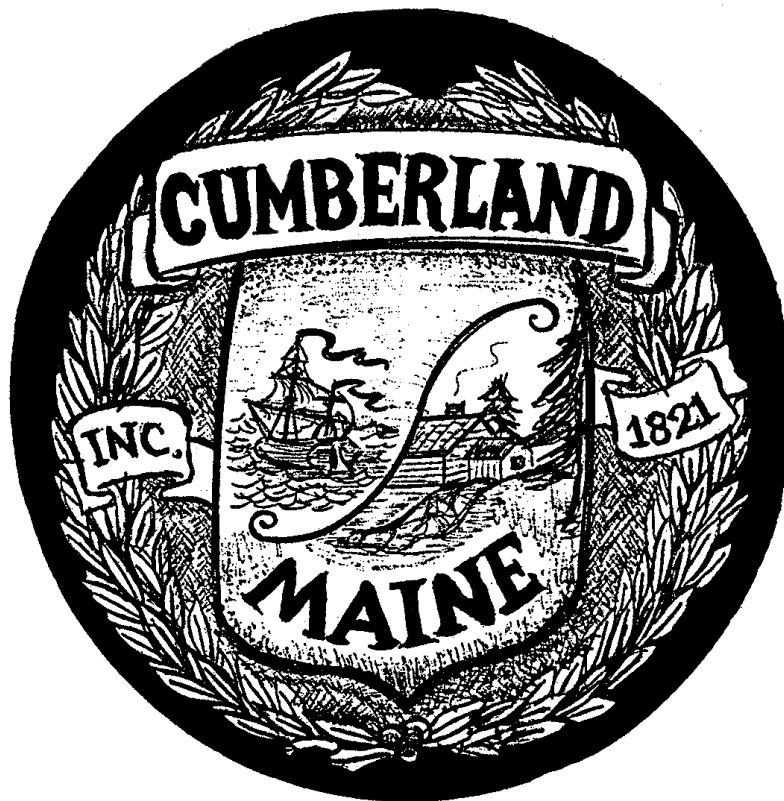


Town of Cumberland, Maine



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

TOWN OF CUMBERLAND, MAINE
Comprehensive Annual Financial Report
For the Fiscal Year ended June 30, 2020

Prepared by: Helene DiBartolomeo, CPA
Director of Finance

TOWN OF CUMBERLAND, MAINE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

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TOWN OF CUMBERLAND, MAINE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

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INTRODUCTORY SECTION

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TOWN OF CUMBERLAND, MAINE

290 Tuttle Road

Cumberland Center, Maine 04021-9321

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

December 22, 2020

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 Comprehensive Annual Financial Report ("CAFR") of the Town of Cumberland, Maine (the "Town") for the fiscal year ended June 30, 2020.

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 of 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, 2020, 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, 2020, 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. Other than these general government activities, it has been determined that the Town is not financially accountable for any other entity, board or commission.

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.

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 Town completed, during 2019-20, the two-mile sidewalk project from the Town Hall to Twin Brook, moved the Historical Society building to the Library site, completed the compost pad, and inaugurated the solar array field. The Town also acquired 52 acres of the Rines Forest and put it into conservation.

The Town has an established 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 2024. 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.

There are major capital projects underway at the end of fiscal year 2020, through use of the \$6.3 million general obligations, to include the ordering of a \$1.4 million fire ladder truck, expansion of Town Garage and School Bus Garage Facility, renovation to the Town Hall, a new compost and brush area and sand/salt shed in a new location, near the Town Hall. The Town is also underway with a LED streetlight program that will convert all of the Town’s existing streetlights, from incandescent bulbs, for energy efficiency and correction of light pollution.

The Town Council suspended future capital projects and capped spending at fiscal year 2020 levels. The Town Council has accepted a proposal to suspend all capital spending until there is clearer picture of the financial impact of the pandemic.

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 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 Visitor program – This program provides companionship for seniors who are housebound and alone; and
- The Handyman program - To help with light maintenance including yard work, pet walking, shoveling and other chores (done in conjunction with Greely Middle and High Schools);

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 2019-20, 162 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 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 Road Improvement Capital Fund for fiscal year 2020 purposefully ran a deficit fund to work on the Town's infrastructure without carrying on additional debt until a plan can be put into place based on the outcome of the pandemic.

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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This is the twenty-seventh 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 CAFR, whose contents conform to program standards. Such CAFRs 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,



William R. Shane, P.E.
Town Manager



Helene DiBartolomeo, C.P.A.
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Cumberland
Maine**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

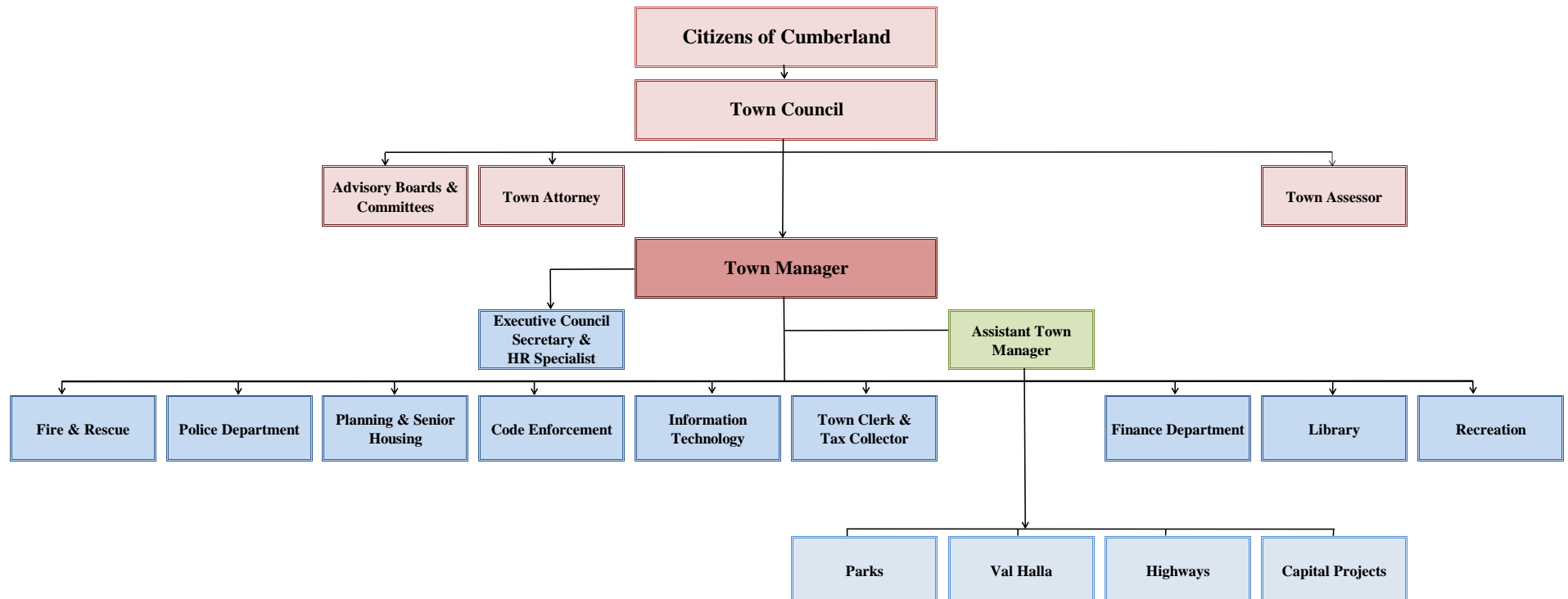
June 30, 2019

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



Helene DiBartolomeo, CPA
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



Thomas Gruber
Council Chair



Robert Vail
Council Vice Chair



Ronald Copp, Jr.
Council Member



Michael Edes
Council Member



Shirley Storey-King
Council Member



George Turner
Council Member



Allison Foster
Council Member

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FINANCIAL SECTION

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Independent Auditor's Report

Town Council
Town of Cumberland, Maine

Report on the Financial Statements

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, 2020, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Maine as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Town Council
Town of Cumberland, Maine

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020, 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.

December 22, 2020
South Portland, Maine

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis
June 30, 2020

The management of the Town of Cumberland has prepared the following discussion and analysis of financial activities for the fiscal year ended June 30, 2020. 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 2019-20 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, 2020

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, Bond, 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, 2020

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.
- Agency 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 2019-20 fiscal year are as follows:

Government-wide Statements

- The Town's assets and deferred outflows exceed its liabilities and deferred inflows at June 30, 2020 by \$36 million (*net position*), which represents an increase of \$0.8 million or 2.4 percent from 2018-19 fiscal year.
- The Town's total net position for governmental activities increased by \$0.9 million, which represents a 2.8 percent increase from the 2018-19 fiscal year. This change is attributable to revenues exceeding expenses.
- General revenues total \$31 million, or 88 percent of all revenues. Program revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$4.4 million, or 12 percent. The increase in general revenue was due to the 0.8 percent increase in the tax rate, the sale of assets, and the State Revenue Sharing program.
- Expenses total \$35 million; \$4.4 million of these expenses are offset by program specific charges, with the remainder paid from the general revenues. Total revenues exceed total expenses by \$0.8 million.

Fund Statements

- At June 30, 2020, the Town's ending fund balance for the General Fund totals \$3.3 million or 10.4 percent of total General Fund revenues, an increase of 20 percent over the prior year's fund balance.
- At June 30, 2020, the Town's business-type activities net position ending balance decreased by two percent. The decrease is primarily due to charges for service not calculated to collect for depreciation expense.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2020

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

The following is a summary of the Town's net position as of June 30, 2020, compared to the net position as of June 30, 2019:

Town of Cumberland, Maine - Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current & other assets	\$ 11,017,559	\$ 4,451,508	\$ 570,395	\$ 674,904	\$ 11,587,954	\$ 5,126,412
Capital assets	50,333,282	49,513,483	2,663,906	2,819,911	52,997,188	52,333,394
Total assets	61,350,841	53,964,991	3,234,301	3,494,815	64,585,142	57,459,806
Deferred outflows	436,558	548,204	-	-	436,558	548,204
Long-term liabilities	26,413,231	20,419,631	653,719	828,590	27,066,950	21,248,221
Other liabilities	1,688,316	1,365,408	39,723	73,530	1,728,039	1,438,938
Total liabilities	28,101,547	21,785,039	693,442	902,120	28,794,989	22,687,159
Deferred inflows	348,128	283,066	-	-	348,128	283,066
Net position:						
Net investment in capital assets	30,955,865	30,529,130	2,012,859	1,994,078	32,968,724	32,523,208
Restricted - other	408,269	387,279	-	-	408,269	387,279
Unrestricted	1,973,590	1,528,681	528,000	598,617	2,501,590	2,127,298
	<u>\$ 33,337,724</u>	<u>\$ 32,445,090</u>	<u>\$ 2,540,859</u>	<u>\$ 2,592,695</u>	<u>\$ 35,878,583</u>	<u>\$ 35,037,785</u>

The largest portion of the Town's net position (\$33 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, \$0.4 million, represents resources that are subject to external restrictions on how they may be used. The Town's unrestricted net position balance is \$2.5 million, a 17.6 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, 2020

The key elements of the changes in the Town's net position for the fiscal years ended June 30, 2020 and June 30, 2019 are as follows:

Town of Cumberland, Maine - Change in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues:						
Charges for services	\$ 2,610,631	\$ 3,112,812	\$ 1,483,214	\$ 1,415,240	\$ 4,093,845	\$ 4,528,052
Operating grants & contributions	146,325	111,406	-	-	146,325	111,406
Capital grants & contributions	163,489	972,642	-	-	163,489	972,642
General revenues:						
Property taxes	27,894,200	26,819,246	-	-	27,894,200	26,819,246
Motor vehicle excise tax	2,057,140	2,162,878	-	-	2,057,140	2,162,878
Interest and penalties	46,433	31,902	-	-	46,433	31,902
Homestead and BETE exemption	529,471	490,171	-	-	529,471	490,171
State revenue sharing	746,067	468,849	-	-	746,067	468,849
Investment earnings (loss)	106,058	69,631	458	325	106,516	69,956
Miscellaneous revenues	45,115	59,621	-	-	45,115	59,621
Total revenues	<u>34,344,929</u>	<u>34,299,158</u>	<u>1,483,672</u>	<u>1,415,565</u>	<u>35,828,601</u>	<u>35,714,723</u>
Expenses:						
General government	4,067,516	3,347,435	-	-	4,067,516	3,347,435
Public safety	2,980,552	2,962,840	-	-	2,980,552	2,962,840
Public services	3,966,961	4,533,495	-	-	3,966,961	4,533,495
Recreation	2,020,170	2,116,841	-	-	2,020,170	2,116,841
Education	18,937,757	18,690,271	-	-	18,937,757	18,690,271
Library	610,939	588,005	-	-	610,939	588,005
Health & public assistance	192,281	178,167	-	-	192,281	178,167
Interest on debt	676,119	594,936	-	-	676,119	594,936
Senior Housing	-	-	313,281	300,636	313,281	300,636
Sewer system	-	-	1,222,227	1,684,199	1,222,227	1,684,199
Total expenses	<u>33,452,295</u>	<u>33,011,990</u>	<u>1,535,508</u>	<u>1,984,835</u>	<u>34,987,803</u>	<u>34,996,825</u>
Change in net position	892,634	1,287,168	(51,836)	(569,270)	840,798	717,898
Net position - July 1	<u>32,445,090</u>	<u>31,157,922</u>	<u>2,592,695</u>	<u>3,161,965</u>	<u>35,037,785</u>	<u>34,319,887</u>
Net position - June 30	<u>\$ 33,337,724</u>	<u>\$ 32,445,090</u>	<u>\$ 2,540,859</u>	<u>\$ 2,592,695</u>	<u>\$ 35,878,583</u>	<u>\$ 35,037,785</u>

