

Town of Cumberland, Maine



Comprehensive Annual Financial Report
For the Year Ended June 30, 2010

TOWN OF CUMBERLAND, MAINE
Comprehensive Annual Financial Report
For the Fiscal Year ended June 30, 2010

Prepared by: Alex Kimball, Finance Director

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For the Year Ended June 30, 2010

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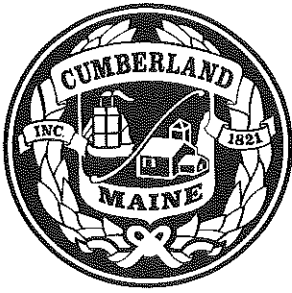
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INTRODUCTORY SECTION

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TOWN OF CUMBERLAND, MAINE

290 Tuttle Road

Cumberland Center, Maine 04021-9321

Telephone (207) 829-5559 • Fax (207) 829-2214

December 16, 2010

To the Citizens of the Town of Cumberland:

The comprehensive annual financial report of the Town of Cumberland for the fiscal year ended June 30, 2010, is hereby submitted. 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.

This report includes all funds of the Town, as well as the entity-wide financial statements required by GASB Statement No. 34 and required supplementary information. The Town provides a full range of services. These services include police, ambulance and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; harbor control and emergency preparedness; municipal planning and code enforcement; human services; senior housing; wastewater system; recreational activities (including a golf course) and cultural events. Other than these general government activities, it has been determined that the Town is not financially accountable for any other entity, board or commission.

GASB requires 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's MD&A can be found immediately following the independent auditor's report.

Economic Condition and Outlook

The town remained in a self-described "lock down" mode in FY 2009-10 as the nation weathered the worst recession in many years. The municipal expense budget was essentially flat compared to the prior year, and the next year will be flat as well. The 2010-11 budget was built on the assumption the current state of the economy would not change much either way. It would not get worse, but it would not improve noticeably either.

However, things were not at all quiet. Fiscal year 2009-10 will most likely be remembered for two events. The first item was the Town Council decision to make drainage improvements and road repairs along Route 88, which runs north to south along the Cumberland Foreside. The details of the project are discussed in Major Initiatives below.

The second item was the abandonment of the regional rescue program run in conjunction with the neighboring towns of Yarmouth and Falmouth, and the resulting merger of the Fire and Rescue departments.

Going into FY 09-10, the primary concerns with the merger of Fire and Rescue were not as much financial as they were practical. The big concern was that with the merger, the residents of the town would continue to enjoy the same high level of Rescue service as they had in the past. With one year in the books, we can declare this element a success. The transition was mostly seamless, and there has been no decline in service.

There was little doubt that the merger would prove a money saver, and this held true. The combined expenses minus revenues for Fire & Rescue in FY 08-09 were \$655,455, as opposed to \$558,086 the following year. This gap will shrink in the coming years as grants expire, but much of the improvement will remain.

As with prior years, the Town of Cumberland is still a predominantly a residential community with a small commercial sector concentrated in pockets along the major corridors - Rt. 100, Rt. 9, and Rt. 1. Approximately 3% of the tax base is commercial and industrial, 5% is seasonal property, and the remainder is residential (these figures include vacant parcels as well as developed parcels). This translates to a very stable source of property tax revenues. Of the vacant parcels in Town, approximately 80% are zoned for residential use, with the remaining 20% being zoned for commercial and industrial uses, thus ensuring the growth pattern of residence predominance with an opportunity to expand the commercial tax base to a small degree.

The rate of tax collection continued to be strong; at 98.03% for last year and 98.37% for this year. The Town's legal debt margin is set by State law at 15% of estimated actual valuation. Currently, the Town's outstanding indebtedness is at roughly 1.5% of the State's equalized valuation.

With the sharp downturn in the real estate market, reliable home sales data has become increasingly difficult to find. After many years of using GPCOG as a source, they are no longer providing this data. Using information gathered from the Maine Home Sales Connection, the median home sales price in Cumberland decreased 19.3% from 2008 to 2009 to \$287,000. These statistics suggest that unlike in the past, Cumberland is no longer insulated from the overall downturn in property values. However, this is a new source, and no statistics are available through June 30th.

The Town of Cumberland's budget (including MSAD #51) for 2010 showed an increase of 3% from 2009. The Town rate increased from \$3.96 in 2009 to \$4.01 in 2010, the School increased from \$9.50 in 2009 to \$9.98, and the County increased from constant at \$.54 to \$.56. The overall rate increased from \$14.00 to \$14.55. To put these all in relative terms, the overall rate increased 4%, while the town rate increased 1%, the school 5%, and the county 4%.

The unemployment rate for the Town of Cumberland as of April 2010 was 5.2% as compared to the state as a whole at 8.4%. This shows a much better than average unemployment rate and thus a better than average economic outlook.

Major Initiatives

The major initiatives for the Town in 2009-10 included:

- Completion of additional waterlines and a turning lane along Route 100, as well as infrastructure improvements at Castlerock Business Park. These projects were financed by a 2008 bond.
- The bulk of the work on the reconstruction and addition of waterlines to Range Road was completed during the year. The final coat of pavement should be laid down in the spring of 2011.
- Repaving and road improvements in the Bea & Karole Lane neighborhoods were completed, as well as the extension of sidewalks along the town Senior Housing units.

- The Public Works department purchased a new Komatsu 6-wheeled loader for a cost of \$97,500.
- The town replaced the roof of the Town Hall at a cost of \$74,800.

As of June 30, 2010, the major projects along Range Road and Route 88 were all still in progress. No other significant road improvements were completed during the year.

Current and New Initiatives

The Town's primary capital expenditure for 2011 will be a major construction project along Route 88. This is really three projects in one, as it will involve drainage improvements along the road itself and the connecting roads, paved shoulders and better sightlines on the road, and a repaving of the surface and reconstruction along certain portions of the road. While the road itself was not in great condition, the larger issue was drainage. Ponding of water and street flooding occurred on a regular basis, and caused negative impacts to many of the homes along the corridor. Runoff from the area also had an adverse impact on the clam flats. The new drainage is expected to help with water quality improvement.

The decision to move forward with this project proved to be a point of conflict among residents. After the Town Council voted for the project, and referendum petition was successful circulated, and a vote was held in March of 2010. The project very narrowly passed, and construction began in June 2010. The bulk of the work will be completed in FY 2011, but the project will not be fully complete until FY 2012. \$4.1 Million was bonded in the spring of 2010. Because these were "Build America" bonds, a component of the American Recovery and Reinvestment Act, they carried a very low average interest rate of roughly 2.9%.

For much of the past decade, the town has focused on improving infrastructure, in particular the infrastructure along designated commercial areas. With the completion of the Route 100 and Range Road waterlines, this objective is nearly complete. Now that the infrastructure for growth is in place, the town has shifted its efforts to actively promoting this growth. The town hired an Economic Development Director, and also created the Cumberland Maine Business Association. Already there is one exciting new business in place. For the first time in many years, the town now has a bank within town limits, located right along Main Street. It is hoped that the next few years there will be many more of these new businesses to discuss.

The Five Year Capital Improvement Plan includes a commitment to maintain the infrastructure, to continue to purchase capital equipment, to guarantee reliability and to maintain and upgrade the Town's facilities. The intent is to provide quality services to the residents and to ensure that these services will continue in the future without major increases in property taxes.

Financial Information

Internal Controls. Management of the Town 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 are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The audit was performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. As required by these standards, an understanding of the design of relevant policies and procedures, and a determination whether the policies and procedures had been placed in operation and control risk is assessed. As a result of the level of control risk, tests of controls are performed to determine adequacy of the internal control structure. Additionally, tests are performed to determine the Town's compliance with certain laws, regulations, contracts and grants. The results of these tests indicated the Town had no instances of material weaknesses in internal control structure and no violations of applicable laws and regulations tested. The report on compliance and on internal control over financial reporting has been issued under separate cover entitled "Reports Required by *Government Auditing Standards*" dated December 8, 2010 and is available at the Finance Office at the Town Office.

Budgeting Controls. In addition, the Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Council. Activities of the General Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the Department. Special Revenue and Enterprise Funds do not have legally adopted budgets.

Budgets are legally adopted by the Town Council through the passage of an appropriations order. As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management.

General Fund Balance. The overall General Fund balance increased by \$5,030, which represents a change of .3%. The overall General Fund balance would have been higher, but the majority of the potential increase was instead used to offset certain funds that had deficit balances.

Enterprise Operations. The Town's enterprise operations are comprised of three separate and distinct activities: Senior Housing, Sewer system, and Val Halla golf course & recreation center.

The changes in net assets for 2010 are listed below:

Senior Housing	\$ 11,743
Sewer System	(746)
Val Halla	(180,517)

The change in net assets for Senior Housing occurred because operating profits were greater than accumulated depreciation. While the operating profits and accumulated depreciation are similar to prior years, the big change was the increase in principal payments in the past few years. After many years of no or very small principal payments, this fund has now reached the point where it is actually paying down a significant portion of its debt each year, and this is causing a corresponding decrease in interest paid.

The small decrease in net assets for the sewer fund is the result of operational profits for the year offset by accumulated depreciation. The good news from this fund is that the interfund loans payable to the General Fund decreased from \$296,686 to \$226,985 and should continue to decrease in the coming years.

Val Halla showed a decrease of \$188,219. This decrease is the result of operating losses and accumulated depreciation. These were partially offset by an increase to assets from the cart paths. Val Halla's interfund loans payable increased to \$1,658,617. This line has risen considerably in recent years, and has become a major drain on cash balances for the town as a whole. When the banquet center is sold to the Maine State Golf Association on January 1, 2012, the proceeds from the sale will go towards reducing this number considerably.

Debt Administration. As of June 30, 2010, the Town's Governmental Activities had a total of \$17,936,801 of outstanding general obligation debt and capital leases. This amount is \$3,340,752 more than 2009, an increase of 23%. This increase is due to the addition of a \$4.1 million bond in May 2010, offset by \$797,063 in principal payments. The total outstanding debt of the enterprise funds is \$1,240,243, down \$110,000 from the prior year. The Town currently has an AA- rating from with Standard and Poor's on its general obligation bond issues. State statutes provide for an overall debt limit for the Town of 15% of state equalized valuation of real and personal property. As of June 30, 2010, the Town's outstanding indebtedness is roughly 1.5% of the State's equalized valuation.

Financial Policies. During the spirited debate that occurred last year over the Bonding for Route 88 and the FY 10-11 budget, one of the most frequently discussed topics was the issue of the town's debt. Much was made of the fact that the overall bonded indebtedness has increased tremendously in the past decade.

The recent years of bond issuances were part of a long-term strategy to improve the roadways and waterlines of the town in order to encourage commercial growth in designated areas along Routes 1 and 100, and this strategy was also accelerated and augmented by recent economic events. The recent economic downturn created a climate of low interest rates and raw material costs, and extremely aggressive bidding on all construction projects. The Town of Cumberland took advantage of these conditions by stepping up the timelines on many outstanding projects. This will show in the form of the large infrastructure additions for this year, a great deal of construction in progress, and further large additions for the next year.

While the recent rounds of bond issuances have certainly driven the towns overall debt to a very high level, it is also worth noting that unless the town takes on more debt in the next few years, it won't be at such a high level for long. Many of the older debt issuances from the 1990's and the early part of this decade have now reached the point where large amounts of principal are paid down each year, and all of the four recent bond issuances either pay fixed principal, carry low interest rates, or both. Thus, the town is scheduled to pay off nearly \$1.2 million in principal in the coming year, as opposed to roughly \$600,000 in interest payments. In five years, the overall bonded debt will have decreased by 33% from the current amount. In ten years the debt will have dropped 64%, and Range Road, Route 88, Twin Brook and the waterlines running through the western half of the town will all still be very early in their useful life. However, please bear in mind that it is unlikely that the town will completely stop issuing new debt for the next ten years. The numbers above are intended to show the speed at which the town is reducing its principal, and not a projected outcome in ten years.

Other Information

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Runyon Kersteen Ouellette was selected. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors were not required to do a single audit under OMB Circular A-133 as the Town spent less than \$500,000 in federal funds.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financing Reporting to the Town of Cumberland, Maine for its fiscal year ended June 30, 2009. The Town of Cumberland has received Certificates of Achievement for the previous years ending December 31, 1993 through 1999, and June 30, 2001 through 2009. We did not submit a report for 2000 as it was a six month budget year. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

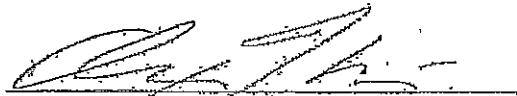
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire office staff. Each member of the various departments has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the governing body of the Town, preparation of this report would not have been possible.

Sincerely,



William R. Shane
Town Manager



Alex Kimball
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Cumberland
Maine

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

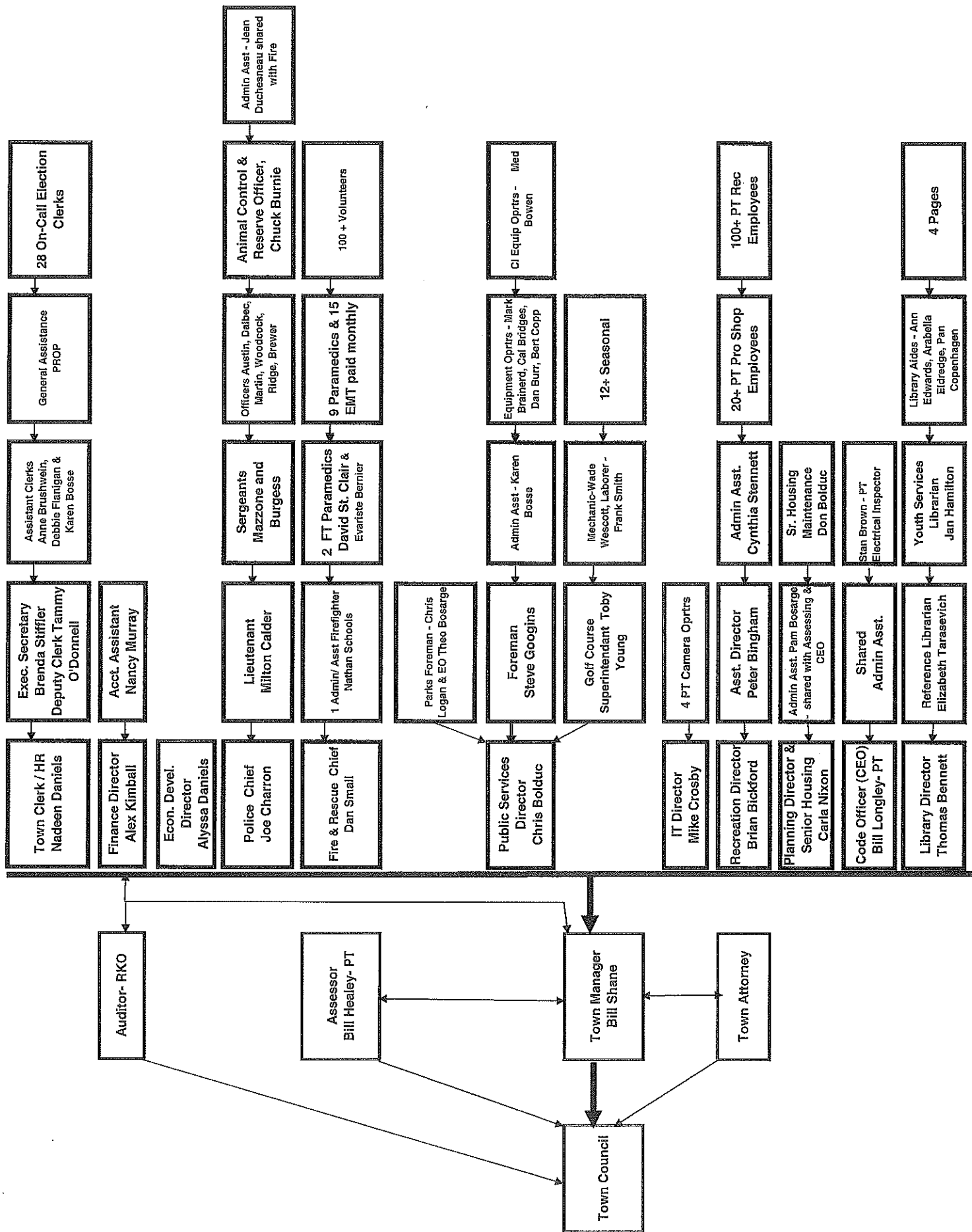


A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director



TOWN OF CUMBERLAND, MAINE
List of Principal Officials
June 30, 2010

Council Member	William Stiles
Council Member	Jeffrey Porter
Council Member	Stephen Moriarty
Council Member	George Turner
Council Member	Ron Copp, Chairman
Council Member	Shirley Storey-King
Council Member	Mike Perfetti
Manager	William Shane
Town Clerk/Human Resource Director	Nadeen Daniels
Code Enforcement Officer	William Longley
Recreation Director	Brian Bickford
Finance Director	Alex Kimball
Public Safety Director	Chris Bolduc
Fire Chief	Daniel Small
Planner	Carla Nixon
Police Chief	Joseph Charron
Librarian	Thomas Bennett
Assessor	William Healey, Jr.
Economic Development	Alyssa Daniels

FINANCIAL SECTION

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Independent Auditor's Report

Town Council
Town of Cumberland, Maine

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Maine as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Cumberland, Maine's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Maine as of and for the year ended June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 16, 2010 our consideration of the Town of Cumberland, Maine's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

Town Council
Town of Cumberland, Maine

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cumberland, Maine's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, exhibits, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and exhibits are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.



December 16, 2010
South Portland, Maine

**TOWN OF CUMBERLAND, MAINE
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010**

As management of the Town of Cumberland, we offer readers of the Town of Cumberland's financial statements this narrative overview and analysis of the financial activities of the Town of Cumberland for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, on page 1 and the basic financial statements, which begin on page 30.

FINANCIAL HIGHLIGHTS

- Total assets of the Town of Cumberland exceeded its liabilities by \$15,526,832. The governmental activities' net assets are \$12,496,000 while the business-type activities' are \$3,030,832.
- The ending fund balance for the General Fund was \$1,999,806. This is an increase over last year of \$5,030, which is the amount by which revenues exceeded expenditures.
- At the end of the fiscal year, the General Fund unreserved, undesignated fund balance was \$1,999,806 or 11% of total General Fund expenditures. This ratio was 4% in 2009, but this large increase is due to a change in the manner in which fund balances are reported. Moving forward, all of the General Fund Balance is reported as shown above. If last year's standards were applied to this year, the ratio would have been 11% as well.
- The Business-type activities reported unrestricted net assets of \$(1,440,318), which represents -79.1% of operating expenses.

USING THIS ANNUAL REPORT

The Town of Cumberland's financial statements are comprised of a series of statements. The *Statement of Net Assets* and the *Statement of Activities* (pages 31 and 32) provide an overview of the government as a whole and its activities. The *Fund Financial Statements* start on page 33. These statements provide a more detailed look at the governmental funds and the enterprise funds. For a detailed look at revenues and expenses in the General Fund, go to the *Statement of Revenues, Expenditures and Changes in Fund Balance* starting on Page 64. The remaining statements are funds for which the Town acts only as an agent, or trustee for the benefit of others outside the government.

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

These statements provide an overview of the government as a whole (similar to private-sector statements). All of the current year's revenues are taken into account regardless of when cash is received.

The *Statement of Net Assets* provides a picture of the difference between assets and liabilities (including infrastructure). This is called *Net Assets*. The *Statement of Activities* provides a look at how the net assets have changed from the prior year to the current year.

In most years, increases or decreases in net assets can show whether the Town is improving or deteriorating. Other factors need to be considered, such as changes in the Town's property tax base and the condition of the roads, to assess the overall health of the Town.

