

Town of Cumberland, Maine



Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

TOWN OF CUMBERLAND, MAINE
Annual Comprehensive Financial Report
For the Fiscal Year ended June 30, 2023

Prepared by: Katie Johnston
Director of Finance

TOWN OF CUMBERLAND, MAINE
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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INTRODUCTORY SECTION



TOWN OF CUMBERLAND, MAINE

290 Tuttle Road

Cumberland Center, Maine 04021-9321

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

January 11, 2024

Dear Members of the Town Council and Citizens of the Town of Cumberland:

State law and Town charter requires that the Town publish after the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”) and audited in accordance with auditing standards generally accepted in the United States of America by a licensed certified public accountant. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report (“ACFR”) of the Town of Cumberland, Maine (the “Town”) for the fiscal year ended June 30, 2023.

This report consists of management’s representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal framework that is designed both to protect the Town’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town’s comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The audit staff of Runyon Kersteen Ouellette, Certified Public Accountants, has audited the Town’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2023, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Town’s financial statements for fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP 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 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.

PROFILE OF THE GOVERNMENT

The Town of Cumberland, incorporated on March 19, 1821, is governed using the council-manager form of government. Policy making and legislative authority is vested in a seven-member elected Town Council (“Council”). The Council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the Town Manager (“Manager”). The Manager is responsible for carrying out the policies and ordinances of

the Council, for overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments.

The geographic boundaries of the Town are within the county of Cumberland, Maine. Services provided by the Town include police, ambulance, and fire protection; sanitation services; construction and maintenance of highways, streets, and infrastructure; emergency preparedness; municipal planning and code enforcement; human services; senior housing; wastewater system; recreational activities (including a golf course) and cultural events.

ECONOMIC CONDITION AND OUTLOOK

Cumberland is a quaint small-town located on the coast of Southern Maine. The Town has a total area of 26.25 square miles, of which 22.88 square miles of it is land and 3.37 square miles is water. The Town is located 11 miles northeast of the City of Portland and 11 miles southwest of Freeport. The Town was established in 1821 and officially named by Ephraim Studivant, a ship captain and the Town's first treasurer. Cumberland has a rich farming history that still remains a vital part of the community. Since 1868, the Town's local farmers club has put on the Cumberland Fair at the end of September, which is one of the State's largest agricultural fairs.

The Town is included among one of the wealthiest and safest places to live in the State of Maine. The Town is home to the Maine School Administrative District (MSAD) #51 that provides education to students K-12. The school district is comprised of Cumberland & North Yarmouth residents operating three schools and is ranked as a top performing school district in the state of Maine by Backgroundchecks.org and Niche.com. The middle and high school are number one in the state of Maine by U.S. News & World Report rankings.

Since 2012, the Town has been named "Certified Business Friendly" by the Maine Department of Economic and Community Development.

MAJOR INITIATIVES AND LONG-TERM PLANNING

The major capital projects underway at the end of fiscal year 2023, includes the review of the potential round-about on Route 100 in West Cumberland in partnership with the Maine DOT, bathroom renovations and HVAC system replacement at the Prince Memorial Library, and review of a potential public safety communications tower.

The Town has an established a Pavement Management Plan to maintain and upgrade the Town's facilities and infrastructure. The Plan has a schedule of planned road maintenance and improvement projects that extends through 2034. While this schedule will be amended along the way, it is an important component of a comprehensive road improvement plan that can be used to create sustainable budgets for future road upkeep.

The Town continues to make a concerted effort to provide assistance for older residents to remain in their homes, enriching the community with their experiences and abilities. For the past few years, the Council has funded the Aging in Place project, to develop resources to assist senior residents. The name was changed in FY 2023 to Active Living. The Town has been recognized by several State and national organizations for the innovative programs. These programs include:

- The Cumberland Area Ride (CAR) program - This program coordinates volunteers to drive residents who have limited transportation options;
- The Friendly Caller and Visitor program - This program provides someone to visit or call on a regular basis; and
- The Handyman program - To help with light maintenance including yard work, pet walking, shoveling and other chores. Health classes, monthly social gatherings, loans of durable medical goods, and a daily call-in program run by the Fire Department are also made available to the Town's senior residents.

- When the State of Maine ended their Senior Property Tax Relief program, the Town established a similar program for senior residents within Cumberland. Through an application process, Cumberland seniors have the ability to qualify for up to \$750 of property tax rebates. For 2022-23, 200 senior residents benefited from the Town's program.

FINANCIAL POLICIES

The Town operates in accordance with State law and has developed a long-range comprehensive plan (Plan). The Plan sets forth goals and objectives for progress in all areas of the Town operations and outlines steps to be taken for their achievement. As part of the comprehensive plan for the Town, the Council adopts goals and objectives to serve as a guide for planning in all areas of operations. The Plan is updated and reviewed by the Council at least every 10 years. The next plan update is scheduled to begin in FY 2024.

The Town has an investment policy in place for the investment of temporarily idle funds. The purpose of the policy is to outline the responsibility, authority, and general guidelines of the investment management of the Town's cash reserves and to ensure compliance with Maine Statutes. See related Notes to the Basic Financial Statements for more information on the investment policy.

BUDGETARY CONTROLS

The annual budget serves as the basis for the Town's financial planning and control and the level of budgetary control is established at the org and object level. Activities of the General Fund are included in the annual appropriation budget.

Budgetary information is integrated into the accounting system. In order to provide budgetary control for salaries, the Town utilizes a centralized position control system. Additionally, support and administrative positions are created based upon established criteria.

Because many municipal facilities and important pieces of infrastructure have required attention, a strategic decision was made in fiscal year 2017 to allow the General Fund balance to decrease slightly to fund capital reserve funds. In addition, a five-year plan has been implemented that allowed the TIF fund to have increasing deficits for the next few years, then gradually recover. This is being done to accommodate necessary capital spending without resorting to long-term borrowing. The Town Council achieved its Fund Balance goal of 12% at the end of FY 2023.

REPORTING ACHIEVEMENT

Certificate of Achievement for Excellence in Financial Reporting - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This is the twenty-ninth consecutive year that the Town has received this prestigious award. The Certificate is a 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 ACFR, whose contents conform to program standards. Such ACFRs must satisfy both generally accepted accounting principles and applicable legal requirements.

A GFOA Certificate of Achievement is valid for a period of one year. We believe our current report continues to meet the requirements of the Certificate of Achievement Program. Accordingly, we are submitting it to GFOA for consideration for the award.

ACKNOWLEDGEMENTS

A comprehensive financial report of this nature could not have been prepared without the efficient and dedicated efforts of the Town's management team. We would like to also express appreciation to all staff members who assisted in providing a wealth of information for the preparation of this report.

In closing, we would also like to thank the members of the Council for their leadership and support in establishment of policies and approving processes for financial operations of the Town.

Sincerely,

A handwritten signature in dark ink, appearing to read 'W. Shane', with a long horizontal flourish extending to the right.

William R. Shane, P.E.
Town Manager

A handwritten signature in blue ink, appearing to read 'Kath Johnston', with a long horizontal flourish extending to the right.

Katherine Johnston
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Cumberland
Maine**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

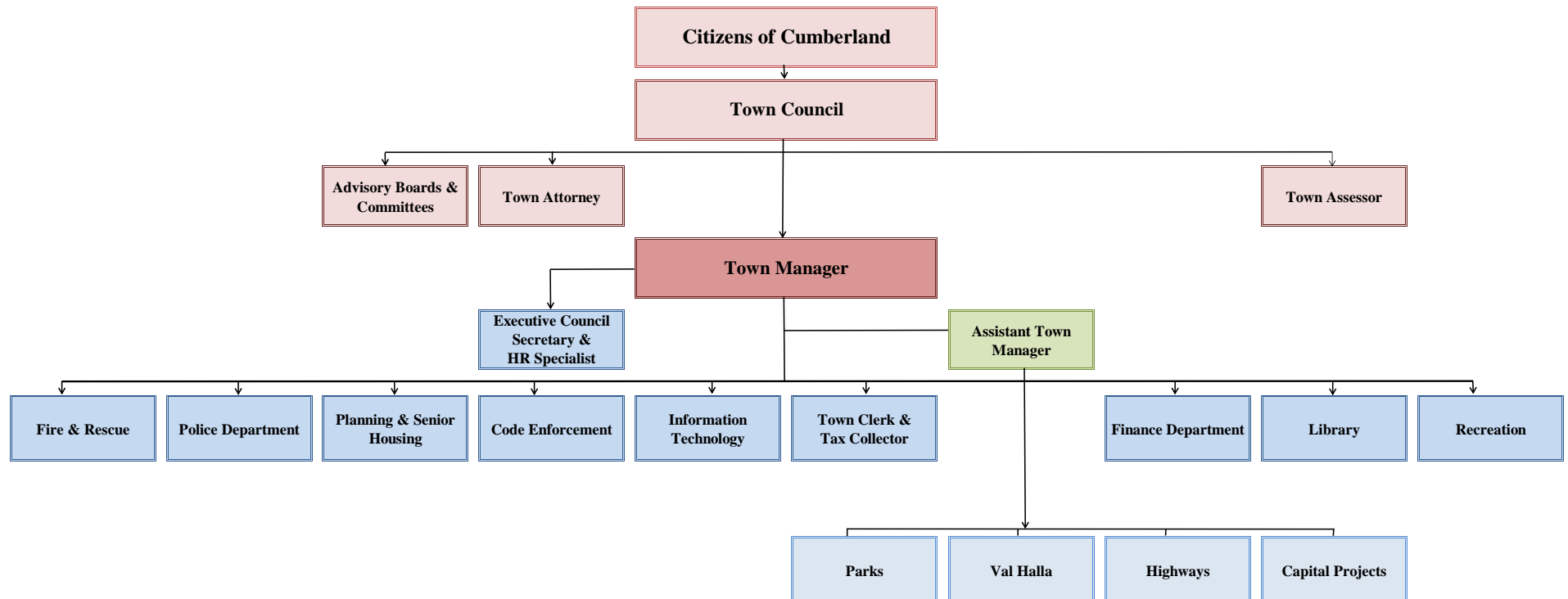
June 30, 2022

Christopher P. Morill

Executive Director/CEO

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Town of Cumberland, Maine Organizational Chart



TOWN OF CUMBERLAND, MAINE
List of Principal Officials – Appointed



William R. Shane, PE
Town Manager



Christopher Bolduc
Assistant Town Manager



Tamara O'Donnell
Town Clerk



Katie Johnston
Finance Director



Carla Nixon
Town Planner



William Longley
Code Enforcement Officer



John Brushwein
Town Assessor



Peter Bingham, Jr.
Recreation Director



Charles J. Rumsey IV
Police Chief



Daniel Small, EFO
Fire Chief



Thomas Bennett
Library Director

TOWN OF CUMBERLAND, MAINE
List of Principal Officials – Elected



Mark Segrist
Council Chair



Tig Filson
Council Vice Chair



Bailey Douglass
Council Member



Shirley Storey-King
Council Member



Michael Edes
Council Member



Ronald Copp, Jr.
Council Member



Robert Vail
Council Member

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FINANCIAL SECTION

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Certified Public Accountants and Business Consultants

Independent Auditor's Report

Town Council
Town of Cumberland, Maine

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the Town of Cumberland, Maine's basic financial statements as listed in the table of contents.

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 June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Cumberland, Maine and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Cumberland, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Cumberland, Maine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Cumberland, Maine's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the Town's proportionate share of the net pension liability (asset) and the schedule of Town contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Town Council
Town of Cumberland, Maine

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2024, on our consideration of the Town of Cumberland, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Town of Cumberland, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Cumberland, Maine's internal control over financial reporting and compliance.

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

January 11, 2024
South Portland, Maine

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis
June 30, 2023

The management of the Town of Cumberland has prepared the following discussion and analysis of financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to assist the reader in focusing on significant financial issues, provide an overview and analysis of the Town's financial activities, identify changes in the Town's financial position, identify material deviations from the prior fiscal year, and highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is to highlight significant transactions, events, and conditions, it should be considered in conjunction with the Town's financial statements and notes to the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains supplementary information intended to furnish additional details to support the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances in a manner similar to those of a private-sector business and consist of the following two statements:

- The *statement of net position* presents information on most of the Town's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is strengthening or weakening.
- The *statement of activities* presents information showing how the government's net position changed during the 2022-23 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide statements present the Town's activities in the following categories:

- **Governmental activities** – This represents most of the Town's services, including the general government, public safety, public services, health and public assistance, recreation, Val Halla Golf Center, education, and the library. Property taxes, intergovernmental revenue, and user fees provide most of the resources that support these activities.
- **Business-type activities** – The Town charges fees to cover the cost of certain services it provides. The activities are for its Senior Housing and Sewer System.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2023

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide detailed information about the Town's financial activities, focusing on its most significant or "major" funds rather than fund types. All of the Town's funds may be classified within one of the broad categories discussed below.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the Town's most significant funds. The Town's major funds are the General, TIF, and Debt Service Funds. Data from the other three types of governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The Town adopts an annual budget for its General Fund. Budgetary to actual comparisons have been provided for this fund to demonstrate budgetary compliance.

Proprietary Funds

Proprietary funds may be established to account for activities in which a fee is charged for services. When the Town charges customers for the services it provides – whether to outside customers or to other units of the Town – these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *statement of net position* 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.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2023

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as scholarships for students of the community. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the Town's own programs. In its fiduciary capacity, the Town is responsible for ensuring that the assets reported in these funds are used only for the intended purposes. The Town reports the following fiduciary fund types:

- Private-purpose Trust Funds – to account for resources of various scholarship trust funds.
- Custodial Funds – to account for resources of the Cumberland Community Food Pantry.

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-23 fiscal year are as follows:

Government-wide Statements

- The Town's assets and deferred outflows exceed its liabilities and deferred inflows on June 30, 2023 by \$44,836,916 (*net position*), which represents an increase of \$2.8 million or 6.6 percent from 2021-22 fiscal year.
- The Town's total net position for governmental activities increased by \$2.9 million, which represents a 7.4 percent increase from the 2021-22 fiscal year. This change is attributable to revenues exceeding expenses.
- General revenues total \$36.9 million, or 84.4 percent of all revenues. Program revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$6.8 million, or 15.6 percent. The increase in general revenue was due to the increase in the tax rate, the collection of motor vehicle excise tax, and the Homestead Exemption and State Revenue Sharing programs.
- Expenses total \$41 million; \$6.8 million of these expenses are offset by program specific charges, grants, and contributions, with the remainder paid from the general revenues. Total revenues exceed total expenses by \$2.8 million.

Fund Statements

- On June 30, 2023, the Town's ending fund balance for the General Fund totals \$5.1 million or 13.5 percent of total General Fund revenues, an increase of 17 percent over the prior year's fund balance.
- On June 30, 2023, the Town's business-type activities net position ending balance decreased by 5.5 percent. The decrease is primarily due to expenses related to kitchen renovations exceeding revenues in Senior Housing.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2023

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

The following is a summary of the Town's net position as of June 30, 2023, compared to the net position as of June 30, 2022:

	2023	2022	2023	2022	2023	2022
Current & other assets	\$ 10,878,467	\$ 9,591,882	\$ 822,532	\$ 770,082	\$ 11,700,999	\$ 10,361,964
Capital and other assets	56,070,131	56,731,394	2,397,949	2,434,404	58,468,080	59,165,798
Total assets	66,948,598	66,323,276	3,220,481	3,204,486	70,169,079	69,527,762
Deferred outflows	779,439	738,821	-	-	779,439	738,821
Long-term liabilities	21,621,580	22,249,710	698,415	525,928	22,319,995	22,775,638
Other liabilities	2,897,610	3,274,236	50,683	62,455	2,948,293	3,336,691
Total liabilities	24,519,190	25,523,946	749,098	588,383	25,268,288	26,112,329
Deferred inflows	843,314	2,086,887	-	-	843,314	2,086,887
Net position:						
Net investment in capital assets	35,866,684	34,793,419	1,704,089	1,912,219	37,570,773	36,705,638
Restricted - other	480,508	317,506	-	-	480,508	317,506
Unrestricted	6,018,341	4,340,339	767,294	703,884	6,785,635	5,044,223
	<u>\$ 42,365,533</u>	<u>\$ 39,451,264</u>	<u>\$ 2,471,383</u>	<u>\$ 2,616,103</u>	<u>\$ 44,836,916</u>	<u>\$ 42,067,367</u>

The largest portion of the Town's net position (\$37.6 million) reflects its investment in capital assets (e.g. land, buildings, infrastructure, vehicles, equipment, and furniture) less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Town's net position, \$0.5 million, represents resources that are subject to external restrictions on how they may be used. The Town's unrestricted net position balance is \$6.8 million, a 34.5 percent increase over the prior year. Unrestricted net position can be utilized to finance daily operations without constraints established by debt covenants, enabling legislation, or any other legal requirements.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2023

The key elements of the changes in the Town's net position for the fiscal years ended June 30, 2023, and June 30, 2022 are as follows:

