2,395
2015	41,100,775	2.80%	2,509
2016	39,384,157	2.55%	2,404
2017	37,047,529	2.31%	2,262
2018	33,440,581	1.99%	2,041
2019	29,908,633	1.66%	1,826
2020	34,292,670	1.72%	2,093

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

Amount for 2012-2019 includes bond premium.

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

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

TOWN OF GORHAM, MAINE
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds
As of June 30, 2020

Jurisdiction	Total debt outstanding	Percentage applicable to Gorham	Amount applicable to Gorham
Direct debt:			
Town of Gorham	\$ 35,995,648	100.00%	35,995,648
Overlapping debt:			
Cumberland County	35,425,000	3.95%	1,399,641
Portland Water District - sewer shared with Windham	2,915,000	70.41%	2,052,526
Portland Water District - sewer shared with Windham and Westbrook	3,766,270	21.15%	796,754
Portland Water District - water debt	55,760,544	5.85%	3,261,992
Subtotal overlapping debt:			7,510,913
Total direct and overlapping debt:			\$ 43,506,561

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
2011	\$ 214,815,000	47,554,680	167,260,320	22.14%
2012	216,787,500	45,339,066	171,448,434	20.91%
2013	211,477,500	41,618,288	169,859,212	19.68%
2014	213,060,000	39,237,510	173,822,490	18.42%
2015	220,177,500	41,100,775	179,076,725	18.67%
2016	231,255,000	39,384,157	191,870,843	17.03%
2017	240,367,500	37,047,529	203,319,971	15.41%
2018	252,390,000	33,440,581	218,949,419	13.25%
2019	270,937,500	29,908,633	241,028,867	11.04%
2020	298,800,000	34,292,670	264,507,330	11.48%

Legal Debt Margin Calculation for Fiscal Year 2020

	Outstanding bonds and notes	Percent of state assessed value of \$ 1,992,000,000	Allowable Amount	Margin
For school purposes	\$ 17,270,660	10.00%	\$ 199,200,000	\$ 181,929,340
For storm or sanitary sewer purposes	-	7.50%	\$ 149,400,000	\$ 149,400,000
For municipal, airport, water, and special district purposes	-	3.00%	\$ 59,760,000	\$ 59,760,000
For all other purposes	17,022,010	7.50%	\$ 149,400,000	\$ 132,377,990
Total	\$ 34,292,670	15.00%	\$ 298,800,000	\$ 264,507,330

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
2011	16,381	\$ 413,276,249	\$ 25,229	38.0	2,652	5.80%
2012	16,381	413,276,249	25,229	38.0	2,697	6.30%
2013	16,381	413,276,249	25,229	38.0	2,691	5.60%
2014	16,381	413,276,249	25,229	38.0	2,666	4.20%
2015	16,381	413,276,249	25,229	38.0	2,631	3.40%
2016	16,381	413,276,249	25,229	38.0	2,660	3.30%
2017	16,381	413,276,249	25,229	38.0	2,721	2.80%
2018	16,381	413,276,249	25,229	38.0	2,724	2.80%
2019	16,381	413,276,249	25,229	38.0	2,786	2.40%
2020	16,381	413,276,249	25,229	38.0	2,792	7.60%

Data Source

¹ U.S. Dept. of Commerce, Bureau of Census
The 2011-2020 figure is based upon the 2010 census.

² U.S. Dept. of Commerce, Bureau of Census (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	2020 ¹			2011		
	Employees	Rank	Percentage of Gorham's Labor Force	Employees	Rank	Percentage of Gorham's Labor Force
Town of Gorham: School/Municipal	569	1	5.8%	503	1	5.4%
University of Southern Maine*	342	2	3.5%	469	2	5.1%
Shaw Brothers Construction, Inc.	241	3	2.5%	105	8	1.1%
New Portland Road Realty LLC (formerly known as Gorham House)	237	4	2.4%	216	3	2.3%
Nappi Distributors	225	5	2.3%	184	5	2.0%
R. J. Grondin	136	6	1.4%	144	6	1.6%
Hannaford Brothers	125	7	1.3%	126	7	1.4%
Jotul Stove, Inc.	105	8	1.1%	81	10	0.9%
Irwin Industrial Tool (formerly American Tool)	96	9	1.0%	210	4	2.3%
Gorham Savings Bank	88	10	0.9%	89	9	1.0%
Totals	<u>2,164</u>		22.1%	<u>2,127</u>		23.0%

