

TOWN OF CAPE ELIZABETH, MAINE

Annual Financial Report

For the Year Ended June 30, 2021

TOWN OF CAPE ELIZABETH
Annual Financial Report
For the Year Ended June 30, 2021

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Independent Auditor's Report

To the Town Council
Town of Cape Elizabeth, Maine

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cape Elizabeth, Maine as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Cape Elizabeth, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cape Elizabeth, Maine, as of June 30, 2021, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in the notes to the financial statements, in 2021, the Town of Cape Elizabeth adopted new accounting guidance, GASBS No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022 on our consideration of the Town of Cape Elizabeth, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Cape Elizabeth, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Cape Elizabeth, Maine's internal control over financial reporting and compliance.



January 28, 2022
South Portland, Maine

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

Introduction

As the Town Manager of the Town of Cape Elizabeth, I am pleased to provide a Management Discussion and Analysis as part of our annual financial statements. The financial statements contained herein show all of the governmental and fiduciary funds of the Town of Cape Elizabeth.

Financial Highlights

- The total assets for all governmental activities equal \$64,971,111.
- The total net position is \$41,541,838. Net position includes a \$33,947,044 net investment in capital assets, \$3,350,527 in restricted net position and \$4,244,267 in unrestricted net position.
- For the reporting period, the Town had an increase in fund balance for total governmental funds (from statement 4) of \$1,466,346.
- The fund balance for the General Fund increased \$1,120,416.
- The School General Fund balance increased from \$1,541,397 to \$2,519,399 as education costs were lower than anticipated by \$1.3 million.
- The Town General Fund unassigned fund balance decreased from \$4,619,889 to \$4,494,603 due to an increase in carry forward balances.

The Statement of Net Position and the Statement of Activities

These statements provide an overview of the government as a whole. All of the current year's revenues are taken into account, regardless of when cash is received.

The *Statement of Net Position* provides a picture of the difference between assets (including infrastructure) and deferred outflows of resources, and liabilities and deferred inflows of resources. This is called *Net Position*. The *Statement of Activities* provides a look at how the net position has changed from the prior year to the current year.

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

In the *Statement of Net Position* and the *Statement of Activities*, only one type of activity is presented:

- Governmental Activities - All of the Town's basic services are reported here, including the General Government, Public Works, Facilities, Public Safety, Human Services, Culture and Parks, Education, Sewer, and Other Services. Property taxes, intergovernmental revenue (primarily revenues from the State of Maine), and user fees finance most of these activities.

Fund Financial Statements

The *Fund Financial Statements* provide details of the Town's most significant funds, not the Town as a whole. The Town has two kinds of funds – governmental and fiduciary, which use the following accounting methods:

- *Governmental Funds* - All of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

The governmental fund statements provide a detailed *short-term* view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

- *Fiduciary Funds* - Fiduciary funds are used to account for resources held for the benefit of students. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is on a full-accrual basis. The Fiduciary Statement of Net Position is included in this report as Statement 7.

Comparison of Information from Current Year and Prior Year

The Town as a Whole

The following is a condensed version of the Statement of Net Position. The analysis below focuses on the net position of the Town's governmental activities.

Governmental Activities Net Position

	2021	Restated 2020	Change
Current and other assets	\$ 19,491,312	16,977,463	2,513,849
<u>Capital assets</u>	<u>45,479,799</u>	<u>43,643,103</u>	<u>1,836,696</u>
Total assets	64,971,111	60,620,566	4,350,545
Deferred outflows related to pensions	922,617	911,806	10,811
<u>Deferred outflows related to OPEB</u>	<u>1,145,159</u>	<u>289,154</u>	<u>856,005</u>
Total deferred outflows	2,067,776	1,200,960	866,816
Other liabilities	4,650,569	3,848,359	802,210
<u>Long-term liabilities</u>	<u>20,418,851</u>	<u>20,649,995</u>	<u>(231,144)</u>
Total liabilities	25,069,420	24,498,354	571,066
Deferred inflows related to pensions	17,081	275,340	(258,259)
<u>Deferred inflows related to OPEB</u>	<u>410,548</u>	<u>245,679</u>	<u>164,869</u>
Total deferred inflows	427,629	521,019	(93,390)
Net investment in capital assets	33,947,044	30,878,480	3,068,564
Restricted	3,350,527	2,315,308	1,035,219
<u>Unrestricted</u>	<u>4,244,267</u>	<u>3,608,365</u>	<u>635,902</u>
Total net position	\$ 41,541,838	36,802,153	4,739,685

Amounts for FY 2020 have been restated as the Town implemented GASB 84, *Fiduciary Funds* and amounts that were previously reported as fiduciary funds have been added to Governmental Activities.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

Change in Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<u>Sources of Revenues</u>			
Program Revenues:			
Charges for services	\$ 5,166,451	5,782,369	(615,918)
Operating grants and contributions	7,784,870	5,167,030	2,617,840
Capital grants and contributions	1,336,494	36,660	1,299,834
Total program revenues	14,287,815	10,986,059	3,301,756
General Revenues:			
Property and other taxes	37,363,328	36,415,544	947,784
Grants and contributions not restricted to specific programs	1,688,141	1,197,526	490,615
Unrestricted investment income	366,988	231,904	135,084
Other	252,435	208,198	44,237
Total general revenues	39,670,892	38,053,172	1,617,720
Total revenues	53,958,707	49,039,231	4,919,476
Functional Expenses:			
General government	4,442,930	4,775,481	(332,551)
Public works	2,838,502	2,573,405	265,097
Facilities	738,557	727,188	11,369
Public safety	3,422,735	3,259,551	163,184
Human services	67,762	105,739	(37,977)
Cultural and parks	2,426,591	2,673,921	(247,330)
Library	703,729	712,927	(9,198)
Education	31,962,175	28,961,953	3,000,222
School lunch	703,823	673,958	29,865
Sewer	1,792,679	1,672,221	120,458
Capital maintenance expenses	-	619,457	(619,457)
Interest on debt	119,539	265,966	(146,427)
Total expenses	49,219,022	47,021,767	2,197,255
Change in net position	4,739,685	2,017,464	2,722,221
Net position – beginning of year	36,802,153	34,531,674	2,270,479
Restatement of net position	-	253,015	(253,015)
Net position – end of year	\$ 41,541,838	36,802,153	4,739,685