TOWN OF CUMBERLAND, MAINE
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010

In the *Statement of Net Assets* and the *Statement of Activities*, we separate two kinds of activities:

- Governmental Activities – Most of the Town's basic services are reported here, including the General Government, Public Safety, Public Works, Health, Sanitation and Welfare, Recreation, Education and Libraries. Property taxes, intergovernmental revenue (primarily revenues from the State of Maine and North Yarmouth), user fees and franchise fees finance most of these activities.
- Business-type Activities – The Town charges a fee to customers to cover all or most of the cost of certain services it provides. The Town's Senior Housing, Sewer System, and Val Halla Golf & Recreation Center are reported here.

REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The *Fund Financial Statements* provide details of the Town's most significant funds – not the Town as a whole. These statements begin on page 33. Some funds are required to be established by state law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds – governmental and proprietary – use different accounting methods:

- *Governmental Funds* – Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.
- *Proprietary funds* – When the Town charges customers for the services it provides – whether to outside customers or to other units of the Town – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Assets* and the *Statement of Activities*. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements, but provide more detail.

THE TOWN AS TRUSTEE

Reporting the Town's Fiduciary Responsibilities

The Town is the trustee, or *fiduciary*, for trust funds that are set up primarily as scholarships. These assets, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in the separate *Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets* on pages 40 and 41. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**OWN OF CUMBERLAND, MAINE
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010**

THE TOWN AS A WHOLE

The following information is a condensed version of the *Statement of Net Assets*. Our analysis below focuses on the net assets of the Town's governmental and business type activities.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current & other assets	\$ 8,217,576	7,001,038	(1,341,462)	(1,283,082)	6,876,114	5,717,956
Capital assets	23,540,224	21,184,817	5,711,393	5,920,973	29,251,617	27,105,790
Total assets	31,757,800	28,185,855	4,369,931	4,637,891	36,127,731	32,823,746
Long-term debt outstanding	17,936,801	14,225,047	1,123,735	1,240,459	19,060,536	15,465,506
Other liabilities	1,324,999	2,183,071	215,364	197,080	1,540,363	2,380,151
Total liabilities	19,261,800	16,408,118	1,339,099	1,437,539	20,600,899	17,845,657
Net assets:						
Invested in:						
Capital assets	11,713,982	10,583,895	4,471,150	4,570,731	16,185,132	15,154,626
Restricted	6,017,503	880,653			6,017,503	880,653
Unrestricted	(5,235,485)	313,189	(1,440,318)	(1,370,379)	(6,675,803)	(1,057,190)
Total net assets	\$ 12,496,000	11,777,737	3,030,832	3,200,352	15,526,832	14,978,089

Looking at the net assets and net expenses of Governmental and Business-type activities separately show two very different pictures.

The net assets of the Town's governmental activities increased from \$11,777,737 to \$12,496,000, a net change of 6.1%. Construction resulting from the prior year's bond issuances caused Capital Assets to increase while decreasing current assets. However, that decrease in current assets is offset by a new \$4.1 million bond issuance in May of 2010 for drainage and road improvements along Route 88, resulting in an overall increase in Current Assets. Other factors contributing to the increase included General Fund revenues that exceeded expenses.

Unrestricted net assets can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. The unrestricted net assets of Governmental activities changed from June 30, 2009 at \$313,189 to June 30, 2010 at \$(5,235,485). In FY 2008-09, the unspent amount from the Range Road bond should have been included as a restricted asset, which would have lowered that unrestricted number considerably.

The unrestricted net assets of our Business-type activities decreased from \$(1,370,379) to \$(1,440,318). Operating losses at Val Halla Golf and Recreation Center decreased unrestricted assets. While Val Halla actually did perform better than prior years, increases to yearly depreciation and accrued vacation (not counted as a liability in prior years), minimized this improvement. Net assets for the Senior Housing Fund improved slightly, and net assets for the Sewer Fund were essentially unchanged.

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	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Program revenues:						
Charges for services	\$ 1,492,929	\$ 1,497,049	1,655,325	1,864,524	3,148,254	3,361,573
Operating grants & contributions	257,629	351,020	-	-	257,629	351,020
Capital grants & contributions	170,238	398,369	59,789	-	230,027	398,369
General revenues:						
Property taxes	16,651,007	15,940,443	-	-	16,651,007	15,940,443
Motor vehicle excise tax	1,372,271	1,348,642	-	-	1,372,271	1,348,642
Interest and penalties	56,098	50,988	-	-	56,098	50,988
Homestead exemption	181,958	161,847	-	-	181,958	161,847
Other State aid	-	11,300	-	-	-	11,300
State revenue sharing	566,153	702,294	-	-	566,153	702,294
Investment earnings	16,342	71,519	-	-	16,342	71,519
Miscellaneous revenues	100,622	195,382	-	433,582	100,622	628,964
Total revenues	<u>20,865,247</u>	<u>20,728,853</u>	<u>1,715,114</u>	<u>2,298,106</u>	<u>22,580,361</u>	<u>23,026,959</u>
Program expenses:						
General government	3,285,510	3,783,966	-	-	3,285,510	3,783,966
Public safety	2,120,117	2,220,293	-	-	2,120,117	2,220,293
Public works	1,208,065	1,162,830	-	-	1,208,065	1,162,830
Health, sanitation & welfare	857,366	834,347	-	-	857,366	834,347
Recreation	650,799	595,531	-	-	650,799	595,531
Education/libraries	11,368,432	10,801,875	-	-	11,368,432	10,801,875
Interest on debt	648,993	562,089	-	-	648,993	562,089
Senior expenses	-	-	270,422	244,777	270,422	244,777
Sewer system	-	-	831,988	913,642	831,988	913,642
Val Halla Golf & Rec. Center	-	-	789,926	859,546	789,926	859,546
Total expenses	<u>20,139,282</u>	<u>19,960,931</u>	<u>1,892,336</u>	<u>2,017,965</u>	<u>22,031,618</u>	<u>21,978,896</u>
Excess (deficiency) of revenues over (under) expenditures	725,965	767,922	(177,222)	280,141	548,743	1,048,063
Transfers	(7,702)	(934,991)	7,702	934,991	-	-
Change in net assets	718,263	(167,069)	(169,520)	1,215,132	548,743	1,048,063
Net assets - July 1	<u>11,777,737</u>	<u>11,944,806</u>	<u>3,200,352</u>	<u>1,985,220</u>	<u>14,978,089</u>	<u>13,930,026</u>
Net assets - June 30	<u>\$ 12,496,000</u>	<u>11,777,737</u>	<u>3,030,832</u>	<u>3,200,352</u>	<u>15,526,832</u>	<u>14,978,089</u>

The overall change in net assets shows an increase from the prior year. Governmental Activities net assets rose, while Business-type Activities decreased. The primary reasons for the changes in net assets from 2009 to 2010 for governmental activities are:

1. Governmental activities produced a net gain of \$718,263, mostly due to the budgeted overlay. This is the amount by total revenues exceeded expenses. Much of this excess was then used to increase the fund balance of governmental funds other than the General Fund, such as the Equipment Reserves and Road Improvements funds.
2. A portion of the above gain went to the TIF Funds, which built up their fund balances in anticipation of increased debt service payments exceeding revenues for the coming year. Debt service payments for the Range Road bond will hit their full level in 2010-11, and will remain constant thereafter. Revenues are expected to catch up to expenses in these districts in the following year.

For Business-type Activities:

1. Operating losses at Val Halla accounted for the majority of the decline in net assets
2. Operating profits in the sewer fund roughly equaled the yearly depreciation, resulting in no change in net assets.

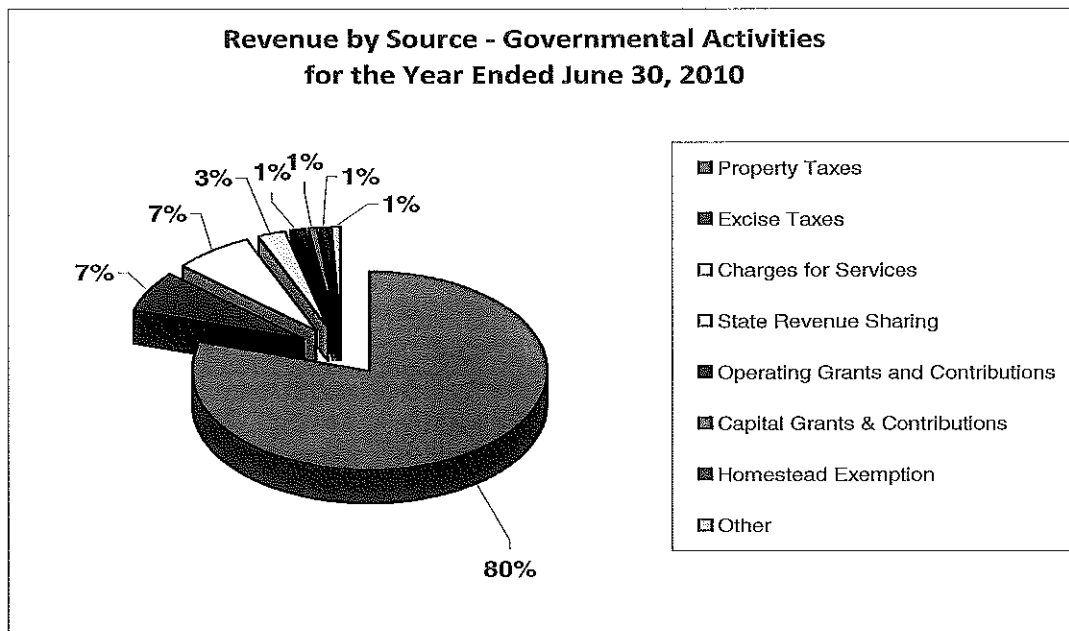
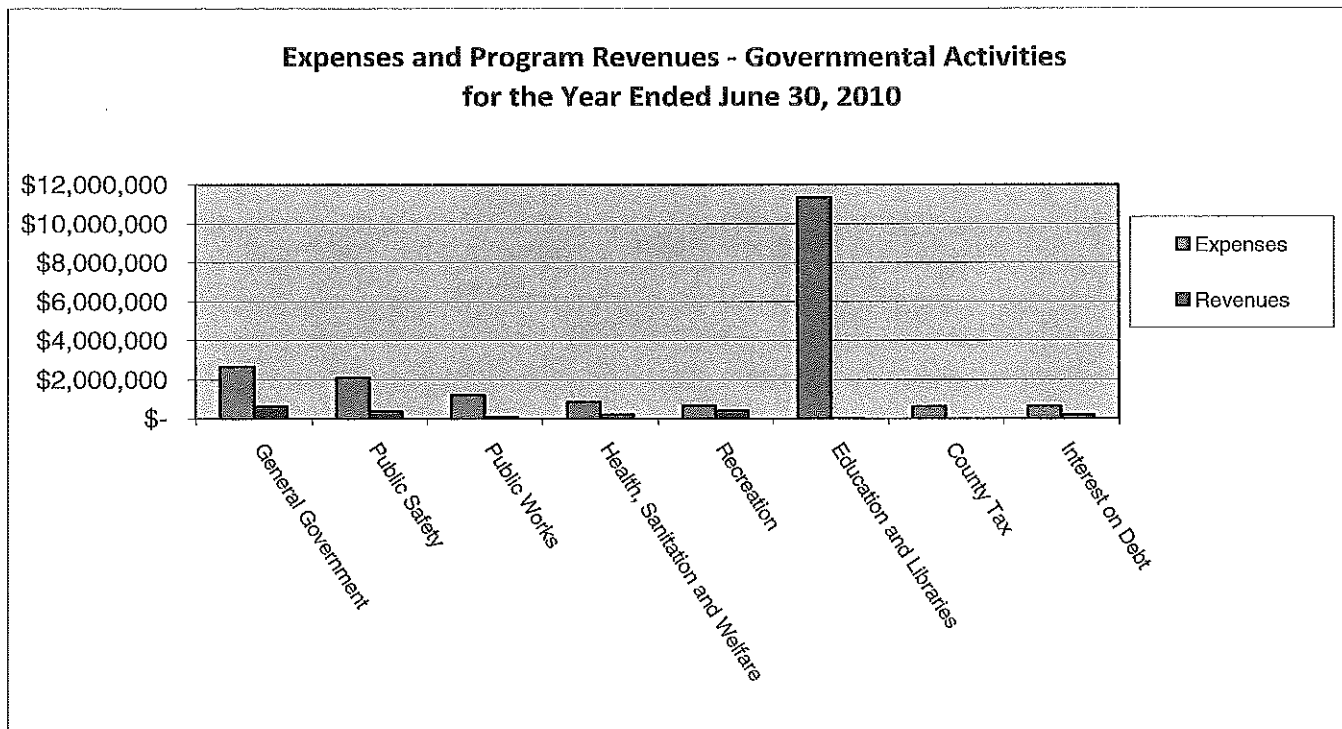
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3. The reduction in principal debt due in Senior Housing more than offset operating losses from depreciation, resulting in a small increase in net assets.

GOVERNMENTAL ACTIVITIES

The total cost of governmental activities this year was \$20,139,282. After taking into consideration the program revenues, the ultimate cost to the taxpayer was \$18,218,486 (on the Statement of Activities). Many programs are subsidized through user fees, grants and contributions.

Governmental activities resulted in an increase to the Town of Cumberland's net assets of \$718,263.



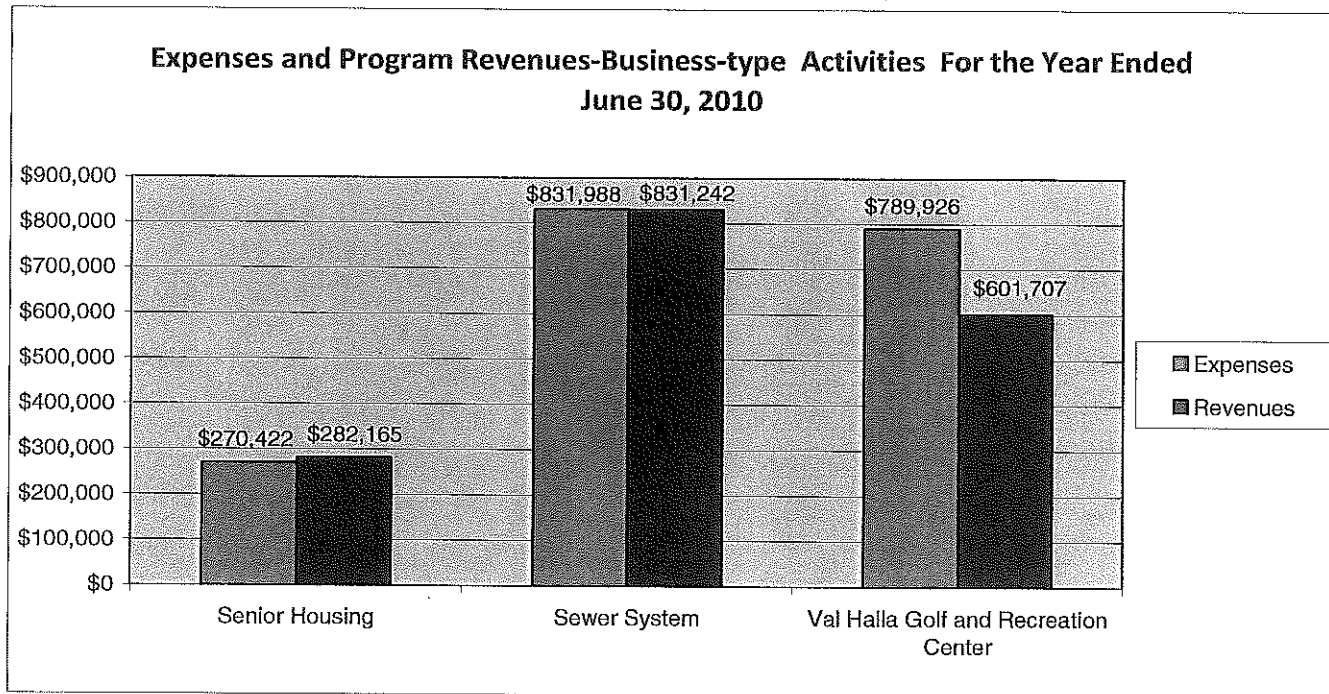
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BUSINESS-TYPE ACTIVITIES

The total expense in Business-type activities this year was \$1,892,336; however, after considering the total amounts paid by users, the total cost was \$177,222. These costs are absorbed by the individual funds and the costs are not passed on to the taxpayer. These costs are almost entirely due to depreciation and operating losses in the Val Halla fund.

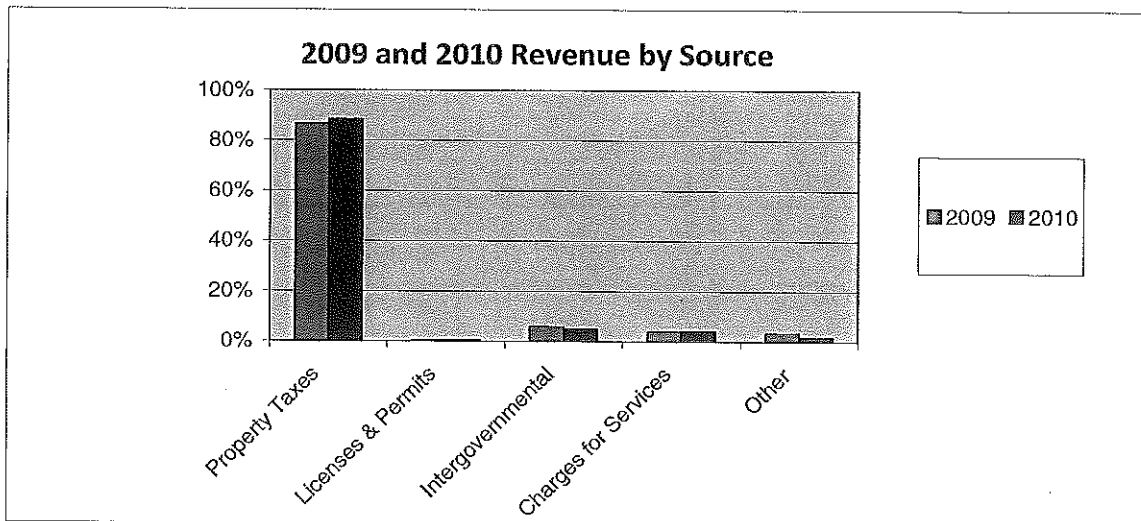
Business-type revenues were 100% derived from charges for services.

(Information from Statement 2)



THE TOWN'S FUNDS

As of June 30, 2010, the Town's governmental funds reported a combined fund balance of \$7,477,341, up from \$5,782,728 a year ago. This increase is primarily due to additional funds from the bonding of Route 88 Road Improvements, and remaining funds from the bond issuance from the prior year. This more than offset bond funds spent during the year. With the majority of the Range Rd and Route 88 funds expected to be spent by the end of FY 2011, this amount will drop sharply next year.