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

¹ Labor force figure was for June 2020 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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	19.0	17.5	17.5	18.0	18.0	17.0	17.0	16.0	18.0	19.0
Public Safety:										
Police:										
Officers	23.0	23.0	23.0	23.5	23.0	23.0	24.0	24.0	25.0	24.0
Civilians	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5
Fire:										
Firefighters and EMT's	13.0	12.0	12.0	12.0	12.5	12.5	12.5	12.5	12.5	12.5
Civilians	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Works	19.0	19.0	19.0	19.0	19.0	18.0	20.0	20.0	20.0	20.0
Recreation	14.0	14.0	14.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	94.0	91.5	91.5	94.5	95.0	93.0	96.0	95.0	98.0	98.0

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Building permits: ²										
Single family	58	63	43	75	67	66	84	101	91	67
Condos	4	5	4	4	13	2	19	17	10	4
Commercial	14	19	38	44	43	23	32	36	34	58
Total number permits issued	941	917	966	1,079	1,116	1,141	1,334	1,334	1,391	1,364
Public Safety:										
Police:										
Number of calls for service	18,781	15,335	17,137	17,411	13,702	12,999	15,048	20,893	14,903	12,437
Number of physical arrests	734	777	738	648	622	452	409	783	399	103
Number of summons and warnings	2,725	2,301	1,906	2,059	2,004	1,871	1,545	3,511	1,862	1,352
Parking tickets issued	180	112	117	110	62	88	68	256	74	35
Number of accidents investigated	449	482	455	420	596	432	709	519	509	509
Fire:										
Number of fire and rescue calls	2,807	2,815	2,728	2,732	2,589	2,664	2,922	2,905	3,069	2,780
Number of fire hydrants	292	296	296	304	310	316	316	320	320	320
Number of fire ponds	71	71	71	71	71	71	71	73	73	73
Public Works:										
Number of roads maintained	283	287	288	290	290	290	297	300	302	304
Lane miles of roads maintained	286.7	290.7	291.0	292.8	292.8	293	296	296	309	298
Acres of public area maintained	113.1	129.19	154.65	154.65	154.65	155	155	155	155	155
Acres of cemeteries maintained	30.1	30.02	30.03	30.12	30.12	30	30	30	30	30
Tons of residential solid waste	2,099	2,155	2,154	2,233	2,331	2,400	2,605	2,686	2,660	2,902
Tons of waste recycled	1,246	1,266	1,314	1,266	1,260	1,226	1,222	1,149	1,142	794
Recreation:										
Library:										
Number of items circulated	114,309	114,159	115,826	116,987	115,477	110,329	109,048	112,729	116,948	119,977

Sources: Various town departments.

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

² 2011 figures shown are based on calendar year. 2012-2020 figures are based on fiscal year.

n/a = data not available

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	19	19	19	19	19	20	20	20	19
Fire stations	6	6	6	6	6	7	7	7	7	7
Public Works:										
Streets (miles)	286.7	290.7	291.0	292.8	292.8	292.8	295.9	296.1	308.6	297.9
Street lights	389	392	395	405	405	405	437	437	437	437
Traffic signals/blinkers	11	11	11	11	11	11	11	11	11	11
Cemeteries	12	12	12	12	12	12	12	12	12	12
Recreation:										
Libraries	3	3	2	2	2	2	2	2	2	2
Parks acreage	211.3	211.3	211.3	211.3	211.3	211.3	211.3	211.3	211.3	211.3
Parks	5	5	5	5	5	5	5	5	5	5
Tennis courts	7	7	7	7	7	7	7	7	7	7
Outdoor basketball courts	5	5	5	5	5	5	5	5	5	5

Sources: Various town departments.
 Note: No capital asset indicators are available for the general government function.