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

Assets

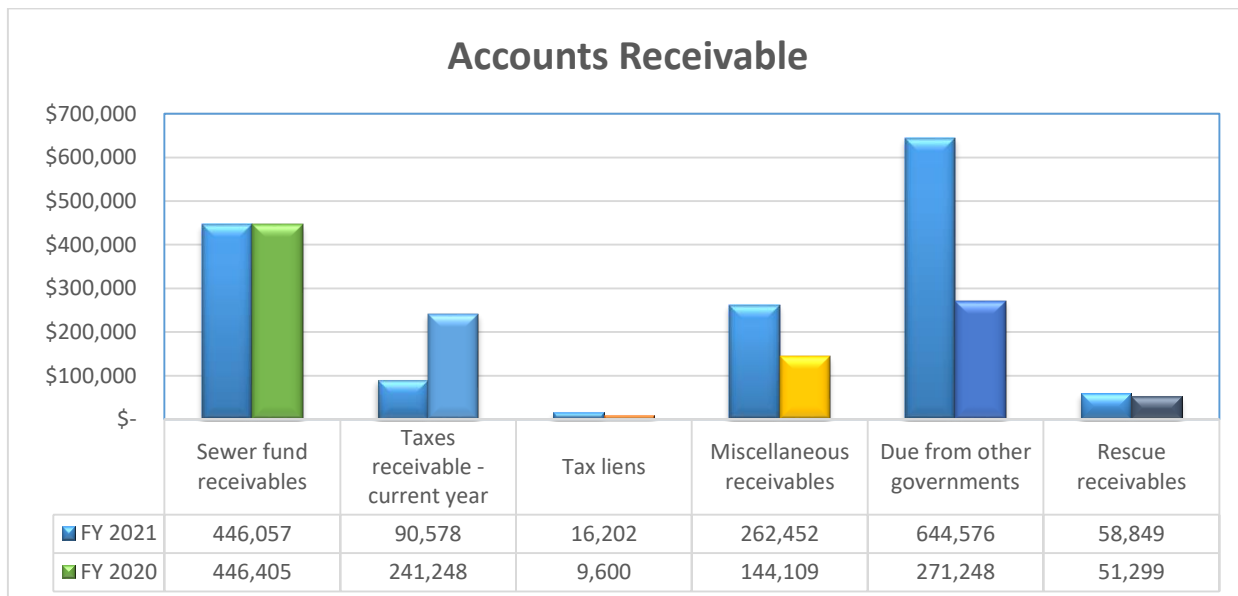
Cash and Cash Equivalents

Cash and cash equivalents increased \$1,928,483, from \$14,603,940 to \$16,532,423. The increase is attributable to the timing of payments on long-term liabilities.

Receivables

The Town continues to have an excellent record of tax receivables, maintaining the collection rate of the levy for the current year at 99.74%. The taxes receivable amount decreased from the prior year due to cooperation from taxpayers. The amount of deferred revenues declined by \$78,600 due to strong collections in the 60 days following year-end. Tax liens increased over the prior year because the tax lien process for the prior year was delayed 60 days by order of the Governor due to the Pandemic State of Emergency. The sewer receivable decreased slightly due to the timing of payments from the Portland Water District. The Town places liens on uncollected sewer fees, so eventually the entire receivable is paid. Miscellaneous and due from other government receivables were up as various amounts due in June were delayed until July as payers had less staff in the offices to process payments.

	FY 2021	FY 2020
Sewer fund receivables	\$ 446,057	\$ 446,405
Taxes receivable- current year	90,578	241,248
Tax liens	16,202	9,600
Miscellaneous receivables	262,452	144,109
Due from other governments	644,576	271,248
Rescue receivables	58,849	51,299
Total	\$1,518,714	\$1,163,909
% Sewer	29%	38%
% Taxes and other	71%	62%



