

TOWN OF FALMOUTH, MAINE



Comprehensive Annual Financial Report

*For the Fiscal Year Ended
June 30, 2019*

Town of Falmouth, Maine
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

Prepared by:

Peter McHugh
Finance Director

TOWN OF FALMOUTH, MAINE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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JUNE 30, 2019

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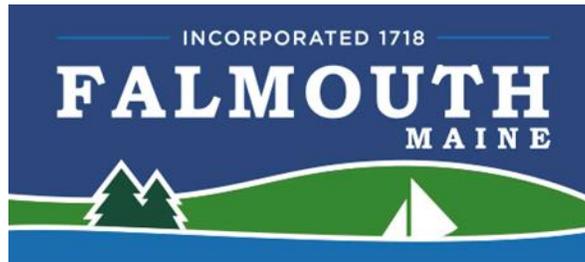
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INTRODUCTORY SECTION



December 31, 2019

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

Maine state statutes and the Falmouth Town Charter require that the Town issue annually a financial report audited in accordance with generally accepted auditing standards. Pursuant to these requirements, we hereby issue the comprehensive annual financial report of the Town of Falmouth, Maine, for the fiscal year ended June 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

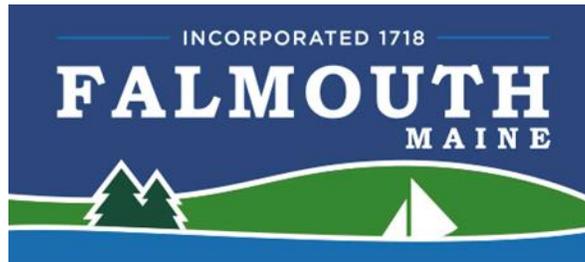
RHR Smith & Company, Certified Public Accountants, has issued an unmodified (“clean”) opinion on the Town of Falmouth, Maine’s, financial statements for the year ended June 30, 2019. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

The Town is required to undergo an annual single audit in conformity with the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors’ reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs, is included in the single audit section of this report.

Profile of the Town of Falmouth

The Town of Falmouth, incorporated in 1718, is located in the southern part of the State of Maine, in Cumberland County, directly north of the City of Portland. The Town currently occupies a land area of 32 square miles and serves a population of approximately 12,162 persons (Census estimate for 2017). Under Maine statutes, the Town is empowered to levy a property tax on both real and personal property located within its boundaries.

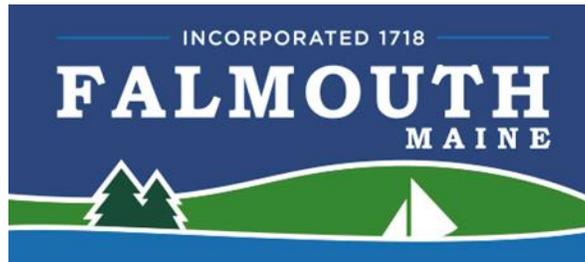


The Town has operated under the Council-Manager form of government since 1962. Policy-making and legislative authority is vested in a seven-member Town Council. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the Town Manager. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments. The Council is elected on a non-partisan basis to three-year staggered terms. All Council members are elected at large.

The Town of Falmouth provides a full range of services, including police, emergency medical services and fire protection; the construction and maintenance of highways, streets, and other infrastructure; recreational activities; elementary and secondary education; harbor control and emergency preparedness; municipal planning, assessing, building inspection and code enforcement; and wastewater treatment. Under the Town Charter, the Town of Falmouth's Education department is a department of the Town with an elected school board and an appointed Superintendent of Schools.

The annual budget serves as the foundation for the Town of Falmouth's financial planning and control. Each fall, all departments of the Town, including the Education department, submit requests for appropriation to the Town Manager so that a budget may be prepared. The Town Manager uses these requests as the starting point for developing a proposed budget. The Town Manager then presents this budget to the Town Council for multiple reviews in the months January through April. The Town Council is required to hold a public hearing on the proposed budget before a final budget is adopted. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). (Note that Wastewater and the Vehicle Maintenance Internal Service Fund also carry a budget)

The budget includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. The Town Manager may make transfers of appropriations within a function. Transfers of appropriations between functions require the approval of the Town Council. The legal level of budgetary control is the function level. Expenditures may not legally exceed budgeted appropriations at the function level without Town Council approval. Budget-to-actual comparisons are provided in this report for the general fund. This comparison is presented on page 34 as part of the basic financial statements for the governmental funds.



Local Economy

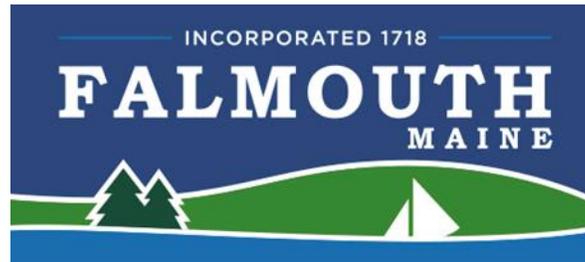
Falmouth is primarily a residential suburb of Portland, with two commercial corridors containing both retail and office developments. The Town exhibits above average wealth and housing levels with per capita growth outpacing that of the state. The Town experienced a rapid tax base growth in the late 1980's. This growth stabilized in the early 1990's and increased again during the late 1990's. The Town had another period of rapid tax base growth in the early 2000s (averaged 7.8% per year) and performed a re-valuation in 2009.

Since 2009, the Town experienced moderate growth of slightly over 1.1%, as TIF districts saw much of the growth. TIF valuations grew an average of 7.7% per year (increasing from 4% of the Town's total valuation to over 7.9% in 2019). From 2018 to 2019, the Town's taxable base grew by 1.43% while TIF district values grew by 9.6%. The Town's current-year property tax collection rate was a very healthy 99.1% collected by August 31, 2019.

Several factors continue to work in the Town's favor in the current economic climate. First, residential building activity and development in Falmouth showed continued stability. There were 81 building permits for new construction issued this year, including 79 permits for new single-family residential housing and 2 permits for new commercial buildings.

Finally, relative to many other municipalities, the Town has an extremely diversified tax base, with its largest taxpayer comprising only 2.99% of its total tax base, and its top ten taxpayers combined representing only 8.84% of the total tax base. The commercial tax base is well balanced with strong retail, office, and service sectors. Major companies with headquarters or divisions located in the Town include a large national computer software firm and a large regional bank back-office facility.

The Town's two retail corridors have a very high occupancy rate with a variety of specialty stores and restaurants, as well as several large retail and supermarket outlets. According to the latest available census figures, an approximate-total of 6,362 workers are employed in Falmouth. The Town also serves as a regional employment center, with over 63% of its total workforce residing in surrounding communities.



Long Range Planning

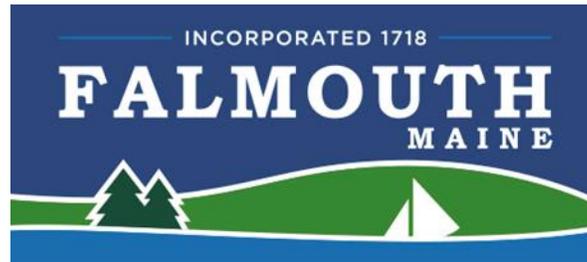
To prepare for the future, the Town identifies infrastructure and capital projects that are needed to meet the demand for services, while continuing to meet the rising fixed costs necessary to deliver services and programs to support the function of all operations. Among these capital investments and programs are road construction, planning for affordable housing, open space planning, recreational activities, equipment purchases, and building construction and renovations. These initiatives were accomplished in accordance with the Town's comprehensive planning document and its ten-year Capital Improvement Plan, which is reviewed and updated annually by the Town Council.

The 2019-20 capital plan calls for a continuation of road and sidewalk improvements, Blackstrap Road rehabilitation, drainage system repairs, replacement of the Town routers in 6 locations and security servers for all Town facilities, energy-efficient street light fixture replacements on Route 100, a tower microwave replacement at Town Hall for Fire/EMS communication, various Community Center building projects including bathroom and generator replacement, phase II of the project to replace the remainder of Town building lighting with more energy efficient LED lighting, and school/open space acquisitions.

This year's 2019-20 multi-year equipment replacement plan also calls for the purchase of a loader, a light duty plow truck, and a salt brine unit for Public Works, two new cruisers, a lieutenant's car and replacement vehicle emergency lights for the Police Department, a new bay ceiling and parking lot lights at Central Fire Station, new hydraulic cutters and spreaders and a new RAM for Engine 2 for the Fire Department, and a new tractor and maintenance facility for the Parks & Community Programs Department.

In addition to its multi-year capital improvement and equipment replacement plans, the Town continues to be engaged in significant long-range land use planning. In 2018-19, the Town made progress on a number of long-range planning initiatives including the following:

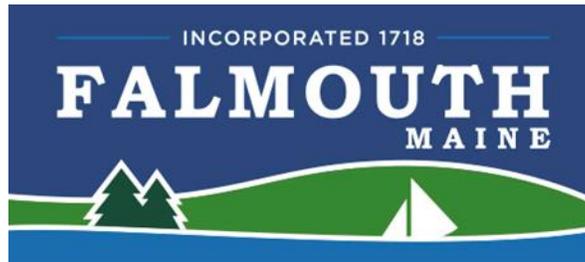
1. Continued focus on the overall needs of senior citizens and what role the Town should have with offering and/or facilitating the delivery of services and assistance to senior citizens.



2. Began construction for the voter approved implementation of the Route 100 Infrastructure project.
3. Continued review of land use ordinances to ensure growth is encouraged in areas targeted for growth and slow growth is maintained in rural areas.
4. Continued with implementation of a prioritized bicycle and pedestrian infrastructure plan.
5. Planned for the continued expansion of natural gas lines throughout the community.
6. Considered next steps to implement the Route One North Vision Plan with recommended improvements including intersection and roadway improvements, as well as pedestrian and bicycle amenities.
7. Celebrated the Town's tercentennial with events and activities throughout the year.
8. Continued marketing for the Route One South Corridor where the recently completed infrastructure improvement project has spurred development growth.
9. Considered next steps to implement the multi-modal transportation plan for the Route One corridor that was developed with the Towns of Cumberland, Yarmouth, and Freeport.

In 2019-20, the Town will continue to work on long-range planning initiatives which are included in the 2013 Comprehensive Plan. These initiatives include the following:

1. Prioritize capital improvements to ensure adequate supporting infrastructure is available to accommodate growth in growth areas.
2. Analyze the long-term staffing needs of the Fire/EMS Department as demand for those services continues to grow and the number of volunteers continues to shrink.
3. Continue to construct the Route 100 Infrastructure project.
4. Implement the Town's 2018 Open Space Plan.
5. Continue to work with the State of Maine on an infrastructure plan for Blackstrap Road.
6. Initiate a comprehensive watershed assessment of the community.
7. Explore a possible update of the West Falmouth Crossing Master Plan.
8. Continue to Investigate affordable housing opportunities.
9. Continue to implement the Bicycle and Pedestrian Plan.
10. Begin the process to review and update the 2013 Comprehensive Plan.



Relevant Financial Policies

Unassigned fund balance in the general fund exceeds the target balance of 16.7% (two months) of budgeted expenditures specified in the Town of Falmouth's fund balance policy. The Town also reserves \$1,000,000 over that amount for future capital expenditures. According to the policy, funds in excess of the targeted balance may, with the approval of the Falmouth Town Council, be used for such non-operating fiscal purposes as additional capital improvements or debt reduction.

Major Initiatives

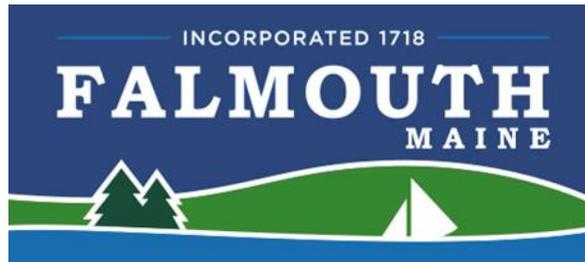
In addition to significant long range planning initiatives, there are other major projects or initiatives, which will have a significant impact on the future of the Town. Some of these initiatives include but are not limited to:

1. Reconstruction and expansion of the Memorial Library. The Town issued \$3,310,000 in GO Bonds approved by referendum and began construction in 2019 with scheduled completion in the first half of 2020.
2. The Town issued \$6,000,000 in GO Bonds in 2019 to fund a portion of the Route 100 Infrastructure project. Debt service for these Bonds will be paid out of the West Falmouth TIF.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Falmouth, Maine, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. This was the 27th consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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



The preparation of this report would not have been possible without the dedicated service of the Finance Department staff. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Credit must also be given to the Falmouth Town Council for its unfailing support for maintaining the highest standards of professionalism in the management of the Town's finances.

Sincerely,

Nathan A. Poore
Town Manager

Peter M. McHugh
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

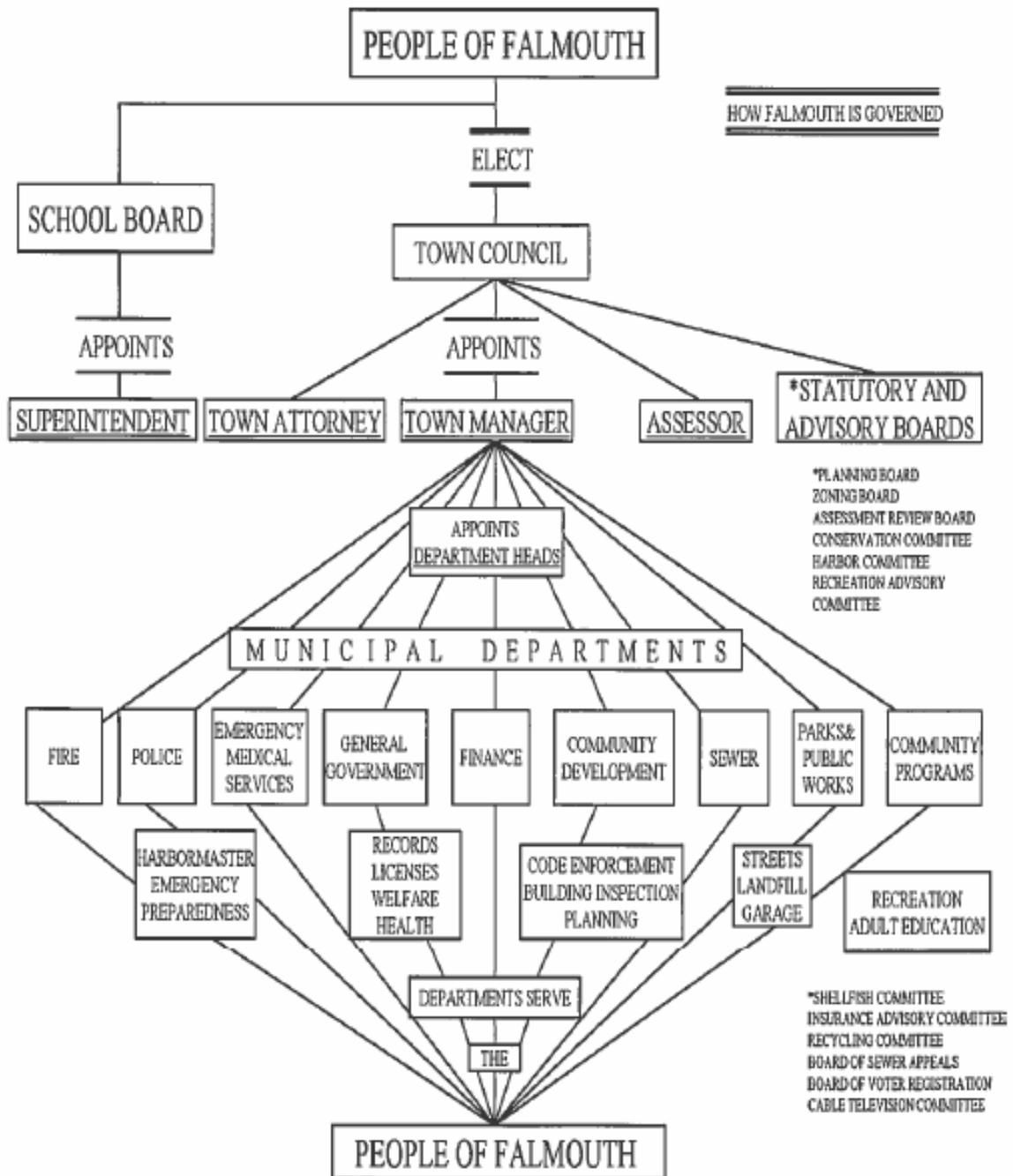
Town of Falmouth
Maine

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



TOWN OF FALMOUTH MAINE
List of Principal Officers
June 30, 2019

<u>Title</u>	<u>Name</u>
Council member	Amy Kuhn, Chair
Council member	Ted Asherman, Vice Chair
Council member	Tommy Johnson
Council member	Janice De Lima
Council member	Hope Cahan
Council member	Caleb Hemphill
Council member	Jay Trickett
Town Manager	Nathan Poore
Assessor	Benjamin Thompson
Code Enforcement Officer	Justin Brown
Community Programs Director	Alexis D'Ascanio
Community Development Director	Ethan Croce
Economic Development Director	Theo Holtwijk
Finance Director	Peter McHugh
Fire Chief	Howard Rice
Information Systems Director	Jennifer Phinney
Police Chief	John Kilbride
Public Works Director	Jay Reynolds
Town Clerk	Ellen Planer
Wastewater Treatment Superintendent	Robert Clark
School Board member	Danielle Tracy, Chair
School Board member	Whitney Bruce, Vice Chair
School Board member	Krisztina Napolitano
School Board member	James Cahan
School Board member	Nicole Bezanson
School Board member	Julie Fraser
School Board member	Julia Lucas

FINANCIAL SECTION



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Falmouth
Falmouth, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Falmouth, Maine as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Town of Falmouth, 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.

Auditors' 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 of 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.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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, business-type activities, each major fund and the aggregate remaining fund information of the Town of Falmouth, Maine as of June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof 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, budgetary comparison information and pension and OPEB information on pages 4 through 12 and 86 through 95 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 Falmouth, Maine's basic financial statements. The combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 20-A MRSA §6051, Sub-chapter 1(K) of the Maine Revised Statutes as amended, and is also not a required part of the basic financial statements

The combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are the responsibility of

management and were derived from and related 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 nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019, on our consideration of the Town of Falmouth, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Falmouth, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
December 9, 2019

TOWN OF FALMOUTH, MAINE
Management's Discussion and Analysis
June 30, 2019

As management of the Town of Falmouth, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Falmouth for the fiscal year ended 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Falmouth exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$97,690,458 (*net position*). Of this amount, \$19,382,305 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors. The Town of Falmouth's total net position increased by \$6,669,270.
- The assets and deferred outflows of resources of the Town of Falmouth's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$76,970,028 (*net position*). Of this amount, \$15,746,274 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors. The Town of Falmouth's governmental activities total net position increased by \$6,501,144.
- The assets and deferred outflows of resources of the Town of Falmouth's business-type activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$20,720,430 (*net position*). Of this amount, \$3,636,031 (*unrestricted net position*) may be used to meet the Town's business activities ongoing obligations to citizens and creditors. The Town of Falmouth's business-type activities total net position increased by \$168,126.
- As of the close of the current fiscal year, the Town of Falmouth's governmental funds reported combined ending fund balances of \$31,649,075, an increase of \$8,841,654 in comparison with the prior year. This is detailed as follows:
 - The general fund increased \$1,122,991. This was due to favorable operations of \$6,034,885 offset by current year net transfers (\$4,911,894) to other funds.
 - The West Falmouth TIF fund increased \$5,404,326. This was due to bond net proceeds from the Route 100 GO bond of \$6,177,222 offset by net spending of \$772,896.
 - Other governmental funds including CIP, special revenue funds and the TIF districts, increased \$2,314,337. Revenues of \$6,430,975, consisting mostly of property taxes for the TIFs transferred in from the general fund (\$2,258,150), miscellaneous revenues (\$1,375,092), charges for services (\$2,096,682) and intergovernmental revenues (\$695,301). Expenditures of \$9,165,639 consisting mostly of school related expenditures (\$2,193,390), community programs and parks expenditures (\$969,767), debt service (\$773,212), and capital improvements (\$4,242,406). The balance (\$986,864) is made up of expenditures in other departments such as public safety, general government, public works, and community development. Excess expenditures over revenues of \$2,740,414 was offset by library construction bond proceeds of \$3,319,000, and \$1,744,751 net transfer from other funds (excluding property tax).
- At the end of the current fiscal year, the Town unassigned fund balance for the general fund was \$11,067,470 and the school Unassigned fund balance (listed as restricted in the CAFR) was \$1,188,261. The total unassigned fund balance for the Town general fund and school department general fund of \$12,255,731 equates to 24.3% of total general fund expenditures.
- During the fiscal year, the Town paid \$3,980,000 in principal payments on previously issued general obligation debt, and paid principle of \$324,000 on previously issued sewer revenue bond debt.

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

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Falmouth's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between these items 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 improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the Town of Falmouth that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works (highways, streets, and solid waste disposal), education, and parks and recreation. The Town has one business-type activity, its wastewater treatment operation. The government-wide financial statements can be found on pages 29-32 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Falmouth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Falmouth maintains nine governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital project fund (30 individual projects), both of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Falmouth adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 33-36 of this report.

Proprietary funds. The Town of Falmouth maintains two different types of proprietary funds. The *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Falmouth uses the enterprise fund to account for its wastewater treatment operations. The *internal service fund* is an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses the internal service fund to account for the maintenance of its motor vehicle fleet. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 37-39 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Falmouth's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on pages 40-41 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-101 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 115-138 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Falmouth, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$95,411,443 at the close of the most recent fiscal year.

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

Town of Falmouth's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
Current and other assets	\$ 36,911,718	\$27,598,239	\$ 3,925,524	\$ 4,059,750	\$ 40,837,242	\$31,657,989
Capital assets	102,050,497	99,945,986	19,676,399	19,681,868	121,726,896	119,627,854
Total assets	138,962,215	127,544,225	23,601,923	23,741,618	162,564,138	151,285,843
Deferred Outflow of Resources	\$ 3,585,019	\$ 3,394,856	\$ -	\$ -	\$ 3,585,019	\$ 3,394,856
Non-current liabilities outstanding	54,470,627	51,453,625	2,381,855	3,093,524	56,852,482	54,547,149
Other liabilities	10,112,199	8,634,399	499,638	95,790	10,611,837	8,730,189
Total liabilities	64,582,826	60,088,024	2,881,493	3,189,314	67,464,319	63,277,338
Deferred Inflows of Resources	994,380	382,173	-	-	994,380	382,173
Net position:						
Net investment in capital assets	54,501,477	55,669,414	17,084,399	16,765,868	71,585,876	72,435,282
Restricted	6,722,277	8,165,087	-	-	6,722,277	8,165,087
Unrestricted	15,746,274	6,634,383	3,636,031	3,786,436	19,382,305	10,420,819
Total net position	\$ 76,970,028	\$70,468,884	\$20,720,430	\$20,552,304	\$ 97,690,458	\$91,021,188

* Restated for the implementation of GASB Statement No. 75

By far, the largest portion of the Town of Falmouth's net position (73.3%) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's net investment in its capital assets is 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 these liabilities.

An additional portion of the Town of Falmouth net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$19,382,305) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Falmouth can report positive balances in all categories of net position, including investment in capital assets, restricted net position, and unrestricted net position, both for the government as a whole, as well as for its separate business-type activities.

Further information on deferred outflows of resources and inflows of resources, can be found in the Notes to Basic Financial Statements on pages 42-101.