	Town of Cumberland, Maine - Change in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 4,341,327	\$ 3,865,831	\$ 1,477,196	\$ 1,463,539	\$ 5,818,523	\$ 5,329,370
Operating grants & contributions	372,590	245,185	-	-	372,590	245,185
Capital grants & contributions	612,613	265,025	-	-	612,613	265,025
General revenues:						
Property taxes	31,392,215	29,725,913	-	-	31,392,215	29,725,913
Motor vehicle excise tax	2,427,446	2,280,618	-	-	2,427,446	2,280,618
Interest and penalties	34,993	21,275	-	-	34,993	21,275
Homestead exemption	726,792	714,291	-	-	726,792	714,291
State revenue sharing	1,769,683	1,554,961	-	-	1,769,683	1,554,961
Investment earnings (loss)	176,651	2,130	(109)	(533)	176,542	1,597
Miscellaneous revenues	393,497	445,734	-	-	393,497	445,734
Total revenues	42,247,807	39,120,963	1,477,087	1,463,006	43,724,894	40,583,969
Program expenses:						
General government	5,392,997	4,346,758	-	-	5,392,997	4,346,758
Public safety	3,468,455	3,345,401	-	-	3,468,455	3,345,401
Public services	4,504,043	4,867,071	-	-	4,504,043	4,867,071
Recreation	2,479,046	2,155,677	-	-	2,479,046	2,155,677
Education	21,851,719	20,792,086	-	-	21,851,719	20,792,086
Library	768,808	691,763	-	-	768,808	691,763
Health & public assistance	239,215	242,808	-	-	239,215	242,808
Interest on debt	629,255	513,225	-	-	629,255	513,225
Senior Housing	-	-	409,903	345,977	409,903	345,977
Sewer system	-	-	1,211,904	1,133,755	1,211,904	1,133,755
Total expenses	39,333,538	36,954,789	1,621,807	1,479,732	40,955,345	38,434,521
Change in net position	2,914,269	2,166,174	(144,720)	(16,726)	2,769,549	2,149,448
Net position - July 1	39,451,264	37,285,090	2,616,103	2,632,829	42,067,367	39,917,919
Net position - June 30	\$ 42,365,533	\$ 39,451,264	\$ 2,471,383	\$ 2,616,103	\$ 44,836,916	\$ 42,067,367

Governmental activities

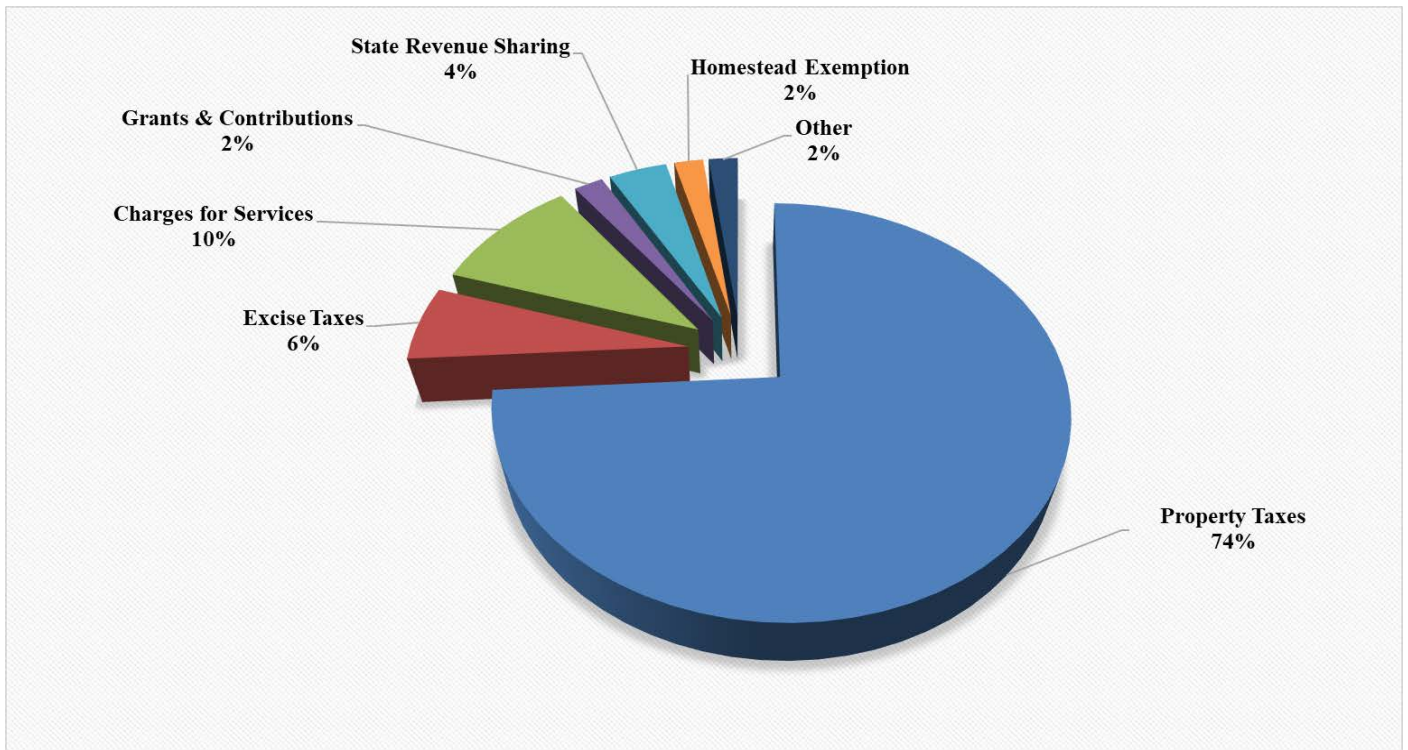
During the current fiscal year, increased property taxes and state revenue sharing assisted in offsetting the increase in the expenses for general government and education and net position increased \$2.9 million from the prior fiscal year for an ending balance of \$42.4 million.

Business-type activities

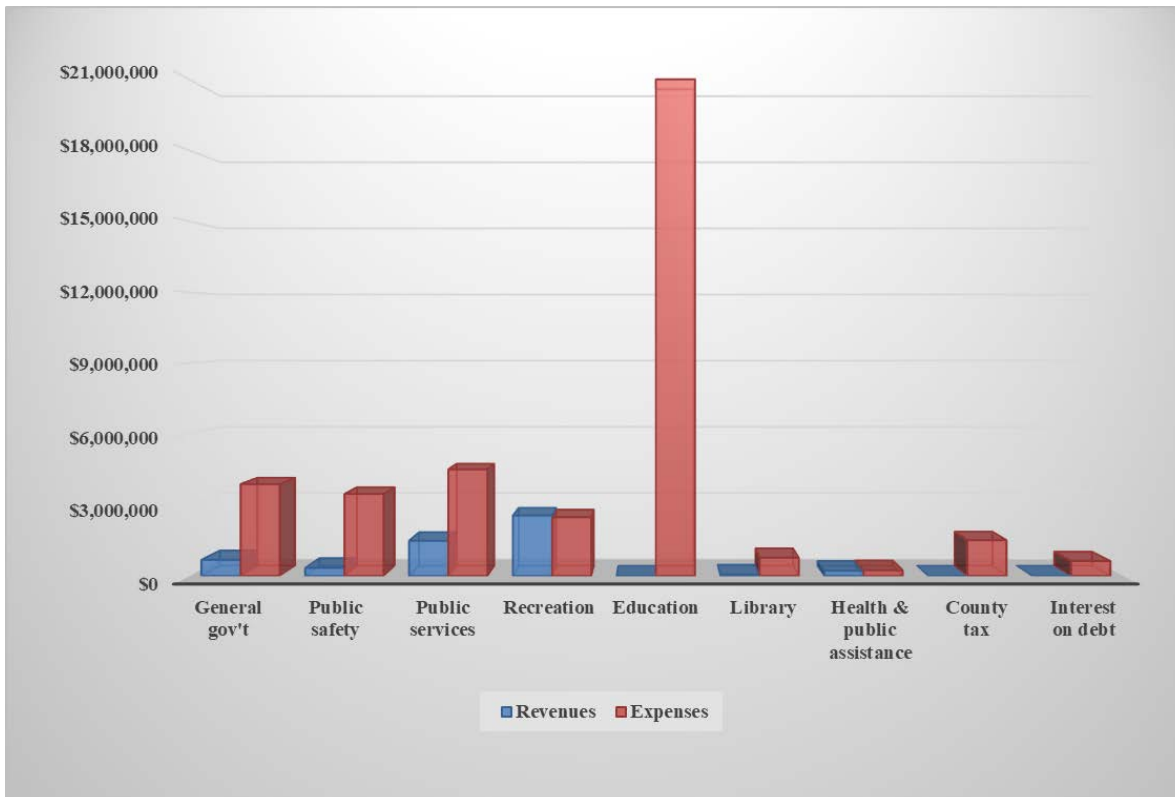
For the Town of Cumberland, Maine's business activities, the results for the current year was a decrease of \$144,720 in the overall net position. The decrease is attributable to increased expenses that exceeded revenue collections for the fiscal year.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2023

Revenue by Source – Governmental Activities for the Year Ended June 30, 2023

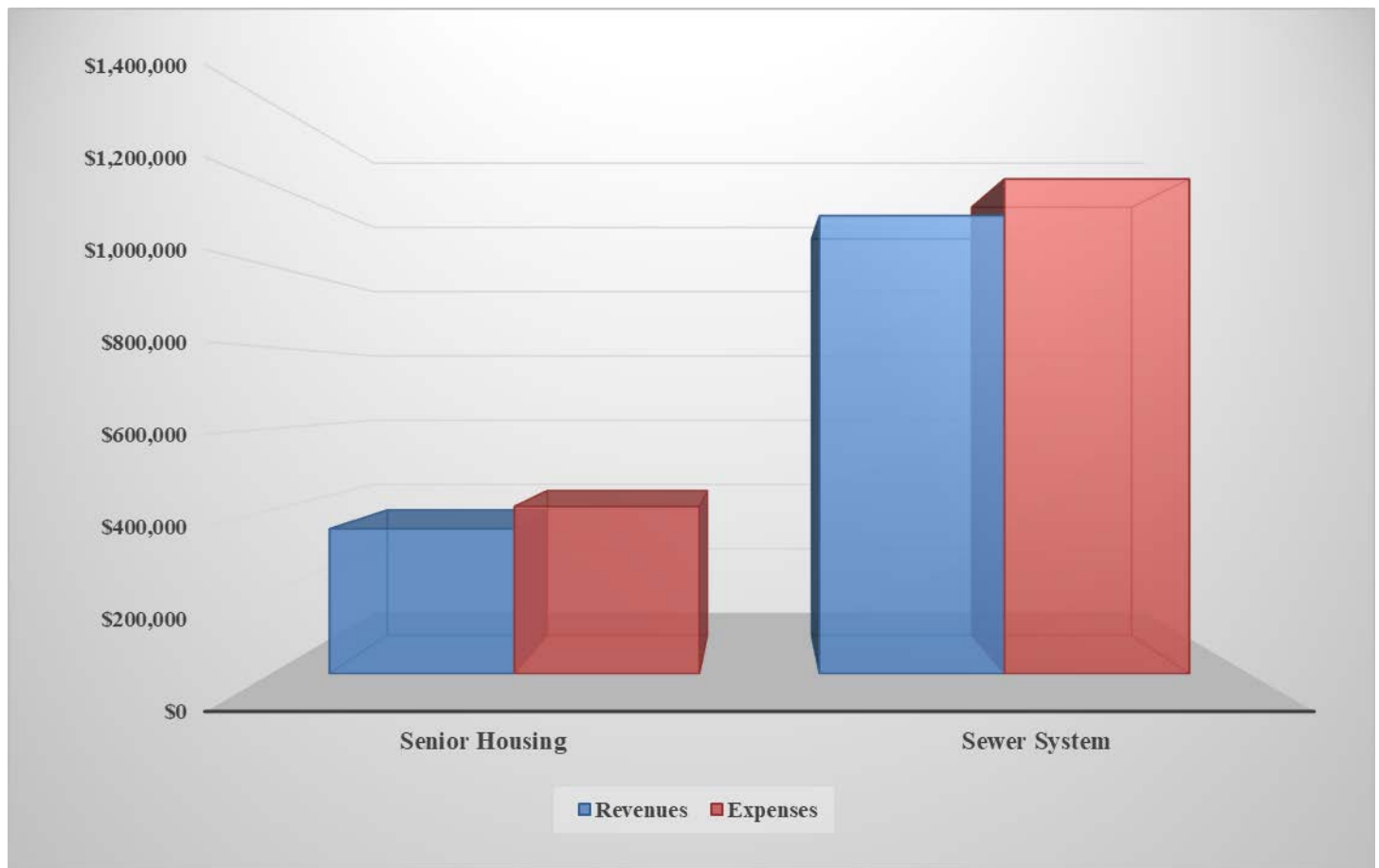


Expenses and Program Revenues – Governmental Activities for the Year Ended June 30, 2023



TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2023

Revenues by Source – Business-type Activities for the Year Ended June 30, 2023



FUND FINANCIAL ANALYSIS

The Town of Cumberland, Maine uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful when assessing the Town's financing requirements. For example, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town of Cumberland, Maine's Council.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2023

	<u>2023</u>	<u>2022</u>
Fund balance:		
Nonspendable	\$ 234,110	\$ 245,775
Restricted	415,981	224,265
Committed	2,625,134	1,645,880
Assigned	569,281	665,258
Unassigned	<u>3,598,764</u>	<u>2,982,146</u>
Total fund balance	<u>\$ 7,443,270</u>	<u>\$ 5,763,324</u>

As of the end of the 2022-23 fiscal year, the Town's governmental funds reported combined ending fund balances of \$7.4 million, an increase of \$1.7 million in comparison with the prior fiscal year.

Major Governmental Funds

The General Fund, TIF Fund, and Debt Service Fund were reported as major funds.

The General Fund is the chief operating fund of the Town. The General Fund had an increase in fund balance of \$749,522 million, primarily due to excess budgetary allocations in revenue. Total fund balance is \$5.2 million, of which \$4.5 million is unassigned. Total fund balance represents 13.6 percent of total General Fund operating revenues.

The TIF Fund had a decrease of \$124,683 in fund balance. This was primarily due to the excess of expenditures over revenues.

The Debt Service Fund had a decrease of \$357,791 in fund balance. This was the result of the net of the assignment of additional funds for the payment of future debt service and the assignment for payment of current debt service.

The Other Governmental Funds had an increase of \$1.4 million. This was mainly due to the transfers in of funds from the General Fund.

Proprietary Funds

The Town's proprietary funds, Senior Housing and the Sewer System, provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the two enterprise funds totaled \$2.5 million, an overall decrease of \$144,720. Net position decreased \$54,892 and \$89,828 for Senior Housing and Sewer, respectively, primarily due to expenses exceeding revenues. The majority of the Sewer Fund's net position is invested in the capital assets of the sewer system.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the 2022-23 fiscal year, actual revenues exceeded budgeted amounts by \$2 million as motor vehicle excise taxes, State Revenue Sharing, building permits, Recreation, and Val Halla golf programs exceeded expectations. The Recreation programs were \$331,191 over budget and \$342,247 more than the prior year. This overage was due to the department services operating to pre-COVID levels. Overall, total revenue collections were 105 percent of budget and 5.5 percent higher than prior year's collection.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2023

Expenditures were \$0.3 million over budget. The primary area that contributed to an overage was Recreation. Because the Recreation department returned to operation of a pre-COVID level, expenses were also greater than the budget. The Town has slowly returned to pre-COVID levels of operations and continues to maintain reservations on the economy while balancing the services to the Town.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2023, total \$58.5 million. Capital assets include books; construction in progress; land and land improvements; buildings and improvements; machinery and equipment; furniture and office equipment; computer equipment; vehicles; and infrastructure. The Town experienced an increase of total net capital assets compared to the previous fiscal year of approximately \$1.7 million or 2 percent.

	Town of Cumberland, Maine - Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Books & collections	\$ 990,116	\$ 990,116	\$ -	\$ -	\$ 990,116	\$ 990,116
Construction in progress	790,090	19,625	114,545	1,446	904,635	21,071
Land	7,177,961	7,177,961	-	-	7,177,961	7,177,961
Right to use leased assets	519,502	519,502	-	-	519,502	519,502
Land improvements	4,812,038	4,812,038	63,170	63,170	4,875,208	4,875,208
Buildings & building improvements	20,139,883	19,632,955	2,256,637	2,246,769	22,396,520	21,879,724
Machinery & equipment	3,528,150	3,323,711	3,007	3,007	3,531,157	3,326,718
Furniture & office equipment	76,531	67,798	-	-	76,531	67,798
Computer equipment	265,822	272,709	-	-	265,822	272,709
Vehicles	5,723,507	5,594,575	-	-	5,723,507	5,594,575
Infrastructure	39,322,573	39,322,573	4,150,992	4,150,992	43,473,565	43,473,565
Total capital assets	83,346,173	81,733,563	6,588,351	6,465,384	89,934,524	88,198,947
Accumulated depreciation/amortization	(27,276,042)	(25,114,851)	(4,190,402)	(4,030,980)	(31,466,444)	(29,145,831)
Capital assets, net of depreciation/amortization	56,070,131	56,618,712	2,397,949	2,434,404	58,468,080	59,053,116
Associated debt payable	19,703,447	21,825,293	693,860	522,185	20,397,307	22,347,478
Capital assets, net of debt	\$ 36,366,684	\$ 34,793,419	\$ 1,704,089	\$ 1,912,219	\$ 38,070,773	\$ 36,705,638

Construction in progress increased due to new drainage and roadway improvement projects. Buildings and building improvements increased due to improvements to the Fire Department west station, the Library HVAC replacement, and improvements to the Public Works building. Additional information on the Town's capital assets can be found in the Notes to the Basic Financial Statements on page 50-51.