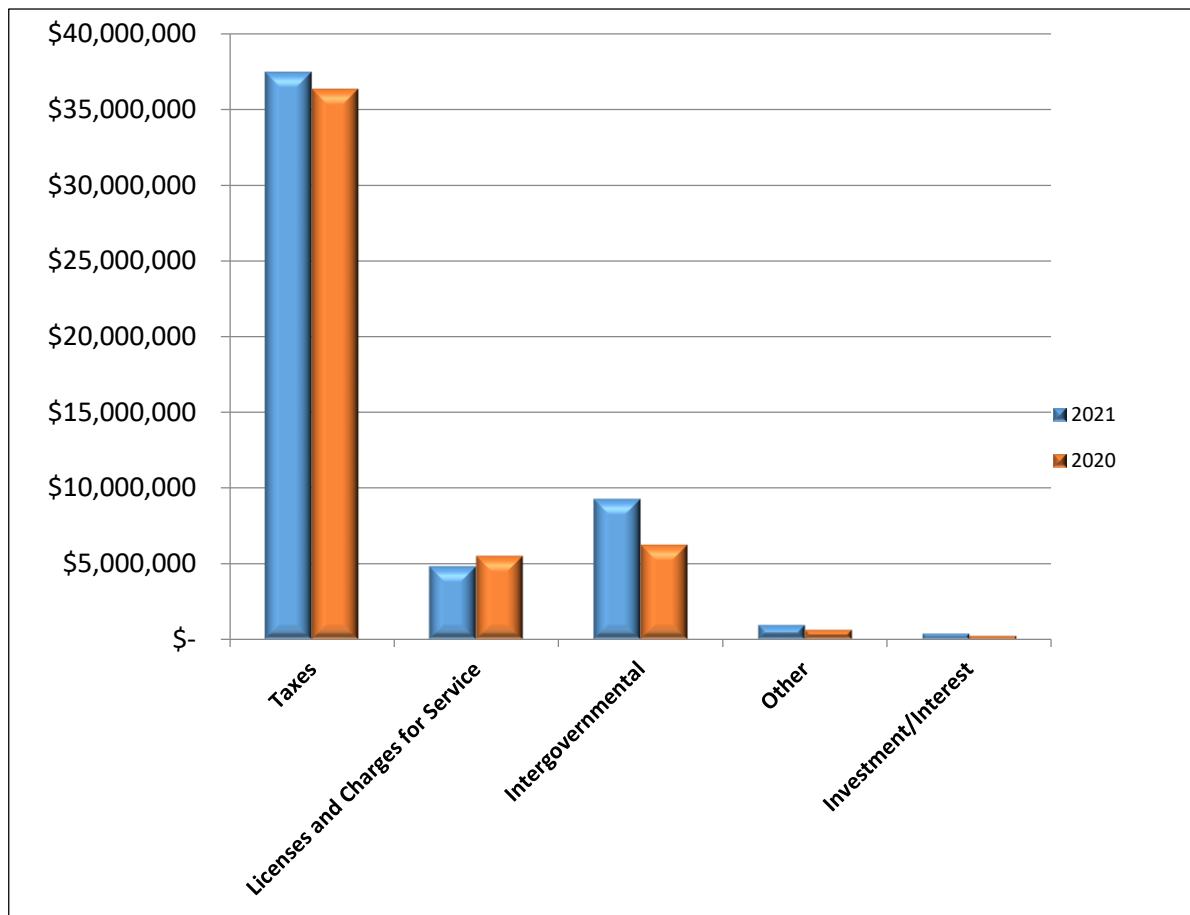
TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

Governmental Fund Revenues by Major Source

Property and other taxes amounted to 70.84% of revenue in FY 2021. This compares to 74.24% in FY 2020. Intergovernmental revenues increased \$3,022,861 due to an increase in State revenue sharing, State school subsidy, and grants. Charges for services decreased due to a decrease in revenues from community services programs. Overall, revenues were up \$3,840,297 or 7.8%. This compared to an increase the year before of 5.0%. The total increase in revenue from taxes this past year was \$1,054,784 or 2.9% compared with 3.9% the previous year.

Revenues Chart

	2021	2020	\$ Change	% Change
Taxes	\$ 37,441,928	\$ 36,387,144	1,054,784	2.9%
Licenses and Charges for Service	4,816,390	5,519,854	(703,464)	-12.7%
Intergovernmental	9,274,474	6,251,613	3,022,861	48.4%
Other	951,348	620,316	331,032	53.4%
Investment/Interest	366,988	231,904	135,084	58.2%
	\$ 52,851,128	49,010,831	3,840,297	7.8%



TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

Governmental Fund Expenditures

Expenditures changed as follows:

	2021	2020	\$ Change	% Change
General government	\$ 1,416,546	\$ 1,361,825	54,721	4.0%
Insurance and Benefits	1,646,105	1,639,335	6,770	0.4%
Public safety	3,107,603	2,967,541	140,062	4.7%
Public works	1,877,885	1,908,680	(30,795)	-1.6%
Facilities	689,590	684,931	4,659	0.7%
Cultural and parks	2,060,500	2,316,333	(255,833)	-11.0%
Library	568,715	577,414	(8,699)	-1.5%
Human services	67,762	105,739	(37,977)	-35.9%
Education	32,823,527	28,727,100	4,096,427	14.3%
Intergovernmental assessments	1,566,121	1,530,646	35,475	2.3%
Unclassified	337,809	140,318	197,491	140.7%
School lunch program	703,823	673,958	29,865	4.4%
Sewer	1,792,679	1,672,221	120,458	7.2%
Capital outlay	2,315,691	4,523,673	(2,207,982)	-48.8%
Non-school debt service	1,782,185	2,959,524	(1,177,339)	-39.8%
Total expenditures	\$ 52,756,541	51,789,238	967,303	1.9%
Excluding capital outlay	\$ 50,440,850	47,265,565	3,175,285	6.7%

Total expenditures increased by \$967,303 or 1.9%. Education spending increased \$4,096,427 or 14.3%. Spending, excluding capital outlay, increased \$3,175,285 or 6.7% due to increases on general government, public safety, education, and unclassified. For non-school debt service, expenditures declined as older bonds were retired. Capital outlays declined because of the difficulty arranging contractors. The projects were delayed and pushed forward into the next fiscal year.

Transfers

The School General Fund transferred \$105,500 to the School Lunch Program. The General Fund provided budgeted transfers to the following funds:

- Land Acquisition Fund - \$16,457;
- Rescue Fund - \$300,000;
- Turf Field Fund - \$25,000;

The General Fund received operating transfers from the following funds:

- Sewer Fund - \$63,000;
- Riverside Cemetery – Perpetual Care \$2,000;
- Thomas Jordan Fund - \$55,000;
- Spurwink Church - \$300.