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

	Town of Falmouth's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
Revenues:						
Program revenues:						
Charges for services	3,772,388	3,801,937	\$ 2,012,107	\$ 2,004,168	\$ 5,784,495	\$ 5,806,105
Operating grants and contributions	10,802,138	12,335,128	-	508,889	10,802,138	12,844,017
Capital grants and contributions	594,309	442,069	522,694	729,011	1,117,003	1,171,080
General revenues:						
Property taxes	40,481,952	37,875,513	-	-	40,481,952	37,875,513
Excise taxes	3,560,107	3,396,845	-	-	3,560,107	3,396,845
Cable TV franchise taxes	229,783	221,219	-	-	229,783	221,219
Grants not restricted to specific programs	577,940	1,089,754	201,364	-	779,304	1,089,754
Other	2,908,107	190,252	15,046	21,428	2,923,153	211,680
Total revenues	62,926,724	59,352,717	2,751,211	3,263,496	65,677,935	62,616,213
Expenses:						
General government	2,643,701	6,405,329	-	-	2,643,701	6,405,329
Financial management	1,238,141	1,193,225	-	-	1,238,141	1,193,225
Public safety	5,366,716	4,938,969	-	-	5,366,716	4,938,969
Public Works	3,660,138	3,048,036	-	-	3,660,138	3,048,036
Community programs & parks	1,674,500	682,974	-	-	1,674,500	682,974
Community development	1,292,783	957,224	-	-	1,292,783	957,224
Education	38,702,886	39,033,885	-	-	38,702,886	39,033,885
Central Garage	209,438	218,249	-	-	209,438	218,249
Interest on long-term debt	1,561,000	1,476,582	-	-	1,561,000	1,476,582
Bond Issuance Costs	76,277	-	-	-	76,277	-
Wastewater treatment	-	-	2,583,085	2,566,435	2,583,085	2,566,435
Total expenses	56,425,580	57,954,473	2,583,085	2,566,435	59,008,665	60,520,908
Increase in net position	6,501,144	1,398,244	168,126	697,061	6,669,270	2,095,305
Net position--July 1, restated	70,468,884	69,070,640	20,552,304	19,855,243	91,021,188	88,925,883
Net position--June 30	\$76,970,028	\$70,468,884	\$20,720,430	\$20,552,304	\$97,690,458	\$91,021,188

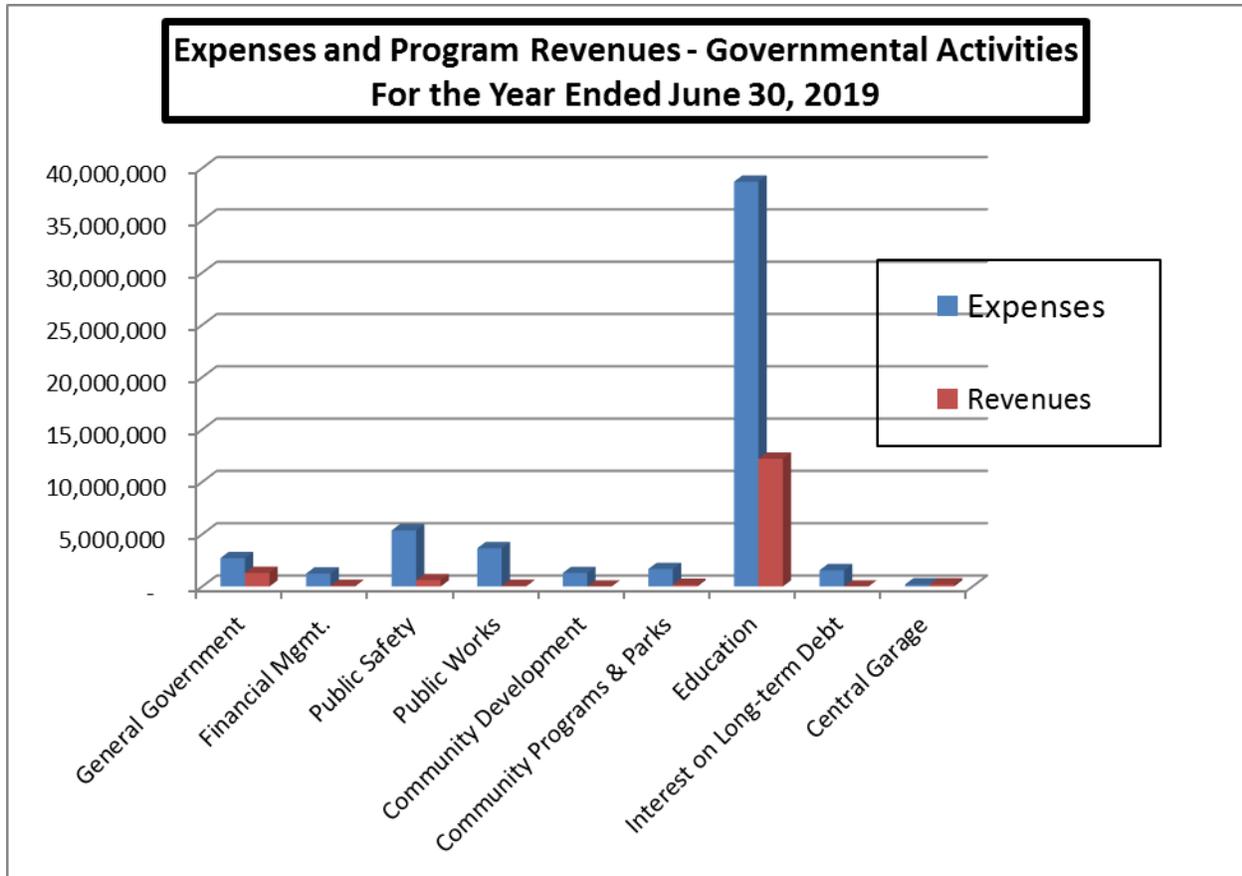
* Restated for the implementation of GASB Statement No. 75

The Town of Falmouth's net position increased by \$6,669,270, or 7.3%, during the current fiscal year. Total governmental activities revenue increased by \$3,574,007 or 6.0% over the prior year primarily due to increased taxes of \$2,769,701, and an increase in other revenues of \$2,717,855 offset by operating grants and contribution reductions of \$1,532,990.

Total expenses decreased \$1,512,243 or 2.6% from the prior year. The decrease was driven by decreases in general government expenses (\$3,761,628) primarily due to the GASB 75 restatement of 2018, a decrease in education expenses of \$330,999 offset by increases in public works (\$612,102), public safety (\$427,747), and community programs & parks expense (\$991,526).

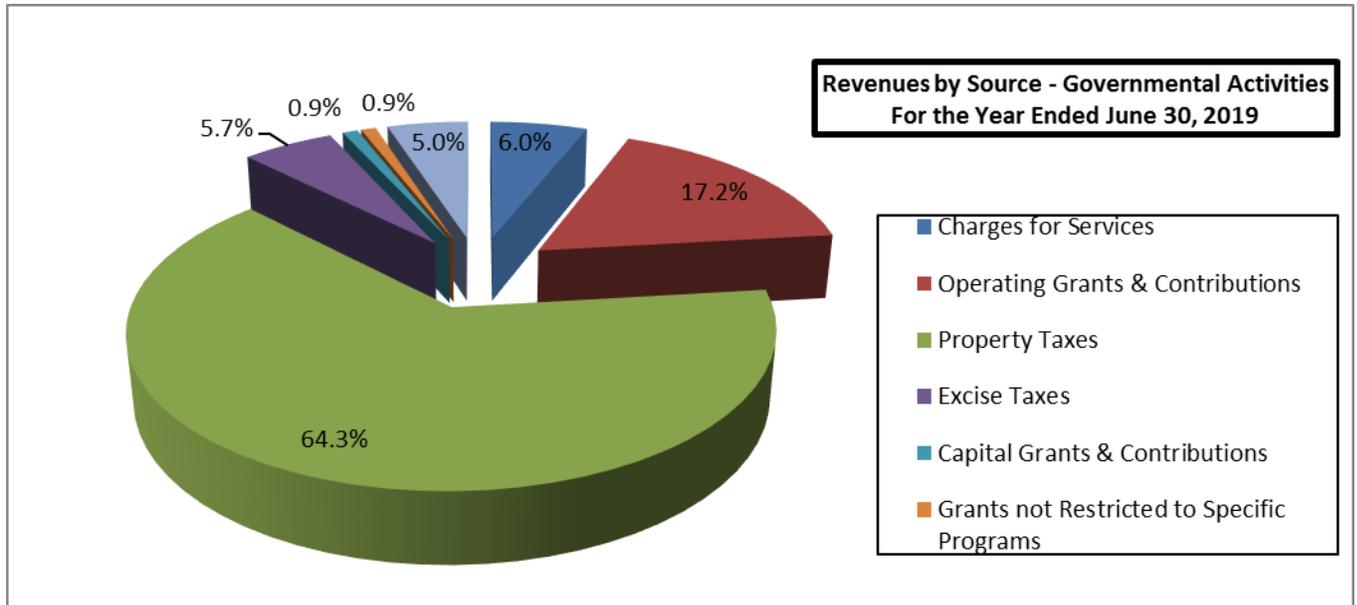
Governmental activities. Governmental activities increased the Town of Falmouth's net position by \$6,501,144 thereby accounting for 97.5% of the total growth in the Town's net position. The following charts illustrate total expenses and revenues by program and revenues by source for all governmental activities. Key elements of this increase are as follows:

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



- General government line item expenses decreased by \$3,761,628 or 58.7%. This is primarily due to the implementation of GASB 75 offset by increased county taxes (\$44,040) and non-departmental expenses (\$171,763).
- Public safety overall expenses increased \$427,747 primarily due to increased depreciation and employee costs.
- Public works increased by \$612,102 due to increased vehicle maintenance, road salt purchases, and increased employee costs.
- Community development expenses increased \$335,559 primarily due to an increase in TIF expenditures.
- Financial management expenses increased \$44,916 primarily due to increased Worker's Compensation costs and assessor fees.
- Education line-item expenses decreased by \$330,999 in 2019 compared to 2018 primarily due to a Reduction in grant-related spending.

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



- Property tax revenues increased by \$2,606,439 or 6.9% during the year. The tax rate increased from 15.62 mils to 16.47 mils in 2019 or 5.4%. This, along with a 1.4% increase in total property valuation, and strong tax collection efforts, reflected in the Town's continued high tax collection rate of 99.1% collected by August 31, 2019 resulted in the increase.
- Excise taxes increased \$163,262 or 4.8% from the prior year as new car sales and leases continue to see strong growth.
- Operating grants and contributions decreased \$1,532,990 due to a decrease in amounts received for Education.

Business-type activities. The Town's one business-type activity, its wastewater treatment operation, increased the Town of Falmouth's net position by \$168,126. Key elements of this year's activity are as follows:

- Charges for services increased by \$7,939 from the prior year.
- Operating grants and contributions decreased \$508,889.
- Capital grants and contributions decreased \$206,317 due to the completion of the Mill Creek pump station replacement project.
- Expenses increased by \$16,650 or 0.6% primarily due to employee costs.

Financial Analysis of the Government's Funds

As noted earlier, the Town of Falmouth uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town of Falmouth's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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

As of the end of the current fiscal year, the Town of Falmouth's governmental funds reported combined ending fund balances of \$31,649,075, an increase of \$8,841,654 from the prior year including the GASB 75 restatement (see page 101). This increase is primarily due to Bond proceeds from the Route 100 Infrastructure/Library Expansion GO Bond issuance. Approximately 35.0% of this total amount (\$11,066,986) constitutes *unassigned fund balance*, which is available for spending at the Town's discretion.

The general fund is the chief operating fund of the Town of Falmouth. At the end of the current fiscal year, the fund balance of the general fund was \$12,638,087, (\$1,570,617) of which has been designated by management, the Town Council, or an outside government as assigned, committed, restricted, or non-spendable). As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22.0% of total general fund expenditures, while total fund balance represents 25.1% of that same amount.

The remainder of the fund balance is as follows: *special revenue funds* (\$6,640,216); which are restricted or assigned for a specified purpose; *capital project funds* which are restricted or committed to capital projects (\$5,003,630); *permanent Funds* (\$9,164) which are assets held by the Town that are legally restricted; *West Falmouth TIF funds* (\$7,357,978) which are restricted to use in the TIF district; and *non-spendable* (\$35,792) to indicate that it is not available for new spending. These amounts are not available for new spending because they have already been classified to account for inventory, unemployment compensation reserves, School funds, or projects which must be completed due to restrictions set by entities at the State or Federal level or other municipal governments outside of the Town.

The fund balance of the Town of Falmouth's general fund increased by \$1,122,991 during the current fiscal year. Major factors in this year's fund balance activity are as follows:

- General fund property tax revenues increased by \$2,955,659 (7.8%) during the year. This increase reflects both a 1.4% increase in total property valuation, and an increase of 5.4% in the mil rate (from 15.62 to 16.47 mils), as well as strong tax collection efforts, reflected in the Town's continued high tax collection rate of 99.1% collected by August 31, 2019.
- Intergovernmental revenue decreased by \$2,523,724 from the prior year due to a reduction in the amount of operating grants for education.
- A \$163,262 increase in excise taxes, a \$67,052 decrease in charges for services, a \$41,972 increase in license, fees and permits, a \$754,153 increase in investment earnings due to earnings and an unrealized net investment gain, and a \$22,335 increase in fines and forfeitures revenue.
- Net other financing uses of \$4,911,894.
- Total general fund expenditures decreased by \$644,543 or 1.3%.

The West Falmouth TIF fund increased by \$5,404,326 due to Bond net proceeds for the Route 100 infrastructure project of \$6,177,222 offset by expenditures of 2,422,154, property tax transfers in from the General Fund of \$908,993, Maine Department of Transportation and Portland Water District contributions to the Route 100 project of \$526,334, and other revenues of \$213,931.

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

The combined fund balance of the other (nonmajor) governmental funds increased by \$2,314,337 due to tax revenue transfer from the general fund of \$2,258,150, general government fund budget net transfers of \$1,744,751, bond proceeds of \$3,310,000 from the Library project GO bond issuance, intergovernmental revenue of \$695,301, charges for services of \$2,096,682 and miscellaneous revenues of \$1,375,092 offset by expenditures of \$9,165,639 including capital spending of \$4,241,906, education spending of \$2,193,390, community programs & parks spending of \$969,767, public works spending of \$504,293, and debt service payments of \$773,212.

Proprietary funds. The Town of Falmouth's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Town's wastewater treatment fund amounted to \$3,636,031, and net position of the fleet maintenance internal service fund was zero. The total increase in net position for the wastewater treatment fund was \$168,126. The total operating income for the internal service fund was \$0.

General Fund Budgetary Highlights

For the current fiscal year, all revenue line-items (with the exception of other revenue) exceeded budgetary projections and all expenditure line-items were within budgetary limits. Revenues were \$1,490,203 higher than budget and expenditures were \$450,388 lower than budget.

The Town's written fund balance policy, which authorizes funds exceeding the Town's required minimum unassigned fund balance of two months (or 16.7%) of operating expenditures to be appropriated for "one-time" capital or non-operating uses. The Town also reserves \$1,000,000 in addition to that amount for future capital expenditures.

Capital Asset and Debt Administration

Capital assets. The Town of Falmouth's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$121,726,896 (net of accumulated depreciation), an increase of \$2,099,042. This investment in capital assets includes land, buildings and system, land improvements, machinery and equipment, and infrastructure. The total increase in the Town of Falmouth's investment in net capital assets for the current fiscal year was 1.8% (a 21.1% increase for governmental activities and a 0.03% decrease for business-type activities).

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

	Town of Falmouth's Capital Assets (net of depreciation)					
	Governmental		Business-type		Totals	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Land	\$ 9,306,751	\$ 8,913,871	\$ 511,344	\$ 350,600	\$ 9,818,095	\$ 9,264,471
Construction-in-progress	4,090,386	789,066	237,809	115,851	4,328,195	904,917
Buildings & improvements	51,107,415	52,951,613	5,882,065	6,037,769	56,989,480	58,989,382
Improvements other than buildings	437,177	542,671	-	-	437,177	542,671
Machinery and equipment	6,413,423	5,178,947	1,603,767	1,625,001	8,017,190	6,803,948
Infrastructure	30,695,345	31,569,818	11,441,414	11,552,647	42,136,759	43,122,465
Total	\$102,050,497	\$ 99,945,986	\$ 19,676,399	\$ 19,681,868	\$ 121,726,896	\$119,627,854

Major capital asset events during the current fiscal year included the following:

- A variety of street construction projects throughout the Town were undertaken, including the Route 100 infrastructure project; repaving of Middle Road, Falmouth Road, and Middle Road; Blueberry Lane road and sidewalk improvements; and Johnson road to Mill Creek Sewer capacity upgrade. Other projects included replacement of all street lights and Town building interior lights with energy-efficient LED lights, replacement of the Town Data system and security servers, a new Community Center roof, and Open Space acquisitions. We replaced the floats and gangways at the Harbor that were destroyed in the November 2017 storm.
- Major equipment additions include a plow/maintenance truck and a street sweeper for Public Works, a new ambulance for the Fire Department, two new hybrid police cruisers, and two pick-up trucks for parks and community programs.

Additional information on the Town of Falmouth's capital assets can be found in the notes to the basic financial statements on pages 57-58 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Falmouth had total bonded debt outstanding of \$50,097,000. Of this amount, \$47,505,000 consists of general obligation debt backed by the full faith and credit of the Town. It should be noted that the State of Maine has been funding school debt payments for the entire 2017 refunding of the outstanding \$2,535,000 2011 high school construction bond and 84.2% of the 2017 refunding of the outstanding \$23,775,000 2011 elementary school construction bond. The State contribution toward debt service totaled \$3,308,533 in 2019. The remaining \$2,592,000 of the Town's debt consists of sewer revenue bonds secured solely by sewer user fees. In May of 2019, the Town issued a \$9,310,000 GO Bond to finance \$6,000,000 of the voter-approved Route 100 infrastructure project, and \$3,310,000 of the voter-approved Falmouth Memorial Library construction project.

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

All Governmental activities long-term debt service requirements are paid by either the General Fund, or the Route One South TIF District fund.

Town of Falmouth's Outstanding Debt						
General Obligation and Revenue Bonds						
	Governmental		Business-type		Total	
	activities		debt			
	2019	2018	2019	2018	2019	2018
General obligation						
bonds	\$47,505,000	\$42,175,000	\$ -	\$ -	\$47,505,000	\$ 42,175,000
Revenue bonds	-	-	2,592,000	2,916,000	2,592,000	2,916,000
Total	\$47,505,000	\$42,175,000	\$2,592,000	\$2,916,000	\$50,097,000	\$ 45,091,000

During the fiscal year, the Town paid \$3,980,000 in principal payments on previously issued general obligation debt, and paid principle of \$324,000 on previously issued sewer revenue bond debt.

During the fiscal year, The Town of Falmouth maintained its "AAA" credit rating from Standard & Poor's and had its rating from Moody's Investors Service upgraded to "Aaa".

State statutes limit the amount of total debt (for all municipal purposes) that a municipality may issue up to 15% of its total state assessed valuation. The current debt limitation for the Town of Falmouth is \$379,890,000. The Town's actual total outstanding debt of \$50,097,000 (for all municipal purposes) is significantly below the authorized state limit. Additional information on the Town of Falmouth's long-term debt can be found in the notes to the basic financial statements on pages 59-62 of this report.

Economic Factors and Next Year's Budgets and Rates

- The Town of Falmouth's property tax base continues to remain stable, paced by a stable building and real estate construction market. Falmouth's taxable valuation base grew by 1.4% in fiscal year 2018-19. A total of 81 building permits for new construction were issued in 2018-19, including 79 permits for new single-family residential housing and 2 permits for new commercial buildings.
- Certain economic areas are showing increased strength. For example, the automobile market's continued strength has led to a strong increase in automobile excise collections. This amount increased 4.8% to \$3,560,107 in fiscal year 2018-19 from \$3,396,845 in the prior year.
- The Town makes a continual effort to ensure that its property tax base is assessed at close to 100% of market value. A revaluation of commercial and residential properties was conducted in 2009. These revaluations ensure that the Town is fairly and equitably assessing its properties and is utilizing its full property tax base.
- Despite a statewide decline in elementary and secondary school enrollment, the Town's school enrollment figures remain stable. These enrollment figures ensure that the Town will continue to receive its fair share of state educational aid, which is distributed to municipalities under a formula, which places great weight on student enrollment.

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

- The major concern for future budget planning is the Fire Department's ability to continue as a volunteer department. Drops in the number of volunteers and increases in the number of annual calls has put a strain on the department. The Town has hired a consultant to analyze staffing needs and it is likely the Town will begin transitioning to an employee-based department in fiscal year 2020-21.
- The town experienced a large unrealized gain of principal in its investments due to favorable interest rates in relation to the market. The Town rarely sells its investments prior to maturity but continues to closely monitor the situation.
- The Town has seen the costs of employee health insurance increase at a more moderate pace in 2020 with an increase of 5.0% on each of the plans.

Where applicable, the factors above were considered in preparing the Town of Falmouth's budget for the 2020 fiscal year. The primary budgetary objective was to provide basic and referendum approved Town services to its citizens while attempting to keep the property tax rate low. The positive trends noted above helped offset an increase of 4.8% in net School expenditures, and 4.0% County requirements from property taxes and result in a 2.4% increase in the property tax rate in fiscal year 2019-20. The tax rate increased to \$16.87 per thousand of valuation.

Affecting the future development for the Town:

- In May 2019, the Town issued \$9.3 million in GO Bonds to finance two large projects. \$6,000,000 of the issuance was for the voter approved bonds to finance a portion of the \$10,500,000 Route 100 commercial corridor infrastructure improvement project. The remaining \$4,500,000 will be funded through a \$4,000,000 grant from the Maine Department of Transportation and \$500,000 from existing West Falmouth Crossing TIF funds. Work on this infrastructure improvement project is underway and scheduled to be complete by the first half of 2020. The remaining \$3.3 million in GO Bonds will finance the 50% match of the Falmouth Memorial Library renovation and expansion project. Construction began in the spring of 2019 and is scheduled to be complete by spring 2020.
- The private expansion of natural gas lines throughout the Town is continuing. Installation of the distribution system will represent a significant investment in Falmouth. The entire project is expected to take between five and ten years. In addition, the Ocean View senior community continues to expand at a rapid pace. Both of these major developments are in the Ocean View/Natural Gas TIF District.
- The Town continues to implement a prioritized bicycle and pedestrian infrastructure plan.
- Private development continues to expand in the Route 1 South commercial district following the 2016 completion of the Town's \$12M infrastructure investment.
- The Town recently developed a multi-modal transportation plan for the Route One corridor with the Towns of Cumberland, Yarmouth, and Freeport. The Town is now considering next steps to implement the plan.
- The Town is considering next steps to implement master plan scenarios for a portion of the Route 1 North commercial district with recommended improvements including intersection and roadway improvements, as well as, pedestrian and bicycle amenities.
- The Town has implemented a 20-year sewer master plan to ensure the system can accommodate growth while maintaining service levels.
- The Town continues to market the Route One South corridor where the recently completed infrastructure improvement plan has spurred developmental growth.

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

- The Town continues to focus on the overall needs of senior citizens and what role the Town should have with offering and/or facilitating the delivery of services and assistance to senior citizens.
- The Town is investigating affordable housing opportunities with developers.

Requests for Information

This financial report is designed to provide a general overview of the Town of Falmouth's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town of Falmouth, Maine, 271 Falmouth Road, Falmouth, Maine 04105.