Governmental activities

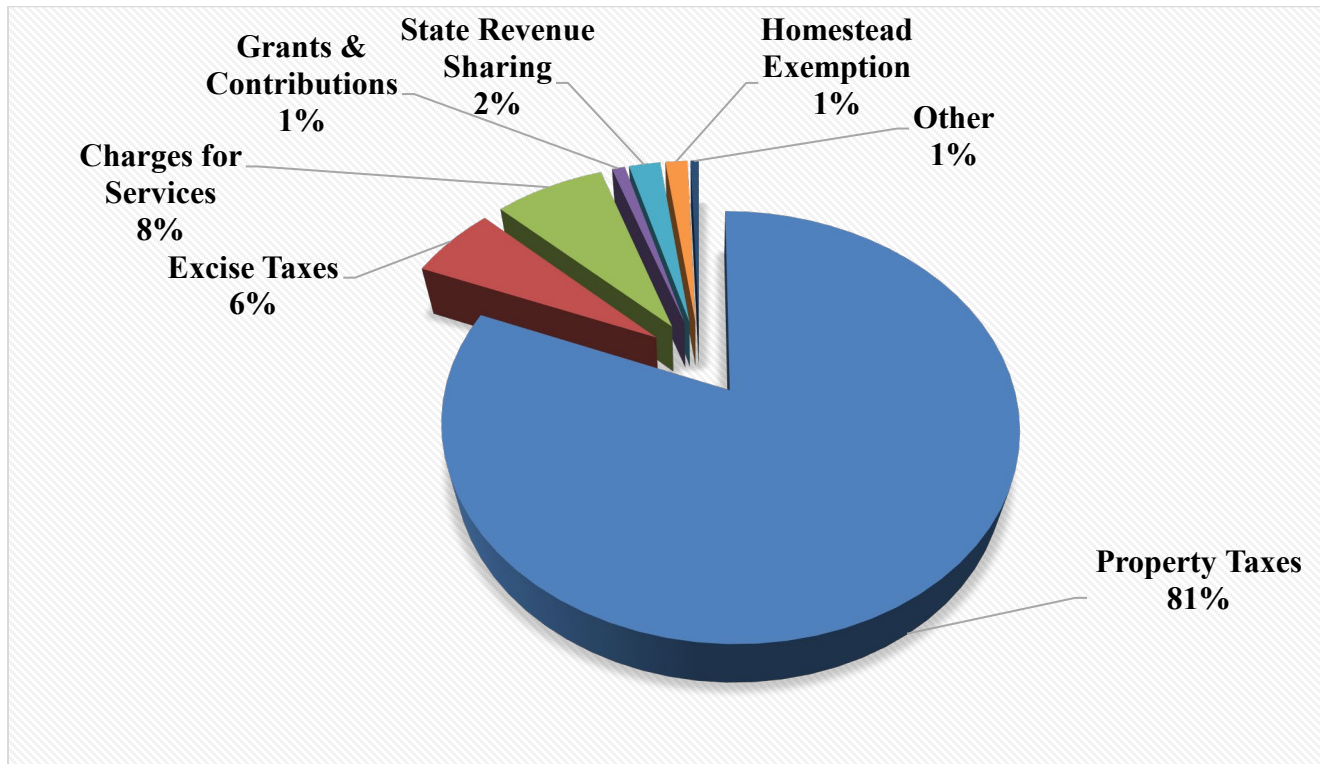
During the current fiscal year, increased property tax revenues and the sale of assets assisted in offsetting the increase in the expenses for education and technology and net position increased \$0.8 million from the prior fiscal year for an ending balance of \$33 million.

Business-type activities

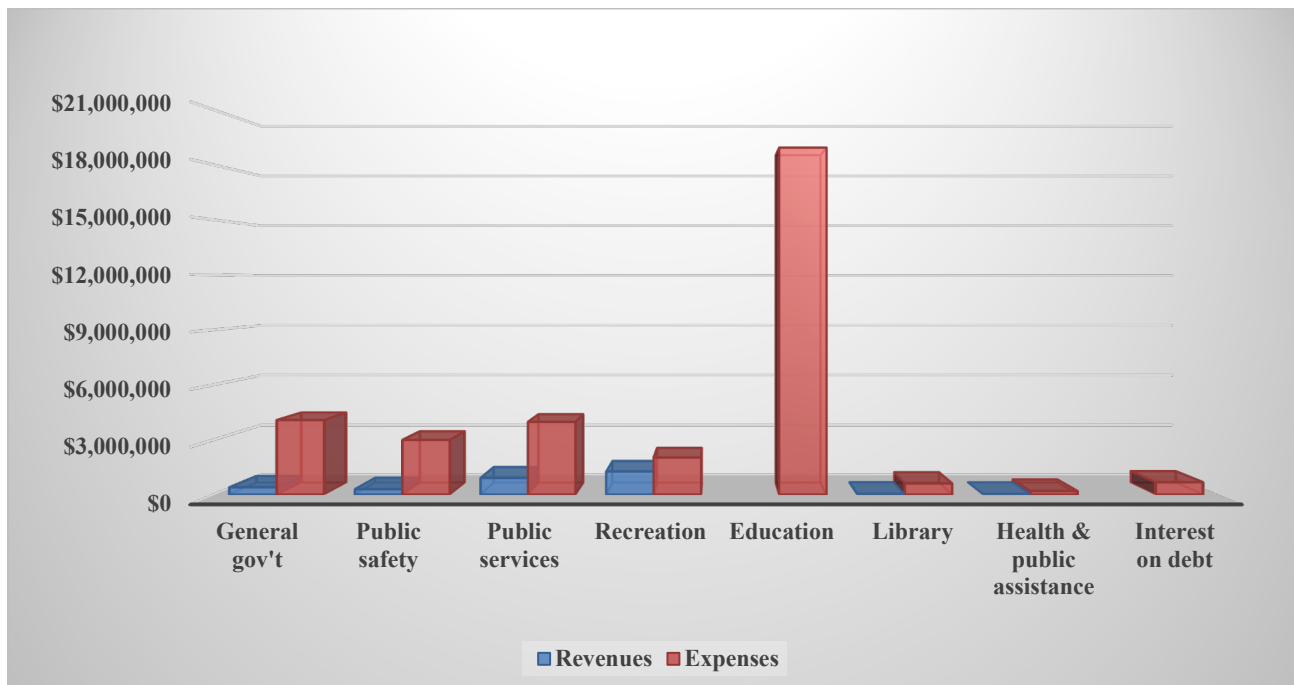
For the Town of Cumberland, Maine's business activities, the results for the current year were a decrease of \$51,836 in the overall net position. The decrease is attributable to expenses exceeding revenue collection for the fiscal year.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2020

Revenue by Source – Governmental Activities
For the Year Ended June 30, 2020

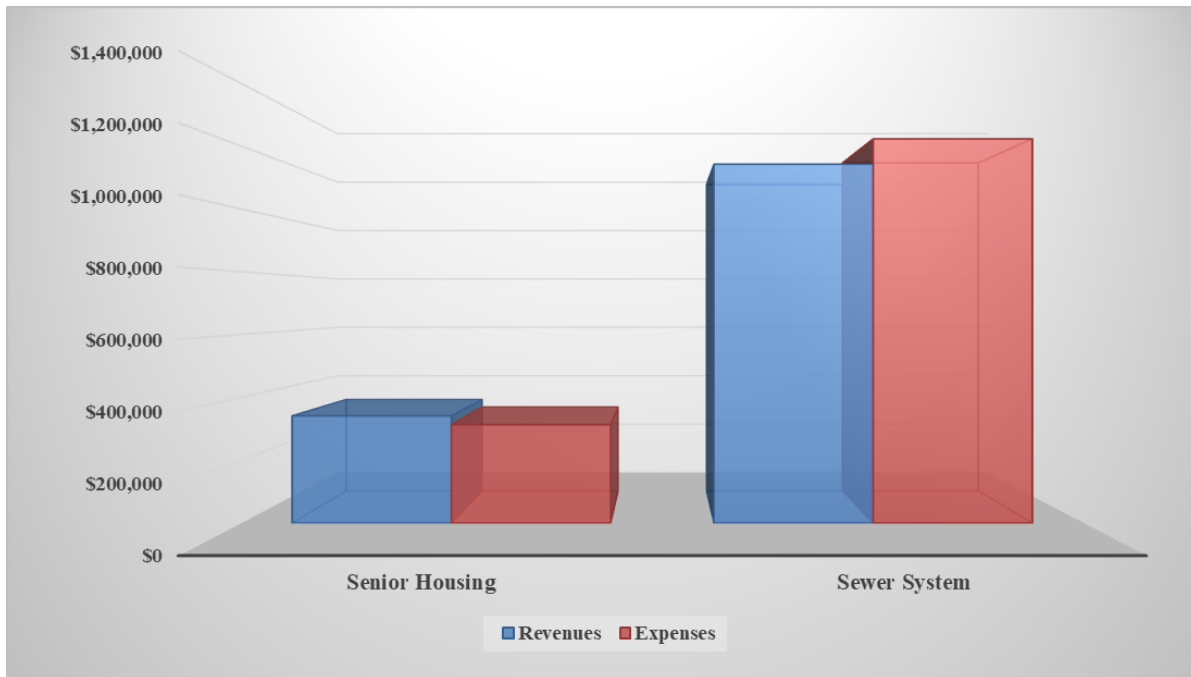


Expenses and Program Revenues – Governmental Activities
For the Year Ended June 30, 2020



TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2020

Revenues by Source – Business-type Activities
For the Year Ended June 30, 2020



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
Fund Balance

	<u>2020</u>	<u>2019</u>
Fund balance:		
Nonspendable	\$ 114,871	\$ 121,095
Restricted	309,028	288,038
Committed	6,786,395	630,383
Assigned	890,544	939,885
Unassigned	1,169,575	976,553
Total fund balance	<u>\$ 9,270,413</u>	<u>\$ 2,955,954</u>

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2020

As of the end of the 2019-20 fiscal year, the Town's governmental funds reported combined ending fund balances of \$9.3 million, an increase of \$6.3 million in comparison with the prior fiscal year.

Major Governmental Funds

The General Fund, Bond 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 \$0.5 million, primarily due to excess budgetary allocations in revenue. Total fund balance is \$3.3 million, of which \$3.1 million is unassigned. Total fund balance represents 10.4 percent of total General Fund operating revenues.

The Bond Fund had an increase of \$5.6 million in fund balance. The increase is due to the issuance of new debt of \$6.3 million.

The TIF Fund had an increase of \$0.1 million in fund balance. This was primarily due to the excess of revenues over expenses.

The Debt Service Fund had a decrease of \$14,324 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 \$44,628. This was mainly due to the sale of capital assets.

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 \$51,836. Net position increased \$28,504 for Senior Housing primarily due to revenue exceeding expenses. Net position for the Sewer System decreased by \$80,340 due to expenses exceeding revenues; depreciation expense is not considered when calculating the fee to charge to customers. 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 2019-20 fiscal year, actual revenues exceeded budgeted amounts by \$0.3 million as taxes, intergovernmental, and other revenues exceeded expectations. Licenses and permits were slightly less than anticipated. The recreation programs was \$0.3 million under budget. This shortfall was due to the department closing services starting March 2020 due to the COVID pandemic. The closing affected the two most popular programs in the recreation department, the After-school Program and Summer Camp. Overall, total revenue collections were 101 percent of budget and 2.7 percent higher than prior year's collection.

Expenditures were \$57,359 under budget. The primary areas that contributed to meeting budget were public safety, public services, recreation, and health and public assistance. Because the pandemic affected the community during this fiscal year, the Town Manager amended changes to purchasing practices that included management review of previously approved budgeted items for purchase. Also because of the "Stay at Home" order issued by the Maine Governor, there were fewer public facilities requiring services/maintenance from the Town, as well as, reduced services by the Recreation program and Val Halla Golf Course.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2020

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, 2020, total \$53.2 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 \$0.7 million or 2.1 percent.

Town of Cumberland, Maine - Capital Assets						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Books & collections	\$ 990,116	\$ 990,116	\$ -	\$ -	\$ 990,116	\$ 990,116
Construction in progress	1,504,823	4,521,652	-	-	1,504,823	4,521,652
Land	7,169,961	6,985,072	-	-	7,169,961	6,985,072
Land improvements	4,044,070	4,044,070	63,170	63,170	4,107,240	4,107,240
Buildings & building improvements	13,104,987	13,099,931	2,183,106	2,183,106	15,288,093	15,283,037
Machinery & equipment	2,636,353	2,541,506	3,006	3,006	2,639,359	2,544,512
Furniture & office equipment	67,798	67,798	-	-	67,798	67,798
Computer equipment	232,018	192,677	-	-	232,018	192,677
Vehicles	4,315,969	4,129,181	-	-	4,315,969	4,129,181
Infrastructure	37,813,774	32,784,703	4,127,597	4,127,597	41,941,371	36,912,300
Total capital assets	71,879,869	69,356,706	6,376,879	6,376,879	78,256,748	75,733,585
Accumulated depreciation	(21,546,587)	(19,843,223)	(3,712,973)	(3,556,968)	(25,259,560)	(23,400,191)
Capital assets, net of depreciation	50,333,282	49,513,483	2,663,906	2,819,911	52,997,188	52,333,394
Associated bonds and notes payable	24,980,189	18,984,353	651,047	825,833	25,631,236	19,810,186
Unspent bond proceeds	(5,602,772)	-	-	-	(5,602,772)	-
Capital assets, net of debt	\$ 30,955,865	\$ 30,529,130	\$ 2,012,859	\$ 1,994,078	\$ 32,968,724	\$ 32,523,208

Construction in progress decreased due to the completion of the Tuttle Road Sidewalk Phase II, Bruce Hill Extension work, and Middle Road. 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, 2020, the Town had long-term debt outstanding of \$25 million, comprised of general obligation bonds and notes payable.

Town of Cumberland, Maine - Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 18,784,967	\$ 12,494,264	\$ 651,047	\$ 825,833	\$ 19,436,014	\$ 13,320,097
Notes payable	6,195,222	6,490,089	-	-	6,195,222	6,490,089
Total	\$ 24,980,189	\$ 18,984,353	\$ 651,047	\$ 825,833	\$ 25,631,236	\$ 19,810,186

The Town's outstanding debt increased by \$6 million, or 29.4 percent, during the 2019-20 fiscal year. The increase was primarily due to the issuance general obligation bonds totaling \$6.3 million. The new debt will be used to fund the purchase of a fire truck and construction of a town garage, sand/salt shed, brush compost facility, and Town Hall renovations. Additional information on the Town's debt may be found in the Notes to the Basic Financial Statements on page 53-55.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2020

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 2020-21 fiscal year is \$20.35, an increase of \$0.50 or 2.5 percent. General Fund revenues are projected to be at \$31.9 million and expenditures are expected to be \$31.7 million. The Town's portion of the tax rate will decrease 5.7 percent or \$0.33 per \$1,000 of property value to maintain a flat budget for fiscal year 2021.