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GENERAL MAJOR GOVERNMENTAL FUNCTIONS

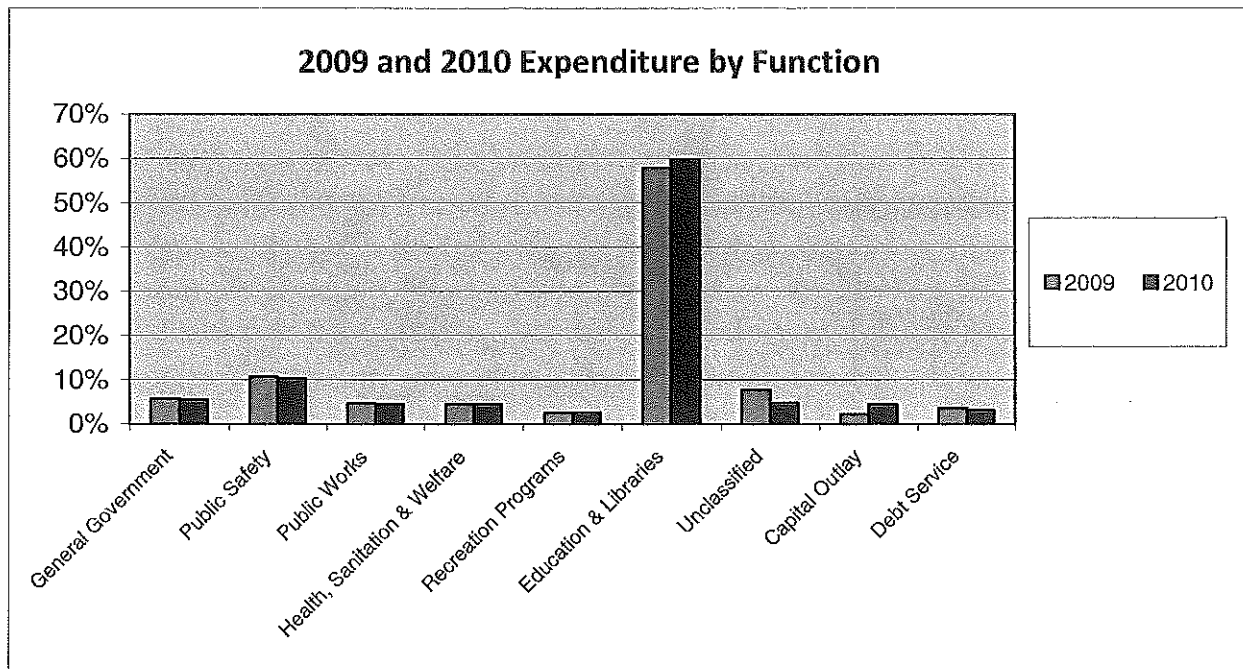
The information below summarizes revenues of the General Fund for 2010 and 2009. Information is extracted from Statement 4.

<u>Revenues by Function</u>	<u>2010</u>	<u>2009</u>
Taxes	\$ 17,226,310	16,541,295
Licenses & Permits	101,642	88,091
Intergovernmental	987,905	1,114,062
Charges for Services	819,907	728,644
Other	<u>323,470</u>	<u>633,076</u>
	\$ 19,459,234	19,105,168

The information below summarizes expenditures of the General Fund for 2010 and 2009. Information is extracted from Statement 4.

<u>Expenditures by Function</u>	<u>2010</u>	<u>2009</u>
General Government	\$ 1,031,502	1,076,082
Public Safety	1,949,939	1,992,024
Public Works	866,539	895,922
Health, Sanitation & Welfare	856,075	833,056
Recreation Programs	498,395	482,173
Education & Libraries	11,291,481	10,725,405
Unclassified	1,525,919	1,440,913
Debt Service	<u>589,514</u>	<u>660,591</u>
Subtotal Expenditures	18,609,364	18,106,116
Transfers for Capital Outlay	<u>844,840</u>	<u>420,000</u>
Total	\$ 19,454,204	18,526,166

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Overall, Governmental expenses increased compared to the prior year. The largest dollar increase in the amount of \$566,076 came from MSAD #51, largely due to decreases in state funding. The next largest increase of \$200,758 was in Capital Projects. Extra funds were allocated for engineering fees related to the drainage improvements along Route 88, in addition to an assortment of smaller road improvement projects and equipment purchases. General Government expenses decreased largely due to the shortened work week, which was in existence for only half of the prior year. Public Safety expenses decreased as a result of the termination of the regional rescue program, and the subsequent merger of the Rescue and Fire departments. Public Works expenses decreased due to a fairly mild winter, although this was partially offset by increases in fuel and raw materials costs. A sharp increase in General Assistance requests resulted in an increase to the Health, Sanitation and Welfare category. One decrease that may surprise people is in Debt Service. The decrease in General Fund debt service is largely related to decreased expenses from the Tax Anticipation note, and not from lower debt service payments. While the debt service payments in the General Fund did remain constant, payments out of the TIF districts increased by \$140,490.

PROPRIETARY FUNDS

The Town of Cumberland has three (3) enterprise funds (Senior Housing, Sewer System, and Val Halla Golf & Recreation Center). The total assets for these funds are \$6,352,155. The total net assets (assets – liabilities) are \$3,030,832. The total unrestricted net assets are \$(1,440,318). This represents a decrease in both total and net assets. This information is extracted from Statement 7. Depreciation accounts for the decrease in total assets. While decreases in principal owed in the Val Halla and Senior Housing funds helps to decrease the overall liabilities, operating losses from the Val Halla Fund continue to increase interfund loans payable, and thus drag down the net assets of the proprietary funds overall.

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GENERAL FUND BUDGETARY HIGHLIGHTS

As demonstrated by the following description and the schedule at the bottom of this page, the Town continues to meet its responsibilities for sound financial management, in spite of a weak year for revenues. The actual revenues fell short of budgeted revenues by \$130,680. Three big shortfalls contributed to this miss. While the Town decreased its budgeted revenues for State Revenue Sharing significantly, they still fell short of budget by \$83,847. The next item involves the use of Fund Balance. The Town had originally planned to sell an unneeded fire engine during FY 09-10, but instead it sold faster than anticipated, and ended up showing up in FY 08-09. Thus, the prior year's gain was this year's loss. The final disappointing revenue line was Interest on Investments, which fell short by \$83,658. Because the Town only holds on to funds for months at a time, only very short term investments can be made with this money. Unfortunately, the investment climate has been very poor in this area for the past year. All three of these lines have either been eliminated or reduced for the coming year.

Two items on the expense side that may seem odd are the unbudgeted amount of \$53,374 for Circuit Breaker Assistance, and overage of \$47,807 in Code Enforcement. These items are both accounting corrections including amounts from prior years. These amounts had previously existed in separate funds from the General Fund, but with recent changes to accounting rules, their balances now need to be reported in the General Fund. The first item refers to the Town Circuit Breaker program, which is designed to work alongside the state program. The second item is inspection fees reimbursed by developers for larger construction projects. These items will continue to show up in the future, but for much smaller amounts.

Excluding the budgeted overlay of \$678,177, actual expenditures were above budget by \$318,385. The budgeted overlay would normally create a positive budget variance of \$678,177. However, expenditures other than the overlay exceeded their budget by \$318,385, which reduces the positive variance of the overlay to \$229,112. This excess was partially used to close out the Comprehensive Plan Fund and repay deficits in other funds. After transfers, the change in fund balance was \$5,030.

The excess was handled in the following manner:

- \$7,337 to cover overages in the Unemployment Fund
- \$1,060 to close the Comprehensive Plan Fund
- \$100,988 to cover overages in the Equipment Reserve Fund
- \$100,000 to cover overages in the Town Building Reserves Fund

Transfers in from the Impact Fee Fund and out to other special revenue funds accounted for the remaining difference between the overlay variance and the final fund balance.

The bottom line is a fund balance that increased by \$5,030, resulting in an ending fund balance of \$1,999,806. This amount represents 11% of the total General Fund expenditures. While this amount does meet the Town's goal to try to maintain as close to 10% as possible, it is important to note that the majority of this balance is made up of Interfund loans due to the general fund, and thus the actual fund balance available remains quite low.

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CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of 2010, the Town of Cumberland's Governmental Activities had invested \$2,545,124 in a range of capital assets including police, fire and public works equipment, building improvements, and in particular, major infrastructure improvements. The depreciation for 2010 was \$914,389, resulting in a net capital asset investment of \$1,630,735. The Town also had \$2,809,619 worth of construction in progress.

Much like 2009, 2010 was a busy year for infrastructure improvements, and also like the prior year, an even greater amount is still listed as construction in progress. At different times during the year, construction was occurring related to 3 different bond issuances. Work on the 2008 \$2.88 million issuance was mostly completed during the year, the bulk of the work for 2009 Range Road bond occurred during the year, and work began in the spring on the 2010 Route 88 Bond.

By far, the largest project completed was the addition of waterlines along Route 100, the major road running north-south through the western end of the Town. Completed at a total cost of \$1,561,419, this project eliminates the need for wells along this commercial section of the Town, and it is hoped that it will help spur future commercial development in this region. The project was funded by the 2008 bond issuance, and its yearly debt service payments will come from the Town's TIF districts. The completion of this project accounted for most of the decreases to construction in progress.

Costing \$310,553, the next largest infrastructure project was the completion of repaving and drainage improvements along Grove, Phillips, Bea Streets & Karole Lane. Because these are all short streets in the same neighborhood, they were all lumped together as one large project. This project also reduced construction in progress from the prior year.

Another project funded by the 2008 bond was the creation of the infrastructure for the Castlerock Business Park at a cost of \$279,496. Located within the Route 100 TIF District, it is hoped that the business park will serve as an anchor for future commercial development projects in the area. This project also contributed to the decreases in construction in progress.

The largest active project in the Town continued to be the complete reconstruction and addition of waterlines along Range Road. As of June 30th, this project was up to \$2,438,499 in construction in progress, of which \$2,107,196 occurred during the fiscal year. By the fall of 2010, this project is mostly complete, but the final paving will not occur until the spring of 2011. The project should be more than 95% complete by the end of FY 2011, and should appear as a new asset in the next year's audit. This project is funded by the 2009 \$4 million bond issuance, and yearly debt service payments will come from the TIF districts.

The final major construction project began in the spring of 2010. This project is to make drainage and road repairs along Route 88, which runs north to south along the Cumberland Foreside. As the original road from Portland to points north and east, this road has a very long history, and is fed by a large number of residential side roads. While the road itself was not in great condition, the larger issue was drainage. Ponding of water and street flooding on a regular basis caused negative impacts to many of the homes along the corridor. Runoff from the area also had an adverse impact on the clam flats. The new drainage is expected to help water quality improvement. Shoulders along the road were also paved, sightlines were improved, and some sections of the road were rebuilt. At the end of the fiscal year, only \$340,230 of a \$4.1 million bond had been spent, but this amount will rise sharply in the following year. Debt service for this bond will be paid by the General Fund.

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Two other much smaller infrastructure projects were completed during the year. The parking area in front of the Public Works garage, which is also used as the parking area for the MSAD 51 school buses, was regraded, paved, and re-wired for better lighting at a cost of \$62,984. MSAD 51 then reimbursed the Town for slightly less than half the cost of this project, resulting in a net cost of \$33,218. The other project was the expansion of sidewalks along the Senior Housing projects, at a total cost of \$20,941.

The largest building improvement was the complete replacement of the Town Hall roof, at a total cost of \$74,800. Given that the Town hall is less than 15 years old, this expense obviously occurred far sooner than anyone had expected. Unfortunately, sub-standard work performed on the original installation was resulting in massive leaks and ice-dams every winter, and thus a replacement was required before the problem did even more damage to the building. Using grant funds from the American Reinvestment and Recovery Act, the Town added a solar hot water generator for the Town. The system cost \$12,669, and 90% of this cost was reimbursed by the grant. Because the hot water came from the same propane tank as the heating system, it will take a full year to assess the yearly savings from this project, but early returns suggest that it has already paid for the net investment by the Town of \$1,267 six months later.

A number of small improvements to the HVAC, boiler systems, and windows of the Prince Memorial Library cost a combined total of \$14,871.

The Town made two exciting land improvements during the year. At a total cost of \$16,640, a composting area was build next to the Public Works Garage. Cumberland residents can now bring yard waste to add to the piles, and can also receive processed garden and yard compost free of charge. Using donated funds, the first piece of a new veterans monument located at the Moss Side Cemetery was installed at a cost of \$9,475. Two additional pieces will eventually flank this monument once additional funds are raised.

Using grant funding, the Fire Department purchased 6 Dell Latitude laptops at cost of \$2,000 each for use in the vehicles. They also purchased a motorized folding stretcher for the ambulance for \$11,221, and a new hydraulic cutting tool for emergency vehicle extractions costing \$6,045. The department also purchased a software bridge used to transfer data from the rescue call tracking software to the Ortivus billing software for \$4,000.

The Police Department purchased a new treadmill and an elliptical trainer for the downstairs training area, using DEA Seized funds of \$3,825. They also purchased a Watchguard video monitoring system for one of the cruisers at a cost of \$6,040.

The largest equipment purchase of the year was made by the Public Works Department, which obtained a Komatsu WA200 6-wheeled loader for \$97,500. This piece of equipment is used on all manner of construction projects in the summer, and is used for parking lot plowing and loading of snow in the winter. To enable quick switching of the buckets and plows needed for the variety of jobs performed by this machine, a "quick coupler" was also purchased for \$12,030.

Other purchases include a \$16,000 trailer used to transport Parks Department mowing equipment from site to site and \$7,573 in smaller purchases for binding of Town records, electric upgrades for the new Fire Department housing, and a new light bar for a Fire Department vehicle.

The Business-type Activities received \$59,789 in capital contributions paid for by Governmental Activities. The depreciation expense in 2009-10 was \$269,369. The capital net investment for 2010 was \$-209,580.

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The additions consisted of two new investments, both of which were made at Val Halla. The main expense was the construction of additional cart paths at a total cost of \$57,743. Completion of these paths means that Val Halla will have at least 9 holes open for cart usage far more often than in the past. With cart rentals comprising a large chunk of Val Halla revenues, this addition has already had a noticeable impact. The course also purchased a new motorized trap rake for \$2,046.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land	\$ 3,020,000	3,020,000	-	-	3,020,000	3,020,000
Construction in progress	2,809,619	2,084,948	-	-	2,809,619	2,084,948.00
Land improvements	1,352,976	1,379,402	1,321,679	1,333,440	2,674,655	2,712,842
Buildings & building improvements	4,796,722	4,867,692	1,720,865	1,798,955	6,517,587	6,666,647
Machinery & equipment	670,680	735,474	209,859	248,948	880,539	984,422
Furniture & office equipment	1,031,967	1,044,414	3,675	4,383	1,035,642	1,048,797
Computer equipment	85,393	110,019	-	-	85,393	110,019
Vehicles	1,753,351	1,866,294	3,054	4,237	1,756,405	1,870,531
Infrastructure	8,019,516	6,076,574	2,452,261	2,531,010	10,471,777	8,607,584
Totals	\$ 23,540,224	21,184,817	5,711,393	5,920,973	29,251,617	27,105,790

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
General Obligation						
Bonds and Notes	\$ 17,835,201	14,532,264	1,178,009	1,259,034	19,013,210	15,791,298

The Town's fiscal year 2011 major capital expenditure will be the bulk of the drainage and road improvements along Route 88. The \$4.1 million bonded for this project is responsible for the increase in debt shown above, and is discussed in greater detail on prior pages. This project began in earnest in late spring 2010, and will be mostly complete by the following spring.

The Town will also complete work related to the 2008 and 2009 bonds in 2011. A final stretch of waterline along Route 100 will finish off the 2008 bond. Range Road will receive its final "top-coat" of asphalt in the spring of 2011, and this will complete expenses from that bond as well.

Similar to the past few years, 2011 will hopefully be a relatively quiet year for non-infrastructure purchases. The Police Department will purchase two new cruisers, and the Fire Department will purchase a new ambulance. The HVAC system at the Town Hall will get an upgrade and the Fire station will both receive new solar hot water tanks as a result of an ARRA grant.

Additional information on the Town of Cumberland's capital assets can be found in the *Notes to the Basic Financial Statements* on pages 51-52 of this report.

DEBT

At year end, the Town had \$19,013,210 in bonds and notes payable, versus \$15,791,298 last year; an increase of 20.4% or \$3,221,912. This increase is a result of the \$4.1 million bond for drainage and road improvements along Route 88 that arrived in May 2010, and is partially offset by principal payments.

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The Town of Cumberland's rating for our bond issues is AA-. This is the fourth highest rating given by Standard & Poor. It is the second highest grade quality (with AAA being the highest grade quality and AA+, AA, and AA- being high grade quality ratings).

Additional information on the Town of Cumberland's long-term debt can be found in the *Notes to the Basic Financial Statements* on pages 56-57 of this report.

Economic Factors and Next Year's Budget and Rates

At first glance, The Town of Cumberland's FY 10-11 municipal expense budget remained essentially unchanged from the prior year. The "municipal" budget refers to all General Fund expenses other than those assessed by MSAD 51. Because the Town does not control the SAD assessment, the municipal budget is created and approved in April of each year prior to the announcement of the school assessment to the Town. Thus, the municipal budget for FY 10-11 is \$7,986,788, compared with \$8,013,776 in 2010.

Even when one views the budgets at the departmental level, many of the budgets seem similar to the prior year. While this is certainly true, these similar numbers are actually the result of a few major offsetting factors.

The primary factor driving costs upwards was employee payroll. After taking a pay cut in FY 08-09 and no cost of living increase in FY 09-10, all non-union employees received a 2% pay increase. Union employee received no increase. This increase was offset by a number of other cuts.

Personnel cuts made by Public Works and Prince Memorial Library in the prior year came to have a full year's impact on the budget, which helped those departments. With the departure of 3 recreation employees by the end of FY 2010, the Town made a major change in this Department. Rather than simply replacing these positions, the Town hired Brian Bickford to be in charge of both the Recreation Department and also the Pro Shop staff and Programs Director at Val Halla. The existing Public Works administrative assistant then moved to Recreation, and her position was filled by one of the front counter clerks. The clerk position was not replaced, and a portion of the Recreation Director and administrative assistant positions' salaries will be borne by Val Halla. The net result of all these moves was a reduction of one department head position and one clerk position.

However, the largest cut came in the form of employee benefits. Facing yet another year of double-digit health insurance increases, the Town discontinued its HMO plan in favor of two very different PPO options. The first PPO is a traditional plan, and costs roughly the same as the prior year's HMO for only a small reduction in benefits. Slightly less than half of the Town's employees chose this option. The second option is a high-deductible PPO with a Health Reimbursement Account built in to help pay for this deductible. While this plan definitely saves on premium costs and is budgeted to save on overall costs as well, it does come with drawbacks. Both the employees and the Town carry far more risk with this plan. The employees carry extra risk if they have unforeseen out of network expenses, and the Town carries a risk that if a high number of employee accrue large expenses, the Town will end up paying the extra costs. This plan was implemented on a small scale in the prior year, and those results led to the budget reductions in the current year.

All these changes proved vital, as the MSAD 51 assessment increased by roughly \$916,431 over the prior year. While the actual spending for the district remained flat compared to the prior year, major losses in state aid to the school caused the assessment to the Town to grow. This caused an overall increase in spending of 5%.

**TOWN OF CUMBERLAND, MAINE
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2010**

Non-property tax revenues also had to be reduced slightly from the prior year. This is due to a budgeted decrease of \$150,000 in State Revenue Sharing. If not for this very large decrease, revenues would actually have increased by \$114,492, a result of an increase in the price of trash bags, and many other revenues returning slightly from their drops brought on by the recession.

In the end, the General Fund budget came in at \$19,817,125, up from \$18,912,397 in 2009-10. Non-property tax revenues decreased by \$35,508, which contributed to a mil rate increase from \$14.55 to \$15.30.

As for the Town's business-type activities: The Sewer Fund enjoyed another year of operating profits, and no increase to the Town's assessment is scheduled for FY 2011. As a result, the fund is beginning to pull out of the deficit created in prior years, and might make it into the black within a few years. This means that after many years of rate increases, the light at the end of the tunnel has appeared.

Expenses for Senior Housing slightly outpaced revenues in 2010. However, rate increases for 2011 have pulled the fund back to a break-even state. The Town will be pursuing possible energy efficiency improvements for the units in 2011, as well as the possibility of re-financing the original bond for the construction of the units. This bond still has principal remaining of \$960,000, and is carrying a high interest rate compared to those at present.