BASIC FINANCIAL STATEMENTS

TOWN OF FALMOUTH, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 24,029,983	\$ -	\$ 24,029,983
Investments	14,752,343		14,752,343
Accounts receivable (net of allowance for uncollectibles):			
Taxes	771,329	-	771,329
Liens	181,728	-	181,728
Other	362,267	354,146	716,413
Due from other governments	179,058	-	179,058
Inventory	153,760	-	153,760
Prepaid items	20,127	26,956	47,083
Tax acquired property	5,545	-	5,545
Internal balances	(3,544,422)	3,544,422	-
Total current assets	<u>36,911,718</u>	<u>3,925,524</u>	<u>40,837,242</u>
Noncurrent assets:			
Capital assets:			
Land and other non-depreciable assets	13,397,137	749,153	14,146,290
Infrastructure, buildings and vehicles, net of accumulated depreciation	<u>88,653,360</u>	<u>18,927,246</u>	<u>107,580,606</u>
Total noncurrent assets	<u>102,050,497</u>	<u>19,676,399</u>	<u>121,726,896</u>
TOTAL ASSETS	<u>138,962,215</u>	<u>23,601,923</u>	<u>162,564,138</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred bond premium	\$ 1,456,067	-	1,456,067
Deferred outflows related to pensions	1,843,740	-	1,843,740
Deferred outflows related to OPEB	<u>285,212</u>	<u>-</u>	<u>285,212</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,585,019</u>	<u>-</u>	<u>3,585,019</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 142,547,234</u>	<u>\$ 23,601,923</u>	<u>\$ 166,149,157</u>

TOWN OF FALMOUTH, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 472,341	\$ 28,005	\$ 500,346
Accrued payroll and expenses	3,308,590	37,102	3,345,692
Accrued interest payable	403,490	34,627	438,117
Due to other governments	821,522	-	821,522
Current portion of long-term obligations	5,106,256	399,904	5,506,160
Total current liabilities	10,112,199	499,638	10,611,837
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	43,060,000	2,268,000	45,328,000
Bond premium payable	2,480,952	-	2,480,952
Accrued compensated absences	594,127	113,855	707,982
Landfill postclosure costs	16,000	-	16,000
Net pension liability	2,563,138	-	2,563,138
Net OPEB liability	5,756,410	-	5,756,410
Total noncurrent liabilities	54,470,627	2,381,855	56,852,482
TOTAL LIABILITIES	64,582,826	2,881,493	67,464,319
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	3,953	-	3,953
Deferred inflows related to pensions	639,603	-	639,603
Deferred inflows related to OPEB	350,824	-	350,824
TOTAL DEFERRED INFLOWS OF RESOURCES	994,380	-	994,380
NET POSITION			
Net investment in capital assets	54,501,477	17,084,399	71,585,876
Restricted: General fund	1,274,692	-	1,274,692
Special revenue funds	5,437,937	-	5,437,937
Permanent funds	9,648	-	9,648
Unrestricted	15,746,274	3,636,031	19,382,305
TOTAL NET POSITION	76,970,028	20,720,430	97,690,458
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 142,547,234	\$ 23,601,923	\$ 166,149,157

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government (and others)	\$ 2,643,701	\$ 561,199	\$ 666,991	\$ 67,975	\$ (1,347,536)	\$ -	\$ (1,347,536)
Financial management	1,238,141	76,887	-	-	(1,161,254)	-	(1,161,254)
Public safety	5,366,716	605,979	-	-	(4,760,737)	-	(4,760,737)
Public works	3,660,138	54,898	6,971	-	(3,598,269)	-	(3,598,269)
Community development	1,292,783	-	-	-	(1,292,783)	-	(1,292,783)
Community programs and parks	1,674,500	167,305	-	-	(1,507,195)	-	(1,507,195)
Education	36,544,967	2,096,682	7,970,257	-	(26,478,028)	-	(26,478,028)
Interest on debt service	1,561,000	-	-	-	(1,561,000)	-	(1,561,000)
Capital outlay	-	-	-	526,334	526,334	-	526,334
State of Maine on-behalf payments	2,157,919	-	2,157,919	-	-	-	-
Internal service	209,438	209,438	-	-	-	-	-
Total governmental activities	<u>\$ 56,349,303</u>	<u>\$ 3,772,388</u>	<u>\$ 10,802,138</u>	<u>\$ 594,309</u>	<u>(41,180,468)</u>	<u>-</u>	<u>(41,180,468)</u>
Business-type activities:							
Wastewater	2,583,085	2,012,107	-	522,694	-	(48,284)	(48,284)
Total business-type activities	<u>\$ 2,583,085</u>	<u>\$ 2,012,107</u>	<u>\$ -</u>	<u>\$ 522,694</u>	<u>-</u>	<u>(48,284)</u>	<u>(48,284)</u>

STATEMENT B (CONTINUED)
TOWN OF FALMOUTH, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities	Business-type Activities
Changes in net position:		
Net (expense) revenue	(41,180,468)	(48,284)
General revenues:		
Taxes:		
Property taxes, levied for general purposes	40,481,952	-
Excise taxes	3,560,107	-
Grants and contributions not restricted to specific programs	577,940	201,364
Investment income	888,714	15,046
Other income	2,249,176	-
Total general revenues	47,757,889	216,410
Bond issuance costs	(76,277)	-
Change in net position	6,501,144	168,126
Net position - July 1, Restated	70,468,884	20,552,304
Net position - June 30	\$ 76,970,028	\$ 20,720,430

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	West Falmouth TIF	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 24,020,319	\$ -	\$ 9,664	\$ 24,029,983
Investments	14,752,343	-	-	14,752,343
Accounts receivable (net of allowance for uncollectibles):				
Taxes	771,329	-	-	771,329
Liens	181,728	-	-	181,728
Other	355,585	-	6,682	362,267
Due from other governments	4,440	-	174,618	179,058
Inventory	253	-	26,144	26,397
Prepaid items	20,127	-	-	20,127
Tax acquired property	5,545	-	-	5,545
Due from other funds	810	7,381,996	11,667,234	19,050,040
TOTAL ASSETS	\$ 40,112,479	\$ 7,381,996	\$ 11,884,342	\$ 59,378,817
LIABILITIES				
Accounts payable	\$ 252,895	\$ 21,107	\$ 183,227	\$ 457,229
Accrued payroll and expenses	3,251,167	2,911	47,295	3,301,373
Due to other governments	821,522	-	-	821,522
Due to other funds	22,488,618	-	810	22,489,428
TOTAL LIABILITIES	26,814,202	24,018	231,332	27,069,552
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	3,953	-	-	3,953
Deferred tax revenue	656,237	-	-	656,237
TOTAL DEFERRED INFLOWS OF RESOURCES	660,190	-	-	660,190
FUND BALANCES				
Nonspendable	25,925	-	35,792	61,717
Restricted	86,431	7,357,978	7,966,238	15,410,647
Committed	1,188,261	-	2,475,329	3,663,590
Assigned	270,000	-	1,176,135	1,446,135
Unassigned	11,067,470	-	(484)	11,066,986
TOTAL FUND BALANCES	12,638,087	7,357,978	11,653,010	31,649,075
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 40,112,479	\$ 7,381,996	\$ 11,884,342	\$ 59,378,817

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

	Total Governmental Funds
	Funds
Total Fund Balances	\$ 31,649,075
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, net of accumulated depreciation	102,050,497
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	527,226
Ambulance and fines receivable	129,011
Deferred outflows of resources related are not financial resources and therefore are not reported in the funds:	
Bond premium	1,456,067
Pensions	1,843,740
OPEB	285,212
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest	(403,490)
Bonds payable	(47,505,000)
Bond premium payable	(2,686,104)
Notes from direct borrowings payable	(44,020)
Accrued compensated absences	(990,211)
Landfill postclosure costs	(32,000)
Net pension liability	(2,563,138)
Net OPEB liability	(5,756,410)
Deferred inflows of resources related are not financial resources and therefore are not reported in the funds:	
Pensions	(639,603)
OPEB	(350,824)
Net position of governmental activities	\$ 76,970,028

See accompanying independent auditors' report and notes to financial statements.

STATEMENT E

TOWN OF FALMOUTH, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	West Falmouth TIF	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	\$ 40,741,238	\$ -	\$ -	\$ 40,741,238
Excise taxes	3,560,107	-	-	3,560,107
Intergovernmental	9,222,159	526,334	695,301	10,443,794
State of Maine on-behalf payments	492,537	-	-	492,537
Licenses, permits and fees	535,151	-	-	535,151
Charges for services	862,907	-	2,096,682	2,959,589
Investment income, net of unrealized gains/(losses)	874,337	-	14,377	888,714
Fines and forfeitures	76,887	-	-	76,887
Other revenue	47,204	213,931	1,360,715	1,621,850
TOTAL REVENUES	56,412,527	740,265	4,167,075	61,319,867
EXPENDITURES				
Current:				
General government	1,234,327	-	111,393	1,345,720
Financial management	1,238,141	-	-	1,238,141
Public safety	4,637,934	-	46,331	4,684,265
Public works	1,956,305	-	504,293	2,460,598
Community development	579,368	388,568	324,847	1,292,783
Community programs and parks	483,371	-	969,767	1,453,138
Non-departmental	942,762	-	-	942,762
County tax	1,668,790	-	-	1,668,790
Education	32,586,882	-	2,193,390	34,780,272
Debt service:				
Principal	3,390,000	-	590,000	3,980,000
Interest	1,167,225	-	183,212	1,350,437
Capital outlay	-	2,033,586	4,241,906	6,275,492
State of Maine on-behalf	492,537	-	-	492,537
Other/program expenses	-	-	500	500
TOTAL EXPENDITURES	50,377,642	2,422,154	9,165,639	61,965,435
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	6,034,885	(1,681,889)	(4,998,564)	(645,568)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	6,000,000	3,310,000	9,310,000
Bond premium proceeds	-	253,499	-	253,499
Bond issuance costs	-	(76,277)	-	(76,277)
Transfers in	300,000	908,993	4,414,113	5,623,106
Transfers (out)	(5,211,894)	-	(411,212)	(5,623,106)
TOTAL OTHER FINANCING SOURCES (USES)	(4,911,894)	7,086,215	7,312,901	9,487,222
NET CHANGE IN FUND BALANCES	1,122,991	5,404,326	2,314,337	8,841,654
FUND BALANCES - JULY 1	11,515,096	1,953,652	9,338,673	22,807,421
FUND BALANCES - JUNE 30	\$ 12,638,087	\$ 7,357,978	\$ 11,653,010	\$ 31,649,075

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, 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, 2019

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 8,841,654</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	6,871,792
Capital asset disposals	(188,479)
Depreciation expense	<u>(4,578,802)</u>
	<u>2,104,511</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	(259,286)
Ambulance and fines receivable	(8,677)
	<u>(267,963)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pensions	88,110
OPEB	41,031
	<u>129,141</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position	<u>(9,310,000)</u>
Bond premium proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position	<u>(253,499)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	<u>4,024,020</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pensions	(359,493)
OPEB	(248,761)
	<u>(608,254)</u>
Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	453,948
Accrued interest payable	(210,563)
Landfill postclosure costs	16,000
Net pension liability	1,220,738
Net OPEB liability	107,912
Debt issuance costs	253,499
	<u>1,841,534</u>
Change in net position of governmental activities (Statement B)	<u>\$ 6,501,144</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2019

	<u>Enterprise Funds</u> Wastewater Fund	<u>Governmental</u> Activities Internal Service Fund
ASSETS		
Current assets:		
Accounts receivable (net of allowance for uncollectibles)	\$ 354,146	\$ -
Inventory	-	127,363
Prepaid items	26,956	-
Due from other funds	3,544,422	-
Total current assets	<u>3,925,524</u>	<u>127,363</u>
Noncurrent assets:		
Capital assets:		
Land and construction in progress	749,153	-
Buildings and improvements	11,623,380	-
Equipment	4,516,467	-
Infrastructure	17,863,605	-
Less: accumulated depreciation	(15,076,206)	-
Total noncurrent assets	<u>19,676,399</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 23,601,923</u>	<u>\$ 127,363</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 28,005	\$ 15,112
Accrued expenses	37,102	7,217
Accrued interest payable	34,627	-
Due to other funds	-	105,034
Current portion of long-term obligations	399,904	-
Total current liabilities	<u>499,638</u>	<u>127,363</u>
Noncurrent liabilities:		
Noncurrent portion of long-term obligations:		
Bonds payable	2,268,000	-
Accrued compensated absences	113,855	-
Total noncurrent liabilities	<u>2,381,855</u>	<u>-</u>
TOTAL LIABILITIES	<u>2,881,493</u>	<u>127,363</u>
NET POSITION		
Net investment in capital assets	17,084,399	-
Unrestricted	3,636,031	-
TOTAL NET POSITION	<u>20,720,430</u>	<u>-</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 23,601,923</u>	<u>\$ 127,363</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

STATEMENT OF CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Enterprise Funds	Governmental Activities
	Wastewater Fund	Internal Service Fund
	<u> </u>	<u> </u>
OPERATING REVENUES		
Intergovernmental	\$ 150,989	\$ -
Charges for services	2,012,107	209,438
Other	50,375	-
TOTAL OPERATING REVENUES	<u>2,213,471</u>	<u>209,438</u>
OPERATING EXPENSES		
Wages and benefits	792,668	-
Professional services	439,947	-
Supplies	86,712	-
Maintenance and repairs	87,097	-
Utilities	146,590	-
Depreciation	881,371	-
Other	78,136	209,438
TOTAL OPERATING EXPENSES	<u>2,512,521</u>	<u>209,438</u>
OPERATING INCOME (LOSS)	<u>(299,050)</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)		
Capital contributions	522,694	-
Interest income	15,046	-
Interest expense	(70,564)	-
Transfers in	620,000	-
Transfers (out)	(620,000)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>467,176</u>	<u>-</u>
CHANGE IN NET POSITION	168,126	-
NET POSITION - JULY 1	<u>20,552,304</u>	<u>-</u>
NET POSITION - JUNE 30	<u>\$ 20,720,430</u>	<u>\$ -</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Enterprise Funds	Governmental
	Wastewater Fund	Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 2,005,864	\$ 209,438
Other receipts	208,158	-
Internal activity - receipts (payments) from/to other funds	134,793	-
Payments to employees	(792,668)	-
Payments to suppliers	(823,421)	(209,438)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>732,726</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in	620,000	-
Transfers (out)	(620,000)	-
NET CASH PROVIDED (USED) FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Interest paid on long-term debt	(70,564)	-
Capital contributions	522,694	-
Capital asset additions	(884,057)	-
Capital asset disposals	8,155	-
Principal payments on long-term debt	(324,000)	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(747,772)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	15,046	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>15,046</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS - JULY 1	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (299,050)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	881,371	-
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(6,243)	-
(Increase) decrease in due from other governments	6,794	-
(Increase) decrease in prepaid items	(1,118)	-
(Increase) decrease in due from other funds	134,793	-
Increase (decrease) in accounts payable	2,411	-
Increase (decrease) in accrued expenses	6,567	-
Increase (decrease) in accrued interest	(5,034)	-
Increase (decrease) in accrued compensated absences	12,235	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 732,726</u>	<u>\$ -</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ 70,564</u>	<u>\$ -</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Agency Funds</u> Total	<u>Private-Purpose Trust Funds</u> Total
ASSETS		
Cash and cash equivalents	\$ 222,790	\$ 78,058
Investments	-	34,416
Due from other governments	818,995	2,527
TOTAL ASSETS	<u>\$ 1,041,785</u>	<u>\$ 115,001</u>
LIABILITIES		
Accounts payable	\$ 940	\$ -
Deposits held for others	1,040,845	1,074
Due to other governments	-	500
TOTAL LIABILITIES	<u>\$ 1,041,785</u>	<u>\$ 1,574</u>
NET POSITION		
Restricted		114,501
Unrestricted (deficit)		<u>(1,074)</u>
TOTAL NET POSITION		<u>113,427</u>
TOTAL LIABILITIES AND NET POSITION		<u>\$ 115,001</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2019

	Private-Purpose Trust Funds
	<u>Total</u>
ADDITIONS	
Interest income	\$ 326
Other contributions	21,564
TOTAL ADDITIONS	<u>21,890</u>
DEDUCTIONS	
Scholarship awards	16,040
Miscellaneous expense	319
TOTAL DEDUCTIONS	<u>16,359</u>
CHANGE IN NET POSITION	5,531
NET POSITION - JULY 1	<u>107,896</u>
NET POSITION - JUNE 30	<u>\$ 113,427</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Falmouth was incorporated under the laws of the State of Maine. The Town operates under the selectmen form of government and provides the following services: general government, financial management, public safety, public works, community development, community programs and parks, non-departmental, education and other/program expenses.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2019, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 83 "Certain Asset Retirement Obligations." This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities and the estimated remaining useful life of the associated

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 88 "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's Wastewater fund is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets; restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major Funds

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The West Falmouth TIF Fund is used to account for financial resources to be used for the West Falmouth TIF and that are legally restricted for that purpose.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonmajor Funds

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- e. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.
- b. Internal Service Funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Town on a cost-reimbursement basis. Because the principal users of the internal services are the Town's governmental activities, the financial statement of the internal service fund is consolidated into the

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

governmental column when presented in the government-wide financial statements.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (agency and private-purpose). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements. The Town has no component units that are fiduciary in nature.

The emphasis in fund financial statements is on the major funds in the governmental activity category. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Public Employees Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the general fund.

Revenues per budgetary basis	\$ 56,219,990
Add: On-behalf payments	492,537
Total GAAP basis	<u>\$ 56,712,527</u>
Expenditures per budgetary basis	\$ 55,096,999
Add: On-behalf basis	492,537
Total GAAP basis	<u>\$ 55,589,536</u>

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the first half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. The budget was adopted subsequent to passage by the inhabitants of the Town.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Finance Director is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Town of Falmouth has a formal investment policy and also follows the State of Maine Statutes.

Receivables

Receivables include amounts due from governmental agencies and ambulance receivables. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$895,471 for the year ended June 30, 2019. The allowance for uncollectible amounts is estimated to be \$0 as of June 30, 2019.

Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption and are valued at cost which approximate market, using the first-in, first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). The general fund inventory consists of postage funds, the school lunch fund inventory consists of school lunch supplies and food on hand at the end of the year and the internal service fund inventory consists of vehicle repair parts.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

TOWN OF FALMOUTH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances”.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Improvements other than buildings	20 - 50 years
Buildings and improvements	20 - 50 years
Machinery and equipment	3 - 50 years
Infrastructure	50 - 100 years

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist primarily of bonds payable, bond premium payable, a note from direct borrowings payable, accrued compensated absences, landfill postclosure costs, net pension liability and net OPEB liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

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

OPEB

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial reports provided to them by the Maine Education Association Benefits Trust (MEABT) and the Maine Municipal Employees Health Trust (MMEHT), which determined the Town's fiduciary net position as single employer defined benefit plans based on information provided solely by MEABT and MMEHT to complete the actuarial reports. Additions to/deductions from the MEABT and MMEHT OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by MEABT and MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has deferred bond premium, deferred outflows related to pensions and deferred outflows related to OPEB. These items are reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred tax revenue, which arises only under a modified accrual basis of accounting qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the

TOWN OF FALMOUTH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

statements of net position and the governmental funds balance sheet. Deferred inflows related to pensions and deferred inflows related to OPEB qualify for reporting in this category as well. These items are reported only in the statement of net position. All items in this category are deferred and recognized as inflows of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied September 11, 2018 on the assessed value listed as of April 1, 2018, for all real and personal property located in the Town. Real estate taxes were due on in two installments on November 1, 2018 and May 2, 2019 while personal property taxes were due in one installment on December 1, 2018. Interest on unpaid taxes commenced on November 2, 2018 and May 3, 2019 for real estate taxes and on December 2, 2018 for personal property taxes, at 8% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

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 \$331,638 for the year ended June 30, 2019.

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.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

Operating/Nonoperating Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2019, the Town's cash balance amounting to \$24,330,831 was comprised of bank deposits of \$25,825,437. Of these bank deposits, \$1,397,551 were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk, \$25,054 were covered by the Securities Investor Protection Corporation (SIPC) and consequently were not exposed to custodial credit risk. The remaining deposits of \$24,402,832 were collateralized with securities held by the financial institution's agent in the Town's name.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 297,065
Savings accounts	45,854
Repurchase agreements	24,402,832
ICS accounts	1,054,632
Cash equivalents	25,054
	<u>\$ 25,825,437</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. Of the Town's investments in certificates of deposit of \$6,518,602, \$6,472,147 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk and the remaining amount of \$46,455 was covered by the Securities Investor Protection Corporation (SIPC) and consequently was not exposed to custodial credit risk. Of the Town's investments in debt securities of \$8,268,157, \$428,491 was covered by the Securities Investor Protection Corporation (SIPC) and consequently was not exposed to custodial credit risk and the remaining amount of \$7,839,666 was collateralized by insurance coverage purchased by the clearing broker associated with the investment institution.

At June 30, 2019, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>
Debt securities:				
US Government bonds	\$ 8,268,157	\$ 8,268,157	\$ -	\$ -
Certificates of deposit	6,518,602	-	-	6,518,602
	<u>\$ 14,786,759</u>	<u>\$ 8,268,157</u>	<u>\$ -</u>	<u>\$ 6,518,602</u>

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as June 30, 2019:

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

	Fair Value Measurements Using			
	June 30, 2019 Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Debt securities:				
U.S. Agency Securities	\$ 8,268,157		\$ 8,268,157	
Total debt securities	<u>8,268,157</u>	<u>-</u>	<u>8,268,157</u>	<u>-</u>
Total investments by fair value level	<u>\$ 8,268,157</u>	<u>\$ -</u>	<u>\$ 8,268,157</u>	<u>\$ -</u>

Debt securities classified in Level 2 of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level 1 or Level 3 investments. Certificates of deposit held with financial institutions for \$6,518,602 are excluded from the hierarchy as these investments are considered held to maturity and are therefore not measured at fair value.

Credit risk - Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town has an investment policy on credit risk. Generally, the Town invests excess funds in savings accounts, repurchase agreements, obligations of the U.S. Treasury and various insured certificates of deposit.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2019 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General fund	\$ 810	\$ 22,488,618
West Falmouth TIF	7,381,996	-
Enterprise fund	3,544,422	-
Internal service fund	-	105,034
Nonmajor special revenue funds	6,648,229	310
Nonmajor capital project funds	5,019,005	-
Permanent funds	-	500
	<u>\$ 22,594,462</u>	<u>\$ 22,594,462</u>

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.