	2020	2021	1 Year Change	
Town	\$ 5.74	\$ 5.41	\$ (0.33)	-5.7%
County	0.65	0.67	0.02	3.1%
MSAD #51	13.46	14.27	0.81	6.0%
Total tax rate	<u>\$ 19.85</u>	<u>\$ 20.35</u>	<u>\$ 0.50</u>	<u>2.5%</u>

The following economic factors currently affect the Town of Cumberland, Maine and were considered and included in developing the 2020-2021 fiscal year budgets:

- Decreases in revenues due to the pandemic in areas such as State Revenue Sharing and Excise tax
- Expenses for which the Town has limited control
- Taxable assessed values
- State budget deliberations

In adopting the budget for the 2021 year, Town officials considered many factors in making judgements and estimates about the finances of the upcoming year knowing that there would be unforeseen financial impacts across the community due to the global pandemic:

- 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).

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BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,402,852	-	10,402,852
Investments	243,040	8,770	251,810
Receivables:			
Accounts	174,092	214,782	388,874
Rescue	21,643	-	21,643
Intergovernmental	148,704	-	148,704
Taxes - current year	237,783	-	237,783
Taxes - prior years	111,318	-	111,318
Prepaid expenses	2,716	9,340	12,056
Inventory	12,914	-	12,914
Internal balances	(337,503)	337,503	-
Capital assets not being depreciated	9,664,900	-	9,664,900
Capital assets being depreciated, net	40,668,382	2,663,906	43,332,288
Total assets	61,350,841	3,234,301	64,585,142
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	436,558	-	436,558
Total deferred outflows of resources	436,558	-	436,558
LIABILITIES			
Accounts payable	1,044,048	4,361	1,048,409
Accrued payroll	203,584	3,724	207,308
Other liabilities	270,455	25,938	296,393
Accrued interest payable	170,229	5,700	175,929
Noncurrent liabilities:			
Due within one year	1,752,910	65,322	1,818,232
Due in more than one year	24,660,321	588,397	25,248,718
Total liabilities	28,101,547	693,442	28,794,989
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	348,128	-	348,128
Total deferred inflows of resources	348,128	-	348,128
NET POSITION			
Net investment in capital assets	30,955,865	2,012,859	32,968,724
Restricted for:			
Police programs	24,423	-	24,423
Town donations	28,017	-	28,017
Fuel assistance	62,221	-	62,221
Expendable permanent funds	194,367	-	194,367
Nonexpendable permanent funds	99,241	-	99,241
Unrestricted	1,973,590	528,000	2,501,590
Total net position	\$ 33,337,724	2,540,859	35,878,583

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Activities
For the year ended June 30, 2020

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 4,067,516	398,101	-	-	(3,669,415)	-	(3,669,415)
Public safety	2,980,552	255,050	38,820	-	(2,686,682)	-	(2,686,682)
Public services	3,966,961	675,008	71,480	163,489	(3,056,984)	-	(3,056,984)
Recreation	2,020,170	1,258,249	-	-	(761,921)	-	(761,921)
Library	610,939	24,223	11,025	-	(575,691)	-	(575,691)
Education	18,937,757	-	-	-	(18,937,757)	-	(18,937,757)
Health and public assistance	192,281	-	25,000	-	(167,281)	-	(167,281)
Interest on debt	676,119	-	-	-	(676,119)	-	(676,119)
Total governmental activities	33,452,295	2,610,631	146,325	163,489	(30,531,850)	-	(30,531,850)
Business-type activities:							
Senior Housing	313,281	341,327	-	-	-	28,046	28,046
Sewer System	1,222,227	1,141,887	-	-	-	(80,340)	(80,340)
Total business-type activities	1,535,508	1,483,214	-	-	-	(52,294)	(52,294)
Total primary government	\$ 34,987,803	4,093,845	146,325	163,489	(30,531,850)	(52,294)	(30,584,144)
General revenues:							
Property taxes, levied for general purposes					\$ 25,455,719	-	25,455,719
TIF district taxes					2,359,331	-	2,359,331
Outer island property taxes					47,027	-	47,027
Payments in lieu of taxes					32,123	-	32,123
Motor vehicle excise taxes					2,057,140	-	2,057,140
Interest and penalties					46,433	-	46,433
Grants and contributions not restricted to specific programs:							
Homestead and BETE exemptions					529,471	-	529,471
State Revenue Sharing					746,067	-	746,067
Unrestricted investment earnings (loss)					106,058	458	106,516
Miscellaneous revenues					45,115	-	45,115
Total general revenues					31,424,484	458	31,424,942
Change in net position					892,634	(51,836)	840,798
Net position - beginning					32,445,090	2,592,695	35,037,785
Net position - ending					\$ 33,337,724	2,540,859	35,878,583

See accompanying notes to basic financial statements.

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

	General	Bond Fund	TIF Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 10,352,284	-	-	-	50,568	10,402,852
Investments	-	-	-	-	243,040	243,040
Receivables:						
Accounts	151,488	-	-	-	22,604	174,092
Rescue	21,643	-	-	-	-	21,643
Intergovernmental	143,451	-	5,253	-	-	148,704
Taxes - prior years	111,318	-	-	-	-	111,318
Taxes - current year	237,783	-	-	-	-	237,783
Prepaid items	2,716	-	-	-	-	2,716
Inventory	12,914	-	-	-	-	12,914
Interfund loans receivable	-	5,781,690	-	697,791	1,342,415	7,821,896
Total assets	\$ 11,033,597	5,781,690	5,253	697,791	1,658,627	19,176,958
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	309,281	178,918	7,318	-	484,985	980,502
Accrued payroll	183,856	-	19,613	-	115	203,584
Escrow liabilities	99,897	-	-	-	-	99,897
Taxes paid in advance	84,897	-	-	-	-	84,897
Unearned revenue	85,661	-	-	-	-	85,661
Interfund loans payable	6,758,811	-	1,351,062	-	113,072	8,222,945
Total liabilities	7,522,403	178,918	1,377,993	-	598,172	9,677,486
Deferred inflows of resources:						
Unavailable revenue - property taxes	229,059	-	-	-	-	229,059
Total deferred inflows of resources	229,059	-	-	-	-	229,059
Fund balances (deficits):						
Nonspendable	15,630	-	-	-	99,241	114,871
Restricted	-	-	-	-	309,028	309,028
Committed	-	5,602,772	-	-	1,183,623	6,786,395
Assigned	192,753	-	-	697,791	-	890,544
Unassigned	3,073,752	-	(1,372,740)	-	(531,437)	1,169,575
Total fund balances (deficits)	3,282,135	5,602,772	(1,372,740)	697,791	1,060,455	9,270,413
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,033,597	5,781,690	5,253	697,791	1,658,627	

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.	50,333,282
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenues in the funds.	229,059
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	(23,575,222)
Unamortized premiums on bonds	(1,404,967)
Accrued interest	(170,229)
Accrued compensated absences	(238,264)
Net pension liability, including related deferred inflows/outflows	(1,022,348)
Landfill post closure care costs	(84,000)
	(26,495,030)

Net position of governmental activities **\$ 33,337,724**

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, 2020

	General	Bond Fund	TIF Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 27,626,892	-	2,359,331	-	-	29,986,223
Licenses, permits and fees	148,276	-	-	-	124,976	273,252
Intergovernmental	1,551,714	-	-	-	125,000	1,676,714
Charges for services	2,047,735	-	-	-	33,020	2,080,755
Investment income (loss)	-	-	-	-	106,058	106,058
Other	175,497	-	2,000	-	79,313	256,810
Total revenues	31,550,114	-	2,361,331	-	468,367	34,379,812
Expenditures:						
Current:						
General government	1,488,370	10,799	821,120	-	21,329	2,341,618
Public safety	2,603,229	-	-	-	19,360	2,622,589
Public services	2,154,883	-	-	-	33,247	2,188,130
Recreation	1,746,399	-	-	-	575	1,746,974
Library	510,580	-	-	-	20,886	531,466
Health and public assistance	165,035	-	-	-	25,798	190,833
Unclassified	293,387	-	-	-	-	293,387
Insurance	247,388	-	-	-	-	247,388
Education	18,937,757	-	-	-	-	18,937,757
County tax	910,761	-	-	-	-	910,761
Capital outlay	276,000	1,448,831	62,164	-	2,343,602	4,130,597
Debt service:						
Principal	707,778	-	582,998	-	-	1,290,776
Interest	424,945	-	272,639	-	-	697,584
Total expenditures	30,466,512	1,459,630	1,738,921	-	2,464,797	36,129,860
Excess (deficiency) of revenues over (under) expenditures	1,083,602	(1,459,630)	622,410	-	(1,996,430)	(1,750,048)
Other financing sources (uses):						
Proceeds from bond issuance	-	6,340,000	-	-	-	6,340,000
Premium on bond issuance	-	728,510	-	-	-	728,510
Proceeds from note issuance	276,000	-	-	-	-	276,000
Sale of assets	-	-	-	-	719,997	719,997
Transfers in	79,324	-	-	65,000	1,766,905	1,911,229
Transfers out	(886,061)	-	(500,000)	(79,324)	(445,844)	(1,911,229)
Total other financing sources (uses)	(530,737)	7,068,510	(500,000)	(14,324)	2,041,058	8,064,507
Net change in fund balances	552,865	5,608,880	122,410	(14,324)	44,628	6,314,459
Fund balances (deficits), beginning of year	2,729,270	(6,108)	(1,495,150)	712,115	1,015,827	2,955,954
Fund balances (deficits), end of year	\$ 3,282,135	5,602,772	(1,372,740)	697,791	1,060,455	9,270,413

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, 2020

Net change in fund balances - total governmental funds (from Statement 4)	\$	6,314,459
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

These are the changes related to capital assets:

Capital outlay	2,787,408	
Depreciation expense	(1,738,498)	
Book value of disposed assets	(229,111)	819,799

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.		(34,883)
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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 liabilities:

Landfill closure costs	6,000	
Accrued interest payable	(36,433)	
Accrued compensated absences	(28,375)	
Net pension liability	24,611	
Deferred inflows and outflows related to the net pension liability	(176,708)	(210,905)

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:

Issuance of note payable	(276,000)	
Issuance of bonds payable	(6,340,000)	
Proceeds from premium on bonds	(728,510)	
Principal payments	1,300,867	
Amortization of bond premium	47,807	(5,995,836)

Change in net position of governmental activities (see Statement 2)	\$	892,634
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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, 2020

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 27,408,647	27,408,647	27,626,892	218,245
Licenses and permits	154,974	154,974	148,276	(6,698)
Intergovernmental	1,362,598	1,362,598	1,551,714	189,116
Charges for services	2,083,960	2,083,960	1,903,222	(180,738)
Other	133,117	133,117	175,497	42,380
Total revenues	31,143,296	31,143,296	31,405,601	262,305
Expenditures:				
Current:				
General government	1,340,186	1,340,186	1,429,081	(88,895)
Public safety	2,630,742	2,630,742	2,603,229	27,513
Public services	2,127,425	2,127,425	2,015,823	111,602
Recreation	1,810,441	1,810,441	1,746,399	64,042
Library	497,303	497,303	510,580	(13,277)
Health and public assistance	139,668	139,668	103,567	36,101
Unclassified	281,047	281,047	293,387	(12,340)
Insurance	238,400	238,400	247,388	(8,988)
Education	18,937,757	18,937,757	18,937,757	-
County tax	910,761	910,761	910,761	-
Capital projects (transfers to reserves)	796,061	796,061	796,061	-
Debt service	1,074,324	1,074,324	1,132,723	(58,399)
Total expenditures	30,784,115	30,784,115	30,726,756	57,359
Excess (deficiency) of revenues over (under) expenditures	359,181	359,181	678,845	319,664
Other financing sources (uses):				
Transfers in	79,324	79,324	79,324	-
Transfers to General Fund reserves	-	-	(75,000)	(75,000)
Transfers out	-	-	(90,000)	(90,000)
Total other financing sources (uses)	79,324	79,324	(85,676)	(165,000)
Net change in fund balance	438,505	438,505	593,169	154,664
Fund balance, beginning of year - budgetary basis			2,483,299	
Fund balance, end of year - budgetary basis	\$		3,076,468	
Reconciliation to GAAP:				
Change in reserves			(40,304)	
Fund balance, beginning of year - GAAP basis			2,729,270	
Fund balance, end of year - GAAP basis	\$		3,282,135	

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2020

Business-type Activities - Enterprise Funds			
	Senior Housing Fund	Sewer System	Totals
ASSETS			
Current assets:			
Investments	\$ 8,770	-	8,770
Accounts receivable	-	214,782	214,782
Prepaid expenses	9,340	-	9,340
Interfund loans receivable	89,589	247,914	337,503
Total current assets	107,699	462,696	570,395
Noncurrent assets:			
Property, plant, and equipment	2,238,614	4,138,265	6,376,879
Less accumulated depreciation	(1,426,340)	(2,286,633)	(3,712,973)
Total noncurrent assets	812,274	1,851,632	2,663,906
Total assets	919,973	2,314,328	3,234,301
LIABILITIES			
Current liabilities:			
Accounts payable	4,361	-	4,361
Accrued payroll	2,968	756	3,724
Accrued interest payable	5,700	-	5,700
Security deposit	25,938	-	25,938
Accrued compensated absences, current	891	-	891
Bonds and premiums, current	64,431	-	64,431
Total current liabilities	104,289	756	105,045
Noncurrent liabilities:			
Accrued compensated absences	1,781	-	1,781
Bonds and premiums payable	586,616	-	586,616
Total noncurrent liabilities	588,397	-	588,397
Total liabilities	692,686	756	693,442
NET POSITION			
Net investment in capital assets	161,227	1,851,632	2,012,859
Unrestricted	66,060	461,940	528,000
Total net position	\$ 227,287	2,313,572	2,540,859