Long-term Debt

On June 30, 2023, the Town had long-term debt outstanding of \$21 million, comprised of general obligation bonds, a note payable, a financed purchase agreement, and leases payable.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2023

Town of Cumberland, Maine - Outstanding Debt							
	Governmental Activities		Business-Type Activities		Total		
	2023	2022	2023	2022	2023	2022	
General obligation bonds	\$ 15,076,373	\$ 16,462,571	\$ 478,270	\$ 522,185	\$ 15,554,643	\$ 16,984,756	
Notes payable	4,723,429	4,806,100	215,590	-	4,939,019	4,806,100	
Financed purchases payable	92,862	137,965	-	-	92,862	137,965	
Leases payable	310,783	418,657	-	-	310,783	418,657	
Total	\$ 20,203,447	\$ 21,825,293	\$ 693,860	\$ 522,185	\$ 20,897,307	\$ 22,347,478	

The Town's outstanding debt decreased by \$1.5 million, or 6.5 percent, during the 2022-23 fiscal year. Additional information on the Town's debt may be found in the Notes to the Basic Financial Statements on page 54-56.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local property taxes are the Town's primary source of revenue. The total tax rate for 2023-24 fiscal year is \$22.15, which is an increase over the prior year rate of \$21.20. General Fund revenues are projected to be at \$34.9 million and expenditures are expected to be \$35.4 million.

The following economic factors currently affect the Town of Cumberland, Maine and were considered and included in developing the 2023-2024 fiscal year budgets:

- Expenses for which the Town has limited control
- Taxable assessed values
- State budget deliberations

In adopting the budget for the 2024 fiscal year, Town officials considered many factors in making judgements and estimates about the finances of the upcoming year:

- Minimize taxpayer impact
- Minimize the impact to services and its recipients
- Minimize the impact to our workforce
- Responsibly manage our fund balance

REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Cumberland, Maine, Finance Department, 290 Tuttle Road, Cumberland, ME 04021. Additional financial information can be found on our website (www.cumberlandmaine.com/finance).

BASIC FINANCIAL STATEMENTS

TOWN OF CUMBERLAND, MAINE
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,969,531	-	9,969,531
Investments	177,641	8,024	185,665
Receivables:			
Accounts	228,775	172,618	401,393
Rescue	31,896	-	31,896
Intergovernmental	207,941	-	207,941
Taxes - current year	153,281	-	153,281
Taxes - prior years	127,370	-	127,370
Note	12,884	-	12,884
Leases	441,777	-	441,777
Prepaid expenses	127,841	12,562	140,403
Inventory	28,858	-	28,858
Internal balances	(629,328)	629,328	-
Capital assets not being depreciated	8,958,167	114,545	9,072,712
Capital assets being depreciated, net	47,111,964	2,283,404	49,395,368
Total assets	66,948,598	3,220,481	70,169,079
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	779,439	-	779,439
Total deferred outflows of resources	779,439	-	779,439
LIABILITIES			
Accounts payable	1,094,751	7,590	1,102,341
Accrued payroll	379,916	9,061	388,977
Other liabilities	1,299,527	29,232	1,328,759
Accrued interest payable	123,416	4,800	128,216
Noncurrent liabilities:			
Due within one year	2,174,154	94,182	2,268,336
Due in more than one year	19,447,426	604,233	20,051,659
Total liabilities	24,519,190	749,098	25,268,288
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	418,386	-	418,386
Deferred inflows of resources related to leases	424,928	-	424,928
Total deferred inflows of resources	843,314	-	843,314
NET POSITION			
Net investment in capital assets	35,866,684	1,704,089	37,570,773
Restricted for:			
Police programs	19,851	-	19,851
Town donations	47,076	-	47,076
Fuel assistance	185,126	-	185,126
Expendable permanent funds	163,928	-	163,928
Nonexpendable permanent funds	64,527	-	64,527
Unrestricted	6,018,341	767,294	6,785,635
Total net position	\$ 42,365,533	2,471,383	44,836,916

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Activities
For the year ended June 30, 2023

		Program Revenues			Net (expense) revenue and changes in net position		
Functions/programs	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 5,392,997	600,435	77,513	-	(4,715,049)	-	(4,715,049)
Public safety	3,468,455	335,422	5,075	-	(3,127,958)	-	(3,127,958)
Public services	4,504,043	799,401	73,666	612,613	(3,018,363)	-	(3,018,363)
Recreation	2,479,046	2,557,358	-	-	78,312	-	78,312
Library	768,808	48,711	-	-	(720,097)	-	(720,097)
Education	21,851,719	-	-	-	(21,851,719)	-	(21,851,719)
Health and public assistance	239,215	-	216,336	-	(22,879)	-	(22,879)
Interest on debt	629,255	-	-	-	(629,255)	-	(629,255)
Total governmental activities	39,333,538	4,341,327	372,590	612,613	(34,007,008)	-	(34,007,008)
Business-type activities:							
Senior Housing	409,903	355,120	-	-	-	(54,783)	(54,783)
Sewer System	1,211,904	1,122,076	-	-	-	(89,828)	(89,828)
Total business-type activities	1,621,807	1,477,196	-	-	-	(144,611)	(144,611)
Total primary government	\$ 40,955,345	5,818,523	372,590	612,613	(34,007,008)	(144,611)	(34,151,619)
General revenues:							
Property taxes, levied for general purposes					\$ 28,500,785	-	28,500,785
TIF district taxes					2,806,568	-	2,806,568
Outer island property taxes					45,895	-	45,895
Payments in lieu of taxes					38,967	-	38,967
Motor vehicle excise taxes					2,427,446	-	2,427,446
Interest and penalties					34,993	-	34,993
Grants and contributions not restricted to specific programs:							
Homestead and BETE exemptions					726,792	-	726,792
State Revenue Sharing					1,769,683	-	1,769,683
Unrestricted investment earnings (loss)					176,651	(109)	176,542
Miscellaneous revenues					393,497	-	393,497
Total general revenues					36,921,277	(109)	36,921,168
Change in net position					2,914,269	(144,720)	2,769,549
Net position - beginning					39,451,264	2,616,103	42,067,367
Net position - ending					\$ 42,365,533	2,471,383	44,836,916

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Balance Sheet
Governmental Funds
June 30, 2023

	General	TIF Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,918,717	-	-	50,814	9,969,531
Investments	-	-	-	177,641	177,641
Receivables:					
Accounts	211,775	-	-	17,000	228,775
Rescue	31,896	-	-	-	31,896
Intergovernmental	207,941	-	-	-	207,941
Taxes - current year	153,281	-	-	-	153,281
Taxes - prior years	127,370	-	-	-	127,370
Note	-	-	-	12,884	12,884
Leases	441,777	-	-	-	441,777
Prepaid items	127,841	-	-	-	127,841
Inventory	28,858	-	-	-	28,858
Interfund loans receivable	-	-	-	3,073,641	3,073,641
Total assets	11,249,456	-	-	3,331,980	14,581,436
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	351,822	8,410	-	169,552	529,784
Accrued payroll	350,411	27,939	-	1,566	379,916
Escrow liabilities	380,498	-	-	-	380,498
Taxes paid in advance	91,153	-	-	-	91,153
Unearned revenue	766,774	-	-	61,102	827,876
Interfund loans payable	3,486,311	723,025	-	58,600	4,267,936
Total liabilities	5,426,969	759,374	-	290,820	6,477,163
Deferred inflows of resources:					
Unavailable revenue - property taxes	236,075	-	-	-	236,075
Related to leases	424,928	-	-	-	424,928
Total deferred inflows of resources	661,003	-	-	-	661,003
Fund balances (deficits):					
Nonspendable	156,699	-	-	77,411	234,110
Restricted	-	-	-	415,981	415,981
Committed	-	-	-	2,625,134	2,625,134
Assigned	569,281	-	-	-	569,281
Unassigned	4,435,504	(759,374)	-	(77,366)	3,598,764
Total fund balances (deficits)	5,161,484	(759,374)	-	3,041,160	7,443,270
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,249,456	-	-	3,331,980	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	56,070,131
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenues in the funds.	236,075
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	(18,638,429)
Financed purchase agreements	(92,862)
Leases payable	(310,783)
Unamortized premiums on bonds	(1,161,373)
Accrued interest	(123,416)
Accrued compensated absences	(355,277)
Net pension liability, including related deferred inflows/outflows	(635,803)
Landfill post closure care costs	(66,000)
	(21,383,943)

Net position of governmental activities	\$ 42,365,533
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See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2023

	General	TIF Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 31,009,185	2,806,568	-	-	33,815,753
Licenses, permits and fees	304,061	-	-	118,685	422,746
Intergovernmental	2,848,970	-	-	651,630	3,500,600
Charges for services	3,551,442	-	-	49,594	3,601,036
Donations and local grants	5,000	-	-	226,627	231,627
Investment income (loss)	-	-	-	176,651	176,651
Other	422,169	-	-	37,317	459,486
Total revenues	38,140,827	2,806,568	-	1,260,504	42,207,899
Expenditures:					
Current:					
General government	1,675,702	1,344,165	-	33,846	3,053,713
Public safety	3,034,574	-	-	29,008	3,063,582
Public services	2,828,042	-	-	84,103	2,912,145
Recreation	2,227,184	-	-	5,981	2,233,165
Library	624,993	-	-	39,954	664,947
Health and public assistance	189,370	-	-	48,397	237,767
Unclassified	315,978	-	-	-	315,978
Insurance	509,409	-	-	-	509,409
Education	21,851,719	-	-	-	21,851,719
County tax	1,509,811	-	-	-	1,509,811
Capital outlay	-	31,039	-	2,069,982	2,101,021
Debt service:					
Principal	1,210,997	666,582	-	60,428	1,938,007
Interest	483,224	189,465	-	-	672,689
Total expenditures	36,461,003	2,231,251	-	2,371,699	41,063,953
Excess (deficiency) of revenues over (under) expenditures	1,679,824	575,317	-	(1,111,195)	1,143,946
Other financing sources (uses):					
Issuance of note payable	500,000	-	-	-	500,000
Sale of assets	-	-	-	36,000	36,000
Transfers in	257,791	-	-	2,667,140	2,924,931
Transfers out	(1,688,093)	(700,000)	(357,791)	(179,047)	(2,924,931)
Total other financing sources (uses)	(930,302)	(700,000)	(357,791)	2,524,093	536,000
Net change in fund balances	749,522	(124,683)	(357,791)	1,412,898	1,679,946
Fund balances (deficits), beginning of year	4,411,962	(634,691)	357,791	1,628,262	5,763,324
Fund balances (deficits), end of year	\$ 5,161,484	(759,374)	-	3,041,160	7,443,270

See accompanying notes to basic 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, 2023

Net change in fund balances - total governmental funds (from Statement 4)	\$	1,679,946
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.		
These are the changes related to capital assets:		
Capital outlay	1,710,088	
Depreciation and amortization	(2,230,343)	
Book value of disposed assets	(28,326)	(548,581)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenues - property taxes.		
		3,908
Expenses in the statement of activities that do not consume current financial resources are not reported as expenditures in the funds:		
These are the changes related to long-term assets and liabilities:		
Landfill closure costs	6,000	
Accrued interest payable	12,572	
Accrued compensated absences	(2,860)	
Net pension liability (asset)	(1,109,538)	
Deferred inflows and outflows related to the net pension liability	1,250,976	157,150
The issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These are the changes in long term debt:		
Amortization of leases payable	107,874	
Proceeds from notes payable	(500,000)	
Principal payments - bonds and notes	1,887,671	
Principal payments - financed purchases	45,103	
Amortization of bond premium	81,198	1,621,846
Change in net position of governmental activities (see Statement 2)	\$	2,914,269

See accompanying notes to basic 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, 2023

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 30,554,543	30,554,543	31,009,185	454,642
Licenses and permits	152,989	152,989	304,061	151,072
Intergovernmental	2,364,248	2,364,248	2,848,970	484,722
Charges for services	2,447,429	2,447,429	3,306,068	858,639
Other	292,068	292,068	417,652	125,584
Total revenues	35,811,277	35,811,277	37,885,936	2,074,659
Expenditures:				
Current:				
General government	1,616,596	1,616,596	1,611,392	5,204
Public safety	3,190,440	3,190,440	3,034,574	155,866
Public services	2,501,641	2,501,641	2,545,296	(43,655)
Recreation	2,005,773	2,005,773	2,227,184	(221,411)
Library	619,070	619,070	624,993	(5,923)
Health and public assistance	80,304	80,304	84,004	(3,700)
Unclassified	335,945	335,945	315,978	19,967
Insurance	354,103	354,103	509,409	(155,306)
Education	21,851,719	21,851,719	21,851,719	-
County tax	1,009,811	1,009,811	1,009,811	-
Debt service	1,697,724	1,697,724	1,694,221	3,503
Total expenditures	35,263,126	35,263,126	35,508,581	(245,455)
Excess (deficiency) of revenues over (under) expenditures	548,151	548,151	2,377,355	1,829,204
Other financing sources (uses):				
Transfers in	257,791	257,791	257,791	-
Transfers to General Fund reserves	-	-	(460,000)	(460,000)
Transfers out	(641,000)	(641,000)	(1,688,093)	(1,047,093)
Total other financing sources (uses)	(383,209)	(383,209)	(1,890,302)	(1,507,093)
Net change in fund balance	164,942	164,942	487,053	322,111
Fund balance, beginning of year - budgetary basis			4,076,292	
Fund balance, end of year - budgetary basis	\$		4,563,345	
Reconciliation to GAAP:				
Change in reserves			262,469	
Fund balance, beginning of year - GAAP basis			4,411,962	
Fund balance, end of year - GAAP basis	\$		5,161,484	

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2023

Business-type Activities - Enterprise Funds			
	Senior Housing Fund	Sewer System	Totals
ASSETS			
Current assets:			
Investments	\$ 8,024	-	8,024
Accounts receivable	-	172,618	172,618
Prepaid expense	12,562	-	12,562
Interfund loans receivable	170,560	458,768	629,328
Total current assets	191,146	631,386	822,532
Noncurrent assets:			
Property, plant, and equipment	2,426,690	4,161,661	6,588,351
Less accumulated depreciation	(1,653,557)	(2,536,845)	(4,190,402)
Total noncurrent assets	773,133	1,624,816	2,397,949
Total assets	964,279	2,256,202	3,220,481
LIABILITIES			
Current liabilities:			
Accounts payable	7,590	-	7,590
Accrued payroll	7,918	1,143	9,061
Accrued interest payable	4,800	-	4,800
Security deposit	29,232	-	29,232
Accrued compensated absences, current	3,200	-	3,200
Bonds and premiums, current	90,982	-	90,982
Total current liabilities	143,722	1,143	144,865
Noncurrent liabilities:			
Accrued compensated absences	1,355	-	1,355
Bonds and premiums payable	602,878	-	602,878
Total noncurrent liabilities	604,233	-	604,233
Total liabilities	747,955	1,143	749,098
NET POSITION			
Net investment in capital assets	79,273	1,624,816	1,704,089
Unrestricted	137,051	630,243	767,294
Total net position	\$ 216,324	2,255,059	2,471,383

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2023

Business-type Activities - Enterprise Funds			
	Senior Housing Fund	Sewer System	Totals
Operating revenues:			
Rental income	\$ 355,120	-	355,120
Charges for services	-	1,092,776	1,092,776
Sewer connection permits	-	23,750	23,750
Other	-	5,550	5,550
Total operating revenues	355,120	1,122,076	1,477,196
Operating expenses:			
Wages and benefits	152,551	33,248	185,799
Utilities	25,069	-	25,069
Maintenance	59,828	-	59,828
Wastewater assessment	-	1,095,252	1,095,252
General costs	19,043	-	19,043
Rehab costs	62,109	-	62,109
Depreciation	76,018	83,404	159,422
Total operating expenses	394,618	1,211,904	1,606,522
Operating income (loss)	(39,498)	(89,828)	(129,326)
Nonoperating income (expense):			
Investment income (loss)	(109)	-	(109)
Interest expense	(15,285)	-	(15,285)
Total nonoperating income (expense)	(15,394)	-	(15,394)
Change in net position	(54,892)	(89,828)	(144,720)
Total net position, beginning of year	271,216	2,344,887	2,616,103
Total net position, end of year	\$ 216,324	2,255,059	2,471,383

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023

Business-type Activities - Enterprise Funds			
	Senior Housing Fund	Sewer System	Totals
Cash flows from operating activities:			
Receipts from customers and users	\$ 278,077	1,148,452	1,426,529
Payments to suppliers	(162,659)	(1,115,312)	(1,277,971)
Payments to employees	(148,841)	(33,140)	(181,981)
Net cash provided by (used in) operating activities	(33,423)	-	(33,423)
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(122,967)	-	(122,967)
Proceeds from notes issued	250,000	-	250,000
Bond principal payments	(74,810)	-	(74,810)
Interest paid	(18,800)	-	(18,800)
Net cash provided by (used in) capital and related financing activities	33,423	-	33,423
Change in cash	-	-	-
Cash, beginning of year	-	-	-
Cash, end of year	\$ -	-	-
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (39,498)	(89,828)	(129,326)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	76,018	83,404	159,422
(Increase) decrease in accounts receivable	-	38,319	38,319
(Increase) decrease in prepaid expenses	(1,317)	-	(1,317)
(Increase) decrease in interfund loans receivable	(77,618)	(11,943)	(89,561)
Increase (decrease) in accounts payable	4,707	(20,060)	(15,353)
Increase (decrease) in accrued payroll	2,898	108	3,006
Increase (decrease) in accrued compensated absences	812	-	812
Increase (decrease) in security deposit	575	-	575
Net cash provided by (used in) operating activities	\$ (33,423)	-	(33,423)

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Private-purpose Trust Fund (Scholarships)	Custodial Fund (Food Pantry Component Unit)
ASSETS		
Investments	\$ 147,771	-
Due from general fund	-	566,142
Total assets	147,771	566,142
LIABILITIES		
Accounts payable	776	4,777
Due to general fund	1,175	-
Total liabilities	1,951	4,777
NET POSITION		
Restricted	\$ 145,820	561,365

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2023

	Private-purpose Trust Fund (Scholarships)	Custodial Fund (Food Pantry Component Unit)
Additions:		
Donations	\$ 1,850	231,511
Investment income (loss)	(2,839)	3,304
Total additions	(989)	234,815
Deductions:		
Program expenses	-	66,604
Scholarships awarded	3,776	-
Total deductions	3,776	66,604
Net increase (decrease) in fiduciary net position	(4,765)	168,211
Net position, beginning of year	150,585	393,154
Net position, end of year	\$ 145,820	561,365

See accompanying notes to basic 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.