The primary purpose of the transfers is to move unrestricted revenues from various funds to finance various programs and capital projects that the Town must account for in other funds in accordance with budgetary authorizations.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2019:

	Balance, 7/1/18	Additions	Disposals	Balance, 6/30/19
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 8,913,871	\$ 392,880	\$ -	\$ 9,306,751
Construction in progress	789,066	3,449,688	(148,368)	4,090,386
	<u>\$ 9,702,937</u>	<u>\$ 3,842,568</u>	<u>\$ (148,368)</u>	<u>\$ 13,397,137</u>
Depreciated assets:				
Improvements other than buildings	1,906,850	-	-	1,906,850
Buildings and building improvements	78,590,000	370,655	-	78,960,655
Machinery and equipment	13,201,629	2,600,670	(816,365)	14,985,934
Infrastructure	44,742,783	57,899	-	44,800,682
	<u>138,441,262</u>	<u>3,029,224</u>	<u>(816,365)</u>	<u>140,654,121</u>
Less: accumulated depreciation	(48,198,213)	(4,578,802)	776,254	(52,000,761)
	<u>90,243,049</u>	<u>(1,549,578)</u>	<u>(40,111)</u>	<u>88,653,360</u>
Net governmental capital assets	<u>\$ 99,945,986</u>	<u>\$ 2,292,990</u>	<u>\$ (188,479)</u>	<u>\$ 102,050,497</u>

	Balance, 7/1/18	Additions	Disposals	Balance, 6/30/19
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 350,600	\$ 160,744	\$ -	\$ 511,344
Construction in progress	115,851	130,113	(8,155)	237,809
	<u>\$ 466,451</u>	<u>\$ 290,857</u>	<u>\$ (8,155)</u>	<u>\$ 749,153</u>
Depreciated assets:				
Buildings and improvements	\$ 11,534,804	\$ 88,576	\$ -	\$ 11,623,380
Machinery and equipment	4,260,050	256,417	-	4,516,467
Infrastructure	17,615,398	248,207	-	17,863,605
	<u>33,410,252</u>	<u>593,200</u>	<u>-</u>	<u>34,003,452</u>
Less: accumulated depreciation	(14,194,835)	(881,371)	-	(15,076,206)
	<u>19,215,417</u>	<u>(288,171)</u>	<u>-</u>	<u>18,927,246</u>
Net business-type capital assets	<u>\$ 19,681,868</u>	<u>\$ 2,686</u>	<u>\$ (8,155)</u>	<u>\$ 19,676,399</u>

Current year depreciation:

<u>Governmental activities</u>		
General government		\$ 242,913
Public safety		682,451
Public works		1,215,540
Community programs and parks		221,362
Education		2,216,536
Total governmental activities depreciation expense		<u>\$ 4,578,802</u>
<u>Business-type activities</u>		
Wastewater fund		\$ 881,371
Total business-type activities depreciation expense		<u>\$ 881,371</u>

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - LONG-TERM DEBT

All governmental activities long-term debt service requirements are paid by either the general fund or the Route One South TIF District special revenue fund. A summary of long-term debt is as follows:

	Balance, 7/1/18	Additions	Reductions	Balance, 6/30/19	Current Portion
<u>Governmental activities:</u>					
Bonds payable	\$ 42,175,000	\$ 9,310,000	\$ (3,980,000)	\$ 47,505,000	\$ 4,445,000
Bond premium payable	2,625,082	253,499	(192,477)	2,686,104	205,152
Notes from direct borrowings payable	88,040	-	(44,020)	44,020	44,020
Totals	<u>\$ 44,888,122</u>	<u>\$ 9,563,499</u>	<u>\$ (4,216,497)</u>	<u>\$ 50,235,124</u>	<u>\$ 4,694,172</u>
<u>Business-type activities:</u>					
Bond payable	<u>\$ 2,916,000</u>	<u>\$ -</u>	<u>\$ (324,000)</u>	<u>\$ 2,592,000</u>	<u>\$ 324,000</u>

The following is a summary of the bonds payable:

Governmental activities:

\$3,700,000, 2007 General Obligation Bond refunded in 2015, due in annual principal and interest installments ranging from \$246,475 to \$167,475, through November of 2026. Interest is charged at a fixed rate of 3.00%-4.00% per annum.	\$ 200,000
\$2,000,000, 2009 General Obligation Bond, due in annual principal installments of \$200,000 and semi-annual interest payments through November of 2019. Interest is charged at a fixed rate of 2.00%-3.00% per annum.	1,485,000
\$25,665,000, 2011 General Obligation Bond refunded in 2017, due in annual principal and interest installments ranging from \$2,714,925 to \$1,837,150, through November of 2031. Interest is charged at a fixed rate of 2.00%-5.00% per annum.	23,775,000
\$9,315,000, 2011 General Obligation Bond refunded in 2017, due in annual principal and interest installments ranging from \$916,825 to \$861,900, through November of 2021. Interest is charged at a fixed rate of 2.00%-4.00% per annum.	2,535,000
\$4,750,000, 2013 General Obligation Bond, due in annual principal and interest installments ranging from \$369,375 to \$255,313, through November of 2033. Interest is charged at a fixed rate of 2.00%-4.25% per annum.	3,750,000

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - LONG-TERM DEBT (CONTINUED)

\$9,400,000, 2014 General Obligation Bond, due in annual principal and interest installments ranging from \$761,413 to \$605,475, through October of 2029. Interest is charged at a fixed rate of 2.00%-3.50% per annum.	6,450,000
\$9,310,000, 2019 General Obligation Bond, due in annual principal and interest installments ranging from \$701,250 to \$471,975, through November of 2038. Interest is charged at a fixed rate of 2.00%-3.00% per annum.	<u>9,310,000</u>
Total governmental bonds payable	<u>\$ 47,505,000</u>
Business-type activities:	
\$6,480,000, 2007 Revenue Bond, due in annual principal and interest installments ranging from \$369,684 to \$327,046, through August of 2026. Interest is charged at a fixed rate of 1.88% per annum.	<u>\$ 2,592,000</u>
Total business-type bond payable	<u>\$ 2,592,000</u>
Total bonds payable	<u><u>\$ 50,097,000</u></u>

The following is a summary of the bond premium payable:

Governmental activities:	
Bond premium proceeds from bond refundings and bond issuances are amortized by a straight-line method over the life of the corresponding debt.	<u>\$ 2,686,104</u>
Total governmental bond premium payable	<u><u>\$ 2,686,104</u></u>

The following is a summary of the outstanding note from direct borrowings payable:

Governmental activities:	
\$108,190, 2015 Lease Purchase Agreement for school buses, due in annual principal and interest installments of \$23,132, through July of 2019. Interest is charged at a fixed rate of 3.38% per annum.	<u>\$ 44,020</u>
Total note from direct borrowings payable	<u><u>\$ 44,020</u></u>

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds, bond premium and the note from direct borrowings principal and interest requirements for the following fiscal years ending June 30:

	BONDS PAYABLE					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 4,445,000	\$ 1,468,263	\$ 5,913,263	\$ 324,000	\$ 45,684	\$ 369,684
2021	4,240,000	1,354,638	5,594,638	324,000	39,593	363,593
2022	4,235,000	1,233,863	5,468,863	324,000	33,502	357,502
2023	3,320,000	1,126,788	4,446,788	324,000	27,410	351,410
2024	3,290,000	1,035,213	4,325,213	324,000	21,319	345,319
2025-2029	16,060,000	4,647,613	20,707,613	972,000	27,410	999,410
2030-2034	9,590,000	1,781,150	11,371,150	-	-	-
2035-2039	2,325,000	174,375	2,499,375	-	-	-
	<u>\$ 47,505,000</u>	<u>\$ 12,821,903</u>	<u>\$ 60,326,903</u>	<u>\$ 2,592,000</u>	<u>\$ 194,918</u>	<u>\$ 2,786,918</u>

	BONDS PREMIUM PAYABLE		
	Governmental Activities		
	Principal	Interest	Total
2020	\$ 205,152	\$ -	\$ 205,152
2021	205,152	-	205,152
2022	205,152	-	205,152
2023	205,152	-	205,152
2024	205,152	-	205,152
2025-2029	1,005,598	-	1,005,598
2030-2034	591,373	-	591,373
2035-2039	63,373	-	63,373
	<u>\$ 2,686,104</u>	<u>\$ -</u>	<u>\$ 2,686,104</u>

	NOTE FROM DIRECT BORROWINGS PAYABLE		
	Governmental Activities		
	Principal	Interest	Total
2020	\$ 44,020	\$ 2,244	\$ 46,264
	<u>\$ 44,020</u>	<u>\$ 2,244</u>	<u>\$ 46,264</u>

All bonds and the note from direct borrowings payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from either taxes levied on all taxable property within the Town or dedicated sewer use fees.

The State of Maine restricts the Town's debt by statute to 15% of the assessed value of Town property. For the year ended June 30, 2019, the Town's assessed value was \$2,532,600,000 which provided a 15% limit of \$379,890,000. The Town's total debt of \$52,827,124 is 13.91% of the total limit.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2019 is as follows:

	Balance, 7/1/18 (Restated)	Additions	Reductions	Balance, 6/30/19	Current Portion
<u>Governmental activities:</u>					
Accrued compensated absences	\$ 1,444,159	\$ -	\$ (453,948)	\$ 990,211	\$ 396,084
Landfill postclosure costs	48,000	-	(16,000)	32,000	16,000
Net pension liability	3,783,876	756,171	(1,976,909)	2,563,138	-
Net OPEB liability	5,864,322	363,524	(471,436)	5,756,410	-
Totals	<u>\$ 11,140,357</u>	<u>\$ 1,119,695</u>	<u>\$ (2,918,293)</u>	<u>\$ 9,341,759</u>	<u>\$ 412,084</u>
	Balance, 7/1/18	Additions	Reductions	Balance, 6/30/19	Current Portion
<u>Business-type activities:</u>					
Accrued compensated absences	<u>\$ 177,524</u>	<u>\$ 12,235</u>	<u>\$ -</u>	<u>\$ 189,759</u>	<u>\$ 75,904</u>

Please see Notes 7, 13, 15 and 16 for detailed information on each of the other long-term obligations.

NOTE 7 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time permits employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2019, the Town's liability for compensated absences is \$1,179,970.

NOTE 8 - NONSPENDABLE FUND BALANCE

The Town had the following nonspendable fund balance at June 30, 2019:

General fund:	
Inventory	\$ 253
Prepaid items	20,127
Tax acquired property	5,545
Nonmajor special revenue funds (Schedule D)	26,144
Nonmajor permanent funds (Schedule H)	9,648
	<u>\$ 61,717</u>

TOWN OF FALMOUTH, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

NOTE 9 - RESTRICTED FUND BALANCES

The Town had the following restricted fund balances at June 30, 2019:

General fund:	
Unemployment compensation fund	\$ 86,431
West Falmouth TIF	7,357,978
Nonmajor special revenue funds (Schedule D)	5,437,937
Nonmajor capital project funds (Schedule F)	2,528,301
	\$ 15,410,647

NOTE 10 - COMMITTED FUND BALANCES

The Town had the following committed fund balances at June 30, 2019:

General fund:	
Education	\$ 1,188,261
Nonmajor capital project funds (Schedule F)	2,475,329
	\$ 3,663,590

NOTE 11 - ASSIGNED FUND BALANCES

The Town had the following assigned fund balances at June 30, 2019:

General fund:	
FY 2020 budget	\$ 270,000
Nonmajor special revenue funds (Schedule D)	1,176,135
	\$ 1,446,135

NOTE 12 - DEFINED BENEFIT PENSION PLANS

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for employees of PLDs). 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. 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. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions. As of June 30, 2018, there were 304 employers in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 2.4%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's plan members are required to contribute 8.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 9.5% of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2019 was \$532,000.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members. As of June 30, 2018, there were 236 employers, including the State of Maine, participating in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 2.4%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. The Town's teachers are required to contribute 7.65% of their compensation to the retirement system. The Town's payroll for teachers covered by this program was approximately \$4,669,272 for the year ended June 30, 2019. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 11.08% of the Town's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$492,537 for the year ended June 30, 2019. Title 5 of the Maine Revised Statutes Annotated also requires the Town to contribute at an actuarially determined normal cost rate of 3.97%, which totaled \$184,566 for 2019. In addition, the Town is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 11.68% of compensation and totaled \$26,264 the year ended June 30, 2019.

Pension Liabilities

PLD Consolidated Plan

At June 30, 2019, the Town reported a liability of \$2,437,964 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2018 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2018, the Town's proportion was 0.890818%, which was a decrease of 0.00241% from its proportion measured as of June 30, 2017.

SET Plan

At June 30, 2019, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 125,174
State's proportionate share of the net pension liability associated with the Town	<u>20,396,885</u>
Total	<u><u>\$ 20,522,059</u></u>

The net pension liability was measured as of June 30, 2018, 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 school units and the State actuarially determined. At June 30, 2018, the Town's proportion was 0.009276%, which was an increase of 0.00056% from its proportion measured as of June 30, 2017.

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

For the year ended June 30, 2019, the Town recognized total pension revenue of \$913,218 for the PLD plan and pension expense of \$2,010,208 and net revenue of \$2,046,345 for support provided by the State of Maine for the SET plan. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan		SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,633	\$ 26,777	\$ 3,823	\$ -
Changes of assumptions	389,115	-	7,874	-
Net difference between projected and actual earnings on pension plan investments	-	588,672	-	16,272
Changes in proportion and differences between contributions and proportionate share of contributions	96,094	7,883	22,690	(1)
Contributions subsequent to the measurement date	<u>532,000</u>	<u>-</u>	<u>784,511</u>	<u>-</u>
Total	<u><u>\$ 1,024,842</u></u>	<u><u>\$ 623,332</u></u>	<u><u>\$ 818,898</u></u>	<u><u>\$ 16,271</u></u>

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

\$532,000 for the PLD plan and \$784,511 for the SET plan were 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan	SET Plan
	<hr/>	<hr/>
Plan year ended June 30:		
2019	\$ 411,350	\$ 30,053
2020	10,777	4,018
2021	(400,470)	(11,584)
2022	(152,145)	(4,372)
2023	-	-
Thereafter	-	-

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2018, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses and changes are amortized over ten-year periods beginning on the date as of which they occur.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2018 are as follows:

Investment Rate of Return - For the PLD and State Employee and Teacher Plans, 6.75% per annum for the year ended June 30, 2018, in 2017, the rate was 6.875% for both plans, compounded annually.

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 2.75% to 9.00% per year; state employees, 2.75% to 8.75% per year; teachers, 2.75% to 14.50% per year.

Mortality Rates - For active members and non-disabled retirees of the PLD Consolidated and State Employee and Teacher Plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

Cost of Living Benefit Increases - for PLD Consolidated 1.91% and Teacher Plans, 2.20% per annum for the year ended June 30, 2018. In 2017, the rate was 2.20% for the PLD Plan.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. 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 June 30, 2018 are summarized in the following table. Assets for each of the defined benefit plans are commingled for investment purposes.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
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 collective total pension liability was 6.75% for 2018 for each of the Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions 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 to current plan members. 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.

The following table shows how the collective net pension liability as of June 30, 2018 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.75% for each of the Plans.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
Town's proportionate share of the net pension liability	\$ (654,102)	\$ 2,437,964	\$ 5,745,959
<u>SET Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
Town's proportionate share of the net pension liability	\$ 231,322	\$ 125,174	\$ 36,770

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2018 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2018 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resource. For 2018, this was three years for the SET Plan and PLD Consolidated Plan; prior to 2017, this was four years for the PLD Consolidated Plan.

Differences between Expected and Actual Investment Earnings

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2018 valuation were based on the

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to the *Actuarial Methods and Assumptions* section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2018 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100

NOTE 13 - DEFERRED COMPENSATION PLANS

International City Management Association Retirement Corporation - 401 (a) and 457(b)

A. Plans Description

The Town offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 401 and 457 and maintained by International City Management Association Retirement Corporation (ICMA-RC). The plan permits employees to defer a portion of their salary, in addition to Town contributions, until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amount and all income attributable to those amounts, property, or rights are solely the property and rights of the participants. All assets are protected by a

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 - DEFERRED COMPENSATION PLANS (CONTINUED)

trust arrangement from any claims on the Town and from any use by the Town other than paying benefits to employees and their beneficiaries in accordance with the plan.

It is the opinion of the Town's management that the Town has no liability for losses under these plans but does have the duty of due care that would be required of an ordinary prudent investor.

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town's Board of Selectmen. Generally, the Town will contribute 8% of annual salary for full-time employees that participate in the Town's deferred compensation plan that do not participate in either the PLD or SET plans. For the both plans, the employee's and the Town's matching contribution vests 100% with the employee when contributed.

The Town's contributions to the 401 plan including employee contributions for 2019 and 2018 were \$193,858 and \$141,341, respectively. The Town's contributions to the 457 plan including employee contributions for 2019 and 2018 were \$128,830 and \$49,142, respectively.

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLANS

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2018, there were 220 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLANS (CONTINUED)

issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount, or \$2,500.

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For Department's teachers, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2019 was approximately \$71,785.

OPEB Liabilities and OPEB Expense

At June 30, 2019, the Town reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the Town. The total portion of the net OPEB liability that was associated with the District were as follows:

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLANS (CONTINUED)

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>786,690</u>
Total	\$	<u>786,690</u>

For the year ended June 30, 2019, the Town recognized net OPEB expense of \$147,711 and revenue of \$147,711 for support provided by the State of Maine.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT PLAN

Plan Description

Town employees contribute to the Group Life Insurance Plan for Retired Participating Local District (PLD) (the PLD Consolidated Plan of the Maine Public Employees Retirement System (MainePERS)), a cost-sharing multiple-employer defined benefit plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. As of June 30, 2018, there were 138 employers participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount, or \$2,500.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLANS (CONTINUED)

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For state employees, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. PLD employers are required to remit a premium of \$0.46 per \$1,000 of coverage for covered active employees, a portion of which is to provide a level of coverage in retirement. PLD employers with retired PLD employees continue to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retired period. The Town's contribution to the Plan for the year ended June 30, 2019 was \$1,431.

Proportionate Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Town reported a liability of \$262,474 for its proportionate share of the net OPEB liabilities for the Plan. The net OPEB liabilities were measured as of June 30, 2018, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liabilities were based on a projection of the Town's long-term share of contributions to the Plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2018, the Town's proportion was 1.299313%, which was a decrease of 0.08329% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Town recognized net OPEB revenue of \$860. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLANS (CONTINUED)

	<u>PLD Life Insurance</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 22,150	\$ -
Changes of assumptions	16,827	48,432
Net difference between projected and actual earnings on pension plan investments	-	13,774
Changes in proportion and differences between contributions and proportionate share of contributions	10,205	5,414
Contributions subsequent to the measurement date	<u>1,431</u>	<u>-</u>
Total	<u>\$ 50,613</u>	<u>\$ 67,620</u>

\$1,431 reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>PLD Life Insurance</u>
Plan year ended June 30:	
2019	\$ (6,938)
2020	(6,938)
2021	(6,938)
2022	(4,338)
2023	6,712
Thereafter	-

Actuarial Methods and Assumptions

The collective total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2018, using the following methods and assumptions applied to all periods included in the measurement:

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLANS (CONTINUED)

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

Investments are reported at fair value.

Amortization

The net OPEB liability of the Plan is amortized on a level percentage of payroll over a thirty-year period on a closed basis. As of June 30, 2018, there were 12 years remaining for the Plan.

The actuarial assumptions used in the June 30, 2018 and June 30, 2017 actuarial valuations were based on the results of an actuarial experience study conducted for the period of June 30, 2012 to June 30, 2015.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2018 are as follows:

Investment Rate of Return - For the PLD Plan, 6.75% per annum, compounded annually; the rate for 2017 was 6.875%, compounded annually.

Inflation Rate - 2.75%

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLANS (CONTINUED)

Annual Salary Increases including Inflation - For the PLD Plan, 2.75% to 9.00% per year.

Mortality Rates - For active members and non-disabled retirees of the Plan, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used. These tables are adjusted by percentages ranging from 104% to 120% based on actuarially determined demographic differences.

Participation Rate for Future Retirees - 100% of those currently enrolled.

Conversion Charges - Apply to the cost of active group life insurance, not retiree group life insurance.

Form of Benefit Payment - Lump sum

The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce 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 long-term real rates of return for each major asset class included in the target asset allocation as of June 30, 2018 are summarized in the following table. Assets for the defined benefit plan are comingled for investment purposes.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.00%	6.00%
Real estate	5.00%	5.20%
Traditional credit	15.00%	3.00%
US Government securities	10.00%	2.30%
Total	100.00%	

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the collective total OPEB liability was 5.13% for 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The following table shows how the collective net OPEB liability/(asset) as of June 30, 2018 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 5.13% for the PLD Plan.

	1% Decrease	Discount Rate	1% Increase
PLD Life Insurance: Discount rate	4.13%	5.13%	6.13%
Town's proportionate share of the net OPEB benefits liability	\$ 346,767	\$ 262,474	\$ 196,014

Changes in Net OPEB Liability

Each employer's share of the collective net OPEB liability is equal to the collective net OPEB liability multiplied by the employer's proportionate share as of June 30, 2018 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2018 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. There were no differences between expected and actual experience as of June 30, 2018.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLANS (CONTINUED)

Differences between Projected and Actual Investment Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2018 and June 30, 2017 actuarial valuations were based on the results of an actuarial experience study conducted for the period of June 30, 2012 to June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period for the PLD Plan was six years for 2018. For the fiscal year ended June 30, 2018, there were no changes in assumptions with the exception of the use of a blended discount rate for the PLD Plan. Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pensions Plans*, requires the use of a blended discount rate for determining the total OPEB liability when it is projected that plan assets are not sufficient to meet benefit obligations in the future. In years where assets are projected to be sufficient to pay benefits, the Plan's assumed rate of return is used; in years where assets are not projected to be sufficient to pay benefits, the use of a municipal bond rate is required. The result is a single blended discount rate.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE PLANS (CONTINUED)

an employer has a contribution requirement for an employer specific liability. There were no differences between employer contributions and proportionate share of contributions as of June 30, 2018.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2018 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

Plan Description

The State of Maine and School retirees contribute to the School's OPEB Plan with the Maine Education Association Benefits Trust (MEABT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the State, the School and/or the School retirees. MEABT is a fully funded, self-insured trust which provides benefits to education organizations and acts as the agent to the School concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MEABT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MEABT participants and are administered by a number of third-party administrators contracted by MEABT. No assets are accumulated in a trust that meets the criterion of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MEABT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting MEABT at (888) 622-4418.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The employee must have participated in a plan for the 12 months prior to retirement and have 10 years (under age 50) or 5 years (age 50 or above) of continuous active service and enrollment in the health plan to be eligible for

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

this Plan. The retiree who terminates coverage may elect to re-enroll in coverage if they participated in the health plan for 12 months prior to terminating coverage, as long as re-enrollment occurs within 5 years from coverage termination and as long as the retiree is not past age 62. The retiree must have maintained continuous health insurance coverage during the break in coverage with MEABT to be eligible for re-enrollment and is only eligible for re-enrollment once.

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Active members	314
Retirees and spouses	<u>116</u>
Total	<u><u>430</u></u>

Cost Sharing Provisions/Contributions

Retirees are eligible for a State subsidy of 45% of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The retiree contributes the remaining 55% of blended single premium and spouse must contribute 100% of the blended premium amount coverage elected.

Employee/Retiree Premium Amounts:

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Employee</u>	<u>Employee/ Spouse</u>	<u>Employee/ Child(ren)</u>	<u>Family</u>
Choice Plus	\$689	\$1,554	\$1,220	\$1,891
Standard \$200 Ded	\$745	\$1,678	\$1,318	\$2,043
Standard \$500 Ded	\$655	\$1,476	\$1,159	\$1,797
<u>Medicare</u>				
Medicare-Eligible Retirees	\$450	\$944	N/A	N/A

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

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

At June 30, 2019, the Town reported a liability of \$4,408,222 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date. The School's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2019, the Town recognized OPEB expense of \$64,207. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MEABT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	171,751
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	125,511	-
Total	<u>\$ 125,511</u>	<u>\$ 171,751</u>

\$125,511 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

	<u>MEABT</u>
Plan year ended June 30:	
2019	\$ (34,350)
2020	(34,350)
2021	(34,350)
2022	(34,350)
2023	(34,351)
Thereafter	-

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2018. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.87% per annum for June 30, 2018 was based upon a measurement date of June 28, 2018. The sensitivity of total OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	2.87%	3.87%	4.87%
Total OPEB liability	\$ 5,180,896	\$ 4,408,222	\$ 3,791,594
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 5,180,896</u>	<u>\$ 4,408,222</u>	<u>\$ 3,791,594</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of total OPEB liability to changes in healthcare cost trend rates are as follows:

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 3,751,232	\$ 4,408,222	\$ 5,235,020
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 3,751,232</u>	<u>\$ 4,408,222</u>	<u>\$ 5,235,020</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2018, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

Assumptions

Significant actuarial assumptions employed by the actuary for economic purposes are based on GASB 75 paragraph 36. Assumptions other than the discount rate are based on historical and future projections of long-term health care rates:

Discount Rate - 3.87% per annum.

Trend Assumptions:

Pre-Medicare - Initial trend of 5.55% applied in FYE 2018 grading over 15 years to 3.73% per annum.

