

# Town of **Gorham**, Maine

*Grow with Us*



Shaw Park



Industrial Park



Town Center and USM

Annual Comprehensive Financial Report  
For Fiscal Year Ended  
June 30, 2021

# **TOWN OF GORHAM, MAINE**

## **Annual Comprehensive Financial Report**

**For the Fiscal Year Ended June 30, 2021**

**Prepared by:**

**Sharon LaFlamme, Finance Director**

**TOWN OF GORHAM, MAINE**  
**Annual Comprehensive Financial Report**  
**June 30, 2021**

---

**Table of Contents**

	<u>Statement</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal		1-5
June 30, 2020 Certificate of Achievement for Excellence in Financial Reporting		7
Organizational Chart		9
List of Principal Officials		10
<b>FINANCIAL SECTION</b>		
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		45-83
Required Supplementary Information:		
Schedule of Changes in Town’s Health Plan OPEB Liability and Related Ratios		84
Schedule of Changes in School’s Health Plan OPEB Liability and Related Ratios		84
Schedule of Town’s Proportionate Share of the Net OPEB Liability		85
Schedule of Town OPEB Contributions		85
Schedule of Town’s Proportionate Share of the Net Pension Liability		86
Schedule of Town Pension Contributions		87
Notes to Required Supplementary Information		88
	<u>Exhibit</u>	
Combining and Individual Fund Financial Statements:		
General Fund:		
Comparative Balance Sheets	A-1	91
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budgetary Basis	A-2	92-95
Restricted, Committed, Assigned, and Unassigned Funds - General Fund - Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	A-3	96-102

**TOWN OF GORHAM, MAINE**  
**Annual Comprehensive Financial Report**  
**June 30, 2021**

---

**Table of Contents, Continued**

	<u>Exhibit</u>	<u>Page</u>
Nonmajor Governmental Funds:		
All Other Governmental Funds:		
Combining Balance Sheet	B-1	105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	106
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-2	110
Nonmajor Capital Projects Funds:		
Combining Balance Sheet	D-1	113
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	114
Nonmajor Permanent Funds:		
Combining Balance Sheet	E-1	117
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-2	118
Fiduciary Funds:		
Combining Schedule of Fiduciary Net Position - Private-purpose Trust Funds	F-1	121
Combining Statement of Changes in Fiduciary Net Position - Private-purpose Trust Funds	F-2	122

	<u>Table</u>	<u>Page</u>
--	--------------	-------------

**STATISTICAL SECTION**

Net Position by Component	1	125
Changes in Net Position	2	126
Governmental Activities Tax Revenues by Source	3	127
Fund Balances of Governmental Funds	4	128
Changes in Fund Balances of Governmental Funds	5	129
Assessed Value and State Equalized Value of Taxable Property	6	130
Property Tax Rates - All Direct and Overlapping Governments	7	131
Principal Property Taxpayers	8	132
Property Tax Levies and Collections	9	133
Ratios of Outstanding Debt by Type	10	134
Ratios of General Bonded Debt Outstanding	11	135
Direct and Overlapping Governmental Activities Debt	12	136
Statutory Debt Margin Information	13	137
Demographic and Economic Statistics	14	138
Principal Employers	15	139
Full-time Equivalent Town Government Employees by Function	16	140
Operating Indicators by Function	17	141
Capital Asset Statistics by Function	18	142

# ***INTRODUCTORY SECTION***

# Town of Gorham

Finance Department  
Municipal Center  
75 South Street, Suite 1  
Gorham, Maine 04038-1382

(207) 222-1610  
(207) 839-5036 Fax  
[www.gorham-me.org](http://www.gorham-me.org)



**Sharon LaFlamme**  
Finance Director  
[slaflamme@gorham.me.us](mailto:slaflamme@gorham.me.us)

**Alisha Barrows**  
Assistant. Finance Director  
[abarrows@gorham.me.us](mailto:abarrows@gorham.me.us)

---

March 30, 2022

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

This Annual Comprehensive Financial Report of the Town of Gorham for the fiscal year ending June 30, 2021 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, 2021 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, 2021, 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 18,336 residents according to the 2020 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 2020-2021 is \$1,649,917,050 (excludes the valuation attributable to the State Homestead Exemption and BETE personal property reimbursement), resulting in an increase of about 0.01% from the 2019-2020 total taxable valuation. Approximately 41.7% 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 96.0% for last fiscal year and 98.1% 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 2021, the Code Office issued permits for 67 single-family/condo dwellings and 46 commercial/institutional structures. The department issued a total of 1,285 permits during fiscal year 2021.

In March 2021, the town issued a tax-exempt bond of \$5,204,650 to upgrade HVAC heat pump in Gorham Middle School, upgrades to the Narragansett School bus loop and sidewalk, repairs to sidewalks at the Gorham Middle School, Phase II of the Narragansett School expansion and repairs to the lighting at the competition, baseball/softball fields and tennis courts.

During fiscal year 2021, the Town continued to navigate through the Covid-19 pandemic. The Town slowly opened offices by taking appointments only and staggering the work force. The Town was minimizing the risk of closures due to a Covid-19 outbreak. In March 2021, the Town office was re-opened for normal business. The Gorham Fire Department also coordinated with the State of Maine to be a vaccination clinic site for the community.

During fiscal year 2021, the Town of Gorham saw a decrease in new growth in business and subdivisions due to Covid-19. However, the Town’s building permit revenues was at a healthy level due to small projects. One of the larger projects in fiscal year 2021 was a new self-storage building on Main Street.

**Fiscal Year 2021 Budget**

The Town of Gorham’s gross budget for 2021 showed an increase of 4.4% from 2020. The gross budget increased by \$2,559,890 and the mil rate increased from \$18.95 in fiscal year 2020 to \$19.00 in fiscal year 2021. The following is a comparison of the fiscal year 2020 mil rate to the fiscal year 2021 mil rate.

	Fiscal year 2020	Fiscal year 2021	\$ Incr/(Decr)	% Chg
Town’s Tax Rate	\$ 5.52	\$ 5.61	\$0.09	1.81%
School’s Tax Rate	\$12.70	\$12.62	(\$0.08)	-0.63%
County’s Tax Rate	\$ 0.73	\$ 0.77	\$0.04	5.48%

This is the 16<sup>th</sup> year that the Town and School had to develop budgets under the State of Maine’s Property Tax Initiative known as LD 1. The purpose of LD 1 is to curb government spending and reduce the tax burden, particularly the property tax burden. LD 1, passed in June 2004, proposed to:

- increase the state’s share of education funding each year, achieving 55% in 2009,
- cap spending growth at all government levels, and



- direct more money to tax relief programs such as the Maine Residents Property Tax Relief Program, which provides property tax rebates to eligible Maine citizens.

The Town's gross expenditure budget increased by \$764,790 or 5.0%. The major increases were due a new curbside trash collection contract, industrial park bond payment and economic development retention and growth budget.

The Town's non-property tax revenues also saw an increase of 8.9%. The major increase was the result of a \$552,763 increase in transfer from TIF to offset Libby Road/Brackett Street bond, industrial park bond, economic development, and stormwater budgets.

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 went up \$124,777 or 1.5%.

The School gross expenditure budget of \$42,714,455 increased by \$1,703,922 or 4.2%. The major increases in this budget were the result of contractual salary obligations increases, the addition of six teachers, two Ed Tech III positions, and an assistant principal, additional summer and fall programming due to Covid-19 and funds for additional iPads.

### **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 2021, there was \$2,256,931 in funds available for allocation to capital equipment and capital project needs. On June 1, 2020, the Town Council approved the use of \$2,256,931 excess unassigned fund balance for the following purposes:

- \$120,000 additional funds to perform a full revaluation of property taxes;
- \$115,000 to upgrade Town-wide computer & technology upgrades;
- \$50,000 to replace Town-wide copier & printers;
- \$115,632 to fund the match for the VW Grant for 2 propane buses;
- \$19,500 to purchase ballistic shields for Police Department;
- \$13,202 to purchase additional voting booths;
- \$94,900 to replace Police Department cruisers;
- \$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;
- \$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 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the 18<sup>th</sup> year in a row that the Town achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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 Annual Comprehensive 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 Annual Comprehensive 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,



Sharon LaFlamme  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Gorham  
Maine**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

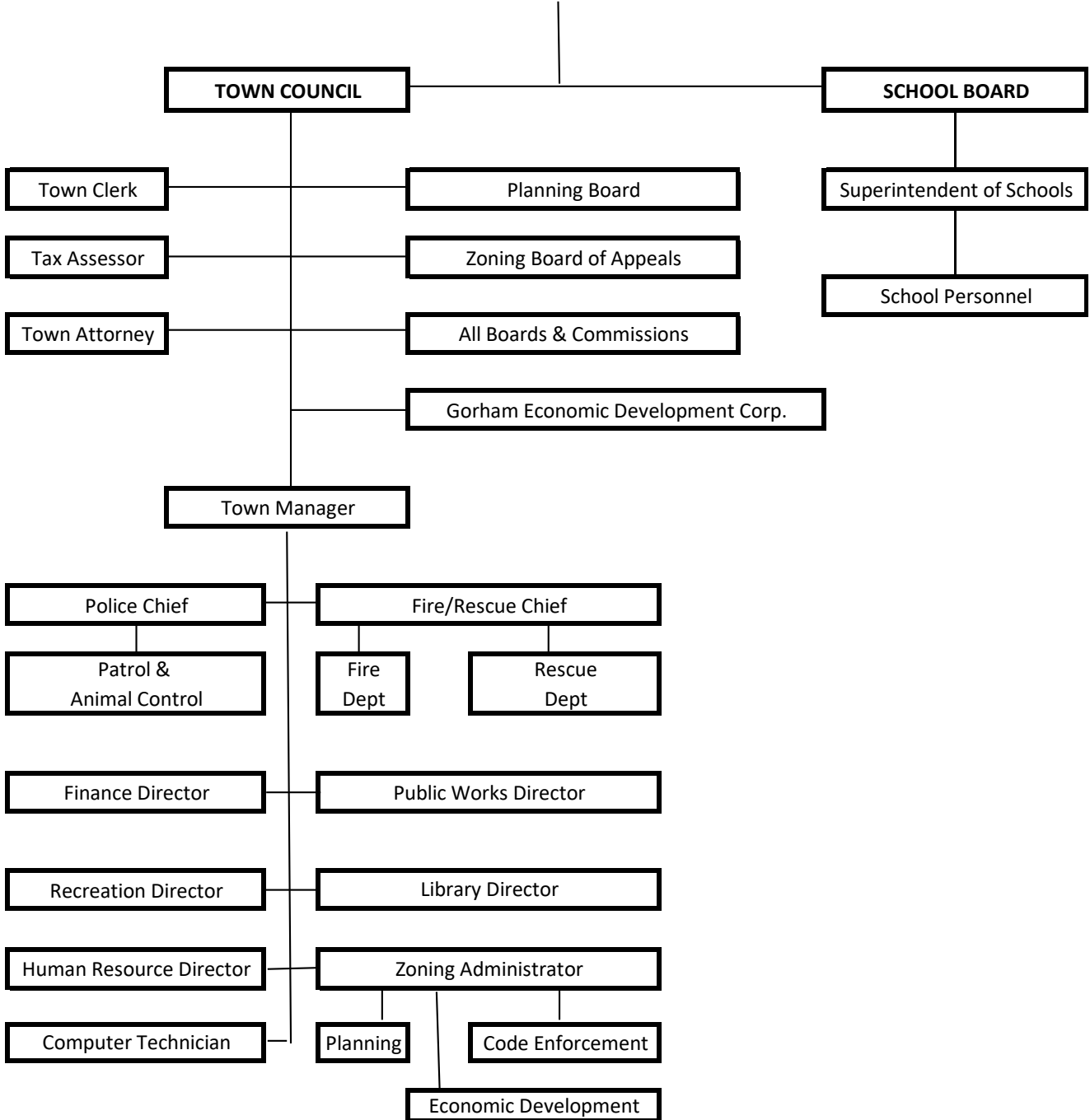
June 30, 2020

*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, 2021**

---

Lee Pratt, Chairman, Town Council

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

---

Ephrem Paraschak, Town Manager

Laurie Nordfors, Town Clerk	Sharon LaFlamme, Finance Director
Kenneth Fickett, 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

---

Darryl Wright, Chairman, School Board

Anne Schools, Vice Chairman	Nicole Hudson
Philip Gagnon	Sarah Perkins
James Brockman	Stewart McCallister

---

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, 2021, 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, 2021, 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 March 30, 2022 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.



March 30, 2022  
South Portland, Maine

*This page intentionally left blank.*

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2021**

---

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, 2021. 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 \$63,087,504, an increase of \$3,287,319 or 5.5%, when compared to the restated beginning net position figure of \$59,800,185.
- The ending fund balance for Governmental Funds is \$31,152,875. The expenditures and other financing uses exceeded the revenues and other financing sources by \$6,085,724.
- The General Fund's ending fund balance is \$19,088,648; an increase of \$1,675,020 from the prior year's ending fund balance of \$17,413,628. Of the \$19,088,648, only \$9,526,105 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, 2021 was \$8,718,294 or 13.9% of the total fiscal year 2022 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 \$2,241,811 to allocate to the Capital Part II budget during the fiscal year 2023 budget process.
- The Town of Gorham's general obligation debt increased by \$1,614,650 or 4.8% in the outstanding bonded debt total.

**Overview of the Financial Statements**

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

**Government-wide Statements**

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

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

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

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

---

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

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

**Fund Financial Statements**

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

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

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

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

The Town of Gorham maintains twenty-eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, School Operations Fund and 2021 School CIPS Capital Project Fund, which are all considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

The Town of Gorham is the trustee, or fiduciary, for the 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 43 and 44. 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>2021</u>	<u>2020</u> <u>(restated)</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	\$ 44,742,443	35,972,974	8,769,469	24.38%
Capital assets, net	77,557,693	78,580,309	(1,022,616)	-1.30%
Total assets	<u>122,300,136</u>	<u>114,553,283</u>	<u>7,746,853</u>	6.76%
Deferred outflows of resources	<u>2,766,537</u>	<u>1,994,447</u>	<u>772,090</u>	38.71%
Long-term debt outstanding	47,794,874	45,517,303	2,277,571	5.00%
Other liabilities	13,055,795	10,286,158	2,769,637	26.93%
Total liabilities	<u>60,850,669</u>	<u>55,803,461</u>	<u>5,047,208</u>	9.04%
Deferred inflows of resources	<u>1,128,500</u>	<u>950,259</u>	<u>178,241</u>	18.76%
Net investment in capital assets	47,619,106	46,066,679	1,552,427	3.37%
Restricted	4,295,979	3,690,589	605,390	16.40%
Unrestricted	11,172,419	10,042,917	1,129,502	11.25%
<b>Total net position</b>	<u>\$ 63,087,504</u>	<u>59,800,185</u>	<u>3,287,319</u>	5.50%

The increase of \$8,769,469 in the current and other assets category is primarily due to the large increase in cash in fiscal year 2021. This is due to the 2021 school CIPS bond that was mostly unspent bonds as of fiscal year 2021. Also there was an increase of \$2,188,890 in performance bond.

The capital asset disclosure in the notes to the financial statements (see Note 8) shows how the \$1,022,616 decrease resulted.

The long-term debt disclosure in the notes to the financial statements (see Note 9) shows how the \$2,277,571 increase in long-term debt outstanding resulted.

The increase in the other liabilities of \$2,769,637 is primarily due to the increase in performance guarantees and letter of credits for new developments (\$2,188,890). There was an increase in accrued wages and benefits (\$272,552) and accounts payable (\$282,560).

**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>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Capital assets	\$ 162,500,155	159,304,294	3,195,861	2.01%
Accumulated depreciation	(84,942,462)	(80,723,985)	(4,218,477)	(5.23%)
Deferred charge on refunding	228,795	312,380	(83,585)	(26.76%)
Bonds payable (includes premium)	(35,914,466)	(34,292,670)	(1,621,796)	(4.73%)
Finance purchases	(2,167,784)	(1,702,978)	(464,806)	(27.29%)
Add back noncapitalized finance purchases	345,117	223,723	121,394	54.26%
Add back unspent bond proceeds	7,569,751	2,945,915	4,623,836	156.96%
<b>Net investment in capital assets</b>	<b>\$ 47,619,106</b>	<b>46,066,679</b>	<b>1,552,427</b>	<b>3.37%</b>

**Changes in Net Position**

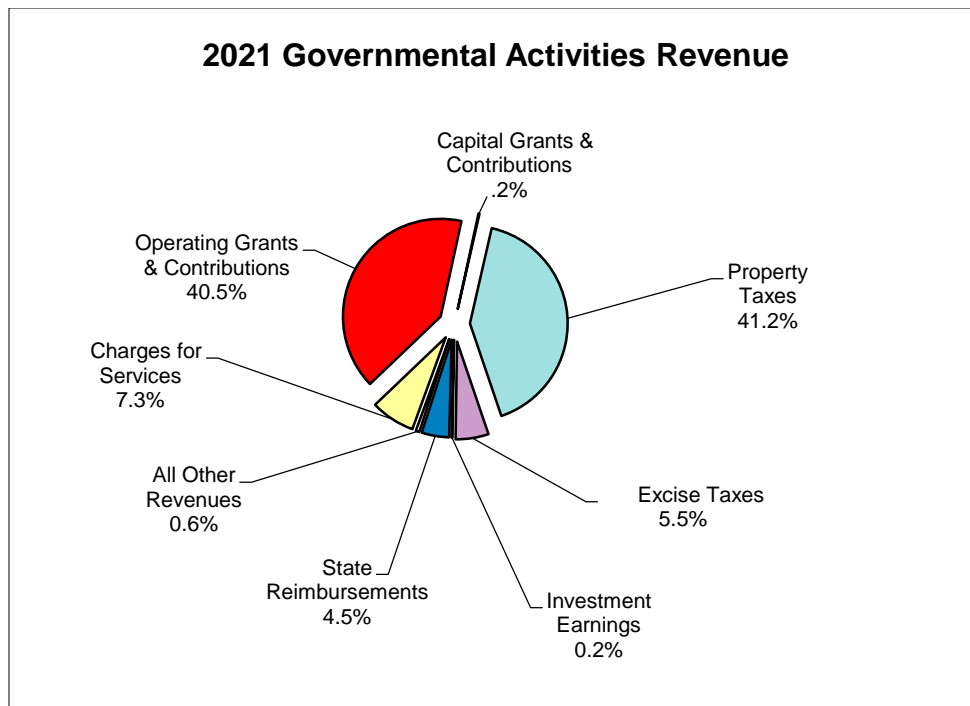
The following is a condensed version of the Statement of Activities.

	<u>2021</u>	<u>2020</u> <u>(restated)</u>	<u>\$ Change</u>	<u>% Change</u>
<b>REVENUES</b>				
Program Revenues:				
Charges for services	\$ 5,561,248	5,736,691	(175,443)	(3.06%)
Operating grants and contributions	30,826,600	25,696,099	5,130,501	19.97%
Capital grants and contributions	123,359	333,500	(210,141)	(63.01%)
General Revenues:				
Property taxes	31,331,706	31,050,052	281,654	0.91%
Payment in lieu of taxes	45,193	45,193	-	0.00%
Motor vehicle and boat excise taxes	4,145,726	3,981,606	164,120	4.12%
Grants and contributions not restricted to specific programs:				
Homestead exemption	1,034,413	748,076	286,337	38.28%
BETE reimbursement	635,827	592,272	43,555	7.35%
Other state aid	36,145	38,461	(2,316)	(6.02%)
State Revenue Sharing	1,746,817	1,288,868	457,949	35.53%
Unrestricted investment earnings	133,883	311,167	(177,284)	(56.97%)
Miscellaneous revenues	379,344	160,719	218,625	136.03%
Gain on sale of property	30,157	-	30,157	n/a
Total revenues	76,030,418	69,982,704	6,047,714	8.64%
<b>EXPENSES</b>				
General government	6,634,344	6,139,815	494,529	8.05%
Public safety	5,572,679	5,966,420	(393,741)	(6.60%)
Public works	6,023,288	6,323,692	(300,404)	(4.75%)
Health and welfare	52,446	42,591	9,855	23.14%
Recreation	1,678,806	1,944,688	(265,882)	(13.67%)
Development	554,405	603,883	(49,478)	(8.19%)
Education	51,280,930	46,186,757	5,094,173	11.03%
Interest on debt	946,201	972,437	(26,236)	(2.70%)
Total expenses	72,743,099	68,180,283	4,562,816	6.69%
<b>Change in net position</b>	<b>3,287,319</b>	<b>1,802,421</b>	<b>1,484,898</b>	<b>82.38%</b>
Net position - beginning (restated)	59,800,185	57,997,764	1,802,421	3.11%
<b>Net position ending</b>	<b>\$ 63,087,504</b>	<b>59,800,185</b>	<b>3,287,319</b>	<b>5.50%</b>

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

---

The following pie chart shows the sources of revenue for fiscal year 2021.



Overall, revenues were up 6,047,714 or 8.64% when compared to fiscal year 2020. There were a number of reasons for the increase in the revenues and they are highlighted below.

Approximately 41.2% of the Town's revenues come from property taxes, while 40.5% comes from operating grants and contributions. Approximately 64.8% of the operating grants and contributions revenue source comes from state aid to education and state construction aid. The operating grants and contributions program revenues were up by 20.0% or \$5,130,501, primarily because the School Department received an increase of approximately \$4,121,938 in federal aid for the Covid-19 pandemic.

The capital grants and contributions were down \$210,141 because the Town did not accept any new roads in fiscal year 2021. The \$123,359 was received from the Community Development Block Grant for Little Falls area pedestrian safety and sidewalk work.

The \$281,654 increase in property tax revenue was due to the increase in the mil rate from \$18.95 in fiscal year 2020 to \$19.00 in fiscal year 2021. The Town is allowed by State Statute to build in the tax rate up to 5% of the amount needed to be raised by property taxes which is called overlay. Typically, the Town builds in approximately 2% in overlay. In fiscal year 2021, there was a decrease of approximately \$221,000 in the Town's overlay.