The financial statements for Val Halla at first appear similar to the prior year, but they actually mask some real improvement. Ignoring accumulated depreciation, Valhalla's operating loss improved by \$34,168 over the prior year. However, this is still a very large operating loss of \$97,936. While the course was busier and garnered better reviews in the summer of 2010 than in many years, the operating profit has not improved from the prior year. While the Town has certainly succeeded in refurbishing Val Halla's reputation and popularity, it has not enjoyed the same success with regard to profitability. It appears that more difficult decisions are in store with regard to Val Halla in the coming year.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors, 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 financial information, contact *Alex Kimball, Finance Director, 290 Tuttle Road, Cumberland, ME, 04021.*

BASIC FINANCIAL STATEMENTS

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TOWN OF CUMBERLAND, MAINE
Statement of Net Assets
June 30, 2010

	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 5,254,680	215,651	5,470,331
Investments	261,797	271,109	532,906
Receivables:			
Accounts	93,630	154,002	247,632
Intergovernmental	149,218	-	149,218
Taxes receivable - prior years	58,195	-	58,195
Taxes receivable - current year	271,605	-	271,605
Tax liens	146,227	-	146,227
Internal balances	1,982,224	(1,982,224)	-
Capital assets not being depreciated	6,819,735	-	6,819,735
Capital assets being depreciated, net	16,720,489	5,711,393	22,431,882
Total assets	31,757,800	4,369,931	36,127,731
LIABILITIES			
Accounts payable and other current liabilities	422,104	53,501	475,605
Accrued payroll	101,658	13,719	115,377
Accrued compensated absences	152,575	10,034	162,609
Accrued interest payable	155,317	-	155,317
Unearned revenue	42,145	21,602	63,747
Noncurrent liabilities:			
Due within one year	1,159,025	116,508	1,275,533
Due in more than one year	17,228,976	1,123,735	18,352,711
Total liabilities	19,261,800	1,339,099	20,600,899
NET ASSETS			
Invested in capital assets, net of related debt	11,713,982	4,471,150	16,185,132
Restricted for:			
Capital projects	5,755,906	-	5,755,906
Expendable trust	162,356	-	162,356
Nonexpendable trust principal	99,241	-	99,241
Unrestricted	(5,235,485)	(1,440,318)	(6,675,803)
Total net assets	\$ 12,496,000	3,030,832	15,526,832

See accompanying notes to financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Activities
For the year ended June 30, 2010

Functions/programs	Net (expense) revenue and changes in net assets				
	Program Revenues			Primary Government	
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Total
Primary government:					
Governmental activities:					
General government	\$ 3,285,510	462,566	-	170,238	(2,652,706)
Public safety	2,120,117	207,097	168,877	-	(1,744,143)
Public works	1,208,065	16,687	81,672	-	(1,109,706)
Health, sanitation and welfare	857,366	222,240	-	-	(635,126)
Recreation	650,799	394,246	7,080	-	(249,473)
Education and libraries	11,368,432	7,852	-	-	(11,360,580)
Interest on debt	648,993	182,241	-	-	(466,752)
Total governmental activities	20,139,282	1,492,929	257,629	170,238	(18,218,486)
Business-type activities:					
Senior Housing	270,422	282,165	-	-	11,743
Sewer System	831,988	831,242	-	-	(746)
Val Halla Golf and Recreation Center	789,926	541,918	-	59,789	(188,219)
Total business-type activities	1,892,336	1,655,325	-	59,789	(177,222)
Total primary government	\$ 22,031,618	3,148,254	257,629	230,027	(18,395,708)
General revenues:					
Property taxes, levied for general purposes				\$ 15,759,205	15,759,205
TIF district taxes				853,066	853,066
Outer island property taxes				38,736	38,736
Motor vehicle excise taxes				1,372,271	1,372,271
Interest and penalties				56,098	56,098
Grants and contributions not restricted to specific programs:					
Homestead exemption				181,958	181,958
State Revenue Sharing				566,153	566,153
BETE Reimbursements				3,688	3,688
Unrestricted investment earnings				16,342	16,342
Miscellaneous revenues				96,934	96,934
Transfers				(7,702)	-
Total general revenues, special items, and transfers				18,936,749	18,944,451
Change in net assets				(169,520)	548,743
Net assets - beginning				11,777,737	14,978,089
Net assets - ending				\$ 12,496,000	15,526,832

See accompanying notes to financial statements.

TOWN OF CUMBERLAND, MAINE
Balance Sheet
Governmental Funds
June 30, 2010

	General	Bond Fund	Twin Brook Fund	Range Road	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,254,680	-	-	-	-	5,254,680
Investments	-	-	-	-	261,797	261,797
Receivables:						
Accounts	93,610	-	-	-	20	93,630
Intergovernmental	39,407	-	-	-	109,811	149,218
Taxes receivable - prior years	58,195	-	-	-	-	58,195
Taxes receivable - current year	271,605	-	-	-	-	271,605
Tax liens	146,227	-	-	-	-	146,227
Interfund loans receivable	-	4,378,800	-	1,620,600	422,792	6,422,192
Total assets	\$ 5,863,724	4,378,800	-	1,620,600	794,420	12,657,544
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	135,551	167,334	460	76,160	40,599	420,104
Accrued payroll	100,852	-	-	-	806	101,658
Interfund loans payable	3,411,767	-	608,082	-	422,119	4,441,968
Deferred revenue	215,748	-	-	-	-	215,748
Security deposit	-	-	-	-	725	725
Total liabilities	3,863,918	167,334	608,542	76,160	464,249	5,180,203
Fund balances (deficits):						
Reserved for:						
Permanent funds:						
Expendable trust	-	-	-	-	162,356	162,356
Principal	-	-	-	-	99,241	99,241
Unreserved, reported in:						
General fund	1,999,806	-	-	-	-	1,999,806
Special revenue funds	-	-	-	-	52,230	52,230
Capital projects funds	-	4,211,466	(608,542)	1,544,440	16,344	5,163,708
Total fund balances (deficits)	1,999,806	4,211,466	(608,542)	1,544,440	330,171	7,477,341
Total liabilities and fund balances	\$ 5,863,724	4,378,800	-	1,620,600	794,420	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						23,540,224
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						174,328
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:						
Bonds and notes payable	(17,835,201)					
Capital leases	(101,600)					
Accrued interest	(155,317)					
Accrued compensated absences	(152,575)					
Landfill liability	(451,200)					
						(18,695,893)
Net assets of governmental activities						\$ 12,496,000

See accompanying notes to financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2010

	General	Bond Fund	Twin Brook Fund	Range Road	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 17,226,310	-	-	-	853,066	18,079,376
Licenses and permits	101,642	-	-	-	-	101,642
Intergovernmental	987,905	-	-	-	21,523	1,009,428
Charges for services	819,907	-	-	-	130,676	950,583
Rental income	-	-	-	-	182,241	182,241
Other	323,470	-	2,506	-	216,001	541,977
Total revenues	19,459,234	-	2,506	-	1,403,507	20,865,247
Expenditures:						
Current:						
General government	1,031,502	-	-	-	-	1,031,502
Public safety	1,949,939	-	-	-	-	1,949,939
Public works	866,539	-	-	-	-	866,539
Health, sanitation and welfare	856,075	-	-	-	-	856,075
Recreation	498,395	-	-	-	-	498,395
Education and libraries	11,291,481	-	-	-	-	11,291,481
County tax	615,032	-	-	-	-	615,032
Unclassified	910,887	-	-	-	211,396	1,122,283
Capital outlay	-	517,720	4,812	2,124,257	1,049,442	3,696,231
Debt service:						
Principal	359,066	-	-	-	437,997	797,063
Interest	230,448	-	-	-	385,444	615,892
Total expenditures	18,609,364	517,720	4,812	2,124,257	2,084,279	23,340,432
Excess (deficiency) of revenues over (under) expenditures	849,870	(517,720)	(2,306)	(2,124,257)	(680,772)	(2,475,185)
Other financing sources (uses):						
Issuance of capital lease	-	-	-	-	77,500	77,500
Issuance of debt	-	4,100,000	-	-	-	4,100,000
Transfers in	-	-	-	-	847,270	847,270
Transfers out	(844,840)	-	-	-	(10,132)	(854,972)
Total other financing sources (uses)	(844,840)	4,100,000	-	-	914,638	4,169,798
Net change in fund balances	5,030	3,582,280	(2,306)	(2,124,257)	233,866	1,694,613
Fund balances (deficits), beginning of year	1,994,776	629,186	(606,236)	3,668,697	96,305	5,782,728
Fund balances (deficits), end of year	\$ 1,999,806	4,211,466	(608,542)	1,544,440	330,171	7,477,341

See accompanying notes to financial statements.

TOWN OF CUMBERLAND, 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, 2010

Net change in fund balances - total governmental funds (from Statement 4)	\$	1,694,613
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$3,269,796) exceeded depreciation expense (\$914,389)

2,355,407

Expenses in the statement of activities that do not consume current financial resources are not reported as expenses in the funds.

8,996

The issuance of capital lease provide current financial resources to governmental funds, but capital leases increases long-term liabilities in the statement of net assets. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which lease proceeds (\$77,500) exceeded principal payments (\$39,684)

(37,816)

The bond issuance provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds (\$4,100,000) exceeded debt repayments (\$797,063).

(3,302,937)

Change in net assets of governmental activities (see Statement 2)	\$	718,263
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See accompanying notes to financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2010

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 17,141,010	17,141,010	17,226,310	85,300
Licenses and permits	99,880	99,880	101,642	1,762
Intergovernmental	1,051,097	1,051,097	987,905	(63,192)
Charges for services	813,615	813,615	819,907	6,292
Other	484,312	484,312	323,470	(160,842)
Total revenues	19,589,914	19,589,914	19,459,234	(130,680)
Expenditures:				
Current:				
General government	965,179	965,179	1,031,502	(66,323)
Public safety	1,798,158	1,798,158	1,949,939	(151,781)
Public works	867,985	867,985	866,539	1,446
Health, sanitation and welfare	781,364	781,364	856,075	(74,711)
Recreation programs	459,334	459,334	498,395	(39,061)
Education and libraries	11,286,432	11,286,432	11,291,481	(5,049)
County tax	615,032	615,032	615,032	-
Unclassified	1,543,830	1,543,830	910,887	632,943
Debt service	651,842	651,842	589,514	62,328
Total expenditures	18,969,156	18,969,156	18,609,364	359,792
Excess of revenues over expenditures	620,758	620,758	849,870	229,112
Other financing sources (uses):				
Transfers out	(620,758)	(620,758)	(844,840)	(224,082)
Total other financing uses	(620,758)	(620,758)	(844,840)	(224,082)
Net change in fund balance	-	-	5,030	5,030
Fund balance, beginning of year			1,994,776	
Fund balance, end of year	\$		1,999,806	

See accompanying notes to financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Net Assets
Proprietary Funds
June 30, 2010

Business-type Activities - Enterprise Funds				
	Senior Housing Fund	Sewer System	Val Halla Golf and Recreation Center	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 201,621	-	14,030	215,651
Investments	271,109	-	-	271,109
Accounts receivable	-	154,002	-	154,002
Total current assets	472,730	154,002	14,030	640,762
Noncurrent assets:				
Property, plant, and equipment	1,626,600	3,937,449	4,028,052	9,592,101
Less accumulated depreciation	(855,099)	(1,485,190)	(1,540,419)	(3,880,708)
Total noncurrent assets	771,501	2,452,259	2,487,633	5,711,393
Total assets	1,244,231	2,606,261	2,501,663	6,352,155
LIABILITIES				
Current liabilities:				
Accounts payable	9,172	-	44,329	53,501
Accrued payroll	-	-	13,719	13,719
Accrued compensated absences	-	-	10,034	10,034
Interfund loans payable	96,622	226,985	1,658,617	1,982,224
Security deposit	21,602	-	-	21,602
Lease payable, current	-	-	30,380	30,380
Bonds payable, current	66,128	-	20,000	86,128
Total current liabilities	193,524	226,985	1,777,079	2,197,588
Noncurrent liabilities:				
Lease payable	-	-	31,854	31,854
Bonds payable	1,071,881	-	20,000	1,091,881
Total noncurrent liabilities	1,071,881	-	51,854	1,123,735
Total liabilities	1,265,405	226,985	1,828,933	3,321,323
NET ASSETS				
Invested in capital assets, net of related debt	(366,508)	2,452,259	2,385,399	4,471,150
Unrestricted	345,334	(72,983)	(1,712,669)	(1,440,318)
Total net assets	\$ (21,174)	2,379,276	672,730	3,030,832

See accompanying notes to financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2010

Business-type Activities - Enterprise Funds				
	Senior Housing Fund	Sewer System	Val Halla Golf and Recreation Center	Totals
Operating revenues:				
Rental income	\$ 268,458	-	-	268,458
Golf memberships	-	-	222,393	222,393
Greens fees	-	-	152,481	152,481
Golf cart rentals	-	-	127,162	127,162
Sewer assessments	-	812,226	-	812,226
Food and beverage sales	-	-	13,409	13,409
Other	113	19,016	26,473	45,602
Total operating revenues	268,571	831,242	541,918	1,641,731
Operating expenses:				
Cost of sales and supplies	-	-	13,007	13,007
Wages and benefits	63,986	-	379,305	443,291
Utilities	49,310	-	43,191	92,501
Maintenance	35,386	-	101,646	137,032
Greens maintenance	-	-	44,716	44,716
Gas and oil	-	-	14,642	14,642
Wastewater assessment	-	733,248	-	733,248
Other	10,609	19,991	43,348	73,948
Depreciation	42,310	78,749	148,310	269,369
Total operating expenses	201,601	831,988	788,165	1,821,754
Operating income (loss)	66,970	(746)	(246,247)	(180,023)
Nonoperating revenue (expense):				
Capital contributions	-	-	59,789	59,789
Interest income	13,594	-	-	13,594
Interest expense	(68,821)	-	(1,761)	(70,582)
Total nonoperating revenue (expense)	(55,227)	-	58,028	2,801
Income before transfers	11,743	(746)	(188,219)	(177,222)
Transfer in	-	-	7,702	7,702
Change in net assets	11,743	(746)	(180,517)	(169,520)
Total net assets, beginning of year	(32,917)	2,380,022	853,247	3,200,352
Total net assets, end of year	\$ (21,174)	2,379,276	672,730	3,030,832

See accompanying notes to financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2010

Business-type Activities - Enterprise Funds				
	Senior Housing Fund	Sewer System	Val Halla Golf and Recreation Center	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ 282,376	753,239	675,741	1,711,356
Payments to suppliers	(93,657)	(753,239)	(253,560)	(1,100,456)
Payments to employees	(63,986)	-	(376,446)	(440,432)
Net cash provided by operating activities	124,733	-	45,735	170,468
Cash flows from capital and related financing activities:				
Bond, note and lease principal payments	(65,809)	-	(43,974)	(109,783)
Interest paid	(68,821)	-	(1,761)	(70,582)
Net cash used in financing activities	(134,630)	-	(45,735)	(180,365)
Cash flows from investing activities:				
Investment income	10,401	-	-	10,401
Net cash provided by investing activities	10,401	-	-	10,401
Increase in cash	504	-	-	504
Cash, beginning of year	201,117	-	14,030	215,147
Cash, end of year	\$ 201,621	-	14,030	215,651
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 66,970	(746)	(246,247)	(180,023)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	42,310	78,749	148,310	269,369
(Increase) decrease in operating assets:				
Accounts receivable	-	(8,302)	5,339	(2,963)
Increase (decrease) in operating liabilities:				
Accounts payable	1,648	-	6,990	8,638
Accrued payroll	-	-	1,788	1,788
Accrued compensated absences	-	-	1,071	1,071
Security deposit	62	-	-	62
Interfund loans	13,743	(69,701)	128,484	72,526
Net cash provided by operating activities	124,733	-	45,735	170,468
Non-cash transactions:				
Reclass of capital expenditures	-	-	7,702	7,702

See accompanying notes to financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

		Private-purpose Trust Fund (Scholarships)
ASSETS		
Investments	\$	176,819
Accounts receivable		2,000
Total assets		178,819
LIABILITIES		
Interfund loans payable		-
Total liabilities		-
NET ASSETS		
Held in trust	\$	178,819

See accompanying notes to financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the year ended June 30, 2010

	Private-purpose Trust Fund (Scholarships)
Additions:	
Donations	\$ 450
Investment income	9,787
Total additions	10,237
Deductions:	
Scholarships awarded	8,300
Total deductions	8,300
Change in net assets	1,937
Net assets, beginning of year	176,882
Net assets, end of year	\$ 178,819

See accompanying notes to financial statements.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Cumberland 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:

Reporting Entity

The Town of Cumberland was incorporated in 1821 and operates under a Council-Manager form of government. The Town is located in Cumberland County and has a population of 7,159.

In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by accounting principles generally accepted in the United States of America. The criterion used 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 are no potential component units that should be included as part of this reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. 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 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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

The Bond Fund is a capital projects fund, which is used to account for the debt service requirements of a new bond issuance related to various capital projects. This fund includes the Route 88 Bond, which is to be used specifically for the Route 88 construction.

The Twin Brook Fund is a capital projects fund, which is used to account for the land improvement expenditures on Town of Cumberland property.

The Range Road Fund is a capital projects fund, which is used to account for the expenditures related to the Range Road reconstruction and the related bond proceeds used to pay for those expenditures.

The Town reports the following major proprietary funds:

The Senior Housing Fund accounts for the construction and operation of senior housing units in Cumberland overseen by the Cumberland Housing Authority.

The Sewer System accounts for the operation of a sewer system in Cumberland.

Val Halla Golf and Recreation Center accounts for revenues received and expenses incurred in the operation of a bar and banquet facility owned by the Town and the Val Halla Golf Course.

Additionally, the Town reports the following Fiduciary Fund types:

Private-purpose Trust Funds are used to report the activity for bequests left for charitable payments of scholarship awards. These assets are held by the Town in a trustee capacity, whereby the original bequest is preserved as nonexpendable and the accumulated interest earnings are available to provide for educational awards.

Fiduciary Funds use an economic resources measurement focus.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and charges between the Town's sewer fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities, and Equity

Cash and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value. For statement of cash flow purposes, the Town considers cash and cash equivalents to be demand deposits, certificates of deposit with maturities of less than three months, and money market mutual funds.

The Town has established a formal investment policy that governs the investment of all of its funds. Pursuant to its investment policy and applicable Maine law (Title 30-A, Section 5706 et. Seq. of the Maine Revised Statutes, as amended) all investments of the Town must be made with care, prudence and skill. The goals of the investment policy are to provide safety of principal through diversification of assets and to provide a high degree of liquidity in the investments. The Town is not invested in any obligations typically referred to as derivatives.

Interfund Loans Receivable/Payable - Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans or as interfund advances (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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 or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Infrastructure costs include assets that were acquired prior to the fiscal year ended June 30, 1980. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

Major outlays for capital assets and improvements are capitalized as projects as constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	15-40 years
Buildings and building improvements	20-40 years
Machinery and equipment	3-30 years
Furniture and office equipment	3-30 years
Computer equipment	3-30 years
Vehicles	4-20 years
Infrastructure	12-60 years

Vacation and Sick Leave - Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service and are accrued ratably over the year. Regular part-time employees receive vacation and sick leave on a pro-rated basis. Accumulated vacation time has been recorded as a liability in the government-wide and proprietary fund.

Long-term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources.

Interfund Transactions - Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates - Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Comparative Data/Reclassifications - 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.