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, the Town has reported the following component unit:

Cumberland Food Pantry is a component unit of the Town. Although it is legally separate from the Town, the Food Pantry is reported as if it were part of the primary government because Town management makes up the entire Pantry's board. Although the Town provides administrative and accounting services for the Food Pantry, the Town does not have administrative involvement in that it does not determine the services provided or the spending of the pantry's funds. The Food Pantry is also reported as a fiduciary fund as it meets the requirements under GASB 84. Under those requirements, a) the assets are for the benefit of individuals, b) the Town does not have administrative involvement with the assets, and c) the assets of the pantry are not derived from the Town's provision of goods or services but are funded through outside donations and grants. There are no separately issued financial statements for this component unit and it is reported as a custodial fund.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. 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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

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, including lease payments, 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 Tax Increment Financing Fund (TIF) is a capital projects fund that accounts specifically for the taxes raised through the Town's TIF districts and the related capital and economic development expenditures.

The Debt Service Fund accounts for all financial resources that have been set aside to offset future debt service payments.

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.

Additionally, the Town reports the following fiduciary fund types:

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

Custodial Funds are used to report amounts held on behalf of outside individuals and organizations and the related activity.

Fiduciary funds use an economic resources measurement focus and the accrual basis of accounting.

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, Deferred Outflows and Inflows of Resources, and Equity

Cash, Cash Equivalents, 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.

Inventory and prepaid items - The General Fund reports fuel inventory, which is valued at cost, using the first-in, first-out method. The cost of inventory is recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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."

Leases Receivable - the Town of Cumberland is the lessor for non-cancellable leases of land for a cellular tower and building space at the Val Halla golf course. The Town has recognized lease receivables and deferred inflows of resources in the financial statements. At the commencement of the leases, the Town of Cumberland measures the lease asset at the present value of payments expected to be made during the lease terms. Subsequently, the lease asset is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the leases. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets - Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and right-to-use leased assets for equipment and land, 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 \$5,000 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.

Donated capital assets are recorded at an estimated amount that would be paid for a similar asset as of the acquisition date. 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 are 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
Right-to-use assets	3-40 years
Buildings and building improvements	20-40 years
Machinery and equipment	4-30 years
Furniture and office equipment	10-20 years
Computer equipment	3-7 years
Vehicles	4-30 years
Infrastructure	20-50 years

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred Inflows and Outflows of Resources - In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds report deferred inflows of resources for unavailable revenue from property taxes and leases receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have deferred outflows and inflows that relate to the net pension liability, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

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 funds.

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

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 position. Bond premiums and discounts, 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 expensed in the period incurred.

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.

Leases Payable - the Town is a lessee for four noncancellable leases of golf carts and related equipment, and a land easement. The Town recognizes a lease liability and an intangible right-to-use asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subsequently, the lease asset is amortized on a straight-line bases over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Fund Equity - Governmental Fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The Town Council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. For assigned fund balance amounts, the Town Manager has the authority to assign unspent budgeted amounts to specific purposes in the General Fund at year end. The Town Council approves the assigned amounts either before or after year end.

It is the policy of the Town of Cumberland to maintain unassigned fund balance in the general fund at 12% of general fund revenues measured on a GAAP basis. In the event that the unassigned fund balance drops below this level, the Town Manager will develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of no more than five (5) years. Amounts in excess of the target shall be used to offset negative balances in capital projects funds, offset intergovernmental loans, and to build capital project fund levels for future purchases, as determined by the Town Council and Town Manager. If the first three purposes are met, then the Town may use excess balances to offset future tax levy amounts through a stabilization fund.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

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.

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 has 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 Position - The net position amount represents the difference between assets, deferred outflows, liabilities, and deferred inflows of resources. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, and financed purchases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town's net investment in capital assets was calculated as follows at June 30, 2023:

	Governmental activities	Business-type activities
Capital assets	\$ 83,346,173	6,588,351
Accumulated depreciation/amortization	(27,276,042)	(4,190,402)
Unamortized premium on bonds	(1,161,373)	(38,670)
Bonds and notes payable	(18,638,429)	(655,190)
Financed purchase agreements	(92,862)	-
Leases payable	(310,783)	-
Net investment in capital assets	\$ 35,866,684	1,704,089

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 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.

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

Budgets are adopted for the General Fund only on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America. 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. Encumbrance accounting is not employed by the Town.

The Town Manager is authorized to transfer budgeted amounts between general classifications of expenditures within a department; however, the gross appropriation for each department shall not be exceeded except by consent of the Council. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2023, the following General Fund expenditures exceeded appropriations in the following departments:

Technology	\$ 16,688	Recreation programs	197,874
Elections	7,685	Prince Memorial library	5,923
Code enforcement	7,418	Aging in place	16,751
Waste disposal	44,026	Health services	11
Parks	88,268	Cemetery association	3,705
Code enforcement	9,577	Fire hydrant charges	2,492
Val Halla golf course	23,537	Abatements	55,007
		Insurance	155,306

These over expenditures lapsed to fund balance at year-end.

C. Deficit Fund Balances

At June 30, 2023, the following funds had deficit fund balances:

TIF Fund	\$ 759,374
Nonmajor capital project funds:	
Road Improvements	17,904
Street light upgrades	58,600
Nonmajor permanent funds:	
Sweetser fund	862

These fund deficits will be covered by future revenue sources or transfers from the General Fund.

DEPOSITS 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. As of June 30, 2023, of the Town's bank balances of \$10,026,818, none was exposed to custodial credit risk as it was covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

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

DEPOSITS AND INVESTMENTS, CONTINUED

B. Investments

At June 30, 2023, the Town had the following investments and maturities:

	Fair <u>value</u>	Less than <u>1 year</u>	<u>1-5 years</u>	More than <u>5 years</u>
U. S. Government securities	\$ 11,225	-	11,225	-
U. S. Treasury notes	282,733	3,900	188,876	89,957
Money markets	39,478	N/A	N/A	N/A
<u>Total investments</u>	<u>\$ 333,436</u>	<u>3,900</u>	<u>200,101</u>	<u>89,957</u>

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

The Town has the following recurring fair value measurements as of June 30, 2023:

- U.S. governmental securities and U.S. treasury notes are valued using quoted market prices (level 1 inputs).

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.

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

Credit Risk: The Town's investment policy authorizes the Town to invest in short term and fixed income investments, limited to one of the highest grade ratings ((A – AAA) (AAA for U.S. Treasury and Agency issues, and money market funds; AA- for prime Commercial paper)).

The U.S. Government securities include Federal National Mortgage Association (Fannie Mae) bonds with fair values of \$11,225 and are rated AA+ by Fitch Ratings.

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.

Property taxes were levied August 1, 2022 on the assessed values of real property as of April 1, 2022. This assessed value of \$1,474,627,880 was 89% of the estimated market value and 91% of the 2022 state valuation of \$1,614,950,000.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$164,941 for the year ended June 30, 2023.

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

PROPERTY TAX, CONTINUED

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as unavailable revenue.

The following summarizes the periods ended June 30, 2023 and 2022 levies:

	<u>2023</u>	<u>2022</u>
Valuation:		
Land	\$ 569,869,100	566,025,800
Buildings	890,188,080	860,237,900
Personal property	14,570,700	14,448,600
Total assessed valuation	\$ 1,474,627,880	1,440,712,300
Assessed value	1,474,627,880	1,440,712,300
Tax rate (per \$1,000)	21.20	20.55
Commitment	31,262,111	29,606,638
Less: collections and abatements	31,108,830	29,501,102
Receivable at June 30	\$ 153,281	105,536
Due date(s)	9/16/2022 3/16/2023	9/15/2021 3/15/2022
Interest rate charged on delinquent taxes	4.00%	4.00%
Collection rate	99.51%	99.64%

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, 2023 and 2022, Chebeague Island has paid \$45,895 and \$45,895, respectively.

LEASES RECEIVABLE

In FY 2020, the Town entered into the first extension phase of a lease for land for a cellular tower. Under the terms of the lease, the lease may be extended for four terms, expiring on September 25, 2039. Under the lease terms, the Town will receive monthly payments of \$2,070 for the first extension, with payments increasing in the next three extensions to \$2,381, \$2,738, and \$3,148, respectively.

The Town is currently in the extension phase of a lease for building space at its Val Halla golf course. Under the terms of the lease, the lease may be extended annually up to December 31, 2023. Under the lease terms, the Town will receive monthly payments of \$750 through the end of the extension.

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

LEASES RECEIVABLE, CONTINUED

As of June 30, 2023 and 2022, the Town's receivable for lease payments was \$441,777 and \$466,694, respectively. Also, the Town has a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease term. As of June 30, 2023 and 2022, the balance of the deferred inflow of resources was \$424,928 and \$458,143, respectively.

The future principal and interest lease payments as of June 30, 2023 were as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 16,283	8,557	24,840
2025	19,416	8,218	27,634
2026	20,745	7,821	28,566
2027	21,153	7,413	28,566
2028	21,569	6,997	28,566
2029-2033	131,039	27,860	158,899
2034-2038	164,956	13,303	178,259
2039	46,616	609	47,225
Total	\$ 441,777	80,778	522,555

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Governmental activities:				
Capital assets not being depreciated/amortized:				
Books and collections	\$990,116	-	-	990,116
Construction in progress	19,625	770,465	-	790,090
Land	7,177,961	-	-	7,177,961
Total capital assets not being depreciated/ amortized	8,187,702	770,465	-	8,958,167
Capital assets being depreciated/amortized:				
Right to use leased assets	519,502	-	-	519,502
Land improvements	4,812,038	-	-	4,812,038
Buildings and building improvements	19,632,955	506,928	-	20,139,883
Machinery and equipment	3,323,711	228,303	23,864	3,528,150
Furniture and office equipment	67,798	8,733	-	76,531
Computer equipment	272,709	66,727	73,614	265,822
Vehicles	5,594,575	128,932	-	5,723,507
Infrastructure	39,322,573	-	-	39,322,573
Total capital assets being depreciated/ amortized	73,545,861	939,623	97,478	74,388,006

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

CAPITAL ASSETS, CONTINUED

	Balance July 1, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2023</u>
Less accumulated depreciation/amortization:				
Right to use leased assets	\$ 102,411	102,410	-	204,821
Land improvements	3,089,605	160,863	-	3,250,468
Buildings and building improvements	5,844,933	533,998	-	6,378,931
Machinery and equipment	2,269,163	241,371	4,773	2,505,761
Furniture and office equipment	67,798	873	-	68,671
Computer equipment	213,498	33,082	64,379	182,201
Vehicles	3,215,523	387,387	-	3,602,910
Infrastructure	10,311,920	770,359	-	11,082,279
Total accumulated depreciation/amortization	25,114,851	2,230,343	69,152	27,276,042
Total capital assets being depreciated/ amortized, net	48,431,010	(1,290,720)	28,326	47,111,964
Governmental activities capital assets, net	\$ 56,618,712	(520,255)	28,326	56,070,131

	Balance July 1, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2023</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 1,446	122,967	9,868	114,545
Total capital assets not being depreciated	1,446	122,967	9,868	114,545
Capital assets, being depreciated:				
Land improvements	63,170	-	-	63,170
Buildings and building improvements	2,246,769	9,868	-	2,256,637
Machinery and equipment	3,007	-	-	3,007
Infrastructure, sewer	4,150,992	-	-	4,150,992
Total capital assets being depreciated	6,463,938	9,868	-	6,473,806
Less accumulated depreciation for:				
Land improvements	58,793	1,311	-	60,104
Buildings and building improvements	1,522,959	75,090	-	1,598,049
Machinery and equipment	3,007	-	-	3,007
Infrastructure, sewer	2,446,221	83,021	-	2,529,242
Total accumulated depreciation	4,030,980	159,422	-	4,190,402
Total capital assets being depreciated, net	2,432,958	(159,554)	-	2,283,404
Business-type activities capital assets, net	\$ 2,434,404	(26,587)	9,868	2,397,949

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

CAPITAL ASSETS, CONTINUED

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

Governmental activities:

General government	\$ 133,426
Public safety	404,873
Public services, including depreciation of general infrastructure assets	1,258,843
Health and public assistance	1,448
Recreation	327,889
Library	103,864

Total depreciation/amortization expense – governmental activities **\$ 2,230,343**

Depreciation expense was charged to the business-type activities as follows:

Business-type activities:

Senior Housing	\$ 76,018
Sewer System	83,404

Total depreciation expense – business-type activities **\$ 159,422**

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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.

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 project funds that are no longer needed. Transfers were also made from the General Fund to the capital project funds to offset deficit fund balances.

Individual interfund loan receivables, payables, and transfers at the year ended June 30, 2023 were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	3,486,311	257,791	1,688,093
TIF Fund	-	723,025	-	700,000
Debt Service Fund	-	-	-	357,791
Other Governmental Funds:				
Special Revenue	446,945	-	-	55,000
Capital Projects	2,626,681	58,600	2,667,140	124,047
Permanent	15	-	-	-
Total Other Governmental Funds	3,073,641	58,600	2,667,140	179,047

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

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, CONTINUED

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>	<u>Transfers in</u>	<u>Transfers out</u>
Proprietary Funds:				
Senior Housing	\$ 170,560	-	-	-
Sewer System	458,768	-	-	-
Total Proprietary Funds	629,328	-	-	-
Fiduciary Funds:				
Private-purpose Trusts	-	1,175	-	-
Custodial funds	566,142	-	-	-
Total Fiduciary Funds	566,142	1,175	-	-
Totals	\$ 4,267,936	4,267,936	2,924,931	2,924,931

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2023 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	\$ 15,220,000	-	1,305,000	13,915,000	1,115,000
Unamortized bond premium	1,242,571	-	81,198	1,161,373	81,198
Total bonds payable	16,462,571	-	1,386,198	15,076,373	1,196,198
*Notes from direct borrowings	4,806,100	500,000	582,671	4,723,429	697,287
*Financed purchases	137,965	-	45,103	92,862	45,983
Leases	418,657	-	107,874	310,783	110,260
Accrued compensated absences	352,417	355,277	352,417	355,277	118,426
Net pension liability (asset)	(112,682)	1,109,538	-	996,856	-
Landfill post closure care costs	72,000	-	6,000	66,000	6,000
Total governmental activity					
long-term liabilities	\$ 22,137,028	1,964,815	2,480,263	21,621,580	2,174,154

*Notes and financed purchases are considered direct borrowings.
19,386,481

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

CHANGES IN LONG-TERM LIABILITIES, CONTINUED

The accrued compensated absences and the net pension liabilities are normally fully liquidated by the General Fund.

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Business-type activities:					
Bonds payable	\$ 480,000	-	40,400	439,600	40,000
Unamortized bond premium	42,185	-	3,515	38,670	3,515
Total bonds payable	522,185	-	43,915	478,270	43,515
Notes payable	-	250,000	34,410	215,590	47,467
Accrued compensated absences	3,743	4,555	3,743	4,555	3,200
Total business-type activity					
long-term liabilities	525,928	254,555	82,068	698,415	94,182
Total long-term governmental and business-type activities	\$ 22,662,956	2,219,370	2,562,331	22,319,995	2,268,336

LONG-TERM DEBT

Bonds, Notes, and Financed Purchases Payable

Bonds, notes and financed purchases payable at June 30, 2023 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>
Governmental activities:					
Bonds payable:					
2020 improvements	\$ 6,340,000	5/1/20	5/1/2040	2.25-5.00%	5,670,000
2015 improvements and refunding bonds	5,730,000	1/14/15	6/30/2034	2.00-4.00%	2,770,000
2017 improvements	7,300,000	1/18/17	4/1/2038	2.50-3.50%	5,475,000
Total governmental activities bonds payable					13,915,000
Notes from direct borrowings:					
Economic development	4,100,000	5/27/10	11/1/2029	3.36-5.75%	1,691,539
Infrastructure/Val Halla	2,775,802	5/15/08	11/1/2027	2.00-5.50%	675,802
Infrastructure improvements	4,000,000	5/28/09	11/1/2029	2.08-5.58%	1,810,680
Cumberland County	500,000	9/7/22	6/30/2029	0.00%	500,000
Paytner property note	90,000	5/11/18	12/1/2027	5.00%	45,408
Total governmental activities notes payable					4,723,429
Financed purchases:					
Street sweeper	230,000	4/16/21	4/16/2025	1.95%	92,862
Total governmental activities financed purchase payable					92,862
Business-type activity debt:					
Senior Housing renovations note	250,000	10/23/22	9/23/2027	3.95%	215,590
Senior Housing roof/refunding bond	740,000	1/14/15	6/30/2034	2.00-4.00%	439,600
Total business-type activity debt					655,190
Total bonds, notes, and financed purchases payable					\$ 19,386,481

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

LONG-TERM DEBT, CONTINUED

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

Governmental activities

	Bonds Payable		Notes Payable		Financed Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,115,000	472,537	697,287	135,809	45,983	1,811
2025	1,070,000	431,887	712,567	104,874	46,879	914
2026	1,085,000	389,387	732,615	80,656	-	-
2027	900,000	346,287	751,898	58,644	-	-
2028	900,000	310,587	741,373	37,901	-	-
2029-2033	4,500,000	1,037,535	1,087,689	28,627	-	-
2034-2038	3,685,000	374,152	-	-	-	-
2039-2040	660,000	22,275	-	-	-	-
Total	\$ 13,915,000	3,384,647	4,723,429	446,511	92,862	2,725

All governmental activities long-term debt service requirements are paid by the General Fund, TIF Fund, or Land Acquisition Fund. Business-type debt is paid by the proprietary enterprise funds.