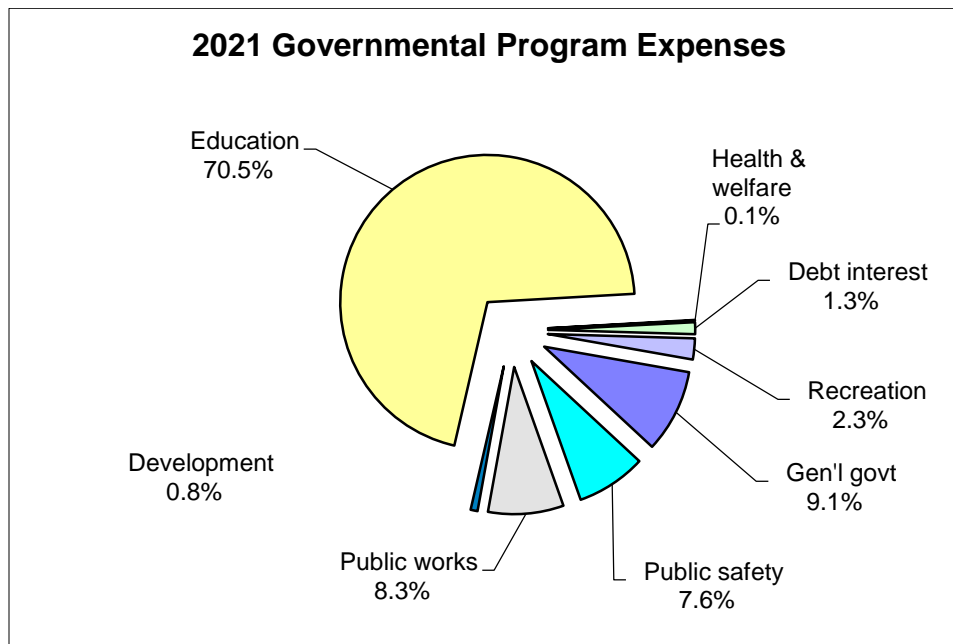
The other large revenue increase was seen in homestead exemption and state revenue sharing. Homestead exemption increase is due to the State increasing the exemption from \$20,000 in fiscal year 2020 to \$25,000 in fiscal year 2021. The state revenue sharing increased \$457,949 from fiscal year 2020 due to the Governor continued increasing the Municipalities percentages. Miscellaneous revenues saw an increase due to revenue from School for facility study (\$100,000), court settlement (\$6,282) and contribution from Central Maine Power for road improvement at the Shaw Mills substation (\$60,000).

Unrestricted investment earnings decreased \$158,373 since the interest rate continues to decrease due to the economy.

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

---

The following pie chart shows functional expenses for fiscal year 2021.



Education makes up 70.5% of expenses for fiscal year 2021, an increase of 11.03% or \$5,094,173 from fiscal year 2020. Most of the increase can be contributed to expenditures related to the federal aid due to the Covid-19 pandemic.

Fiscal year 2021 Health & Welfare is higher than fiscal year 2020 by 23.1% or \$9,855. The primary reason for this increase is the continued need for general assistance due to the pandemic. Also, General Government increased by \$494,529 or 8.05% which reflects the expenses for computer upgrades, copier/printer upgrades, School/Town facility study and Covid-19 related items.

### **Governmental Activities**

The cost of all governmental activities was \$72,743,099. 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 2021 expenses were 4,562,816 or 6.7% over fiscal year 2020 expenses.

As shown on the Statement of Activities, the amount that the taxpayers of Gorham ended up financing through property taxes was \$31,331,706 or 41.2%, because some of the cost was paid by those who directly benefit from the programs (\$5,561,248), and by other governments and organizations that subsidized certain programs with operating grants and contributions (\$30,826,600) and capital grants and contribution (\$123,359). The Town also received \$8,187,505 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 2021.

As a result of the governmental activities' revenues (\$76,030,418) exceeding the expenses (\$72,743,099), the Town of Gorham realized an increase in its net position of \$3,287,319. Approximately \$1,840,140 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 2021 revenues by source for the General Fund with the 2020 information for comparison. Information is from Statement 4.

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues by source:				
Taxes	\$ 34,649,584	34,487,231	162,353	0.47%
Licenses and permits	766,012	879,693	(113,681)	(12.92%)
Intergovernmental	4,040,904	3,486,025	554,879	15.92%
Charges for services	2,576,418	2,320,552	255,866	11.03%
Other revenues	576,242	418,049	158,193	37.84%
<b>Total revenues</b>	<b>\$ 42,609,160</b>	<b>41,591,550</b>	<b>1,017,610</b>	<b>2.45%</b>

General Fund revenues increased by 2.45% or \$1,017,610 from fiscal year 2020 amounts. Below are some of the reasons for the changes in the revenue.

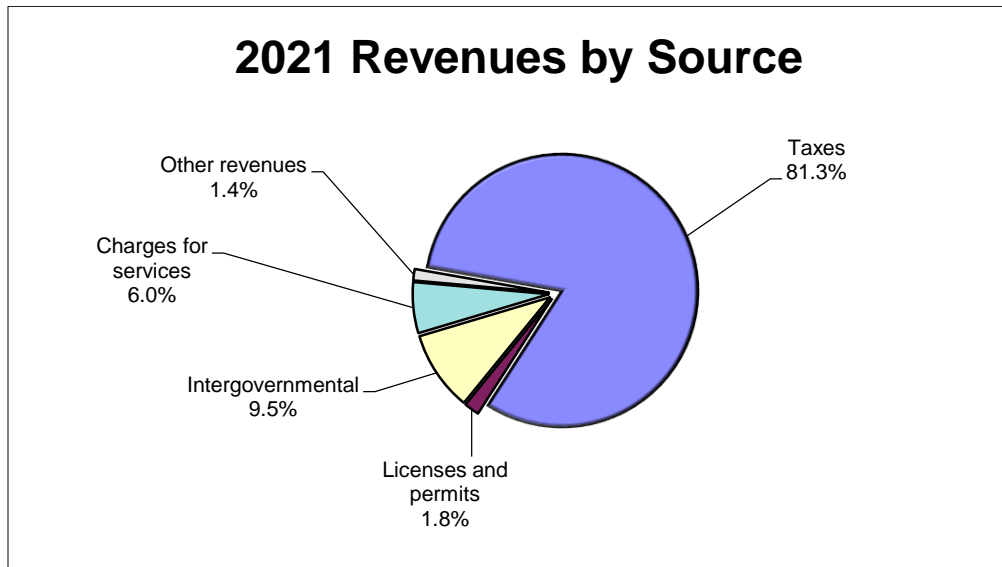
**Taxes:** In fiscal year 2021, the mil rate increased from \$18.95 to \$19.00. With an increased valuation and mil rate, property tax revenue after abatements and supplements was up by \$162,353, when compared to last fiscal year.

**Licenses and permits:** Building permit revenue and plumbing/electrical fees were \$172,787 lower than fiscal year 2020 and fluctuate year to year depending on if there are any large developments. With the new marijuana license fee, the Town Clerk fees were \$45,894 higher than fiscal year 2020.

**Intergovernmental:** The major change in fiscal year 2021 was related to an increase in the state revenue sharing of \$457,949 due to the Governor increasing the percentage of sales tax allocation for the Municipalities. With the homestead exemption increasing from \$20,000 to \$25,000 in fiscal year 2021, the Town saw an increase of \$286,337.

**Charges for services:** In fiscal year 2021, recreation received \$7,916 less in revenues than in fiscal year 2020. Also, trash tags/bags revenues had an increase of \$111,285 due to an increase in price of the bags/tags as well as an increase in trash collection.

The following pie chart depicts the General Fund revenues by source for fiscal year 2021.



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

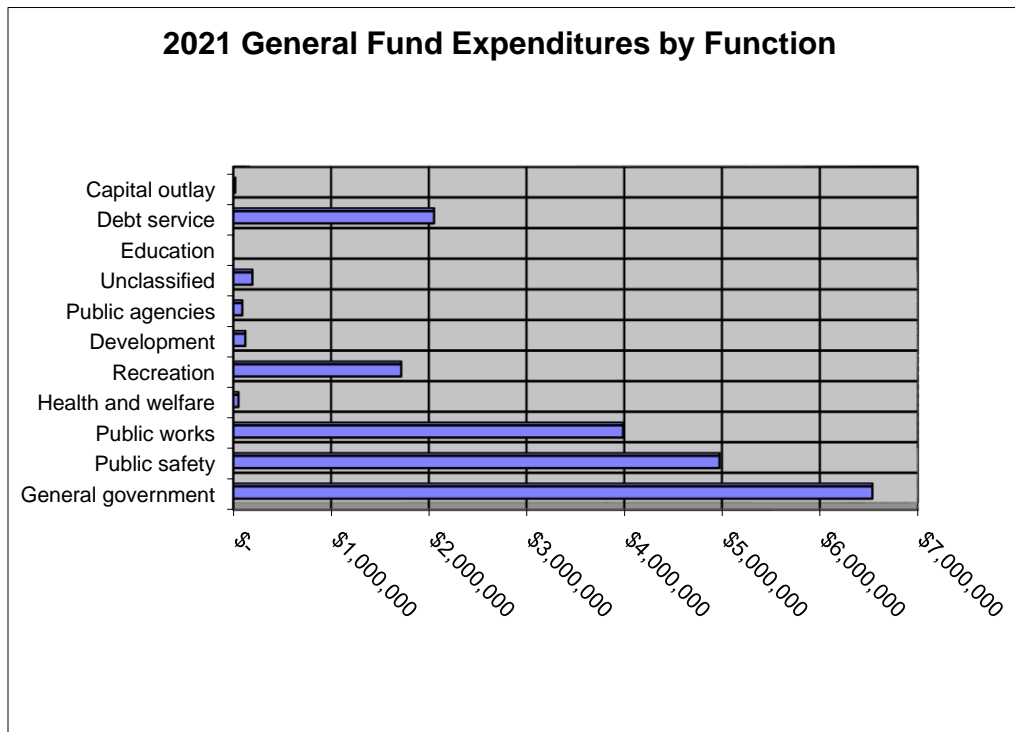
The following table summarizes the General Fund expenditures by function for fiscal year 2021 with 2020 information for comparison. Information is from Statement 4.

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Expenditures by function:				
General government	\$ 6,537,011	5,508,749	1,028,262	18.67%
Public safety	4,973,679	5,661,748	(688,069)	(12.15%)
Public works	3,988,017	3,917,825	70,192	1.79%
Health and welfare	52,446	42,591	9,855	23.14%
Recreation	1,717,617	1,853,048	(135,431)	(7.31%)
Economic development	122,888	101,591	21,297	20.96%
Public agencies	91,653	96,227	(4,574)	(4.75%)
Unclassified	194,707	231,652	(36,945)	(15.95%)
Debt service	2,054,085	1,768,397	285,688	16.16%
Capital outlay	20,138	2,000	18,138	906.90%
<b>Total expenditures</b>	<b>\$ 19,752,241</b>	<b>19,183,828</b>	<b>568,413</b>	<b>2.96%</b>

The General Fund expenditures increased 3.0% from fiscal year 2020 levels. The largest percentage increases are in capital outlay, health and welfare, and economic development category. Capital outlay increased 906.9% or \$18,138 over fiscal year 2020 which was for a one-time expense for electric vehicle purchase. Health and welfare had an increase of 23.1% or \$9,855, which represents the continued increase in general assistance due to the Covid-19 pandemic. Economic development increased \$21,297 or 21.0%, which is the difference between having an economic development director for 12 months in fiscal year 2021 whereas it was for 7 months in fiscal year 2020.

The largest percentage decrease was in the unclassified category which was 16.0% or \$36,945 due to a reduction in funding for Gorham Village Alliance, elimination of founders festival funding and the pandemic elimination of the senior meal-site program.

The following is a graph depicting the General Fund expenditures by function for fiscal year 2021.



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

The net result of operations in the General Fund for fiscal year 2021 was \$1,675,020 after transfers in of \$748,856 and transfers out of \$21,930,755. The following table summarizes the General Fund's fund balance for fiscal year 2021, with 2020 information provided for comparison.

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Fund balance:				
Nonspendable	\$ 90,184	\$ 58,673	31,511	53.71%
Restricted	371,243	386,208	(14,965)	-3.87%
Committed	3,391,088	2,486,949	904,139	36.36%
Assigned	5,710,028	5,166,296	543,732	10.52%
Unassigned	9,526,105	9,315,502	210,603	2.26%
<b>Total fund balance</b>	<b>\$ 19,088,648</b>	<b>17,413,628</b>	<b>1,675,020</b>	<b>9.62%</b>

The largest percentage increase was in nonspendable fund balance, equal to \$31,511 or 53.7%. This was primarily due to the increase in prepaid and a decrease in inventory from fiscal year 2020 which was \$52,095 and (\$20,381), respectively. Prepaid increased due to payment of fiscal year 2022 software subscriptions of \$18,969 and deposit on security work of \$23,338. The decrease in inventory was related to the fuel depot upgrades since temporary smaller tanks were used during the transition. The only decrease was in restricted fund balance, equal to \$14,965 or 3.9% due to the Little Falls sidewalk completion. The increases in committed and assigned fund balance are due to fewer projects completed in fiscal year 2021 than added.

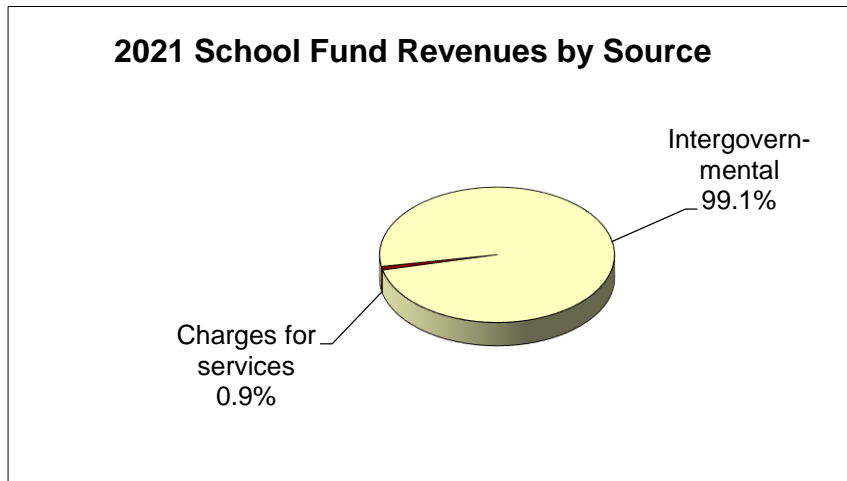
**The School's Funds**

The following table summarizes fiscal year 2021 revenues by source for the Special Revenue Fund's School Operations Fund with 2020 information for comparison. The information is from Statement 4.

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues by source:				
Intergovernmental	\$ 23,944,045	22,954,952	989,093	4.31%
Charges for services	209,685	100,669	109,016	108.29%
Other	-	46,133	(46,133)	(100.00%)
<b>Total revenues \$</b>	<b>24,153,730</b>	<b>23,101,754</b>	<b>1,051,976</b>	<b>4.55%</b>

The 4.6% increase in School Operation Fund revenues was from the increase in state education subsidy and grants (\$862,641) and an increase in Maine PERS on-behalf payments (\$126,452).

The following is a pie chart depicting the Special Revenue Fund - School Operations Fund revenues by source for fiscal year 2021.



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

The following table summarizes the School Operations Fund expenditures by function for fiscal year 2021 with 2020 information for comparison. Information is from Statement 4. The following table provides an explanation of the major changes.

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Expenses by function:				
Regular instruction	\$ 18,889,977	17,747,452	1,142,525	6.44%
Special education	6,552,872	6,139,143	413,729	6.74%
Other instruction	896,773	831,749	65,024	7.82%
Student and staff support	3,503,453	3,240,385	263,068	8.12%
System administration	1,417,762	1,256,092	161,670	12.87%
School administration	2,213,761	2,072,536	141,225	6.81%
Transportation	1,997,961	1,924,691	73,270	3.81%
Facilities maintenance	4,211,801	3,412,043	799,758	23.44%
Adult education	244,742	242,803	1,939	0.80%
Maine PERS on-behalf payments	3,904,640	3,778,188	126,452	3.35%
Debt service	2,564,045	2,663,613	(99,568)	(3.74%)
Capital outlay	820,355	1,443,471	(623,116)	(43.17%)
<b>Total expenses \$</b>	<b>47,218,142</b>	<b>44,752,166</b>	<b>2,465,976</b>	<b>5.51%</b>

The School Operations Fund's expenditures were 5.5% or \$2,465,976 more than fiscal year 2020. 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 a decrease in capital outlay.

The net results of operations for fiscal year 2021 was (\$413,302) after transfers in of \$21,930,755, transfers out of \$100,000, and finance purchase proceeds of \$820,355. The following table summarizes the School Operation Fund's fund balance for fiscal year 2021 with 2020 information for comparison.

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Fund balance:				
Unassigned	\$ (807,811)	(394,509)	(413,302)	(104.76%)
<b>Total fund deficit \$</b>	<b>(807,811)</b>	<b>(394,509)</b>	<b>(413,302)</b>	<b>(104.76%)</b>

During the development of the fiscal year 2022 budget, the School Board authorized the use of budgetary fund balance in the amount of \$700,000 to help balance the fiscal year 2021 budget. The School Department also had \$607,818 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).

**The Capital Project Funds**

The following table summarizes the fiscal year 2021 revenues by source for the 2021 School CIPS Capital Project Fund's with 2020 information for comparison. The information is from Statement 4.

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Revenue by source:				
Investment income	\$ 3,105	-	3,105	n/a
<b>Total revenues</b>	<b>\$ 3,105</b>	<b>-</b>	<b>3,105</b>	<b>n/a</b>

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

During fiscal year 2021, with the issuance of bonds in March 2021 and the investment of the unspent bond proceeds, the project was able to earn interest during the last quarter of the fiscal year amounting to \$3,105.

The following table summarizes the 2021 School CIPS Capital Project Fund's expenditures by function for fiscal year 2021 with 2020 information for comparison. Information is from Statement 4.

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Expenditures by function:				
Capital improvements	\$ 476,807	-	476,807	n/a
<b>Total expenditures</b>	<b>\$ 476,807</b>	<b>-</b>	<b>476,807</b>	<b>n/a</b>

Fiscal year 2021 expenditures reflects the engineering and general contractor costs of phase II of the Narragansett project. The majority of the expenditures will occur in July and August of fiscal year 2022 since the schools will be closed for summer.

The net results of operations for fiscal year 2021 are \$4,880,675, after bond proceeds of \$5,204,650 and a premium of \$149,727. The following table summarizes the 2021 School CIPS Capital Project Fund's fund balance for fiscal year 2021 with 2020 information for comparison.

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Fund balance:				
Restricted	\$4,880,675	-	4,880,675	n/a
<b>Total fund balance</b>	<b>\$4,880,675</b>	<b>-</b>	<b>4,880,675</b>	<b>n/a</b>

**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 \$2,282,011, while actual expenditures were under budgeted appropriations by \$812,947. This resulted in a positive net effect of \$3,094,958. The net change in fund balance was \$559,927 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 2021, the Town collected in excess of the budget in the following category: auto excise (\$758,099), state revenue sharing (\$896,817) and sales of trash bags (\$222,004). 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 \$351,745 which was 1.1% of the taxable value. This is also reflected in the excess revenues.

The primary reason for actual expenses to be under budgeted is due to employee turnover which resulted in a savings of approximately \$828,300.

Unassigned fund balance of \$9,526,105 is a healthy figure and represents 15.2% of the total General Fund and School Operations Fund budgeted appropriations for fiscal year 2022. 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 \$807,811 School Operations Fund's deficit balance is factored in the percentage, it drops to 13.9%. The Town's management anticipates that during the fiscal year 2023 budget process, the Council will utilize the unassigned fund balance in excess of the 8.5% for the Town's Capital Budget Part II.

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

The original budget for fiscal year 2020-2021 was \$60,226,758 and there were no adjustments made to the original budget during fiscal year 2021.

**Capital Asset and Debt Administration**

**Capital Assets**

The Town invested \$3,596,297 in a broad range of capital assets during fiscal year 2021. The following chart identifies the assets that were added during the year, including the construction in progress projects (Little Falls recreation field house, Gorham rail trail project, and Narragansett portable classroom addition, less the removal of Little Falls master plan, Little Falls recreation multi-purpose field, Public Works/Great Falls School fiber optic project, Narragansett modular addition, sprinkler project and West Gorham Fire Station renovations reflected in previous fiscal years).

		<b>Category</b>	<b>Category Total</b>
Land improvements			
Recreation	Construction in Progress – Little Falls field house		15,668
	Construction in Progress – Gorham rail trail		1,906
			17,574
Buildings and building improvements			
Public Safety	West Gorham addition		25,206
Education	Narragansett modular & connector		573,654
	Narragansett modular & connector electrical/security		309,134
	Narragansett modular & connector mechanical/plumbing		103,011
	Narragansett kitchen		424,400
	Narragansett kitchen electrical		47,543
	Narragansett kitchen plumbing		90,750
	Narragansett kitchen HVAC		81,750
	Narragansett kitchen sprinklers		14,500
	Narragansett kitchen walk-in		44,270
	Construction in Progress - Narragansett School portable addition		417,863
			2,132,081
Machinery and equipment			
Recreation	2021 Skidoo Expedition Sport		10,599
	2019 John Deere Utility		
Education	Tractor/Loader/Snowblower		62,323
	Caterpillar Pickup Broom		6,000
			78,922
Furniture and office equipment			
Public Safety	West Gorham Fire Station water tank		16,729
Public Works	Public Works/Great Falls School Fiber Optics		102,474
	2021 MEGIS Orthoimagery		31,850
			151,053

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

Vehicles

Public Safety	Police – 2020 Ford Explorer	48,902
	Police – 2020 Ford Explorer	45,942
General Govt	2020 Chevrolet Bolt	36,569
	2020 Chevrolet Bolt	36,569
	2020 Chevrolet Bolt	40,750
	2020 Chevrolet Bolt	40,750
Recreation	2022 Blue Bird propane bus	112,500
	2022 Blue Bird propane bus	112,500
Education	2020 GMC/Micro Bird type A 14 passenger bus	58,800
	2020 GMC/Micro Bird type A 14 passenger bus	58,800
	2022 Blue Bird Vision	108,800
	2022 Blue Bird Vision	108,800
	2020 Ford F250 Pick-up	42,207
	2020 Ford Transit Connect Van Cargo	24,215
	2020 Ford Transit Connect Van Cargo	24,215
	2020 Ford Transit Connect Van Cargo	24,215
	2020 Ford Transit Van	42,753
	2022 Blue Bird Vision 77 passenger bus	108,800
	2022 Blue Bird Vision 77 passenger bus	108,800
	2019 Ford Transit	31,780

1,216,667

**Total assets added during fiscal year 2021**

\$3,596,297

During fiscal year 2021, assets were transferred from one function/activity to another function/activity. The following chart shows these transfers.