Net Assets - The net assets amount represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net assets are 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 assets invested in capital assets, net of related debt was calculated as follows at June 30, 2010:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 33,318,918	9,592,101
Accumulated depreciation	(9,778,694)	(3,880,708)
Bonds and notes payable	(17,835,201)	(1,178,009)
Bond proceeds not yet expended	5,755,906	-
Long-term debt used to acquire assets for business-type activities	354,653	-
Capital leases	(101,600)	(62,234)
Total invested in capital assets net of related debt	\$ 11,713,982	4,471,150

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town utilizes a formal budgetary accounting system to control revenues and expenditures. Budgets are established in accordance with the various laws which govern the Town's operations. For each of the funds for which a formal budget is adopted, the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of accounting principles generally accepted in the United States of America.

Budgets are adopted for the General Fund only and are adopted on a basis consistent with generally accepted accounting principles (GAAP). The level of control (level at which expenditures may not exceed budget) is the Department. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year. The Town Manager is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures must be approved by the Town Council. Encumbrance accounting is not employed by the Town.

The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2010, the following General Fund expenditures exceeded appropriations in the following departments:

Administration and council	\$ 35,941
Assessor	12,142
Treasurer and tax collector	702
Legal services	19,331
Police	61,058
Fire	42,916
Code enforcement	47,807
Waste services	1,615
General assistance	20,019
Recreation	39,061
Prince Memorial Library	5,049
West Cumberland recreation building	789
Parks	15,801
Cemetery association	180
Insurance	45,987
Street lighting	3,965
Municipal building maintenance	5,870
Debt service interest	261

These over expenditures lapsed to fund balance at year end.

At June 30, 2010, the following funds had deficit fund balances/net assets:

Special Revenue Funds:	
Rescue fund	\$ 150
Fire grant fund	18,451
Capital Project Funds:	
Road improvements	30,594
Parking lot fund	88,066
Town building reserves	157,988
Twin Brook Fund	608,542
Other Town capital projects	48,779
Enterprise Funds:	
Senior Housing Fund	21,174

These fund deficits will be covered by future revenue sources.

CASH AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy is to have its deposits covered by F.D.I.C. insurance or by additional insurance purchased on behalf of the Town by the respective banking institution.

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

CASH AND INVESTMENTS, CONTINUED

As of June 30, 2010, the Town reported deposits of \$5,470,331 with a bank balance of \$5,494,062. Of the Town's bank balances of \$5,494,062, none was exposed to custodial credit risk. The entire balance of \$5,494,062 was covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 5,254,680
Reported in proprietary funds	215,651
Total deposits	\$ 5,470,331

B. Investments

At June 30, 2010, the Town had the following investments and maturities:

	Fair value	Less than 1 year	1-5 years	More than 5 years
U. S. Government securities	\$ 237,397	-	157,088	80,309
U. S. treasury notes	422,323	45,157	283,581	93,585
Certificates of deposit	50,005	50,005	N/A	N/A
Total investments	\$ 709,725	95,162	440,669	173,894

Custodial Credit Risk-Town Investments: For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town's policy is to have its investments covered by F.D.I.C. insurance or by additional insurance purchased on behalf of the Town by the respective financial institution.

Of the Town's \$50,005 investment in certificates of deposit, none was subject to custodial credit risk because it was covered by F.D.I.C. insurance.

Of the Town's \$237,397 investment in U.S. Government Securities, none was subject to custodial credit risk because it was collateralized by underlying securities held by the related bank, which were in the Town's name.

The Government securities include Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage (Freddie Mac), and Federal National Mortgage Association (Fannie Mae) bonds with fair values of \$47,757, \$67,595, and \$122,045, respectively, and are all rated AAA by Standard & Poor's and Fitch Ratings.

Investments have been reported as follows:

Reported in governmental funds	\$ 261,797
Reported in fiduciary funds	176,819
Reported in proprietary funds	271,109
Total investments	\$ 709,725

Interest Rate Risk: The Town does not have a policy related to interest rate risk.

Credit Risk: Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The Town does not have a formal policy related to credit risk.

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

PROPERTY TAX

The Town's property tax is levied on the assessed value listed as of the prior April 1 for all real and taxable personal property located in the Town. Assessed values are periodically established by the Assessor at 100% of the assumed market value. Each property must be reviewed no less than once every four years.

Property taxes were levied August 12, 2009 on the assessed values of real property as of April 1, 2008. Taxes were due September 15, 2009 and March 15, 2010. This assessed value of \$1,141,736,800 was 100% of the estimated market value and 98.3% of the 2010 state valuation of \$1,162,000,000. The Town completed a revaluation of all Town properties in 2008.

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 \$678,177 for the year ended June 30, 2010.

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 ended were recorded as receivables at the time the levy was made. The receivables collected during the year ended 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 deferred revenues.

The following summarizes the periods ended June 30, 2010 and 2009 levies:

	<u>2010</u>	<u>2009</u>
Valuation:		
Land	\$ 527,704,800	528,748,100
Buildings	603,371,100	596,267,400
Personal property	10,660,900	10,807,300
Total assessed valuation	<u>1,141,736,800</u>	<u>1,135,822,800</u>
Assessed value	1,141,736,800	1,135,822,800
Tax rate (per \$1,000)	14.55	14.00
Commitment	16,612,270	15,901,519
Supplemental taxes assessed	-	5,805
	16,612,270	15,907,324
Less:		
Collections and abatements	16,340,665	15,595,030
Receivable at June 30	<u>\$271,605</u>	<u>312,294</u>
Due date(s)	9/15/09 3/15/10	9/15/08 3/15/09
Interest rate charged on delinquent taxes	9.00%	12.00%
Collection rate	98.4%	98.03%

As of July 1, 2007, per H.P. 1243 – L.D. 1735 *an Act to Authorize Chebeague Island to Secede from the Town of Cumberland*, Chebeague Island must pay to the Town of Cumberland 50% of the property taxes committed to the Town of Chebeague Island from the Outer Islands for a period of 50 years; to be paid on an annual basis. As of June 30, 2010 and 2009, Chebeague Island has paid \$38,736 and \$38,890, respectively.

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

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance June 30, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2010</u>
Governmental activities:				
Capital assets, not being depreciated:				
Books and collections	\$ 990,116	-	-	990,116
Construction in progress	2,084,948	2,876,138	2,151,467	2,809,619
Land	3,020,000	-	-	3,020,000
Total capital assets, not being depreciated	6,095,064	2,876,138	2,151,467	6,819,735
Capital assets, being depreciated:				
Land improvements	1,954,260	84,286	-	2,038,546
Buildings and building improvements	7,035,365	110,052	-	7,145,417
Machinery and equipment	1,823,818	60,206	137,213	1,746,811
Furniture and office equipment	256,751	2,500	28,030	231,221
Computer equipment	329,623	16,000	47,607	298,016
Vehicles	3,343,565	99,672	10,000	3,433,237
Infrastructure	9,433,527	2,172,408	-	11,605,935
Total capital assets being depreciated	24,176,909	2,545,124	222,850	26,499,183
Less accumulated depreciation for:				
Land improvements	574,858	110,712	-	685,570
Buildings and building improvements	2,167,673	181,022	-	2,348,695
Machinery and equipment	1,088,344	125,000	137,213	1,076,131
Furniture and office equipment	202,453	14,947	28,030	189,370
Computer equipment	219,604	40,627	47,607	212,623
Vehicles	1,477,271	212,615	10,000	1,679,886
Infrastructure	3,356,953	229,466	-	3,586,419
Total accumulated depreciation	9,087,156	914,389	222,850	9,778,694
Total capital assets being depreciated, net	15,089,753	1,630,735	-	16,720,489
Governmental activities capital assets, net	\$ 21,184,817	4,506,873	2,151,467	23,540,224

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

CAPITAL ASSETS, CONTINUED

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Business-type activities:				
Capital assets, being depreciated:				
Land improvements	\$ 1,879,196	57,743	-	1,936,939
Buildings and building improvements	3,190,034	-	-	3,190,034
Machinery and equipment	517,790	2,046	28,073	491,763
Furniture and office equipment	12,263	-	-	12,263
Vehicles	23,653	-	-	23,653
Infrastructure, sewer	3,937,449	-	-	3,937,449
Total capital assets being depreciated	9,560,385	59,789	28,073	9,592,101
Less accumulated depreciation for:				
Land improvements	545,756	69,504	-	615,260
Buildings and building improvements	1,391,079	78,090	-	1,469,169
Machinery and equipment	268,842	41,135	28,073	281,904
Furniture and office equipment	7,880	708	-	8,588
Vehicles	19,416	1,183	-	20,599
Infrastructure, sewer	1,406,439	78,749	-	1,485,188
Total accumulated depreciation	3,639,412	269,369	28,073	3,880,708
Total capital assets being depreciated, net	5,920,973	(209,580)	-	5,711,393
Business-type activities capital assets, net	\$ 5,920,973	(209,580)	-	5,711,393

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

Governmental activities:

General government	\$ 105,027
Public safety	202,690
Public works, including depreciation of general infrastructure assets	376,026
Health, sanitation and welfare	1,291
Recreation	152,404
Education and libraries	76,951

Total depreciation expense – governmental activities **\$ 914,389**

Business-type activities:

Senior Housing	\$ 42,310
Sewer System	78,749
Val Halla Golf and Recreation Center	148,310

Total depreciation expense – business-type activities **\$ 269,369**

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

INTERFUND LOAN BALANCES

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account. Individual interfund loan receivable and payable balances at the year ended June 30, 2010 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund payables</u>
General Fund	\$ -	3,411,767
Bond Fund	4,378,800	-
Twin Brook Fund	-	608,082
Range Road Fund	1,620,600	-
Other Governmental Funds:		
Special revenue funds:		
Rescue Fund	-	150
Unemployment Fund	1,199	-
Fire Grant Fund	-	11,452
Recreation Programs Fund	64,070	-
Seacoast Fund	13,147	-
Police Fund	7,893	-
Total special revenue funds	86,309	11,602
Capital project funds:		
Town Building Reserve	-	163,961
Affordable Housing Fund	114,364	-
Land Acquisition Fund	17,960	-
School Renovations Fund	48,646	-
Road Improvements Fund	-	27,325
Parking Lot Fund	-	87,854
TIF2 Route 1/100	65,577	-
TIF2	4,994	-
Other Town Capital Projects	84,712	131,377
Total capital project funds	336,253	410,517
Permanent funds:		
Historical Fund	219	-
Prince Fund	11	-
Total permanent funds	230	-
Total Governmental Funds	6,422,192	4,441,968
Private-purpose Trust Funds	2,000	-

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

INTERFUND LOAN BALANCES, CONTINUED

Proprietary funds:

Senior Housing	\$	-	96,622
Sewer System		-	226,985
Val Halla Golf and Recreation Center		-	1,658,617
Total proprietary funds		-	1,982,224
Totals		\$ 6,424,192	6,424,192

INTERFUND TRANSFERS

Interfund transfers consist of budgeted transfers to and from other funds to fund certain activities accounted for in those funds and transfers to close out capital projects funds that are no longer needed. In particular, transfers were done from the General Fund to the Dispatch Transition and the Road Improvement capital projects funds to close those funds. In addition, remaining fund balances in the Revaluation, the Gravel Pit, the Fuel Tank Reserve, and the CIP Car Chase capital projects funds were transferred to the General Fund and the Road Improvement and Equipment Reserve capital projects funds. Transfers were also done from the Bond, Town Building, Equipment Reserve, Fuel Tank Reserve, and TIF capital projects funds to cover capital expenditures in the Val Halla enterprise fund and the Twin Brooks and Road Improvements capital project funds. Individual fund transfers for the year ended June 30, 2010 were as follows:

	Transfers in	Transfers out
<u>General Fund</u>	<u>\$ -</u>	<u>844,840</u>
Other Governmental Funds:		
Special revenue funds:		
Unemployment Fund	7,337	-
Backyard Composting	-	2,430
Total special revenue funds	7,337	2,430
Capital project funds:		
Town Building Reserve	160,430	7,702
Road improvements	415,538	-
Other town capital projects	263,965	-
Total capital project funds	839,933	7,702
Total Other Governmental Funds	847,270	10,132
Enterprise funds:		
Val Halla Golf and Recreation Center	7,702	-
Total enterprise funds	7,702	-
Totals	\$ 854,972	854,972

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

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 13,704,931	4,100,000	714,330	17,090,601	1,011,546
Notes payable	827,333	-	82,733	744,600	82,733
Capital leases	63,785	77,500	39,685	101,600	30,246
Accrued compensated absences	160,171	152,575	160,171	152,575	152,575
Landfill post closure care costs	485,700	-	34,500	451,200	34,500
Total governmental activity					
long-term liabilities	15,241,920	4,330,075	1,031,419	18,540,576	1,311,600
Business-type activities:					
Bonds payable	1,025,000	-	65,000	960,000	70,000
Notes payable	234,034	-	16,025	218,009	16,128
Accrued compensated absences	8,963	10,034	8,963	10,034	10,034
Capital leases	91,209	-	28,975	62,234	30,380
Total business-type activity					
long-term liabilities	1,359,206	10,034	118,963	1,250,277	126,542
Total long-term governmental and business-type activities	\$ 16,601,126	4,340,109	1,150,382	19,790,853	1,438,142

SHORT-TERM DEBT

The Town issues tax anticipation notes to cover cash shortfalls during the year. Tax anticipation note activity for the year ended June 30, 2010, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Tax anticipation notes	\$ -	1,850,000	1,850,000	-

On July 12, 2010, the Town Council approved a \$3,000,000 Tax Anticipation Note, to be issued July 19, 2010. The interest rate is 1.57% and the note is to be reimbursed with tax revenues.

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

LONG-TERM DEBT

Bonds and Notes Payable

Bonds and notes payable at June 30, 2010 are comprised of the following:

	<u>Originally Issued</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance</u>
Bonds and notes payable:					
Governmental activities:					
Economic Development	\$ 4,100,000	5/27/10	5/1/2030	2.06-5.746%	4,100,000
Val Halla Clubhouse	750,000	10/30/96	11/1/2016	4.0-6.9%	354,653
New Town office	1,000,000	5/28/98	11/1/2018	4.528-5.378%	570,974
School renovation	1,700,000	5/28/98	11/1/2018	4.528-5.378%	579,558
Fire truck purchase	478,560	10/28/99	11/1/2019	4.283-5.908%	299,614
Fire trucks/Chebeague	1,000,000	4/1/02	4/1/2022	4.50-5.0%	700,000
Purchase Rines property	1,241,000	8/29/03	8/29/2019	4.50%	744,600
Stone Wharf	600,000	10/30/03	10/1/2023	3.0-5.0%	465,000
Capital projects	4,585,000	6/14/06	4/1/2026	3.50-4.63%	3,525,000
Infrastructure/Val Halla	2,775,802	5/15/08	11/1/2027	2.50-5.50%	2,495,802
Infrastructure Improvements	4,000,000	5/28/09	11/1/2029	2.08-5.58%	4,000,000
Total governmental activities					17,835,201
Business-type activity debt:					
Senior Housing	\$ 1,325,000	12/31/91	12/1/2012	4.4-6.9%	920,000
Val Halla irrigation	236,000	12/31/91	12/1/2012	4.0-6.75%	40,000
Maine State Housing Authority	362,954	1/2/92	7/1/2022	2.0%	218,009
Total business-type activity debt					1,178,009
Total bonds and notes payable					\$ 19,013,210

All governmental activities long-term debt service requirements are paid by the General Fund, the School Renovations Fund (Capital Projects Fund), or the TIF1 Fund (Capital Projects Fund). Business-type debt is paid by the proprietary enterprise funds.

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

	<u>Governmental activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,094,279	685,155	86,128	67,662
2012	1,128,356	642,745	96,453	62,292
2013	1,157,307	593,816	76,786	57,220
2014	1,181,479	547,155	77,124	52,786
2015	1,039,987	505,199	77,470	48,330
2016-2020	5,035,251	1,933,964	502,784	161,016
2021-2025	4,045,192	971,509	261,264	16,087
2026-2030	3,153,350	223,240	-	-
Totals	\$ 17,835,201	6,102,783	1,178,009	465,393

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

LONG-TERM DEBT, CONTINUED

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. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its state assessed valuation. At June 30, 2010, the Town's outstanding debt did not exceed these limits.

Landfill - Under State law, Maine communities had until December 31, 1994 to close existing landfills under a DEP approved plan. At December 31, 1993, Cumberland had closed its landfills and is operating a transfer station on Chebeague Island. Estimated post closure care costs amount to \$451,200 in the governmental activities on the statement of net assets (Statement 1). This amount may change due to changes in technology, inflation or deflation, or applicable laws and regulations.

OVERLAPPING DEBT AND OTHER CONTINGENCIES

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. For the year ended June 30, 2010, the Town's State valuation of \$1,131,350,000 was 2.71% of the County's State valuation of \$41,772,500,000. The Town's share is .54% or \$20,208 of Cumberland County's \$3,772,625 long-term debt outstanding at June 30, 2010.

The Town's proportionate share of Maine School Administrative District #51 debt of \$34,844,307 is \$24,972,915 (71.67%). This debt service is included in the annual assessments to the Town.

Contingencies

Portland Water District - The Town is also served by the Portland Water District. At June 30, 2010, the Town's share of self-supporting bonded water debt is 4.18% or \$1,315,495 of total debt of \$31,450,023. In addition, the Town's share of direct wastewater debt is 4.18% or \$130,850 of total debt of \$32,604,976.

ecomaine - ecomaine, a Maine corporation with twenty participating municipalities including the Town of Cumberland, has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of ecomaine, payable from and secured by a pledge of ecomaine revenues. The bonds do not constitute a debt or liability within the meaning of any constitutional or statutory provision of the State of Maine, or a pledge of the full faith and credit of any political subdivision of the State of Maine. ecomaine has no taxing power. Notwithstanding the foregoing, pursuant to the Waste Handling Agreements, the participating municipalities are obligated severally to deliver certain of the solid waste produced within each such participating municipality to ecomaine for processing in amounts which, when added to other available monies, will at least equal required debt service of the bonds. The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. On June 30, 2010, outstanding bonds of ecomaine totaled \$9,210,000 of which the Town of Cumberland's share, based on estimated tonnage to be delivered, amounted to \$324,134 (3.52%).

The Town has also entered into an agreement with ecomaine as one of twenty-seven other municipalities to establish a material recycling facility. At June 30, 2010, outstanding material recycling facility bonds of ecomaine totaled \$1,980,000 of which the Town of Cumberland's share, based on tonnage to be delivered, amounts to \$45,144 (2.28%).

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

OVERLAPPING DEBT AND OTHER CONTINGENCIES, CONTINUED

Additionally, ecomaine operates a licensed balefill and ashfill site for which projected landfill closure and post closure costs approximate \$14,834,132 at June 30, 2009 (the most recent information available). The Town's proportionate share of these estimated landfill closure and post closure costs is \$523,121 or 3.53%.

Total Debt and Contingencies

Governmental Unit	June 30, 2010				
	Direct debt		Overlapping debt	Contingent debt	Total debt
	Governmental activities	Business-type activities			
Town of Cumberland	\$ 17,835,201	1,178,009	-	-	19,013,210
Cumberland County	-	-	20,208	-	20,208
M.S.A.D. #51	-	-	24,972,915	-	24,972,915
Portland Water District:					
Water debt	-	-	-	1,446,345	1,446,345
ecomaine:					
Resource recovery system	-	-	-	324,134	324,134
Materials recovery facility	-	-	-	45,144	45,144
Totals	\$ 17,835,201	1,178,009	24,993,123	1,815,623	45,821,956

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 or participates in public entity risk pools. Currently, the Town participates in a public entity pool for workers' compensation sponsored by the Maine Municipal Association (MMA) in which participants in the pool share risk in proportion to their contributions.

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 at June 30, 2010.

Based on the coverage provided by this pool described above, 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, 2010. There were no significant reductions in insurance coverage from that of the prior year. Settled claims have not exceeded insurance coverage for any of the past three fiscal years. The amount of unpaid claims was \$0 at June 30, 2010.