Medicare - Initial trend of 3.72% applied in FYE 2018 grading over 15 years to 2.81% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2018 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of June 30, 2018, they are as follows:

Retirement Rates - Rates vary for plans based on age and service

Rates of Turnover - Rates vary for plans based on service

Disability Incidence - Rates vary for plans based on age

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims

Family Enrollment Composition - It is assumed that 80% is married with an eligible spouse.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method

Salaries - Were not available from the client and were assumed using the Teachers/Age Service Salary scatter from the State Retirement Agency. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter.

Dates of Hire - Were not available from the client and were available from the State Retirement Agency. Dates of hire were assumed to be the midpoint of each service group. Those under 1 year of service, the date was assumed to be January 1, 2018 and all other groups were assumed to be hired on July 1 of each service midpoint.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

Rate of Mortality:

Healthy Annuitants - Based on 99% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected using the RPEC _2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Healthy Employees - Based on 99% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Healthy Annuitant Mortality Tables after the end of the Total Employee Mortality Table, both projected using the RPEC _2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Disabled Annuitants - Based on 108% and 105% of the RP2014 Total Dataset Disabled Annuitant Mortality Table, respectively for males and females, projected from the 2006 base rates using the RPEC_2015 model with an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.

Retiree Continuation Percentage:

Retirees currently in the Group Companion Plan (Medicare participants) are assumed to remain in the Group Companion Plan.

Retirees who are currently age 64 or over age 65 and enrolled in a Pre-Medicare plan are assumed to never be eligible for Medicare and are assumed to remain enrolled in the Pre-Medicare plan.

Retirees who are currently under age 64 and enrolled in a Pre-Medicare plan are assumed to be eligible for Medicare and are assumed to remain in the Pre-Medicare plan until age 64 and enroll in the Group Companion plan at age 65.

Spouses who are currently in the Pre-Medicare plan will follow the same assumptions as the retired member; if the member is never eligible for Medicare the spouse is not either.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

Significant actuarial assumptions employed by the actuary for claims and expense purposes are the based on the actual community rated premiums of the entire group. As of June 30, 2018, they are as follows:

Monthly Per Capital Claims and Expense Cost - Claims are based on community rated premiums through June 30, 2018 and projects through 2019 and associate enrollment in the various options offered. Annual administrative and claims adjudication expenses are assumed to be included in the annual premiums.

Medical Plan Election - Employees are assumed to continue in their current medical plan for their entire career. 50% of retirees are assumed to switch from the Choice Plan to the Standard plan.

Medicare Eligibility - Assumed to be age 65, with the exception of retirees over age 65 who are not in the Group Companion Plan, all retirees under age 64 and current actives with a date of hire before 3/31/1986.

Changes in Total OPEB Liability

Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2019 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. As of July 1, 2017, this average was 8 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the fiscal year ended June 30, 2019, there were no differences between expected and actual experience.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense over the average expected remaining service life of all active and inactive Plan members. As of July 1, 2017, this average was 8 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for year ending June 30, 2018. For the fiscal year ended June 30, 2019, there were no changes in assumptions.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Finance Director's Office at 271 Falmouth Road, Falmouth, Maine 04105.

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

Employees Covered by Benefit Terms

At January 1, 2019, the following employees were covered by the benefit terms:

Active members	87
Retirees and spouses	11
Total	<u>98</u>

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts:

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS 200	\$755	\$1,694
POS C	\$1,044	\$2,342
PPO 500	\$728	\$1,633
PPO 2500	\$582	\$1,306
<u>Medicare</u>		
Medicare-Eligible Retirees	\$518	\$1,036

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Town reported a liability of \$1,085,714 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2019 and

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2019, the Town recognized OPEB expense of \$36,471. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MMEHT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 93,124	\$ -
Changes of assumptions	-	111,453
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	<u>15,964</u>	<u>-</u>
Total	<u>\$ 109,088</u>	<u>\$ 111,453</u>

\$15,964 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>MMEHT</u>
Plan year ended December 31:	
2020	\$ (1,004)
2021	(1,004)
2022	(1,004)
2023	(1,004)
2024	(1,004)
Thereafter	(13,309)

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2018. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 4.10% per annum for June 30, 2019 was based upon a measurement date of December 27, 2018. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	3.10%	4.10%	5.10%
Total OPEB liability	\$ 1,240,245	\$ 1,085,714	\$ 958,892
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 1,240,245</u>	<u>\$ 1,085,714</u>	<u>\$ 958,892</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 942,234	\$ 1,085,714	\$ 1,264,105
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 942,234</u>	<u>\$ 1,085,714</u>	<u>\$ 1,264,105</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2018, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2017. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Amortization

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

Assumptions

The actuarial assumptions used in the January 1, 2018 actuarial valuation was based on economic, demographic and claim and expense assumptions that resulted from actuarial studies conducted for the period of December 31, 2017 and December 31, 2018.

Significant actuarial assumptions employed by the actuary for economic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2018, they are as follows:

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

Discount Rate - 4.10% per annum.

Trend Assumptions:

Pre-Medicare Medical - Initial trend of 8.20% applied in 2018 grading over 14 years to 4.00% per annum.

Pre-Medicare Drug - Initial trend of 9.60% applied in 2018 grading over 14 years to 4.00% per annum.

Medicare Medical - Initial trend of 4.93% applied in 2018 grading over 14 years to 4.00% per annum.

Medicare Drug - Initial trend of 9.60% applied in 2017 grading over 14 years to 4.00% per annum.

Administrative and claims expense - 3% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2018, they are as follows:

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality - Based on 104% and 120% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC _2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected.

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2019 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLANS
(CONTINUED)

The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2019 was \$93,124.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2017 and June 30, 2016 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 which were based on the experience study covering the period from June 30, 2012 through June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for 2018. For the fiscal year ended June 30, 2018, there were no changes in assumptions with the exception of the claim costs and retiree contributions being updated to reflect current healthcare costs.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Finance Director's Office at 271 Falmouth Road, Falmouth, Maine 04105.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 16 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Town of Falmouth’s landfill is at 100% capacity to date. Therefore, the estimated remaining landfill life is zero years. Federal and state laws require that certain post closure care be met. The Town estimates that on an annual basis, some immaterial costs will be incurred for post closure care. As of June 30, 2019, \$32,000 is reported as landfill postclosure care as a long-term obligation and represents the estimated remaining cost of the monitoring tests at the site for thirty years after closure. The annual amount will be paid for within the Town’s annual operating budget.

NOTE 17 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County and Portland Water District debt. As of June 30, 2019, the Town’s share was as follows:

	<u>Outstanding Debt</u>	<u>Town’s Percentage</u>	<u>Total Share</u>
County of Cumberland	\$ 37,893,997	5.40%	\$ 2,046,610
Portland Water District-Wastewater	53,286,036	8.04%	4,284,197
Portland Water District-Water	39,114,203	10.95%	4,284,000
			<u>\$ 10,614,807</u>

NOTE 18 - JOINT VENTURES

ECOMAINE

The Town is a member of a joint venture with 45 other municipalities throughout Cumberland, Oxford and York counties. ecomaine is a solid waste management corporation that creates electricity through its processing of waste and also operates as an extensive recycling program. A joint committee, made up of the Town of Falmouth and 20 other member communities owns and controls the corporation. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced with the community to ecomaine for processing, and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore has not reported an asset in the financial statements in connection with its participation in ecomaine. The Town of Falmouth has an owner membership of 3.79% in ecomaine as of June 30, 2019 (the most current period available).

ecomaine has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of ecomaine, payable from and secured by a pledge of ecomaine revenues. The bonds do not

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 18 - JOINT VENTURES (CONTINUED)

constitute a debt or liability within the meaning of any constitutional or statutory provision of the State of Maine, or a pledge of the full faith and credit of a political subdivision of the State of Maine. ecomaine has no taxing power. The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. On June 30, 2019 (the most current period available), ecomaine had no outstanding debt. Additionally, the Town's share of the projected landfill closure and post closure cost relating to ecomaine is estimated to be \$571,575.

PORTLAND WATER DISTRICT

The Town is a member of a joint venture with 9 other municipalities throughout the Portland area. The Portland Water District (PWD) supplies pure water for domestic, sanitary and municipal services to its members and sells the same to 2 other local water districts. The PWD also wastewater and sewerage treatment services and related environmental and billing services for member and participating municipalities. The PWD is managed by an 11-member Board of Trustees made up of elected officials from the Town of Falmouth and the other 9 member municipalities for 5-year terms. The Town has no explicit, measurable equity interest and therefore has not reported an asset in the financial statements in connection with its participation in PWD. A Comprehensive Annual Financial Report as of December 31, 2018 (the most recent period available) may be obtained from the Portland Water District, PO Box 3553, Portland, Maine 04104.

In March of 1981 (and amended in September of 2002 and February of 2015), the Town and PWD entered into a sewerage service contract to allow for the flow of sewerage into the Town's wastewater treatment facilities from the Town of Cumberland. This agreement includes the modification and upgrade of the Town's wastewater system and treatment facilities to accommodate the requirements of this agreement, for which PWD will reimburse the Town for a share of the costs associated and the Town will allocate various shares of capacity at their facilities. For this purpose, PWD has agreed to finance the Mill Creek Project through sewer bonds and for which it will be the sole owner, while the Town will remain responsible for routine operations and maintenance. When the sewer bonds have been paid by the Town, ownership of the Mill Creek Project will revert back to the Town.

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 19 - 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 carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Maine Municipal and the Maine School Management Associations.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2019. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 20 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

The Town's School Department receives education subsidy funding payments through the State of Maine. The State subsidy payment amount is adjusted quarterly for the Town's School Department share of MaineCare Seed, which is the required local share of MaineCare revenue that the State pays on behalf of the Town's School Department and then recovers through the ED 279. Adjustments made by the State in the fiscal year of 2020 could include expenditures from the fiscal year of 2019 that would normally be accrued. The actual amount cannot be determined at this time however, it is the position of the Town's School Department that this practice is consistent with the formal recommendation of the Maine Department of Education to all Maine units concerning this matter.

The Town's School Department has a contingent liability related to the elementary school construction project. This project was funded with State funds and a certain percentage of unspent funds need to be returned to the State after the project costs have been audited by the State. The total amount of the unspent proceeds

TOWN OF FALMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 20 - CONTINGENCIES (CONTINUED)

including interest earned, as of June 30, 2019 is \$625,827. As of June 30, 2019, the State has not completed the project's final audit and cannot provide a reasonable estimate of the amount to be returned to the State, therefore no liability has been recorded for June 30, 2019.

NOTE 21 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 22 - RESTATEMENT

The net position of the governmental activities has been restated at July 1, 2018 to account for the implementation of GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions - an amendment of GASB Statement No. 45, as amended (issued 06/04), and GASB Statement No. 57 (issued 12/09). The beginning net position was restated by \$4,390,255. The resulting restatement decreased governmental activities net position from \$74,859,139 to \$70,468,884.

TOWN OF FALMOUTH, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 11,515,096	\$ 11,515,096	\$ 11,515,096	\$ -
Resources (Inflows):				
Property taxes	40,461,541	40,461,541	40,741,238	279,697
Excise taxes	3,447,186	3,447,186	3,560,107	112,921
Intergovernmental	9,079,298	9,079,298	9,222,159	142,861
Licenses, permits and fees	497,599	497,599	535,151	37,552
Charges for services	837,263	837,263	862,907	25,644
Investment income, net of unrealized gains/(losses)	305,000	305,000	874,337	569,337
Fines and forfeitures	54,500	54,500	76,887	22,387
Other revenue	47,400	47,400	47,204	(196)
Transfers from other funds	-	-	300,000	300,000
Amounts Available for Appropriation	<u>66,244,883</u>	<u>66,244,883</u>	<u>67,735,086</u>	<u>1,490,203</u>
Charges to Appropriations (Outflows):				
General government	1,188,112	1,277,914	1,234,327	43,587
Financial management	1,251,183	1,240,532	1,238,141	2,391
Public safety	4,695,069	4,683,491	4,637,934	45,557
Public works	2,054,232	2,048,482	1,956,305	92,177
Community development	611,517	615,242	579,368	35,874
Community programs and parks	510,114	504,364	483,371	20,993
Non-departmental	1,157,462	1,138,664	942,762	195,902
County tax	1,668,790	1,668,790	1,668,790	-
Education	32,600,789	32,600,789	32,586,882	13,907
Debt service:				
Principal	3,390,000	3,390,000	3,390,000	-
Interest	1,167,225	1,167,225	1,167,225	-
Transfers to other funds	4,606,894	5,211,894	5,211,894	-
Total Charges to Appropriations	<u>54,901,387</u>	<u>55,547,387</u>	<u>55,096,999</u>	<u>450,388</u>
Budgetary Fund Balance, June 30	<u>\$ 11,343,496</u>	<u>\$ 10,697,496</u>	<u>\$ 12,638,087</u>	<u>\$ 1,940,591</u>
Utilization of unassigned fund balance	<u>\$ 171,600</u>	<u>\$ 817,600</u>	<u>\$ -</u>	<u>\$ (817,600)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan:</u>					
Proportion of the net pension liability	0.89%	0.89%	0.83%	0.81%	0.83%
Proportionate share of the net pension liability	\$ 2,437,964	\$ 3,657,215	\$ 4,408,796	\$ 2,594,797	\$ 1,274,581
Covered-employee payroll	\$ 4,907,936	\$ 4,645,209	\$ 4,252,672	\$ 4,150,350	\$ 3,881,506
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	49.67%	78.73%	103.67%	62.52%	32.84%
Plan fiduciary net position as a percentage of the total pension liability	91.14%	86.43%	86.40%	81.61%	88.30%
 <u>SET Plan:</u>					
Town's proportion of the net pension liability	0.009%	0.009%	0.005%	0.007%	0.004%
Town's proportionate share of the net pension liability	\$ 125,174	\$ 126,661	\$ 90,488	\$ 98,829	\$ 43,537
State's proportionate share of the net pension liability associated with the Town	<u>20,396,885</u>	<u>21,731,558</u>	<u>\$ 25,678,122</u>	<u>\$ 19,059,269</u>	<u>\$ 14,865,081</u>
Total	<u>\$ 20,522,059</u>	<u>\$ 21,858,219</u>	<u>\$ 25,768,610</u>	<u>\$ 19,158,098</u>	<u>\$ 14,908,618</u>
Town's covered-employee payroll	\$ 18,667,414	\$ 18,192,280	\$ 17,118,347	\$ 16,284,832	\$ 15,456,627
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.67%	0.70%	0.53%	0.61%	0.28%
Plan fiduciary net position as a percentage of the total pension liability	85.17%	80.78%	80.80%	81.20%	83.91%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan:</u>					
Contractually required contribution	\$ 532,000	\$ 494,307	\$ 457,951	\$ 388,217	\$ 328,128
Contributions in relation to the contractually required contribution	<u>(532,000)</u>	<u>(494,307)</u>	<u>(457,951)</u>	<u>(388,217)</u>	<u>(328,128)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 5,053,399	\$ 4,907,936	\$ 4,645,209	\$ 4,252,672	\$ 4,150,350
Contributions as a percentage of covered-employee payroll	10.53%	10.07%	9.86%	9.13%	7.91%
<u>SET Plan:</u>					
Contractually required contribution	\$ 784,511	\$ 741,891	\$ 611,261	\$ 575,212	\$ 431,548
Contributions in relation to the contractually required contribution	<u>(784,511)</u>	<u>(741,891)</u>	<u>(611,261)</u>	<u>(575,212)</u>	<u>(431,548)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Town's covered-employee payroll	\$ 19,762,114	\$ 18,667,414	\$ 18,192,280	\$ 17,118,347	\$ 16,284,832
Contributions as a percentage of covered-employee payroll	3.97%	3.97%	3.36%	3.36%	2.65%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT AND MMEHT PLANS
FOR THE YEAR ENDED JUNE 30, 2019

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<u>MEABT:</u>			
Balances at 7/1/17 (Reporting July 1, 2018)	\$ 4,511,428	\$ -	\$ 4,511,428
Changes for the year:			
Service cost	62,472	-	62,472
Interest	161,596	-	161,596
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(206,101)	-	(206,101)
Contributions - employer	-	121,173	(121,173)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(121,173)	(121,173)	-
Administrative expense	-	-	-
Net changes	<u>(103,206)</u>	<u>-</u>	<u>(103,206)</u>
Balances at 6/30/18 (Reporting June 30, 2019)	<u>\$ 4,408,222</u>	<u>\$ -</u>	<u>\$ 4,408,222</u>

TOWN OF FALMOUTH, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT AND MMEHT PLANS
FOR THE YEAR ENDED JUNE 30, 2019

	Increase (Decrease)		
<u>MMEHT:</u>	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at 1/1/18 (Reporting June 30, 2018)	\$ 1,130,731	\$ -	\$ 1,130,731
Changes for the year:			
Service cost	45,450	-	45,450
Interest	39,916	-	39,916
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(98,456)	-	(98,456)
Contributions - employer	-	31,927	(31,927)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(31,927)	(31,927)	-
Administrative expense	-	-	-
Net changes	<u>(45,017)</u>	<u>-</u>	<u>(45,017)</u>
Balances at 1/1/19 (Reporting June 30, 2019)	<u>\$ 1,085,714</u>	<u>\$ -</u>	<u>\$ 1,085,714</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
MEABT AND MMEHT PLANS
LAST 10 FISCAL YEARS*

<u>MEABT:</u>	<u>2019</u>
<u>Total OPEB liability</u>	
Service cost (BOY)	62,472
Interest (includes interest on service cost)	161,596
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(206,101)
Benefit payments, including refunds of member contributions	(121,173)
Net change in total OPEB liability	<u>\$ (103,206)</u>
Total OPEB liability - beginning	\$ 4,511,428
Total OPEB liability - ending	\$ 4,408,222
<u>Plan fiduciary net position</u>	
Contributions - employer	121,173
Contributions - member	-
Net investment income	-
Benefit payments, including refunds of member contributions	(121,173)
Administrative expense	-
Net change in fiduciary net position	<u>-</u>
Plan fiduciary net position - beginning	\$ -
Plan fiduciary net position - ending	<u><u>\$ -</u></u>
Net OPEB liability - ending	<u><u>\$ 4,408,222</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	-
Covered payroll	\$ 14,840,081
Net OPEB liability as a percentage of covered payroll	29.7%

SCHEDULE 5 (CONTINUED)

TOWN OF FALMOUTH, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
MEABT AND MMEHT PLANS
LAST 10 FISCAL YEARS*

<u>MMEHT:</u>	2019	2018
<u>Total OPEB liability</u>		
Service cost (BOY)	45,450	42,665
Interest (includes interest on service cost)	39,916	38,339
Changes of benefit terms	-	-
Differences between expected and actual experience	-	124,166
Changes of assumptions	(98,456)	(33,740)
Benefit payments, including refunds of member contributions	(31,927)	(24,369)
Net change in total OPEB liability	\$ (45,017)	\$ 147,061
 Total OPEB liability - beginning	 \$ 1,130,731	 \$ 983,670
Total OPEB liability - ending	\$ 1,085,714	\$ 1,130,731
 <u>Plan fiduciary net position</u>		
Contributions - employer	31,927	24,369
Contributions - member	-	-
Net investment income	-	-
Benefit payments, including refunds of member contributions	(31,927)	(24,369)
Administrative expense	-	-
Net change in fiduciary net position	-	-
 Plan fiduciary net position - beginning	 \$ -	 \$ -
Plan fiduciary net position - ending	\$ -	\$ -
 Net OPEB liability - ending	 \$ 1,085,714	 \$ 1,130,731
 Plan fiduciary net position as a percentage of the total OPEB liability	 -	 -
 Covered payroll	 \$ 5,044,751	 \$ 5,044,751
Net OPEB liability as a percentage of covered payroll	21.5%	22.4%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SET AND PLD PLANS
LAST 10 FISCAL YEARS*

	<u>2019</u>	<u>2018</u>
<u>SET Life Insurance:</u>		
Proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>786,690</u>	<u>752,176</u>
Total	<u>\$ 786,690</u>	<u>\$ 752,176</u>
Covered-employee payroll	\$ 18,667,414	\$ 18,192,280
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	48.04%	47.29%
	<u>2019</u>	<u>2018</u>
<u>PLD Life Insurance:</u>		
Proportion of the net OPEB liability	1.30%	1.38%
Town's proportionate share of the net OPEB liability	\$ 262,474	\$ 222,163
Covered-employee payroll	\$ 5,053,399	\$ 4,907,936
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	5.19%	4.53%
Plan fiduciary net position as a percentage of the total OPEB liability	43.92%	47.42%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	<u>2019</u>	<u>2018</u>
<u>MEABT:</u>		
Employer contributions	\$ 121,173	\$ -
Benefit payments	(121,173)	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,840,081	\$ -
Contributions as a percentage of covered payroll	0.00%	0.00%
<u>MMEHT:</u>		
Employer contributions	\$ 31,927	\$ 24,369
Benefit payments	(31,927)	(24,369)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,044,751	\$ 5,044,751
Contributions as a percentage of covered payroll	0.00%	0.00%
<u>SET Life Insurance:</u>		
Contractually required contribution	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 19,762,114	\$ 18,667,414
Contributions as a percentage of covered- employee payroll	0.00%	0.00%
<u>PLD Life Insurance:</u>		
Contractually required contribution	\$ 1,431	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ 1,431</u>	<u>\$ -</u>
Covered-employee payroll	\$ 4,907,936	\$ 4,645,209
Contributions as a percentage of covered- employee payroll	0.00%	0.00%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FALMOUTH, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

Changes of Assumptions

For both the SET Pension Plan and the PLD Consolidated Pension Plan, the discount rate was reduced from 6.875% to 6.75%. In addition, the cost of living benefit increases for the PLD Plan, decreased from 2.20% to 1.91%.

The discount rates for the OPEB SET & PLD Plan were reduced from 6.875% to 6.75%.

The funding method for the OPEB MEABT Plan was changed from Projected Unit Credit funding to Entry Age Normal funding method.

The discount rate for the OPEB MMEHT Plan changed from 3.44% to 4.10% per GASB 75 discount rate selection.