<b>Category</b>	<b>Function and Activity</b>	<b>Amount Transferred</b>
Vehicle	Public Works – 2002 International 3800	\$56,985
	Public Works – 2002 International 3800	56,985
	Public Works – 2004 International Blue Bird	56,806
	Public Works – 2004 Blue Bird Bus	59,610
	Public Works – 2007 Blue Bird Bus	63,683
	Public Works – 2010 Ford Crown Victoria	22,923
	Public Works – 2011 Ford Crown Victoria	24,294
	Public Works – 2003 Chevrolet Avalanche	11,016
	Public Safety – 2020 Ford Escape SE	27,400
	General Gov't – 2020 Ford Escape SE	(27,400)
	Public Safety - 2011 Ford Crown Victoria	(24,294)
	Recreation – 2003 Chevrolet Avalanche	(11,016)
	Education – 2002 International 3800	(56,985)
	Education – 2002 International 3800	(56,985)
	Education – 2004 International Bluebird Bus	(56,806)
	Education – 2004 Blue Bird Bus	(59,610)
	Education – 2007 Blue Bird School Bus	(63,683)
	Education – 2010 Ford Crown Victoria	(22,923)

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

Machinery and equipment	Public Works – 1996 John Deere 770 Tractor	5,390
	Education – 1996 John Deere 770 Tractor	(5,390)

The depreciation expense for 2021 was \$4,618,913.

The following is a summary of the Town of Gorham's capital assets, net of depreciation. This amount represents a net decrease (including additions and deductions) of \$1,022,616 or 1.3% under last fiscal year.

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

		<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$	6,230,261	6,230,261	-	0.00%
Books/historical treasures/artwork		1,429,837	1,429,837	-	0.00%
Construction in progress		718,264	2,080,535	(1,362,271)	(65.48%)
Land improvements		5,001,469	5,282,567	(281,098)	(5.32%)
Buildings and building improvements		34,845,935	33,546,709	1,299,226	3.87%
Machinery and equipment		772,356	824,598	(52,242)	(6.34%)
Furniture and office equipment		346,889	431,201	(84,312)	(19.55%)
Computer equipment		228,637	48,955	179,682	367.04%
Vehicles		5,587,150	5,216,789	370,361	7.10%
Infrastructure		22,396,895	23,488,857	(1,091,962)	(4.65%)
<b>Totals \$</b>		<b>77,557,693</b>	<b>78,580,309</b>	<b>(1,022,616)</b>	<b>(1.30%)</b>

Additionally, the Council allocated \$2,556,602 from unassigned fund balance, which was in excess of the 8.5% fund balance policy for the following purposes:

- \$7,400 to upgrade the Town website;
- \$19,500 to purchase a human resources management software;
- \$30,000 to install emergency preparedness projects and equipment;
- \$10,000 to purchase standing workstations for clerk's office;
- \$45,000 to fund consultants for studies, projects & council projects;
- \$19,000 to purchase electric car for economic development;
- \$28,860 to replace air bottles for fire department;
- \$249,500 to replace ambulance #3;
- \$50,000 to replacement of 2002 Chevy Tahoe for the fire department;
- \$34,000 to purchase 15 sets of turnout gear for the fire department;
- \$50,000 to purchase a response vehicle for North Scarborough Station;
- \$37,000 to purchase a generator for Baxter Memorial Library;
- \$130,000 to replace 2 police cruisers for the police department;
- \$42,000 to replace an unmarked detective's vehicle for police department;
- \$5,700 to purchase thermal monocular for police department;
- \$4,800 to purchase 10 sets of binoculars for police department;
- \$6,000 to purchase tasers and related equipment for police department;
- \$8,260 to purchase an accident reconstruction drone & related training for police department;
- \$165,000 to replace a 6-wheel plow truck for public works;
- \$150,000 to purchase municipal tractor for public works;



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

---

- \$50,000 to replace garage doors at the public works building;
- \$35,000 to install a facility gate for public works;
- \$15,000 to repair to cemetery wall;
- \$9,000 to repair the stairs at Old Robie School;
- \$15,000 to repair the old tennis courts at the former White Rock Elementary School;
- \$25,000 to fund a consultant to create a Mosher Brook Watershed Management Plan;
- \$75,000 to fund landfill monitoring & possible remediation;
- \$45,000 to upgrade computer/technology town-wide;
- \$25,000 to purchase a new server for the police department;
- \$35,000 to install door controls at public works;
- \$21,000 to install door controls at Baxter Memorial Library;
- \$9,500 to install lockdown controls at the Municipal Center;
- \$105,000 to replace the Town's internet fleet controls;
- \$1,000,082 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, 2021, the Town had a total of \$35,119,650 in outstanding general obligation debt. The Town's outstanding general obligation bonds as of June 30, 2021 were \$1,614,650 more than last fiscal year – an increase of 4.8%.

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 1.6% 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 certainly a challenge but the Town has done well with keeping this goal. The fiscal year 2022 budget is approximately \$4,525,220 below the Town's LD-1 property tax limit.

The Town's assessed value ratio as of April 1, 2021 is 83%; a decrease from the April 1, 2020 assessed value ratio, but well above the State required 70%.

The total assessed value as of April 1, 2021, was \$1,764,580,751; an increase of \$26,773,358 or 1.5% from the prior year, while the taxable value increased \$29,527,610 from \$1,649,917,050 to \$1,679,444,660. The Town of Gorham's tax rate, equal to \$19.40, increased by \$0.40 from fiscal year 2021.

The following are some of the highlights of the Town's fiscal year 2022 budget.

1. The property tax for Cumberland County increased by \$50,799 over fiscal year 2021. Every year the Town is obligated to collect property tax for the Cumberland County commitment. This year's increase is 3.8% or two cents to the mil rate.
2. There was additional staffing budgeted for the Town: a facilities coordinator position, and additional funding for per diem Fire/EMS positions to staff the 2<sup>nd</sup> ambulance 24/7.

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

---

3. Maintaining operating, employee costs and contractual obligations which continues to rise. In fiscal year 2021, much of the municipal budget was reduced or held despite expanding costs due to the unknowns of the pandemic. Utility expenses, employee-related benefits and contractual obligations have also steadily increased and always represent a significant portion of any new municipal budget.

The Education budget for fiscal year 2022 shows an increase in state subsidy of \$1,126,031 over the prior fiscal year's budget. The fiscal year 2022 budget includes \$330,000 for 0.5 adaptive PE teacher, 0.5 speech therapist, a K- ELL teacher, 2 special education teachers and a special education Ed Tech III. This budget also includes \$10,000 for SAT testing fees.

The Town's municipal appropriation is \$16,924,353, an increase of \$741,281 or 4.6% over fiscal year 2021. An increase in non-property tax revenue of \$333,450 and a \$16,523 decrease in the transfer in from the TIF fund resulted in a net appropriation of \$8,799,299, an increase of \$424,354 or 5.1%.

The Town's education budget is \$44,268,143, an increase of \$1,553,688 or 3.6%. The School Department saw an increase in non-property tax revenue of \$1,166,030 and an increase in use of fund balance of \$40,000. The net education appropriation for fiscal year 2022 is \$22,278,413, an increase of \$347,658 or 1.6%.

The County tax assessment increased by \$50,799, or 3.8%. The Town's state equalized valuation went from \$1,992,000,000 in 2020 to \$2,152,750,000 in 2021, a 8.1% 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***

*This page intentionally left blank.*

**TOWN OF GORHAM, MAINE**  
**Statement of Net Position**  
**June 30, 2021**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 26,494,256
Investments	7,430,874
Receivables:	
Accounts	402,085
Intergovernmental	2,007,646
Rescue (net of allowance of \$148,393)	262,047
Taxes - current year	601,999
Taxes - prior year	190,479
Tax liens	349,408
Notes	416,173
Tax acquired property	28,930
Performance bonds	6,416,516
Inventory	68,377
Prepaid expenses	73,653
Capital assets not being depreciated:	
Books/historical treasures/artwork	1,429,837
Land	6,230,261
Construction in progress	718,264
Capital assets net of accumulated depreciation:	
Buildings and improvements	34,845,935
Improvements other than buildings	5,001,469
Machinery and equipment	6,935,032
Infrastructure	22,396,895
Total assets	122,300,136
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	228,795
Deferred outflows of resources related to pensions	1,372,211
Deferred outflows of resources related to OPEB	1,165,531
Total deferred outflows of resources	2,766,537
<b>LIABILITIES</b>	
Accounts payable	1,020,091
Accrued wages and benefits	4,392,527
Performance bond deposits	7,479,793
Unearned revenues	56,776
Taxes collected in advance	106,608
Noncurrent liabilities:	
Due within one year	4,903,956
Due in more than one year	42,890,918
Total liabilities	60,850,669
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	192,145
Deferred inflows of resources related to OPEB	936,355
Total deferred inflows of resources	1,128,500
<b>NET POSITION</b>	
Net investment in capital assets	47,619,106
Restricted for:	
Grants and programs	3,181,123
Expendable	288,188
Nonexpendable	826,668
Unrestricted	11,172,419
<b>Total net position</b>	<b>\$ 63,087,504</b>

*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Governmental activities
Primary government:					
Governmental activities:					
General government	\$ 6,634,344	922,452	143,276	-	(5,568,616)
Public safety	5,572,679	906,453	206,435	-	(4,459,791)
Public works	6,023,288	2,151,183	232,156	123,359	(3,516,590)
Health and welfare	52,446	175	17,035	-	(35,236)
Recreation	1,678,806	1,020,495	-	-	(658,311)
Development	554,405	-	-	-	(554,405)
Education	51,280,930	560,490	30,227,698	-	(20,492,742)
Interest on debt	946,201	-	-	-	(946,201)
Total governmental activities	72,743,099	5,561,248	30,826,600	123,359	(36,231,892)
<b>Total primary government</b>	<b>72,743,099</b>	<b>5,561,248</b>	<b>30,826,600</b>	<b>123,359</b>	<b>(36,231,892)</b>
General revenues:					
Property taxes, levied for general purposes					31,331,706
Payment in lieu of taxes					45,193
Motor vehicle and boat excise taxes					4,145,726
Grants and contributions not restricted to specific programs:					
Homestead exemption					1,034,413
BETE reimbursement					635,827
Other State aid					36,145
State Revenue Sharing					1,746,817
Unrestricted investment earnings					133,883
Miscellaneous revenues					379,344
Gain on sale of property					30,157
Total general revenues					39,519,211
					Change in net position
					3,287,319
					Net position - beginning (restated)
					59,800,185
					<b>Net position - ending</b>
					<b>63,087,504</b>

*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	General	School Operations Fund	2021 School CIPS Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 17,812,122	-	5,357,836	3,324,298	26,494,256
Investments	6,149,573	-	-	1,281,301	7,430,874
Receivables:					
Accounts	135,851	-	-	266,234	402,085
Intergovernmental	605,001	4,511	-	1,398,134	2,007,646
Rescue (net of allowance of \$148,393)	262,047	-	-	-	262,047
Taxes - current year	601,999	-	-	-	601,999
Taxes - prior year	190,479	-	-	-	190,479
Tax liens	349,408	-	-	-	349,408
Notes	-	-	-	416,173	416,173
Interfund loans receivable	-	3,252,848	-	2,828,533	6,081,381
Tax acquired property	28,930	-	-	-	28,930
Performance bonds	6,416,516	-	-	-	6,416,516
Inventory	16,531	-	-	51,846	68,377
Prepaid expenditures	73,653	-	-	-	73,653
<b>Total assets</b>	<b>32,642,110</b>	<b>3,257,359</b>	<b>5,357,836</b>	<b>9,566,519</b>	<b>50,823,824</b>
<b>LIABILITIES</b>					
Accounts payable	555,937	49,444	91,240	112,243	808,864
Accrued wages and benefits	376,801	4,015,726	-	-	4,392,527
Interfund loans payable	4,289,323	-	385,921	1,406,137	6,081,381
Performance bond deposits	7,479,793	-	-	-	7,479,793
Taxes paid in advance	106,608	-	-	-	106,608
Unearned revenues	-	-	-	56,776	56,776
<b>Total liabilities</b>	<b>12,808,462</b>	<b>4,065,170</b>	<b>477,161</b>	<b>1,575,156</b>	<b>18,925,949</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	745,000	-	-	-	745,000
<b>Total deferred inflows of resources</b>	<b>745,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>745,000</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	73,653	-	-	-	73,653
Nonexpendable trust principal	-	-	-	826,668	826,668
Inventory	16,531	-	-	51,846	68,377
Restricted:					
General fund	371,243	-	-	-	371,243
Special revenue funds	-	-	-	2,758,034	2,758,034
Capital projects funds	-	-	4,880,675	2,203,248	7,083,923
Permanent funds	-	-	-	288,188	288,188
Committed:					
General fund	3,391,088	-	-	-	3,391,088
Special revenue funds	-	-	-	1,808,034	1,808,034
Assigned:					
FY22 capital funding	2,556,602	-	-	-	2,556,602
Compensated absences	619,350	-	-	-	619,350
Future general fund expenditures	785,626	-	-	-	785,626
Capital reserves/other purposes	1,748,450	-	-	-	1,748,450
Special revenue funds	-	-	-	85,916	85,916
Unassigned:					
General fund	9,526,105	-	-	-	9,526,105
Special revenue funds	-	(807,811)	-	(27,173)	(834,984)
Capital projects funds	-	-	-	(3,398)	(3,398)
<b>Total fund balances (deficit)</b>	<b>19,088,648</b>	<b>(807,811)</b>	<b>4,880,675</b>	<b>7,991,363</b>	<b>31,152,875</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 32,642,110</b>	<b>3,257,359</b>	<b>5,357,836</b>	<b>9,566,519</b>	<b>50,823,824</b>

**TOWN OF GORHAM, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

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 \$ 31,152,875

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. 228,795

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

Non-depreciable capital assets	8,378,362	
Depreciable capital assets, net	69,179,331	77,557,693

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

General obligation bonds	35,119,650	
Bond premium	794,816	
Finance purchases	2,167,784	
Net pension liability, including related deferred inflows and outflows of resources	531,166	
Compensated absences	1,324,468	
Accrued interest payable	211,227	
OPEB liabilities, including related deferred inflows and outflows of resources	6,447,748	(46,596,859)

Unavailable revenues - property taxes  
not reported on Statement 1 745,000

---

**Net position of governmental activities \$ 63,087,504**

*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, 2021**

	General	School Operations Fund	2021 School CIPS Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 34,649,584	-	-	1,010,026	35,659,610
Licenses and permits	766,012	-	-	-	766,012
Intergovernmental	4,040,904	23,944,045	-	6,283,653	34,268,602
Charges for services	2,576,418	209,685	-	1,502,795	4,288,898
Other revenues	576,242	-	3,105	582,949	1,162,296
<b>Total revenues</b>	<b>42,609,160</b>	<b>24,153,730</b>	<b>3,105</b>	<b>9,379,423</b>	<b>76,145,418</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	6,537,011	-	-	-	6,537,011
Public safety	4,973,679	-	-	162,223	5,135,902
Public works	3,988,017	-	-	1,174,758	5,162,775
Health and welfare	52,446	-	-	-	52,446
Recreation	1,717,617	-	-	19,906	1,737,523
Economic development	122,888	-	-	291,075	413,963
Public agencies	91,653	-	-	-	91,653
Unclassified	194,707	-	-	6,298	201,005
Education	-	43,833,742	-	5,715,596	49,549,338
Food services	-	-	-	756,515	756,515
<b>Debt service:</b>					
Principal	1,565,000	2,025,000	-	-	3,590,000
Interest and other charges	489,085	539,045	-	-	1,028,130
Capital maintenance	20,138	-	-	-	20,138
Capital improvements	-	820,355	476,807	660,865	1,958,027
<b>Total expenditures</b>	<b>19,752,241</b>	<b>47,218,142</b>	<b>476,807</b>	<b>8,787,236</b>	<b>76,234,426</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>22,856,919</b>	<b>(23,064,412)</b>	<b>(473,702)</b>	<b>592,187</b>	<b>(89,008)</b>
<b>Other financing sources (uses):</b>					
Issuance of finance purchases	-	820,355	-	-	820,355
Issuance of bonds	-	-	5,204,650	-	5,204,650
Bond premium	-	-	149,727	-	149,727
Transfers in	748,856	21,930,755	-	100,000	22,779,611
Transfers out	(21,930,755)	(100,000)	-	(748,856)	(22,779,611)
<b>Total other financing sources (uses)</b>	<b>(21,181,899)</b>	<b>22,651,110</b>	<b>5,354,377</b>	<b>(648,856)</b>	<b>6,174,732</b>
<b>Net change in fund balances</b>	<b>1,675,020</b>	<b>(413,302)</b>	<b>4,880,675</b>	<b>(56,669)</b>	<b>6,085,724</b>
<b>Fund balances (deficit), beginning of year (restated)</b>	<b>17,413,628</b>	<b>(394,509)</b>	<b>-</b>	<b>8,048,032</b>	<b>25,067,151</b>
<b>Fund balances (deficit), end of year</b>	<b>\$ 19,088,648</b>	<b>(807,811)</b>	<b>4,880,675</b>	<b>7,991,363</b>	<b>31,152,875</b>

*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, 2021**

Net change in fund balances - total governmental funds (from Statement 4)	\$	6,085,724
<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 capital outlays (\$3,596,297) was exceeded by depreciation expense (\$4,618,913) in the current period.		(1,022,616)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(115,000)
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.		(2,086,602)
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.		(78,517)
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.		375,835
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.		22,933
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.		189,147
<hr/>		
<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$</b>	<b>3,287,319</b>

*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis**  
**All Budgeted Governmental Funds**  
**For the year ended June 30, 2021**

	General Fund			Variance with final budget positive (negative)
	Budgeted amounts		Actual	
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 33,407,013	33,407,013	34,649,584	1,242,571
Licenses and permits	686,100	686,100	766,012	79,912
Intergovernmental	2,853,918	2,853,918	3,730,319	876,401
Charges for services	1,407,520	1,407,520	1,681,038	273,518
Other revenues	349,700	349,700	159,309	(190,391)
Total revenues	38,704,251	38,704,251	40,986,262	2,282,011
<b>Expenditures:</b>				
Current:				
General government	3,190,476	3,213,649	3,199,559	14,090
Public safety	4,634,164	4,643,696	4,629,700	13,996
Public works	2,986,867	2,998,769	2,894,524	104,245
Health and welfare	54,600	54,600	52,446	2,154
Recreation	993,811	999,689	958,938	40,751
Economic development	155,749	156,861	130,388	26,473
Insurances and employee benefits	2,911,852	2,916,075	2,460,043	456,032
Public agencies	98,762	98,762	91,653	7,109
Unclassified	337,434	281,614	207,882	73,732
Capital	35,000	35,000	20,138	14,862
Debt service	2,113,588	2,113,588	2,054,085	59,503
Total expenditures	17,512,303	17,512,303	16,699,356	812,947
Excess (deficiency) of revenues over (under) expenditures	21,191,948	21,191,948	24,286,906	3,094,958
<b>Other financing sources (uses):</b>				
Transfers to special revenue - School Operations fund	(21,930,755)	(21,930,755)	(21,930,755)	-
Transfers from special revenue - TIF fund	713,807	713,807	723,856	10,049
Transfers from capital projects - Public safety capital project fund	25,000	25,000	25,000	-
Transfer to reserve accounts	-	-	(2,545,080)	(2,545,080)
Total other financing sources (uses)	(21,191,948)	(21,191,948)	(23,726,979)	(2,535,031)
Net change in fund balances - budgetary basis	-	-	559,927	559,927
<b>Reconciliation to GAAP basis:</b>				
Change in restricted			4,549	
Change in committed			904,139	
Change in assigned			244,061	
Change in unassigned			(37,656)	
Net change in fund balance - GAAP basis			1,675,020	
Fund balance, beginning of year			17,413,628	
<b>Fund balance, end of year</b>	<b>\$</b>		<b>19,088,648</b>	

**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, 2021**

	Budgeted Special Revenue Funds			
	School Operations Fund			Variance with final budget positive (negative)
	Budgeted amounts		Actual	
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 19,987,730	19,987,730	20,039,405	51,675
Charges for services	135,970	135,970	209,685	73,715
Total revenues	20,123,700	20,123,700	20,249,090	125,390
<b>Expenditures:</b>				
Current:				
Regular instruction	18,924,568	18,924,568	18,879,648	44,920
Special education	6,848,935	6,848,935	6,597,290	251,645
Other instruction	966,522	966,522	896,789	69,733
Student and staff support	3,343,858	3,343,858	3,403,991	(60,133)
System administration	1,312,887	1,312,887	1,512,503	(199,616)
School administration	2,248,860	2,248,860	2,230,602	18,258
Transportation	1,985,181	1,985,181	1,997,461	(12,280)
Facilities maintenance	4,203,423	4,203,423	3,955,787	247,636
Adult education	316,176	316,176	239,964	76,212
Debt service	2,564,045	2,564,045	2,564,045	-
Total expenditures	42,714,455	42,714,455	42,278,080	436,375
Excess (deficiency) of revenues over (under) expenditures	(22,590,755)	(22,590,755)	(22,028,990)	561,765
<b>Other financing sources (uses):</b>				
Use of surplus	660,000	660,000	-	(660,000)
Transfers from - general fund	21,930,755	21,930,755	21,930,755	-
Transfer to other School funds	-	-	(100,000)	(100,000)
Total other financing sources (uses)	22,590,755	22,590,755	21,830,755	(760,000)
Net change in fund balance - budgetary basis	-	-	(198,235)	(198,235)
<b>Reconciliation to GAAP basis:</b>				
Change in accrued payroll			(237,768)	
Change in encumbrances			22,701	
Net change in fund balance			(413,302)	
Fund deficit, beginning of year			(394,509)	
<b>Fund deficit, end of year</b>	<b>\$</b>		<b>(807,811)</b>	

*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

		Scholarships Private-purpose Trust Funds
<b>ASSETS</b>		
Investments	\$	41,642
<b>Total assets</b>		<b>41,642</b>
<b>LIABILITIES</b>		
Due to others		-
<b>Total liabilities</b>		<b>-</b>
<b>NET POSITION</b>		
Held in trust	\$	<b>41,642</b>

*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2021**

		<b>Scholarships Private-purpose Trust Funds</b>
Additions:		
Investment income (loss)	\$	(486)
Total additions		(486)
Deductions:		
Scholarships awarded		600
Total deductions		600
Change in net position		(1,086)
Net position, beginning of year		42,728
<b>Net position, end of year</b>	<b>\$</b>	<b>41,642</b>

*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

---

**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.

The 2021 School CIPS Capital Project Fund accounts for the bond revenues and related expenditures for upgrades for Gorham Middle School and Narragansett School.