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, 2020

Business-type Activities - Enterprise Funds			
	Senior Housing Fund	Sewer System	Totals
Operating revenues:			
Rental income	\$ 341,327	-	341,327
Charges for services	-	1,087,387	1,087,387
Sewer connection permits	-	51,000	51,000
Other	-	3,500	3,500
Total operating revenues	341,327	1,141,887	1,483,214
Operating expenses:			
Wages and benefits	107,281	10,120	117,401
Utilities	23,643	-	23,643
Maintenance	25,890	-	25,890
Contracted services	39,530	46	39,576
Tools and equipment	-	48,589	48,589
Wastewater assessment	-	935,328	935,328
Other assessments	-	142,853	142,853
General costs	9,373	2,249	11,622
Capital outlay	18,065	-	18,065
Depreciation	72,963	83,042	156,005
Total operating expenses	296,745	1,222,227	1,518,972
Operating income (loss)	44,582	(80,340)	(35,758)
Nonoperating income (expense):			
Investment income (loss)	458	-	458
Interest expense	(16,536)	-	(16,536)
Total nonoperating income (expense)	(16,078)	-	(16,078)
Change in net position	28,504	(80,340)	(51,836)
Total net position, beginning of year	198,783	2,393,912	2,592,695
Total net position, end of year	\$ 227,287	2,313,572	2,540,859

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2020

Business-type Activities - Enterprise Funds			
	Senior Housing Fund	Sewer System	Totals
Cash flows from operating activities:			
Receipts from customers and users	\$ 422,305	1,174,830	1,597,135
Payments to suppliers	(123,755)	(1,165,155)	(1,288,910)
Payments to employees	(106,373)	(9,675)	(116,048)
Net cash provided by (used in) operating activities	192,177	-	192,177
Cash flows from capital and related financing activities:			
Bond principal payments	(165,001)	-	(165,001)
Interest paid	(27,176)	-	(27,176)
Net cash provided by (used in) capital and related financing activities	(192,177)	-	(192,177)
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)	\$ 44,582	(80,340)	(35,758)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	72,963	83,042	156,005
(Increase) decrease in accounts receivable	-	(25,104)	(25,104)
(Increase) decrease in interfund loans receivable	81,365	58,047	139,412
(Increase) decrease in prepaid expenses	(9,340)	-	(9,340)
Increase (decrease) in accounts payable	2,086	(36,090)	(34,004)
Increase (decrease) in accrued payroll	993	445	1,438
Increase (decrease) in accrued compensated absences	(85)	-	(85)
Increase (decrease) in security deposit	(387)	-	(387)
Net cash provided by (used in) operating activities	192,177	-	192,177

See accompanying notes to basic financial statements.

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

	Private-purpose Trust Fund (Scholarships)	Agency Fund (Food Pantry Component Unit)
ASSETS		
Cash and cash equivalents	\$ -	127,052
Investments	158,665	-
Due from general fund	4,263	59,746
Total assets	162,928	186,798
LIABILITIES		
Accounts payable	3,825	1,197
Due to general fund	463	-
Due to others	-	185,601
Total liabilities	4,288	186,798
NET POSITION		
Held in trust	\$ 158,640	-

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, 2020

	Private-purpose Trust Fund (Scholarships)
Additions:	
Donations	\$ 397
Investment income (loss)	8,307
Total additions	8,704
Deductions:	
Scholarships awarded	3,800
Total deductions	3,800
Change in net position	4,904
Net position, beginning of year	153,736
Net position, end of year	\$ 158,640

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. In addition, the Town has the ability to significantly affect the activities and level of services provided by the food pantry. There are no separately issued financial statements for this component unit and it is reported as an agency 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.

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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

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

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

The Town reports the following major governmental funds:

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

The Bond Fund is a capital projects fund that accounts for the bond proceeds and other related revenues, as well as related capital expenditures for various Town projects.

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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Additionally, the Town reports the following fiduciary fund types:

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

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Town's agency fund accounts for the Cumberland Food Pantry.

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 - 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.

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."

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$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
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

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 and deferred inflows of resources, represent a consumption or acquisition of net position 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 only report a deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have 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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

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 and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town's net investment in capital assets was calculated as follows at June 30, 2020:

	Governmental <u>activities</u>	Business-type <u>activities</u>
Capital assets	\$ 71,879,869	6,376,879
Accumulated depreciation	(21,546,587)	(3,712,973)
Unamortized premium on bonds	(1,404,967)	(600,000)
Bonds payable	(17,380,000)	(51,047)
Notes from direct borrowings	(6,195,222)	-
Unspent bond proceeds	5,602,772	-
Net investment in capital assets	\$ 30,955,865	2,012,859

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

Budgets are adopted for the General Fund only and are adopted on a basis consistent with generally accepted accounting principles (GAAP) 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.

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. Encumbrance accounting is not employed by the Town.

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, 2020, the following General Fund expenditures exceeded appropriations in the following departments:

Administration	\$ 35,394	Val Halla Golf Course	4,162
Assessor	4,222	Prince Memorial Library	13,277
Town clerk	4,638	General assistance	32,116
Technology	48,296	Fire hydrant charges	3,088
Legal services	11,428	Abatements	35,917
Harbor master	2,454	Insurance	8,988
Animal control	5,548	Interest	36,120
Waste disposal	12,762	TAN interest	22,279

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

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

C. Deficit Fund Balances

At June 30, 2020, the following funds had deficit fund balances:

TIF Fund	\$ 1,372,740
Nonmajor special revenue funds:	
Fire grant fund	3,650
Nonmajor capital project funds:	
Road Improvements	452,234
Solar power field	33,247
Street light upgrades	42,306

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, 2020, the Town reported deposits of \$ 10,529,904 with a bank balance of \$10,528,173. Of the Town's bank balances of \$10,528,173, 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.

Deposits have been reported as follows:

Reported in governmental funds	\$ 10,402,852
Reported in fiduciary funds	127,052
Total deposits	\$ 10,529,904

B. Investments

At June 30, 2020, the Town had the following investments and maturities:

	Fair value	Less than 1 year	1-5 years	More than 5 years
U. S. Government securities	\$ 45,175	-	45,175	-
U. S. Treasury notes	337,758	-	259,552	78,206
Money markets	27,542	N/A	N/A	N/A
Total investments	\$ 410,475	-	304,727	78,206

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

DEPOSITS AND INVESTMENTS, CONTINUED

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, 2020:

- 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.

Investments have been reported as follows:

Reported in governmental funds	\$ 243,040
Reported in proprietary funds	8,770
Reported in fiduciary funds	158,665
Total investments	\$ 410,475

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 Home Loan Mortgage Corp. (Freddie Mac) and Federal National Mortgage Association (Fannie Mae) bonds with fair values of \$45,175 and are rated AA+ by Standard & Poor's.

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 5, 2019 on the assessed values of real property as of April 1, 2019. This assessed value of \$1,397,026,600 was 100% of the estimated market value and 99% of the 2020 state valuation of \$1,406,550,000.

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 \$337,329 for the year ended June 30, 2020.

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, 2020 and 2019 levies:

	<u>2020</u>	<u>2019</u>
Valuation:		
Land	\$ 557,258,600	552,737,600
Buildings	825,364,000	790,629,700
Personal property	14,404,000	14,364,300
Total assessed valuation	<u>1,397,026,600</u>	<u>1,357,731,600</u>
Assessed value	1,397,026,600	1,357,731,600
Tax rate (per \$1,000)	19.85	19.70
Commitment	27,730,978	26,747,313
Less: collections and abatements	27,493,195	26,604,399
Receivable at June 30	<u>\$ 237,783</u>	<u>142,914</u>
Due date(s)	9/16/2019	9/17/2018
	3/16/2020	3/15/2019
Interest rate charged on delinquent taxes	8.00%	8.00%
Collection rate	99.14%	99.47%

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, 2020 and 2019, Chebeague Island has paid \$47,027 and \$44,041, respectively.

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

CAPITAL ASSETS

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

	Balance July 1, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2020</u>
Governmental activities:				
Capital assets, not being depreciated:				
Books and collections	\$ 990,116	-	-	990,116
Construction in progress	4,521,652	2,016,295	5,033,124	1,504,823
Land	6,985,072	414,000	229,111	7,169,961
<u>Total capital assets, not being depreciated</u>	<u>12,496,840</u>	<u>2,430,295</u>	<u>5,262,235</u>	<u>9,664,900</u>
Capital assets, being depreciated:				
Land improvements	4,044,070	-	-	4,044,070
Buildings and building improvements	13,099,931	5,056	-	13,104,987
Machinery and equipment	2,541,506	94,847	-	2,636,353
Furniture and office equipment	67,798	-	-	67,798
Computer equipment	192,677	39,341	-	232,018
Vehicles	4,129,181	221,922	35,134	4,315,969
Infrastructure	32,784,703	5,029,071	-	37,813,774
<u>Total capital assets being depreciated</u>	<u>56,859,866</u>	<u>5,390,237</u>	<u>35,134</u>	<u>62,214,969</u>
Less accumulated depreciation for:				
Land improvements	2,616,253	148,283	-	2,764,536
Buildings and building improvements	4,584,177	352,788	-	4,936,965
Machinery and equipment	1,715,459	159,010	-	1,874,469
Furniture and office equipment	64,722	1,119	-	65,841
Computer equipment	141,852	22,930	-	164,782
Vehicles	2,769,915	343,823	35,134	3,078,604
Infrastructure	7,950,845	710,545	-	8,661,390
<u>Total accumulated depreciation</u>	<u>19,843,223</u>	<u>1,738,498</u>	<u>35,134</u>	<u>21,546,587</u>
<u>Total capital assets being depreciated, net</u>	<u>37,016,643</u>	<u>3,651,739</u>	<u>-</u>	<u>40,668,382</u>
<u>Governmental activities capital assets, net</u>	<u>\$ 49,513,483</u>	<u>6,082,034</u>	<u>(5,262,235)</u>	<u>50,333,282</u>

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

Governmental activities:	
General government	\$ 93,890
Public safety	357,963
Public services, including depreciation of general infrastructure assets	972,639
Health and public assistance	1,448
Recreation	233,085
Library	79,473
<u>Total depreciation expense – governmental activities</u>	<u>\$ 1,738,498</u>

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

CAPITAL ASSETS, CONTINUED

	Balance July 1, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2020</u>
Business-type activities:				
Capital assets, being depreciated:				
Land improvements	\$ 63,170	-	-	63,170
Buildings and building improvements	2,183,106	-	-	2,183,106
Machinery and equipment	3,006	-	-	3,006
Infrastructure, sewer	4,127,597	-	-	4,127,597
<u>Total capital assets being depreciated</u>	<u>6,376,879</u>	<u>-</u>	<u>-</u>	<u>6,376,879</u>
Less accumulated depreciation for:				
Land improvements	49,319	3,158	-	52,477
Buildings and building improvements	1,307,122	70,188	-	1,377,310
Machinery and equipment	2,901	106	-	3,007
Infrastructure, sewer	2,197,626	82,553	-	2,280,179
<u>Total accumulated depreciation</u>	<u>3,556,968</u>	<u>156,005</u>	<u>-</u>	<u>3,712,973</u>
<u>Total capital assets being depreciated, net</u>	<u>2,819,911</u>	<u>(156,005)</u>	<u>-</u>	<u>2,663,906</u>
 <u>Business-type activities capital assets, net</u>	 <u>\$ 2,819,911</u>	 <u>(156,005)</u>	 <u>-</u>	 <u>2,663,906</u>

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

Business-type activities:	
Senior Housing	\$ 72,963
Sewer System	83,042
 <u>Total depreciation expense – business-type activities</u>	 <u>\$ 156,005</u>

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.

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

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, CONTINUED

Individual interfund loan receivables, payables, and transfers at the year ended June 30, 2020 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	\$ -	6,758,811	79,324	886,061
Bond Fund	5,781,690	-	-	-
TIF Fund	-	1,351,062	-	500,000
Debt Service Fund	697,791	-	65,000	79,324
Other Governmental Funds:				
Special Revenue	172,414	3,650	-	-
Capital Projects	1,169,986	109,422	1,766,905	445,844
Permanent	15	-	-	-
Total Other Governmental Funds	1,342,415	113,072	1,766,905	445,844
Proprietary Funds:				
Senior Housing	89,589	-	-	-
Sewer System	247,914	-	-	-
Total Proprietary Funds	337,503	-	-	-
Fiduciary Funds:				
Private-purpose Trusts	4,263	463	-	-
Agency	59,746	-	-	-
Total Fiduciary Funds	64,009	463	-	-
Totals	\$ 8,223,408	8,223,408	1,911,229	1,911,229

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020 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	\$ 11,770,000	6,340,000	730,000	17,380,000	900,000
Unamortized bond premium	724,264	728,510	47,807	1,404,967	81,198
Total bonds payable	12,494,264	7,068,510	777,807	18,784,967	981,198
Notes from direct borrowings	6,490,089	276,000	570,867	6,195,222	686,291
Accrued compensated absences	209,889	238,264	209,889	238,264	79,421
Net pension liability	1,135,389	-	24,611	1,110,778	-
Landfill post closure care costs	90,000	-	6,000	84,000	6,000
Total governmental activity					
long-term liabilities	\$ 20,419,631	7,582,774	1,589,174	26,413,231	1,752,910

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	\$ 765,001	-	165,001	600,000	60,000
Unamortized bond premium	60,832	-	9,785	51,047	4,431
Total bonds payable	825,833	-	174,786	651,047	64,431
Accrued compensated absences	2,757	2,672	2,757	2,672	891
Total business-type activity long-term liabilities	828,590	2,672	177,543	653,719	65,322
Total long-term governmental and business-type activities	\$ 21,248,221	7,585,446	1,766,717	27,066,950	1,818,232

LONG-TERM DEBT

Bonds and Notes Payable

Bonds payable at June 30, 2020 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%	6,340,000
2015 improvements and refunding bonds	5,730,000	1/14/15	6/30/2034	2.00-4.00%	4,470,000
2017 improvements	7,300,000	1/18/17	4/1/2038	2.50-3.50%	6,570,000
Total governmental activities bonds payable					17,380,000
Notes from direct borrowings:					
Economic development	\$ 4,100,000	5/27/10	11/1/2029	3.36-5.75%	2,318,395
Infrastructure/Val Halla	2,775,802	5/15/08	11/1/2027	2.00-5.50%	1,095,802
Infrastructure improvements	4,000,000	5/28/09	11/1/2029	2.08-5.58%	2,429,343
Rines property note	276,000	11/19/19	10/1/2021	5.00%	276,000
Paynter property note	90,000	5/11/18	12/1/2027	5.00%	75,682
Total governmental activities notes payable					6,195,222
Business-type activity debt:					
Senior Housing roofing/refunding	740,000	1/14/15	6/30/2034	2.00-4.00%	600,000
Total business-type activity debt					600,000
Total bonds and notes payable					\$ 24,175,222

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

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:

	<u>Governmental activities</u>		<u>Notes from</u>	
	<u>Bonds payable</u>		<u>direct borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 900,000	590,463	686,291	221,441
2022	1,260,000	565,287	702,831	180,143
2023	1,305,000	522,613	582,670	150,122
2024	1,115,000	472,537	597,287	135,809
2025	1,070,000	431,887	612,567	104,874
2026-2030	4,685,000	1,560,335	3,013,576	205,827
2031-2035	4,300,000	734,749	-	-
2036-2040	2,745,000	185,140	-	-
Totals	\$ 17,380,000	5,063,011	6,195,222	998,216

	<u>Business-type activities</u>	
	<u>Bonds payable</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 60,000	22,800
2022	60,000	21,000
2023	40,000	19,200
2024	40,000	17,600
2025	40,000	16,000
2026-2030	200,000	56,000
2031-2034	160,000	16,000
Totals	\$ 600,000	168,600

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, 2020, the Town's outstanding debt did not exceed these limits. As of June 30, 2020, the total outstanding bonds and notes payable for the Town are 2.3% of the state valuation of \$1,406,550,000.