Business-type activities

	<u>Bonds and notes payable</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 87,467	25,391
2025	89,423	21,834
2026	91,439	18,218
2027	93,538	14,520
2028	53,723	11,292
2029-2033	200,000	32,000
2034	39,600	1,600
Totals	\$ 655,190	124,855

In accordance with 30-A MRSA, Section 5701, 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, 2023, the Town's outstanding debt did not exceed these limits. As of June 30, 2023, the total outstanding bonds and notes payable for the Town are 1.2% of the 2022 state valuation of \$1,614,950,000.

DEFEASED DEBT

In prior years, the government defeased general obligation public improvement bonds and a note payable by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds and note payable. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At June 30, 2023, \$535,000 of defeased bonds remain outstanding.

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

CONDUIT DEBT

During FY 2015, Town issued \$2,300,000 in revenue bonds to provide financial assistance to the Friends School of Portland to help fund the construction of a new school in Cumberland. Upon repayment of the bonds, ownership of the acquired assets transfers to the School. Neither the Town, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2023, the outstanding principal balance of the revenue bonds was \$1,719,267.

LEASES PAYABLE

On April 1, 2017, the Town entered into the extension phase of a lease agreement for land, expiring on March 1, 2027. As of June 30, 2023, the value of the lease liability was \$31,237. The lease provides for semi-annual payments of \$3,743, increasing each year by 3.5% on each September 1st. The value of the right-to-use asset as of the end of the current fiscal year was \$44,695 and had accumulated amortization of \$14,899.

On November 7, 2019, the Town entered into three lease agreements for 40 golf carts, 10 golf carts, and 40 GPS units, to be used at the Val Halla golf course. The leases provide for six-year terms. As of June 30, 2023, the value of the lease liability was \$279,546. The leases provide for monthly payments of \$9,027, \$3,672, and \$3,763, respectively, paid in six-month installments paid between the months of May and September of each year, until 36 months are paid. The value of the right-to-use asset as of the end of the current fiscal year was \$474,807 and had accumulated amortization of \$189,923.

The future principal and interest lease payments as of June 30, 2023 were as follows:

	Leases Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 110,260	4,934	115,194
2025	112,701	2,763	115,464
2026	79,357	574	79,931
2027	8,465	125	8,590
Totals	\$ 310,783	\$8,396	\$ 319,179

OVERLAPPING DEBT

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, 2023, the Town's State valuation of \$1,910,200,000 was 2.93% of the County's State valuation of \$65,268,050,000. The Town's share is 2.93% or \$876,002 of Cumberland County's \$29,931,420 in long-term debt outstanding at June 30, 2023.

The Town's proportionate share of Maine School Administrative District #51 debt of \$16,644,570 is \$12,039,145 (72.33%). This debt service is included in the annual assessments to the Town.

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

OVERLAPPING DEBT, CONTINUED

Portland Water District - The Town is also served by the Portland Water District. At June 30, 2023, the Town's share of self-supporting bonded water debt is 4.29% or \$2,511,517 of total debt of \$58,543,519. In addition, the Town's share of direct wastewater debt is 0.05% or \$25,000 of total debt of \$50,785,436.

JOINTLY GOVERNED ORGANIZATION

The Town of Cumberland participates in a jointly governed organization, which is not part of the Town's reporting entity.

ecomaine is a solid waste management corporation serving 40 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 21 member communities, ecomaine creates electricity through its processing of waste and also operates an extensive recycling program.

The Town is a member community in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing.

The Town has no explicit, measurable equity interest and therefore has not reported an asset in these financial statements in connection with its participation in ecomaine. Selected balance sheet information for ecomaine for the year ended June 30, 2023, includes total assets of \$68,741,299, total liabilities and deferred inflows of \$27,125,782 and unrestricted net position of \$10,453,126. The liabilities include an accrual for landfill closure and postclosure care amounting to \$18,000,767. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Rd., Portland, Maine 04102.

LANDFILL CLOSURE AND POSTCLOSURE COSTS

Under State law, Maine communities had until December 31, 1994 to close existing landfills under a DEP approved plan. The Town currently has one demolition debris landfill. Although the landfill was closed to receiving additional debris in the early 1990's, the landfill was not properly capped or officially closed. The Town submitted a closure plan to the Environmental Protection Agency, which was approved, and the final closure costs were incurred in FY 2018. The Town has estimated post closure costs of \$66,000, which have been recognized as a liability on the government-wide financial statements. The actual costs of post closure monitoring may be higher or lower due to inflation, changes in technology, engineering estimates, or changes in landfill laws and regulations.

The following is a summary of the estimated post closure costs for the Town's landfill as of June 30, 2023:

Post closure costs

Annual monitoring: \$6,000 per year for 12 years \$ 66,000

Total post closure costs **\$ 66,000**

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

NET PENSION LIABILITY (ASSET)

General Information about the Pension Plan

Plan Description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute; in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Maine State Legislature to amend the terms. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions.

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. Employees are required to contribute a percentage of their annual pay (listed below). The Town's contractually required contribution rates for the year ended June 30, 2023 are a percentage of annual payroll (listed below), actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town for the year ended June 30, 2023 were:

MEPERS Plan		Employer Contribution	Employer Rate	Employee Rate
2C Plan	\$	179,488	11.4%	8.2%
3C Plan		198,385	13.4%	9.7%
Retirees		6,720	5.0%	0.0%
Total	\$	384,593		

Pension Liability (Asset), Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Town reported a liability of \$996,856 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2022, the Town's proportion was 0.3750%.

For the year ended June 30, 2023, the Town recognized pension expense of \$243,155.

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

NET PENSION LIABILITY (ASSET), CONTINUED

At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 185,260	-
Changes of assumptions	202,327	-
Net difference between projected and actual earnings on pension plan investments	-	418,386
Changes in proportion and differences between Town contributions and proportionate share of contributions	7,259	-
Town contributions subsequent to the measurement date	384,593	-
Total	\$ 779,439	418,386

\$384,593 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2024	\$ 110,276
2025	(70,402)
2026	(259,925)
2027	196,511

Actuarial Assumptions - The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.75%-11.48%
Investment return	6.50% per annum, compounded annually
Cost of living benefit increases	1.91% per annum

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 Model.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

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

NET PENSION LIABILITY (ASSET), CONTINUED

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
US government	10.0%	2.3%
Private equity	12.5%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	5.0%	3.2%
Alternative credit	10.0%	7.4%
Diversifiers	7.5%	5.9%

Discount Rate - The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

- The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 2,944,996	996,856	(613,351)

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

Payables to the Pension Plan - None as of June 30, 2023.

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

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 for those employees who do not participate in the MPERS retirement plan. The Town contributed \$102,463 and \$105,632 for the years ended June 30, 2023 and 2022, respectively, on behalf of Town employees.

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 DISTRICTS AND TAX ABATEMENTS

Under the State of Maine Title 30-A M.R.S., the Town has established seven Tax Increment Financing Districts (TIFs) to finance development programs located in the Town of Cumberland. The Town of Cumberland has entered into nine Credit Enhancement Agreements (CEAs) with individual organizations as permitted within its seven TIF districts, as follows:

Organization	TIF District	Agreement Expires	Maximum	Taxes Abated
INS Realty LLC (Norton)	1	6/30/2027	500,000	23,991
Maine Colloids LLC (Seafax)	2	6/30/2026	500,000	33,285
LGC North America Maine Standards	3	6/30/2033	500,000	43,891
Hardy Street LLC	3	6/30/2033	500,000	23,805
FMC Development LLC Memory Care	1	6/30/2027	500,000	20,505
Casco Systems	5	6/30/2036	500,000	14,663
Integrative Health	3	3/25/2038	250,000	10,283
Sky View Holdings LLC	3	3/25/2038	250,000	6,972
The Belted Cow	3	3/25/2038	500,000	19,643

The CEAs outline conditions for reimbursement of fifty percent of tax revenues generated through the increased values of certain parcels within the districts, up to a maximum amount. The developers agree that all payments made pursuant to the CEAs will be used to either pay debt service on indebtedness incurred to finance project costs, or to pay directly, amortize, or reimburse the developers for payments on qualified project costs up to a maximum amount or defined number of years, whichever occurs first.

The agreements and payments are intended to promote economic development through real estate development and job creation, as well as infrastructure improvements. Based on the terms of the agreements, the incremental tax is remitted to the District over the life of the TIF District to assist in financing the development projects.

For the fiscal year ended June 30, 2023, the Town remitted a total of \$200,718 in Credit Enhancement payments.

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

TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS, CONTINUED

The following is a summary of the amounts by TIF district:

	Original Assessment	Captured Assessed	Total	Taxes
<u>TIF District (capital projects funds)</u>	<u>Value</u>	<u>Value</u>	<u>Taxes</u>	<u>Abated</u>
Route One North District 1	\$ 355,000	41,538,800	880,623	44,496
Route One South District 2	339,400	10,801,140	228,984	33,285
Route One South District 3	3,717,000	32,406,270	687,013	108,274
Route 100 District 4	2,866,400	11,268,410	238,890	-
Route 100 District 5	5,867,800	12,106,070	256,649	14,663
Summit Natural Gas District 6	-	8,162,800	173,051	-
Summit Natural Gas District 7	108,000	6,605,000	140,026	-
Tuttle Road TIF District 8	583,900	7,971,975	169,006	-
Taxable Personal Property in TIF Districts:				
Route One North District 1	-	731,500	15,508	-
Route One South District 2	-	213,500	4,526	-
Route One South District 3	13,800	561,300	11,900	-
Route 100 District 5	224,000	18,500	392	-
Total	\$ 14,075,300	132,385,265	2,806,568	200,718

FUND BALANCE

The General Fund unassigned fund balance total of \$4,435,504 represents a fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund. Negative unassigned fund balances have also been reported in the TIF Fund of \$759,374, and in the other governmental funds of \$77,366, for a total unassigned fund balance of \$3,598,764 (see statement 3).

As of June 30, 2023, fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General fund:				
Prepaid expenditures	\$ 127,841	-	-	-
Fuel reserve inventory	28,858	-	-	-
Assessor's reserve	-	-	-	250,342
Circuit breaker program	-	-	-	41,521
HR reserve	-	-	-	58,171
Waste reserve	-	-	-	200,000
Fuel reserve*	-	-	-	19,247
Total general fund	156,699	-	-	569,281

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

FUND BALANCE, CONTINUED

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Other governmental funds:				
Permanent fund principal	\$ 64,527	-	-	-
Permanent fund earnings	-	163,928	-	-
Grants and donations	-	47,076	-	-
Fuel assistance program	-	185,126	-	-
Public safety programs	-	19,851	3,621	-
Twin brooks recreation area	-	-	3,674	-
Library programs	-	-	81,055	-
Capital projects note receivable	12,884	-	-	-
Capital projects	-	-	2,536,784	-
Total other governmental funds	77,411	415,981	2,625,134	-
Totals	\$ 234,110	415,981	2,625,134	569,281

*A portion of the fuel reserve fund balance is included in the nonspendable portion of the General Fund as it is made up of fuel inventory.

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 Maine Municipal Association in which participants in the pool share risk in proportion to their contributions.

Based on the 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, 2023. 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. As of June 30, 2023, there were no unpaid claims.

CONTINGENT RECEIVABLES

The Town entered into an agreement with a local developer to build affordable housing for those with moderate income at the Small's Brook Crossing Subdivision. The Town subsidized the development by contributing \$20,000 per home. In return, the Town received a silent second mortgage on each home. Interest on the mortgages accrues at a rate of 4% annually and is only paid when the house is sold, except that the interest accumulation shall terminate after twenty years. Should one of the homes be sold, the buyer must be a "qualified buyer" in accordance with the income and asset criteria, which is based on the median income for the Portland metropolitan statistical area. If the buyer is not eligible, the Town will collect from the seller the full amount of the silent second mortgage, plus any accrued interest, at the closing. The Town has not recognized receivables or revenues related to the silent second mortgages as it cannot reasonably estimate the amount that will be repaid to the Town, if any, as amounts are contingent on the terms mentioned above.

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TOWN OF CUMBERLAND, MAINE
Required Supplementary Information

Schedule of Town's Proportionate Share of the Net Pension Liability (Asset)
Maine Public Employees Retirement System Consolidated Plan

	Last 10 Fiscal Years*								
	2023**	2022**	2021**	2020**	2019**	2018**	2017**	2016**	2015**
Town's proportion of the net pension liability (asset)	0.3750%	0.3506%	0.3831%	0.3634%	0.4149%	0.3814%	0.3555%	0.3399%	0.3108%
Town's proportionate share of the net pension liability (asset) \$	996,856	(112,682)	1,522,134	1,110,778	1,135,389	1,561,679	1,888,928	1,084,542	478,298
Town's covered payroll	2,511,677	2,099,873	2,194,515	2,033,084	2,047,217	1,946,735	1,756,120	1,590,688	1,373,904
Town's proportionate share of the net pension liability as a percentage of its covered payroll	39.69%	-5.37%	69.36%	54.64%	55.46%	80.22%	107.56%	68.18%	34.81%
Plan fiduciary net position as a percentage of the total pension liability	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.60%	88.27%	94.10%

* This schedule is intended to show information for ten years, but only nine years of information is available.
Additional years' information will be displayed as it becomes available.

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

TOWN OF CUMBERLAND, MAINE
Required Supplementary Information, Continued

Schedule of Town Contributions
Maine Public Employees Retirement System Consolidated Plan

	Last 10 Fiscal Years*									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Contractually required contribution	\$ 384,593	295,210	238,062	248,785	230,331	222,689	194,047	175,653	140,342	
Contributions in relation to the contractually required contributions	(384,593)	(295,210)	(238,062)	(248,785)	(230,331)	(222,689)	(194,047)	(175,653)	(140,342)	
Contributions deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	
Town's covered payroll	\$ 3,191,436	2,511,677	2,099,873	2,194,515	2,033,084	2,047,217	1,946,735	1,756,120	1,590,688	
Contributions as a percentage of covered payroll	12.05%	11.75%	11.34%	11.34%	11.33%	10.88%	9.97%	10.00%	8.82%	

* This schedule is intended to show information for ten years, but only nine years of information is available.
Additional years' information will be displayed as it becomes available.

TOWN OF CUMBERLAND, MAINE
Notes to Required Supplementary Information

Last 10 Fiscal Years*

Changes of Benefit Terms - None

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

	<u>2021</u>	<u>2020</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>
Discount rate	6.500%	6.750%	6.750%	6.875%	7.125%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%
Salary increases	2.75%-11.48%	2.75 plus merit	2.75%-9.00%	2.75% - 9.00%	3.50% - 9.50%
Cost of living increases	1.91%	1.91%	1.91%	2.20%	2.55%

Mortality rates:

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

In 2016 through 2020, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

In 2021 and going forward, mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table.