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:

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.

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.

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

---

---

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

---

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, 2021, 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.

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.

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

---

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

---

The following estimated useful lives are used to compute depreciation:

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

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

**J. Deferred Outflows/Inflows of Resources**

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

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.

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

---

---

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

---

**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 minimum of 20 days to a maximum of 40 days depending on the annual vacation accrual for employees. The monetary value of vacation leave accrued in excess of 35 days as of the last pay period in June, shall be deposited as an employer paid contribution into the employee's ICMA VantageCare Retirement Health Savings (RHS) account by the first pay period in July. 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.

**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.

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

---

---

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

---

**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 \$9,526,105 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 (\$807,811) and (\$30,571), respectively, as shown on Statement 3.

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

---

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

---

As of June 30, 2021, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
<b>General Fund:</b>				
Prepaid items	\$ 73,653	-	-	-
Inventory	16,531	-	-	-
FY22 capital funding	-	-	-	2,556,602
Future expenditures	-	-	-	785,626
Compensated absences	-	-	-	619,350
Capital reserves / other purposes	-	371,243	3,391,088	1,748,450
<b>Special Revenue Funds:</b>				
School grants	-	189,435	-	-
School donation	-	-	25,348	-
School lunch fund:				
Inventory	51,846	-	-	-
Food services	-	305,050	-	-
School activity funds	-	-	401,239	-
Public Safety activity funds	-	186,330	-	-
Sewer operations:				
Sewer operations	-	-	1,300,067	-
Sewer loan fund	-	-	80,496	-
Impact fees	-	610,436	-	-
Library	-	92,857	-	32,949
Recreation	-	7,260	-	-
TIF fund:				
Noncurrent receivable	-	416,173	-	-
TIFs	-	936,910	-	50,994
Miscellaneous	-	13,583	884	1,973
<b>Capital Project Funds:</b>				
Public safety building	-	38,102	-	-
Main Street road project	-	304,373	-	-
Industrial park	-	1,690,939	-	-
Great Falls Elementary school project	-	105,814	-	-
Narragansett School	-	64,020	-	-
2021 CIPS school bond	-	4,880,675	-	-
<b>Permanent Funds:</b>				
Nonexpendable trust principal	826,668	-	-	-
Expendable trust principal	-	288,188	-	-
<b>Total governmental funds</b>	<b>\$ 968,698</b>	<b>10,501,388</b>	<b>5,199,122</b>	<b>5,795,944</b>

**P. Pensions**

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

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

---

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

---

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

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

**R. Comparative Data/Reclassification**

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

---

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

---

**A. Budgetary Information**

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

**B. Excess of Expenditures over Appropriations**

For the year ended June 30, 2021, expenditures exceeded appropriations in the following Town General Fund departments and School Operations Fund cost centers as shown on Statement 6:

Student and staff support	\$ 60,133
System administration	199,616
Transportation	12,280

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 (\$807,811) at June 30, 2021. 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.

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

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

The School Grant Fund has a total deficit fund balance of (\$27,173). This comprise of the following grants:

Local entitlement	\$ 1,695	H1N1/Flu Vaccine Clinic	1,130
AEFLA	875	Laptop protection plan	22,862
Broadband Tech-Connect ME	542	Coronavirus relief fund – Adult Ed	1
GMS - Garden	68		

The School Capital Fund has a total deficit fund balance of (\$3,398) at June 30,2021 for the high school renovation and expansion.

**Note 3 – BUDGETARY VS. GAAP ACCOUNTING**

Through June 30, 2021, 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, 2021 – GAAP basis	\$ 19,088,648	(807,811)
Accrued teacher summer salaries	-	3,055,837
Accrued teacher summer health insurance	-	777,654
Accrued MEPERS wages	-	127,123
Encumbrances	(785,626)	(607,818)
<b>Fund balance, June 30, 2021 – budgetary basis</b>	<b>\$ 18,303,022</b>	<b>2,544,985</b>

\*The School Committee has approved \$700,000 of fund balance to reduce taxes for the 2022 fiscal year. This coupled with the \$607,818 in encumbrances results in a deficit fund balance of \$2,115,629. Per the Town’s fund balance policy, the deficit fund balance of \$2,115,629 is combined with the Town’s unassigned total of \$9,526,105, when preparing the 2023 budget.

**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 \$3,904,640.

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.



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

**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, 2021.

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, 2021. 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, 2021, the balance in this reserve account was \$31,500.

**Note 5 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

At June 30, 2021, cash consisted of the following:

	<b><u>Carrying amount</u></b>	<b><u>Bank balance</u></b>
Checking, savings, NOW, and certificates of deposit accounts:		
Government Funds	\$ 26,487,114	26,867,767
Petty Cash - governmental funds	1,595	-
Flex Plan - governmental funds	2,104	-
Postage machine balance - governmental funds	3,443	-
<b>Totals</b>	<b><u>\$ 26,494,256</u></b>	<b><u>26,867,767</u></b>

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's investment policy does not directly address custodial credit risk for deposits. As of June 30, 2021, \$385,825 of the Town's bank balances of \$26,867,767 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

**Note 5 - DEPOSITS AND INVESTMENTS, Continued**

**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, 2021, 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	\$ 910,398		Not applicable		910,398
U.S. treasuries	6,149,573	6,149,573	-	-	6,149,573
Money market accounts	240,553		Not applicable		Not applicable
Commercial paper	102,360	50,596	51,764	-	102,360
U.S. savings Bonds	4,304	4,304	-	-	4,304
Common stock	65,327		Not applicable		65,327
<b>Total Fair Value</b>	<b>\$ 7,472,515</b>	<b>6,204,473</b>	<b>51,764</b>	<b>-</b>	<b>7,231,962</b>

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

Out of the total \$7,472,515 in investments, \$7,430,874 is from investments in the governmental funds, while \$41,641 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, 2021, the Town had \$102,360 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, 2021, 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 \$7,472,515 in investments, \$1,150,951 were in mutual funds and money market accounts which were 100% collateralized by underlying securities held by the trust department of related bank, in the Town's name.

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

**Note 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	\$ 792,478	-	-	792,478
Tax liens	349,408	-	-	349,408
Accounts	135,851	-	266,234	402,085
Rescue (net of allowance of \$148,393)	262,047	-	-	262,047
Intergovernmental	605,001	4,511	1,398,134	2,007,646
Notes	-	-	416,173	416,173
<b>Net total receivables</b>	<b>\$ 2,144,785</b>	<b>4,511</b>	<b>2,080,541</b>	<b>4,229,837</b>

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>\$ 745,000</u>

**B. Property Taxes**

Property taxes for the current year were committed on August 20, 2020, 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 86% of the estimated State valuation of \$2,152,750,000.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$351,745 for the year ended June 30, 2021. 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.

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

**Note 6 – RECEIVABLES, Continued**

The following summarizes the 2021 and 2020 levies:

	<u>2021</u>	<u>2020</u>
Taxable Assessed Value	\$ 1,649,917,050	\$ 1,635,516,700
Tax Rate (per \$1,000)	<u>19.00</u>	<u>18.95</u>
Commitment	31,348,424	30,993,041
Supplemental Taxes Assessed	<u>40,458</u>	<u>61,350</u>
	31,388,882	31,054,391
Less: Abatements	51,654	12,873
Collections	<u>30,735,229</u>	<u>29,806,130</u>
Receivable at June 30, 2021 and 2020	<u><b>\$ 601,999</b></u>	<u><b>\$ 1,235,388</b></u>
Due Date(s)	½ 11/15/2020 ½ 05/15/2021	½ 11/15/2019 ½ 05/15/2020
Interest Rates on Delinquent Taxes	8.0%	8.0%
Collection Rate	98.0%	96.0%

Of the total taxes committed for the year ended June 30, 2021, 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 \$1,010,026.

**C. Notes Receivables**

At June 30, 2021, 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>
Wood Excavating	11/2015	\$100,000	5.0%	11/2035	4,008	77,800
Flagship New Portland Road LLC	6/2017	40,000	4.5%	6/2038	1,155	36,619
Southern Maine Firewood	10/2019	96,000	4.0%	10/2039	3,515	90,219
Pinecrest Hospitality Inc.	5/2020	15,000	8.0%	10/2028	787	14,213
Brave Soul	6/2020	10,000	2.5%	10/2025	1,358	8,642
All Around the World Travel LLC	6/2020	10,000	3.5%	10/2025	1,320	8,680
Hops & Vine	11/2020	25,000	2.5%	7/2029	3,451	25,000
Robert Woodman (Sync)	12/2020	45,000	2.5%	9/2036	3,451	45,000
Community Nutrition	6/2021	10,000	2.5%	11/2026	2,630	10,000
Sullivan House Bakery LLC	6/2021	100,000	2.5%	1/2032	16,969	100,000
						<u><b>\$416,173</b></u>

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

**Note 6 – RECEIVABLES, Continued**

Due to Covid-19, the Town Council allowed payment deferral on the revolving loans until September 1, 2020. Flagship New Portland Road LLC exercised this option, therefore the final maturity date has changed. On October 6, 2020, the Town Council allowed a first 6-month payment deferral on new revolving loans established between October 1, 2020 and June 30, 2021. Hops & Vine, Robert Woodman (Sync), Community Nutrition and Sullivan House Bakery LLC exercised this option.

**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.

Individual interfund loans receivable and payable balances at June 30, 2021 were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>
Governmental Funds:		
General Fund	\$ -	4,289,323
School Operations Fund	3,252,848	-
2021 School CIPS Capital Project Fund	-	385,921
Other governmental funds:		
Special revenue funds:		
School Grants Fund	-	1,092,039
School Donation Fund	25,348	-
School Lunch Fund	-	207,094
School activity funds	6,175	-
Sewer Operations Fund	1,035,007	-
Little Falls Sewer Reserve and Loan Fund	2,797	-
Impact Fees Fund	610,436	-
Library Fund	57,358	-
Recreation Fund	5,802	-
TIF Fund	986,773	-
Miscellaneous Fund	2,857	-
Capital project funds:		
2020 Industrial Park Project	-	95,273
Public Safety Building	-	8,333
Main Street	1,644	-
Great Falls Elementary School Project	36,028	-
Narragansett School Project	57,267	-
High School Renovation and Expansion	-	3,398

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

**Note 7 – INTERFUND ACCOUNTS, Continued**

Permanent funds:

Cemetery Perpetual Care	\$	920	-
Baxter Library and Museum		121	-
Total other governmental funds		2,828,533	1,406,137
<b>Totals</b>	<b>\$</b>	<b>6,081,381</b>	<b>6,081,381</b>

Interfund transfers during the year ended June 30, 2021 consisted of the following:

<u>Fund</u>		<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$	748,856	21,930,755
School Operations Fund		21,930,755	100,000
Special Revenue Funds:			
School Lunch		100,000	-
TIF Fund		-	723,856
Capital Project Funds:			
Public Safety Building		-	25,000
Total other governmental funds		100,000	748,856
<b>Totals</b>	<b>\$</b>	<b>22,779,611</b>	<b>22,779,611</b>

The transfers out comprised of the following:

1. From the General Fund: to provide the School Operations Fund with the local tax allocations for education (\$21,930,755)
2. From the School Operation Fund: to move funds budgeted to supplement the school lunch program (\$100,000)
3. 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 (\$723,856).
4. From the Capital Project Fund's Public Safety building: to allocate premium to general fund revenue that was budgeted to offset bond payment (\$25,000).

**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, 2021 was as follows:

	<b>Balance</b> <b>June 30, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b> <b>June 30, 2021</b>
<b>Governmental Activities:</b>				
Books/historical treasures/artwork	\$ 1,429,837	\$ -	\$ -	\$ 1,429,837
Land	6,230,261	-	-	6,230,261
Construction in progress	2,080,535	435,436	1,797,707	718,264
Total capital assets, not being depreciated	<u>9,740,633</u>	<u>435,436</u>	<u>1,797,707</u>	<u>8,378,362</u>
Land improvements	10,106,271	101,752	-	10,208,023
Buildings and building improvements	68,758,003	3,313,488	-	72,071,491
Machinery and equipment	3,476,531	78,922	13,251	3,542,202
Furniture and office equipment	4,603,978	48,579	36,663	4,615,894
Computer equipment	551,484	199,160	4,528	746,116
Vehicles	13,640,905	1,216,667	345,994	14,511,578
Infrastructure	48,426,489	-	-	48,426,489
Total capital assets being depreciated	<u>149,563,661</u>	<u>4,958,568</u>	<u>400,436</u>	<u>154,121,793</u>
Less accumulated depreciation for:				
Land improvements	4,823,704	382,850	-	5,206,554
Buildings and building improvements	35,211,294	2,014,262	-	37,225,556
Machinery and equipment	2,651,933	131,164	13,251	2,769,846
Furniture and office equipment	4,172,777	132,891	36,663	4,269,005
Computer equipment	502,529	19,478	4,528	517,479
Vehicles	8,424,116	846,306	345,994	8,924,428
Infrastructure	24,937,632	1,091,962	-	26,029,594
Total accumulated depreciation	<u>80,723,985</u>	<u>4,618,913</u>	<u>400,436</u>	<u>84,942,462</u>
Total capital assets being depreciated, net	<u>68,839,676</u>	<u>339,655</u>	<u>-</u>	<u>69,179,331</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 78,580,309</u></b>	<b><u>\$ 775,091</u></b>	<b><u>\$ 1,797,707</u></b>	<b><u>\$ 77,557,693</u></b>

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

Governmental activities:	
General government	\$ 215,391
Public safety	652,042
Public works, including depreciation of general infrastructure assets	1,358,859
Recreation	183,439
Education	<u>2,209,182</u>
<b>Total depreciation expense – governmental activities</b>	<b><u>\$4,618,913</u></b>

**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, 2021, 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, 2021 was as follows:

	<b>Beginning</b>			<b>Ending</b>	<b>Due Within</b>
	<b>Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b>	<b>One Year</b>
<b>Governmental activities:</b>					
General obligation bonds	\$ 33,505,000	5,204,650	3,590,000	35,119,650	4,219,650
Bond premium	787,670	149,727	142,581	794,816	157,554
Finance purchases	1,702,978	820,355	355,549	2,167,784	463,752
Compensated absences	1,245,951	252,440	173,923	1,324,468	63,000
Net pension liability	1,576,871	134,361	-	1,711,232	-
Other post-employment benefits	6,698,833	-	21,909	6,676,924	-
<b>Governmental activity long-term liabilities</b>	<b>\$ 45,517,303</b>	<b>6,561,533</b>	<b>4,283,962</b>	<b>47,794,874</b>	<b>4,903,956</b>

**C. Bonds and Notes Payable**

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

General obligation bonds currently outstanding at June 30, 2021 are comprised of the following:

	Interest	Original	Final	Balance	Due
General Obligation Bonds	Rate	Issue	Maturity	End of	Within
		Amount	Date	Year	One Year
<b>Governmental activities:</b>					
2021 School CIPS Bond	1.00%-2.00%	\$ 5,204,650	10/1/2030	5,204,650	\$524,650
2020 Industrial Park Bond	2.50-2.85%	5,900,000	10/1/2039	5,605,000	295,000
2020 Narragansett School Bond	1.72%	1,940,000	10/1/2035	1,940,000	130,000
2016 Advance Refunding (2010 Bond)	2.25-5.00%	11,480,000	10/1/2030	11,480,000	1,210,000
2016 Fire Truck Bond	2.00-5.00%	1,290,000	10/1/2036	1,030,000	65,000
2016 Main Street Bond	2.00-3.00%	600,000	12/1/2035	450,000	30,000
2016 School CIP Bond	2.00-3.00%	1,175,000	12/1/2035	875,000	60,000
2015 Public Safety Building Bond	2.00-3.25%	4,990,000	6/1/2035	3,490,000	250,000
2013 Fire Truck/Little Falls School Bond	2.00-4.00%	1,400,000	11/15/2033	805,000	85,000
2012 Advance Refunding Bond	2.00-3.50%	17,085,000	11/1/2024	4,240,000	1,570,000
<b>Total governmental activities</b>				<b>\$ 35,119,650</b>	<b>4,219,650</b>



**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>
2022	\$ 4,219,650	933,007	5,152,657
2023	4,210,000	796,299	5,006,299
2024	3,280,000	689,686	3,969,686
2025	3,115,000	603,155	3,718,155
2026	2,640,000	514,036	3,154,036
2027-2031	12,490,000	1,481,250	13,971,250
2032-2036	3,935,000	433,602	4,368,602
2037-2040	1,240,000	67,015	1,307,015
<b>Totals</b>	<b><u>\$ 35,129,650</u></b>	<b><u>5,518,050</u></b>	<b><u>40,647,700</u></b>

**D. Finance Purchases**

The Gorham School Department has entered into various finance purchase agreements as lessee for school buses, photocopiers, lighting and portable classrooms. 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, 2021:

	<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 (12)	\$ 1,210,500	123,010	671,123	37,448	633,675
Photocopiers	372,871	-*	223,723	-	223,723
LED Lighting Project	138,073	-*	121,394	7,552	113,842
Portable Classrooms	1,343,950	34,504	1,357,125	160,581	1,196,544
<b>Totals</b>	<b><u>\$ 3,065,394</u></b>	<b><u>157,514</u></b>	<b><u>2,373,365</u></b>	<b><u>205,581</u></b>	<b><u>2,167,784</u></b>

\* The LED lighting project and photocopier agreement does not result in capitalized assets as the assets acquired do not meet the capitalization threshold individually.

**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, 2021:

<u>Fiscal year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Lease Obligation</u>
2022	\$ 463,752	47,977	511,729
2023	428,932	44,338	473,270
2024	375,793	33,510	409,303
2025	197,240	24,873	222,113
2026	161,347	19,871	181,218
2027-2031	540,720	35,012	575,732
<b>Totals</b>	<b>\$ 2,167,784</b>	<b>205,581</b>	<b>2,373,365</b>

**E. Compensated Absences**

The Town's policy relating to compensated absences is described in Note 1, K. The long-term portion of this debt, amounting to \$1,324,468 for governmental activities at June 30, 2021, is expected to be paid in future years from future resources. The Town has estimated that out of the \$1,324,468, approximately \$63,000 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, 2021 are comprised of the following:

<u>Type of Leave</u>	<u>Governmental Activities</u>
Sick paid upon termination	\$ 705,118
Vacation	530,700
Compensatory time	<u>88,650</u>
<b>Total</b>	<b>\$ 1,324,468</b>

**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, 2021, the Town's State valuation of \$2,152,750,000 was 4.05% of the County's State valuation of \$53,139,300. The Town's share is 4.05% or \$1,351,875 of Cumberland County's \$33,370,194 long-term debt outstanding as of June 30, 2021.

The Town is also served by the Portland Water District. At June 30, 2021, the Town's share of self-supporting bonded water debt is 6.00% or \$3,285,523 of total debt of \$54,758,718.

**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 \$1,825,767, while Gorham’s share of the Westbrook sewer system debt is \$719,747. 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>Direct Debt</u>	<u>As of June 30, 2021</u> Overlapping <u>Debt</u>	<u>Total Debt</u>
Town of Gorham - general obligation bonds and notes payable	\$ 35,119,650	-	35,119,650
Town of Gorham - bond premiums	794,816	-	794,816
Town of Gorham – finance purchases	2,167,784	-	2,167,784
Cumberland County	-	1,351,875	1,351,875
Portland Water District - sewer shared with Town of Windham and City of Westbrook	-	2,545,514	2,545,514
Portland Water District - water debt	-	3,285,523	3,285,523
<b>Totals</b>	<b>\$ 38,082,250</b>	<b>7,182,912</b>	<b>45,265,162</b>

**B. Arbitrage**

Pursuant to the Tax Reform Act of 1986, municipalities issuing tax-exempt bonds or entering into note or lease obligations are required to perform an arbitrage rebate calculation upon the fifth anniversary of the obligation and to remit such rebate to the federal government, subject to certain exceptions. The Town has had several issues for which a rebate calculation is or has been required. As of June 30, 2021, 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, 2021, 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	\$ 785,626
School Operations Fund	607,818

**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, 2021, the Town had the following balances reported in the government-wide financial statements:

		<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
PLD Plan	\$	1,337,169	439,605	124,157	198,873
SET Plan		374,063	932,606	67,988	3,957,315
<b>Total</b>	<b>\$</b>	<b>1,711,232</b>	<b>1,372,211</b>	<b>192,145</b>	<b>4,156,188</b>

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.maineipers.org](http://www.maineipers.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, 2021, was 10.1% of annual payroll for the regular plan and 12.9% of annual payroll for the special plan. Contributions to the pension plan from the Town were \$287,055 for the year ended June 30, 2021.

**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, 2021, 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 \$913,058 for the year ended June 30, 2021.

***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, 2020, 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, 2021, the Town reported a liability of \$1,337,169 for its proportionate share of the net pension liability. At June 30, 2020, the Town's proportion of the PLD Plan was 0.3366%.

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

**Note 11 – NET PENSION LIABILITY, Continued**

**SET Plan** - At June 30, 2021, 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	\$ 374,063
State’s proportionate share of the net pension liability	
associated with the Town	25,654,419
<b>Total</b>	<b>\$ 26,028,482</b>

At June 30, 2020, the Town’s proportion of the SET Plan was 0.0229%.