LEASES

Operating Leases

The Town has one non-cancelable lease purchase agreement for the rental of a Town-owned building to MSAD #51. This lease agreement expires March 31, 2014. If MSAD #51 is not in default of the performance of its obligations under the lease purchase agreement on March 31, 2013, the Town shall convey the property to lessee by a quitclaim deed without additional consideration.

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

LEASES, CONTINUED

Rental income from operating leases for the year ended June 30, 2010 was \$182,241. The Town's investment in property held for lease for the year ended June 30, 2010 was \$1,810,383, with accumulated depreciation of \$558,201.

The following is a schedule by years of minimum future rental income on non-cancelable leases at June 30, 2010:

Fiscal year ending June 30,

2011	\$ 182,241
2012	182,241
2013	182,241
Total	\$ 546,723

Business-type Activities

Val Halla currently has a lease for the rental of 40 golf carts. This operating lease agreement expires in October 2011. The following is a schedule of future minimum lease payments at June 30, 2010:

Fiscal year ending June 30, 2010

2011	\$ 28,920
2012	19,280
Total	\$ 48,200

Capital Leases

The Town has entered into lease agreements as lessee to finance the acquisition of a street sweeper, office equipment, and lawn mowers for the golf course. These leases qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of their inception. The value of assets capitalized under these leases as of June 30, 2010 was:

	Governmental Activities
Street sweeper	\$ 94,500
Wheel loader	77,500
Totals	\$ 172,000
	Business-type Activities
Lawn mowers	\$ 149,225
Totals	\$ 149,225

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

LEASES, CONTINUED

The following is a schedule of future minimum lease payments required under these capital leases and the present value of the net minimum lease payments at June 30, 2010:

Fiscal year ending <u>June 30,</u>	Governmental <u>activities</u>	Business-type <u>activities</u>
2011	\$ 35,315	33,400
2012	35,314	33,400
2013	14,546	-
2014	14,546	-
2015	14,544	-
Total minimum lease payments	114,265	66,800
Less: amount representing interest	12,665	4,566
<u>Present value of future minimum lease payments</u>	<u>\$ 101,600</u>	<u>62,234</u>

OTHER COMMITMENTS

As of June 30, 2010, the Town of Cumberland has entered into various construction contracts for on-going projects, including the Range Road reconstruction, the Route 88 construction, the Route 100 sewer line improvements, and various road improvements. The commitments are contingent on the contractors meeting the terms of the contracts and are payable based on certain stages of completion.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (MainePERS)

Maine PERS - Consolidated Plan

Description of the Plan - The Town contributes to the Maine Public Employees Retirement System Consolidated Plan, a cost sharing multiple-employer public employee retirement system established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 6.5% of their annual covered salary and the Town of Cumberland is required to contribute an actuarially determined rate. The current rate is 4% of annual covered payroll. The contribution rates of plan members and the Town of Cumberland are established and may be amended by the Maine Public Employees Retirement System Board of Trustees. The Town's contributions to the Maine Public Employees Retirement System Consolidated Plan for the years ended June 30, 2010, 2009 and 2008 was \$43,688 (4% of covered wages), \$34,994 and \$21,198, respectively, which is equal to the required contributions for each year, net of credit for the Initial Unpooled Unfunded Actuarial Asset of \$319,566 for 2010.

Related Party Investments - During the year ended June 30, 2010, Maine PERS had no securities issued by the Town or other related party.

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

OTHER RETIREMENT CONTRIBUTIONS

Additionally, the Town participates in the Social Security Retirement Program. The Town contributed \$247,729 including F.I.C.A. and Medicare to the Social Security Retirement Program on behalf of Town employees for the year ended June 30, 2010.

457 RETIREMENT PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town matches employee contributions up to 7% of annual compensation, except for the Police Department, which receives up to an 8% match.

The Town amended the plan in accordance with the provisions of IRS Section 457(g). Assets of the plan were placed in trust for the exclusive benefit of participants and their beneficiaries. The requirements of that IRS Section prescribes that the Town no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on their plan assets, were removed from the Town's financial statements.

TAX INCREMENT FINANCING DISTRICT

Under Maine law, the Town has established five Tax Increment Financing Districts (TIFs) to finance development programs located in the Town of Cumberland.

These development programs will levy incremental tax upon the districts' so-called "captured assessed value". The tax increment is remitted to the District over the life of the TIF District to assist in financing the development projects.

The status of the active Tax Increment Financing Districts is summarized below.

	Original Assessment	Captured Assessed	Taxes Remitted
<u>TIF District (capital projects funds)</u>	<u>Value</u>	<u>Value</u>	<u>to Districts</u>
Route One North	\$ 355,000	39,519,100	575,003
Route One South District 2	339,400	9,860,600	143,472
Route One South District 3	966,400	576,000	8,381
Route 100 District 4	5,867,800	3,813,300	55,484
Route 100 District 5	2,866,400	3,489,000	50,765
Taxable Personal Property in TIF Districts	91,000	1,371,900	19,961
Total	\$ 10,486,000	58,629,900	853,066

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. The fund pays general operating expenditures, fixed charges, and capital improvement costs which are not paid through other funds.

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TOWN OF CUMBERLAND, MAINE
Comparative Balance Sheets - General Fund
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	\$ 5,254,680	4,184,770
Receivables:		
Accounts	93,610	113,120
Intergovernmental	39,407	47,809
Taxes receivable - prior years	58,195	31,041
Taxes receivable - current year	271,605	312,294
Tax liens	146,227	111,551
Prepaid items	-	19,228
Total assets	\$ 5,863,724	4,819,813
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	133,083	44,923
Escrow accounts	2,468	887
Accrued payroll	100,852	95,744
Taxes paid in advance	41,420	25,581
Deferred tax revenues	174,328	174,328
Interfund loans payable	3,411,767	2,483,574
Total liabilities	3,863,918	2,825,037
Fund balance:		
Reserved for long-term interfund payables	-	1,280,000
Unreserved:		
Unreserved, undesignated	1,999,806	714,776
Total fund balance	1,999,806	1,994,776
Total liabilities and fund balance	\$ 5,863,724	4,819,813

TOWN OF CUMBERLAND, MAINE
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2010

(With comparative actual amounts for the year ended June 30, 2009)

	2010		Variance positive (negative)	2009 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 15,759,205	15,759,205	-	15,102,775
Supplemental taxes	5,805	-	(5,805)	-
Outer island property taxes	40,000	38,736	(1,264)	38,890
Excise taxes	1,306,000	1,372,271	66,271	1,348,642
Interest and lien costs	30,000	56,098	26,098	50,988
Total taxes	17,141,010	17,226,310	85,300	16,541,295
Licenses and permits:				
Town clerk fees	12,680	14,488	1,808	13,518
Clerk licenses	1,200	425	(775)	1,115
Snowmobile registration	1,500	1,997	497	2,203
Solid waste permits	200	150	(50)	-
Police issued permits	3,500	2,703	(797)	3,972
Registration fees	20,300	21,389	1,089	20,891
Building permits	35,000	38,492	3,492	29,631
Electrical permits	12,000	10,315	(1,685)	9,026
Plumbing permits	8,000	9,393	1,393	5,610
Other permits	5,000	1,390	(3,610)	1,425
Application fees	500	900	400	700
Total licenses and permits	99,880	101,642	1,762	88,091
Intergovernmental:				
State Revenue Sharing	650,000	566,153	(83,847)	702,294
Homestead reimbursement	158,508	181,958	23,450	161,847
BETE reimbursement	3,660	3,688	28	-
Park fee sharing	-	7,080	7,080	6,308
D.O.T. block grant	80,000	81,672	1,672	81,672
Windham fire/rescue	3,900	1,950	(1,950)	3,900
Town of North Yarmouth	143,029	145,404	2,375	146,741
Other state aid	12,000	-	(12,000)	11,300
Total intergovernmental	1,051,097	987,905	(63,192)	1,114,062
Charges for services:				
Recreation programs	385,415	394,246	8,831	393,970
Rescue billings	150,000	151,336	1,336	162,241
Regional rescue	2,000	2,100	100	150,179
Regional assessing	17,200	22,546	5,346	15,641
Universal waste	245,000	222,240	(22,760)	215,050
Recycling	10,500	14,029	3,529	1,478
Brush passes	-	2,658	2,658	-
Library income	3,000	7,852	4,852	4,363
Staff review fee	500	2,900	2,400	2,250
Total charges for services	813,615	819,907	6,292	728,644

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

	2010		Variance positive (negative)	2009 Actual
	Budget	Actual		
Revenues, continued:				
Other:				
Sale of assets	\$ -	10,615	10,615	91,387
Interest revenue	100,000	16,342	(83,658)	71,519
Impact fees	70,000	40,403	(29,597)	38,985
Growth permits	750	1,200	450	1,100
Board of Appeals	500	300	(200)	300
Police revenues	56,600	50,958	(5,642)	39,454
Cable TV	103,000	107,594	4,594	101,954
Mooring fees	600	1,145	545	1,030
Circuit breaker program	-	10,000	10,000	10,000
Building rentals	2,000	1,100	(900)	825
Miscellaneous	150,862	83,813	(67,049)	98,979
Total other	484,312	323,470	(160,842)	633,076
Total revenues	19,589,914	19,459,234	(130,680)	19,105,168
Expenditures:				
Current:				
General government:				
Administration	423,849	459,790	(35,941)	453,426
Assessor	80,533	92,675	(12,142)	106,770
Treasurer and tax collector	277,041	277,743	(702)	311,014
Technology	143,756	141,963	1,793	158,846
Legal services	40,000	59,331	(19,331)	46,026
Total general government	965,179	1,031,502	(66,323)	1,076,082
Public safety:				
Police	993,481	1,054,539	(61,058)	993,398
Fire	719,677	762,593	(42,916)	413,252
Rescue	-	-	-	554,793
Code Enforcement	85,000	132,807	(47,807)	73,238
Total public safety	1,798,158	1,949,939	(151,781)	1,992,024
Public works	867,985	866,539	1,446	895,922
Health, sanitation, and welfare:				
Waste disposal	752,990	754,605	(1,615)	764,443
General assistance	19,347	39,366	(20,019)	18,932
Circuit breaker assistance	-	53,374	(53,374)	44,782
Health services	9,027	8,730	297	4,899
Total health, sanitation, and welfare	781,364	856,075	(74,711)	833,056

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

	2010		Variance positive (negative)	2009 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Recreation programs	\$ 459,334	498,395	(39,061)	482,173
Education and libraries:				
Prince Memorial Library	372,533	377,582	(5,049)	375,142
MSAD #51	10,913,899	10,913,899	-	10,350,263
Total education and libraries	11,286,432	11,291,481	(5,049)	10,725,405
County tax	615,032	615,032	-	588,870
Unclassified:				
West Cumberland recreation building	8,100	8,889	(789)	7,238
Parks	168,581	184,382	(15,801)	192,157
Elections	20,312	18,135	2,177	23,944
Planning Board	90,709	78,841	11,868	82,605
Conservation Commission	3,000	1,582	1,418	3,500
Cemetery Association	25,000	25,180	(180)	25,872
Insurance	233,175	279,162	(45,987)	256,953
Fire hydrant charges	55,000	52,975	2,025	51,544
Street lighting	30,000	33,965	(3,965)	32,838
Contingencies	54,500	44,526	9,974	4,259
Municipal building maintenance	157,276	163,146	(5,870)	100,558
Fuel	-	6,264	(6,264)	9,568
Abatements	20,000	13,840	6,160	18,350
Overlay	678,177	-	678,177	-
Total unclassified	1,543,830	910,887	632,943	852,043

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

	2010		Variance positive (negative)	2009 Actual
	Budget	Actual		
Expenditures, continued:				
Debt service:				
Principal	359,066	359,066	-	365,933
Interest	217,776	218,037	(261)	221,500
TAN Interest	75,000	12,411	62,589	73,158
Total debt service	651,842	589,514	62,328	660,591
Total expenditures	18,969,156	18,609,364	359,792	18,106,166
Excess of revenues over expenditures	620,758	849,870	229,112	999,002
Other financing sources (uses):				
Transfer to Special Revenue Funds	-	(7,337)	(7,337)	(22,000)
Transfer from Special Revenue Funds	-	-	-	12,065
Transfer from Capital Projects	-	-	-	19,664
Transfer to Capital Projects	(620,758)	(837,503)	(216,745)	(729,908)
Total other financing uses	(620,758)	(844,840)	(224,082)	(681,194)
Net change in fund balance	-	5,030	5,030	317,808
Fund balance, beginning of year		1,994,776		1,676,968
Fund balance, end of year	\$	1,999,806		1,994,776

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ALL OTHER GOVERNMENTAL FUNDS

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TOWN OF CUMBERLAND, MAINE
Combining Balance Sheet
All Other Governmental Funds
June 30, 2010

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Investments	\$ -	-	261,797	261,797
Accounts receivable	20	-	-	20
Intergovernmental	-	109,811	-	109,811
Interfund loans receivable	86,309	336,253	230	422,792
Total assets	\$ 86,329	446,064	262,027	794,420
LIABILITIES AND FUND BALANCES				
Liabilities:				
Security deposits	-	725	-	725
Accounts payable	21,691	18,478	430	40,599
Accrued payroll	806	-	-	806
Interfund loans payable	11,602	410,517	-	422,119
Total liabilities	34,099	429,720	430	464,249
Fund balances:				
Reserved for:				
Expendable trust	-	-	162,356	162,356
Principal	-	-	99,241	99,241
Unreserved, undesignated	52,230	16,344	-	68,574
Total fund balances	52,230	16,344	261,597	330,171
Total liabilities and fund balances	\$ 86,329	446,064	262,027	794,420

TOWN OF CUMBERLAND, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Other Governmental Funds
For the year ended June 30, 2010

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Tax revenue	\$ -	853,066	-	853,066
Rental income	-	182,241	-	182,241
Recreation and education fees	130,676	-	-	130,676
Intergovernmental	21,523	-	-	21,523
Other revenue	33,058	170,238	-	203,296
Interest revenue	-	-	12,705	12,705
Total revenues	185,257	1,205,545	12,705	1,403,507
Expenditures:				
Current:				
Program expenditures	208,821	-	2,575	211,396
Other expenditures	-	252,790	-	252,790
Capital expenditures	-	719,152	-	719,152
Debt service:				
Principal	-	437,997	-	437,997
Interest	-	385,444	-	385,444
Total expenditures	208,821	1,795,383	2,575	2,006,779
Excess (deficiency) of revenues over (under) expenditures	(23,564)	(589,838)	10,130	(603,272)
Other financing sources (uses):				
Transfer from other funds	7,337	839,933	-	847,270
Transfer to other funds	(2,430)	(7,702)	-	(10,132)
Total other financing sources	4,907	832,231	-	837,138
Net change in fund balances	(18,657)	242,393	10,130	233,866
Fund balances (deficit), beginning of year	70,887	(226,049)	251,467	96,305
Fund balances, end of year	\$ 52,230	16,344	261,597	330,171

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes that are restricted by law or administrative action.

Special Revenue Funds have been established for the following purposes:

Rescue Fund - To account for rescue grant funds received.

Unemployment Fund - To account for reserves set aside for unemployment claims.

Fire Grant Fund - To account for fire grant funds received.

Recreation Programs Fund - To account for self supporting recreation programs.

Seacoast Fund - To account for revenues and expenditures related to seacoast activities.

Backyard Composting Bins Fund - To account for revenues and expenditures related to the sale of composting bins.

Police Fund - To account for police grant funds received.

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TOWN OF CUMBERLAND, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2010

(with comparative totals for June 30, 2009)

	Rescue Fund	Unemployment Fund	Fire Grant Fund	Recreation Programs Fund	Seacoast Fund	Backyard Composting Bins Fund	Police Fund	Totals
								2010 2009
ASSETS								
Accounts receivable	\$ -	-	-	-	20	-	-	20
Intergovernmental	-	-	-	-	-	-	-	12,351
Interfund loans receivable	-	1,199	-	64,070	13,147	-	7,893	82,652
Total assets	\$ -	1,199	-	64,070	13,167	-	7,893	95,023
LIABILITIES AND FUND BALANCES								
Liabilities:								
Interfund loans payable	150	-	11,452	-	-	-	-	11,602
Accrued payroll	-	-	-	806	-	-	-	806
Accounts payable	-	1,199	6,999	12,466	1,027	-	-	21,691
Total liabilities	150	1,199	18,451	13,272	1,027	-	-	34,099
Fund balances (deficits):								
Unreserved, undesignated	(150)	-	(18,451)	50,798	12,140	-	7,893	52,230
Total liabilities and fund balances	\$ -	1,199	-	64,070	13,167	-	7,893	95,023

TOWN OF CUMBERLAND, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2010
(with comparative totals for June 30, 2009)

	Rescue Fund	Unemployment Fund	Fire Grant Fund	Recreation Programs Fund	Seacoast Fund	Backyard Composting Bins Fund	Police Fund	Totals
							2010	2009
Revenues:								
Grants	\$ -	-	18,389	-	-	-	3,134	112,399
Other revenue	-	-	-	-	25,382	1,599	6,077	22,673
Recreation and education fees	-	-	-	130,676	-	-	-	90,436
Total revenues	-	-	18,389	130,676	25,382	1,599	9,211	225,508
Expenditures:								
Current:								
Program expenditures	-	12,496	29,233	119,997	34,962	1,838	10,295	251,691
Total expenditures	-	12,496	29,233	119,997	34,962	1,838	10,295	251,691
Excess (deficiency) of revenues over (under) expenditures	-	(12,496)	(10,844)	10,679	(9,580)	(239)	(1,084)	(26,183)
Other financing sources (uses):								
Transfer to other funds	-	-	-	-	-	(2,430)	-	(12,065)
Transfer from other funds	-	7,337	-	-	-	-	-	22,000
Total other financing sources (uses)	-	7,337	-	-	-	(2,430)	-	9,935
Net change in fund balances	-	(5,159)	(10,844)	10,679	(9,580)	(2,669)	(1,084)	(16,248)
Fund balances (deficits), beginning of year	(150)	5,159	(7,607)	40,119	21,720	2,669	8,977	87,135
Fund balances (deficits), end of year	\$ (150)	-	(18,451)	50,798	12,140	-	7,893	70,887

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities other than those employed in the delivery of services accounted for in Enterprise Funds. The funds were established for the following purposes:

Town Building Reserves - To account for funds used to make improvements to the Town Office.

Affordable Housing Fund - To account for all activity related to the financing and development of Small's Brook Crossing.

Land Acquisition Fund - To account for funds set aside for the purchase of land.

School Renovations Fund - To account for funds used to renovate the old Town Office for lease to the School District.

Road Improvements Fund - To account for various road improvement projects.

Parking Lot Fund - To account for funds related to the Town's parking lot.

TIF Funds - To account for the activity in the five Tax Increment Financing Districts located in the Town.

Other Town Capital Projects:

Sweetser Books - To account for funds used to purchase new books.

Comprehensive Plan - To account for funds set aside to implement the Town's comprehensive plan.

Seized Funds - To account for expenses for an officer for working for DEA and the Town's share of money seized during drug busts.

Library Building Fund - To account for funds used to make improvements to the library.

Tennis Court Fund - To account for funds used to reconstruct the tennis courts.

Route 1 Parking Lot Fund - To account for funds used for the Route 1 parking lot.

Library Publications Fund - To account for expenses related to library publications.

Equipment Reserves Fund - Reserve fund for the purchases of miscellaneous equipment.

Environmental Reserve Fund-To account for funds used to make environmental improvements.