SCHEDULES

OTHER GOVERNMENTAL FUNDS

TOWN OF FALMOUTH, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,116,345	\$ 1,116,345	\$ 1,116,345	\$ -
Resources (Inflows):				
Taxes	28,993,143	28,993,143	28,993,143	-
Intergovernmental	7,771,746	7,771,746	7,824,148	52,402
Charges for Services	140,500	140,500	131,760	(8,740)
Interest Income	-	-	400	400
Other	-	-	13,947	13,947
Amounts Available for Appropriation	<u>38,021,734</u>	<u>38,021,734</u>	<u>38,079,743</u>	<u>58,009</u>
Charges to Appropriations (Outflows):				
Regular Instruction	16,272,939	16,272,939	16,522,184	(249,245)
Special Education	5,330,653	5,330,653	4,714,768	615,885
Career and Technical Education	8,178	8,178	-	8,178
Other Instruction	1,044,418	1,044,418	1,387,425	(343,007)
Student and Staff Support	3,480,724	3,480,724	3,410,804	69,920
System Administration	894,288	894,288	898,231	(3,943)
School Administration	1,431,718	1,431,718	1,385,066	46,652
Transportation	1,506,476	1,506,476	1,593,623	(87,147)
Facilities Maintenance	2,631,395	2,631,395	2,674,781	(43,386)
Debt service:				
Principal	3,185,000	3,185,000	3,185,000	-
Interest	1,119,600	1,119,600	1,119,600	-
Total Charges to Appropriations	<u>36,905,389</u>	<u>36,905,389</u>	<u>36,891,482</u>	<u>13,907</u>
Budgetary Fund Balance, June 30	<u>\$ 1,116,345</u>	<u>\$ 1,116,345</u>	<u>\$ 1,188,261</u>	<u>\$ (71,916)</u>

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 9,664	\$ 9,664
Accounts receivable (net of allowance for uncollectibles)	6,682	-	-	6,682
Due from other governments	174,618	-	-	174,618
Inventory	26,144	-	-	26,144
Due from other funds	6,648,229	5,019,005	-	11,667,234
TOTAL ASSETS	\$ 6,855,673	\$ 5,019,005	\$ 9,664	\$ 11,884,342
LIABILITIES				
Accounts payable	\$ 167,852	\$ 15,375	\$ -	\$ 183,227
Accrued payroll and expenses	47,295	-	-	47,295
Due to other funds	310	-	500	810
TOTAL LIABILITIES	215,457	15,375	500	231,332
FUND BALANCES				
Nonspendable - inventory and principal	26,144	-	9,648	35,792
Restricted	5,437,937	2,528,301	-	7,966,238
Committed	-	2,475,329	-	2,475,329
Assigned	1,176,135	-	-	1,176,135
Unassigned	-	-	(484)	(484)
TOTAL FUND BALANCES	6,640,216	5,003,630	9,164	11,653,010
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,855,673	\$ 5,019,005	\$ 9,664	\$ 11,884,342

SCHEDULE C

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenue	\$ 627,326	\$ 67,975	\$ -	\$ 695,301
Charges for services	2,096,682	-	-	2,096,682
Investment income, net of unrealized gains/(losses)	-	14,368	9	14,377
Other	966,337	394,378	-	1,360,715
TOTAL REVENUES	3,690,345	476,721	9	4,167,075
EXPENDITURES				
General government	111,393			111,393
Public safety	46,331			46,331
Public works	504,293			504,293
Community development	324,847	-	-	324,847
Community programs and parks	969,767	-	-	969,767
Education	2,193,390	-	-	2,193,390
Capital outlay	771,819	3,470,087	-	4,241,906
Debt Service:				
Principal	590,000	-	-	590,000
Interest	183,212	-	-	183,212
Other	-	-	500	500
TOTAL EXPENDITURES	5,695,052	3,470,087	500	9,165,639
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,004,707)	(2,993,366)	(491)	(4,998,564)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	3,310,000	-	3,310,000
Transfers in	2,448,462	1,965,651	-	4,414,113
Transfers (out)	(59,212)	(352,000)	-	(411,212)
TOTAL OTHER FINANCING SOURCES (USES)	2,389,250	4,923,651	-	7,312,901
NET CHANGE IN FUND BALANCES (DEFICITS)	384,543	1,930,285	(491)	2,314,337
FUND BALANCES (DEFICITS) - JULY 1	6,255,673	3,073,345	9,655	9,338,673
FUND BALANCES (DEFICITS) - JUNE 30	\$ 6,640,216	\$ 5,003,630	\$ 9,164	\$ 11,653,010

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Employee Bottle Money</u>	<u>Wellness</u>	<u>Veteran's Memorial</u>	<u>General Assistance</u>	<u>Comp Plan Maps</u>	<u>Property Revaluations</u>
ASSETS						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Due from other funds	3,190	1,168	10,057	44,451	39,569	100,000
TOTAL ASSETS	<u>\$ 3,190</u>	<u>\$ 1,168</u>	<u>\$ 10,057</u>	<u>\$ 44,451</u>	<u>\$ 39,569</u>	<u>\$ 100,000</u>
LIABILITIES						
Accounts payable	\$ -	\$ 615	\$ -	\$ -	\$ 4,000	\$ -
Accrued payroll and expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>615</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
FUND BALANCES						
Nonspendable - inventory	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	3,190	553	10,057	44,451	35,569	100,000
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>3,190</u>	<u>553</u>	<u>10,057</u>	<u>44,451</u>	<u>35,569</u>	<u>100,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,190</u>	<u>\$ 1,168</u>	<u>\$ 10,057</u>	<u>\$ 44,451</u>	<u>\$ 39,569</u>	<u>\$ 100,000</u>

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

	<u>Land Use Ordinances</u>	<u>Invasive</u>	<u>Development Notices</u>	<u>Town Tercentennial</u>	<u>Town Very Merry Weekend</u>	<u>Police Detail</u>
ASSETS						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	850
Inventory	-	-	-	-	-	-
Due from other funds	808	5,146	411	-	5,065	5,312
TOTAL ASSETS	<u><u>\$ 808</u></u>	<u><u>\$ 5,146</u></u>	<u><u>\$ 411</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,065</u></u>	<u><u>\$ 6,162</u></u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 350	\$ -
Accrued payroll and expenses	-	-	-	-	-	2,397
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>350</u></u>	<u><u>2,397</u></u>
FUND BALANCES						
Nonspendable - inventory	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	808	5,146	411	-	4,715	3,765
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u><u>808</u></u>	<u><u>5,146</u></u>	<u><u>411</u></u>	<u><u>-</u></u>	<u><u>4,715</u></u>	<u><u>3,765</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 808</u></u>	<u><u>\$ 5,146</u></u>	<u><u>\$ 411</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,065</u></u>	<u><u>\$ 6,162</u></u>

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

	<u>Police Communication</u>	<u>EMS Scholarships</u>	<u>Fire EMS Detail</u>	<u>Street Permits</u>	<u>Disposal Bags</u>	<u>Conservation Corp</u>
ASSETS						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Due from other funds	2,190	28,316	21,227	34,813	536,679	4,644
TOTAL ASSETS	<u><u>\$ 2,190</u></u>	<u><u>\$ 28,316</u></u>	<u><u>\$ 21,227</u></u>	<u><u>\$ 34,813</u></u>	<u><u>\$ 536,679</u></u>	<u><u>\$ 4,644</u></u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 46,242	\$ -
Accrued payroll and expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,242</u>	<u>-</u>
FUND BALANCES						
Nonspendable - inventory	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	2,190	28,316	21,227	34,813	490,437	4,644
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>2,190</u>	<u>28,316</u>	<u>21,227</u>	<u>34,813</u>	<u>490,437</u>	<u>4,644</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,190</u></u>	<u><u>\$ 28,316</u></u>	<u><u>\$ 21,227</u></u>	<u><u>\$ 34,813</u></u>	<u><u>\$ 536,679</u></u>	<u><u>\$ 4,644</u></u>

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

	<u>Recreation</u>	<u>Sustainability</u>	<u>Parks Maintenance</u>	<u>Natural Gas Expansion</u>	<u>Oceanview Natural Gas TIF</u>	<u>Route 1 North TIF</u>
ASSETS						
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	310	-	-
Inventory	-	-	-	-	-	-
Due from other funds	124,535	490	59,598	-	400,534	3,716,568
TOTAL ASSETS	<u>\$ 124,535</u>	<u>\$ 490</u>	<u>\$ 59,598</u>	<u>\$ 310</u>	<u>\$ 400,534</u>	<u>\$ 3,716,568</u>
LIABILITIES						
Accounts payable	\$ 21,764	\$ -	\$ -	\$ -	\$ 78,626	\$ 1,238
Accrued payroll and expenses	37,443	-	-	-	3,283	2,086
Due to other funds	-	-	-	310	-	-
TOTAL LIABILITIES	<u>59,207</u>	<u>-</u>	<u>-</u>	<u>310</u>	<u>81,909</u>	<u>3,324</u>
FUND BALANCES						
Nonspendable - inventory	-	-	-	-	-	-
Restricted	-	-	-	-	318,625	3,713,244
Committed	-	-	-	-	-	-
Assigned	65,328	490	59,598	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>65,328</u>	<u>490</u>	<u>59,598</u>	<u>-</u>	<u>318,625</u>	<u>3,713,244</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 124,535</u>	<u>\$ 490</u>	<u>\$ 59,598</u>	<u>\$ 310</u>	<u>\$ 400,534</u>	<u>\$ 3,716,568</u>

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2019

	Route 1 South TIF	Trail Maintenance	School Special Revenue Funds Total	School Lunch Fund	Total
ASSETS					
Accounts receivable (net of allowance for uncollectibles)	\$ -	\$ -	\$ -	\$ 6,682	\$ 6,682
Due from other governments	-	-	173,458	-	174,618
Inventory	-	-	-	26,144	26,144
Due from other funds	1,204,971	20,330	93,917	184,240	6,648,229
TOTAL ASSETS	\$ 1,204,971	\$ 20,330	\$ 267,375	\$ 217,066	\$ 6,855,673
LIABILITIES					
Accounts payable	\$ 7,907	\$ -	\$ 6,948	\$ 162	\$ 167,852
Accrued payroll and expenses	2,086	-	-	-	47,295
Due to other funds	-	-	-	-	310
TOTAL LIABILITIES	9,993	-	6,948	162	215,457
FUND BALANCES					
Nonspendable - inventory	-	-	-	26,144	26,144
Restricted	1,194,978	20,330	-	190,760	5,437,937
Committed	-	-	-	-	-
Assigned	-	-	260,427	-	1,176,135
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	1,194,978	20,330	260,427	216,904	6,640,216
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,204,971	\$ 20,330	\$ 267,375	\$ 217,066	\$ 6,855,673

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Employee Bottle Money</u>	<u>Wellness</u>	<u>Veteran's Memorial</u>	<u>General Assistance</u>	<u>Comp Plan Maps</u>	<u>Property Revaluations</u>
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Other	-	3,056	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>3,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
General government	-	13,197	318	-	5,214	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Community programs and parks	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>13,197</u>	<u>318</u>	<u>-</u>	<u>5,214</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(10,141)</u>	<u>(318)</u>	<u>-</u>	<u>(5,214)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	9,100	-	-	9,000	20,000
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>9,100</u>	<u>-</u>	<u>-</u>	<u>9,000</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCES	-	(1,041)	(318)	-	3,786	20,000
FUND BALANCES - JULY 1	<u>3,190</u>	<u>1,594</u>	<u>10,375</u>	<u>44,451</u>	<u>31,783</u>	<u>80,000</u>
FUND BALANCES - JUNE 30	<u>\$ 3,190</u>	<u>\$ 553</u>	<u>\$ 10,057</u>	<u>\$ 44,451</u>	<u>\$ 35,569</u>	<u>\$ 100,000</u>

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Land Use Ordinances	Invasive	Development Notices	Town Tercentennial	Town Very Merry Weekend	Police Detail
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,684
Charges for services	-	-	-	-	-	-
Other	-	-	2,025	31,341	-	31,587
TOTAL REVENUES	-	-	2,025	31,341	-	40,271
EXPENDITURES						
General government	-	2,500	2,964	84,551	497	-
Public safety	-	-	-	-	-	36,567
Public works	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Community programs and parks	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	-	2,500	2,964	84,551	497	36,567
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,500)	(939)	(53,210)	(497)	3,704
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	20,000	5,212	-
Transfers (out)	-	-	-	(5,212)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	14,788	5,212	-
NET CHANGE IN FUND BALANCES	-	(2,500)	(939)	(38,422)	4,715	3,704
FUND BALANCES - JULY 1	808	7,646	1,350	38,422	-	61
FUND BALANCES - JUNE 30	\$ 808	\$ 5,146	\$ 411	\$ -	\$ 4,715	\$ 3,765

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Police Communication</u>	<u>EMS Scholarships</u>	<u>Fire EMS Detail</u>	<u>Street Permits</u>	<u>Disposal Bags</u>	<u>Conservation Corp</u>
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	15,145	13,534	476,622	-
Other	3,075	4,857	-	-	-	500
TOTAL REVENUES	<u>3,075</u>	<u>4,857</u>	<u>15,145</u>	<u>13,534</u>	<u>476,622</u>	<u>500</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	6,218	-	3,546	-	-	-
Public works	-	-	-	14,415	444,277	-
Community development	-	-	-	-	-	-
Community programs and parks	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>6,218</u>	<u>-</u>	<u>3,546</u>	<u>14,415</u>	<u>444,277</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,143)</u>	<u>4,857</u>	<u>11,599</u>	<u>(881)</u>	<u>32,345</u>	<u>500</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	2,000	-	-	-	-
Transfers (out)	-	-	(22,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>2,000</u>	<u>(22,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,143)	6,857	(10,401)	(881)	32,345	500
FUND BALANCES - JULY 1	<u>5,333</u>	<u>21,459</u>	<u>31,628</u>	<u>35,694</u>	<u>458,092</u>	<u>4,144</u>
FUND BALANCES - JUNE 30	<u>\$ 2,190</u>	<u>\$ 28,316</u>	<u>\$ 21,227</u>	<u>\$ 34,813</u>	<u>\$ 490,437</u>	<u>\$ 4,644</u>

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Recreation	Sustainability	Parks Maintenance	Natural Gas Expansion	Oceanview Natural Gas TIF	Route 1 North TIF
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	782,358	-	-	-	-	-
Other	-	900	7,757	35,248	2,699	-
TOTAL REVENUES	782,358	900	7,757	35,248	2,699	-
EXPENDITURES						
General government	-	2,152	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	45,601	-	-
Community development	-	-	-	-	104,445	27,655
Community programs and parks	936,303	-	3,464	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	625,343	91,058
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	936,303	2,152	3,464	45,601	729,788	118,713
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(153,945)	(1,252)	4,293	(10,353)	(727,089)	(118,713)
OTHER FINANCING SOURCES (USES)						
Transfers in	125,000	-	-	-	593,109	508,706
Transfers (out)	(12,000)	-	-	-	(20,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	113,000	-	-	-	573,109	508,706
NET CHANGE IN FUND BALANCES	(40,945)	(1,252)	4,293	(10,353)	(153,980)	389,993
FUND BALANCES - JULY 1	106,273	1,742	55,305	10,353	472,605	3,323,251
FUND BALANCES - JUNE 30	\$ 65,328	\$ 490	\$ 59,598	\$ -	\$ 318,625	\$ 3,713,244

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Route 1 South TIF	Trail Maintenance	School Special Revenue Funds Total	School Lunch Fund	Total
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ 529,777	\$ 88,865	\$ 627,326
Charges for services	-	-	-	809,023	2,096,682
Other	-	50,330	788,182	4,780	966,337
TOTAL REVENUES	-	50,330	1,317,959	902,668	3,690,345
EXPENDITURES					
General government	-	-	-	-	111,393
Public safety	-	-	-	-	46,331
Public works	-	-	-	-	504,293
Community development	192,747	-	-	-	324,847
Community programs and parks	-	30,000	-	-	969,767
Education	-	-	1,319,495	873,895	2,193,390
Capital outlay	55,418	-	-	-	771,819
Debt Service:					
Principal	590,000	-	-	-	590,000
Interest	183,212	-	-	-	183,212
TOTAL EXPENDITURES	1,021,377	30,000	1,319,495	873,895	5,695,052
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,021,377)	20,330	(1,536)	28,773	(2,004,707)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,156,335	-	-	-	2,448,462
Transfers (out)	-	-	-	-	(59,212)
TOTAL OTHER FINANCING SOURCES (USES)	1,156,335	-	-	-	2,389,250
NET CHANGE IN FUND BALANCES	134,958	20,330	(1,536)	28,773	384,543
FUND BALANCES - JULY 1	1,060,020	-	261,963	188,131	6,255,673
FUND BALANCES - JUNE 30	\$ 1,194,978	\$ 20,330	\$ 260,427	\$ 216,904	\$ 6,640,216

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2019

	Energy Efficiency	Food Pantry	Town Hall Office	Gen Gov Renovation	Gen Gov Vehicles	Railroad Crossing
ASSETS						
Due from other funds	\$ 4,342	\$ 1,189	\$ 50,339	\$ 113,224	\$ 41,858	\$ -
TOTAL ASSETS	\$ 4,342	\$ 1,189	\$ 50,339	\$ 113,224	\$ 41,858	\$ -
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	4,342	1,189	50,339	113,224	41,858	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	4,342	1,189	50,339	113,224	41,858	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,342	\$ 1,189	\$ 50,339	\$ 113,224	\$ 41,858	\$ -

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2019

	<u>Computers</u>	<u>Cable TV</u>	<u>Police Small Equip</u>	<u>Police Vehicles</u>	<u>Police Dept Communications</u>	<u>Harbor Equipment</u>
ASSETS						
Due from other funds	\$ 7,209	\$ 143,667	\$ 20,619	\$ 5,672	\$ 28,147	\$ 43,404
TOTAL ASSETS	<u>\$ 7,209</u>	<u>\$ 143,667</u>	<u>\$ 20,619</u>	<u>\$ 5,672</u>	<u>\$ 28,147</u>	<u>\$ 43,404</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 5,542	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>5,542</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	7,209	143,667	15,077	5,672	28,147	43,404
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>7,209</u>	<u>143,667</u>	<u>15,077</u>	<u>5,672</u>	<u>28,147</u>	<u>43,404</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,209</u>	<u>\$ 143,667</u>	<u>\$ 20,619</u>	<u>\$ 5,672</u>	<u>\$ 28,147</u>	<u>\$ 43,404</u>

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2019

	<u>Fire Dept Building</u>	<u>Fire Dept Equipment</u>	<u>PW Building and Equip</u>	<u>Public Works Heavy Equip</u>	<u>Public Works Streets</u>	<u>Transfer Station Equip</u>
ASSETS						
Due from other funds	\$ 34,941	\$ 36,042	\$ 25,876	\$ 108,391	\$ 405,573	\$ 52,285
TOTAL ASSETS	<u>\$ 34,941</u>	<u>\$ 36,042</u>	<u>\$ 25,876</u>	<u>\$ 108,391</u>	<u>\$ 405,573</u>	<u>\$ 52,285</u>
LIABILITIES						
Accounts payable	\$ -	\$ 4,685	\$ -	\$ -	\$ 455	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>4,685</u>	<u>-</u>	<u>-</u>	<u>455</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	34,941	31,357	25,876	108,391	405,118	52,285
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>34,941</u>	<u>31,357</u>	<u>25,876</u>	<u>108,391</u>	<u>405,118</u>	<u>52,285</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 34,941</u>	<u>\$ 36,042</u>	<u>\$ 25,876</u>	<u>\$ 108,391</u>	<u>\$ 405,573</u>	<u>\$ 52,285</u>

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2019

	<u>Parks Renovation</u>	<u>Parks Equipment</u>	<u>Community Center</u>	<u>Community Prog Vehicles</u>	<u>Open Spaces</u>	<u>Capital Street Lights</u>
ASSETS						
Due from other funds	\$ 215,360	\$ 15,396	\$ 83,280	\$ 7,262	\$ 662,686	\$ 82,322
TOTAL ASSETS	<u>\$ 215,360</u>	<u>\$ 15,396</u>	<u>\$ 83,280</u>	<u>\$ 7,262</u>	<u>\$ 662,686</u>	<u>\$ 82,322</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 243	\$ 4,450
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243</u>	<u>4,450</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	215,360	15,396	83,280	7,262	662,443	77,872
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>215,360</u>	<u>15,396</u>	<u>83,280</u>	<u>7,262</u>	<u>662,443</u>	<u>77,872</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 215,360</u>	<u>\$ 15,396</u>	<u>\$ 83,280</u>	<u>\$ 7,262</u>	<u>\$ 662,686</u>	<u>\$ 82,322</u>

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2019

	Library Bond	School Capital Projects Funds Total	Total
ASSETS			
Due from other funds	\$ 2,528,301	\$ 301,620	\$ 5,019,005
TOTAL ASSETS	<u>\$ 2,528,301</u>	<u>\$ 301,620</u>	<u>\$ 5,019,005</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 15,375
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>15,375</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	2,528,301	-	2,528,301
Committed	-	301,620	2,475,329
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>2,528,301</u>	<u>301,620</u>	<u>5,003,630</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,528,301</u>	<u>\$ 301,620</u>	<u>\$ 5,019,005</u>

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Energy Efficiency	Food Pantry	Town Hall Office	Gen Gov Renovation	Gen Gov Vehicles	Railroad Crossing
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Capital outlay	179,302	-	18,921	-	3,575	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>179,302</u>	<u>-</u>	<u>18,921</u>	<u>-</u>	<u>3,575</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(179,302)</u>	<u>-</u>	<u>(18,921)</u>	<u>-</u>	<u>(3,575)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Transfers in	130,265	-	-	-	-	-
Transfers (out)	-	-	-	-	-	(52,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>130,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,000)</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(49,037)</u>	<u>-</u>	<u>(18,921)</u>	<u>-</u>	<u>(3,575)</u>	<u>(52,000)</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>53,379</u>	<u>1,189</u>	<u>69,260</u>	<u>113,224</u>	<u>45,433</u>	<u>52,000</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 4,342</u>	<u>\$ 1,189</u>	<u>\$ 50,339</u>	<u>\$ 113,224</u>	<u>\$ 41,858</u>	<u>\$ -</u>

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Computers	Cable TV	Police Small Equip	Police Vehicles	Police Dept Communications	Harbor Equipment
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ 9,975	\$ -	\$ -	\$ 56,000
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-
Other	-	10,000	-	-	-	-
TOTAL REVENUES	-	10,000	9,975	-	-	56,000
EXPENDITURES						
Capital outlay	336,627	32,752	39,718	59,611	-	156,802
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	336,627	32,752	39,718	59,611	-	156,802
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(336,627)</u>	<u>(22,752)</u>	<u>(29,743)</u>	<u>(59,611)</u>	<u>-</u>	<u>(100,802)</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Transfers in	163,000	-	5,000	48,300	15,000	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	163,000	-	5,000	48,300	15,000	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(173,627)	(22,752)	(24,743)	(11,311)	15,000	(100,802)
FUND BALANCES (DEFICITS) - JULY 1	180,836	166,419	39,820	16,983	13,147	144,206
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 7,209</u>	<u>\$ 143,667</u>	<u>\$ 15,077</u>	<u>\$ 5,672</u>	<u>\$ 28,147</u>	<u>\$ 43,404</u>

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Fire Dept Building	Fire Dept Equipment	PW Building and Equip	Public Works Heavy Equip	Public Works Streets	Transfer Station Equip
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-
Other	-	-	-	-	143,968	-
TOTAL REVENUES	-	-	-	-	143,968	-
EXPENDITURES						
Capital outlay	170,022	337,625	30,999	231,519	177,359	9,235
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	170,022	337,625	30,999	231,519	177,359	9,235
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(170,022)	(337,625)	(30,999)	(231,519)	(33,391)	(9,235)
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Transfers in	150,000	90,000	16,586	270,000	132,000	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	150,000	90,000	16,586	270,000	132,000	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(20,022)	(247,625)	(14,413)	38,481	98,609	(9,235)
FUND BALANCES (DEFICITS) - JULY 1	54,963	278,982	40,289	69,910	306,509	61,520
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 34,941</u>	<u>\$ 31,357</u>	<u>\$ 25,876</u>	<u>\$ 108,391</u>	<u>\$ 405,118</u>	<u>\$ 52,285</u>

SCHEDULE G (CONTINUED)

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Parks Renovation</u>	<u>Parks Equipment</u>	<u>Community Center</u>	<u>Community Prog Vehicles</u>	<u>Open Spaces</u>	<u>Capital Street Lights</u>
REVENUES						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-
Other	-	13,465	-	6,445	-	-
TOTAL REVENUES	<u>-</u>	<u>13,465</u>	<u>-</u>	<u>6,445</u>	<u>2,000</u>	<u>-</u>
EXPENDITURES						
Capital outlay	4,350	41,799	122,767	40,269	409,051	365,585
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>4,350</u>	<u>41,799</u>	<u>122,767</u>	<u>40,269</u>	<u>409,051</u>	<u>365,585</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,350)</u>	<u>(28,334)</u>	<u>(122,767)</u>	<u>(33,824)</u>	<u>(407,051)</u>	<u>(365,585)</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Transfers in	-	17,000	140,000	12,000	775,000	1,500
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>17,000</u>	<u>140,000</u>	<u>12,000</u>	<u>775,000</u>	<u>1,500</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(4,350)	(11,334)	17,233	(21,824)	367,949	(364,085)
FUND BALANCES (DEFICITS) - JULY 1	<u>219,710</u>	<u>26,730</u>	<u>66,047</u>	<u>29,086</u>	<u>294,494</u>	<u>441,957</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 215,360</u>	<u>\$ 15,396</u>	<u>\$ 83,280</u>	<u>\$ 7,262</u>	<u>\$ 662,443</u>	<u>\$ 77,872</u>

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Library Bond	School Capital Projects Funds Total	Total
REVENUES			
Intergovernmental revenues	\$ -	\$ -	\$ 67,975
Investment income, net of unrealized gains/(losses)	-	14,368	14,368
Other	220,500	-	394,378
TOTAL REVENUES	<u>220,500</u>	<u>14,368</u>	<u>476,721</u>
EXPENDITURES			
Capital outlay	702,199	-	3,470,087
TOTAL EXPENDITURES	<u>702,199</u>	<u>-</u>	<u>3,470,087</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(481,699)</u>	<u>14,368</u>	<u>(2,993,366)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	3,310,000	-	3,310,000
Transfers in	-	-	1,965,651
Transfers (out)	(300,000)	-	(352,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,010,000</u>	<u>-</u>	<u>4,923,651</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	2,528,301	14,368	1,930,285
FUND BALANCES (DEFICITS) - JULY 1	<u>-</u>	<u>287,252</u>	<u>3,073,345</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 2,528,301</u>	<u>\$ 301,620</u>	<u>\$ 5,003,630</u>

PERMANENT FUNDS

Permanent funds are used to account for assets held by the Town of Falmouth, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of the cemeteries.