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

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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
General Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 9,918,717	8,391,424
Receivables:		
Accounts	211,775	259,083
Rescue	31,896	37,597
Intergovernmental	207,941	314,783
Taxes - current year	153,281	105,536
Taxes - prior years	127,370	144,284
Leases	441,777	466,694
Prepaid items	127,841	97,767
Inventory	28,858	29,897
Total assets	11,249,456	9,847,065
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable	351,822	609,292
Accrued payroll	350,411	354,214
Escrow liabilities	380,498	167,597
Taxes paid in advance	91,153	93,469
Unearned revenues	766,774	633,481
Interfund loans payable	3,486,311	2,886,740
Total liabilities	5,426,969	4,744,793
Deferred inflows of resources:		
Unavailable revenue - property taxes	236,075	232,167
Related to leases	424,928	458,143
Total deferred inflows of resources	661,003	690,310
Fund balance:		
Nonspendable	156,699	127,664
Assigned	569,281	307,467
Unassigned	4,435,504	3,976,831
Total fund balance	5,161,484	4,411,962
Total liabilities, deferred inflows of resources, and fund balance	\$ 11,249,456	9,847,065

TOWN OF CUMBERLAND, MAINE
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2023
(With comparative actual amounts for the year ended June 30, 2022)

	2023			2022 Actual
	Final Budget	Actual	Variance positive (negative)	
Revenues:				
Taxes:				
Property taxes	\$ 28,455,543	28,497,534	41,991	26,990,461
Supplemental taxes	-	3,251	3,251	1,213
Change in unavailable taxes	-	(3,908)	(3,908)	(4,249)
Outer island property taxes	46,000	45,895	(105)	45,895
Payments in lieu of taxes	33,000	38,967	5,967	38,079
Excise taxes	2,020,000	2,427,446	407,446	2,280,618
Total taxes	30,554,543	31,009,185	454,642	29,352,017
Licenses and permits:				
Town clerk licenses and fees	13,909	17,315	3,406	16,307
Snowmobile and boat registrations	500	481	(19)	939
Automobile registrations	21,406	34,618	13,212	34,357
Building permits	75,000	179,378	104,378	174,313
Electrical permits	21,634	46,009	24,375	37,089
Plumbing permits	18,789	25,744	6,955	27,096
Other permits	1,751	516	(1,235)	1,809
Total licenses and permits	152,989	304,061	151,072	291,910
Intergovernmental:				
State Revenue Sharing	1,300,000	1,769,683	469,683	1,554,961
Homestead and BETE reimbursements	722,118	726,792	4,674	714,291
D.O.T. block grant	67,000	72,216	5,216	72,636
Municipal shared services	275,130	271,212	(3,918)	335,067
Federal grants	-	1,253	1,253	999
Other state aid	-	7,814	7,814	7,712
Total intergovernmental	2,364,248	2,848,970	484,722	2,685,666
Charges for services:				
Recreation programs	1,014,555	1,345,746	331,191	1,003,499
Val Halla golf programs	892,480	1,211,612	319,132	1,036,622
Police permits and services	33,652	41,667	8,015	47,843
Fire services	18,000	67,714	49,714	61,923
Ambulance and medical services	160,000	201,007	41,007	208,470
Public services revenue	25,500	29,335	3,835	26,667
Waste disposal	303,242	406,007	102,765	401,868
Library income	-	2,980	2,980	2,378
Total charges for services	2,447,429	3,306,068	858,639	2,789,270

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

	2023		Variance positive (negative)	2022 Actual
	Final Budget	Actual		
Revenues, continued:				
Other:				
Growth permits and fees	\$ 2,000	25,162	23,162	20,830
Interest and lien costs	30,000	34,993	4,993	21,275
Miscellaneous	260,068	357,497	97,429	347,899
Total other	292,068	417,652	125,584	390,004
Total revenues	35,811,277	37,885,936	2,074,659	35,508,867
Expenditures:				
Current:				
General government:				
Administration	686,862	685,923	939	651,076
Assessor	124,953	118,857	6,096	118,657
Town clerk	345,946	342,165	3,781	318,599
Technology	288,730	305,418	(16,688)	291,738
Elections	42,124	49,809	(7,685)	39,981
Planning	80,481	75,814	4,667	69,979
Legal services	47,500	33,406	14,094	52,015
Total general government	1,616,596	1,611,392	5,204	1,542,045
Public safety:				
Police	1,733,238	1,622,194	111,044	1,581,322
Fire	1,237,397	1,209,792	27,605	1,053,827
Code enforcement	157,112	164,530	(7,418)	160,435
Harbor master	21,033	12,333	8,700	16,504
Animal control	41,660	25,725	15,935	23,482
Total public safety	3,190,440	3,034,574	155,866	2,835,570
Public services:				
Public works	1,416,439	1,332,261	84,178	1,277,932
Waste disposal	724,904	768,930	(44,026)	686,578
Parks	340,014	428,282	(88,268)	355,887
West Cumberland Hall and Historical Society building	20,284	15,823	4,461	11,744
Total public services	2,501,641	2,545,296	(43,655)	2,332,141

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

	2023		Variance positive (negative)	2022 Actual
	Final Budget	Actual		
Expenditures, continued:				
Current, continued:				
Recreation:				
Val Halla golf course	\$ 922,314	945,851	(23,537)	855,449
Recreation programs	1,083,459	1,281,333	(197,874)	1,083,858
Total recreation	2,005,773	2,227,184	(221,411)	1,939,307
Prince Memorial Library	619,070	624,993	(5,923)	566,437
Health and public assistance:				
Aging in place	41,458	58,209	(16,751)	28,967
Health services	3,875	3,886	(11)	3,886
General assistance	34,971	21,909	13,062	26,016
Total health and public assistance	80,304	84,004	(3,700)	58,869
Unclassified:				
Conservation Commission	80,000	43,671	36,329	30,557
Cemetery Association	28,035	31,740	(3,705)	26,700
Fire hydrant charges	87,675	90,167	(2,492)	85,784
Contingencies	10,000	2,428	7,572	11,860
Municipal building maintenance	130,234	92,964	37,270	115,653
Abatements	1	55,008	(55,007)	22,698
Total unclassified	335,945	315,978	19,967	293,252

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

	2023		Variance positive (negative)	2022 Actual
	Final Budget	Actual		
Expenditures, continued:				
Current, continued:				
Insurance	\$ 354,103	509,409	(155,306)	328,469
MSAD #51	21,851,719	21,851,719	-	20,792,086
County tax	1,009,811	1,009,811	-	963,505
Debt service:				
Principal	1,210,997	1,210,997	-	1,199,983
Interest	486,727	483,224	3,503	528,197
Total debt service	1,697,724	1,694,221	3,503	1,728,180
Total expenditures	35,263,126	35,508,581	(245,455)	33,379,861
Excess (deficiency) of revenues over (under) expenditures	548,151	2,377,355	1,829,204	2,129,006
Other financing sources (uses):				
Transfers in	257,791	257,791	-	330,000
Transfers to General Fund reserves	-	(460,000)	(460,000)	(130,000)
Transfers out	(641,000)	(1,688,093)	(1,047,093)	(1,946,974)
Total other financing sources (uses)	(383,209)	(1,890,302)	(1,507,093)	(1,746,974)
Net change in fund balance	164,942	487,053	322,111	382,032
Fund balance, beginning of year - budgetary basis		4,076,292		3,694,260
Fund balance, end of year - budgetary basis	\$	4,563,345		4,076,292
Reconciliation to GAAP:				
Change in reserves		262,469		(56,985)
Fund balance, beginning of year - GAAP basis		4,411,962		4,086,915
Fund balance, end of year - GAAP basis	\$	5,161,484		4,411,962

TOWN OF CUMBERLAND, MAINE
General Fund Reserves
Schedule of Revenues, Expenditures and Changes in Fund Balances
For year ended June 30, 2023

			Balance beginning of year	Other Revenues	Expenditures	Transfers in (out)	Balance end of year
100	Assessor's reserve	\$	220,000	-	19,658	50,000	250,342
106	Circuit breaker		31,887	5,000	105,366	110,000	41,521
208	HR reserve		(1,694)	4,517	44,652	100,000	58,171
256	Waste reserve		-	-	-	200,000	200,000
255	Fuel		85,477	245,374	282,746	-	48,105
Total		\$	335,670	254,891	452,422	460,000	598,139

ALL OTHER GOVERNMENTAL FUNDS

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TOWN OF CUMBERLAND, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	-	50,814	50,814
Investments	-	-	177,641	177,641
Accounts receivable	-	17,000	-	17,000
Note receivable	-	12,884	-	12,884
Interfund loans receivable	446,945	2,626,681	15	3,073,641
Total assets	446,945	2,656,565	228,470	3,331,980
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	43,874	124,801	877	169,552
Accrued payroll	1,566	-	-	1,566
Unearned revenue	61,102	-	-	61,102
Interfund loans payable	-	58,600	-	58,600
Total liabilities	106,542	183,401	877	290,820
Fund balances:				
Nonspendable	-	12,884	64,527	77,411
Restricted	252,053	-	163,928	415,981
Committed	88,350	2,536,784	-	2,625,134
Unassigned	-	(76,504)	(862)	(77,366)
Total fund balances	340,403	2,473,164	227,593	3,041,160
Total liabilities and fund balances	\$ 446,945	2,656,565	228,470	3,331,980

TOWN OF CUMBERLAND, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 590,680	60,950	-	651,630
Licenses, permits and fees	-	118,685	-	118,685
Charges for services	49,594	-	-	49,594
Donations	225,177	1,450	-	226,627
Investment income (loss)	640	178,282	(2,271)	176,651
Other	21,234	16,083	-	37,317
Total revenues	887,325	375,450	(2,271)	1,260,504
Expenditures:				
Current:				
General government	-	33,846	-	33,846
Public safety	29,008	-	-	29,008
Recreation	5,981	-	-	5,981
Public services	-	84,103	-	84,103
Library	39,954	-	-	39,954
Health and public assistance	48,397	-	-	48,397
Capital outlay	535,580	1,534,402	-	2,069,982
Debt service	-	60,428	-	60,428
Total expenditures	658,920	1,712,779	-	2,371,699
Excess (deficiency) of revenues over (under) expenditures	228,405	(1,337,329)	(2,271)	(1,111,195)
Other financing sources (uses):				
Sale of assets	-	36,000	-	36,000
Transfers from other funds	-	2,667,140	-	2,667,140
Transfers to other funds	(55,000)	(124,047)	-	(179,047)
Total other financing sources (uses)	(55,000)	2,579,093	-	2,524,093
Net change in fund balances	173,405	1,241,764	(2,271)	1,412,898
Fund balances, beginning of year	166,998	1,231,400	229,864	1,628,262
Fund balances, end of year	\$ 340,403	2,473,164	227,593	3,041,160

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 committed by administrative action.

Special Revenue Funds have been established for the following purposes:

Fire Grant Fund - To account for donations, grant funds and other dedicated fire related revenues and expenditures.

Police Fund - To account for donations, grant funds and other dedicated police related revenues and expenditures.

Twin Brook Fund - To account for donations collected and funds expended to maintain the cross-country ski trails at the Twin Brooks recreational area.

Other Special Revenues - To account for donations and other restricted resources and expenditures related to the community band and other special programs.

Library Fund - To account for donations, grant funds and other dedicated library related revenues and expenditures.

Fuel Assistance Fund - To account for donations and other revenue sources used to assist citizens with fuel purchases during the colder months of the year.

American Rescue Recovery Act (ARPA) Fund – To account for the federal funds received through ARPA and related expenditures.

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TOWN OF CUMBERLAND, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2023

		Fire Grant Fund	ARPA Fund	Police Fund	Twin Brook Fund	Other Special Revenues	Library Fund	Fuel Assistance Fund	Totals
ASSETS									
Interfund loans receivable	\$	3,621	100,592	20,864	3,674	48,826	82,621	186,747	446,945
Total assets		3,621	100,592	20,864	3,674	48,826	82,621	186,747	446,945
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable		-	39,490	1,013	-	1,750	-	1,621	43,874
Accrued payroll		-	-	-	-	-	1,566	-	1,566
Unearned revenue		-	61,102	-	-	-	-	-	61,102
Total liabilities		-	100,592	1,013	-	1,750	1,566	1,621	106,542
Fund balances:									
Restricted		-	-	19,851	-	47,076	-	185,126	252,053
Committed		3,621	-	-	3,674	-	81,055	-	88,350
Total fund balances (deficit)		3,621	-	19,851	3,674	47,076	81,055	185,126	340,403
Total liabilities and fund balances	\$	3,621	100,592	20,864	3,674	48,826	82,621	186,747	446,945

TOWN OF CUMBERLAND, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2023

	Fire Grant Fund	ARPA Fund	Police Fund	Twin Brook Fund	Other Special Revenues	Library Fund	Fuel Assistance Fund	Totals
Revenues:								
Intergovernmental	\$ -	590,680		-	-		-	590,680
Charges for services	18,203	-	-	-	-	31,391	-	49,594
Donations and local grants	200	-	4,875	-	16,680	-	203,422	225,177
Investment income	-	-	-	-	-	640	-	640
Other revenue	-	-	6,831	-	63	14,340	-	21,234
Total revenues	18,403	590,680	11,706	-	16,743	46,371	203,422	887,325
Expenditures:								
Current:								
Public safety	15,826	-	13,182	-	-	-	-	29,008
Recreation	-	-	-	-	5,981	-	-	5,981
Library	-	-	-	-	-	39,954	-	39,954
Health and public assistance	-	100	-	-	-	-	48,297	48,397
Capital outlay	-	535,580	-	-	-	-	-	535,580
Total expenditures	15,826	535,680	13,182	-	5,981	39,954	48,297	658,920
Excess (deficiency) of revenues over (under) expenditures	2,577	55,000	(1,476)	-	10,762	6,417	155,125	228,405
Other financing sources (uses):								
Transfers to other funds	-	(55,000)	-	-	-	-	-	(55,000)
Total other financing sources (uses)	-	(55,000)	-	-	-	-	-	(55,000)
Net change in fund balances	2,577	-	(1,476)	-	10,762	6,417	155,125	173,405
Fund balances (deficits), beginning of year	1,044	-	21,327	3,674	36,314	74,638	30,001	166,998
Fund balances (deficits), end of year	\$ 3,621	-	19,851	3,674	47,076	81,055	185,126	340,403

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 for major repairs and maintenance or improvements to Town buildings.

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

Land and Conservation Fund – To account for grants, donations, and other revenues used for conservation purposes and the related expenditures.

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

Route 1 Parking Reserve - To account for funds set aside as a reserve for major or non-routine maintenance of the Route 1 parking lot.

Road Improvements - To account for funds set aside as a reserve for road resurfacing and reconstruction projects.

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

Solar Power Field - To account for the Town's investment in solar energy infrastructure.

Street Light Upgrades - To account for funds set aside for the upgrade of Town street lights.

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TOWN OF CUMBERLAND, MAINE
Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2023

	Town Building Reserves	Land Acquisition Fund	Land and Conservation	Tennis Court Fund	Rt 1 Parking Reserve	Road Improvements	Equip. Reserves	Solar Power Field	Street Light Upgrades	Totals
ASSETS										
Accounts receivable	\$ -	-	-	-	-	-	15,616	1,384	-	17,000
Note receivable	-	12,884	-	-	-	-	-	-	-	12,884
Interfund loans receivable	1,231,241	61,314	67,516	23,077	20,258	32,135	819,705	371,435	-	2,626,681
Total assets	1,231,241	74,198	67,516	23,077	20,258	32,135	835,321	372,819	-	2,656,565
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	49,627	-	297	-	-	50,039	6,664	18,174	-	124,801
Interfund loans payable	-	-	-	-	-	-	-	-	58,600	58,600
Total liabilities	49,627	-	297	-	-	50,039	6,664	18,174	58,600	183,401
Fund balances (deficits):										
Nonspendable	-	12,884	-	-	-	-	-	-	-	12,884
Committed	1,181,614	61,314	67,219	23,077	20,258	-	828,657	354,645	-	2,536,784
Unassigned	-	-	-	-	-	(17,904)	-	-	(58,600)	(76,504)
Total fund balances (deficits)	1,181,614	74,198	67,219	23,077	20,258	(17,904)	828,657	354,645	(58,600)	2,473,164
Total liabilities and fund balances	\$ 1,231,241	74,198	67,516	23,077	20,258	32,135	835,321	372,819	-	2,656,565

TOWN OF CUMBERLAND, MAINE
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2023

	Town Building Reserves	Land Acquisition Fund	Land and Conservation	Tennis Court Fund	Rt 1 Parking Reserve	Road Improvements	Equip. Reserves	Solar Power Field	Street Light Upgrades	Totals
Revenues:										
Intergovernmental	\$ -	-	54,950	-	-	-	6,000	-	-	60,950
Licenses, permits and fees	-	-	-	-	-	-	118,685	-	-	118,685
Donations	1,450	-	-	-	-	-	-	-	-	1,450
Investment income	-	944	-	-	-	-	177,338	-	-	178,282
Other revenue	820	-	1,145	-	-	-	14,118	-	-	16,083
Total revenues	2,270	944	56,095	-	-	-	316,141	-	-	375,450
Expenditures:										
Current:										
General government	-	-	33,846	-	-	-	-	-	-	33,846
Public services	-	-	-	-	-	-	-	84,103	-	84,103
Capital outlay	543,322	7,430	-	-	-	462,926	517,640	-	3,084	1,534,402
Debt service	-	12,635	-	-	-	-	47,793	-	-	60,428
Total expenditures	543,322	20,065	33,846	-	-	462,926	565,433	84,103	3,084	1,712,779
Excess (deficiency) of revenues over (under) expenditures	(541,052)	(19,121)	22,249	-	-	(462,926)	(249,292)	(84,103)	(3,084)	(1,337,329)
Other financing sources (uses):										
Sale of assets	-	36,000	-	-	-	-	-	-	-	36,000
Transfer from other funds	960,493	-	36,329	-	-	700,000	698,500	222,318	49,500	2,667,140
Transfer to other funds	-	-	-	-	-	-	(124,047)	-	-	(124,047)
Total other financing sources (uses)	960,493	36,000	36,329	-	-	700,000	574,453	222,318	49,500	2,579,093
Net change in fund balances	419,441	16,879	58,578	-	-	237,074	325,161	138,215	46,416	1,241,764
Fund balances (deficits), beginning of year	762,173	57,319	8,641	23,077	20,258	(254,978)	503,496	216,430	(105,016)	1,231,400
Fund balances (deficits), end of year	\$ 1,181,614	74,198	67,219	23,077	20,258	(17,904)	828,657	354,645	(58,600)	2,473,164

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 assessment.

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

Paul Merrill Fund – To support the Library.