In addition, the General Fund received transfers from the following funds to support capital improvement projects:

- Portland Headlight Fund, - \$10,000;
- Turf Field Fund - \$274,915
- Bond Fund - \$26,052

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

Significant Changes in Individual Fund Balances

	6/30/2021	Restated 6/30/2020	\$ Change	% Change
General Fund	\$ 9,306,536	\$ 8,186,120	1,120,416	13.7%
School Grants and Other Programs	58,352	120,741	(62,389)	-51.7%
School Lunch Program	(488,553)	(246,011)	(242,542)	98.6%
Sewer User Fund	2,375,175	2,134,346	240,829	11.3%
Student Activities	203,416	227,444	(24,028)	-10.6%
Portland Head Light	288,960	395,310	(106,350)	-26.9%
Rescue Fund	(542,747)	(842,747)	300,000	-35.6%
Other Town Programs	2,747	7,258	(4,511)	-62.2%
Riverside Perpetual Care	439,907	408,598	31,309	7.7%
Library Fund	286,978	262,239	24,739	9.4%
Libby Bequest	56,149	73,282	(17,133)	-23.4%
Fire Department Scholarships	24,587	25,571	(984)	-3.8%
Public Safety Funds	14,371	-	14,371	100.0%
PD Donations	4,701	-	4,701	100.0%
Thomas Jordan Fund	1,378,990	1,139,351	239,639	21.0%
Spurwink Church Fund	(270)	9,011	(9,281)	-103.0%
Riverside Cemetery Capital Improvements	216,138	192,989	23,149	12.0%
Tax Increment Financing	231,285	146,007	85,278	58.4%
School Bonded Projects	(21,418)	(46,098)	24,680	-53.5%
Town Bonded Projects	-	26,052	(26,052)	-100.0%
Land Acquisition Fund	63,563	42,253	21,310	50.4%
Infrastructure Improvement	411,153	310,279	100,874	32.5%
Turf Field	25,000	274,915	(249,915)	-90.9%
Fort Williams Park Fund	205,026	226,790	(21,764)	-9.6%
Total	14,540,046	13,073,700	1,466,346	

The School Board will address School Lunch Program finances as the fund ended the year with a \$488,553 deficit. The School Board budgeted a transfer of \$105,500 in FY 2021. In FY 2022, we anticipate that the remaining balance will be paid. The Sewer User Fund increase is the result of less spending on capital items. In FY 2021, the Rescue Fund receivables were brought into the General Fund. The Rescue squad is now part of the General Fund for revenues and expenditures. The accumulated deficit of \$542,747 will be reduced over 3 years. In FY 2021 and FY 2022, the Town budgeted \$300,000 each year to reduce this deficit. The Portland Head Light and Fort Williams CIP Funds decreased due to COVID closure of the park. The Spurwink Church Fund decreased due to COVID related cancelations and a lack of use. The Tax Increment Financing Fund receives annual transfers from the General Fund related to the property tax amounts received from the Town Center TIF District. The Other Town projects grew due to the town receiving funds from the US DOJ – Asset Forfeiture Program; a local scholarship program for the Fire Department; a donation to the Police Department to support youth programs and activities; and, a bequest for improvements at the Library.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

Significant Budget Variances

The annual budget had few significant budget variances this past year. Excise tax collections exceeded the budget because the purchases of new vehicles increased. Building and other permits exceeded the budget because more in-home projects were completed as residents quarantined or worked from home. Recreation programs were suspended or reduced in scope and number due to the pandemic, which caused revenues and expenditures to fall short of the budget. Capital improvement projects underspent the budget by \$1,043,517 and \$954,976 in projects were carried into the next year. During FY 2021, the Town Council adopted an order that appropriations for capital projects and grants would continue until the projects were completed or abandoned. There was a carry forward authorization for \$311,287 of operating budget appropriations.

Other General Fund departments with under expenditures include the General Government, Police and Rescue, Community Services, and several School Department budget categories.

Revenues:	Budgeted	Actual	Variance
Excise Taxes	\$ 2,116,100	\$2,557,069	440,969
Building And Other Permits	190,000	333,328	143,328
Community Services Programs	1,308,000	758,185	(549,815)
Investment Earnings	50,000	60,126	10,126
Expenditures:			
General Government	1,594,824	1,416,546	178,278
Insurance and Benefits	1,782,000	1,646,105	135,895
Police Department	1,601,686	1,424,899	176,787
Public Works	2,037,152	1,877,885	159,267
Community Services	1,427,100	997,021	430,079
Capital Improvements	3,035,016	1,991,499	1,043,517
School Department:			
Special Education Instruction	3,830,113	3,499,888	330,225
Other Instruction	993,516	713,563	279,953
Student and Staff Support	3,186,968	2,781,137	405,831
Transportation	891,624	723,321	168,303

Capital Improvements

The Town undertook a number of improvements to capital assets during the year. The Town spent \$636,347 on roadway, drainage, and other infrastructure work that includes \$264,174 for the final phase of the Scott Dyer Road reconstruction project and \$127,850 for construction of a communication tower. The Town spent \$168,565 for a tool carrier, \$11,803 for a rotary mower replacement, and \$165,985 for replacement police radios. The Town also spent \$803,190 for building and grounds improvements that includes \$583,123 for replacement of the turf field at Hannaford Stadium. Additional information on capital assets can be found in the footnotes to the financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

Long-term Debt Activity

In June 2020, the Town refinanced \$1 million of general obligation debt with the issuance of \$800,000. The Town realized a significant savings through this issue, which will mature in 2028. Net bonded debt and notes as of June 30, 2021 stood at \$9,324,032 of which \$993,392 is Sewer Fund debt. This equated to 0.53% of assessed value and to \$978 net debt per capita. The ratio of debt service to general governmental expenditures was 4.63% on June 30, 2021, compared to 7.28% on June 30, 2020. Additional information on long-term debt activity can be found in the footnotes to the financial statements.

The Overall Financial Position of the Town

The overall financial condition continued to be healthy in FY 2021. With an improving economy nationally in spite of the appearance of the COVID pandemic, the tax collection rate stayed above 99% of the current levy. The unassigned General Fund balance dipped to \$4.5 million as the Town used \$2.019 million to support the FY 2021 budget. The ratio of bonded debt to assessed value stayed relatively unchanged. In June 2020, the Town refinanced \$1 million of general obligation debt with the issuance of \$800,000. The infrastructure is in good condition with police, fire, public works, library, and community facilities having been built or substantially remodeled since 2000. The most recent school renovation work was at the high school seven years ago, with projected renovation work needed at all three facilities in the near term. The Town created a building committee to evaluate the state of the schools and make recommendations for renovation or replacement of one or more of the facilities. During the next 10 years, 84.9% of all debt is to be retired with 100% of the debt to be retired in the next 16 years.