SHORT-TERM DEBT

The Town issued a tax anticipation note in 2020, which had a maturity date of March 31, 2020 and an interest rate of 2.14%. The Town drew down less than the \$2,000,000 authorized and paid the balance off prior to the maturity date. Tax anticipation note activity for the year ended June 30, 2020 was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>
	<u>balance</u>			<u>balance</u>
<u>Tax anticipation notes</u>	\$ -	2,000,000	2,000,000	-

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

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, 2020, \$1,396,479 of defeased bonds remain outstanding.

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, 2020, the outstanding principal balance of the revenue bonds was \$1,915,607.

OVERLAPPING DEBT AND OTHER CONTINGENCIES

Overlapping Debt

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's State valuation to the County's State valuation. For the year ended June 30, 2020, the Town's State valuation of \$1,406,550,000 was 2.79% of the County's State valuation of \$50,417,650,000. The Town's share is 2.79% or \$988,285 of Cumberland County's \$35,425,000 long-term debt outstanding at June 30, 2020.

The Town's proportionate share of Maine School Administrative District #51 debt of \$23,815,019 is \$16,632,926 (69.84%). This debt service is included in the annual assessments to the Town.

Contingencies

Portland Water District - The Town is also served by the Portland Water District. At June 30, 2020, the Town's share of self-supporting bonded water debt is 4.13% or \$2,302,910 of total debt of \$55,760,544. In addition, the Town's share of direct wastewater debt is 0.12% or \$43,750 of total debt of \$35,911,417.

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.

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

JOINTLY GOVERNED ORGANIZATION, CONTINUED

The Town has no explicit, measurable equity interest and therefore has not reported an asset in these financial statements in connection with its participation in ecomaine. Selected balance sheet information for ecomaine for the year ended June 30, 2020, includes total assets of \$62,419,588, total liabilities of \$18,431,792 and unrestricted net position of \$12,251,849. The liabilities include an accrual for landfill closure and postclosure care amounting to \$15,346,550. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Rd., Portland, Maine 04102.

LEASES

The Town has one lease purchase agreement for a Town-owned building with Bateman Partners, LLC. The terms of the lease are an acquisition fee of \$480,000 in the year of signing the lease, then \$1 annually for 99 years, expiring in 2110. The Town's investment in property held for lease for the year ended June 30, 2020 was \$1,810,383, with accumulated depreciation of \$1,010,799.

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 \$84,000, 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, 2020:

Post-closure costs

Annual monitoring: \$6,000 per year for 14 years	\$ 84,000
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Total post-closure costs	\$ 84,000
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COMMITMENTS

As of June 30, 2020, the Town had ongoing commitments for the construction of a sand and salt shed. The contract had a remaining balance of approximately \$295,045. In addition, the Town had some minor projects for which the contracts will be completed in the next fiscal year.

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

NET PENSION LIABILITY

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 8.0% for the 2C plan and 9.5% for the 3C plan of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2020, were 10.6% for the 2C plan and 12.8% for the 3C plan of annual payroll, 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 were \$248,785 for the year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Town reported a liability of \$1,110,778. for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the Town's proportion was 0.3634%.

For the year ended June 30, 2020, the Town recognized pension expense of \$400,882.

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

NET PENSION LIABILITY, CONTINUED

At June 30, 2020, 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	\$ 131,520	-
Changes of assumptions	56,253	-
Net difference between projected and actual earnings on pension plan investments	-	278,222
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	69,906
Town contributions subsequent to the measurement date	248,785	-
Total	\$ 436,558	348,128

\$248,785 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2021	\$ 55,707
2022	(158,594)
2023	(57,292)
2024	(176)

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

Inflation	2.75%
Salary Increases	2.75% to 9.00% per year
Investment return	6.75% per annum, compounded annually
Cost of living benefit increases	1.91% per annum

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table.

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

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

NET PENSION LIABILITY, CONTINUED

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

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

Discount Rate - The discount rate used to measure the total pension liability was 6.75%. 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 to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Town's proportionate share of the net pension liability	\$2,530,281	1,110,778	(217,031)

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

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

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 \$90,919 and \$80,986 for the years ended June 30, 2020 and 2019, 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.

FUND BALANCE

The General Fund unassigned fund balance total of \$3,073,752 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 \$1,372,740, and in the other governmental funds of \$531,437, for a total unassigned fund balance of \$1,169,575 (see statement 3).

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

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General fund				
Prepaid expenditures	\$ 2,716	-	-	-
Inventory	12,914	-	-	-
Circuit breaker program	-	-	-	63,634
HR reserve	-	-	-	74,195
Fuel reserve	-	-	-	54,924*
Bond fund				
Capital projects	-	-	5,602,772	-
Debt service fund				
Future debt service	-	-	-	697,791
Other governmental funds:				
Permanent fund principal	99,241	-	-	-
Permanent fund earnings	-	194,367	-	-
Donations	-	28,017	-	-
Fuel assistance program	-	62,221	-	-
Police programs	-	24,423	-	-
Twin brooks recreation area	-	-	3,674	-
Library programs	-	-	52,471	-
Capital projects	-	-	1,127,478	-
Totals	\$ 114,871	309,028	6,786,395	890,544

*Inventory related to the fuel reserve is shown in nonspendable fund balance.

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

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 eight Credit Enhancement Agreements (CEAs) with individual organizations as permitted within its seven TIF districts, as follows:

Organization	TIF District	Agreement Expires	Maximum	Taxes Abated
BFTE Properties LLC Norton Financial Services	1	6/30/2026	500,000	22,463
BBW Real Estate LLC Seafax	2	6/30/2026	500,000	31,168
LGC North America Maine Standards	3	6/30/2033	500,000	41,097
Hardy Street LLC	3	6/30/2033	500,000	22,290
FMC Development LLC Memory Care	1	6/30/2027	500,000	19,199
Casco Systems	5	6/30/2036	500,000	27,459
Integrative Health	3	3/25/2038	500,000	8,008
The Belted Cow	3	3/25/2038	500,000	1,159

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, 2020, the Town remitted a total of \$172,843 in Credit Enhancement payments.

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

TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS

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

	Original Assessment Value	Captured Assessed Value	Total Taxes	Taxes Abated
<u>TIF District (capital projects funds)</u>				
Route One North District 1	\$ 355,000	41,822,900	830,185	41,662
Route One South District 2	339,400	10,876,800	215,904	31,168
Route One South District 3	3,717,000	29,865,500	592,830	72,554
Route 100 District 4	2,866,400	11,614,800	230,554	-
Route 100 District 5	5,867,800	7,850,300	155,828	27,459
Summit Natural Gas District 6	-	7,617,900	151,215	-
Summit Natural Gas District 7	108,000	6,709,500	133,183	-
Tuttle Road TIF District 8	583,900	1,225,200	24,320	-
Taxable Personal Property in TIF Districts:				
Route One North District 1	-	734,300	14,576	-
Route One South District 2	-	255,300	5,069	-
Route One South District 3	13,800	280,200	5,562	-
Route 100 District 5	224,000	5,300	105	-
Total	\$ 14,075,300	118,858,000	2,359,331	172,843

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, 2020. 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, 2020, there were no unpaid claims.

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

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.

TOWN OF CUMBERLAND, MAINE
Required Supplementary Information

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

		Last 10 Fiscal Years*					
		<u>2020**</u>	<u>2019**</u>	<u>2018**</u>	<u>2017**</u>	<u>2016**</u>	<u>2015**</u>
Town's proportion of the net pension liability		0.3634%	0.4149%	0.3814%	0.3555%	0.3399%	0.3108%
Town's proportionate share of the net pension liability	\$	1,110,778	1,135,389	1,561,679	1,888,928	1,084,542	478,298
Town's covered payroll		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		54.64%	55.46%	80.22%	107.56%	68.18%	34.81%
Plan fiduciary net position as a percentage of the total pension liability		90.62%	91.14%	86.43%	81.60%	88.27%	94.10%

** This schedule is intended to show information for ten years, but only six 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$	248,785	230,331	222,689	194,047	175,653	140,342
Contributions in relation to the contractually required contributions		(248,785)	(230,331)	(222,689)	(194,047)	(175,653)	(140,342)
Contributions deficiency (excess)	\$	-	-	-	-	-	-
Town's covered payroll	\$	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		11.34%	11.33%	10.88%	9.97%	10.00%	8.82%

** This schedule is intended to show information for ten years, but only six 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>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate	6.750%	6.875%	7.125%	7.250%
Inflation rate	2.75%	2.75%	3.50%	N/A
Salary increases	2.75%-9.00%	2.75% - 9.00%	3.50% - 9.50%	N/A
Cost of living increases	1.91%	2.20%	2.55%	3.12%

Mortality rates:

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

In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant 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.

TOWN OF CUMBERLAND, MAINE
General Fund
Comparative Balance Sheets
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 10,352,284	3,858,584
Receivables:		
Accounts	151,488	86,480
Rescue	21,643	27,093
Intergovernmental	143,451	144,283
Taxes - prior years	111,318	136,612
Taxes - current year	237,783	142,914
Prepaid items	2,716	3,653
Inventory	12,914	18,201
Total assets	\$ 11,033,597	4,417,820
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable	309,281	233,223
Accrued payroll	183,856	162,133
Escrow liabilities	99,897	130,865
Taxes paid in advance	84,897	44,189
Unearned revenues	85,661	-
Interfund loans payable	6,758,811	854,198
Total liabilities	7,522,403	1,424,608
Deferred inflows of resources:		
Unavailable revenue - property taxes	229,059	263,942
Total deferred inflows of resources	229,059	263,942
Fund balance:		
Nonspendable	15,630	21,854
Assigned	192,753	227,770
Unassigned	3,073,752	2,479,646
Total fund balance	3,282,135	2,729,270
Total liabilities, deferred inflows of resources, and fund balance	\$ 11,033,597	4,417,820

TOWN OF CUMBERLAND, MAINE
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2020

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

	2020		Variance	2019
	Final	Actual	positive	Actual
	Budget		(negative)	
Revenues:				
Taxes:				
Property taxes	\$ 25,371,647	25,416,779	45,132	24,521,616
Supplemental taxes	-	38,940	38,940	-
Change in unavailable taxes	-	34,883	34,883	(21,912)
Outer island property taxes	42,000	47,027	5,027	44,041
Payments in lieu of taxes	31,000	32,123	1,123	31,918
Excise taxes	1,964,000	2,057,140	93,140	2,162,878
Total taxes	27,408,647	27,626,892	218,245	26,738,541
Licenses and permits:				
Town clerk licenses and fees	15,296	10,711	(4,585)	18,189
Snowmobile and boat registrations	1,098	755	(343)	904
Automobile registrations	21,406	25,319	3,913	21,763
Building permits	75,000	75,553	553	74,055
Electrical permits	21,634	19,894	(1,740)	22,441
Plumbing permits	18,789	15,458	(3,331)	15,056
Other permits	1,751	586	(1,165)	976
Total licenses and permits	154,974	148,276	(6,698)	153,384
Intergovernmental:				
State Revenue Sharing	603,207	746,067	142,860	468,849
Homestead and BETE reimbursements	524,320	529,471	5,151	490,171
D.O.T. block grant	68,000	71,480	3,480	68,644
Municipal shared services	165,876	165,876	-	178,992
Other state aid	1,195	38,820	37,625	1,195
Total intergovernmental	1,362,598	1,551,714	189,116	1,207,851
Charges for services:				
Recreation programs	918,116	640,263	(277,853)	1,040,273
Val Halla golf programs	616,021	617,986	1,965	617,302
Police permits and services	29,739	41,975	12,236	90,334
Fire services	18,700	16,452	(2,248)	18,120
Ambulance and medical services	172,000	178,855	6,855	180,581
Public services revenue	30,592	31,610	1,018	32,584
Waste disposal	294,292	371,909	77,617	324,786
Library income	4,500	4,172	(328)	4,421
Total charges for services	2,083,960	1,903,222	(180,738)	2,308,401

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

	2020		Variance positive (negative)	2019 Actual
	Final Budget	Actual		
Revenues, continued:				
Other:				
Growth permits and fees	\$ 76,117	83,949	7,832	92,990
Interest and lien costs	30,000	46,433	16,433	31,902
Miscellaneous	27,000	45,115	18,115	47,904
Total other	133,117	175,497	42,380	172,796
Total revenues	31,143,296	31,405,601	262,305	30,580,973
Expenditures:				
Current:				
General government:				
Administration	621,818	657,212	(35,394)	628,525
Assessor	102,534	106,756	(4,222)	109,158
Town clerk	265,989	270,627	(4,638)	246,663
Technology	212,517	260,813	(48,296)	210,955
Elections	16,026	13,732	2,294	10,828
Planning	73,802	61,013	12,789	63,159
Legal services	47,500	58,928	(11,428)	63,449
Total general government	1,340,186	1,429,081	(88,895)	1,332,737
Public safety:				
Police	1,412,547	1,405,780	6,767	1,367,289
Fire	1,032,323	1,006,084	26,239	962,014
Code enforcement	140,997	138,488	2,509	142,020
Harbor master	12,000	14,454	(2,454)	5,746
Animal control	32,875	38,423	(5,548)	30,711
Total public safety	2,630,742	2,603,229	27,513	2,507,780
Public services:				
Public works	1,236,087	1,128,256	107,831	1,129,455
Waste disposal	565,635	578,397	(12,762)	524,667
Parks	311,112	298,869	12,243	313,321
West Cumberland Hall and Historical Society building	14,591	10,301	4,290	13,603
Total public services	2,127,425	2,015,823	111,602	1,981,046