TOWN OF FALMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
 JUNE 30, 2019

	<u>Perpetual Care</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 9,664	\$ 9,664
TOTAL ASSETS	<u>\$ 9,664</u>	<u>\$ 9,664</u>
LIABILITIES		
Due to other funds	\$ 500	\$ 500
TOTAL LIABILITIES	<u>500</u>	<u>500</u>
FUND BALANCES		
Nonspendable - principal	9,648	9,648
Restricted	-	-
Committed	-	-
Assigned	-	-
Unassigned	(484)	(484)
TOTAL FUND BALANCES	<u>9,164</u>	<u>9,164</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,664</u>	<u>\$ 9,664</u>

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Perpetual Care</u>	<u>Total</u>
REVENUES		
Investment income, net of unrealized gains/(losses)	\$ 9	\$ 9
TOTAL REVENUES	<u>9</u>	<u>9</u>
EXPENDITURES		
Other	500	500
TOTAL EXPENDITURES	<u>500</u>	<u>500</u>
NET CHANGE IN FUND BALANCES	(491)	(491)
FUND BALANCES - JULY 1	<u>9,655</u>	<u>9,655</u>
FUND BALANCES - JUNE 30	<u>\$ 9,164</u>	<u>\$ 9,164</u>

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2019

	Karen Boffa Camp Scholarship	Stetson Memorial Fund	Class of 1995 Scholarship	Clayton Thomas Scholarship	Leola West Scholarship
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 165
Investments	-	-	-	-	34,416
Due from other governments	75	596	500	-	-
TOTAL ASSETS	<u>\$ 75</u>	<u>\$ 596</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 34,581</u>
LIABILITIES					
Deposits held for others	\$ -	\$ -	\$ -	\$ 1,074	\$ -
Due to other governments	-	-	-	-	500
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,074</u>	<u>\$ 500</u>
NET POSITION					
Restricted	75	596	500	-	34,081
Unrestricted (deficit)	-	-	-	(1,074)	-
TOTAL NET POSITION	<u>75</u>	<u>596</u>	<u>500</u>	<u>(1,074)</u>	<u>34,081</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 75</u>	<u>\$ 596</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 34,581</u>

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2019

	Elmer Holding Trust Fund	Jim Caldwell Scholarship	Blaze Scholarship	Other Scholarships	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 77,893	\$ 78,058
Investments	-				34,416
Due from other governments	-	856	500	-	2,527
TOTAL ASSETS	\$ -	\$ 856	\$ 500	\$ 77,893	\$ 115,001
LIABILITIES					
Deposits held for others	\$ -	\$ -	\$ -	\$ -	\$ 1,074
Due to other governments	-	-	-	-	500
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ 1,574
NET POSITION					
Restricted	-	856	500	77,893	114,501
Unrestricted (deficit)	-	-	-	-	(1,074)
TOTAL NET POSITION	-	856	500	77,893	113,427
TOTAL LIABILITIES AND NET POSITION	\$ -	\$ 856	\$ 500	\$ 77,893	\$ 115,001

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Karen Boffa Camp Scholarship	Stetson Memorial Fund	Class of 1995 Scholarship	Clayton Thomas Scholarship	Leola West Scholarship
ADDITIONS					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ 326
Other contributions	-	-	-	-	-
TOTAL ADDITIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326</u>
DEDUCTIONS					
Scholarship awards	-	-	-	-	500
Miscellaneous expense	-	-	-	-	-
TOTAL DEDUCTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
CHANGE IN NET POSITION	-	-	-	-	(174)
NET POSITION - JULY 1	<u>75</u>	<u>596</u>	<u>500</u>	<u>(1,074)</u>	<u>34,255</u>
NET POSITION - JUNE 30	<u>\$ 75</u>	<u>\$ 596</u>	<u>\$ 500</u>	<u>\$ (1,074)</u>	<u>\$ 34,081</u>

TOWN OF FALMOUTH, MAINE

COMBINING SCHEDULE OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Elmer Holding Trust Fund	Jim Caldwell Scholarship	Blaze Scholarship	Other Scholarships	Total
ADDITIONS					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ 326
Other contributions	-	250	-	21,314	21,564
TOTAL ADDITIONS	<u>-</u>	<u>250</u>	<u>-</u>	<u>21,314</u>	<u>21,890</u>
DEDUCTIONS					
Scholarship awards	-	-	-	15,540	16,040
Miscellaneous expense	319	-	-	-	319
TOTAL DEDUCTIONS	<u>319</u>	<u>-</u>	<u>-</u>	<u>15,540</u>	<u>16,359</u>
CHANGE IN NET POSITION	(319)	250	-	5,774	5,531
NET POSITION - JULY 1	<u>319</u>	<u>606</u>	<u>500</u>	<u>72,119</u>	<u>107,896</u>
NET POSITION - JUNE 30	<u>\$ -</u>	<u>\$ 856</u>	<u>\$ 500</u>	<u>\$ 77,893</u>	<u>\$ 113,427</u>

GENERAL CAPITAL ASSETS

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net position.

TOWN OF FALMOUTH, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2019

	Land and Non-depreciable Assets	Improvements Other Than Buildings, Buildings and Improvements	Machinery and Equipment	Infrastructure	Total
General government	\$ 7,159,866	\$ 3,346,999	\$ 1,882,814	\$ -	\$ 12,389,679
Public safety	475,800	5,278,196	5,519,802	-	11,273,798
Public works	3,412,173	1,459,428	3,319,231	44,800,683	52,991,515
Community programs and parks	1,702,100	3,744,285	571,457	-	6,017,842
Education	647,198	67,038,594	3,692,632	-	71,378,424
Wastewater	749,153	11,623,380	4,516,467	17,863,605	34,752,605
Total General Capital Assets	<u>14,146,290</u>	<u>92,490,882</u>	<u>19,502,403</u>	<u>62,664,288</u>	<u>188,803,863</u>
Less: Accumulated Depreciation	<u>-</u>	<u>(35,064,228)</u>	<u>(11,485,211)</u>	<u>(20,527,528)</u>	<u>(67,076,967)</u>
Net General Capital Assets	<u>\$ 14,146,290</u>	<u>\$ 57,426,654</u>	<u>\$ 8,017,192</u>	<u>\$ 42,136,760</u>	<u>\$ 121,726,896</u>

TOWN OF FALMOUTH, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2019

	General Capital Assets 7/1/18	Additions	Deletions	General Capital Assets 6/30/19
General government	\$ 10,755,974	\$ 1,989,948	\$ (356,243)	\$ 12,389,679
Public safety	10,549,913	991,426	(267,541)	11,273,798
Public works	49,858,073	3,153,545	(20,103)	52,991,515
Community programs and parks	5,891,521	168,837	(42,516)	6,017,842
Education	71,088,716	568,038	(278,330)	71,378,424
Wastewater	33,876,703	884,057	(8,155)	34,752,605
Total General Capital Assets	<u>182,020,900</u>	<u>7,755,851</u>	<u>(972,888)</u>	<u>188,803,863</u>
Less: Accumulated Depreciation	<u>(62,393,048)</u>	<u>(5,460,173)</u>	<u>776,254</u>	<u>(67,076,967)</u>
Net General Capital Assets	<u>\$ 119,627,852</u>	<u>\$ 2,295,678</u>	<u>\$ (196,634)</u>	<u>\$ 121,726,896</u>

STATISTICAL SECTION

This part of the Town of Falmouth, 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.

Content	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	5-7
<i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	
Debt Capacity	8-11
<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	12-13
<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	14-15
<i>This schedule contains service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

TOWN OF FALMOUTH, MAINE

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Net investment in capital assets	\$ 54,501,477	\$ 55,669,414	\$ 54,205,024	\$ 50,126,899	\$ 45,611,250	\$ 41,041,245	\$ 38,256,352	\$ 30,753,086	\$ 24,544,049	\$ 29,598,688
Restricted	6,722,277	8,165,087	7,292,627	7,183,760	8,172,054	8,483,144	6,251,719	6,781,723	9,973,196	804,873
Unrestricted	15,746,274	11,024,638	12,442,430	13,579,352	13,477,736	16,042,959	18,026,092	17,068,952	18,275,885	20,899,310
Total governmental activities net position	<u>\$ 76,970,028</u>	<u>\$ 74,859,139</u>	<u>\$ 73,940,081</u>	<u>\$ 70,890,011</u>	<u>\$ 67,261,040</u>	<u>\$ 65,567,348</u>	<u>\$ 62,534,163</u>	<u>\$ 54,603,761</u>	<u>\$ 52,793,130</u>	<u>\$ 51,302,871</u>
Business-type activities:										
Net investment in capital assets	\$ 17,084,399	\$ 16,765,868	\$ 16,347,707	\$ 12,719,464	\$ 11,954,332	\$ 11,938,638	\$ 12,175,806	\$ 12,088,052	\$ 12,227,194	\$ 12,375,251
Unrestricted	3,636,031	3,786,436	3,507,536	3,082,322	3,231,839	3,029,652	2,664,461	2,715,432	2,574,430	2,393,447
Total business-type activities net position	<u>\$ 20,720,430</u>	<u>\$ 20,552,304</u>	<u>\$ 19,855,243</u>	<u>\$ 15,801,786</u>	<u>\$ 15,186,171</u>	<u>\$ 14,968,290</u>	<u>\$ 14,840,267</u>	<u>\$ 14,803,484</u>	<u>\$ 14,801,624</u>	<u>\$ 14,768,698</u>
Primary government:										
Net investment in capital assets	\$ 71,585,876	\$ 72,435,282	\$ 70,552,731	\$ 62,846,363	\$ 57,565,582	\$ 52,979,883	\$ 50,432,158	\$ 42,841,138	\$ 36,771,243	\$ 41,973,939
Restricted	6,722,277	8,165,087	7,292,627	7,183,760	8,172,054	8,483,144	6,251,719	6,781,723	9,973,196	804,873
Unrestricted	19,382,305	14,811,074	15,949,966	16,661,674	16,709,575	19,072,611	20,690,553	19,784,384	20,850,315	23,292,757
Total primary government net position	<u>\$ 97,690,458</u>	<u>\$ 95,411,443</u>	<u>\$ 93,795,324</u>	<u>\$ 86,691,797</u>	<u>\$ 82,447,211</u>	<u>\$ 80,535,638</u>	<u>\$ 77,374,430</u>	<u>\$ 69,407,245</u>	<u>\$ 67,594,754</u>	<u>\$ 66,071,569</u>

Note: The Town implemented GASB #54 in 2011.
The Town implemented GASB #68 in 2015.
The Town implemented GASB #75 in 2018.

TOWN OF FALMOUTH, MAINE

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities										
General government	\$ 2,643,701	\$ 4,213,322	\$ 4,232,225	\$ 4,575,776	\$ 3,683,548	\$ 3,586,007	\$ 3,182,216	\$ 3,320,569	\$ 3,289,549	\$ 3,408,826
Financial management	1,238,141	1,193,225	1,121,047	1,204,538	1,049,103	978,002	1,060,159	1,057,419	952,802	943,712
Public safety	5,366,716	4,983,049	4,797,396	4,533,160	4,419,078	4,093,811	3,828,094	3,922,211	3,668,031	3,598,536
Public works	3,660,138	3,492,622	2,750,978	3,209,514	2,957,355	4,236,453	3,270,196	3,298,303	4,219,050	3,929,553
Community development	1,292,783	1,766,820	1,915,659	1,279,967	2,069,053	578,546	619,971	1,035,617	1,047,470	545,659
Community program and parks	1,674,500	1,576,719	1,459,140	1,329,529	1,270,322	1,080,035	948,169	1,219,430	1,027,630	1,028,244
Education	38,702,886	39,033,885	36,324,140	34,427,522	32,903,013	31,460,774	29,224,616	31,919,090	27,994,675	26,776,233
Interest on long-term debt	1,561,000	1,476,582	1,555,660	1,662,539	1,768,827	1,618,608	1,659,562	1,617,393	607,485	771,046
Central garage	209,438	218,249	265,811	254,384	239,277	203,205	218,903	-	-	-
Total governmental activities expenses	<u>56,349,303</u>	<u>57,954,473</u>	<u>54,422,056</u>	<u>52,476,929</u>	<u>50,359,576</u>	<u>47,835,441</u>	<u>44,011,886</u>	<u>47,390,032</u>	<u>42,806,692</u>	<u>41,001,809</u>
Business-type activities										
Wastewater treatment	2,583,085	2,566,435	2,259,793	1,952,806	2,051,999	1,896,432	1,991,986	1,950,836	1,928,995	1,966,602
Total business-type activities expenses	<u>2,583,085</u>	<u>2,566,435</u>	<u>2,259,793</u>	<u>1,952,806</u>	<u>2,051,999</u>	<u>1,896,432</u>	<u>1,991,986</u>	<u>1,950,836</u>	<u>1,928,995</u>	<u>1,966,602</u>
Total primary government expenses	<u>\$ 58,932,388</u>	<u>\$ 60,520,908</u>	<u>\$ 56,681,849</u>	<u>\$ 54,429,735</u>	<u>\$ 52,411,575</u>	<u>\$ 49,731,873</u>	<u>\$ 46,003,872</u>	<u>\$ 49,340,868</u>	<u>\$ 44,735,687</u>	<u>\$ 42,968,411</u>
Program revenue										
Governmental activities										
Charges for services										
General government	1,296,165	227,355	412,884	354,297	388,559	351,006	234,962	219,992	189,795	201,119
Financial management	76,887	78,313	52,396	53,247	-	-	51,160	39,720	71,604	75,832
Public safety	605,979	579,096	640,104	662,920	626,114	720,216	747,310	707,946	669,934	522,406
Public works	61,869	518,039	466,343	500,059	510,650	495,178	2,615,975	2,871,751	2,533,358	2,304,273
Community development	526,334	194,501	105,175	62,507	33,042	11,252	-	103,111	81,513	132,975
Community program and parks	167,305	816,700	750,775	644,853	546,224	655,725	508,819	3,066	4,007	585,783
Education	12,224,858	1,386,202	1,501,674	1,209,994	1,128,358	234,653	166,812	192,766	184,679	707,912
Central garage	209,438	1,731	669	1,463	1,412	206,343	238,896	-	-	-
Operating grants and contributions	-	12,335,128	12,207,192	11,872,141	12,357,354	11,707,971	11,241,851	10,368,451	10,532,867	9,874,139
Capital grants and contributions	-	442,069	582,792	1,237,845	241,118	198,649	1,270,929	4,468,498	526,643	66,430
Total governmental activities program revenue	<u>15,168,835</u>	<u>16,579,134</u>	<u>16,720,004</u>	<u>16,599,326</u>	<u>15,832,831</u>	<u>14,580,993</u>	<u>17,076,714</u>	<u>18,975,301</u>	<u>14,794,400</u>	<u>14,470,869</u>
Business-type activities										
Charges for services										
Wastewater treatment	2,012,107	2,004,168	1,918,549	1,767,660	1,750,443	1,692,615	1,963,058	1,932,503	1,893,277	1,892,069
Operating grants and contributions	201,364	508,889	386,185	340,647	380,737	326,673	-	-	-	-
Capital grants and contributions	522,694	729,011	4,000,000	-	132,600	-	65,711	20,193	68,645	1,583,800
Total business-type activities program revenue	<u>2,736,165</u>	<u>3,242,068</u>	<u>6,304,734</u>	<u>2,108,307</u>	<u>2,263,780</u>	<u>2,019,288</u>	<u>2,028,769</u>	<u>1,952,696</u>	<u>1,961,922</u>	<u>3,475,869</u>
Total primary government program revenue	<u>\$ 17,905,000</u>	<u>\$ 19,821,202</u>	<u>\$ 23,024,738</u>	<u>\$ 18,707,633</u>	<u>\$ 18,096,611</u>	<u>\$ 16,600,281</u>	<u>\$ 19,105,483</u>	<u>\$ 20,927,997</u>	<u>\$ 16,756,322</u>	<u>\$ 17,946,738</u>
Net (expense) revenue										
Governmental activities	\$ (41,180,468)	\$ (41,375,339)	\$ (37,702,052)	\$ (35,877,603)	\$ (34,526,745)	\$ (33,254,448)	\$ (26,935,172)	\$ (28,414,731)	\$ (28,012,292)	\$ (26,530,940)
Business-type activities	153,080	675,633	4,044,941	155,501	211,781	122,856	36,783	1,860	32,927	1,509,267
Total primary government net expense	<u>\$(41,027,388)</u>	<u>\$(40,699,706)</u>	<u>\$(33,657,111)</u>	<u>\$(35,722,102)</u>	<u>\$(34,314,964)</u>	<u>\$(33,131,592)</u>	<u>\$(26,898,389)</u>	<u>\$(28,412,871)</u>	<u>\$(27,979,365)</u>	<u>\$(25,021,673)</u>

TOWN OF FALMOUTH, MAINE

Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (dollar amounts expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenue and Other Changes in Net Position										
Governmental activities										
Taxes:										
Property taxes	\$40,481,952	\$37,875,513	\$36,046,143	\$34,630,748	\$32,854,038	\$32,220,901	\$29,014,155	\$27,578,490	\$26,155,485	\$25,860,056
Excise taxes	3,560,107	3,396,845	3,224,489	3,138,658	3,040,917	2,911,618	2,650,054	2,384,488	2,364,465	2,317,152
Cable TV franchise fees	229,783	221,219	220,144	211,124	210,467	210,542	210,622	209,381	148,241	187,195
Unrestricted grants and contributions	577,940	1,089,754	941,537	886,641	776,762	796,872	672,593	674,047	646,733	694,461
Investment earnings	888,714	137,531	168,961	211,542	94,277	80,141	60,619	37,596	33,885	56,120
Miscellaneous	1,943,116	52,721	73,404	175,471	88,103	125,013	2,257,532	230,732	153,743	66,564
Total governmental activities	<u>47,681,612</u>	<u>42,773,583</u>	<u>40,674,678</u>	<u>39,254,184</u>	<u>37,064,564</u>	<u>36,345,087</u>	<u>34,865,575</u>	<u>31,114,734</u>	<u>29,502,552</u>	<u>29,181,548</u>
Business-type activities										
Investment earnings	15,046	21,428	8,516	14,933	6,100	5,167	-	-	-	-
Total business-type activities	<u>15,046</u>	<u>21,428</u>	<u>8,516</u>	<u>14,933</u>	<u>6,100</u>	<u>5,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$47,696,658</u>	<u>\$42,795,011</u>	<u>\$40,683,194</u>	<u>\$39,269,117</u>	<u>\$37,070,664</u>	<u>\$36,350,254</u>	<u>\$34,865,575</u>	<u>\$31,114,734</u>	<u>\$29,502,552</u>	<u>\$29,181,548</u>
Change in net position										
Governmental activities	\$ 6,501,144	\$ 1,398,244	\$ 2,972,626	\$ 3,376,581	\$ 2,537,819	\$ 3,090,639	\$ 7,930,403	\$ 2,700,003	\$ 1,490,260	\$ 2,650,608
Business-type activities	168,126	697,061	4,053,457	170,434	217,881	128,023	36,783	1,860	32,927	1,509,267
Total primary government	<u>\$ 6,669,270</u>	<u>\$ 2,095,305</u>	<u>\$ 7,026,083</u>	<u>\$ 3,547,015</u>	<u>\$ 2,755,700</u>	<u>\$ 3,218,662</u>	<u>\$ 7,967,186</u>	<u>\$ 2,701,863</u>	<u>\$ 1,523,187</u>	<u>\$ 4,159,875</u>

TOWN OF FALMOUTH, MAINE

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Nonspendable	\$ 25,925	\$ 303,545	\$ 303,666	\$ 297,332	\$ 308,051	\$ 310,169	\$ 20,011	\$ 65,254	\$ -	\$ -
Restricted	86,431	1,116,345	1,109,460	1,048,593	785,481	969,129	27,110	577,865	592,712	56,735
Committed	1,188,261	-	-	-	-	-	831,198	5,690,995	6,693,591	-
Assigned	270,000	171,600	622,000	-	-	-	87,335	128,097	225,108	-
Unassigned	11,067,470	9,923,606	10,578,586	11,081,063	10,578,837	12,007,853	13,266,470	11,514,542	11,320,374	-
Unreserved:										
Designated	-	-	-	-	-	-	-	-	-	8,275,624
Undesignated	-	-	-	-	-	-	-	-	-	10,172,493
Total general fund	\$ 12,638,087	\$ 11,515,096	\$ 12,613,712	\$ 12,426,988	\$ 11,672,369	\$ 13,287,151	\$ 14,232,124	\$ 17,976,753	\$ 18,831,785	\$ 18,504,852
All Other Governmental Funds										
Nonspendable	\$ 35,792	\$ 36,573	\$ 34,665	\$ 20,097	\$ 23,762	\$ 23,762	\$ 18,752	\$ 18,752	\$ 10,301	\$ -
Restricted	15,324,216	7,623,628	7,625,911	7,556,379	8,804,120	17,274,179	6,224,010	6,933,139	10,462,258	-
Committed	2,475,329	4,015,201	4,806,145	5,561,429	5,737,486	6,815,356	4,844,418	-	-	-
Assigned	1,176,135	-	-	-	-	-	1,027,392	603,322	568,048	-
Unassigned	(484)	(383,077)	(106,939)	(75,687)	(277,897)	(15,653)	(94,834)	-	(1,496)	-
Reserved	-	-	-	-	-	-	-	-	-	19,898
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	(14,026,231)
Capital project funds	-	-	-	-	-	-	-	-	-	3,698,774
Total all other governmental funds	\$ 19,010,988	\$ 11,292,325	\$ 12,359,782	\$ 13,062,218	\$ 14,287,471	\$ 24,097,644	\$ 12,019,738	\$ 7,555,213	\$ 11,039,111	\$ (10,307,559)