The Town's median household income was \$123,116, based on the 2015 – 2019 American Community Survey of the U.S. Census Bureau. Property values have continued to show stable appreciation. Unemployment in the Portland MSA was at 4.8% in June 2021, compared to a state unemployment rate of 4.8% and a national rate of 5.9%.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Matthew E. Sturgis, Town Manager at the Town of Cape Elizabeth, 320 Ocean House Rd., Cape Elizabeth, Maine 04107, or by phone at 207-619-6716 or by e-mail at matthew.sturgis@capeelizabeth.org.

BASIC FINANCIAL STATEMENTS

TOWN OF CAPE ELIZABETH, MAINE
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 16,532,423
Investments	954,631
Receivables:	
Accounts	262,452
Due from other governments	644,576
Ambulance receivables, net of allowance of \$12,030	58,849
Taxes and liens	106,780
Sewer fees	446,057
Amount held by bond trustees	310,499
Prepaid expenses	62,909
Inventory	112,136
Capital assets, not being depreciated	4,717,513
Capital assets, being depreciated	40,762,286
Total assets	64,971,111
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	922,617
Deferred outflows of resources related to OPEB	1,145,159
Total deferred outflows of resources	2,067,776
LIABILITIES	
Accounts payable and other current liabilities	1,194,821
Accrued payroll and benefits	3,006,320
Unearned revenues	360,848
Taxes collected in advance	5,778
Accrued interest	82,802
Noncurrent liabilities:	
Due within one year	1,598,513
Due in more than one year	18,820,338
Total liabilities	25,069,420
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	17,081
Deferred inflows of resources related to OPEB	410,548
Total deferred inflows of resources	427,629
NET POSITION	
Net investment in capital assets	33,947,044
Restricted	3,350,527
Unrestricted	4,244,267
Total net position	\$ 41,541,838

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Activities
For the Year Ended June 30, 2021

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Governmental activities
Governmental activities:					
General government	\$ 4,442,930	369,885	2,001	1,069,050	(3,001,994)
Public works	2,838,502	67,180	74,440	130,315	(2,566,567)
Facilities	738,557	442,078	-	-	(296,479)
Public safety	3,422,735	633,840	31,948	-	(2,756,947)
Culture and parks	2,426,591	1,125,637	80,455	20,000	(1,200,499)
Library	703,729	11,320	-	-	(692,409)
Human services	67,762	-	-	-	(67,762)
Education	31,962,175	139,348	7,268,751	117,129	(24,436,947)
School lunch	703,823	28,506	327,275	-	(348,042)
Sewer	1,792,679	2,348,657	-	-	555,978
Interest on debt	119,539	-	-	-	(119,539)
Total governmental activities	49,219,022	5,166,451	7,784,870	1,336,494	(34,931,207)

General revenues:	
Property taxes	34,773,015
Excise taxes	2,557,069
Interest and costs on taxes	33,244
Franchise fees	156,216
Grants and contributions not restricted to specific programs:	
State revenue sharing	929,236
Homestead exemption	616,046
Other intergovernmental revenues	142,859
Unrestricted investment earnings	366,988
Miscellaneous revenues	96,219
Total general revenues	39,670,892
Change in net position	4,739,685
Net position - beginning, restated	36,802,153
Net position - ending	\$ 41,541,838

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Balance Sheet
Governmental Funds
June 30, 2021

	General	Sewer User Fund	Rescue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 14,863,189	-	-	1,669,234	16,532,423
Investments	-	-	-	954,631	954,631
Receivables:					
Accounts	254,316	-	-	8,136	262,452
Due from other governments	296,216	-	-	348,360	644,576
Ambulance receivables, net of allowance of \$12,030	58,849	-	-	-	58,849
Taxes and liens receivable	106,780	-	-	-	106,780
Sewer fees	-	446,057	-	-	446,057
Prepaid expenditures	62,909	-	-	-	62,909
Inventory	-	-	-	112,136	112,136
Interfund loans receivable	-	1,929,354	-	1,202,376	3,131,730
Total assets	15,642,259	2,375,411	-	4,294,873	22,312,543
LIABILITIES					
Accounts payable and other current liabilities	1,111,231	-	-	83,590	1,194,821
Accrued payroll and benefits	2,998,276	236	-	7,808	3,006,320
Taxes collected in advance	5,778	-	-	-	5,778
Unearned revenue	317,885	-	-	42,963	360,848
Interfund loans payable	1,829,553	-	542,747	759,430	3,131,730
Total liabilities	6,262,723	236	542,747	893,791	7,699,497
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	73,000	-	-	-	73,000
Total deferred inflows of resources	73,000	-	-	-	73,000
FUND BALANCES (DEFICITS)					
Nonspendable	62,909	-	-	87,008	149,917
Restricted	2,482,761	-	-	826,303	3,309,064
Committed	-	2,375,175	-	2,216,107	4,591,282
Assigned	2,266,263	-	-	832,317	3,098,580
Unassigned	4,494,603	-	(542,747)	(560,653)	3,391,203
Total fund balances	9,306,536	2,375,175	(542,747)	3,401,082	14,540,046
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 15,642,259	2,375,411	-	4,294,873	
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.					45,479,799
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenues in the funds.					
Change in unavailable taxes					73,000
Amounts held in escrow					310,499
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:					
Compensated absences payable					(1,548,783)
Accrued interest					(82,802)
Other postemployment benefits liability and related deferred inflows and outflows of resources					(4,725,758)
Net pension liability and related deferred inflows and outflows of resources					(660,909)
Finance purchase agreements					(1,993,641)
Premium on bonds payable					(525,581)
Bonds and notes payable					(9,324,032)
Net position of governmental activities					\$ 41,541,838