For the year ended June 30, 2021, the Town recognized pension expense of \$198,873 for the PLD Plan. At June 30, 2021, 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	\$ 65,539	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	87,011	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	124,157
Town contributions subsequent to the measurement date	287,055	-
<b>Total</b>	<b>\$ 439,605</b>	<b>124,157</b>

\$287,055 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, 2022. 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:

2022	\$ (106,701)
2023	(12,883)
2024	73,907
2025	74,070

For the year ended June 30, 2021, the Town recognized pension expense of \$3,957,315 for the SET Plan with revenue of \$3,145,222 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, 2021, 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	\$ 4,040	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	15,508	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	67,988
Town contributions subsequent to the measurement date	913,058	-
<b>Total</b>	<b>\$ 932,606</b>	<b>67,988</b>

\$913,058 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, 2022. 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:

2022	\$ (42,131)
2023	(33,703)
2024	13,768
2025	13,626

**Actuarial Assumptions** - The total pension liability in the June 30, 2020 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% plus merit	2.75% plus merit
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, 2020 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, 2020 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%	7.2%
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 the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

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

<u>PLD Plan</u>	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town’s proportionate share of the net pension liability	\$ 2,810,189	1,337,169	131,394
 <u>SET Plan</u>	 1% Decrease (5.75%)	 Current Discount Rate (6.75%)	 1% Increase (7.75%)
Town’s proportionate share of the net pension liability	\$ 648,735	374,063	145,130



**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, 2021.

**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 \$178,417 for the year ended June 30, 2021, and \$192,226 for the year ended June 30, 2020. 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 \$544,296 including F.I.C.A. and Medicare to the Social Security Retirement Program on behalf of Town employees for the year ended June 30, 2021 and \$512,314 for the year ended June 30, 2020.

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 \$612,279 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, 2021 and \$554,598 for the year ended June 30, 2020.

**Note 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) – AGGREGATE OF LIFE AND HEALTH INSURANCE**

The Town contributes to four postemployment defined benefit plans, (1) the Town’s retiree health plan (Town 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, 2021, 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	\$ 1,041,368	16,103	338,328	34,287
School Life Insurance Plan	-	-	-	101,159
Town Life Insurance Plan	120,010	19,612	76,032	(124,555)
School Health Plan	5,515,546	1,129,816	521,995	(324,806)
<b>Total</b>	<b>\$ 6,676,924</b>	<b>1,165,531</b>	<b>936,355</b>	<b>313,915</b>

**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.maineipers.org](http://www.maineipers.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 \$2,039 for the year ended June 30, 2021.

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 \$101,159 for the year ended June 30, 2021. 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, 2020, 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, 2021, the Town reported a liability of \$120,010 for its proportionate share of the net OPEB liability. At June 30, 2020, the Town's proportion was 0.9097%.

SET OPEB Plan - At June 30, 2021, 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 \$900,916 as of June 30, 2021. At June 30, 2020, 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, 2021, the Town recognized OPEB gain of \$124,555 for the PLD OPEB Plan. For the year ended June 30, 2021, the Town recognized OPEB expense of \$101,159 and also revenues of \$101,159 for support provided by the State related to the SET OPEB plan. At June 30, 2021, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan.

At June 30, 2021, 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	\$ 14,816	-
Changes of assumptions	-	73,036
Net difference between projected and actual earnings on OPEB plan investments	-	2,996
Changes in proportion and differences between Town contributions and proportionate share of contributions	2,757	-
Town contributions subsequent to the measurement date	2,039	-
<b>Total</b>	<b>\$ 19,612</b>	<b>76,032</b>

An amount of \$2,039 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, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>	
2022	\$ (15,931)
2023	(14,110)
2024	(4,940)
2025	(11,186)
2026	(12,292)

**Actuarial Assumptions** - The net OPEB liability in the June 30, 2020 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, 2020 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%

The rate used to measure the net OPEB liability for the PLD and 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 6.75%, 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 (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability	\$ 161,631	120,010	86,556

**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.

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

**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 January 1, 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.

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

The Town’s total Health Plan OPEB liability of \$1,041,368 was measured as of January 1, 2021, 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, 2020	\$ 936,854
Changes for the year:	
Service Cost	39,948
Interest	26,463
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	60,269
Benefit payments	(22,166)
Net changes	104,514
Balance at June 30, 2021	\$ 1,041,368

Change in assumptions reflects a change in the discount rate from 2.74% to 2.12%.

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

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$34,287 related to the Health Plan. At June 30, 2021, 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	\$ -	314,060
Changes of assumption or other inputs	-	24,268
Contributions subsequent to measurement date	16,103	-
Total	\$ 16,103	338,328

An amount of \$16,103 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, 2022. 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:		
2022	\$	(73,352)
2023		(73,352)
2024		(73,352)
2025		(73,344)
2026		(32,617)
Thereafter		(12,311)

**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	2.12%
Healthcare cost trend rates	8.55% for 2020, decreasing to 3.28% 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 2.12%. 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.

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

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

**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 2.12%, 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 (1.12%) or 1 percentage-point higher (3.12%) than the current rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ 1,207,669	1,041,368	905,766

**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	\$ 899,416	1,041,368	1,234,837

**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	97
Inactive employee entitled to but not yet receiving benefits	-
Active employees	366
Total	463

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

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

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

The Town’s total OPEB liability of \$5,515,546 was measured as of June 30, 2020, and was determined by an actuarial valuation as that date.

*Changes in the Total OPEB Liability*

Balance at June 30, 2020	\$	5,569,191
Changes for the year:		
Service Cost		71,171
Interest		193,176
Changes of benefit terms		(524,475)
Differences between expected and actual experience		(596,566)
Changes in assumptions or other inputs		1,047,264
Benefit payments		(244,215)
Net changes		<u>(53,645)</u>
Balance at June 30, 2021	\$	<u>5,515,546</u>

Change in assumptions reflects a change in the discount rate from 3.50% to 2.21%. Changes of benefit terms relate to the implementation of the Medicare Advantage plan.

For the year ended June 30, 2021, The Town recognized OPEB gain of \$324,806. At June 30, 2021, 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
Difference between expected & actual experience	\$	-	521,995
Changes of assumption or other inputs		999,048	-
Town contributions subsequent to measurement date		130,768	-
Total	\$	<u>1,129,816</u>	<u>521,995</u>

\$130,768 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, 2022. 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:	
2022	\$ 66,090
2023	66,090
2024	66,090
2025	66,093
2026	100,014
Thereafter	112,676



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

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

**Actuarial Assumptions** - The total OPEB liability in the June 30, 2020 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	2.00%
Salary increases	2.75% per year
Discount rate	2.21% per annum
Healthcare cost trend rates - Non-Medicare	6.21% for 2021 grading over 19 years to 3.25%
Healthcare cost trend rates - Medicare	0.00% for 2021 grading over 19 years to 3.25%
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 2.21% 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.

**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 2.21%, 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 (1.21%) or 1 percentage-point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 6,558,805	5,515,546	4,682,671

**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	\$ 4,580,679	5,515,546	6,724,790

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

**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, 2021 includes total assets of \$70,308,100 and total liabilities of \$21,406,572 and unrestricted net position of \$18,438,342. The liabilities include an accrual for landfill closure and postclosure care amounting to \$15,619,055. 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 2021 with 2020 information provided for comparison:

	<u>2021</u>	<u>2020</u>	<u>\$ Chg</u>	<u>% Chg</u>
Capital assets	\$162,500,155	\$159,304,294	\$ 3,195,861	2.0%
Accumulated depreciation	(84,942,462)	(80,723,985)	(4,218,477)	5.2%
Deferred charge on refunding	228,795	312,380	(83,585)	-26.8%
Bonds payable (includes premium)	(35,914,466)	(34,292,670)	(1,621,796)	4.7%
Finance purchase	(2,167,784)	(1,702,978)	(464,806)	27.3%
Add back non capitalized finance purchases	345,117	223,723	121,394	54.26%
Add back unspent bond proceeds	<u>7,569,751</u>	<u>2,945,915</u>	<u>4,623,836</u>	157.0%
<b>Net investment in capital assets</b>	<b><u>\$ 47,619,106</u></b>	<b><u>\$ 46,066,679</u></b>	<b><u>\$ 1,552,427</u></b>	<b>3.4%</b>

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

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

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

**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 1<sup>st</sup> preceding the date of designation of each such district cannot exceed 5% of the municipality’s total value of equalized taxable property, excluding from this limit any district involving project costs in excess of \$10,000,000, the geographic area of which consists entirely of contiguous property owned by a single taxpayer with an assessed value in excess of 10% of the municipality’s total assessed value.

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

Below is a summary of the TIF activity for fiscal year ended June 30, 2021:

<b>FY2021 TIF Activity</b>			
	<b>Developer's Share</b>	<b>Town Share</b>	<b>TIF District Total</b>
<b>ODAT - Grondin District</b>			
ODAT	\$ 26,097	26,096	52,193
Grondin Properties	-	158,574	158,574
Subtotal:	26,097	184,670	210,767
<b>Pettingill-Ross District</b>			
Pettingill Ross	-	15,746	15,746
<b>Gorham County Road District</b>			
Gorham County Road LLC	10,213	-	10,213

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

---

**Note 20 - TAX INCREMENT FINANCING DISTRICT, Continued**

---

<b>Nappi District</b>			
Nappi Distributors	\$	89,817	172,725
<b>Olde Canal Business Park</b>			
Olde Canal		37,114	77,321
<b>Martin's Point</b>			
Martin's Point		29,108	58,216
<b>Sebago Brewing</b>			
Sebago Brewing		29,613	59,226
<b>49 Raceway Drive</b>			
49 Raceway Drive		61,636	112,066
<b>Village (Downtown)</b>			
Village (Downtown)		-	293,746
<b>Total TIF Financing Plan Amount</b>	<b>\$</b>	<b>283,598</b>	<b>1,010,026</b>

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

The Town had nine approved Tax Increment Financing Districts as of June 30, 2021. For fiscal year 2021, the Town captured \$1,010,026 in TIF tax revenues and disbursed \$283,598 in C.E.A. payments to seven developers. The remaining \$726,428 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 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 2021 from this C.E.A. agreement totaled \$89,817.

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 2021 from this C.E.A. agreement totaled \$37,114.

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

---

**Note 20 - TAX INCREMENT FINANCING DISTRICT, Continued**

---

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 2021 from this C.E.A. agreement totaled \$29,108.

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 2021 from this C.E.A. agreement totaled \$29,613.

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. The total tax abatement granted in fiscal year 2021 from this C.E.A. agreement totaled \$61,636.

---

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

---

For the fiscal year ended June 30, 2021, the Town has elected to implement Statement No. 84 of the Government Accounting Standards Board – *Fiduciary Activities*. As a result of implementing GASB Statement No. 84, the Town has restated beginning fund balance in the non-major governmental funds to account for certain activities that were previously reported as fiduciary funds. Fund balance increased in the non-major governmental funds as of July 1, 2020 by \$479,204.

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

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

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>				
Service cost	\$ 39,948	34,673	39,091	40,376
Interest	26,463	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	60,269	15,412	(102,269)	(49,292)
Benefit payments	(22,166)	(42,465)	(40,832)	(47,987)
<b>Net change in total OPEB Liability</b>	<b>104,514</b>	<b>(202,520)</b>	<b>(62,033)</b>	<b>(276,949)</b>
Total OPEB liability - beginning	936,854	1,139,374	1,201,407	1,478,356
Total OPEB liability - ending	\$ 1,041,368	936,854	1,139,374	1,201,407
Covered-employee payroll	\$ 4,612,795	4,612,795	4,317,608	4,317,608
Total OPEB liability as a percentage of covered-employee payroll	22.58%	20.31%	26.39%	27.82%

\* Only four years of information available.

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

	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total OPEB Liability</b>			
Service cost	\$ 71,171	60,366	64,293
Interest	193,176	199,964	191,672
Changes of benefit terms	(524,475)	-	-
Differences between expected and actual experience	(596,566)	-	-
Changes of assumptions or other inputs	1,047,264	305,745	(237,472)
Benefit payments	(244,215)	(205,158)	(198,067)
<b>Net change in total OPEB Liability</b>	<b>(53,645)</b>	<b>360,917</b>	<b>(179,574)</b>
Total OPEB liability - beginning	5,569,191	5,208,274	5,387,848
Total OPEB liability - ending	\$ 5,515,546	5,569,191	5,208,274
Covered-employee payroll	\$ 17,128,582	17,474,490	17,006,803
Total OPEB liability as a percentage of covered-employee payroll	32.20%	31.87%	30.62%

\* Only three 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\*

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b><u>PLD OPEB Plan</u></b>				
Town's proportion of the net OPEB liability	0.91%	0.90%	0.93%	0.82%
Town's proportionate share of the net OPEB liability	\$ 120,010	192,788	186,633	148,746
Town's covered payroll	1,712,933	1,826,577	1,846,541	1,781,967
Town's proportionate share of net OPEB liability as a percentage of its covered payroll	7.01%	10.55%	10.11%	11.98%
Plan fiduciary net position as a percentage of the total OPEB liability	55.40%	43.18%	43.92%	47.42%
<b><u>SET OPEB Plan</u></b>				
Town's proportion of the net OPEB liability	0.00%	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	900,916	867,198	843,979	771,655
Total	\$ 900,916	867,198	843,979	771,655
Plan fiduciary net position as a percentage of the total OPEB liability	49.51%	49.22%	48.04%	47.29%

\* Only four 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\*

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b><u>PLD OPEB Plan</u></b>				
Contractually required contribution	\$ 2,039	3,149	2,792	1,862
Contributions in relation to the contractually required contribution	(2,039)	(3,149)	(2,792)	(1,862)
Contribution deficiency (excess)	-	-	-	-
Town's covered payroll	\$ 2,239,900	1,712,933	1,826,577	1,846,541
Contributions as a percentage of covered payroll	0.09%	0.18%	0.15%	0.10%

\* Only four 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>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
<b>PLD Plan</b>							
Town's proportion of the net pension liability	0.3366%	0.3749%	0.4015%	0.4226%	0.4857%	0.5451%	0.6508%
Town's proportionate share of the net pension liability	\$ 1,337,169	\$ 1,146,079	\$ 1,098,780	\$ 1,730,314	\$ 2,580,562	\$ 1,739,229	\$ 1,001,423
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
Town's proportion share of the net pension liability as a percentage of its covered payroll	78.06%	62.74%	59.50%	97.10%	122.04%	83.84%	46.36%
Plan fiduciary net position as a percentage of the total pension liability	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%
<b>SET Plan</b>							
Town's proportion of the net pension liability	0.0229%	0.0294%	0.0299%	0.0340%	0.0352%	0.0339%	0.0415%
Town's proportionate share of the net pension liability	374,063	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	25,654,419	22,598,249	20,482,449	21,227,184	25,355,628	19,001,327	14,819,750
<b>Total</b>	<b>\$26,028,482</b>	<b>\$ 23,029,041</b>	<b>\$ 20,886,472</b>	<b>\$ 21,721,671</b>	<b>\$ 25,976,786</b>	<b>\$ 19,458,734</b>	<b>\$ 15,267,968</b>
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
Town's proportionate share of the net pension liability as a percentage of its covered payroll	1.81%	2.15%	2.12%	2.73%	3.60%	2.77%	2.82%
Plan fiduciary net position as a percentage of the total pension liability	81.03%	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 seven years of information available



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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><u>PLD Plan</u></b>								
Contractually required contribution	\$ 287,055	217,396	229,363	222,864	200,984	229,391	222,645	215,650
Contributions in relation to the required contractually required contribution	(287,055)	(217,396)	(229,363)	(222,864)	(200,984)	(229,391)	(222,645)	(215,650)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<hr/>								
Town's covered payroll	\$ 2,239,900	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	12.82%	12.69%	12.56%	12.07%	11.28%	11.20%	10.73%	9.98%
<b><u>SET Plan</u></b>								
Contractually required contribution	\$ 913,058	859,989	796,840	755,014	607,674	579,457	437,139	419,332
Contributions in relation to the contractually required contribution	(913,058)	(859,989)	(796,840)	(755,014)	(607,674)	(579,457)	(437,139)	(419,332)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<hr/>								
Town's covered payroll	\$ 21,948,511	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%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%	2.65%

\* Only eight 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>2020</u>	<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%	6.75%	6.875%	7.125%	7.25%	7.25%
Discount rate - SET	6.75%	6.75%	6.75%	6.875%	7.125%	7.13%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases - PLD	2.75% + merit	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% + merit	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%	1.91%	2.20%	2.20%	2.55%	3.12%	3.12%
Cost of living increases - SET	2.20%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - SET	6.75%	6.75%	6.750%	6.875%
Discount rate - PLD	6.75%	4.98%	5.13%	5.41%

**Total OPEB Liability**

**Changes of Benefit Terms** - In fiscal year 2021, MEABT moved the Medicare Companion Plan to a Medicare Advantage Plan.

**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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - Town's Health Plan	2.12%	2.74%	4.10%	3.44%	3.78%
Discount rate - School's Health Plan	2.21%	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, 2021 and 2020**

	2021	2020
<b>ASSETS</b>		
Cash	\$ 17,812,122	16,678,342
Investments	6,149,573	6,143,862
Receivables:		
Accounts	135,851	162,328
Intergovernmental	605,001	760,968
Rescue (net of allowance of \$148,393 and \$136,916)	262,047	243,405
Taxes - current year	601,999	1,235,388
Taxes - prior year	190,479	159,641
Tax liens	349,408	312,066
Notes	-	203
Tax acquired property	28,930	28,930
Performance bonds	6,416,516	4,227,626
Inventory	16,531	36,912
Prepaid expenditures	73,653	21,558
	<b>32,642,110</b>	<b>30,011,229</b>
<b>LIABILITIES</b>		
Accounts payable	555,937	401,935
Accrued wages and benefits	376,801	339,933
Interfund loans payable	4,289,323	5,621,614
Taxes paid in advance	106,608	83,194
Performance bond deposits	7,479,793	5,290,925
	<b>12,808,462</b>	<b>11,737,601</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	745,000	860,000
	<b>745,000</b>	<b>860,000</b>
<b>FUND BALANCE</b>		
Nonspendable:		
Noncurrent receivables	-	203
Prepaid items	73,653	21,558
Inventory	16,531	36,912
Restricted for:		
General government purposes	51,728	47,969
Public safety operations	126,740	136,407
Public works operations	187,275	196,283
Recreation operations	5,500	5,549
Committed to:		
General government purposes	1,391,670	938,362
Public safety operations	167,574	114,491
Public works operations	1,279,361	889,620
Recreation operations	552,483	544,476
Assigned to:		
Encumbrances	785,626	576,266
Designated for FY22 and FY21 capital budget	2,556,602	2,256,931
General government purposes	275,902	318,103
Public safety operations	256,098	239,367
Public works operations	175,367	220,008
Recreation operations	293,467	171,527
Economic development	61,880	51,686
Insurance and employee benefits	1,304,118	1,331,720
Other purposes	968	688
Unassigned	9,526,105	9,315,502
	<b>19,088,648</b>	<b>17,413,628</b>
	<b>\$ 32,642,110</b>	<b>30,011,229</b>

**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, 2021**  
**(with comparative actual amounts for the year ended June 30, 2020)**

	2021		Variance positive (negative)	2020 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 29,965,013	30,321,680	356,667	30,439,441
Change in unavailable property tax revenue	-	115,000	115,000	10,100
Excise taxes	3,382,000	4,145,726	763,726	3,981,606
Interest and costs on taxes	60,000	67,178	7,178	56,084
Total taxes	33,407,013	34,649,584	1,242,571	34,487,231
Licenses and permits:				
Building permits	325,000	354,097	29,097	520,203
Plumbing/electrical fees	38,000	25,843	(12,157)	32,524
Motor vehicle renewal fees	45,000	66,702	21,702	55,820
Town clerk fees	54,600	92,428	37,828	46,534
Cable TV franchise fee	215,000	213,680	(1,320)	214,286
Code fees	6,200	10,582	4,382	8,050
Other	2,300	2,680	380	2,276
Total licenses and permits	686,100	766,012	79,912	879,693
Intergovernmental:				
FEMA Reimbursement	-	-	-	1,556
State revenue sharing	850,000	1,746,817	896,817	1,288,868
Highway block grant	230,000	220,956	(9,044)	236,468
Human services assistance	10,500	17,035	6,535	10,040
Homestead exemption	1,034,413	1,034,413	-	748,076
BETE reimbursement	635,505	635,827	322	592,272
Other state grants	36,500	36,145	(355)	38,461
Other agencies	44,500	26,626	(17,874)	44,670
University of Southern Maine assistance	12,500	12,500	-	12,500
Total intergovernmental	2,853,918	3,730,319	876,401	2,972,911
Charges for services:				
Police fees, fines and outside work	19,500	13,091	(6,409)	18,159
Fire and rescue fees	582,100	604,206	22,106	529,414
Subdivision/development fees	27,500	55,488	27,988	32,220
Sewer inspection fees	5,000	1,680	(3,320)	4,022
Miscellaneous code/assessing	350	185	(165)	479
Miscellaneous public works	1,700	845	(855)	629
Solid waste user charges	520,000	744,003	224,003	632,718
Recreation fees	207,120	186,190	(20,930)	194,106
Payment in lieu of taxes	44,250	45,193	943	45,193
Sale of town property	-	30,157	30,157	-
Total charges for services	1,407,520	1,681,038	273,518	1,456,940