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TOWN OF CUMBERLAND, MAINE
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2010
(with comparative totals for June 30, 2009)

		Town Building Reserves	Affordable Housing	Land Acquisition Fund	School Renovations Fund	Road Improvements	Parking Lot Fund	TIF2 Rte. 1/100	TIF2	Other Town Capital Projects	Totals 2010	2009
ASSETS												
Accounts receivable	\$	18,691	-	-	91,120	-	-	-	-	-	109,811	-
Interfund loans receivable		-	114,364	17,960	48,646	-	-	65,577	4,994	84,712	336,253	369,099
Total assets	\$	18,691	114,364	17,960	139,766	-	-	65,577	4,994	84,712	446,064	369,099
LIABILITIES AND FUND BALANCES (DEFICITS)												
Liabilities:												
Accounts payable		12,718	-	-	-	3,269	212	165	-	2,114	18,478	165,386
Security deposit		-	725	-	-	-	-	-	-	-	725	725
Interfund loans payable		163,961	-	-	-	27,325	87,854	-	-	131,377	410,517	429,037
Total liabilities		176,679	725	-	-	30,594	88,066	165	-	133,491	429,720	595,148
Fund balances (deficits):												
Unreserved, undesignated		(157,988)	113,639	17,960	139,766	(30,594)	(88,066)	65,412	4,994	(48,779)	16,344	(226,049)
Total fund balances (deficits)		(157,988)	113,639	17,960	139,766	(30,594)	(88,066)	65,412	4,994	(48,779)	16,344	(226,049)
Total liabilities and fund balances	\$	18,691	114,364	17,960	139,766	-	-	65,577	4,994	84,712	446,064	369,099

TOWN OF CUMBERLAND, MAINE
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2010
(with comparative totals for June 30, 2009)

	Town Building Reserves	Affordable Housing	Land Acquisition Fund	School Renovations Fund	Road Improvements	Parking		TIF1 Rte. 1/100	TIF2	Other Town Capital Projects		Totals
						Lot Fund	Fund			2010	2009	
Revenues:												
Tax revenue	\$ -	-	-	-	-	-	-	709,594	143,472	-	853,066	798,778
Other revenue	40,230	37,741	1,880	-	20,000	17,968	-	-	-	52,419	170,238	398,369
Lease Income	-	-	-	182,241	-	-	-	-	-	-	182,241	182,241
Total revenues	40,230	37,741	1,880	182,241	20,000	17,968	709,594	143,472	52,419	1,205,545	1,379,388	
Expenditures:												
Current:												
Other expenditures	100,092	-	8,486	-	-	13,825	101,478	24,740	4,169	252,790	107,875	
Capital improvements:												
Construction and renovation	159,554	-	-	-	348,545	-	-	-	-	-	508,099	854,798
Capital outlay	-	-	-	-	-	-	-	-	-	211,053	211,053	265,503
Sewer upgrade	-	-	-	-	-	-	-	-	-	-	-	33,183
Debt service:												
Interest	-	-	-	32,811	-	-	232,704	119,929	-	-	385,444	251,050
Principal	-	-	-	127,997	-	-	310,000	-	-	-	437,997	431,901
Total expenditures	259,646	-	8,486	160,808	348,545	13,825	644,182	144,669	215,222	1,795,383	1,944,310	
Excess (deficiency) of revenues over (under) expenditures												
	(219,416)	37,741	(6,606)	21,433	(328,545)	4,143	65,412	(1,197)	(162,803)	(589,838)	(564,922)	
Other financing sources (uses):												
Transfer to other funds	(7,702)	-	-	-	-	-	-	-	-	-	(7,702)	(789,160)
Transfer from other funds	160,430	-	-	-	415,538	-	-	-	-	263,965	839,933	958,462
Total other financing sources (uses)	152,728	-	-	-	415,538	-	-	-	-	263,965	832,231	169,302
Net change in fund balances												
	(66,688)	37,741	(6,606)	21,433	86,993	4,143	65,412	(1,197)	101,162	242,393	(395,620)	
Fund balances (deficits), beginning of year												
	(91,300)	75,898	24,566	118,333	(117,587)	(92,209)	-	6,191	(149,941)	(226,049)	169,571	
Fund balances (deficits), end of year	\$ (157,988)	113,639	17,960	139,766	(30,594)	(88,066)	65,412	4,994	(48,779)	16,344	(226,049)	

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Prince Fund - To support Greely High School. It is applied to MSAD #51 annual assessments.

Cumberland School Fund - To support the schools. It is applied to MSAD #51's annual assessment.

Paul Merrill Fund - To be used to support the Library.

Sweetser Fund - To be used to purchase non-fiction books for the Library.

Historical Society Fund - To maintain and support the Cumberland Historical Society.

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TOWN OF CUMBERLAND, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2010

	Prince Fund	Cumberland School Fund	Paul Merrill Fund	Sweetser Fund	Historical Society Fund	Totals
ASSETS						
Investments	\$ 49,339	50,976	68,905	42,572	50,005	261,797
Interfund loans receivable	11	-	-	-	219	230
Total assets	49,350	50,976	68,905	42,572	50,224	262,027
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	-	-	430	430
Total liabilities	-	-	-	-	430	430
Fund balances:						
Reserved for:						
Expendable trust	47,185	48,751	12,718	7,858	45,844	162,356
Principal	2,165	2,225	56,187	34,714	3,950	99,241
Total fund balances	49,350	50,976	68,905	42,572	49,794	261,597
Total liabilities and fund balances	\$ 49,350	50,976	68,905	42,572	50,224	262,027

TOWN OF CUMBERLAND, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2010

	Prince Fund	Cumberland School Fund	Paul Merrill Fund	Sweetser Fund	Historical Society Fund	Totals
Revenues:						
Investment income	\$ 2,428	2,508	3,341	2,064	2,364	12,705
Total revenues	2,428	2,508	3,341	2,064	2,364	12,705
Expenditures:						
Current:						
Other miscellaneous	-	-	-	-	2,575	2,575
Total expenditures	-	-	-	-	2,575	2,575
Excess (deficiency) of revenues over (under) expenditures	2,428	2,508	3,341	2,064	(211)	10,130
Net change in fund balances	2,428	2,508	3,341	2,064	(211)	10,130
Fund balances, beginning of year	46,922	48,468	65,564	40,508	50,005	251,467
Fund balances, end of year	\$ 49,350	50,976	68,905	42,572	49,794	261,597

FIDUCIARY FUNDS-
PRIVATE-PURPOSE TRUST FUNDS

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TOWN OF CUMBERLAND, MAINE
Combining Statement of Fiduciary Net Assets
Fiduciary Funds - Private-purpose Trust
June 30, 2010

		Carle									
		John M. and Lillian R. Kimball Award Trust									
		Eliphalet Greely Fund	Scholar-ship Fund	Lynne Pickard Scholar-ship	Henry Music Scholar-ship	Louis Lambert Scholar-ship	Roy O'Looke Scholar-ship	Jessica Parker Fund	Tom Pollis Scholar-ship	Totals	
ASSETS	Investments	\$ 20,152	79,157	28,088	2,754	191	7,540	2,239	1,103	35,595	176,819
	Accounts receivable	-	-	-	-	-	-	-	-	2,000	2,000
	Total assets	20,152	79,157	28,088	2,754	191	7,540	2,239	1,103	37,595	178,819
LIABILITIES											
Interfund loans payable		-	-	-	-	-	-	-	-	-	-
Total liabilities		-	-	-	-	-	-	-	-	-	-
NET ASSETS											
Held in trust		20,152	79,157	28,088	2,754	191	7,540	2,239	1,103	37,595	178,819
Total net assets		\$ 20,152	79,157	28,088	2,754	191	7,540	2,239	1,103	37,595	178,819

TOWN OF CUMBERLAND, MAINE
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds - Private-purpose Trust
For the year ended June 30, 2010

	John M. and Lillian R. Kimball Award Trust										Carle								Totals
	Eliphalet Greely Fund	Scholarship Fund	Pickard Scholar-ship	Lynne Pickard Scholar-ship	Henry Music Scholar-ship	Louis Lambert Scholar-ship	Roy O'Looke Scholar-ship	Jessica Parker Fund	Tom Pollis Scholar-ship										
Additions:																			
Donations	\$ -	-	-	-	450	-	-	-	-	-	-	-	-	-	-	-	-	-	450
Investment income	1,055	4,042	2,182	183	22	423	186	53	1,641										9,787
Total additions	1,055	4,042	2,182	183	472	423	186	53	1,641										10,237
Deductions:																			
Current:																			
Scholarships awarded	500	-	6,000	300	700	300	500	-	-	-	-	-	-	-	-	-	-	-	8,300
Total deductions	500	-	6,000	300	700	300	500	-	-	-	-	-	-	-	-	-	-	-	8,300
Change in net assets	555	4,042	(3,818)	(117)	(228)	123	(314)	53	1,641										1,937
Net assets, beginning of year	19,597	75,115	31,906	2,871	419	7,417	2,553	1,050	35,954										176,882
Net assets, end of year	\$ 20,152	79,157	28,088	2,754	191	7,540	2,239	1,103	37,595										178,819

STATISTICAL SECTION

This part of the Town of Cumberland, Maine's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Tables
Financial Trends	1-4
<i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	
Revenue Capacity	5-9
<i>These schedules contain information to help the reader assess the Town's most significant local revenue source; property tax.</i>	
Debt Capacity	10-13
<i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	14-15
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	
Operating Information	16-19
<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>	

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Table 1

TOWN OF CUMBERLAND, MAINE
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:								
Invested in capital assets, net of related debt	\$ 8,990,903	9,851,279	10,301,914	8,400,717	10,709,996	11,113,384	10,583,895	11,713,982
Restricted	9,132	9,132	9,132	3,719,595	1,875,779	2,972,299	880,653	6,017,503
Unrestricted	1,940,431	1,991,888	1,601,037	179,878	264,184	(2,140,877)	313,189	(5,235,485)
Total governmental activities net assets	\$ 10,940,466	11,852,299	11,912,083	12,300,190	12,849,959	11,944,806	11,777,737	12,496,000
Business-type activities:								
Invested in capital assets, net of related debt	\$ 2,804,663	2,802,183	2,740,100	2,738,939	2,868,391	3,341,611	4,570,731	4,474,150
Restricted	-	-	-	-	-	-	-	-
Unrestricted	(11,214)	(318,959)	(189,385)	(369,882)	(933,473)	(1,356,391)	(1,370,379)	(1,440,318)
Total business-type activities net assets	2,793,449	2,483,224	2,550,715	2,369,057	1,934,918	1,985,220	3,200,352	3,030,832
Primary government:								
Invested in capital assets, net of related debt	\$ 11,795,566	12,653,462	13,042,014	11,139,656	13,578,387	14,454,995	15,154,626	16,185,132
Restricted	9,132	9,132	9,132	3,719,595	1,875,779	2,972,299	880,653	6,017,503
Unrestricted	1,929,217	1,672,929	1,411,652	(190,004)	(669,289)	(3,497,268)	(1,057,190)	(6,675,803)
Total primary government net assets	\$ 13,733,915	14,335,523	14,462,798	14,669,247	14,784,877	13,930,026	14,978,089	15,526,832

Note: Only eight years have been presented since 2003 was the year GASB Statement No. 34 was implemented.

Table 2

TOWN OF CUMBERLAND, MAINE
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government (1)	\$ 833,186	878,117	919,854	5,882,021	5,159,324	5,505,136	3,783,966	3,285,510
Public safety	1,572,618	1,608,423	1,610,805	1,810,869	2,012,200	2,317,211	2,220,293	2,120,117
Public works	1,057,397	887,227	1,093,478	1,206,824	1,249,056	1,463,427	1,162,830	1,208,065
Health, sanitation and welfare	692,360	776,588	853,453	1,022,329	935,715	758,204	834,347	857,366
Recreation	661,559	513,071	452,277	562,991	565,395	599,328	595,531	650,799
Education and libraries	10,894,174	11,657,988	12,722,701	12,283,626	12,717,167	11,361,373	10,801,875	11,368,432
Unclassified	668,831	1,118,848	1,701,315	-	-	-	-	-
County tax	552,220	591,046	629,488	-	-	-	-	-
Interest on debt	204,343	192,279	394,004	310,337	502,022	531,842	562,089	648,993
Capital maintenance expenses	1,637,238	56,003	-	-	-	-	-	-
Total governmental activities expenses	18,773,926	18,279,590	20,377,375	23,078,997	23,140,879	22,536,521	19,960,931	20,139,282
Business-type activities:								
Senior Housing	288,515	265,258	243,119	234,742	236,583	233,686	244,777	270,422
Sewer System	517,521	583,951	615,014	726,525	814,256	858,224	913,642	831,988
Val Halla Golf and Recreation Center	826,454	849,287	829,971	998,763	1,212,925	1,086,274	859,546	789,926
Total business-type activities expenses	1,632,490	1,698,496	1,688,104	1,960,030	2,263,764	2,178,184	2,017,965	1,892,336
Total primary government expenses	\$ 20,406,416	19,978,086	22,065,479	25,039,027	25,404,643	24,714,705	21,978,896	22,031,618
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 30,229	128,075	565,299	534,007	660,989	601,639	344,101	462,566
Public safety	155,700	115,761	248,303	261,097	323,404	299,296	355,846	207,097
Public works	-	-	2,065	895	1,849	2,679	1,478	16,687
Health, sanitation and welfare	8,097	13,030	20,805	23,171	260,593	234,789	215,050	222,240
Recreation	404,557	258,167	295,157	345,274	350,890	423,781	393,970	394,246
Education and libraries	11,998	10,599	9,102	10,168	11,474	3,931	4,363	7,852
Unclassified	48,566	260,339	285,794	-	-	-	-	-
Interest on debt	-	182,241	182,241	182,241	182,965	182,240	182,241	182,241
Capital maintenance expenses	570,942	569,884	-	-	-	-	-	-
Operating grants and contributions	428,402	411,275	273,254	299,683	281,157	235,807	351,020	257,629
Capital grants and contributions	903,062	-	-	2,891,172	2,276,730	279,136	398,369	170,238
Total governmental activities program revenues	2,561,553	1,949,371	1,882,020	4,547,708	4,350,051	2,263,298	2,246,438	1,920,796
Business-type activities:								
Charges for services:								
Senior Housing	\$ 237,411	237,319	247,023	253,572	266,665	274,864	277,502	282,165
Sewer System	386,960	425,277	541,558	593,317	667,031	720,257	992,992	831,242
Val Halla Golf and Recreation Center	765,606	725,675	681,824	844,762	917,320	832,536	594,030	541,918
Capital grants and contributions	100,318	-	-	86,721	-	-	-	59,789
Total business-type activities program revenues	1,490,295	1,388,271	1,470,405	1,778,372	1,851,016	1,827,657	1,864,524	1,715,114
Total primary government program revenues	\$ 4,051,848	3,337,642	3,352,425	3,352,425	6,201,067	4,090,955	4,110,962	3,635,910
Net (expense)/revenue								
Governmental activities	\$ (16,212,373)	(16,330,219)	(18,495,355)	(18,531,289)	(18,790,828)	(20,273,223)	(17,714,493)	(18,218,486)
Business-type activities	(142,195)	(310,225)	(217,699)	(181,658)	(412,748)	(350,527)	(153,441)	(177,222)
Total primary government net expense	\$ (16,354,568)	(16,640,444)	(18,713,054)	(18,712,947)	(19,203,576)	(20,623,750)	(17,867,934)	(18,395,708)

(1) Certain expenditures that were classified separately in prior years have been classified as general government, starting in 2006.

Note: Only eight years have been presented since 2003 was the year GASB Statement No. 34 was implemented.

TOWN OF CUMBERLAND, MAINE
Changes In Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes	\$ 13,811,333	14,846,060	16,246,669	16,218,425	16,648,065	15,146,730	15,153,763	15,815,303
TIF District taxes	-	-	-	-	-	659,342	798,778	853,066
Excise taxes	1,423,565	1,445,790	1,439,557	1,503,116	1,480,483	1,416,261	1,348,642	1,372,271
Outer island property taxes	-	-	-	-	-	39,609	38,890	38,736
Count tax refund	-	-	-	-	-	60,667	-	-
Payment in lieu of taxes	17,000	17,000	17,000	-	-	-	-	-
Fees	81,924	83,124	87,295	92,461	-	-	-	-
Unrestricted grants and contributions	836,542	808,117	833,516	906,041	826,289	917,139	875,441	751,799
Investment earnings	26,117	17,520	47,841	129,940	270,487	144,254	71,519	16,342
Miscellaneous	46,049	24,441	168,451	60,824	93,883	84,897	195,382	96,934
Transfers	13,000	-	80,720	-	21,391	(400,829)	(934,991)	(7,702)
Total governmental activities	16,255,530	17,242,052	18,921,049	18,910,807	19,340,598	18,068,070	17,547,424	18,936,749
Business-type activities:								
Investment earnings	-	-	-	129,940	-	-	-	-
Miscellaneous	-	-	-	-	-	-	433,582	-
Transfers	(13,000)	-	(80,720)	-	(21,391)	400,829	934,991	7,702
Total business-type activities	(13,000)	-	(80,720)	129,940	(21,391)	400,829	1,368,573	7,702
Total primary government	\$ 16,242,530	17,242,052	18,840,329	19,040,747	19,319,207	18,468,899	18,915,997	18,944,451
Change in Net Assets								
Governmental activities	43,157	911,833	425,694	379,518	549,770	(2,205,153)	(167,069)	718,263
Business-type activities	(155,195)	(310,225)	(298,419)	(51,718)	(434,139)	50,302	1,215,132	(169,520)
Special item:								
Chebeague settlement	-	-	-	-	-	1,300,000	-	-
Total primary government	\$ (112,038)	601,608	127,275	327,800	115,631	(854,851)	1,048,063	548,743

Note: Only eight years have been presented since 2003 was the year GASB Statement No. 34 was implemented.

Note: In 2007, the TIF allocation was netted against property tax revenue.

Table 3

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 232,531	90,329	20,205	-	647,139	856,060	833,189	852,000	1,280,000	-
Unreserved:										
Designated	1,250	-	-	-	-	-	-	-	-	-
Undesignated	1,365,051	1,458,782	1,353,263	1,579,044	933,750	692,392	709,878	824,968	714,776	1,999,806
Total general fund	\$ 1,598,832	1,549,111	1,373,468	1,579,044	1,580,889	1,548,452	1,543,067	1,676,968	1,994,776	1,999,806
All Other Governmental Funds										
Reserved	\$ -	9,132	9,132	9,132	9,132	100,033	245,045	240,265	251,467	261,597
Unreserved, reported in:										
Special revenue funds	(27,144)	(25,571)	12,108	51,837	14,626	70,262	75,922	87,135	70,887	52,230
Capital projects funds	(313,258)	616,863	77,353	(82,439)	(200,114)	2,758,140	909,638	2,182,977	3,465,598	5,163,708
Permanent funds	386,408	252,195	261,294	249,343	250,828	139,122	-	-	-	-
Total all other governmental funds	\$ 46,006	852,619	359,887	227,873	74,472	3,067,557	1,230,605	2,510,377	3,787,952	5,477,535
Total governmental funds	\$ 1,644,838	2,401,730	1,733,355	1,806,917	1,655,361	4,616,009	2,773,672	4,187,345	5,782,728	7,477,341

Note: Expendable permanent fund balances are reported as reserved beginning in 2007.