Sweetser Fund - 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
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2023

	Cumberland School Fund	Prince Fund	Paul Merrill Fund	Sweetser Fund	Historical Society Fund	Totals
ASSETS						
Cash and cash equivalents	\$ -	-	-	-	50,814	50,814
Investments	53,466	51,760	72,415	-	-	177,641
Interfund loans receivable	-	-	-	-	15	15
Total assets	53,466	51,760	72,415	-	50,829	228,470
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	-	862	15	877
Total liabilities	-	-	-	862	15	877
Fund balances:						
Nonspendable - principal	2,225	2,165	56,187	-	3,950	64,527
Restricted - accumulated earnings	51,241	49,595	16,228	-	46,864	163,928
Unassigned	-	-	-	(862)	-	(862)
Total fund balances (deficit)	53,466	51,760	72,415	(862)	50,814	227,593
Total liabilities and fund balances	\$ 53,466	51,760	72,415	-	50,829	228,470

TOWN OF CUMBERLAND, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2023

	Cumberland School Fund	Prince Fund	Paul Merrill Fund	Sweetser Fund	Historical Society Fund	Totals
Revenues:						
Investment income (loss)	\$ (725)	(702)	(982)	12	126	(2,271)
Total revenues	(725)	(702)	(982)	12	126	(2,271)
Expenditures:						
Current:						
Health and public assistance	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Net change in fund balances	(725)	(702)	(982)	12	126	(2,271)
Fund balances (deficit), beginning of year	54,191	52,462	73,397	(874)	50,688	229,864
Fund balances (deficit), end of year	\$ 53,466	51,760	72,415	(862)	50,814	227,593

**FIDUCIARY FUNDS -
PRIVATE-PURPOSE TRUST FUNDS**

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TOWN OF CUMBERLAND, MAINE
Fiduciary Funds - Private-purpose Trust
Combining Statement of Fiduciary Net Position
June 30, 2023

		John M. and Lillian R. Kimball Award Trust	Eliphalet Greely Fund	Scholar- ship Fund	Derrah Scholar- ship Fund	Lynne Pickard Scholar- ship	Carle Henry Music Scholar- ship	Louis Lambert Scholar- ship	Roy O'Looke Scholar- ship	Jessica Parker Fund	Tom Pollis Scholar- ship	Totals
ASSETS												
Investments	\$	15,503	82,805	-	4,897	-	521	3,242	50	1,160	39,593	147,771
Total assets		15,503	82,805	-	4,897	-	521	3,242	50	1,160	39,593	147,771
LIABILITIES												
Accounts payable		-	-	-	776	-	-	-	-	-	-	776
Due to general fund		-	-	62	-	463	150	500	-	-	-	1,175
Total liabilities		-	-	62	776	463	150	500	-	-	-	1,951
NET POSITION												
Held in trust		15,503	82,805	(62)	4,121	(463)	371	2,742	50	1,160	39,593	145,820
Total net position	\$	15,503	82,805	(62)	4,121	(463)	371	2,742	50	1,160	39,593	145,820

TOWN OF CUMBERLAND, MAINE
Fiduciary Funds - Private-purpose Trust
Combining Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2023

	John M. and Lillian R. Kimball Award Trust	Eliphalet Greely Fund	Scholar- ship Fund	Derrah Scholar- ship Fund	Lynne Pickard Scholar- ship	Carle Henry Music Scholar- ship	Louis Lambert Scholar- ship	Roy O'Looke Scholar- ship	Jessica Parker Fund	Tom Pollis Scholar- ship	Totals
Additions:											
Donations	\$ -	-	-	-	-	1,850	-	-	-	-	1,850
Investment income (loss)	(183)	(1,873)	4	(254)	-	36	(17)	-	(15)	(537)	(2,839)
Total additions	(183)	(1,873)	4	(254)	-	1,886	(17)	-	(15)	(537)	(989)
Deductions:											
Scholarships awarded	500	-	-	776	-	2,000	500	-	-	-	3,776
Total deductions	500	-	-	776	-	2,000	500	-	-	-	3,776
Change in net position	(683)	(1,873)	4	(1,030)	-	(114)	(517)	-	(15)	(537)	(4,765)
Net position, beginning of year	16,186	84,678	(66)	5,151	(463)	485	3,259	50	1,175	40,130	150,585
Net position, end of year	\$ 15,503	82,805	(62)	4,121	(463)	371	2,742	50	1,160	39,593	145,820

STATISTICAL SECTION

This part of the Town of Cumberland, Maine's Annual Comprehensive 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>	

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

		Fiscal Year									
		2014	2015	2016*	2017	2018	2019	2020	2021	2022	2023
Governmental activities:											
Net investment in capital assets	\$	17,201,613	17,444,794	24,607,681	26,426,553	28,666,371	30,529,130	30,955,865	33,046,297	34,793,419	35,866,684
Restricted		375,206	514,636	730,607	325,714	355,130	387,279	408,269	357,923	317,506	480,508
Unrestricted		2,943,496	3,195,467	1,346,278	1,360,414	2,136,421	1,528,681	1,973,590	3,880,870	4,340,339	6,018,341
Total governmental activities net position	\$	20,520,315	21,154,897	26,684,566	28,112,681	31,157,922	32,445,090	33,337,724	37,285,090	39,451,264	42,365,533
Business-type activities:											
Net investment in capital assets	\$	3,873,747	3,633,799	1,781,340	1,752,539	1,814,746	1,994,078	2,012,859	1,967,112	1,912,219	1,704,089
Unrestricted		183,177	840,271	1,098,893	1,313,059	1,347,219	598,617	528,000	665,717	703,884	767,294
Total business-type activities net position		4,056,924	4,474,070	2,880,233	3,065,598	3,161,965	2,592,695	2,540,859	2,632,829	2,616,103	2,471,383
Primary government:											
Net investment in capital assets	\$	21,075,360	21,078,593	26,389,021	28,179,092	30,481,117	32,523,208	32,968,724	35,013,409	36,705,638	37,570,773
Restricted		375,206	514,636	730,607	325,714	355,130	387,279	408,269	357,923	317,506	480,508
Unrestricted		3,126,673	4,035,738	2,445,171	2,673,473	3,483,640	2,127,298	2,501,590	4,546,587	5,044,223	6,785,635
Total primary government net position	\$	24,577,239	25,628,967	29,564,799	31,178,279	34,319,887	35,037,785	35,878,583	39,917,919	42,067,367	44,836,916

*In FY 2016, the Town ceased reporting the Val Halla golf course as an enterprise fund. All amounts are now reported in the General Fund and Governmental Activities.

Table 2

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

	2014	2015	2016*	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 2,712,115	2,576,262	2,947,324	3,791,286	3,600,128	3,347,435	4,067,516	4,366,616	4,346,758	5,392,997
Public safety	2,282,922	2,514,371	2,636,327	2,742,321	2,760,514	2,962,840	2,980,552	2,610,953	3,345,401	3,468,455
Public services	1,660,289	2,862,022	4,902,734	3,687,941	3,391,362	4,533,495	3,966,961	3,448,537	4,867,071	4,504,043
Recreation	991,973	948,009	1,855,156	1,905,086	2,000,118	2,116,841	2,020,170	1,806,704	2,155,677	2,479,046
Education and libraries	14,159,614	14,795,916	16,075,925	16,579,156	17,762,502	19,278,276	19,548,696	20,713,580	21,483,849	22,620,527
Health and public assistance	668,729	86,796	83,022	236,687	179,542	178,167	192,281	191,604	242,808	239,215
Interest on debt	526,065	605,148	486,383	486,260	638,207	594,936	676,119	707,710	513,225	629,255
Total governmental activities expenses	23,001,707	24,388,524	28,986,871	29,428,737	30,332,373	33,011,990	33,452,295	33,845,704	36,954,789	39,333,538
Business-type activities:										
Senior Housing	227,347	292,029	305,163	296,036	295,442	300,636	313,281	298,133	345,977	409,903
Sewer System	823,999	843,432	838,334	891,253	975,371	1,684,199	1,222,227	1,090,820	1,133,755	1,211,904
Val Halla Golf and Recreation Center	844,772	944,462	-	-	-	-	-	-	-	-
Total business-type activities expenses	1,896,118	2,079,923	1,143,497	1,187,289	1,270,813	1,984,835	1,535,508	1,388,953	1,479,732	1,621,807
Total primary government expenses	\$ 24,897,825	26,468,447	30,130,368	30,616,026	31,603,186	34,996,825	34,987,803	35,234,657	38,434,521	40,955,345
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 361,850	360,104	584,060	761,633	426,981	425,366	398,101	569,427	647,807	600,435
Public safety	288,322	410,695	311,392	334,833	304,185	315,351	255,050	183,994	338,009	335,422
Public services	2,300	320,850	444,332	453,460	523,150	677,927	675,008	711,757	800,662	799,401
Recreation	714,346	768,827	1,478,213	1,531,982	1,672,990	1,657,575	1,258,249	1,400,550	2,040,121	2,557,358
Education and libraries	158,260	167,135	24,971	28,515	29,459	36,593	24,223	13,004	39,232	48,711
Health and public assistance	283,564	-	-	-	-	-	-	-	-	-
Operating grants and contributions	200,114	172,205	125,782	143,168	165,973	111,406	146,325	290,718	245,185	372,590
Capital grants and contributions	614,019	309,461	3,205,460	841,007	2,057,401	972,642	163,489	1,482,888	265,025	612,613
Total governmental activities program revenues	2,622,775	2,509,277	6,174,210	4,094,598	5,180,139	4,196,860	2,920,445	4,652,338	4,376,041	5,326,530
Business-type activities:										
Charges for services:										
Senior Housing	\$ 289,816	318,745	315,803	328,939	335,360	335,360	341,327	345,551	343,124	355,120
Sewer System	890,012	918,929	955,624	1,043,742	1,031,894	1,079,880	1,141,887	1,135,475	1,120,415	1,122,076
Val Halla Golf and Recreation Center	608,525	625,406	-	-	-	-	-	-	-	-
Total business-type activities program revenues	1,788,353	1,863,080	1,271,427	1,372,681	1,367,254	1,415,240	1,483,214	1,481,026	1,463,539	1,477,196
Total primary government program revenues	\$ 4,411,128	4,372,357	7,445,637	5,467,279	6,547,393	5,612,100	4,403,659	6,133,364	5,839,580	6,803,726
Net (expense)/revenue:										
Governmental activities	\$ (20,378,932)	(21,879,247)	(22,812,661)	(25,334,139)	(25,152,234)	(28,815,130)	(30,531,850)	(29,193,366)	(32,578,748)	(34,007,008)
Business-type activities	(107,765)	(216,843)	127,930	185,392	96,441	(569,595)	(52,294)	92,073	(16,193)	(144,611)
Total primary government net expense	\$ (20,486,697)	(22,096,090)	(22,684,731)	(25,148,747)	(25,055,793)	(29,384,725)	(30,584,144)	(29,101,293)	(32,594,941)	(34,151,619)

*In FY 2016, the Town ceased reporting the Val Halla golf course as an enterprise fund. All amounts are now reported in the General Fund and Governmental Activities.

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 19,558,835	20,441,626	21,743,533	22,104,213	23,028,076	24,553,518	25,502,152	26,297,601	27,012,949	28,535,778
TIF District taxes	1,102,803	1,251,165	1,555,973	1,690,373	2,029,016	2,221,671	2,359,331	2,484,224	2,650,265	2,806,568
Excise taxes	1,633,132	1,693,482	1,856,148	1,959,451	2,120,226	2,162,878	2,057,140	2,439,774	2,280,618	2,427,446
Outer island property taxes	41,566	41,867	39,889	43,352	43,774	44,041	47,027	45,895	45,895	45,895
Payment in lieu of taxes	23,112	28,656	29,608	29,804	30,688	31,918	32,123	37,806	38,079	38,967
Unrestricted grants and contributions	603,229	611,559	620,550	694,761	830,008	959,020	1,275,538	1,778,031	2,269,252	2,496,475
Investment earnings	247	5,897	6,456	17,122	42,277	69,631	106,058	15,556	2,130	176,651
Miscellaneous	143,972	304,127	470,847	223,178	73,410	59,621	45,115	41,845	445,734	393,497
Transfers	(830,000)	(627,451)	1,721,844	-	-	-	-	-	-	-
Total governmental activities	22,276,896	23,750,928	28,044,848	26,762,254	28,197,475	30,102,298	31,424,484	33,140,732	34,744,922	36,921,277
Business-type activities:										
Investment income (loss)	2,685	6,538	77	(27)	(74)	325	458	(103)	(533)	(109)
Transfers	830,000	627,451	(1,721,844)	-	-	-	-	-	-	-
Total business-type activities	832,685	633,989	(1,721,767)	(27)	(74)	325	458	(103)	(533)	(109)
Total primary government	\$ 23,109,581	24,384,917	26,323,081	26,762,227	28,197,401	30,102,623	31,424,942	33,140,629	34,744,389	36,921,168
Change in Net Position										
Governmental activities	397,649	938,267	2,710,709	1,610,020	(617,655)	1,287,168	892,634	3,947,366	2,166,174	2,914,269
Business-type activities	615,842	761,919	(1,536,375)	96,414	(569,669)	(569,270)	(51,836)	91,970	(16,726)	(144,720)
Total primary government	\$ 1,013,491	1,700,186	1,174,334	1,706,434	(1,187,324)	717,898	840,798	4,039,336	2,149,448	2,769,549

Table 3

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 477,451	5,849	116,294	42,039	55,286	21,854	15,630	64,628	127,664	156,699
Assigned	-	-	371,748	365,419	449,964	227,770	192,753	363,514	307,467	569,281
Unassigned	1,191,089	2,060,936	2,023,066	2,028,570	2,084,824	2,479,646	3,073,752	3,658,773	3,976,831	4,435,504
Total general fund	\$ 1,668,540	2,066,785	2,511,108	2,436,028	2,590,074	2,729,270	3,282,135	4,086,915	4,411,962	5,161,484
All Other Governmental Funds										
Nonspendable, reported in:										
Capital projects	\$ -	-	10,100	-	-	-	-	12,297	18,870	12,884
Permanent funds	99,241	99,241	99,241	99,241	99,241	99,241	99,241	99,241	99,241	64,527
Restricted, reported in:										
Permanent funds	174,474	172,839	174,914	174,361	172,276	181,519	194,367	142,317	130,623	163,928
Capital projects	49,438	242,556	420,343	-	-	-	-	-	6,000	-
Special revenue funds	52,053	-	36,109	52,112	83,613	106,519	114,661	116,365	87,642	252,053
Committed, reported in:										
Special revenue funds	97,335	87,761	57,872	71,998	60,776	54,960	56,145	51,834	79,356	88,350
Capital projects funds	-	850	733,735	7,054,109	1,890,462	575,423	6,730,250	1,810,833	1,566,524	2,536,784
Assigned, reported in:										
Capital projects funds	1,592,351	1,922,955	-	-	-	-	-	-	-	-
Debt service fund	-	392,130	474,937	655,469	737,940	712,115	697,791	587,791	357,791	-
Unassigned, reported in:										
Special revenue funds	(4,140)	-	-	-	-	(1,835)	(3,650)	(347)	-	-
Capital projects funds	(44,296)	(6,226)	(1,234,150)	(1,133,133)	(963,613)	(1,501,258)	(1,900,527)	(1,198,957)	(994,685)	(835,878)
Total all other governmental funds	\$ 2,016,456	2,912,106	773,101	6,974,157	2,080,695	226,684	5,988,278	1,621,374	1,351,362	2,282,648
Total governmental funds	\$ 3,684,996	4,978,891	3,284,209	9,410,185	4,670,769	2,955,954	9,270,413	5,708,289	5,763,324	7,444,132