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

	2020		Variance positive (negative)	2019 Actual
	Final Budget	Actual		
Expenditures, continued:				
Current, continued:				
Recreation:				
Val Halla golf course	\$ 761,933	766,095	(4,162)	789,872
Recreation programs	1,048,508	980,304	68,204	1,088,125
Total recreation	1,810,441	1,746,399	64,042	1,877,997
Prince Memorial Library	497,303	510,580	(13,277)	491,453
Health and public assistance:				
Senior services	86,793	18,799	67,994	24,794
Health services	17,875	17,652	223	13,875
General assistance	35,000	67,116	(32,116)	31,100
Total health and public assistance	139,668	103,567	36,101	69,769
Unclassified:				
Conservation Commission	13,000	3,144	9,856	6,212
Cemetery Association	26,700	26,700	-	28,450
Fire hydrant charges	78,924	82,012	(3,088)	80,355
Street lighting	45,000	40,911	4,089	37,248
Contingencies	10,000	8,803	1,197	9,340
Municipal building maintenance	104,523	93,000	11,523	102,248
Abatements	2,900	38,817	(35,917)	23,671
Total unclassified	281,047	293,387	(12,340)	287,524

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

	2020			2019 Actual
	Final Budget	Actual	Variance positive (negative)	
Expenditures, continued:				
Current, continued:				
Insurance	\$ 238,400	247,388	(8,988)	234,469
MSAD #51	18,937,757	18,937,757	-	18,690,271
County tax	910,761	910,761	-	878,954
Debt service:				
Principal	707,778	707,778	-	680,832
Interest	366,546	402,666	(36,120)	364,016
TAN interest	-	22,279	(22,279)	-
Total debt service	1,074,324	1,132,723	(58,399)	1,044,848
Budgeted transfers to capital reserve funds	796,061	796,061	-	749,300
Total expenditures	30,784,115	30,726,756	57,359	30,146,148
Excess (deficiency) of revenues over (under) expenditures	359,181	678,845	319,664	434,825
Other financing sources (uses):				
Transfers in	79,324	79,324	-	75,825
Transfers to General Fund reserves	-	(75,000)	(75,000)	(43,958)
Transfers out	-	(90,000)	(90,000)	(123,503)
Total other financing uses	79,324	(85,676)	(165,000)	(91,636)
Net change in fund balance	438,505	593,169	154,664	343,189
Fund balance, beginning of year - budgetary basis		2,483,299		2,140,110
Fund balance, end of year - budgetary basis	\$	3,076,468		2,483,299
Reconciliation to GAAP:				
Change in reserves		(40,304)		(203,993)
Fund balance, beginning of year - GAAP basis		2,729,270		2,590,074
Fund balance, end of year - GAAP basis	\$	3,282,135		2,729,270

TOWN OF CUMBERLAND, MAINE
General Fund Reserves
Schedule of Revenues, Expenditures and Changes in Fund Balances
For year ended June 30, 2020

			Balance beginning of year	Charges for Services	Expenditures	Transfers in (out)	Balance end of year
106	Circuit breaker	\$	38,553	-	61,468	86,549	63,634
109	Aging in place		36,549	-	-	(36,549)	-
110	MePERS IUUAL		16,117	-	16,117	-	-
208	HR reserve		92,367	-	43,172	25,000	74,195
255	Fuel		62,385	144,513	139,060	-	67,838
Total		\$	245,971	144,513	259,817	75,000	205,667

ALL OTHER GOVERNMENTAL FUNDS

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

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	-	50,568	50,568
Investments	-	-	243,040	243,040
Accounts receivable	-	22,604	-	22,604
Interfund loans receivable	172,414	1,169,986	15	1,342,415
Total assets	\$ 172,414	1,192,590	293,623	1,658,627
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	1,493	483,477	15	484,985
Accrued payroll	115	-	-	115
Interfund loans payable	3,650	109,422	-	113,072
Total liabilities	5,258	592,899	15	598,172
Fund balances:				
Nonspendable	-	-	99,241	99,241
Restricted	114,661	-	194,367	309,028
Committed	56,145	1,127,478	-	1,183,623
Unassigned	(3,650)	(527,787)	-	(531,437)
Total fund balances	167,156	599,691	293,608	1,060,455
Total liabilities and fund balances	\$ 172,414	1,192,590	293,623	1,658,627

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

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ -	125,000	-	125,000
Licenses, permits and fees	-	124,976	-	124,976
Charges for services	33,020	-	-	33,020
Donations	36,025	-	-	36,025
Other revenue	4,799	38,489	-	43,288
Investment income (loss)	287	92,923	12,848	106,058
Total revenues	74,131	381,388	12,848	468,367
Expenditures:				
Current:				
General government	-	21,329	-	21,329
Public safety	19,360	-	-	19,360
Public services	-	33,247	-	33,247
Recreation	575	-	-	575
Library	20,886	-	-	20,886
Health and public assistance	25,798	-	-	25,798
Capital outlay	-	2,343,602	-	2,343,602
Total expenditures	66,619	2,398,178	-	2,464,797
Excess (deficiency) of revenues over (under) expenditures	7,512	(2,016,790)	12,848	(1,996,430)
Other financing sources (uses):				
Sale of assets	-	719,997	-	719,997
Transfers from other funds	-	1,766,905	-	1,766,905
Transfers to other funds	-	(445,844)	-	(445,844)
Total other financing sources (uses)	-	2,041,058	-	2,041,058
Net change in fund balances	7,512	24,268	12,848	44,628
Fund balances, beginning of year	159,644	575,423	280,760	1,015,827
Fund balances, end of year	\$ 167,156	599,691	293,608	1,060,455

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.

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TOWN OF CUMBERLAND, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020
(with comparative totals for June 30, 2019)

	Fire Grant Fund	Police Fund	Twin Brook Fund	Other Special Revenues	Library Fund	Fuel Assistance Fund	Totals	
							2020	2019
ASSETS								
Interfund loans receivable	-	25,433	3,674	28,017	52,783	62,507	172,414	162,166
Total assets	\$ -	25,433	3,674	28,017	52,783	62,507	172,414	162,166
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	-	1,010	-	-	197	286	1,493	620
Accrued payroll	-	-	-	-	115	-	115	397
Interfund loans payable	3,650	-	-	-	-	-	3,650	1,505
Total liabilities	3,650	1,010	-	-	312	286	5,258	2,522
Fund balances:								
Restricted	-	24,423	-	28,017	-	62,221	114,661	106,519
Committed	-	-	3,674	-	52,471	-	56,145	54,960
Unassigned	(3,650)	-	-	-	-	-	(3,650)	(1,835)
Total fund balances (deficit)	(3,650)	24,423	3,674	28,017	52,471	62,221	167,156	159,644
Total liabilities and fund balances	\$ -	25,433	3,674	28,017	52,783	62,507	172,414	162,166

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

	Fire Grant Fund	Police Fund	Twin Brook Fund	Other Special Revenues	Library Fund	Fuel Assistance Fund	Totals	
							2020	2019
Revenues:								
Intergovernmental	\$ -	-	-	-	-	-	-	3,367
Charges for services	17,545	-	-	62	15,413	-	33,020	52,638
Donations	-	-	-	9,230	1,795	25,000	36,025	38,200
Interest	-	-	-	-	287	-	287	-
Other revenue	-	223	-	-	4,576	-	4,799	5,850
Total revenues	17,545	223	-	9,292	22,071	25,000	74,131	100,055
Expenditures:								
Current:								
Public safety	19,360	-	-	-	-	-	19,360	32,872
Recreation	-	-	-	575	-	-	575	4,456
Library	-	-	-	-	20,886	-	20,886	17,078
Health and public assistance	-	-	-	-	-	25,798	25,798	30,394
Total expenditures	19,360	-	-	575	20,886	25,798	66,619	84,800
Net change in fund balances	(1,815)	223	-	8,717	1,185	(798)	7,512	15,255
Fund balances, beginning of year	(1,835)	24,200	3,674	19,300	51,286	63,019	159,644	144,389
Fund balances (deficit), end of year	\$ (3,650)	24,423	3,674	28,017	52,471	62,221	167,156	159,644

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.

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.

Village Green - To account for lien release payments received and the amount due to the Town for the long-term lease of the former Drowne Road School.

Solar Power - 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, 2020
(with comparative totals for June 30, 2019)

	Town Building Reserves	Land Acquisition Fund	Tennis Court Fund	Rt 1 Parking Reserve	Road Improvements	Equip. Reserves Fund	Village Green	Solar Power Field	Street Light Upgrades	Totals	
										2020	2019
ASSETS											
Accounts receivable	\$ 12,720	-	-	-	-	-	9,884	-	-	22,604	225,820
Interfund loans receivable	45,768	598,858	4,553	20,258	-	500,549	-	-	-	1,169,986	596,931
Total assets	\$ 58,488	598,858	4,553	20,258	-	500,549	9,884	-	-	1,192,590	822,751
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	7,071	-	-	-	428,249	48,157	-	-	-	483,477	62,407
Interfund loans payable	-	-	-	-	23,985	-	9,884	33,247	42,306	109,422	184,921
Total liabilities	7,071	-	-	-	452,234	48,157	9,884	33,247	42,306	592,899	247,328
Fund balances (deficits):											
Committed	51,417	598,858	4,553	20,258	-	452,392	-	-	-	1,127,478	575,423
Unassigned	-	-	-	-	(452,234)	-	-	(33,247)	(42,306)	(527,787)	-
Total fund balances (deficits)	51,417	598,858	4,553	20,258	(452,234)	452,392	-	(33,247)	(42,306)	599,691	575,423
Total liabilities and fund balances	\$ 58,488	598,858	4,553	20,258	-	500,549	9,884	-	-	1,192,590	822,751

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

	Town Building Reserves	Land Acquisition Fund	Tennis Court Fund	Rt 1 Parking Reserve	Road Improvements	Equip. Reserves Fund	Village Green	Solar Power Field	Street Light Upgrades	Totals	
										2020	2019
Revenues:											
Intergovernmental	\$ -	125,000	-	-	-	-	-	-	-	125,000	772,384
Licenses, permits and fees	-	-	-	-	-	124,976	-	-	-	124,976	128,634
Interest income	-	-	-	-	-	92,923	-	-	-	92,923	60,388
Other revenue	11,133	27,356	-	-	-	-	-	-	-	38,489	258
Total revenues	11,133	152,356	-	-	-	217,899	-	-	-	381,388	961,664
Expenditures:											
Current:											
General government	616	19,986	727	-	-	-	-	-	-	21,329	20,744
Public services	-	-	-	-	-	-	-	33,247	-	33,247	60,237
Capital outlay	447,812	159,540	-	-	1,168,067	525,877	-	-	42,306	2,343,602	2,702,514
Total expenditures	448,428	179,526	727	-	1,168,067	525,877	-	33,247	42,306	2,398,178	2,783,495
Excess (deficiency) of revenues over (under) expenditures	(437,295)	(27,170)	(727)	-	(1,168,067)	(307,978)	-	(33,247)	(42,306)	(2,016,790)	(1,821,831)
Other financing sources (uses):											
Sale of assets	-	719,997	-	-	-	-	-	-	-	719,997	11,718
Transfer from other funds	383,898	50,000	-	-	715,833	617,174	-	-	-	1,766,905	1,592,115
Transfer to other funds	-	(251,820)	-	-	-	(194,024)	-	-	-	(445,844)	(269,312)
Total other financing sources (uses)	383,898	518,177	-	-	715,833	423,150	-	-	-	2,041,058	1,334,521
Net change in fund balances	(53,397)	491,007	(727)	-	(452,234)	115,172	-	(33,247)	(42,306)	24,268	(487,310)
Fund balances, beginning of year	104,814	107,851	5,280	20,258	-	337,220	-	-	-	575,423	1,062,733
Fund balances (deficits), end of year	\$ 51,417	598,858	4,553	20,258	(452,234)	452,392	-	(33,247)	(42,306)	599,691	575,423

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, 2020

		Cumberland School Fund	Prince Fund	Paul Merrill Fund	Sweetser Fund	Historical Society Fund	Totals
ASSETS							
Cash and cash equivalents	\$	-	-	-	-	50,568	50,568
Investments		58,433	56,568	79,142	48,897	-	243,040
Interfund loans receivable		-	-	-	-	15	15
Total assets		58,433	56,568	79,142	48,897	50,583	293,623
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable		-	-	-	-	15	15
Total liabilities		-	-	-	-	15	15
Fund balances:							
Nonspendable - principal		2,225	2,165	56,187	34,714	3,950	99,241
Restricted - accumulated earnings		56,208	54,403	22,955	14,183	46,618	194,367
Total fund balances		58,433	56,568	79,142	48,897	50,568	293,608
Total liabilities and and fund balances	\$	58,433	56,568	79,142	48,897	50,583	293,623

TOWN OF CUMBERLAND, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2020

	Cumberland School Fund	Prince Fund	Paul Merrill Fund	Sweetser Fund	Historical Society Fund	Totals
Revenues:						
Investment income (loss)	\$ 3,055	2,957	4,137	2,556	143	12,848
Total revenues	3,055	2,957	4,137	2,556	143	12,848
Expenditures:						
Current:						
Library	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Net change in fund balances	3,055	2,957	4,137	2,556	143	12,848
Fund balances, beginning of year	55,378	53,611	75,005	46,341	50,425	280,760
Fund balances, end of year	\$ 58,433	56,568	79,142	48,897	50,568	293,608

**FIDUCIARY FUNDS -
PRIVATE-PURPOSE TRUST FUNDS
AGENCY FUND**

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TOWN OF CUMBERLAND, MAINE
Fiduciary Funds - Private-purpose Trust
Combining Statement of Fiduciary Net Position
June 30, 2020