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

	2021		Variance positive (negative)	2020 Actual
	Budget	Actual		
Revenues, continued:				
Other revenues:				
Cemetery income	\$ 9,000	10,668	1,668	11,691
Interest on investments	225,000	32,133	(192,867)	190,506
Rent	95,700	95,237	(463)	95,891
Senior mealsite	9,000	175	(8,825)	5,375
Miscellaneous	11,000	21,096	10,096	1,979
Total other revenues	349,700	159,309	(190,391)	305,442
Total revenues	38,704,251	40,986,262	2,282,011	40,102,217
Expenditures:				
Current:				
General government:				
Administration	553,689	553,463	226	553,758
Technology	185,533	184,312	1,221	156,819
Town Clerk	287,650	284,846	2,804	262,402
Planning	251,685	250,800	885	218,824
Assessing	189,096	185,851	3,245	181,920
Code enforcement	172,615	169,639	2,976	168,255
Gorham municipal center	244,150	241,417	2,733	231,766
Total general government	1,884,418	1,870,328	14,090	1,773,744
Public safety:				
Police department	2,102,514	2,099,196	3,318	1,966,964
Fire/Rescue department	1,844,201	1,844,116	85	1,857,922
Central Fire Station	89,907	89,869	38	90,312
Police Station	61,230	58,130	3,100	60,658
Public utilities	154,820	147,584	7,236	155,242
Public safety contract services	391,024	390,805	219	380,337
Total public safety	4,643,696	4,629,700	13,996	4,511,435
Public works:				
Public works maintenance	1,910,413	1,821,255	89,158	1,795,025
Stormwater compliance	74,074	70,966	3,108	69,405
Solid waste removal	982,350	976,760	5,590	886,962
Cemeteries	31,932	25,543	6,389	27,958
Total public works	2,998,769	2,894,524	104,245	2,779,350
Health and welfare:				
Welfare	54,000	51,846	2,154	41,991
Health council	600	600	-	600
Total health and welfare	54,600	52,446	2,154	42,591

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

	2021		Variance positive (negative)	2020 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Recreation:				
Baxter Memorial Library	\$ 501,673	493,397	8,276	514,554
Baxter Museum	5,653	278	5,375	2,351
Recreation	389,370	362,912	26,458	341,834
Middle School Softball Field	9,787	9,746	41	9,427
Little Falls Rec Area	25,132	24,632	500	24,382
Old Robie School	20,025	19,989	36	17,527
Little Falls School	36,585	36,565	20	35,760
Robie Gym	11,464	11,419	45	10,651
Total recreation	999,689	958,938	40,751	956,486
Economic development	156,861	130,388	26,473	75,125
Insurances:				
Multi peril policy	145,500	143,769	1,731	138,099
Public liability	11,500	9,897	1,603	9,391
Total insurances	157,000	153,666	3,334	147,490
Employee benefits:				
Direct unemployment compensation	8,000	5,051	2,949	3,498
Worker's compensation	283,591	251,249	32,342	262,067
Retirement	468,158	394,500	73,658	365,405
Major medical insurance	1,485,230	1,140,810	344,420	1,129,121
Social security	512,696	503,732	8,964	468,930
Group life insurance	1,400	1,035	365	1,027
Other employee benefits	-	10,000	(10,000)	-
Total employee benefits	2,759,075	2,306,377	452,698	2,698,979
Public agencies:				
Parks and conservation	2,000	2,000	-	293
G.P.C.O.G./PACTS	32,762	26,210	6,552	32,762
MMA	18,000	17,443	557	17,172
North Gorham Library	11,000	11,000	-	11,000
Metro	35,000	35,000	-	35,000
Total public agencies	98,762	91,653	7,109	96,227
Unclassified:				
Gorham cable TV	104,678	104,118	560	97,692
Senior Mealsite	23,500	2,000	21,500	8,812
Memorial Day	2,500	1,986	514	1,524
New Years Gorham	8,500	-	8,500	-
Contingency	68,136	30,309	37,827	30,000
Town Clock	900	900	-	900
Lions Flags	900	2,319	(1,419)	1,045
Senior tax relief	63,000	56,750	6,250	55,650
Gorham village alliance	5,000	5,000	-	10,000
Sno-Goers	4,500	4,500	-	4,500
Total unclassified	281,614	207,882	73,732	210,123

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

	2021		Variance positive (negative)	2020 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Intergovernmental - County tax	\$ 1,329,231	1,329,231	-	1,238,053
Debt service (excluding education):				
Principal	1,565,000	1,565,000	-	1,348,125
Interest	548,588	489,085	59,503	420,272
Total debt service	2,113,588	2,054,085	59,503	1,768,397
Capital:				
Capital improvements	35,000	20,138	14,862	2,000
Total capital	35,000	20,138	14,862	2,000
Total expenditures	17,512,303	16,699,356	812,947	16,300,000
Excess (deficiency) of revenues over (under) expenditures	21,191,948	24,286,906	3,094,958	23,802,217
Other financing sources (uses):				
Transfers to special revenue -				
School Operations Fund	(21,930,755)	(21,930,755)	-	(21,661,925)
Transfers in from special revenue -				
TIF fund	713,807	723,856	10,049	251,032
Transfers in from capital projects -				
Public safety capital project fund	25,000	25,000	-	85,984
Transfer to reserve accounts	-	(2,545,080)	(2,545,080)	(1,503,839)
Total other financing uses	(21,191,948)	(23,726,979)	(2,535,031)	(22,828,748)
Net change in fund balances - budgetary basis	-	559,927	559,927	973,469
Reconciliation to GAAP basis:				
Change in restricted		4,549		29,442
Change in committed		904,139		(399,025)
Change in assigned		244,061		(93,885)
Change in unassigned		(37,656)		103,881
Net change in fund balance - GAAP basis		1,675,020		613,882
Fund balance, beginning of year		17,413,628		16,330,815
<b>Fund balance, end of year</b>	<b>\$</b>	<b>19,088,648</b>		<b>17,413,628</b>



**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, 2021**

			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	gg	oth	\$ 6,265	-	-	-	1,500	-	1,841	5,924
Skate park	gg	oth	-	-	-	-	1,000	-	-	1,000
Safety grant	gg	int	855	-	-	-	-	373	482	-
Keep ME healthy grant	gg	int	-	-	-	-	135,123	-	135,123	-
Septic Loans Grant	gg	oth	6,000	-	-	-	-	6,000	-	-
COVID-19 CDBG grant	gg	int	-	-	-	-	8,153	-	8,153	-
Heating assistance	gg	oth	3,356	-	-	-	10,650	-	265	13,741
Ctr Tch/Civic grant	gg	oth	-	-	-	-	5,302	-	5,302	-
South Street sewer project	gg	oth	30,000	-	-	-	-	-	-	30,000
Employee wellness program	gg	int	1,493	-	-	-	-	-	430	1,063
<b>Total general government purposes</b>			<b>47,969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161,728</b>	<b>6,373</b>	<b>151,596</b>	<b>51,728</b>
Public safety operations:										
D.A.R.E.	ps	oth	(316)	-	-	-	6,309	-	2,809	3,184
Little Falls substation	ps	oth	166	-	-	-	-	-	-	166
Drug forfeiture	ps	int	23,227	-	-	-	7,459	-	2,183	28,503
e-Citation grant	ps	int	-	-	-	-	6,260	-	6,260	-
DRE/LEPT grant	ps	int	-	-	-	-	6,428	-	6,428	-
Distracted driver grant	ps	int	-	-	-	-	5,251	-	5,251	-
JAG grant	ps	int	-	-	-	-	3,371	3,371	-	-
DEA forfeiture	ps	int	66,086	-	-	-	-	-	-	66,086
MEMA grant (Homeland Security)	ps	int	-	-	-	-	4,955	-	4,955	-
Impaired driving grant	ps	int	-	-	-	-	8,663	-	8,663	-
Speed grant	ps	int	-	-	-	-	3,032	-	3,032	-
Coronavirus emergency supplemental funding	ps	int	-	-	-	-	1,860	-	1,860	-
Child safety seats	ps	oth	728	-	-	-	-	-	-	728
Fire/Rescue donations	ps	oth	115	-	-	-	3,101	-	-	3,216
Fire prevention	ps	oth	4,291	-	-	-	25	-	-	4,316
Fire memorial	ps	oth	4,692	-	-	-	500	-	180	5,012
USM confined space	ps	int	9,709	-	-	-	12,000	-	11,557	10,152
FEMA fire grant	ps	int	708	-	-	-	-	-	-	708
Sprinkler grant	ps	int	19,396	-	-	-	22,911	-	41,935	372
Hose Grant	ps	int	3,856	-	-	-	38,031	-	41,023	864
FEMA Grant-Covid-19	ps	int	-	-	6,084	-	14,669	-	20,753	-
FEMA-Vaccine	ps	int	-	-	-	-	19,175	-	19,175	-
FEMA-Project 3	ps	int	-	-	-	-	13,244	-	13,244	-
M4-King Foundation	ps	oth	3,433	-	-	-	-	-	-	3,433
<b>Total public safety operations</b>			<b>136,091</b>	<b>-</b>	<b>6,084</b>	<b>-</b>	<b>177,244</b>	<b>3,371</b>	<b>189,308</b>	<b>126,740</b>

**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, 2021**

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues Transfer In	Revenues	Expenditures Transfer Out	Expenditures	Fund balances end of year
Restricted to:								
Public works operations:								
Street opening	\$ 175,523	-	-	-	14,040	-	3,850	185,713
Little Falls pedestrian safety grant	-	-	-	-	48,720	-	48,720	-
Gorham Village grant	1,562	-	-	-	-	-	-	1,562
<b>Total public works operations</b>	<b>177,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,760</b>	<b>-</b>	<b>52,570</b>	<b>187,275</b>
Recreation operations:								
Community center donations	750	-	-	-	-	-	-	750
New Year's Gorham	4,799	-	8,500	-	2,850	-	11,399	4,750
<b>Total recreation operations</b>	<b>5,549</b>	<b>-</b>	<b>8,500</b>	<b>-</b>	<b>2,850</b>	<b>-</b>	<b>11,399</b>	<b>5,500</b>
<b>Total restricted to</b>	<b>366,694</b>	<b>-</b>	<b>14,584</b>	<b>-</b>	<b>404,582</b>	<b>9,744</b>	<b>404,873</b>	<b>371,243</b>
Committed to:								
General government purposes:								
Office space in Municipal Center for Ec Dev	22,646	-	-	-	-	-	17,302	5,344
Air Handler for Municipal Center	1,581	-	-	-	-	-	-	1,581
Recreation wing painting and entry repairs	9,887	-	-	-	-	-	-	9,887
Energy Efficient Lights at Robie Gym/Mun Ctr	7,678	-	-	-	-	-	-	7,678
Revaluation	249,814	120,000	-	-	-	-	24,775	345,039
Land acquisition	339,439	-	-	-	-	-	-	339,439
Cable TV franchise agreement consultant	8,045	-	-	-	-	-	-	8,045
Founders festival	24,500	-	-	-	-	-	6,539	17,961
Historical Society	3,000	-	-	-	-	-	-	3,000
Computer upgrade	-	115,000	-	-	-	-	115,000	-
Copier/printer upgrade	-	50,000	-	-	-	-	50,000	-
Additional voting booths	-	13,202	-	-	-	-	13,202	-
Cemetery reserve	28,047	-	-	-	650	-	-	28,697
Planning Consultant Work	11,384	-	-	11,055	-	-	-	22,439
Covid supplies	-	50,000	-	-	-	-	28,261	21,739
Emergency reserve account	165,416	-	-	-	-	-	-	165,416
Covid contingency	-	248,197	-	-	-	-	-	248,197
Gorham village parking improvement	44,925	-	-	-	-	-	-	44,925
Electric vehicle charging station	-	12,000	-	-	-	-	12,000	-
Vision Software Upgrade	22,000	-	-	-	-	-	-	22,000
Electric vehicle for code	-	30,000	-	-	-	-	30,000	-
School/Town facility study	-	100,000	-	-	100,000	-	99,717	100,283
<b>Total general government purposes</b>	<b>938,362</b>	<b>738,399</b>	<b>-</b>	<b>11,055</b>	<b>100,650</b>	<b>-</b>	<b>396,796</b>	<b>1,391,670</b>

**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, 2021**

	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:								
Spillman & DMV database full access	\$ 9,000	-	-	-	-	-	-	9,000
Blauer vest carriers (21)	1,460	19,500	-	373	-	-	16,396	4,937
Police Vests	300	-	-	-	-	-	-	300
40mm foam launchers	-	3,000	-	-	-	-	2,488	512
Traffic Lights Emitters	3,400	-	-	-	-	-	-	3,400
Police cruiser replacement	-	94,900	-	3,371	-	-	98,271	-
Radio system replacement	-	55,000	-	-	-	-	-	55,000
Power stretcher for 3rd ambulance	6,843	-	-	-	-	-	-	6,843
Turnout gear for Fire department	-	20,000	-	-	-	-	-	20,000
Fiber optic connection White Rock FS/Shaw Park	19,748	-	-	-	-	-	19,748	-
LED street light conversion	56,330	-	-	-	-	-	6,158	50,172
West Gorham fire station repairs	7,760	-	-	-	-	-	-	7,760
Hose tower	7,988	-	-	-	-	-	-	7,988
Water filtration	955	-	-	-	-	-	-	955
Additional work stations in EOC	707	-	-	-	-	-	-	707
Heating system at Central Fire Station	-	18,000	-	-	-	-	18,000	-
<b>Total public safety operations</b>	<b>114,491</b>	<b>210,400</b>	<b>-</b>	<b>3,744</b>	<b>-</b>	<b>-</b>	<b>161,061</b>	<b>167,574</b>
Public works operations:								
Landfill monitoring & remediation	-	-	27,294	-	-	-	27,294	-
Ecomaine recycling reserve	10,000	-	-	-	-	-	6,100	3,900
Extend fiber optic line to Public Works	52,616	-	30,110	-	-	-	82,726	-
Facility doors	20,000	-	-	-	-	-	-	20,000
Phone system at Public Works	707	-	-	-	-	-	-	707
Climate control system at Public Works	5,131	-	-	-	-	-	-	5,131
Boiler replacement	750	-	-	-	-	-	-	750
6-wheel plow truck	-	155,000	-	-	-	-	-	155,000
Repair & upgrade fuel depot	90,613	-	-	-	-	-	-	90,613
Pedestrian improvement in Gorham Village	-	95,000	-	-	-	11,055	4,627	79,318
Stormwater data collection compliance	4,654	-	-	-	-	-	-	4,654
Roads	505,915	900,000	-	-	60,000	-	760,236	705,679
Buck Street pipe arch culvert	118,032	-	-	-	-	-	-	118,032
South Street	64,907	-	-	-	-	-	625	64,282
Eastern cemetery stone wall repair	15,000	-	-	-	-	-	-	15,000
Shaw Mill's cemetery chain link fence	1,295	-	-	-	-	-	-	1,295
Gorham Village Square cemetery stone repair	-	15,000	-	-	-	-	-	15,000
<b>Total public works operations</b>	<b>889,620</b>	<b>1,165,000</b>	<b>57,404</b>	<b>-</b>	<b>60,000</b>	<b>11,055</b>	<b>881,608</b>	<b>1,279,361</b>

**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, 2021**

	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:								
Repointing browstone	\$ -	15,000	-	-	-	-	-	15,000
Slate roof repair	-	7,500	-	-	-	-	-	7,500
Sewer pump overflow alarm	-	5,000	-	-	-	-	1,920	3,080
Chick property master plan	12,207	-	-	-	-	-	-	12,207
Little Falls-multi purpose field	25,777	-	-	-	-	-	-	25,777
Chick property baseball field	234,696	-	-	-	-	-	-	234,696
Robie field irrigation	4,146	-	-	-	-	-	-	4,146
Little Falls recreation area field house	227,616	-	-	-	-	-	15,668	211,948
Court lights replacement at Little Falls	7,500	-	-	-	-	-	-	7,500
Recreation trail	18,880	-	-	-	-	-	1,905	16,975
Propane Bus	-	115,632	-	-	-	-	115,632	-
Shaw Park fence & guard rail/electricity	3,654	-	-	-	-	-	-	3,654
Shaw Park pavillion electrical work	10,000	-	-	-	-	-	-	10,000
Total recreation operations	544,476	143,132	-	-	-	-	135,125	552,483
<b>Total committed to</b>	<b>2,486,949</b>	<b>2,256,931</b>	<b>57,404</b>	<b>14,799</b>	<b>160,650</b>	<b>11,055</b>	<b>1,574,590</b>	<b>3,391,088</b>
Assigned to:								
Encumbrances:								
General government	48,485	-	-	-	19,100	-	41,768	25,817
Public safety	271,899	-	-	-	247,824	-	154,165	365,558
Public works	168,899	-	-	-	68,232	-	44,357	192,774
Recreation	74,395	-	-	-	114,969	-	21,150	168,214
Economic development	588	-	-	-	7,500	-	-	8,088
Other	12,000	-	-	-	18,115	-	4,940	25,175
Total encumbrances	576,266	-	-	-	475,740	-	266,380	785,626
General government purposes:								
Radio programming	5,795	-	-	-	-	-	1,638	4,157
Capital project reserve	1,228	-	-	-	-	-	-	1,228
Municipal Center building roof replacement	19,100	-	-	-	-	-	-	19,100

**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, 2021**

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Assigned to:								
General government purposes, continued:								
Compensation study	\$ 28,516	-	-	-	-	-	-	28,516
Insurance consultant	-	-	21,500	-	-	-	-	21,500
Finance serve/computer upgrade	26,773	-	-	-	-	-	26,773	-
Administration capital reserves	656	-	113	-	-	-	-	769
Town Council contingency	37,500	-	-	-	-	-	-	37,500
Technology capital reserves	-	-	610	-	-	-	-	610
Technology equipment	19,223	-	-	-	-	-	16,539	2,684
Town clerk capital reserves	31,434	-	1,410	-	-	-	-	32,844
Town clerk counters	10,000	-	-	-	-	-	-	10,000
Planning reimbursable expense	5,000	-	-	-	-	-	-	5,000
Planning consultants	10,000	-	-	-	-	-	7,094	2,906
Comprehensive plan	-	-	11,524	-	-	-	11,524	-
Planning capital reserve	39,730	-	704	-	-	-	14,886	25,548
Planning electric vehicle	15,000	-	-	-	-	-	15,000	-
Radios for municipal center	-	-	12,000	-	-	-	-	12,000
Monitors for council chambers	-	-	4,000	-	-	-	-	4,000
Assessing capital reserve	10,331	-	-	-	-	-	-	10,331
G.I.S. system	2,079	-	-	-	-	-	2,079	-
Code capital reserve	12,135	-	1,488	-	-	-	17	13,606
Web site development/maintenance	20,538	-	-	-	-	-	-	20,538
General assistance reserve	23,065	-	-	-	-	-	-	23,065
<b>Total general government purposes</b>	<b>318,103</b>	<b>-</b>	<b>53,349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,550</b>	<b>275,902</b>
Public safety operations:								
Outside detail (police)	21,184	-	-	-	70,429	-	70,429	21,184
Police capital reserve	77,934	-	1,659	-	-	-	-	79,593
Cruisers	83,621	-	-	-	30,812	-	-	114,433
Fire capital reserve	1,839	-	-	-	100	-	-	1,939
Fire truck bond	25	-	-	-	-	-	-	25
Air bottles	1,504	-	-	-	-	-	-	1,504
Fire ponds/dry hydrants	30,260	-	1,000	-	-	-	-	31,260
LED light maintenance	23,000	-	-	-	-	-	16,840	6,160
<b>Total public safety operations</b>	<b>239,367</b>	<b>-</b>	<b>2,659</b>	<b>-</b>	<b>101,341</b>	<b>-</b>	<b>87,269</b>	<b>256,098</b>
Public works operations:								
Public works capital reserve	46,196	-	15,877	-	-	-	35,219	26,854
Public works vehicles (lease payment account)	78,901	-	-	-	-	-	-	78,901
Fuel depot reserve	62,822	-	-	-	1,137	-	25,405	38,554
Longfellow bridge	2,123	-	-	-	-	-	-	2,123
Storm water management	13,695	-	-	-	-	-	-	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, 2021**

	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	\$ 12,000	-	3,240	-	-	-	-	15,240
Fencing	4,271	-	-	-	-	-	4,271	-
Total public works operations	220,008	-	19,117	-	1,137	-	64,895	175,367
Recreation operations:								
Baxter Library capital reserve	8,105	-	4,138	-	-	-	-	12,243
Chick property wood clearing	7,499	-	-	-	-	-	-	7,499
Recreation capital reserve	2,346	-	24	-	-	-	94	2,276
Shaw Park granite sign	5,046	-	-	-	-	-	5,046	-
Baxter Museum building account	-	-	5,000	-	-	-	-	5,000
Recreation reimbursable	148,531	-	26,400	-	792,352	-	700,834	266,449
Total recreation operations	171,527	-	35,562	-	792,352	-	705,974	293,467
Economic Development								
Economic development capital reserve	51,686	-	10,194	-	-	-	-	61,880
Total economic development	51,686	-	10,194	-	-	-	-	61,880
Unclassified:								
Cable TV capital reserve	688	-	280	-	-	-	-	968
Total unclassified	688	-	280	-	-	-	-	968
Insurance and employee benefits:								
UIC contingency reserve	31,500	-	-	-	-	-	-	31,500
PO133 IUUAL	246,845	-	(30,000)	-	-	-	-	216,845
Vacation/compensation/sick reserve	508,222	-	75,000	-	-	-	210,799	372,423
Property insurance deductible reserve	10,000	-	-	-	-	-	-	10,000
Auto insurance deductible reserve	4,000	-	-	-	-	-	-	4,000
Salary Compensation	-	-	50,000	-	-	-	-	50,000
Accrued compensated absences	531,153	-	-	-	88,197	-	-	619,350
Total insurance and employee benefits	1,331,720	-	95,000	-	88,197	-	210,799	1,304,118
<b>Total assigned to</b>	<b>2,909,365</b>	<b>-</b>	<b>216,161</b>	<b>-</b>	<b>1,458,767</b>	<b>-</b>	<b>1,430,867</b>	<b>3,153,426</b>

**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, 2021**

	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:								
Public works operations:								
Little Falls sidewalk grant	\$ 19,198	-	-	6,000	74,639	-	118,295	(18,458)
Total public works operations	19,198	-	-	6,000	74,639	-	118,295	(18,458)
<b>Total unassigned reserves</b>	<b>19,198</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>74,639</b>	<b>-</b>	<b>118,295</b>	<b>(18,458)</b>
<b>Total General Fund Restricted, Committed Assigned and Unassigned Funds</b>	<b>5,782,206</b>	<b>2,256,931</b>	<b>288,149</b>	<b>20,799</b>	<b>2,098,638</b>	<b>20,799</b>	<b>3,528,625</b>	<b>6,897,299</b>