Table 4

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

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues											
Taxes	\$	22,081,219	23,526,104	25,298,238	25,809,867	27,161,299	28,960,212	29,986,223	31,277,111	32,002,282	33,815,753
Licenses and permits		161,923	159,680	168,174	207,889	151,495	282,018	273,252	376,064	409,230	422,746
Intergovernmental		1,211,643	1,016,858	1,353,722	1,629,296	1,118,956	2,183,602	1,676,714	2,476,281	3,019,603	3,500,600
Charges for services		1,215,255	1,388,081	2,256,124	2,297,259	2,526,783	2,552,962	2,080,755	2,177,160	3,084,526	3,601,036
Donations		-	-	-	-	-	-	-	139,820	18,500	231,627
Investment income (loss)		-	-	-	-	-	69,631	106,058	15,556	2,130	176,651
Other		671,631	735,520	444,437	652,584	554,952	217,104	256,810	252,219	482,608	459,486
Total revenues		25,341,671	26,826,243	29,520,695	30,596,895	31,513,485	34,265,529	34,379,812	36,714,211	39,018,879	42,207,899
Expenditures											
General government		1,260,888	1,405,149	1,738,077	1,893,954	2,113,523	2,196,286	2,341,618	2,508,192	2,956,456	3,053,713
Public safety		2,042,544	2,274,019	2,403,779	2,486,136	2,507,112	2,540,652	2,622,589	2,566,139	2,927,836	3,063,582
Public services		898,293	1,749,724	1,839,511	2,081,177	2,502,789	2,235,968	2,188,130	2,243,518	2,685,904	2,912,145
Recreation		850,481	835,482	1,600,021	1,660,102	1,751,478	1,882,453	1,746,974	1,588,198	1,942,556	2,233,165
Education and libraries		14,083,574	14,718,516	15,999,440	16,501,645	17,684,884	19,198,802	19,469,223	20,625,449	21,378,948	22,516,666
Health and public assistance		665,538	85,348	81,574	235,239	178,094	176,719	190,833	190,156	241,360	237,767
Unclassified		1,536,203	1,270,640	1,299,214	1,284,793	1,322,558	1,400,947	1,451,536	1,559,451	1,585,226	2,335,198
Capital outlay		2,072,124	4,434,772	5,089,978	4,581,440	6,649,863	4,436,464	4,130,597	7,155,862	2,729,463	2,101,021
Debt service:											
Principal		1,010,161	1,001,602	997,192	1,034,696	939,915	1,283,555	1,290,776	1,634,085	1,864,320	1,938,007
Interest		537,403	479,821	541,061	436,216	729,185	650,215	697,584	810,714	749,610	672,689
Total expenditures		24,957,209	28,255,073	31,589,847	32,195,398	36,379,401	36,002,061	36,129,860	40,881,764	39,061,679	41,063,953
Excess (deficiency) of revenues over (under) expenditures		384,462	(1,428,830)	(2,069,152)	(1,598,503)	(4,865,916)	(1,736,532)	(1,750,048)	(4,167,553)	(42,800)	1,143,946
Other financing sources (uses)											
Transfers in		1,978,779	2,163,184	1,763,157	2,228,086	1,439,468	1,717,940	1,911,229	2,886,915	2,776,974	2,924,931
Transfers out		(2,808,779)	(2,790,635)	(1,785,458)	(2,228,086)	(1,439,468)	(1,717,940)	(1,911,229)	(2,886,915)	(2,776,974)	(2,924,931)
Sale of assets		-	-	396,861	115,717	36,500	11,718	719,997	375,429	97,835	36,000
Payment to refunded bond escrow agent		-	(2,931,919)	-	-	-	-	-	-	-	-
Bonds and notes issued		-	5,730,000	-	7,300,000	90,000	10,000	6,616,000	-	-	-
Premiums on bonds issued		-	601,379	-	308,762	-	-	728,510	-	-	-
Financed purchase proceeds		-	-	-	-	-	-	-	230,000	-	-
Total other financing sources (uses)		(830,000)	2,772,009	374,560	7,724,479	126,500	21,718	8,064,507	605,429	97,835	36,000
Net change in fund balances	\$	(445,538)	1,343,179	(1,694,592)	6,125,976	(4,739,416)	(1,714,814)	6,314,459	(3,562,124)	55,035	1,179,946
Debt service as a percentage of noncapital expenditures		8.19%	6.40%	6.14%	5.88%	5.17%	5.53%	5.86%	7.23%	7.02%	6.63%

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)

Fiscal Year	Real estate	Personal property	Excise tax	Total
2014	\$ 20,345	265	1,633	22,243
2015	21,492	270	1,693	23,455
2016	22,918	404	1,856	25,178
2017	23,324	439	1,959	25,722
2018	24,717	250	2,120	27,087
2019	26,438	283	2,163	28,884
2020	27,525	286	2,057	29,868
2021	28,440	298	2,440	31,178
2022	29,300	336	2,281	31,917
2023	30,949	352	2,427	33,728

Note: The table does not include outer island taxes, supplemental taxes, payments in lieu of 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		Less:	Total Taxable	Total	Estimated	Assessed
		Residential and Commercial Property (1)	Personal Property (1)	Tax Exempt Real Property (1)	Assessed Value (1)	Direct Tax Rate (1)	Taxable Value (2)	Value as a Percentage of Actual Value
2014	\$	1,270,281	15,590	73,494	1,212,377	4.59	1,057,800	114.6%
2015		1,305,746	15,495	76,970	1,244,271	5.13	1,057,800	117.6%
2016		1,341,466	22,333	81,519	1,282,280	5.39	1,099,350	116.6%
2017		1,362,438	24,069	85,265	1,301,242	5.31	1,144,550	113.7%
2018		1,403,144	13,298	85,299	1,331,143	5.26	1,171,250	113.7%
2019		1,424,708	14,364	81,340	1,357,732	5.28	1,264,650	107.4%
2020		1,464,931	14,404	82,308	1,397,027	5.74	1,328,750	105.1%
2021		1,432,258	16,482	36,346	1,412,394	5.46	1,406,550	100.4%
2022		1,458,982	16,370	34,640	1,440,712	5.45	1,503,000	95.9%
2023		1,503,911	18,651	47,934	1,474,628	5.70	1,614,950	91.3%

(1) Source - Cumberland Assessor's office

(2) Source - Maine Revenue Services

Note: The table does not include outer island taxes, payments in lieu of taxes or interest and costs.

Table 7

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 rate</u>
	<u>Town rate</u>		<u>Total direct rate</u>	<u>Education rate</u>	<u>County rate</u>	
	<u>Operating</u>	<u>Debt service</u>				
2014	4.43	0.16	4.59	11.83	0.58	17.00
2015	4.93	0.20	5.13	11.70	0.57	17.40
2016	4.94	0.45	5.39	12.13	0.58	18.10
2017	4.83	0.48	5.31	12.34	0.60	18.25
2018	4.74	0.52	5.26	12.93	0.61	18.80
2019	4.75	0.53	5.28	13.77	0.65	19.70
2020	5.21	0.53	5.74	13.46	0.65	19.85
2021	4.49	0.97	5.46	14.23	0.66	20.35
2022	4.23	1.22	5.45	14.43	0.67	20.55
2023	4.55	1.15	5.70	14.82	0.68	21.20

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

SOURCE: Cumberland assessor's office

Table 8

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

	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
<u>Taxpayer</u>						
Central Maine Power Company	\$ 50,630,700	1	3.43%	\$ 44,100,000	1	3.64%
Ocean View at Cumberland, LLC	15,063,400	2	1.02%			
Summit Natural Gas	14,875,800	3	1.01%			
C and A Holdings, LLC	7,408,000	4	0.50%			
Spectrum Northeast LLC	5,002,000	5	0.34%			
LGC North America dba Maine Standards Company, LLC	4,851,400	6	0.33%			
Mirza, Zareen Taj	4,776,400	7	0.32%	4,412,500	4	0.36%
Maritime & Northeast Pipeline	3,936,700	8	0.27%			
Lemole, Emily Jane A-Trustee	3,858,100	9	0.26%	3,837,300	5	0.32%
Maine Colloids, LLC	3,427,800	10	0.23%			
Spears Hill, LLC				6,051,200	2	0.50%
Martin Joseph R.				5,037,200	3	0.42%
Mathias, Glenn				3,251,900	6	0.27%
BBW Real Estate LLC				3,188,600	7	0.26%
Piaso, Shirley A.				2,865,100	8	0.24%
Forum Trust LLC				2,862,500	9	0.24%
Oestreicher, Charles R. - Trustee				2,636,200	10	0.22%
Totals	\$ 113,830,300		7.72%	\$ 78,242,500		6.47%

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 Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 20,610	20,329	98.64%	277	20,606	99.98%
2015	21,650	21,398	98.84%	242	21,645	99.98%
2016	23,209	23,014	99.16%	189	23,203	99.97%
2017	23,748	23,607	99.41%	137	23,740	99.97%
2018	25,025	24,861	99.34%	161	24,966	99.76%
2019	26,747	26,604	99.47%	136	26,746	100.00%
2020	27,731	27,493	99.14%	220	27,629	99.63%
2021	28,742	28,621	99.58%	100	28,621	99.58%
2022	29,607	29,501	99.64%	47	29,548	99.80%
2023	31,262	31,109	99.51%	-	31,109	99.51%

Note: excludes supplemental taxes.

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 Obligation Bonds*	Notes Payable*	Financed Purchases	General Obligation Bonds*	Notes Payable*	Financed Purchases			
2014	\$ 12,691,163	413,667	66,179	632,139	151,734	65,756	14,020,638	3.503%	1,896
2015	15,308,444	330,934	13,843	1,344,984	-	44,587	17,042,792	3.341%	2,257
2016	14,387,387	248,201	31,624	1,225,197	-	-	15,892,409	3.070%	2,045
2017	21,031,901	165,468	3,896	1,105,409	-	-	22,306,674	4.229%	2,816
2018	20,134,447	168,233	-	975,621	-	-	21,278,301	3.913%	2,606
2019	12,494,264	6,490,089	-	825,833	-	-	19,810,186	3.643%	2,427
2020	18,784,967	6,195,222	-	651,047	-	-	25,631,236	4.714%	3,140
2021	17,803,769	5,508,931	182,206	586,616	-	-	24,081,522	4.429%	2,950
2022	16,462,571	4,806,100	137,965	522,185	-	-	21,928,821	4.429%	2,950
2023	15,076,373	4,723,429	92,862	478,270	215,590	-	20,586,524	3.579%	2,392

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

* Bonds and notes were classified based on GASB 88 definitions beginning in FY 2019.

Table 11

TOWN OF CUMBERLAND, MAINE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2014	\$ 16,653,428	1.57%	2,253
2015	15,612,584	1.48%	2,068
2016	22,137,310	2.01%	2,848
2017	21,110,068	1.84%	2,665
2018	13,320,097	1.14%	1,632
2019	19,436,014	1.54%	2,381
2020	18,390,385	1.38%	2,253
2021	18,390,385	1.31%	2,253
2022	16,984,756	1.13%	2,005
2023	15,554,643	0.96%	1,808

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

Table 12

TOWN OF CUMBERLAND, MAINE
Direct and Overlapping Governmental Activities Debt
June 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Cumberland County	\$ 29,931,420	2.93%	876,002
Portland Water District	\$ 58,543,519	4.29%	2,511,517
MSAD #51	\$ 16,644,570	72.33%	12,039,145
Subtotal, overlapping debt			15,426,664
Direct debt:			
Bonds payable	15,076,373		15,076,373
Notes payable	4,723,429		4,723,429
Financed purchases	92,862		92,862
Subtotal, direct debt			19,892,664
Total direct and overlapping debt			\$ 35,319,328

Note: the County's overlapping debt is determined by the Town's portion of the State's valuation of the county. The MSAD overlapping debt is determined by the relative valuations of participating members.

TOWN OF CUMBERLAND, MAINE
Legal Debt Margin Information
Last Ten Fiscal Years
(dollar amounts expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed value per State	\$ 1,057,800	1,057,800	1,099,350	1,144,550	1,171,250	1,265,650	1,328,750	1,406,550	1,503,000	1,614,950
Total debt limit - all purposes - 15% of assessed value	\$ 158,670	158,670	164,903	171,683	175,688	189,848	199,313	210,983	225,450	242,243
Less outstanding debt applicable to debt limit	13,857	16,313	15,229	21,409	20,439	19,025	24,175	23,495	21,406	19,393
Legal debt margin	\$ 144,813	142,357	149,674	150,274	155,249	170,823	175,138	187,488	204,044	222,850
Total outstanding debt applicable to the limit as a percentage of debt limit	8.73%	10.28%	9.24%	12.47%	11.63%	10.02%	12.13%	11.14%	9.49%	8.01%
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	\$ 79,335	79,335	82,451	85,841	87,844	94,924	99,656	105,491	112,725	121,121
Less outstanding debt applicable to debt limit	13,857	16,313	15,229	21,409	20,439	19,025	24,175	23,495	21,406	19,393
Debt margin for municipal purposes	\$ 65,478	63,022	67,222	64,432	67,405	75,899	75,481	81,996	91,319	101,728
Outstanding debt applicable to the limit as a percentage of debt limit for municipal purposes	17.47%	20.56%	18.47%	24.94%	23.27%	20.04%	24.26%	22.27%	18.99%	16.01%
School purposes - 10%										
Debt limit	\$ 105,780	105,780	109,935	114,455	117,125	126,565	132,875	140,655	150,300	161,495
Less outstanding debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Debt margin for school purposes	\$ 105,780	105,780	109,935	114,455	117,125	126,565	132,875	140,655	150,300	161,495
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	\$ 79,335	79,335	82,451	85,841	87,844	94,924	99,656	105,491	112,725	121,121
Less outstanding debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Debt margin for sewer purposes	\$ 79,335	79,335	82,451	85,841	87,844	94,924	99,656	105,491	112,725	121,121
Outstanding debt applicable to the limit as a percentage of debt limit for sewer purposes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Maximum total debt limit - 15%	\$ 158,670	158,670	164,903	171,683	175,688	189,848	199,313	210,983	225,450	242,243

Table 14

TOWN OF CUMBERLAND, MAINE
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Income Cumberland County (1)	Median Age (2)	High School Completion Rates (4)	School Enrollment (4)	State Unemployment Rate (3)
2014	7,393	400,232,133	55,503	45.0	93%	1,432	5.5%
2015	7,550	510,047,800	67,556	45.0	97%	1,422	4.7%
2016	7,772	517,622,972	66,601	45.0	97%	1,401	3.9%
2017	7,920	527,479,920	66,601	45.0	97%	1,388	3.2%
2018	8,164	543,730,564	66,601	45.0	97%	1,337	2.9%
2019	8,164	543,730,564	66,601	45.0	95%	1,371	3.2%
2020	8,164	543,730,564	66,601	45.0	95%	1,418	6.7%
2021	8,164	543,730,561	66,601	45.0	95%	1,437	4.8%
2022	8,473	509,444,355	59,619	44.7	93%	1,414	3.0%
2023	8,605	575,149,595	66,839	41.3	96%	1,397	2.4%

Sources:

(1) U.S. Bureau of the Census

(2) U.S. Census Bureau (2010 Census latest available figures)

(3) Maine Department of Labor (seasonally adjusted)

(4) Maine Department of Education

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

<u>Employer</u>	<u>2023</u>			<u>2014</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>
MSAD 51	300-450	1	2.5%-6.3%	300-450	1
Town of Cumberland	150-200	2	2.5%-6.3%	150-200	2
Seafax	50-99	3	1.3%-2.5%	50-99	4
AH Grover Inc	20-49	4	.5%-1.3%		
Burger King	20-49	5	.5%-1.3%		
Coastal Inc	20-49	6	.5%-1.3%		
Drowne Road School	20-49	7	.5%-1.3%		
Lucinda's Day Spa	20-49	8	.5%-1.3%	50-99	7
Maine Line Fence Co.	20-49	9	.5%-1.3%	20-49	9
Sevee Maher Engineers	20-49	10	.5%-1.3%	50-99	6
Exactitude				50-99	3
Norton Insurance				50-99	5
Met Life				20-49	8
SHP Management Corp.					
Skillin's Greenhouse				20-49	10

Table 16

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Management	2	2	2	2	2	2	2	2	2	2
Finance/Administration	8	10	10	10	9	10	10	10	10	10
Planning	2	2	2	3	3	3	3	3	3	2
Assessing	0	0	1	1	1	1	1	1	1	1
Public Safety:										
Fire	3	4	4	4	5	5	5	6	9	10
Police	12	12	12	12	12	12	14	12	13	14
Public Services:										
Public Works	7	7	7	7	7	7	6	6	7	7
Parks	3	3	3	3	3	3	4	4	4	4
Recreation & Other:										
Recreation	4	5	5	5	5	5	4	2	3	4
Library	4	4	4	4	5	5	5	5	5	5
Valhalla	3	3	3	3	3	3	4	5	5	5
Total Full-time Employees	48	52	53	54	55	56	58	56	62	64

Source: Town of Cumberland budget documents

Table 17

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
Code Enforcement:										
Building permits	268	266	302	302	321	338	377	345	345	327
Sign permits	21	15	18	18	7	6	6	7	7	5
Fire Protection:										
Number of calls answered	1,242	1,279	1,233	1,233	964	962	861	1,060	1,060	1,291
Number of inspections conducted	190	162	83	83	41	53	32	36	36	152
Police Protection:										
Number of law violations:										
Arrests	72	54	99	99	163	187	107	64	64	51
Traffic violations	740	852	2,919	2,919	2,152	3,000	1,841	1,340	1,340	1,231
Parking violations	4	4	2	2	27	35	15	26	26	29
Number of calls for service	6,534	8,216	8,244	8,244	9,106	9,516	8,673	7,034	7,034	8,793
Sewerage System:										
Number of service connections	1,806	1,092	1,136	1,136	1,179	1,213	1,229	1,259	1,259	1,259
Daily average treatment in gallons	234,932	211,973	204,000	204,000	234,157	226,849	235,000	218,000	218,000	218,000

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 Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	6	7	7	7	7	7	7	7	7	7
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	11	11	11	11	11	11	10	10	10	10
Public Works:										
Streets (miles)	79	79	80	80	80	81	81	81	81	81
Number of streetlights	203	203	203	204	204	205	205	205	205	205
Parks & Recreation:										
Parks	1	2	3	3	3	6	6	6	6	6
Parks (acreage)	250	272	487	487	487	1,100	1,152	1,152	1,152	1,152
Public skating rinks	1	1	1	1	1	1	1	1	1	1
Public tennis courts	4	4	4	4	4	4	4	4	4	4
Public golf courses	1	1	1	1	1	1	1	1	1	1
Sewer:										
Miles of sanitary sewers	25	25	25	29	29	29	29	29	32	32

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

TOWN OF CUMBERLAND, MAINE
Miscellaneous Statistics
For the year ended June 30, 2023

Date of incorporation	1821
Form of government	Council/Manager
Number of full-time employees	64
All employees	340
Area in square miles	20
Name of government facilities and services:	
Miles of streets	81
Number of street lights	205
Culture and recreation:	
Parks	6
Park acreage	1,152
Skating rinks	1
Tennis courts	4
Golf course	1
Fire Protection:	
Number of fire-EMS FT personnel	10
Call Company Part time personnel	38
Police Protection:	
Number of police personnel and officers	13
Number of patrol units	8
Education:	
Number of elementary schools	1
Number of elementary school instructors	89
Number of secondary schools	2
Number of secondary school instructors	115