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	Sewer User Fund	Rescue Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 37,356,650	-	-	85,278	37,441,928
Licenses and permits	369,885	-	-	-	369,885
Intergovernmental	6,369,247	-	-	2,905,227	9,274,474
Rental and fees income	-	-	-	266,627	266,627
Charges for services	1,680,089	2,348,657	-	417,759	4,446,505
Local grants and contributions	-	-	-	252,668	252,668
Other	347,102	-	-	84,951	432,053
Investment income	60,126	-	-	306,862	366,988
Total revenues	46,183,099	2,348,657	-	4,319,372	52,851,128
Expenditures:					
Current:					
General government	1,416,546	-	-	-	1,416,546
Insurance and benefits	1,646,105	-	-	-	1,646,105
Public safety	3,105,704	-	-	1,899	3,107,603
Public works	1,877,885	-	-	-	1,877,885
Facilities	680,200	-	-	9,390	689,590
Culture and parks	1,567,157	-	-	493,343	2,060,500
Library	485,447	-	-	83,268	568,715
Human services	62,712	-	-	5,050	67,762
Education	29,921,180	-	-	2,902,347	32,823,527
Intergovernmental assessments	1,566,121	-	-	-	1,566,121
Unclassified	337,809	-	-	-	337,809
School lunch	-	-	-	703,823	703,823
Sewer	-	1,792,679	-	-	1,792,679
Capital outlay	1,991,499	43,042	-	281,150	2,315,691
Debt service:					
Principal and interest	1,573,078	209,107	-	-	1,782,185
Total expenditures	46,231,443	2,044,828	-	4,480,270	52,756,541
Excess (deficiency) of revenues over (under) expenditures	(48,344)	303,829	-	(160,898)	94,587
Other financing sources (uses):					
Proceeds from note payable	-	-	-	79,930	79,930
Proceeds from financed purchase	1,191,450	-	-	100,379	1,291,829
Transfers from other funds	431,267	-	300,000	160,469	891,736
Transfers to other funds	(453,957)	(63,000)	-	(374,779)	(891,736)
Total other financing sources (uses)	1,168,760	(63,000)	300,000	(34,001)	1,371,759
Net change in fund balances	1,120,416	240,829	300,000	(194,899)	1,466,346
Fund balances (deficits), beginning of year, restated	8,186,120	2,134,346	(842,747)	3,595,981	13,073,700
Fund balances (deficits), end of year	\$ 9,306,536	2,375,175	(542,747)	3,401,082	14,540,046

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds (from Statement 4)	\$	1,466,346
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

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

These are the changes in capital asset-related amounts:

Capital outlays	3,254,895	
Capital contributions	1,069,050	
Depreciation	(2,412,852)	
Book value of disposed assets	(74,397)	1,836,696

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenues - property taxes.

(78,600)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

These are the changes in the other liability-related amounts:

Accrued interest	13,395	
Accrued compensated absences	133,533	
Net pension liability, including related deferred inflows and outflows	(143,807)	
OPEB liability, including related deferred inflows and outflows	280,255	283,376

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These are the changes in long-term debt and related amounts:

Amounts held in escrow	310,499	
Proceeds from notes payable	(273,300)	
Principal payments on bonds and notes	1,522,818	
Amortization of premium on bonds	60,791	1,620,808

Financed purchase proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of financed purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

These are the changes in financed purchases and related amounts:

Proceeds from financed purchase issuances	(1,291,829)	
Principal payments on financed purchase agreements	902,888	(388,941)

Change in net position of governmental activities (see Statement 2)	\$	4,739,685
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See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2021

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 36,806,220	36,806,220	37,356,650	550,430
Licenses and permits	232,000	232,000	369,885	137,885
Intergovernmental	3,331,845	3,555,940	3,641,305	85,365
Charges for services	2,346,750	2,346,750	1,680,089	(666,661)
Other	175,490	179,163	347,102	167,939
Investment income	50,000	50,000	60,126	10,126
Total revenues	42,942,305	43,170,073	43,455,157	285,084
Expenditures:				
Current:				
General government	1,533,940	1,594,824	1,416,546	178,278
Insurance and benefits	1,782,000	1,782,000	1,646,105	135,895
Public safety	3,347,768	3,372,768	3,105,704	267,064
Public works	2,046,525	2,037,152	1,877,885	159,267
Facilities	862,644	862,644	680,200	182,444
Culture and parks	2,114,468	2,135,020	1,567,157	567,863
Library	558,948	564,948	485,447	79,501
Human services	137,200	137,200	62,712	74,488
Education	28,369,512	28,369,512	27,036,788	1,332,724
Intergovernmental assessments	1,767,160	1,767,160	1,566,121	201,039
Unclassified	105,500	363,799	337,809	25,990
Capital improvements	2,358,800	3,035,016	1,991,499	1,043,517
Debt service	1,596,335	1,596,335	1,573,078	23,257
Total expenditures	46,580,800	47,618,378	43,347,051	4,271,327
Excess (deficiency) of revenues over (under) expenditures	(3,638,495)	(4,448,305)	108,106	4,556,411
Other financing sources (uses):				
Proceeds from financed purchases	1,035,100	1,035,100	1,035,000	(100)
Transfers from other funds	631,252	631,252	431,267	(199,985)
Transfers to other funds	(446,957)	(446,957)	(453,957)	(7,000)
Carryforward balances and subsequent authorizations	-	809,810	-	(809,810)
Utilization of prior year surplus - School Department	400,000	400,000	-	(400,000)
Utilization of prior year surplus - Town	2,019,100	2,019,100	-	(2,019,100)
Total other financing sources (uses)	3,638,495	4,448,305	1,012,310	(3,435,995)
Net change in fund balance	-	-	1,120,416	1,120,416
Fund balance, beginning of year			8,186,120	
Fund balance, end of year	\$		9,306,536	