**ALL OTHER GOVERNMENTAL FUNDS**



**TOWN OF GORHAM, MAINE**  
**Combining Balance Sheet**  
**All Other Nonmajor Governmental Funds**  
**June 30, 2021**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>				
Cash	\$ 1,112,383	2,211,915	-	3,324,298
Investments	161,188	-	1,120,113	1,281,301
Receivables:				
Accounts	266,234	-	-	266,234
Notes	416,173	-	-	416,173
Intergovernmental	1,398,134	-	-	1,398,134
Inventory	51,846	-	-	51,846
Interfund loans receivable	2,732,553	94,939	1,041	2,828,533
<b>Total assets</b>	<b>6,138,511</b>	<b>2,306,854</b>	<b>1,121,154</b>	<b>9,566,519</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	105,945	-	6,298	112,243
Interfund loans payable	1,299,133	107,004	-	1,406,137
Unearned revenues	56,776	-	-	56,776
Total liabilities	1,461,854	107,004	6,298	1,575,156
Fund balances:				
Nonspendable	51,846	-	826,668	878,514
Restricted	2,758,034	2,203,248	288,188	5,249,470
Committed	1,808,034	-	-	1,808,034
Assigned	85,916	-	-	85,916
Unassigned	(27,173)	(3,398)	-	(30,571)
Total fund balances	4,676,657	2,199,850	1,114,856	7,991,363
<b>Total liabilities and fund balances</b>	<b>\$ 6,138,511</b>	<b>2,306,854</b>	<b>1,121,154</b>	<b>9,566,519</b>

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**All Other Nonmajor Governmental Funds**  
**For the year ended June 30, 2021**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Taxes	\$ 1,010,026	-	-	1,010,026
Intergovernmental	6,283,653	-	-	6,283,653
Charges for services	1,502,795	-	-	1,502,795
Investment income	8,352	5,352	17,763	31,467
Student activities fees and fundraisers	287,693	-	-	287,693
Public safety activity fees	187,915	-	-	187,915
Other revenue	56,556	8,118	11,200	75,874
Total revenues	9,336,990	13,470	28,963	9,379,423
Expenditures:				
Current:				
Education-other special uses	5,510,806	-	-	5,510,806
Food services	756,515	-	-	756,515
Student activities	204,790	-	-	204,790
Public safety activities	162,223	-	-	162,223
Public works - sewer	1,174,758	-	-	1,174,758
Recreation	19,676	-	-	19,676
Recreation activities	230	-	-	230
Economic development	291,075	-	-	291,075
Unclassified	-	-	6,298	6,298
Capital improvements	-	660,865	-	660,865
Total expenditures	8,120,073	660,865	6,298	8,787,236
Excess (deficiency) of revenues over (under) expenditures	1,216,917	(647,395)	22,665	592,187
Other financing sources (uses):				
Transfer in from other funds	100,000	-	-	100,000
Transfer to other funds	(723,856)	(25,000)	-	(748,856)
Total other financing sources (uses)	(623,856)	(25,000)	-	(648,856)
Net change in fund balances	593,061	(672,395)	22,665	(56,669)
Fund balances, beginning of year (restated)	4,083,596	2,872,245	1,092,191	8,048,032
<b>Fund balances, end of year</b>	<b>\$ 4,676,657</b>	<b>2,199,850</b>	<b>1,114,856</b>	<b>7,991,363</b>

## 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.

**School Activity Funds** -- To account for the activity of the individual school.

**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.

**Public Safety Activity Fund** -- To account for the activity of the funds held for the fire departments.

TOWN OF GORHAM, MAINE  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2021

(with comparative amounts for June 30, 2020)

	School Grants Fund	School Donation Fund	School Lunch Fund	School Activity Funds	Sewer Operations Fund	Little Falls							Totals		
						Sewer Reserve and Loan Fund	Impact Fees Fund	Library Fund	Recreation Fund	TIF Fund	Miscellaneous Fund	Recreation Activity Fund	Public Safety Activity Funds	2021	2020
														(restated)	
<b>ASSETS</b>															
Cash	\$ -	-	530,989	395,064	-	-	-	-	-	-	-	-	186,330	1,112,383	550,827
Investments	-	-	-	-	-	77,699	-	68,448	1,458	-	13,583	-	-	161,188	163,044
Receivables:															
Accounts	-	-	-	-	265,060	-	-	-	-	1,174	-	-	-	266,234	260,423
Notes	-	-	-	-	-	-	-	-	-	416,173	-	-	-	416,173	257,273
Intergovernmental	1,350,250	-	47,884	-	-	-	-	-	-	-	-	-	-	1,398,134	602,254
Inventory	-	-	51,846	-	-	-	-	-	-	-	-	-	-	51,846	58,610
Interfund loans receivable	-	25,348	-	6,175	1,035,007	2,797	610,436	57,358	5,802	986,773	2,857	-	-	2,732,553	2,658,556
<b>Total assets</b>	<b>1,350,250</b>	<b>25,348</b>	<b>630,719</b>	<b>401,239</b>	<b>1,300,067</b>	<b>80,496</b>	<b>610,436</b>	<b>125,806</b>	<b>7,260</b>	<b>1,404,120</b>	<b>16,440</b>	<b>-</b>	<b>186,330</b>	<b>6,138,511</b>	<b>4,550,987</b>
<b>LIABILITIES AND FUND BALANCES</b>															
Liabilities:															
Accounts payable	95,949	-	9,953	-	-	-	-	-	-	43	-	-	-	105,945	75
Interfund loans payable	1,092,039	-	207,094	-	-	-	-	-	-	-	-	-	-	1,299,133	412,783
Unearned revenue	-	-	56,776	-	-	-	-	-	-	-	-	-	-	56,776	54,533
<b>Total liabilities</b>	<b>1,187,988</b>	<b>-</b>	<b>273,823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,461,854</b>	<b>467,391</b>
Fund balances:															
Nonspendable:															
Inventory	-	-	51,846	-	-	-	-	-	-	-	-	-	-	51,846	58,610
Restricted:															
Grants	189,435	-	-	-	-	-	-	-	-	-	-	-	-	189,435	235,775
Impact fees	-	-	-	-	-	-	610,436	-	-	-	-	-	-	610,436	452,112
Public Safety activity funds	-	-	-	-	-	-	-	-	-	-	-	-	186,330	186,330	160,638
Library	-	-	-	-	-	-	-	92,857	-	-	-	-	-	92,857	78,169
Recreation	-	-	-	-	-	-	-	-	7,260	-	-	-	-	7,260	7,277
Recreation activity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230
Miscellaneous	-	-	-	-	-	-	-	-	-	-	13,583	-	-	13,583	13,739
TIF	-	-	-	-	-	-	-	-	-	1,353,083	-	-	-	1,353,083	1,353,400
Food services	-	-	305,050	-	-	-	-	-	-	-	-	-	-	305,050	13,108
Committed:															
School donations	-	25,348	-	-	-	-	-	-	-	-	-	-	-	25,348	24,757
School activity funds	-	-	-	401,239	-	-	-	-	-	-	-	-	-	401,239	318,336
Sewer operations	-	-	-	-	1,300,067	80,496	-	-	-	-	-	-	-	1,380,563	1,319,462
Miscellaneous	-	-	-	-	-	-	-	-	-	-	884	-	-	884	884
Assigned:															
Library	-	-	-	-	-	-	-	32,949	-	-	-	-	-	32,949	26,148
Miscellaneous	-	-	-	-	-	-	-	-	-	-	1,973	-	-	1,973	1,973
TIF	-	-	-	-	-	-	-	-	-	50,994	-	-	-	50,994	42,722
Unassigned:															
Grants	(27,173)	-	-	-	-	-	-	-	-	-	-	-	-	(27,173)	(23,744)
<b>Total fund balances</b>	<b>162,262</b>	<b>25,348</b>	<b>356,896</b>	<b>401,239</b>	<b>1,300,067</b>	<b>80,496</b>	<b>610,436</b>	<b>125,806</b>	<b>7,260</b>	<b>1,404,077</b>	<b>16,440</b>	<b>-</b>	<b>186,330</b>	<b>4,676,657</b>	<b>4,083,596</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,350,250</b>	<b>25,348</b>	<b>630,719</b>	<b>401,239</b>	<b>1,300,067</b>	<b>80,496</b>	<b>610,436</b>	<b>125,806</b>	<b>7,260</b>	<b>1,404,120</b>	<b>16,440</b>	<b>-</b>	<b>186,330</b>	<b>6,138,511</b>	<b>4,550,987</b>

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes, in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the year ended June 30, 2021**  
**(with comparative amounts for the year ended June 30, 2020)**

	Little Falls														Totals	
	School Grants Fund	School Donation Fund	School Lunch Fund	School Activity Funds	Sewer Operations Fund	Sewer Reserve and Loan Fund	Impact Fees Fund	Library Fund	Recreation Fund	TIF Fund	Miscellaneous Fund	Recreation Activity Fund	Public Safety Activity Funds	2021	2020 (restated)	
<b>Revenues:</b>																
Taxes	\$ -	-	-	-	-	-	-	-	-	1,010,026	-	-	-	1,010,026	610,611	
<b>Intergovernmental:</b>																
Federal grants	5,279,796	-	826,906	-	-	-	-	-	-	-	-	-	-	6,106,702	1,513,093	
Other state grants	106,485	-	12,129	-	-	-	-	-	-	-	-	-	-	118,614	311,446	
USDA subsidies	-	-	58,337	-	-	-	-	-	-	-	-	-	-	58,337	58,379	
<b>Total intergovernmental</b>	<b>5,386,281</b>	<b>-</b>	<b>897,372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,283,653</b>	<b>1,882,918</b>	
Charges for services	27,544	-	35,568	-	1,236,206	-	158,324	41,953	-	3,200	-	-	-	1,502,795	1,895,925	
Investment income (loss)	-	-	-	-	548	(895)	-	(788)	(17)	9,660	(156)	-	-	8,352	13,975	
Student activity fees and fundraisers	-	-	-	287,693	-	-	-	-	-	-	-	-	-	287,693	393,328	
Public Safety activity fees	-	-	-	-	-	-	-	-	-	-	-	-	187,915	187,915	78,760	
Other revenues	29,123	18,680	8,753	-	-	-	-	-	-	-	-	-	-	56,556	34,560	
<b>Total revenues</b>	<b>5,442,948</b>	<b>18,680</b>	<b>941,693</b>	<b>287,693</b>	<b>1,236,754</b>	<b>(895)</b>	<b>158,324</b>	<b>41,165</b>	<b>(17)</b>	<b>1,022,886</b>	<b>(156)</b>	<b>-</b>	<b>187,915</b>	<b>9,336,990</b>	<b>4,910,077</b>	
<b>Expenditures:</b>																
<b>Current:</b>																
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,374,764	
Education-other special uses	5,492,717	18,089	-	-	-	-	-	-	-	-	-	-	-	5,510,806	20,362	
Food services	-	-	756,515	-	-	-	-	-	-	-	-	-	-	756,515	1,022,899	
Student activities	-	-	-	204,790	-	-	-	-	-	-	-	-	-	204,790	399,575	
Public Safety activities	-	-	-	-	-	-	-	-	-	-	-	-	162,223	162,223	68,540	
Public works - sewer	-	-	-	-	1,174,758	-	-	-	-	-	-	-	-	1,174,758	1,147,056	
Recreation	-	-	-	-	-	-	-	19,676	-	-	-	-	-	19,676	22,940	
Recreation activities	-	-	-	-	-	-	-	-	-	-	-	230	-	230	-	
Economic development	-	-	-	-	-	-	-	-	-	291,075	-	-	-	291,075	252,569	
<b>Total expenditures</b>	<b>5,492,717</b>	<b>18,089</b>	<b>756,515</b>	<b>204,790</b>	<b>1,174,758</b>	<b>-</b>	<b>-</b>	<b>19,676</b>	<b>-</b>	<b>291,075</b>	<b>-</b>	<b>230</b>	<b>162,223</b>	<b>8,120,073</b>	<b>4,308,705</b>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(49,769)</b>	<b>591</b>	<b>185,178</b>	<b>82,903</b>	<b>61,996</b>	<b>(895)</b>	<b>158,324</b>	<b>21,489</b>	<b>(17)</b>	<b>731,811</b>	<b>(156)</b>	<b>(230)</b>	<b>25,692</b>	<b>1,216,917</b>	<b>601,372</b>	
<b>Other financing sources (uses):</b>																
Transfers in	-	-	100,000	-	-	-	-	-	-	-	-	-	-	100,000	42,963	
Transfers out	-	-	-	-	-	-	-	-	-	(723,856)	-	-	-	(723,856)	(251,032)	
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(723,856)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(623,856)</b>	<b>(208,069)</b>	
<b>Net change in fund balance</b>	<b>(49,769)</b>	<b>591</b>	<b>285,178</b>	<b>82,903</b>	<b>61,996</b>	<b>(895)</b>	<b>158,324</b>	<b>21,489</b>	<b>(17)</b>	<b>7,955</b>	<b>(156)</b>	<b>(230)</b>	<b>25,692</b>	<b>593,061</b>	<b>393,303</b>	
Fund balances, beginning of year (restated)	212,031	24,757	71,718	318,336	1,238,071	81,391	452,112	104,317	7,277	1,396,122	16,596	230	160,638	4,083,596	3,690,293	
<b>Fund balances, end of year</b>	<b>\$ 162,262</b>	<b>25,348</b>	<b>356,896</b>	<b>401,239</b>	<b>1,300,067</b>	<b>80,496</b>	<b>610,436</b>	<b>125,806</b>	<b>7,260</b>	<b>1,404,077</b>	<b>16,440</b>	<b>-</b>	<b>186,330</b>	<b>4,676,657</b>	<b>4,083,596</b>	

## **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.

### **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.

### **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, 2021**  
**(with comparative amounts for June 30, 2020)**

	2015 Public Safety Bldg Bond	2016 Main Street Bond	2020 Industrial Park Bond	Great Falls Elementary School Project	2020 Narragansett School Project Bond	High School Renovation and Expansion	Totals	
							2021	2020
<b>ASSETS</b>								
Cash	\$ 46,435	302,729	1,786,212	69,786	6,753	-	2,211,915	2,945,915
Interfund loans receivable	-	1,644	-	36,028	57,267	-	94,939	48,630
<b>Total assets</b>	<b>46,435</b>	<b>304,373</b>	<b>1,786,212</b>	<b>105,814</b>	<b>64,020</b>	<b>-</b>	<b>2,306,854</b>	<b>2,994,545</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Interfund loans payable	8,333	-	95,273	-	-	3,398	107,004	122,300
Total liabilities	8,333	-	95,273	-	-	3,398	107,004	122,300
Fund balances (deficit):								
Restricted:								
Narragansett School	-	-	-	-	64,020	-	64,020	567,874
Great Falls Elementary School	-	-	-	105,814	-	-	105,814	105,659
Industrial park	-	-	1,690,939	-	-	-	1,690,939	1,821,070
Main Street road project	-	304,373	-	-	-	-	304,373	302,059
Public Safety Building	38,102	-	-	-	-	-	38,102	62,981
Committed:								
High School renovation and expansion	-	-	-	-	-	-	-	12,602
Unassigned:								
High School renovation and expansion	-	-	-	-	-	(3,398)	(3,398)	-
Total fund balances (deficit)	38,102	304,373	1,690,939	105,814	64,020	(3,398)	2,199,850	2,872,245
<b>Total liabilities and fund balances</b>	<b>\$ 46,435</b>	<b>304,373</b>	<b>1,786,212</b>	<b>105,814</b>	<b>64,020</b>	<b>-</b>	<b>2,306,854</b>	<b>2,994,545</b>

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Project Funds**  
**For the year ended June 30, 2021**  
**(with comparative amounts for the year ended June 30, 2020)**

	2015 Public Safety Bldg Bond	2016 Main Street Bond	2020 Industrial Park Bond	Great Falls Elementary School Project	2020		Totals		
					Narragansett School Project Bond	High School Renovation and Expansion	2021	2020	
<b>Revenues:</b>									
Investment income	\$ 121	669	4,013	155	394	-	5,352	17,720	
Miscellaneous Income	-	8,118	-	-	-	-	8,118	-	
<b>Total revenues</b>	<b>121</b>	<b>8,787</b>	<b>4,013</b>	<b>155</b>	<b>394</b>	<b>-</b>	<b>13,470</b>	<b>17,720</b>	
<b>Expenditures:</b>									
Capital improvements:									
Construction and renovation	-	6,473	134,144	-	504,248	16,000	660,865	5,853,718	
<b>Total capital improvements</b>	<b>-</b>	<b>6,473</b>	<b>134,144</b>	<b>-</b>	<b>504,248</b>	<b>16,000</b>	<b>660,865</b>	<b>5,853,718</b>	
<b>Total expenditures</b>	<b>-</b>	<b>6,473</b>	<b>134,144</b>	<b>-</b>	<b>504,248</b>	<b>16,000</b>	<b>660,865</b>	<b>5,853,718</b>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>121</b>	<b>2,314</b>	<b>(130,131)</b>	<b>155</b>	<b>(503,854)</b>	<b>(16,000)</b>	<b>(647,395)</b>	<b>(5,835,998)</b>	
<b>Other financing sources (uses):</b>									
Issuance of bonds	-	-	-	-	-	-	-	7,840,000	
Bond premium	-	-	-	-	-	-	-	60,984	
Transfers - in	-	-	-	-	-	-	-	16,985	
Transfers - out	(25,000)	-	-	-	-	-	(25,000)	(85,984)	
<b>Total other financing sources (uses)</b>	<b>(25,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>	<b>7,831,985</b>	
<b>Net change in fund balances</b>	<b>(24,879)</b>	<b>2,314</b>	<b>(130,131)</b>	<b>155</b>	<b>(503,854)</b>	<b>(16,000)</b>	<b>(672,395)</b>	<b>1,995,987</b>	
<b>Fund balances, beginning of year</b>	<b>62,981</b>	<b>302,059</b>	<b>1,821,070</b>	<b>105,659</b>	<b>567,874</b>	<b>12,602</b>	<b>2,872,245</b>	<b>876,258</b>	
<b>Fund balances (deficit), end of year</b>	<b>\$ 38,102</b>	<b>304,373</b>	<b>1,690,939</b>	<b>105,814</b>	<b>64,020</b>	<b>(3,398)</b>	<b>2,199,850</b>	<b>2,872,245</b>	



## **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, 2021**

(with comparative amounts for June 30, 2020)

		Cemetery Perpetual Care	Parks and Recreation Grounds	Baxter Library and Museum	Schools	Public Purpose and Civic Improvements	Miscellaneous	Totals	
								2021	2020
<b>ASSETS</b>									
Investments	\$	548,865	13,355	245,141	50,411	15,305	247,036	1,120,113	1,101,750
Interfund loans receivable		920	-	121	-	-	-	1,041	1,221
<b>Total assets</b>		<b>549,785</b>	<b>13,355</b>	<b>245,262</b>	<b>50,411</b>	<b>15,305</b>	<b>247,036</b>	<b>1,121,154</b>	<b>1,102,971</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable		6,298	-	-	-	-	-	6,298	10,780
Total liabilities		6,298	-	-	-	-	-	6,298	10,780
Fund balances:									
Nonspendable		543,439	4,125	211,226	5,171	5,000	57,707	826,668	828,028
Restricted		48	9,230	34,036	45,240	10,305	189,329	288,188	246,163
Total fund balances		543,487	13,355	245,262	50,411	15,305	247,036	1,114,856	1,074,191
<b>Total liabilities and and fund balances</b>	<b>\$</b>	<b>549,785</b>	<b>13,355</b>	<b>245,262</b>	<b>50,411</b>	<b>15,305</b>	<b>247,036</b>	<b>1,121,154</b>	<b>1,084,971</b>

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the year ended June 30, 2021**  
**(with comparative amounts for the year ended June 30, 2020)**

	Cemetery Perpetual Care	Parks and Recreation Grounds	Baxter Library and Museum	Schools	Public Purpose and Civic Improvements	Miscellaneous	Totals	
							2021	2020
Revenues:								
Investment income	\$ 6,300	156	1,124	584	177	29,426	37,767	22,652
Market gain on investments	(12,564)	(310)	(1,438)	(1,164)	(353)	(4,175)	(20,004)	10,230
Donations	11,200	-	-	-	-	-	11,200	5,321
<b>Total revenues</b>	<b>4,936</b>	<b>(154)</b>	<b>(314)</b>	<b>(580)</b>	<b>(176)</b>	<b>25,251</b>	<b>28,963</b>	<b>38,203</b>
Expenditures:								
Current:								
Other miscellaneous	6,298	-	-	-	-	-	6,298	160,780
<b>Total expenditures</b>	<b>6,298</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,298</b>	<b>160,780</b>
<b>Net change in fund balance</b>	<b>(1,362)</b>	<b>(154)</b>	<b>(314)</b>	<b>(580)</b>	<b>(176)</b>	<b>25,251</b>	<b>22,665</b>	<b>(122,577)</b>
Fund balances, beginning of year	544,849	13,509	245,576	50,991	15,481	221,785	1,092,191	1,214,768
<b>Fund balances, end of year</b>	<b>\$ 543,487</b>	<b>13,355</b>	<b>245,262</b>	<b>50,411</b>	<b>15,305</b>	<b>247,036</b>	<b>1,114,856</b>	<b>1,092,191</b>

## FIDUCIARY FUNDS

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

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

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

### **Scholarships:**

#### Malcolm Smith Scholarship Fund

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

#### Bob Grant Memorial Scholarship Fund

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

#### Harry Shevis Scholarship Fund

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

#### Watson Family Scholarship Fund

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

#### Charles C. Shaw Scholarship Fund

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

#### Thomas A. Fogg Vocational Scholarship Fund

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

#### Arthur and Jane Fogg Memorial Scholarship Fund

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

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Fiduciary Net**  
**Position Private-purpose Trust Funds**  
**June 30, 2021**

(with comparative amounts for June 30, 2020)

		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	
									2021	2020
<b>ASSETS</b>										
Investments	\$	2,200	2,591	6,314	12,501	4,972	11,111	1,953	41,642	42,728
<b>Total assets</b>		<b>2,200</b>	<b>2,591</b>	<b>6,314</b>	<b>12,501</b>	<b>4,972</b>	<b>11,111</b>	<b>1,953</b>	<b>41,642</b>	<b>42,728</b>
<b>LIABILITIES AND NET POSITION</b>										
Liabilities:										
Interfund loan payable		-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>		-	-	-	-	-	-	-	-	-
Net position:										
Principal		2,100	2,531	6,214	12,354	4,879	11,111	1,953	41,142	42,007
Unexpended income		100	60	100	147	93	-	-	500	721
<b>Total net position</b>		<b>2,200</b>	<b>2,591</b>	<b>6,314</b>	<b>12,501</b>	<b>4,972</b>	<b>11,111</b>	<b>1,953</b>	<b>41,642</b>	<b>42,728</b>
<b>Total liabilities and and net position</b>	<b>\$</b>	<b>2,200</b>	<b>2,591</b>	<b>6,314</b>	<b>12,501</b>	<b>4,972</b>	<b>11,111</b>	<b>1,953</b>	<b>41,642</b>	<b>42,728</b>

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Private-purpose Trust Funds**  
**For the year ended June 30, 2021**

(with comparative amounts for the year ended June 30, 2020)

	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	
								2021	2020
Additions:									
Investment earnings:									
Interest	\$ 27	30	74	147	60	129	23	490	849
Net increase (decrease) in the fair value of investments	(53)	(60)	(148)	(292)	(120)	(257)	(46)	(976)	884
Donations	-	-	-	-	-	-	-	-	50
Total additions	(26)	(30)	(74)	(145)	(60)	(128)	(23)	(486)	1,783
Deductions:									
Current:									
Scholarships awarded	100	-	100	150	250	-	-	600	1,000
Total deductions	100	-	100	150	250	-	-	600	1,000
Changes in net position	(126)	(30)	(174)	(295)	(310)	(128)	(23)	(1,086)	783
Net position, beginning of year	2,326	2,621	6,488	12,796	5,282	11,239	1,976	42,728	41,945
<b>Net position, end of year</b>	<b>\$ 2,200</b>	<b>2,591</b>	<b>6,314</b>	<b>12,501</b>	<b>4,972</b>	<b>11,111</b>	<b>1,953</b>	<b>41,642</b>	<b>42,728</b>

# STATISTICAL SECTION

This part of the Town of Gorham's annual comprehensive 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.