TOWN OF FALMOUTH, MAINE

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES										
Taxes	\$ 44,301,345	\$ 41,182,424	\$ 39,185,034	\$ 37,811,495	\$ 35,954,078	\$ 35,167,105	\$ 33,704,800	\$ 31,469,323	\$ 30,111,392	\$ 29,620,325
Licenses, fees and permits	535,151	493,179	595,396	501,876	448,332	617,051	490,400	412,617	366,528	403,230
Intergovernmental revenues	10,936,331	13,251,035	13,494,737	13,517,559	12,301,393	11,830,853	12,141,113	11,133,290	11,372,188	11,252,927
Charges for services	2,959,589	3,472,403	3,498,945	3,117,773	2,956,653	2,495,788	724,432	732,685	664,288	521,217
Fines and forfeitures	76,887	54,552	54,425	56,607	48,245	50,092	56,568	42,193	73,565	49,232
Interest	888,714	137,531	168,961	211,542	94,277	80,141	60,619	43,010	105,260	135,694
Miscellaneous revenues	1,621,850	668,277	310,189	654,535	1,161,945	390,554	2,192,289	1,788,185	1,675,396	1,376,194
TOTAL REVENUES	61,319,867	59,259,401	57,307,687	55,871,387	52,964,923	50,631,584	49,370,221	45,621,303	44,368,617	43,358,819
EXPENDITURES										
General government	1,345,720	1,474,989	1,394,501	1,260,205	1,416,430	1,065,691	1,032,042	1,061,434	1,038,658	1,045,930
Financial management	1,238,141	1,193,225	1,121,047	1,135,530	1,049,103	978,002	1,060,159	898,317	870,631	824,418
Public safety	4,684,265	4,407,316	4,149,690	3,939,272	3,880,849	3,540,345	3,292,596	3,198,606	3,079,808	2,846,123
Public works	2,460,598	2,444,084	2,334,934	2,203,968	2,267,942	2,379,541	2,293,304	1,818,647	1,909,968	1,727,841
Community development	1,292,783	1,485,077	1,874,220	1,450,815	1,578,173	578,546	619,971	604,505	610,355	620,288
Community program and parks	1,453,138	1,365,195	1,269,768	1,127,438	1,107,795	1,052,917	927,687	1,098,737	1,070,767	1,005,737
Education	35,272,809	36,948,142	34,685,068	32,691,751	31,277,421	29,963,464	28,494,449	28,100,902	27,440,999	39,875,382
Non-departmental	943,262	770,999	680,335	727,422	992,149	765,011	736,554	975,792	983,639	865,324
County tax	1,668,790	1,624,750	1,526,360	1,456,279	1,376,320	1,321,522	1,208,849	1,181,421	1,153,336	1,134,475
Reserves	-	-	-	-	-	-	-	2,301,946	20,610,734	(12,029,076)
Capital improvements	6,275,492	4,273,429	3,056,619	4,724,975	13,560,125	7,990,066	7,689,360	5,827,908	-	14,642,338
Debt service:										
Principal	3,980,000	3,985,000	3,975,000	3,975,000	3,980,000	3,140,000	3,140,000	1,288,500	1,288,500	1,288,500
Interest	1,350,437	1,539,512	1,604,001	1,701,331	1,874,932	1,488,006	1,554,806	1,603,518	609,000	870,874
TOTAL EXPENDITURES	61,965,435	61,511,718	57,671,543	56,393,986	64,361,239	54,263,111	52,049,777	49,960,233	60,666,395	54,718,154
EXCESS OF REVENUES OVER (UNDER)										
EXPENDITURES	(645,568)	(2,252,317)	(363,856)	(522,599)	(11,396,316)	(3,631,527)	(2,679,556)	(4,338,930)	(16,297,778)	(11,359,335)
OTHER FINANCING SOURCES (USES)										
Bonds issued	9,310,000	18,120,000	-	1,900,000	-	14,400,000	-	-	47,050,000	-
Payment to bond refunding agent	(76,277)	(20,245,045)	-	(1,969,008)	-	-	-	-	(9,315,000)	-
Bond premiums	253,499	2,210,927	-	120,973	-	421,316	-	-	236,378	770,280
Sale of general capital assets	-	-	-	-	-	-	3,332,054	-	-	-
Operating transfers in	5,623,106	2,531,692	1,672,242	2,301,628	3,277,162	2,937,837	13,837,646	-	-	-
Operating transfers out	(5,623,106)	(2,531,330)	(1,672,242)	(2,301,628)	(3,277,162)	(2,937,837)	(13,837,646)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	9,487,222	86,244	-	51,965	-	14,821,316	3,332,054	-	37,971,378	770,280
NET CHANGE IN FUND BALANCES	\$ 8,841,654	\$ (2,166,073)	\$ (363,856)	\$ (470,634)	\$ (11,396,316)	\$ 11,189,789	\$ 652,498	\$ (4,338,930)	\$ 21,673,600	\$ (10,589,055)
Debt service as a percentage of noncapital expenditures										
	8.94%	9.60%	11.00%	11.00%	9.70%	6.80%	3.10%	5.40%	6.10%	6.20%

TOWN OF FALMOUTH, MAINE

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

Fiscal Year	Dollar Amounts Expressed in 000's			
	Real Estate	Personal Property	Excise Tax	Total
2010	\$ 26,839	\$ 464	\$ 2,317	\$ 29,620
2011	27,041	427	2,364	29,832
2012	27,041	424	2,384	29,849
2013	28,502	434	2,650	31,586
2014	32,221	469	2,912	35,602
2015	32,466	447	3,041	35,954
2016	34,225	447	3,139	37,811
2017	35,399	562	3,224	39,185
2018	37,126	660	3,397	41,183
2019	39,782	533	3,560	43,875

TOWN OF FALMOUTH, MAINE

Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (in thousands of dollars)

Year	Total Assessed Value (000's) (1)					Total Direct Tax Rate (per \$1,000)	Estimated Actual Value (000's) (2)	Assessed Value as a % of Actual Value
	Real Property		Personal Property	Less:				
	Commercial Property	Residential Property		Tax Exempt Real Property	Total			
2010	\$ 333,193	\$ 1,923,147	\$ 41,407	\$ (78,341)	\$ 2,219,406	\$ 12.35	\$ 2,131,400	104.1%
2011	332,559	1,931,630	35,325	(77,053)	2,222,461	12.35	2,071,900	107.3%
2012	334,324	1,953,295	33,580	(77,448)	2,243,751	12.92	2,097,800	107.0%
2013	361,500	1,951,475	34,031	(78,383)	2,268,623	13.43	2,091,550	108.5%
2014	363,625	1,972,150	33,250	(81,885)	2,287,140	14.12	2,091,550	109.4%
2015	339,224	2,038,131	31,738	(80,230)	2,328,863	14.10	2,141,950	108.7%
2016	300,226	2,114,789	35,839	(82,283)	2,368,571	14.63	2,253,100	105.1%
2017	304,730	2,133,953	37,236	(86,982)	2,388,937	15.09	2,338,100	102.2%
2018	310,785	2,211,644	42,226	(142,221)	2,422,434	15.62	2,401,350	100.9%
2019	317,322	2,298,165	34,536	(193,341)	2,456,681	16.47	2,532,600	97.0%

(1) Source: Falmouth Assessor's Office

(2) Estimated actual valuation amounts are the state equalized values published by Maine Revenue Services.

TOWN OF FALMOUTH, MAINE

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Collection Year	Direct Rates			Total Tax Rate
	Town Rate	Education Rate	County Rate (1)	
2010	\$ 3.00	\$ 8.81	\$ 0.54	\$ 12.35
2011	3.04	8.77	0.54	12.35
2012	3.01	9.36	0.55	12.92
2013	3.01	9.86	0.56	13.43
2014	3.05	10.46	0.61	14.12
2015	3.09	10.42	0.59	14.10
2016	3.00	10.98	0.65	14.63
2017	3.00	11.41	0.68	15.09
2018	3.04	11.87	0.71	15.62
2019	3.16	12.59	0.72	16.47

(1) Cumberland County assesses a county tax to the Town of Falmouth. The Town includes the county assessment in the Town's total direct tax rate. The rate shown here reflects the portion of the Town's total direct tax rate levied by the Town to pay the county tax

TOWN OF FALMOUTH, MAINE

Principal Property Taxpayers
 Current Year and Nine Years Ago
 (amounts expressed in thousands)

Employer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Ocean View Retirement LLC	73,469	1	2.99%	32,939	1	1.48%
ARC	27,681	2	1.13%			
Central Maine Power Co.	23,011	3	0.94%	9,777	8	0.44%
20 Thames Street LLC	22,480	4	0.92%			
Forside Place LLC	17,824	5	0.73%	11,846	5	0.53%
Princeton Falmouth LLC	16,016	6	0.65%	15,926	4	0.72%
Portland Country Club	11,120	7	0.45%	11,622	6	0.52%
Falmouth Ventures LLC	9,238	8	0.38%	9,246	9	0.42%
Tyler Technologies, Inc.	8,530	9	0.35%			
Hannaford Bros. Inc.	7,813	10	0.32%	8,980	10	0.40%
Falmouth Realty Associates				23,188	2	1.04%
Marr Associates LLP				10,195	7	0.46%
West Falmouth Development LLC				21,082	3	0.95%
Totals	217,181		8.84%	154,801		6.96%

TOWN OF FALMOUTH, MAINE

Property Tax Levies
 Last Ten Fiscal Years
 (amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Total Levy</u>	<u>Current Collections</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Years</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax</u>
2010	\$ 27,369	\$ 26,699	97.6%	\$ 664	\$ 27,363	99.98%
2011	27,618	26,969	97.7%	639	27,608	99.96%
2012	29,218	28,330	97.0%	873	29,203	99.95%
2013	30,706	29,509	96.1%	1,180	30,689	99.94%
2014	32,294	31,382	97.2%	890	32,272	99.93%
2015	32,837	31,871	97.1%	956	32,827	99.97%
2016	34,619	33,632	97.1%	967	34,599	99.94%
2017	36,049	35,160	97.5%	878	36,038	99.97%
2018	37,838	36,810	97.3%	915	37,725	99.70%
2019	40,461	40,315	99.6%	-	40,315	99.64%

TOWN OF FALMOUTH, MAINE

Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 (amounts expressed in thousands, except per capita amount)

Year	Governmental Activities			Business-type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases	Wastewater Revenue Bonds			
2010	\$ 15,542	\$ 28,175	\$ -	\$ 5,508	\$ 49,225	11.99%	\$ 1.34
2011	51,989	150	-	5,184	57,323	13.96%	5.12
2012	50,700	100	-	4,860	55,660	10.43%	4.98
2013	47,560	100	-	4,536	52,196	9.78%	4.67
2014	59,241	-	-	4,212	63,453	11.42%	5.67
2015	55,237	-	-	3,888	59,125	10.64%	5.10
2016	51,348	-	191	3,564	55,103	9.92%	4.76
2017	47,339	-	130	3,240	50,709	7.33%	4.17
2018	44,800	-	88	2,916	47,804	7.22%	3.93
2019	47,505	-	45	2,592	50,142	6.56%	4.12

TOWN OF FALMOUTH, MAINE

Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
 (amounts expressed in thousands, except per capita amount)

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Assessed Value</u>	<u>Per Capita</u>
2010	\$ 15,542	0.73%	\$ 1,390
2011	51,989	2.51%	4,648
2012	50,700	2.42%	4,533
2013	47,560	2.27%	4,252
2014	59,241	2.83%	5,296
2015	55,237	2.58%	4,767
2016	51,348	2.28%	4,432
2017	47,339	2.02%	3,892
2018	44,800	1.87%	3,684
2019	47,505	1.88%	3,906

TOWN OF FALMOUTH, MAINE

Direct and Overlapping Governmental Activities Debt
 June 30, 2019
 (amounts expressed in thousands)

	<u>Debt Outstanding</u>	<u>Percentage Applicable to County of Cumberland</u>	<u>Share of Overlapping Debt</u>
Direct Debt	<u>\$ 47,505</u>	100.00%	<u>\$ 47,505</u>
Overlapping Debt:			
Cumberland County	37,894	5.40%	2,047
Portland Water District (Wastewater Fund)	39,114	10.95%	4,284
Portland Water District (Water Fund)	<u>53,286</u>	8.04%	<u>4,284</u>
	<u>53,286</u>		<u>10,615</u>
	<u>\$ 100,791</u>		<u>\$ 58,120</u>

Overlapping Debt:

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's state valuation to the County's state valuation.

At June 30, 2019, the Town's state valuation for comparison to the County of \$2,532,600,000 was 5.40% of the County's state valuation of \$46,892,350,000. The Town's share is 5.40% or \$2,046,610 of Cumberland County's \$37,894,000 long-term debt outstanding as of June 30, 2019.

The Town is also served by the Portland Water District. At June 30, 2019, the Town's share of self-supporting bonded water debt is 8.04% or \$4,284,000 of the total debt of \$53,286,000.

The Town is also served by the Portland Water District Wastewater Fund. At June 30, 2019, the Town's share of self-supporting bonded wastewater debt is 10.95% or \$4,284,000 of the total debt of

TOWN OF FALMOUTH, MAINE

Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Assessed value per State	<u>\$2,532,600</u>	<u>\$2,401,350</u>	<u>\$2,338,100</u>	<u>\$2,253,100</u>	<u>\$2,141,950</u>	<u>\$2,091,550</u>	<u>\$2,097,800</u>	<u>\$2,071,900</u>	<u>\$2,131,400</u>	<u>\$2,171,450</u>
Total debt limit - all purposes - 15% of assessed value	379,890	360,203	350,715	337,965	321,293	313,733	314,670	310,785	319,710	325,718
Less outstanding debt applicable to debt limit	<u>52,827</u>	<u>47,804</u>	<u>50,709</u>	<u>55,103</u>	<u>59,125</u>	<u>63,032</u>	<u>52,096</u>	<u>55,560</u>	<u>57,173</u>	<u>21,050</u>
Legal debt margin	<u>327,063</u>	<u>312,399</u>	<u>300,006</u>	<u>282,862</u>	<u>262,168</u>	<u>250,701</u>	<u>262,574</u>	<u>255,225</u>	<u>262,537</u>	<u>304,668</u>
Total outstanding debt applicable to the limit as a percentage of debt limit	<u>13.91%</u>	<u>13.27%</u>	<u>14.46%</u>	<u>16.30%</u>	<u>18.40%</u>	<u>20.09%</u>	<u>16.56%</u>	<u>17.88%</u>	<u>17.88%</u>	<u>6.46%</u>
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	189,945	180,101	175,358	168,983	160,646	156,866	157,335	157,335	155,393	159,855
Less outstanding debt applicable to debt limit	<u>8,230</u>	<u>9,144</u>	<u>9,530</u>	<u>10,803</u>	<u>11,507</u>	<u>11,900</u>	<u>2,700</u>	<u>2,900</u>	<u>3,100</u>	<u>3,300</u>
Debt margin for municipal purposes	<u>181,715</u>	<u>170,957</u>	<u>165,828</u>	<u>158,180</u>	<u>149,139</u>	<u>144,966</u>	<u>154,635</u>	<u>154,435</u>	<u>152,293</u>	<u>156,555</u>
Outstanding debt applicable to the limit as a percentage of debt limit for municipal purposes	<u>4.33%</u>	<u>5.08%</u>	<u>5.43%</u>	<u>6.39%</u>	<u>7.16%</u>	<u>7.59%</u>	<u>1.72%</u>	<u>1.84%</u>	<u>1.99%</u>	<u>2.06%</u>
School purposes - 10.0%										
Debt limit	253,260	240,135	233,810	225,310	214,195	209,155	209,780	209,780	207,190	213,140
Less outstanding debt applicable to debt limit	<u>42,005</u>	<u>35,744</u>	<u>37,939</u>	<u>40,736</u>	<u>43,730</u>	<u>46,920</u>	<u>44,860</u>	<u>47,800</u>	<u>48,850</u>	<u>12,165</u>
Debt margin for municipal purposes	<u>211,255</u>	<u>204,391</u>	<u>195,871</u>	<u>184,574</u>	<u>170,465</u>	<u>162,235</u>	<u>164,920</u>	<u>161,980</u>	<u>158,340</u>	<u>200,975</u>
Outstanding debt applicable to the limit as a percentage of debt limit for municipal purposes	<u>16.59%</u>	<u>14.88%</u>	<u>16.23%</u>	<u>18.08%</u>	<u>20.42%</u>	<u>22.43%</u>	<u>21.38%</u>	<u>22.79%</u>	<u>23.58%</u>	<u>5.71%</u>
Storm and sanitary sewer purposes - 7.5%										
Debt limit	189,945	180,101	175,358	168,983	160,646	156,866	157,335	157,335	155,393	159,855
Less outstanding debt applicable to debt limit	<u>2,592</u>	<u>2,916</u>	<u>3,240</u>	<u>3,564</u>	<u>3,888</u>	<u>4,212</u>	<u>4,536</u>	<u>4,860</u>	<u>5,223</u>	<u>5,585</u>
Debt margin for municipal purposes	<u>187,353</u>	<u>177,185</u>	<u>172,118</u>	<u>165,419</u>	<u>156,758</u>	<u>152,654</u>	<u>152,799</u>	<u>152,475</u>	<u>150,170</u>	<u>154,270</u>
Outstanding debt applicable to the limit as a percentage of debt limit for municipal purposes	<u>1.36%</u>	<u>1.62%</u>	<u>1.85%</u>	<u>2.11%</u>	<u>2.42%</u>	<u>2.69%</u>	<u>2.88%</u>	<u>3.09%</u>	<u>3.36%</u>	<u>3.49%</u>
Maximum total debt limit - 15.0%	<u>379,890</u>	<u>360,203</u>	<u>350,715</u>	<u>337,965</u>	<u>321,293</u>	<u>313,733</u>	<u>314,670</u>	<u>310,785</u>	<u>319,710</u>	<u>325,718</u>

TOWN OF FALMOUTH, MAINE

Demographic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (000's)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (1)</u>	<u>Years of Formal Schooling (1)</u>	<u>Unemployment Rate (2)</u>	<u>School Enrollment (3)</u>
2010	11,185	\$ 410,668	\$ 36,716	40.7	13.4	6.50%	2,133
2011	11,185	410,668	36,716	40.7	13.4	5.30%	2,099
2012	11,185	533,435	47,692	45.3	13.4	4.90%	2,150
2013	11,185	533,435	47,692	45.3	13.4	4.70%	2,140
2014	11,185	555,612	49,675	46.8	13.4	4.40%	2,126
2015	11,587	555,612	47,951	45.3	13.4	3.20%	2,119
2016	11,587	555,612	47,951	45.3	13.4	2.80%	2,131
2017	12,162	691,496	56,857	47.1	13.4	2.10%	2,114
2018	12,162	662,075	54,438	47.1	13.4	1.90%	2,133
2019	12,162	764,381.70	62,850	46.7	13.4	2.20%	2,090

(1) Source: U.S. Census Bureau

(2) Source: U.S. Department of Labor

(3) Source: State of Maine, Department of Education

TOWN OF FALMOUTH, MAINE

Principal Employers
Current Year and Nine Years Ago

Employer	2019			2010		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
TD Banknorth	444	1	9.02%	444	1	9.02%
Town of Falmouth	448	2	9.10%	439	2	8.92%
Tyler Technologies	375	3	7.62%	375	3	7.62%
Hannaford Bros. Inc.	200	4	4.06%	200	4	4.06%
Walmart	150	5	3.05%			
Sedgewood Commons	150	6	3.05%	150	5	3.05%
Shaw's Supermarket	150	7	3.05%	150	6	3.05%
Falmouth-by-the-Sea	118	8	2.40%	118	7	2.40%
Skillin's Greenhouses	107	9	2.17%	107	8	2.17%
The Woodlands Club	102	10	2.07%	102	9	2.07%
Ocean View Assisted Living				77	10	1.56%

TOWN OF FALMOUTH, MAINE

Full-time Equivalent Regular Town Employees by Function (1)
For the Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	23	23	23	23	23	23	23	23	23	23
Public safety:										
Police:										
Officers (including harbormaster)	20	19	19	18	18	18	18	18	17	16
Civilians	10	8	8	8	8	8	8	8	8	8
Fire/EMS protection:										
Officers	4	3	3	3	3	2	1	1	2	2
Administrative	1	1	1	1	1	1	1	1	1	1
Public works:										
Public works	12	9	12	12	12	12	14	12	11	10
Solid waste	2	2	2	2	2	2	1	1	2	2
Vehicle maintenance	2	2	3	3	3	3	3	3	3	3
Community programs and parks:										
Community programs	6	6	5	4	4	4	5	5	4	4
Parks	2	2	2	2	2	2	2	2	2	2
Education:										
Instructional	213	209	209	205	205	202	181	181	183	178
Other	171	151	147	143	143	141	139	137	142	152
Wastewater treatment	7	7	8	7	7	7	7	7	7	7
Total	473	442	442	431	431	425	403	399	405	408

Source: Town payroll office and school department

(1) Includes only "regular" Town employees, excludes non-regular seasonal and "on-call" employees.

TOWN OF FALMOUTH, MAINE

Selected Operating Indicators and Capital Asset Statistics by Function
For the Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government:										
Number of motor vehicle registrations	13,983	14,166	13,976	13,384	13,486	13,119	12,802	11,933	11,273	11,342
Number of building permits issued	251	249	270	208	233	254	232	227	223	235
Number of real estate parcels	5,539	5,494	5,460	5,369	5,318	5,287	5,259	5,251	5,238	5,228
Public safety:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	13	13	11	11	11	11	11	9	9	9
Number of requests for service	20,765	22,443	17,129	22,233	17,480	21,782	18,383	21,959	22,823	24,630
Number of law violations:										
Physical arrests	79	126	121	129	117	154	130	108	101	114
Traffic violations	5,003	5,872	5,484	5,410	3,654	3,921	3,588	4,008	4,422	3,984
Parking violations	151	225	182	269	138	257	472	93	131	286
Number of street lights	591	590	617	617	614	614	610	612	612	614
Number of harbor moorings	1,168	1,137	1,097	1,135	1,118	1,081	1,104	1,109	1,114	1,114
Fire/EMS protection:										
Number of stations	3	3	3	3	2	2	3	3	3	4
Number of fire apparatus	9	9	9	9	9	9	9	10	10	12
Number of fire dept. requests for service	565	668	708	725	733	555	582	615	539	576
Number of ambulances	3	3	3	3	3	3	3	3	3	2
Number of EMS requests for service	1,254	1,251	1,181	1,246	1,063	1,072	967	1,022	1,039	941
Public works:										
Miles of streets	80	80	79	79	78	77	76	76	76	75
Traffic signals	14	13	13	13	12	12	12	12	13	13
Number of vehicles and rolling equipment	35	35	35	35	43	42	42	56	56	54
Community programs & parks:										
Number of recreational and adult education programs										
Number of program participants	14,500	13,900	10,185	9,901	9,448	8,065	7,800	6,800	6,800	7,618
Parks and open space areas	50	50	50	50	50	50	50	50	50	50
Park acreage	119	119	119	119	119	119	119	119	119	119
Skating rinks	1	1	1	1	1	1	2	2	2	2
Tennis courts	9	9	9	9	9	9	9	9	9	9
Education:										
Number of elementary schools										
Number of elementary school students	1,408	1,441	1,414	1,409	1,149	1,416	1,405	1,423	1,405	1,431
Number of secondary schools										
Number of secondary school students	682	692	700	685	692	710	735	727	694	702
Number of school buses, vans and rolling equipment										
Number of school buses, vans and rolling equipment	39	39	39	40	40	40	42	42	42	42
Wastewater treatment:										
Miles of sanitary sewers										
Number of sanitary sewers	56	56	56	56	56	56	56	56	55	55
Number of treatment plants										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of maintenance vehicles										
Number of maintenance vehicles	4	4	4	4	4	4	4	4	6	6
Number of service connections										
Number of service connections	2,440	2,425	2,399	2,366	2,342	2,335	2,300	2,273	2,249	2,174
Daily average treatment in gallons										
Daily average treatment in gallons	973,000	910,000	870,000	876,000	978,000	889,000	907,000	971,000	952,000	1,027,000
Maximum daily licensed capacity in gallons										
Maximum daily licensed capacity in gallons	1,560,000	1,560,000	1,560,000	1,560,000	1,560,000	1,560,000	1,560,000	1,560,000	1,560,000	1,500,000

Source: Town payroll office and school department payroll office.