Table 4

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 12,647,145	13,963,203	15,264,327	16,310,105	17,698,601	17,365,727	18,115,448	17,261,942	17,340,073	18,079,376
Licenses and permits	105,019	107,447	109,581	135,707	138,382	195,623	170,982	121,005	88,091	101,642
Intergovernmental	1,129,690	1,123,251	1,069,932	1,053,892	1,106,770	1,205,724	1,502,282	1,276,457	1,226,461	1,009,428
Charges for services	237,801	534,307	513,388	556,236	708,812	866,251	909,749	983,405	819,080	950,583
Rental income	-	232,890	184,862	210,941	191,666	189,940	190,940	182,241	182,241	182,241
Other	512,369	434,567	1,653,215	946,647	890,493	2,149,883	1,626,596	903,148	1,072,907	541,977
Total revenues	14,632,024	16,395,665	18,795,305	19,213,528	20,734,724	21,972,699	22,515,997	20,733,197	20,728,853	20,865,247
Expenditures										
General government	759,023	756,821	766,715	807,842	698,825	789,288	953,942	1,126,505	1,076,082	1,031,502
Public safety	1,273,232	1,409,565	1,461,167	1,447,408	1,435,247	1,595,112	1,804,220	2,091,049	1,992,024	1,949,939
Public works	867,991	926,787	1,017,672	1,010,748	860,067	948,911	965,115	1,235,331	895,922	866,539
Health, sanitation and welfare	609,441	647,032	687,963	772,192	849,056	1,017,623	931,318	756,913	833,056	856,075
Recreation	304,632	323,678	353,782	470,660	378,849	475,381	492,247	510,828	482,173	498,395
Education and libraries	8,830,795	10,051,782	10,827,411	11,581,458	12,647,183	12,201,341	12,639,338	11,283,458	10,725,405	11,291,481
Unclassified	1,831,783	1,282,628	1,416,290	1,574,421	2,326,002	2,401,635	2,467,051	1,814,050	1,695,175	1,737,315
Capital outlay	594,179	781,644	2,564,987	2,998,824	851,145	3,551,571	3,343,754	2,894,559	3,155,100	3,696,231
Debt service	348,806	300,527	332,160	304,739	438,663	394,707	613,627	850,448	797,834	797,063
Principal	18,693	87,442	130,412	121,674	228,830	260,721	464,122	524,856	545,708	615,892
Interest	15,432,575	16,567,906	19,558,559	21,089,966	20,713,867	23,633,290	24,674,734	23,087,997	22,198,479	23,340,432
Total expenditures	15,432,575	16,567,906	19,558,559	21,089,966	20,713,867	23,633,290	24,674,734	23,087,997	22,198,479	23,340,432
Excess (deficiency) of revenues over (under) expenditures	(800,551)	(172,241)	(763,254)	(1,876,438)	20,857	(1,660,591)	(2,158,737)	(2,355,800)	(1,469,626)	(2,475,185)
Other financing sources (uses)										
Transfers in	373,653	305,446	486,400	371,047	1,170,676	1,365,562	2,088,768	1,542,138	1,251,176	847,270
Transfers out	(373,653)	(292,446)	(473,399)	(371,047)	(1,089,956)	(1,365,562)	(2,067,377)	(1,942,967)	(2,186,167)	(854,972)
Bonds issued	-	1,000,000	-	1,841,000	-	4,585,000	-	2,775,802	4,000,000	4,100,000
Notes issued	255,000	-	-	-	-	-	-	-	-	-
Capital leases	-	-	82,477	109,000	-	27,650	257,348	94,500	-	77,500
Total other financing sources (uses)	255,000	1,013,000	95,478	1,950,000	80,720	4,612,650	278,739	2,469,473	3,065,009	4,169,798
Special item:										
Chebeague settlement	-	-	-	-	-	-	-	1,300,000	-	-
Net change in fund balances	\$ (545,551)	840,759	(667,776)	73,562	101,577	2,952,059	(1,879,998)	1,413,673	1,595,363	1,694,613
Debt service as a percentage of noncapital expenditures	2.38%	2.34%	2.48%	2.37%	3.34%	3.08%	4.94%	6.63%	6.91%	7.04%

Table 5

TOWN OF CUMBERLAND, MAINE
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollar amounts expressed in thousands)

<u>Fiscal Year</u>		<u>Real estate</u>	<u>Personal property</u>	<u>Excise tax</u>	<u>Total</u>
2001	\$	11,327	116	1,204	12,647
2002		12,492	163	1,308	13,963
2003		13,703	137	1,424	15,264
2004		14,718	146	1,446	16,310
2005		16,099	160	1,440	17,699
2006		16,010	159	1,503	17,672
2007		16,974	185	1,480	18,639
2008		15,563	199	1,416	17,178
2009		15,750	152	1,349	17,251
2010		16,457	155	1,372	17,984

Note: The table does not include outer island taxes or interest and costs

Table 6

TOWN OF CUMBERLAND, MAINE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(dollar amounts expressed in thousands)

Fiscal Year Ended June 30	Real Property		Personal Property (1)	Less: Tax Exempt Real Property (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Assessed Value as a Percentage of Actual Value
	Residential and Commercial Property (1)	Property (1)						
2001	\$	548,672	5,313	36,005	517,980	21.80	545,600	94.9%
2002		568,482	7,016	36,340	539,158	23.20	603,100	89.4%
2003		835,157	7,991	39,404	803,744	17.15	664,350	121.0%
2004		855,171	8,070	40,195	823,046	18.03	764,550	107.7%
2005		877,618	8,326	41,744	844,200	19.20	894,400	94.4%
2006		907,264	8,476	55,774	859,966	18.80	1,053,530	81.6%
2007		931,680	9,539	57,045	884,174	19.40	1,193,700	74.1%
2008		839,577	10,076	53,561	796,092	19.80	1,286,200	61.9%
2009		1,198,642	10,807	73,626	1,135,823	14.00	1,132,250	100.3%
2010		1,204,984	10,661	73,908	1,141,737	14.55	1,162,000	98.3%

(1) Source - Cumberland Assessor's office.

(2) Source - Maine Revenue Services

Note: The table does not include outer island taxes or interest and costs

TOWN OF CUMBERLAND, MAINE
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Town Direct and Overlapping Rates</u>			
	<u>Direct</u>	<u>Overlapping</u>		<u>Total</u>
	<u>Town rate*</u>	<u>Education rate</u>	<u>County rate</u>	
2001	4.58	16.35	0.87	21.80
2002	4.32	18.02	0.86	23.20
2003 (2)	3.43	13.03	0.69	17.15
2004	3.61	13.70	0.72	18.03
2005	3.84	14.59	0.77	19.20
2006	4.32	13.73	0.75	18.80
2007	4.46	14.17	0.77	19.40
2008	4.78	14.13	0.89	19.80
2009 (2)	3.96	9.50	0.54	14.00
2010	4.01	9.98	0.56	14.55

* Tax rates are based upon \$1,000 of assessed value

SOURCE: Cumberland assessor's office

(2) Revaluation

Table 8

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

	2010				2001			
	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	
	Central Maine Power Company	\$ 6,501,302	1	0.57%	4,597,700	1	0.89%	
	Spears Hill, LLC	6,051,200	2	0.53%				
	Martin, Joseph R.	5,024,200	3	0.44%				
	Maritimes & NE Pipeline Co, LLC	3,936,700	4	0.34%				
	Lemole, Emily Jane A-Trustee	3,762,500	5	0.33%				
	Dumont, Martha E.	3,414,900	6	0.30%	1,234,400	6	0.24%	
	BBW Real Estate LLC	3,188,600	7	0.28%				
	DBB Preserve LLC	2,899,100	8	0.25%				
	Forum Trust LLC	2,862,500	9	0.25%				
	Piaso, Shirley A.	2,852,100	10	0.25%				
	Payson, Mairion-Heirs of				1,832,350	2	0.35%	
	Quintana, Helen C.				1,513,400	3	0.29%	
	Lemole, Gerald M.				1,352,400	4	0.26%	
	Scorpio Island Corp.				1,299,900	5	0.25%	
	Copp, Clayton				1,152,950	7	0.22%	
	Godsoe, John A.				1,118,250	8	0.22%	
	Wheaton, Barbara K. - Trustee				965,050	9	0.19%	
	Bean, Diana B. Trust				866,850	10	0.17%	
	Totals	\$ 40,493,102		3.54%	\$ 15,933,250		3.08%	

SOURCE: Cumberland assessor's office

Table 9

TOWN OF CUMBERLAND, MAINE
Property Tax Levies and Collections

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
		Amount				
2001	11,299	11,080	98.06%	219	11,299	100.0%
2002	12,509	12,240	97.85%	269	12,509	100.0%
2003	13,784	13,594	98.62%	190	13,784	100.0%
2004	14,840	14,613	98.47%	227	14,840	100.0%
2005	16,209	15,955	98.43%	254	16,209	100.0%
2006	16,167	15,924	98.50%	243	16,167	100.0%
2007	17,153	16,917	98.62%	227	17,144	99.9%
2008	15,763	15,469	98.13%	271	15,740	99.9%
2009	15,902	15,589	98.03%	166	15,755	99.1%
2010	16,612	16,341	98.37%	-	16,341	98.4%

Table 10

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

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General		Notes Payable	Capital Leases	General		Notes Payable	Capital leases			
	Obligation Bonds				Obligation Bonds						
2001	\$	3,294,759	102,651	21,119	2,180,207		349,747	77,858	6,026,341	4.199%	944
2002		3,996,993	72,051	21,504	2,102,258		336,275	-	6,529,081	4.057%	912
2003		3,765,553	46,551	60,401	2,022,918		322,530	-	6,217,953	2.582%	869
2004		4,152,470	1,266,500	141,584	1,932,115		308,507	-	7,801,176	3.239%	1,090
2005		3,907,420	1,158,267	101,101	1,834,774		294,201	-	7,295,763	3.029%	1,019
2006		8,239,648	1,075,534	86,483	1,730,815		279,607	-	11,412,087	4.738%	1,594
2007		7,708,754	992,800	314,587	1,620,137		264,718	149,225	11,050,221	4.588%	1,544
2008		9,974,189	910,067	101,539	1,523,582		249,529	118,842	12,877,748	5.347%	1,799
2009		13,704,931	827,333	63,785	1,025,000		234,034	91,208	15,946,291	6.621%	2,227
2010		17,090,601	744,600	101,600	960,000		218,009	62,234	19,177,044	5.847%	2,514

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

(1) Based on population as provided by the U.S. Bureau of the Census, Greater Portland Council of Governments

Table 11

TOWN OF CUMBERLAND, MAINE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollar amounts expressed in thousands)

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2001	\$ 3,192	0.59%	446
2002	3,997	0.66%	558
2003	3,766	0.57%	526
2004	4,152	0.54%	580
2005	3,907	0.44%	546
2006	8,240	0.78%	1,151
2007	7,709	0.65%	1,077
2008	9,974	0.78%	1,393
2009	13,705	1.21%	1,914
2010	17,091	1.47%	2,241

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

TOWN OF CUMBERLAND, MAINE
Direct and Overlapping Governmental Activities Debt
June 30, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Cumberland County	\$ 3,772,625	0.54%	20,208
MSAD #51	34,844,307	71.67%	24,972,915
Subtotal, overlapping debt			24,993,123
Direct debt:			
Bonds payable	17,090,601		17,090,601
Notes payable	744,600		744,600
Capital leases	101,600		101,600
Subtotal, direct debt			17,936,801
Total direct and overlapping debt			\$ 42,929,924

TOWN OF CUMBERLAND, MAINE
Legal Debt Margin Information
 Last Ten Fiscal Years

(dollar amounts expressed in thousands)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assessed value per State	\$ 545,600	603,100	664,350	764,550	894,000	1,053,350	1,193,700	1,286,200	1,132,250	1,162,000
Total debt limit - all purposes - 15% of assessed value	\$ 81,840	90,465	99,653	114,683	134,100	158,003	179,055	192,930	169,838	174,300
Less outstanding debt applicable to debt limit	5,825	6,508	6,157	7,660	7,195	11,326	10,586	12,656	15,791	19,013
Legal debt margin	\$ 76,015	83,957	93,496	107,023	126,905	146,677	168,469	180,274	154,047	155,287
Total outstanding debt applicable to the limit as a percentage of debt limit	7.12%	7.19%	6.18%	6.68%	5.37%	7.17%	5.91%	6.56%	9.30%	10.91%
The debt limit is restricted by State statute based on the assessed value per the State above and the percentages below.										
Municipal purposes - 7.5%										
Debt limit	\$ 40,920	45,233	49,826	57,341	67,050	79,001	89,528	96,465	84,919	87,150
Less outstanding debt applicable to debt limit	5,699	6,403	6,073	7,597	7,153	11,305	10,586	12,656	15,791	19,013
Debt margin for municipal purposes	\$ 35,221	38,830	43,753	49,744	59,897	67,696	78,942	83,809	69,128	68,137
Outstanding debt applicable to the limit as a percentage of debt limit for municipal purposes	13.93%	14.16%	12.19%	13.25%	10.67%	14.31%	11.82%	13.12%	18.60%	21.82%
School purposes - 10%										
Debt limit	\$ 54,560	60,310	66,435	76,455	89,400	105,335	119,370	128,520	113,225	116,200
Less outstanding debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Debt margin for school purposes	\$ 54,560	60,310	66,435	76,455	89,400	105,335	119,370	128,520	113,225	116,200
Outstanding debt applicable to the limit as a percentage of debt limit for school purposes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Storm and sanitary sewer purposes - 7.5%										
Debt limit	\$ 40,920	45,233	49,826	57,341	67,050	79,001	89,528	96,465	84,919	87,150
Less outstanding debt applicable to debt limit	126	105	84	63	42	21	-	-	-	-
Debt margin for sewer purposes	\$ 40,794	45,128	49,742	57,278	67,008	78,980	89,528	96,465	84,919	87,150
Outstanding debt applicable to the limit as a percentage of debt limit for sewer purposes	0.31%	0.23%	0.17%	0.11%	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%
Maximum total debt limit - 15%	\$ 81,840	90,465	99,653	114,683	134,100	158,003	179,055	192,930	169,838	174,300

TOWN OF CUMBERLAND, MAINE
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Income		Median Age (6)	High School Completion Rates (5)	Resident School Enrollment (4)	State Unemployment Rate (3)
			Cumberland County (2)	Income				
2001	7,159	160,948,638	22,482		39.4	97	1,688	2.2%
2002	7,159	240,857,396	33,644		39.4	98	1,672	2.6%
2003	7,159	240,857,396	33,644		39.4	95	1,648	2.7%
2004	7,159	240,857,396	33,644		39.4	96	1,633	2.5%
2005	7,159	240,857,396	33,644		39.4	99	1,585	3.0%
2006	7,159	240,857,396	33,644		39.4	96	1,588	3.0%
2007	7,159	240,857,396	33,644		39.4	99	1,575	2.7%
2008	7,159	240,857,396	33,644		39.4	95	1,590	4.7%
2009	7,159	240,857,396	33,644		39.4	96	1,558	8.6%
2010	7,627	327,968,627	43,001		39.4	96	1,467	8.0%

Sources:

- (1) U.S. Bureau of the Census, Greater Portland council of Governments
- (2) U.S. Bureau of the Census, Greater Portland council of Governments
- (3) Maine Department of Labor (seasonally adjusted)
- (4) Cumberland School Department
- (5) State of Maine Department of Education
- (6) U.S. Census Bureau (2000 Census latest available figures)

Table 15

TOWN OF CUMBERLAND, MAINE
Principal Employers
June 30, 2010

<u>Employer</u>	<u>2010</u>		<u>Percentage of Total Town Employment</u>
	<u>Employees</u>	<u>Rank</u>	
Cumberland Farmers Club	100-249	1	2.5%-6.3%
Greely Middle School	100-249	2	2.5%-6.3%
Cumberland Fire Department	50-99	3	2.5%-6.3%
Town of Cumberland	50-99	3	1.3%-2.5%
Seafax	50-99	5	1.3%-2.5%
Greely High School	50-99	6	1.3%-2.5%
Mabel Wilson School	50-99	7	1.3%-2.5%
Norton Insurance	50-99	8	1.3%-2.5%
Sevee Maher Engineers	20-49	9	.5%-1.3%
Main Line Fence Co.	20-49	10	.5%-1.3%

Note: The information on the principal employers from nine years ago is not available.

TOWN OF CUMBERLAND, MAINE
Full-time-equivalent Town Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government:										
Management	N/A	N/A	N/A	3	3	3	3	3	3	3
Finance/Administration	N/A	N/A	N/A	9	7	7	7	7	7	7
Planning	N/A	N/A	N/A	2	2	2	2	2	2	2
Assessing	N/A	N/A	N/A	1	1	1	1	1	1	1
Codes/Planning	N/A	N/A	N/A	1	-	-	-	-	-	-
Public Safety:										
Fire	N/A	N/A	N/A	1	2	2	2	2	2	4
Police	N/A	N/A	N/A	21	17	12	12	12	12	12
Rescue	N/A	N/A	N/A	1	1	3	3	3	3	0
Public Works	N/A	N/A	N/A	13	13	13	13	12	10	9
Parks, Rec and Library	N/A	N/A	N/A	6	7	7	7	7	9	8
Valhalla	N/A	N/A	N/A	4	4	5	6	5	3	3
Harbor	N/A	N/A	N/A	1	-	-	-	-	-	0
Total Full-time Employees	N/A	N/A	N/A	63	57	55	56	54	52	49

(1) Town government employees by function/program were not tracked prior to 2004.

Source: Town of Cumberland budget documents.

TOWN OF CUMBERLAND, MAINE
Operating Indicators by Function
Last Ten Calendar Years

Function	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Code Enforcement:										
Building permits	313	264	278	310	308	275	283	283	206	151
Sign permits	15	9	5	3	2	7	8	8	5	4
Fire Protection:										
Number of calls answered	501	592	584	483	515	542	575	510	536	592
Number of inspections conducted	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	161	161	161	211	337
Police Protection:										
Number of law violations:										
Arrests	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	149	149	149	158	137
Traffic violations	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	4,585	4,585	4,585	4,085	3,485
Parking violations	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	167	167	167	58	27
Number of calls for service	11,484	10,682	9,991	9,691	10,653	7,542	6,832	6,832	10,926	12,223
Sewerage System:										
Number of service connections	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	965	965	965	1,014	1,020
Daily average treatment in gallons	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	172,960	172,960	172,960	191,203	202,000

Sources: Town of Cumberland Code Enforcement, Police, and Fire Departments; Portland Water District.

Table 18

TOWN OF CUMBERLAND, MAINE
Capital Asset Statistics by Function
Last Eight Fiscal Years

Function	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety:								
Police:								
Stations	unavailable	unavailable	2	2	2	1	1	1
Vehicles	unavailable	unavailable	20	20	24	19	17	15
Fire:								
Stations	unavailable	unavailable	3	3	3	2	2	2
Vehicles	unavailable	unavailable	17	17	17	13	12	11
Public Works:								
Streets (miles)	unavailable	unavailable	60	60	60	78	78	78
Number of streetlights	unavailable	unavailable	245	245	245	203	203	203
Parks & Recreation:								
Parks	unavailable	unavailable	1	1	1	1	1	1
Parks (acreage)	unavailable	unavailable	250	250	250	250	250	250
Public skating rinks	unavailable	unavailable	1	1	1	1	1	1
Public tennis courts	unavailable	unavailable	4	4	4	4	4	4
Public golf courses	unavailable	unavailable	1	1	1	1	1	1
Sewer:								
Miles of sanitary sewers	unavailable	unavailable	19.7	19.7	19.7	20	20	20

Note: only eight years have been presented because 2003 was the year GASB 34 was implemented.

Sources: Town of Cumberland Code Enforcement, Police, and Fire Departments; Portland Water District.

Table 19

TOWN OF CUMBERLAND, MAINE
Miscellaneous Statistics
For the year ended June 30, 2010

Date of incorporation	1821
Form of government	Council/Manager
Number of full-time employees	49
All employees	345
Area in square miles	20
Name of government facilities and services:	
Miles of streets	78
Number of street lights	203
Culture and recreation:	
Parks	1
Park acreage	250
Skating rinks	1
Tennis courts	4
Golf course	1
Fire Protection:	
Number of fire personnel and officers	85 (Volunteers)
Police Protection:	
Number of police personnel and officers	11
Number of patrol units	5
Education:	
Number of elementary schools	3
Number of elementary school instructors	82
Number of secondary schools	2
Number of secondary school instructors	125