<b>CONTENTS</b>	<b>PAGE</b>
<b>Financial Trends</b>	125-129
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b>	130-133
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b>	134-137
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b>	138-139
<i>These schedules offer demographic and economic indicators to help the reader understand the environment that the government's financial activity takes place.</i>	
<b>Operating Information</b>	140-142
<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 annual comprehensive financial reports for the relevant year.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 47,619,106
Restricted	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	4,295,979
Unrestricted	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	11,172,419
Total governmental activities net position	\$ <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>	\$ <u>63,087,504</u>



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

	2012	2013	2014	2015 <sup>2</sup>	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 6,634,344
Public safety	3,823,459	3,803,853	4,181,443	3,893,475	4,582,029	4,827,053	4,779,796	4,511,091	5,966,420	5,572,679
Public works	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	6,023,288
Health and welfare	149,617	188,183	121,093	50,170	52,100	44,098	37,848	29,359	42,591	52,446
Recreation	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	1,678,806
Development	296,115	240,178	246,957	240,827	309,488	312,953	299,326	523,040	603,883	554,405
Education	34,654,427	35,364,568	35,457,060	36,435,791	37,728,542	39,773,685	41,177,926	43,283,812	46,186,757	51,280,930
Interest on debt	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	946,201
Total governmental activities expenses	<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>68,180,283</u>	<u>72,743,099</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	547,377	669,844	733,768	710,554	742,951	774,965	964,088	936,800	1,017,435	922,452
Public safety	633,614	643,240	582,398	635,994	595,448	637,448	564,292	569,344	835,189	906,453
Public works	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	2,151,183
Health and welfare	11,217	10,454	10,391	9,848	10,373	8,863	8,458	9,582	5,375	175
Recreation	677,022	655,906	798,272	792,628	859,864	940,247	1,003,066	1,103,635	868,655	1,020,495
Education	579,531	565,176	585,729	34,928	640,904	694,946	758,090	836,000	1,017,253	560,490
Operating grants and contributions	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	30,826,600
Capital grants and contributions	3,316,795	275,574	1,712,233	217,919	2,696,445	1,091,087	1,058,000	-	333,500	123,359
Total governmental activities program revenues	<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>31,766,290</u>	<u>36,511,207</u>
Net (expense)/revenue, governmental activities	<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>(36,413,993)</u>	<u>(36,231,892)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	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	31,331,706
Payment in lieu of taxes	57,067	58,207	59,272	58,967	58,688	43,971	43,717	44,882	45,193	45,193
Motor vehicle and boat excise taxes	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	4,145,726
Grants and contributions not restricted to specific programs:										
Homestead exemption	263,253	260,833	273,331	273,442	287,369	435,362	601,666	782,870	748,076	1,034,413
BETE reimbursement	161,074	189,602	180,676	215,861	292,684	305,366	299,868	539,203	592,272	635,827
Other state aid	41,956	41,769	41,730	40,914	40,755	38,785	40,767	37,966	38,461	36,145
State revenue sharing	1,124,259	1,105,086	784,766	731,086	780,829	738,529	778,497	871,428	1,288,868	1,746,817
Unrestricted investment earnings	87,250	100,293	91,407	118,144	128,724	200,467	288,927	460,991	311,167	133,883
Miscellaneous revenues	254,434	288,815	308,262	262,310	421,513	645,630	436,450	122,874	160,719	379,344
Sale of property	12,961	2,983	14,918	2,000	289,589	225,455	27,249	5,058	-	30,157
Total governmental activities	<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>	<u>39,519,211</u>
<b>Change in Net Position</b>										
Governmental activities	\$ <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>1,802,421</u>	\$ <u>3,287,319</u>

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

Table 3

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

Fiscal Year	Property Taxes	Interest and Costs on Taxes	Excise Taxes	Total
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
2021	31,331,706	67,178	4,145,726	35,544,610

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Nonspendable										
Noncurrent receivables	\$ 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	73,653
Inventory	35,848	43,068	79,362	70,300	47,988	26,185	54,600	38,019	36,912	16,531
Restricted										
General government purposes	-	-	15,006	26,751	31,099	29,900	41,741	44,167	47,969	51,728
Public safety operations	149,347	164,996	151,483	194,803	200,241	137,066	118,128	134,652	136,407	126,740
Public works operations	100,476	106,425	179,875	176,551	149,987	160,844	165,730	177,973	196,283	187,275
Recreation operations	750	750	7,359	10,965	9,434	9,103	7,480	6,621	5,549	5,500
Other purposes	-	-	-	-	-	-	-	730	-	-
Committed										
General government purposes	314,731	104,006	310,677	363,659	652,000	855,966	621,161	657,722	938,362	1,391,670
Public safety operations	-	-	24,760	11,604	46,313	159,562	42,549	351,264	114,491	167,574
Public works operations	-	-	83,827	148,930	308,509	952,792	1,468,916	1,263,507	889,620	1,279,361
Recreation operations	-	-	60,342	229,208	120,151	254,767	127,897	594,035	544,476	552,483
Other purposes	98,191	754,600	-	-	-	-	-	26,460	-	-
Assigned										
Capital funding	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	2,556,602
Encumbrances	259,911	445,389	277,951	256,426	544,638	398,907	457,404	654,458	576,266	785,626
General government purposes	540,298	550,638	492,432	795,656	408,959	326,572	399,074	449,714	318,103	275,902
Public safety operations	171,468	187,318	147,693	172,952	165,258	148,410	121,183	144,771	239,367	256,098
Public works operations	618,224	510,559	649,994	607,394	793,465	155,574	126,730	161,053	220,008	175,367
Recreation operations	281,296	301,141	321,926	237,986	258,284	317,634	315,670	253,376	171,527	293,467
Economic development	77,100	85,399	82,899	82,899	75,124	72,993	46,703	48,458	51,686	61,880
Insurance and employee benefits	518,408	567,789	537,873	904,144	1,061,822	1,048,933	957,326	803,863	800,567	684,768
Other purposes	379,753	309,499	-	-	-	2,294	-	-	688	968
Compensated absences	360,078	369,162	376,121	396,688	411,255	457,563	484,046	487,892	531,153	619,350
Unassigned	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	9,526,105
<b>Total General Fund</b>	<b>11,322,996</b>	<b>11,570,621</b>	<b>11,587,531</b>	<b>12,755,920</b>	<b>13,786,397</b>	<b>14,936,512</b>	<b>15,592,204</b>	<b>16,330,815</b>	<b>17,413,628</b>	<b>19,088,648</b>
<b>All other governmental funds</b>										
Nonspendable										
Special revenue funds	184,540	145,908	169,010	203,776	270,181	252,486	44,353	47,707	58,610	51,846
Permanent funds	524,988	538,345	746,715	905,102	933,457	933,803	929,754	942,936	828,028	826,668
Restricted										
Special revenue funds	2,364,016	2,499,236	2,627,725	2,424,698	2,498,548	2,464,903	2,209,543	1,838,947	2,314,448	2,758,034
Capital project funds	738,721	559,273	1,056,815	5,382,372 <sup>1</sup>	2,290,650	1,739,594	793,373	818,578	2,859,643	7,083,923
Permanent funds	220,139	205,258	208,025	211,103	213,616	220,332	224,021	271,832	246,163	288,188
Committed										
Special revenue funds	237,637	99,629	106,714	177,822	291,647	340,977	1,228,261	1,273,993	1,663,439	1,808,034
Capital project funds	39,045	82,982	68,825	68,825	68,825	29,238	184,462	76,183	12,602	-
Assigned										
Special revenue funds	1,070,699	305,307	10,396	9,527	10,852	12,663	75,631	79,181	70,843	85,916
Unassigned										
Special revenue funds	(1,649,257)	(1,606,033)	(872,680)	(604,072)	(720,751)	(805,304)	(1,377,570)	(1,832,814)	(418,253)	(838,382)
<b>Total all other governmental funds</b>	<b>\$ 3,730,528</b>	<b>\$ 2,829,905</b>	<b>\$ 4,121,545</b>	<b>\$ 8,779,153</b>	<b>\$ 5,857,025</b>	<b>\$ 5,188,692</b>	<b>\$ 4,311,828</b>	<b>\$ 3,516,543</b>	<b>\$ 7,635,523</b>	<b>\$ 12,064,227</b>

<sup>1</sup> The increase in capital project funds restricted fund balance was due to unspent bond proceeds from an issuance during the period for capital projects.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 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	\$ 35,659,610
Licenses and permits	527,362	644,599	691,597	674,697	684,459	728,782	824,494	772,177	879,693	766,012
Intergovernmental	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	34,268,602
Charges for services	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	4,288,898
Unclassified	1,230,525	1,189,455	1,266,969	2,050,794 <sup>1</sup>	807,468	1,085,637	833,426	695,372	568,640	1,162,296
Total revenues	<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>	<u>76,145,418</u>
<b>Expenditures</b>										
General government	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	6,537,011
Public safety	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	5,135,902
Public works	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	5,162,775
Health and welfare	149,617	188,183	121,093	50,170	52,100	44,098	37,848	29,359	42,591	52,446
Recreation	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	1,737,523
Economic development	63,216	59,701	73,970	68,674	80,993	76,962	91,175	312,067	354,160	413,963
Public agencies	28,276	26,646	30,018	29,878	32,361	44,269	79,353	87,787	96,227	91,653
Unclassified	544,860	404,876	490,165	534,140	479,585	421,718	389,798	437,017	392,432	201,005
Education and food service	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	50,305,853
Debt service										
Principal	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	3,590,000
Interest	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	1,028,130
Capital maintenance	586,728	418,072	214,165	827,997	65,411	69,976	164,730	6,670	2,000	20,138
Capital improvements	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	1,958,027
Total expenditures	<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>	<u>76,234,426</u>
<b>Other financing sources (uses)</b>										
Issuance of finance purchases	169,130	-	399,110	136,208	167,928	159,710	339,200	511,300	1,443,471	820,355
Issuance of bonds	-	-	-	5,139,043	1,775,000	1,290,000	-	-	7,840,000	5,204,650
Bond premium	-	-	-	-	21,978	55,000	-	-	60,984	149,727
Transfers in	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	22,779,611
Transfers out	(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)	(22,779,611)
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>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>	<u>6,174,732</u>
Net change in fund balances	\$ (2,879,635)	\$ (652,998)	\$ (91,450)	\$ 5,825,997	\$ (1,891,651)	\$ 481,962	\$ 377,880	\$ (56,674)	\$ 4,740,589	\$ 6,085,724
Debt service as a percentage of noncapital expenditures	10.6%	9.6%	9.7%	8.2%	8.9%	8.4%	7.8%	7.0%	6.6%	6.7%

<sup>1</sup> 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 <sup>1</sup>	Total Direct Tax Rate	State Equalized Value <sup>2</sup>	Assessed Value as a Percentage of Equalized Value
	Residential Property	Commercial Property						
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%
2021	1,311,263,250	650,219,291	38,519,700	350,085,191	1,649,917,050	18.23	2,152,750,000	76.6%

Sources:

<sup>1</sup> Gorham Assessing office and Cumberland County Regional Assessing.<sup>2</sup> 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	
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
2021	5.61	12.62	18.23	0.77	19.00

Source: Cumberland County Regional Assessing

Table 8

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

Taxpayer	2021			2012		
	Current year assessed value	Rank	Percentage of total assessed value	Current year assessed value	Rank	Percentage of total assessed value
Central Maine Power Co.	\$ 92,084,200	1	5.58%	\$ 56,646,600	1	4.46%
New Portland Road Realty LLC (formerly known as Gorham House)	13,137,400	2	0.80%	11,605,700	2	0.91%
Nappi Distributors	9,371,700	3	0.57%	8,386,100	3	0.66%
Hannaford Brothers	8,574,900	4	0.52%	4,472,500	8	0.35%
Scott Paper	8,253,100	5	0.50%	7,336,700	5	0.58%
Maine Mobile Homes LTD	7,991,800	6	0.48%	6,444,600	7	0.51%
Shaw Brothers Construction Co.	7,971,500	7	0.48%	3,778,900	10	0.30%
Gorham Savings Bank	7,255,100	8	0.44%	8,251,100	4	0.65%
Railroad Avenue LLC	7,030,600	9	0.43%	-		
Maritime & NE Pipeline	6,633,500	10	0.40%	-		
Moody, Shawn	-			4,002,100	9	0.32%
Grondin, R J & Phillip	-			7,333,900	6	0.58%
<b>Totals</b>	<b>\$ 168,303,800</b>		<b>10.20%</b>	<b>\$ 118,258,200</b>		<b>9.32%</b>

Source: Cumberland County Assessing office

Table 9

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 20,705,124	\$ 19,968,524	96.4%	\$ 708,407	\$ 20,676,931	99.9%
2013	21,037,690	20,488,787	97.4%	535,858	21,024,645	99.9%
2014	22,661,472	21,966,820	96.9%	679,111	22,645,931	99.9%
2015	23,364,012	22,663,613	97.0%	682,357	23,345,970	99.9%
2016	24,538,607	23,819,148	97.1%	696,845	24,515,993	99.9%
2017	26,102,071	25,447,396	97.5%	610,158	26,057,554	99.8%
2018	26,896,932	26,195,909	97.4%	650,544	26,846,453	99.8%
2019	29,152,488	28,430,043	97.5%	650,596	29,080,639	99.8%
2020	31,054,391	29,819,003	96.0%	1,045,260	30,864,263	99.4%
2021	31,388,882	30,746,425	98.0%	-	30,746,425	98.0%

<sup>1</sup> 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 <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Debt <sup>2</sup>	Notes Payable	Finance Purchases			
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	5.52%	1,963
2021	35,914,466	-	2,167,784	38,082,250	5.84%	2,077

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

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

<sup>2</sup> The 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 <sup>1</sup>	State Assessed Value of Property <sup>2</sup>	Per Capita <sup>3</sup>
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%	1,870
2021	35,914,466	1.67%	1,959

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

Amount includes bond premium.

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

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

**TOWN OF GORHAM, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**General Obligation Bonds**  
**As of June 30, 2021**

Jurisdiction	Total debt outstanding	Percentage applicable to Gorham	Amount applicable to Gorham
Direct debt:			
Town of Gorham	\$ 38,082,250	100.00%	38,082,250
Overlapping debt:			
Cumberland County	33,370,194	4.05%	1,351,875
Portland Water District - sewer shared with Windham	2,593,500	70.40%	1,825,767
Portland Water District - sewer shared with Windham and Westbrook	3,372,737	21.34%	719,747
Portland Water District - water debt	54,758,718	6.00%	3,285,523
Subtotal overlapping debt:			7,182,912
<b>Total direct and overlapping debt:</b>			<b>\$ 45,265,162</b>

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

Source: Jurisdictions' finance department.

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

**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
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%
2021	322,912,500	35,914,466	286,998,034	11.12%

**Legal Debt Margin Calculation for Fiscal Year 2021**

	Outstanding bonds and notes	Percent of state assessed value of \$ 2,152,750,000	Allowable Amount	Margin
For school purposes	\$ 20,520,644	10.00%	\$ 215,275,000	\$ 194,754,356
For storm or sanitary sewer purposes	-	7.50%	\$ 161,456,250	\$ 161,456,250
For municipal, airport, water, and special district purposes	-	3.00%	\$ 64,582,500	\$ 64,582,500
For all other purposes	15,393,822	7.50%	\$ 161,456,250	\$ 146,062,428
<b>Total</b>	<b>\$ 35,914,466</b>	<b>15.00%</b>	<b>\$ 322,912,500</b>	<b>\$ 286,998,034</b>

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

Fiscal Year	Population <sup>1</sup>	Personal Income	Per Capita Personal Income <sup>2</sup>	Median Age <sup>2</sup>	School Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>
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%
2021	18,336	652,559,904	35,589	34.0	2,735	4.00%

## Data Source

<sup>1</sup> U.S. Dept. of Commerce, Bureau of Census  
The 2012-2020 figures are based upon the 2010 census.  
The 2021 figure is based upon the 2020 census.

<sup>2</sup> U.S. Dept. of Commerce, Bureau of Census (2010)  
U.S. Dept. of Commerce, Bureau of Census (2020)

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

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

Table 15

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

Employer	2021 <sup>1</sup>			2012		
	Employees	Rank	Percentage of Gorham's Labor Force	Employees	Rank	Percentage of Gorham's Labor Force
Town of Gorham: School/Municipal	569	1	5.7%	500	2	5.1%
University of Southern Maine*	344	2	3.4%	511	1	5.2%
Shaw Brothers Construction, Inc.	248	3	2.5%	171	6	1.7%
New Portland Road Realty LLC (formerly known as Gorham House)	237	4	2.4%	230	3	2.3%
Nappi Distributors	212	5	2.1%	200	5	2.0%
Goodwill Northern New England	201	6	2.0%			
Hannaford Brothers	166	7	1.7%	158	7	1.6%
R. J. Grondin	140	8	1.4%	140	8	1.4%
Jotul Stove, Inc.	105	9	1.0%	79	10	0.8%
Gorham Savings Bank	94	10	0.9%	92	9	0.9%
Irwin Industrial Tool (formerly American Tool)	-		0.0%	210	4	2.1%
<b>Totals</b>	<b><u>2,316</u></b>		<b>23.0%</b>	<b><u>2,291</u></b>		<b>23.0%</b>

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

<sup>1</sup> 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**

<b>Function</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Government	17.5	17.5	18.0	18.0	17.0	17.0	16.0	18.0	19.0	19.0
Public Safety:										
Police:										
Officers	23.0	23.0	23.5	23.0	23.0	24.0	24.0	25.0	24.0	23.0
Civilians	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Fire:										
Firefighters and EMT's	12.0	12.0	12.0	12.5	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	18.0	20.0	20.0	20.0	20.0	20.0
Recreation	14.0	14.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	15.0
Development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>91.5</b>	<b>91.5</b>	<b>94.5</b>	<b>95.0</b>	<b>93.0</b>	<b>96.0</b>	<b>95.0</b>	<b>98.0</b>	<b>98.0</b>	<b>96.0</b>

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government:</b>										
Building permits: <sup>2</sup>										
Single family	63	43	75	67	66	84	101	91	67	55
Condos	5	4	4	13	2	19	17	10	4	12
Commercial	19	38	44	43	23	32	36	34	58	46
Total number permits issued	917	966	1,079	1,116	1,141	1,334	1,334	1,391	1,364	1,285
<b>Public Safety:</b>										
Police:										
Number of calls for service	15,335	17,137	17,411	13,702	12,999	15,048	20,893	14,903	12,437	11,729
Number of physical arrests	777	738	648	622	452	409	783	399	103	113
Number of summons and warnings	2,301	1,906	2,059	2,004	1,871	1,545	3,511	1,862	1,352	1,201
Parking tickets issued	112	117	110	62	88	68	256	74	35	22
Number of accidents investigated	482	455	420	596	432	709	519	509	509	509
Fire:										
Number of fire and rescue calls	2,815	2,728	2,732	2,589	2,664	2,922	2,905	3,069	2,780	2,771
Number of fire hydrants	296	296	304	310	316	316	320	320	320	320
Number of fire ponds	71	71	71	71	71	71	73	73	73	73
<b>Public Works:</b>										
Number of roads maintained	287	288	290	290	290	297	300	302	304	304
Lane miles of roads maintained	290.7	291.0	292.8	292.8	293	296	296	309	298	298
Acres of public area maintained	129.19	154.65	154.65	154.65	155	155	155	155	155	155
Acres of cemeteries maintained	30.02	30.03	30.12	30.12	30	30	30	30	30	30
Tons of residential solid waste	2,155	2,154	2,233	2,331	2,400	2,605	2,686	2,660	2,902	3,039
Tons of waste recycled	1,266	1,314	1,266	1,260	1,226	1,222	1,149	1,142	794	844
<b>Recreation:</b>										
Library:										
Number of items circulated	114,159	115,826	116,987	115,477	110,329	109,048	112,729	116,948	119,977	96,054

Sources: Various town departments.

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



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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety:</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	19	19	19	19	19	20	20	20	19	19
Fire stations	6	6	6	6	7	7	7	7	7	7
<b>Public Works:</b>										
Streets (miles)	290.7	291.0	292.8	292.8	292.8	295.9	296.1	308.6	297.9	297.9
Street lights	392	395	405	405	405	437	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
<b>Recreation:</b>										
Libraries	3	2	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.