	John M. and Lillian R. Kimball Award Trust	Eliphalet Greely Fund	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	\$ 17,969	91,009	525	-	-	4,570	54	1,267	43,271	158,665
Due from general fund	500	-	2,463	-	800	500	-	-	-	4,263
Total assets	18,469	91,009	2,988	-	800	5,070	54	1,267	43,271	162,928
LIABILITIES										
Accounts payable	500	-	2,000	-	825	500	-	-	-	3,825
Due to general fund	-	-	-	463	-	-	-	-	-	463
Total liabilities	500	-	2,000	463	825	500	-	-	-	4,288
NET POSITION										
Held in trust	17,969	91,009	988	(463)	(25)	4,570	54	1,267	43,271	158,640
Total net position	\$ 17,969	91,009	988	(463)	(25)	4,570	54	1,267	43,271	158,640

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

	John M. and Lillian R. Kimball Award Trust	Eliphalet Greely Fund	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	\$ -	-	397	-	-	-	-	-	-	397
Investment income (loss)	941	4,758	34	-	2	241	3	66	2,262	8,307
Total additions	941	4,758	431	-	2	241	3	66	2,262	8,704
Deductions:										
Scholarships awarded	500	-	2,000	-	800	500	-	-	-	3,800
Total deductions	500	-	2,000	-	800	500	-	-	-	3,800
Change in net position	441	4,758	(1,569)	-	(798)	(259)	3	66	2,262	4,904
Net position, beginning of year	17,528	86,251	2,557	(463)	773	4,829	51	1,201	41,009	153,736
Net position, end of year	\$ 17,969	91,009	988	(463)	(25)	4,570	54	1,267	43,271	158,640

TOWN OF CUMBERLAND, MAINE
Fiduciary Funds - Agency Funds
Food Pantry Component Unit
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2020

		Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
ASSETS					
Cash and cash equivalents	\$	124,771	73,993	71,712	127,052
Accounts receivable		20,000	-	20,000	-
Due from general fund		1,270	58,476	-	59,746
Total assets		146,041	132,469	91,712	186,798
LIABILITIES					
Accounts payable		165	1,197	165	1,197
Due to others		145,876	111,272	71,547	185,601
Total liabilities	\$	146,041	112,469	71,712	186,798

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STATISTICAL SECTION

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

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

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

		Fiscal Year									
		2011	2012	2013	2014	2015	2016*	2017	2018	2019	2020
Governmental activities:											
Net investment in capital assets	\$	12,802,336	14,008,107	14,926,352	17,201,613	17,444,794	24,607,681	26,426,553	28,666,371	30,529,130	30,955,865
Restricted		1,547,884	693,885	629,042	375,206	514,636	730,607	325,714	355,130	387,279	408,269
Unrestricted		1,053	2,205,304	3,066,957	2,943,496	3,195,467	1,346,278	1,360,414	2,136,421	1,528,681	1,973,590
Total governmental activities net position	\$	14,351,273	16,907,296	18,622,351	20,520,315	21,154,897	26,684,566	28,112,681	31,157,922	32,445,090	33,337,724
Business-type activities:											
Net investment in capital assets	\$	4,403,855	4,129,831	4,002,886	3,873,747	3,633,799	1,781,340	1,752,539	1,814,746	1,994,078	2,012,859
Unrestricted		(1,454,977)	(1,126,224)	(670,882)	183,177	840,271	1,098,893	1,313,059	1,347,219	598,617	528,000
Total business-type activities net position		2,948,878	3,003,607	3,332,004	4,056,924	4,474,070	2,880,233	3,065,598	3,161,965	2,592,695	2,540,859
Primary government:											
Net investment in capital assets	\$	17,206,191	18,137,938	18,929,238	21,075,360	21,078,593	26,389,021	28,179,092	30,481,117	32,523,208	32,968,724
Restricted		1,547,884	693,885	629,042	375,206	514,636	730,607	325,714	355,130	387,279	408,269
Unrestricted		(1,453,924)	1,079,080	2,396,075	3,126,673	4,035,738	2,445,171	2,673,473	3,483,640	2,127,298	2,501,590
Total primary government net position	\$	17,300,151	19,910,903	21,954,355	24,577,239	25,628,967	29,564,799	31,178,279	34,319,887	35,037,785	35,878,583

*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
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016*	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 2,915,710	2,999,452	3,341,630	2,712,115	2,576,262	2,947,324	3,791,286	3,600,128	3,347,435	4,067,516
Public safety	2,056,052	2,095,961	2,176,839	2,282,922	2,514,371	2,636,327	2,742,321	2,760,514	2,962,840	2,980,552
Public services	1,283,560	1,424,931	1,500,458	1,660,289	2,862,022	4,902,734	3,687,941	3,391,362	4,533,495	3,966,961
Recreation	618,226	866,166	913,637	991,973	948,009	1,855,156	1,905,086	2,000,118	2,116,841	2,020,170
Education and libraries	12,259,218	12,787,351	13,649,666	14,159,614	14,795,916	16,075,925	16,579,156	17,762,502	19,278,276	19,548,696
Health and public assistance	773,763	748,016	755,562	668,729	86,796	83,022	236,687	179,542	178,167	192,281
Interest on debt	619,316	557,285	616,399	526,065	605,148	486,383	486,260	638,207	594,936	676,119
Total governmental activities expenses	20,525,845	21,479,162	22,954,191	23,001,707	24,388,524	28,986,871	29,428,737	30,332,373	33,011,990	33,452,295
Business-type activities:										
Senior Housing	323,468	234,753	283,930	227,347	292,029	305,163	296,036	295,442	300,636	313,281
Sewer System	791,667	797,545	824,941	823,999	843,432	838,334	891,253	975,371	1,684,199	1,222,227
Val Halla Golf and Recreation Center	757,662	822,688	788,704	844,772	944,462	-	-	-	-	-
Total business-type activities expenses	1,872,797	1,854,986	1,897,575	1,896,118	2,079,923	1,143,497	1,187,289	1,270,813	1,984,835	1,535,508
Total primary government expenses	\$ 22,398,642	23,334,148	24,851,766	24,897,825	26,468,447	30,130,368	30,616,026	31,603,186	34,996,825	34,987,803
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 449,371	341,769	399,286	361,850	360,104	584,060	761,633	426,981	425,366	398,101
Public safety	213,768	257,097	299,106	288,322	410,695	311,392	334,833	304,185	315,351	255,050
Public services	6,864	5,544	24,885	2,300	320,850	444,332	453,460	523,150	677,927	675,008
Recreation	393,779	671,796	669,344	714,346	768,827	1,478,213	1,531,982	1,672,990	1,657,575	1,258,249
Education and libraries	140,098	146,298	156,665	158,260	167,135	24,971	28,515	29,459	36,593	24,223
Health and public assistance	282,515	279,185	278,811	283,564	-	-	-	-	-	-
Interest on debt	182,241	-	-	-	-	-	-	-	-	-
Operating grants and contributions	110,018	96,300	198,433	200,114	172,205	125,782	143,168	165,973	111,406	146,325
Capital grants and contributions	718,795	1,669,298	937,223	614,019	309,461	3,205,460	841,007	2,057,401	972,642	163,489
Total governmental activities program revenues	2,497,449	3,467,287	2,963,753	2,622,775	2,509,277	6,174,210	4,094,598	5,180,139	4,196,860	2,920,445
Business-type activities:										
Charges for services:										
Senior Housing	\$ 271,013	291,798	281,864	289,816	318,745	315,803	328,939	335,360	335,360	341,327
Sewer System	839,773	877,309	848,214	890,012	918,929	955,624	1,043,742	1,031,894	1,079,880	1,141,887
Val Halla Golf and Recreation Center	566,857	662,322	614,556	608,525	625,406	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	1,677,643	1,831,429	1,744,634	1,788,353	1,863,080	1,271,427	1,372,681	1,367,254	1,415,240	1,483,214
Total primary government program revenues	\$ 4,175,092	5,298,716	4,708,387	4,411,128	4,372,357	7,445,637	5,467,279	6,547,393	5,612,100	4,403,659
Net (expense)/revenue:										
Governmental activities	\$ (18,028,396)	(18,011,875)	(19,990,438)	(20,378,932)	(21,879,247)	(22,812,661)	(25,334,139)	(25,152,234)	(28,815,130)	(30,531,850)
Business-type activities	(195,154)	(23,557)	(152,941)	(107,765)	(216,843)	127,930	185,392	96,441	(569,595)	(52,294)
Total primary government net expense	\$ (18,223,550)	(18,035,432)	(20,143,379)	(20,486,697)	(22,096,090)	(22,684,731)	(25,148,747)	(25,055,793)	(29,384,725)	(30,584,144)

*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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 16,831,342	17,427,641	18,737,957	19,558,835	20,441,626	21,743,533	22,104,213	23,028,076	24,553,518	25,502,152
TIF District taxes	890,507	940,566	1,006,641	1,102,803	1,251,165	1,555,973	1,690,373	2,029,016	2,221,671	2,359,331
Excise taxes	1,377,972	1,364,192	1,460,329	1,633,132	1,693,482	1,856,148	1,959,451	2,120,226	2,162,878	2,057,140
Outer island property taxes	39,663	39,814	40,465	41,566	41,867	39,889	43,352	43,774	44,041	47,027
Payment in lieu of taxes	-	-	22,500	23,112	28,656	29,608	29,804	30,688	31,918	32,123
Unrestricted grants and contributions	706,932	791,033	829,482	603,229	611,559	620,550	694,761	830,008	959,020	1,275,538
Investment earnings	13,069	6,030	3,076	247	5,897	6,456	17,122	42,277	69,631	106,058
Miscellaneous	121,144	44,206	85,842	143,972	304,127	470,847	223,178	73,410	59,621	45,115
Gain (loss) on sale of assets	-	(258,405)	-	-	-	-	-	-	-	-
Transfers	(97,000)	212,861	(480,799)	(830,000)	(627,451)	1,721,844	-	-	-	-
Total governmental activities	19,883,629	20,567,938	21,705,493	22,276,896	23,750,928	28,044,848	26,762,254	28,197,475	30,102,298	31,424,484
Business-type activities:										
Investment income (loss)	-	-	539	2,685	6,538	77	(27)	(74)	325	458
Miscellaneous	16,200	-	-	-	-	-	-	-	-	-
Gain on sale of assets	-	291,147	-	-	-	-	-	-	-	-
Transfers	97,000	(212,861)	480,799	830,000	627,451	(1,721,844)	-	-	-	-
Total business-type activities	113,200	78,286	481,338	832,685	633,989	(1,721,767)	(27)	(74)	325	458
Total primary government	\$ 19,996,829	20,646,224	22,186,831	23,109,581	24,384,917	26,323,081	26,762,227	28,197,401	30,102,623	31,424,942
Change in Net Position										
Governmental activities	1,855,233	2,556,063	1,715,055	1,897,964	1,871,681	5,232,187	1,428,115	3,045,241	1,287,168	892,634
Business-type activities	(81,954)	54,729	328,397	724,920	417,146	(1,593,837)	185,365	96,367	(569,270)	(51,836)
Total primary government	\$ 1,773,279	2,610,792	2,043,452	2,622,884	2,288,827	3,638,350	1,613,480	3,141,608	717,898	840,798

Table 3

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ -	1,503,847	1,161,834	477,451	5,849	116,294	42,039	55,286	21,854	15,630
Assigned	-	-	-	-	-	371,748	365,419	449,964	227,770	192,753
Unassigned	2,150,042	727,371	1,433,829	1,191,089	2,060,936	2,023,066	2,028,570	2,084,824	2,479,646	3,073,752
Total general fund	\$ 2,150,042	2,231,218	2,595,663	1,668,540	2,066,785	2,511,108	2,436,028	2,590,074	2,729,270	3,282,135
All Other Governmental Funds										
Nonspendable, reported in:										
Capital projects	\$ -	-	-	-	-	10,100	-	-	-	-
Permanent funds	99,241	99,241	99,241	99,241	99,241	99,241	99,241	99,241	99,241	99,241
Restricted, reported in:										
Permanent funds	166,258	175,263	172,751	174,474	172,839	174,914	174,361	172,276	181,519	194,367
Capital projects	1,282,345	419,381	322,607	49,438	242,556	420,343	-	-	-	-
Special revenue funds	-	-	34,443	52,053	-	36,109	52,112	83,613	106,519	114,661
Committed, reported in:										
Special revenue funds	25,200	19,689	65,313	97,335	87,761	57,872	71,998	60,776	54,960	56,145
Capital projects funds	-	-	-	-	850	733,735	7,054,109	1,890,462	575,423	6,730,250
Assigned, reported in:										
Capital projects funds	415,127	500,744	889,318	1,592,351	1,922,955	-	-	-	-	-
Debt service fund	-	-	-	-	392,130	474,937	655,469	737,940	712,115	697,791
Unassigned, reported in:										
Special revenue funds	(15,119)	(636)	-	(4,140)	-	-	-	-	(1,835)	(3,650)
Capital projects funds	(775,128)	(143,779)	(48,802)	(44,296)	(6,226)	(1,234,150)	(1,133,133)	(963,613)	(1,501,258)	(1,900,527)
Total all other governmental funds	\$ 1,197,924	1,069,903	1,534,871	2,016,456	2,912,106	773,101	6,974,157	2,080,695	226,684	5,988,278
Total governmental funds	\$ 3,347,966	3,301,121	4,130,534	3,684,996	4,978,891	3,284,209	9,410,185	4,670,769	2,955,954	9,270,413