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

		Private- purpose Trust Funds (School - Scholarships)
ASSETS		
Cash and cash equivalents	\$	97,176
Total assets		97,176
LIABILITIES		
Accounts payable		-
Total liabilities		-
NET POSITION		
Held in trust	\$	97,176

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

		Private- purpose Trust Funds (Scholarships)
<hr/>		
Additions:		
Donations	\$	9,950
Interest earned		829
Total additions		<hr/> 10,779
<hr/>		
Deductions:		
School scholarships		13,450
Total deductions		<hr/> 13,450
<hr/>		
Change in net position		(2,671)
Net position, beginning of year		99,847
<hr/>		
Net position, end of year	\$	97,176

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Cape Elizabeth, Maine was incorporated in 1765 and operates under a Council-Manager form of government, adopted by charter in 1967. Cape Elizabeth is located approximately five miles southeast of Portland along the southern Maine coast. The Council is comprised of seven members elected at-large for staggered three-year terms.

The accounting policies of the Town of Cape Elizabeth conform to accounting principles generally accepted in the United States of America as applicable to government entities. The following is a summary of the more significant of such policies:

A. Reporting Entity

This report includes all funds of the Town. An analysis of certain criteria was made to determine if other governmental units should be included in this report. In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended component unit. The Museum at the Portland Head Light is a nonprofit 501 (c)(3), which is governed by a board of directors made up of Town Councilors. In addition, the management of the Town is responsible for the operations of the Museum and the Museum is treated as a department of the Town. The Museum is reported as a special revenue fund and does not issue separate financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among programs, functions, and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Major individual governmental funds are reported as separate columns in the fund financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property taxes and one year for all others. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

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

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

The Town reports the following major governmental fund:

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

The Sewer Fund accounts for monies received from sewer user fees, connection fees, and contributions from the General Fund pursuant to the Town sewer ordinance. The fund also accounts for all sewer related expenditures.

The Rescue Fund formerly accounted for revenues from rescue billings and expenditures related to the ambulance service. The revenues and expenditures are now accounted for in the General Fund. The remaining balance in the Rescue Fund is the residual fund deficit, which is being liquidated by transfers from the General Fund.

Additionally, the Town reports the following fund type:

Fiduciary funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. The Town's fiduciary funds include the following fund types:

Private-purpose trust funds are used to account for resources legally held in trust for the benefit of others.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Equity

Cash and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value.

Interfund Loans Receivable/Payable - Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans or as interfund advances (i.e., the noncurrent portion of interfund loans).

Inventory - Inventory in the Portland Head Light Fund and the School Lunch Program consists of gift shop merchandise, food, and supplies and is valued at the lower of cost (first-in, first-out basis) or market, and is offset with a non-spendable fund balance for inventories. Inventories of the School Lunch Program include the value of the U. S. Department of Agriculture commodities donated to the program.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure (e.g., roads, bridges, sidewalks, etc.), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of one year. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation. The following are the Town's thresholds for capitalization of assets:

Land and improvements	\$ 25,000
Buildings and improvements	50,000
Furniture/equipment/vehicles	5,000
Infrastructure	150,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the government are depreciated using the straight-line method over the assets' estimated useful lives ranging from three to 60 years.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

Compensated Absences - Under the terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service. All vacation and sick time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

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

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Other postemployment benefits (OPEB) - For purposes of measuring the 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 plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

The five classifications of fund balance for the Governmental Funds are as follows:

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

The Town Council has the responsibility for committing fund balance amounts by vote and likewise would be required to modify or rescind those commitments by a similar vote. For assigned fund balance amounts, the Town Manager has the authority to assign unspent budgeted amounts to specific purposes in the General Fund at year-end. The Town Council approves the assigned amounts either before or after year-end.

Currently, the Town has a fund balance policy under which the Town will seek to have an unassigned General Fund fund balance of 12.50% of annual General Fund operating revenues. If the unassigned municipal (excluding schools) fund balance target is exceeded, excess fund balance between 100%-115% of the target shall be used to reduce the tax commitment in the next budget.

Any amount over 115% of the target may be committed or assigned for any capital need or unanticipated expenditures or may be placed in an assigned fund for future property tax relief. In addition, in those years in which the General Fund fund balance is less than the targeted percentage, the balance may not be used to support the annual budget or for capital needs if unassigned fund balance as a percentage of operating revenues would be lower than prior year's unassigned fund balance as a percentage of the prior year's operating revenues.

Should there be multiple sources of funding available for a particular purpose, it is the Town's policy to expend currently budgeted resources first, and then use other sources in the order of restricted, then committed, then assigned amounts.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses in the reimbursing fund as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

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

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

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

The Town's net investment in capital assets was calculated as follows at June 30, 2021:

Capital assets	\$ 87,442,397
Accumulated depreciation	(41,962,598)
General obligation bonds	(7,545,000)
Premium on bonds	(525,581)
Notes from direct borrowings	(1,779,032)
Financed purchases	(1,993,641)
<u>Unspent debt proceeds</u>	<u>310,499</u>
<u>Net investment in capital assets</u>	<u>\$ 33,947,044</u>

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

Budgets are adopted for the General Fund and several of the special revenue funds, and are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for encumbrances and Maine Public Employees Retirement on-behalf payments. Maine Public Employees Retirement contributions are made by the State of Maine on behalf of the Cape Elizabeth School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$2,727,942. These amounts have been included as intergovernmental revenue and education expenditures in the General Fund on Statement 4 (GAAP basis) and on the statement of activities. There is no effect on the fund balance or net position at the end of the year.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

Each year, the Town Manager submits to the Town Council a budget for the ensuing fiscal year and an accompanying message. The Manager’s message explains the budget both in fiscal terms and in terms of the work programs. It outlines the proposed financial policies of the Town for the coming fiscal year, describes the important features of the budget, indicates any major changes from the current year in financial policies, expenditures, and revenues, together with the reasons for such changes, summarizes the Town’s debt position, and includes such other material as the Manager deems desirable. It also describes the tax impact of the proposed budget.