Table 4

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

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues											
Taxes	\$	19,117,812	19,721,213	21,327,892	22,081,219	23,526,104	25,298,238	25,809,867	27,161,299	28,960,212	29,986,223
Licenses and permits		110,504	132,652	178,099	161,923	159,680	168,174	207,889	151,495	282,018	273,252
Intergovernmental		840,911	888,833	984,143	1,211,643	1,016,858	1,353,722	1,629,296	1,118,956	2,183,602	1,676,714
Charges for services		1,108,242	1,325,445	1,364,425	1,215,255	1,388,081	2,256,124	2,297,259	2,526,783	2,552,962	2,080,755
Investment income (loss)		-	-	-	-	-	-	-	-	69,631	106,058
Rental Income		182,241	-	-	-	-	-	-	-	-	-
Other		1,096,696	761,626	1,355,486	671,631	735,520	444,437	652,584	554,952	217,104	256,810
Total revenues		22,456,406	22,829,769	25,210,045	25,341,671	26,826,243	29,520,695	30,596,895	31,513,485	34,265,529	34,379,812
Expenditures											
General government		950,235	1,050,648	1,197,680	1,260,888	1,405,149	1,738,077	1,893,954	2,113,523	2,196,286	2,341,618
Public safety		1,835,525	1,875,363	1,929,209	2,042,544	2,274,019	2,403,779	2,486,136	2,507,112	2,540,652	2,622,589
Public services		915,444	875,317	943,702	898,293	1,749,724	1,839,511	2,081,177	2,502,789	2,235,968	2,188,130
Recreation		472,959	723,597	768,969	850,481	835,482	1,600,021	1,660,102	1,751,478	1,882,453	1,746,974
Education and libraries		12,182,332	12,710,146	13,572,445	14,083,574	14,718,516	15,999,440	16,501,645	17,684,884	19,198,802	19,469,223
Health and public assistance		772,472	745,484	752,371	665,538	85,348	81,574	235,239	178,094	176,719	190,833
Unclassified		1,654,289	1,377,654	1,479,000	1,536,203	1,270,640	1,299,214	1,284,793	1,322,558	1,400,947	1,451,536
Capital outlay		6,187,380	1,668,130	1,384,048	2,072,124	4,434,772	5,089,978	4,581,440	6,649,863	4,436,464	4,130,597
Debt service:											
Principal		1,094,279	1,186,508	1,300,312	1,010,161	1,001,602	997,192	1,034,696	939,915	1,283,555	1,290,776
Interest		619,316	576,657	596,465	537,403	479,821	541,061	436,216	729,185	650,215	697,584
Total expenditures		26,684,231	22,789,504	23,924,201	24,957,209	28,255,073	31,589,847	32,195,398	36,379,401	36,002,061	36,129,860
Excess (deficiency) of revenues over (under) expenditures		(4,227,825)	40,265	1,285,844	384,462	(1,428,830)	(2,069,152)	(1,598,503)	(4,865,916)	(1,736,532)	(1,750,048)
Other financing sources (uses)											
Transfers in		933,718	1,570,437	1,330,538	1,978,779	2,163,184	1,763,157	2,228,086	1,439,468	1,717,940	1,911,229
Transfers out		(1,030,718)	(1,357,576)	(1,811,337)	(2,808,779)	(2,790,635)	(1,785,458)	(2,228,086)	(1,439,468)	(1,717,940)	(1,911,229)
Sale of assets		-	-	-	-	-	396,861	115,717	36,500	11,718	719,997
Payment to refunded bond escrow agent		-	(299,971)	-	-	(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
Capital leases		195,450	-	24,368	-	-	-	-	-	-	-
Total other financing sources (uses)		98,450	(87,110)	(456,431)	(830,000)	2,772,009	374,560	7,724,479	126,500	21,718	8,064,507
Net change in fund balances	\$	(4,129,375)	(46,845)	829,413	(445,538)	1,343,179	(1,694,592)	6,125,976	(4,739,416)	(1,714,814)	6,314,459
Debt service as a percentage of noncapital expenditures		8.25%	8.16%	8.19%	6.40%	6.14%	5.88%	5.17%	5.53%	5.86%	5.96%

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
2011	\$ 17,480	187	1,378	19,045
2012	18,117	202	1,364	19,683
2013	19,457	227	1,460	21,144
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

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 Residential and Commercial Property (1)	Personal Property (1)	Less: Tax Exempt Real Property (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Assessed Value as a Percentage of Actual Value
2011	\$	1,214,634	12,167	73,370	1,153,431	4.01	1,084,700	106.3%
2012		1,220,096	12,754	73,421	1,159,429	4.07	1,068,500	108.5%
2013		1,249,248	13,723	73,589	1,189,382	4.41	1,056,700	112.6%
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	1,099,350	113.2%
2016		1,341,466	22,333	81,519	1,282,280	5.39	1,144,550	112.0%
2017		1,362,438	24,069	85,265	1,301,242	5.31	1,171,250	111.1%
2018		1,403,144	13,298	85,299	1,331,143	5.26	1,264,650	105.3%
2019		1,424,708	14,364	81,340	1,357,732	5.28	1,328,750	102.2%
2020		1,464,931	14,404	82,308	1,397,027	5.74	1,406,550	99.3%

(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

Fiscal year	Town Direct and Overlapping Rates*					
	Direct			Overlapping		Total rate
	Town rate		Total direct rate	Education rate	County rate	
	Operating	Debt service				
2011	3.88	0.16	4.04	10.72	0.54	15.30
2012	3.91	0.16	4.07	11.19	0.54	15.80
2013	4.23	0.18	4.41	11.59	0.55	16.55
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

* 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						
Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Central Maine Power Company	\$ 49,347,300	1	3.53%	\$ 8,866,000	1	0.77%
Summit Natural Gas	14,426,100	2	1.03%			
C and A Holdings, LLC	7,408,000	3	0.53%			
Ocean View at Cumberland, LLC	7,344,500	4	0.53%			
LGC North America dba Maine Standards Company, LLC	4,870,400	5	0.35%			
Mirza, Zareen Taj	4,487,400	6	0.32%			
Maritime & Northeast Pipeline	3,936,700	7	0.28%	3,936,700	4	0.34%
Lemole, Emily Jane A-Trustee	3,858,100	8	0.28%	3,837,300	5	0.33%
Spectrum Northeast, LLC	3,638,700	9	0.26%			
BBW Real Estate LLC	3,432,900	10	0.25%	3,188,600	7	0.28%
Spears Hill, LLC				6,051,200	2	0.52%
Martin Joseph R.				5,027,200	3	0.44%
Mathias, Glenn				3,252,000	6	0.28%
Forum Trust LLC				2,862,500	8	0.25%
Piaso, Shirley A.				2,855,100	9	0.25%
Detmer, Josephine H.				2,786,300	10	0.24%
Totals	\$ 102,750,100		7.35%	\$ 42,662,900		3.70%

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	
2011	\$ 17,647	17,359	98.37%	285	17,644	99.98%	
2012	18,319	17,942	97.94%	373	18,315	99.98%	
2013	19,684	19,385	98.48%	295	19,680	99.98%	
2014	20,610	20,329	98.64%	277	20,606	99.98%	
2015	21,650	21,398	98.84%	247	21,645	99.98%	
2016	23,209	23,014	99.16%	189	23,203	99.97%	
2017	23,748	23,607	99.41%	133	23,740	99.97%	
2018	25,025	24,861	99.34%	105	24,966	99.76%	
2019	26,747	26,604	99.47%	79	26,683	99.76%	
2020	27,731	27,493	99.14%	-	27,493	99.14%	

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*	Capital Leases	General Obligation Bonds*	Notes Payable*	Capital leases			
2011	\$ 16,079,055	661,867	230,623	890,000	201,881	31,854	18,095,280	5.910%	2,509
2012	14,766,489	579,134	160,147	822,853	185,428	108,116	16,622,167	5.216%	2,305
2013	13,583,751	496,400	131,840	727,496	168,858	86,210	15,194,555	4.246%	2,113
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

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

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

* 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
2011	\$ 16,969,055	1.56%	2,353
2012	15,589,342	1.46%	2,162
2013	14,311,247	1.35%	1,990
2014	13,323,302	1.26%	1,802
2015	16,653,428	1.51%	2,206
2016	15,612,584	1.36%	2,009
2017	22,137,310	1.89%	2,795
2018	21,110,068	1.67%	2,586
2019	13,320,097	1.00%	1,632
2020	19,436,014	1.38%	2,381

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, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Cumberland County	\$ 35,425,000	2.79%	988,285
MSAD #51	23,815,019	69.84%	16,632,926
Subtotal, overlapping debt			17,621,211
Direct debt:			
Bonds payable	18,784,967		18,784,967
Notes payable	6,195,222		6,195,222
Subtotal, direct debt			24,980,189
Total direct and overlapping debt			\$ 42,601,400

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.

Table 13

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed value per State	\$ 1,084,700	1,068,500	1,056,700	1,057,800	1,099,350	1,144,550	1,171,250	1,264,650	1,328,750	1,406,550
Total debt limit - all purposes - 15% of assessed value	\$ 162,705	160,275	160,275	158,670	164,903	171,683	175,688	189,698	199,313	210,983
Less outstanding debt applicable to debt limit	17,832	16,311	14,939	13,857	16,313	15,229	21,409	20,439	19,025	24,175
Legal debt margin	\$ 144,873	143,964	145,336	144,813	148,590	156,454	154,279	169,259	180,288	186,808
Total outstanding debt applicable to the limit as a percentage of debt limit	10.96%	10.18%	9.32%	8.73%	9.89%	8.87%	12.19%	10.77%	9.55%	11.46%
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	\$ 81,353	80,138	80,138	79,335	82,451	85,841	87,844	94,849	99,656	105,491
Less outstanding debt applicable to debt limit	17,832	16,310	14,939	13,857	16,313	15,229	21,409	20,439	19,025	24,175
Debt margin for municipal purposes	\$ 63,521	63,828	65,199	65,478	66,138	70,612	66,435	74,410	80,631	81,316
Outstanding debt applicable to the limit as a percentage of debt limit for municipal purposes	21.92%	20.35%	18.64%	17.47%	19.79%	17.74%	24.37%	21.55%	19.09%	22.92%
School purposes - 10%										
Debt limit	\$ 108,470	106,850	106,850	105,780	109,935	114,455	117,125	126,465	132,875	140,655
Less outstanding debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Debt margin for school purposes	\$ 108,470	106,850	106,850	105,780	109,935	114,455	117,125	126,465	132,875	140,655
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	\$ 81,353	80,138	80,138	79,335	82,451	85,841	87,844	94,849	99,656	105,491
Less outstanding debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Debt margin for sewer purposes	\$ 81,353	80,138	80,138	79,335	82,451	85,841	87,844	94,849	99,656	105,491
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%	\$ 162,705	160,275	158,505	158,670	164,903	171,683	175,688	189,698	199,313	210,983

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)
2011	7,211	306,200,693	42,463	45.0	96%	1,534	7.6%
2012	7,211	318,661,408	44,048	45.0	96%	1,499	7.5%
2013	7,192	357,866,728	47,015	45.0	95%	1,477	6.9%
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%

Sources:

(1) U.S. Bureau of the Census, Greater Portland Council of Governments

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

(3) Maine Department of Labor (seasonally adjusted)

(4) Maine Department of Education

Table 15

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

<u>Employer</u>	<u>2020</u>			<u>2011</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%		
Town of Cumberland	150-200	2	2.5%-6.3%	50-99	3
Seafax	50-99	3	1.3%-2.5%	50-99	5
Sevee Maher Engineers	20-49	4	.5%-1.3%	20-49	9
AH Grover Inc	20-49	5	.5%-1.3%	50-99	8
Drowne Road School	20-49	6	.5%-1.3%		
Main Line Fence Co.	20-49	7	.5%-1.3%	20-49	10
Coastal Inc	20-49	8	.5%-1.3%		
Ledgeview Assisted Living	20-49	9	.5%-1.3%		
Burger King	20-49	10	.5%-1.3%		
Cumberland Farmers Club				100-249	1
Greely High School				50-99	2
Cumberland Fire Department				50-99	4
Mabel I. Wilson School				50-99	6
Norton Insurance				50-99	7

Table 16

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Management	3	3	3	2	2	2	2	2	2	2
Finance/Administration	6	6	6	8	10	10	10	9	10	10
Planning	2	2	2	2	2	2	3	3	3	3
Assessing	1	1	0	0	0	1	1	1	1	1
Public Safety:										
Fire	3	3	2	3	4	4	4	5	5	5
Police	12	12	12	12	12	12	12	12	12	14
Public Services:										
Public Works	9	9	9	7	7	7	7	7	7	6
Parks	3	3	3	3	3	3	3	3	3	4
Recreation & Other:										
Recreation	3	4	3	4	5	5	5	5	5	4
Library	2	2	2	4	4	4	4	5	5	5
Valhalla	3	3	3	3	3	3	3	3	3	4
Total Full-time Employees	47	48	45	48	52	53	54	55	56	58

Source: Town of Cumberland budget documents

Table 17

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
Code Enforcement:										
Building permits	180	314	220	251	268	266	302	302	321	338
Sign permits	5	13	16	9	21	15	18	18	7	6
Fire Protection:										
Number of calls answered	576	931	860	994	1,242	1,279	1,233	1,233	964	962
Number of inspections conducted	304	127	118	192	190	162	83	83	41	53
Police Protection:										
Number of law violations:										
Arrests	165	136	202	220	72	54	99	99	163	187
Traffic violations	3,069	2,964	2,144	1,393	740	852	2,919	2,919	2,152	3,000
Parking violations	32	108	91	43	4	4	2	2	27	35
Number of calls for service	11,702	11,737	9,090	8,928	6,534	8,216	8,244	8,244	9,106	9,516
Sewerage System:										
Number of service connections	1,041	1,176	1,070	1,108	1,806	1,092	1,136	1,136	1,179	1,213
Daily average treatment in gallons	249,382	253,000	227,000	228,892	234,932	211,973	204,000	204,000	234,157	226,849

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	14	12	6	6	7	7	7	7	7	7
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	10	10	10	11	11	11	11	11	11	10
Public Works:										
Streets (miles)	79	79	79	79	79	80	80	80	81	81
Number of streetlights	203	203	203	203	203	203	204	204	205	205
Parks & Recreation:										
Parks	1	1	1	1	2	3	3	3	6	6
Parks (acreage)	250	250	250	250	272	487	487	487	1,100	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	20	20	20	25	25	25	29	29	29	29

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

Table 19

TOWN OF CUMBERLAND, MAINE
Miscellaneous Statistics
For the year ended June 30, 2020

Date of incorporation	1821
Form of government	Council/Manager
Number of full-time employees	58
All employees	320
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 personnel and officers	50 (Volunteers)
Police Protection:	
Number of police personnel and officers	15
Number of patrol units	7
Education:	
Number of elementary schools	1
Number of elementary school instructors	125
Number of secondary schools	2
Number of secondary school instructors	64