The School Department prepares a budget based on the 11 budget categories required by the Maine Department of Education. Hearings are held to obtain public comments on the Town’s budget. The budget is legally enacted by a council order for the Town’ and the total School appropriation is passed and the Council sends the School Department budget to a referendum vote. At the referendum, the budget is passed either in part or in whole; and those parts that do not pass are resubmitted to public vote. Once all categories of the School Department budget pass the public vote, it is adopted by School Board vote and incorporated in the Town’s budget. Hearings are held to obtain public comments on the Town’s budget. The budget is legally enacted by a council order for the total Town and the total School appropriation.

In addition, separate orders are adopted for the Sewer User Fund, Portland Head Light Fund, Spurwink Church Fund, Riverside Perpetual Care, Rescue Fund, and the Thomas Jordan Fund. The level of control (level at which expenditures may not exceed budget) is the Department. Once adopted, only the Town Council can amend the budget.

At the end of the fiscal year, every General Fund appropriation that has not been expended or encumbered will lapse, except for appropriations for capital expenditures, which do not lapse until the purposes for which they were appropriated have been accomplished or abandoned.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations in the following departments:

Animal control	\$ 998
Fire department	5,799
Town hall maintenance	1,541
Town center fire station	594
Police department equipment	95,586

C. Deficit Fund Balances

At June 30, 2021 the following fund had a deficit fund balance:

Rescue Fund	\$ 542,747		
Nonmajor Special Revenue Funds:			
School Lunch Program	488,553	Spurwink Church	270
School Grants and Other Programs:			
Local Entitlement	7,624	MLTI grant	5,640
Preschool grant	13	C. E. E. F.	1,452
ESSER #3	35,683		

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

Nonmajor Capital Project Funds:	
School projects	\$ 21,418

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

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does have a deposit policy for custodial credit risk that requires that the FDIC insure the deposit of funds in institutions. Any funds deposited above the \$250,000 insurance limit must be collateralized by the financial institution, or the excess funds be placed with other financial institutions. As of June 30, 2021, the Town reported deposits of \$16,629,599 with a bank balance of \$17,020,617. None of the Town’s bank balances were exposed to custodial credit risk as they were covered by FDIC or an irrevocable letter of credit from the Federal Home Loan Bank provided to the Town by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 16,532,423
Reported in fiduciary funds	97,176
Total deposits	\$ 16,629,599

B. Investments

Interest Rate Risk: The Town, in accordance with its investment policy, strives to maximize its return on investments while avoiding assuming unreasonable investment risks.

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

The Town has the following recurring fair value measurements as of June 30, 2021:

Mutual funds of \$954,631 are valued using quoted prices (Level 1 input). In addition, mutual funds are not considered securities and therefore, are exempt from credit risk disclosures.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

PROPERTY TAXES

Property taxes for the current year were committed on August 7, 2020 on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Assessed values are periodically established by the Town's Assessor at 80% of assumed market value.

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 \$216,478 for the year ended June 30, 2021.

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 the tax liens and associated costs remained unpaid. For taxes assessed during FY 2020, Governor Mills ordered that the time for filing tax liens be extended by 60 days due to the COVID pandemic state emergency. Tax liens for such unpaid taxes were filed in October 2020. This was a one-time extension that was not repeated in FY 2021.

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

The following summarizes the 2021 and 2020 tax levy:

	<u>2021</u>	<u>2020</u>
Assessed valuation:		
Land	\$ 705,386,400	703,953,076
Buildings	1,033,612,000	1,018,785,200
Personal property	5,148,100	5,226,400
Total assessed valuation	\$ 1,744,146,500	1,727,964,676
Assessed valuation	1,744,146,500	1,727,964,676
Tax rate (per \$1,000)	19.92	19.68
Commitment	34,743,398	34,006,345
Supplemental taxes assessed	29,617	122,794
Total tax levy	34,773,015	34,129,139
Less: Collections and abatements	34,682,437	33,887,891
Current year receivables at June 30	\$ 90,578	241,248
Due date(s)	10/1/2020	10/1/2019
	4/1/2021	4/1/2020
Interest rate on delinquent taxes	8.00%	9.00%
Collection rate	99.74%	99.29%

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 1, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2021</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,274,831	185,500	-	1,460,331
Construction in progress	<u>2,824,265</u>	<u>2,023,930</u>	<u>1,591,013</u>	<u>3,257,182</u>
Total capital assets, not being depreciated	4,099,096	2,209,430	1,591,013	4,717,513
Capital assets, being depreciated:				
Artwork	10,000	-	-	10,000
Land improvements	3,393,457	962,778	669,580	3,686,655
Buildings and building improvements	49,146,855	198,827	-	49,345,682
Furniture and equipment	2,768,025	886,109	20,278	3,633,856
Vehicles	6,350,596	369,322	459,415	6,260,503
Infrastructure	<u>18,499,696</u>	<u>1,288,492</u>	<u>-</u>	<u>19,788,188</u>
Total capital assets being depreciated:	80,168,629	3,705,528	1,149,273	82,724,884
Less accumulated depreciation for:				
Artwork	\$ 1,750	500	-	2,250
Land improvements	1,045,088	263,201	595,183	713,106
Buildings and building improvements	24,944,882	1,313,768	-	26,258,650
Furniture and equipment	1,295,462	215,897	20,278	1,491,081
Vehicles	3,471,695	371,026	459,415	3,383,306
Infrastructure	<u>9,865,745</u>	<u>248,460</u>	<u>-</u>	<u>10,114,205</u>
Total accumulated depreciation	40,624,622	2,412,852	1,074,876	41,962,598
Total capital assets being depreciated, net	39,544,007	1,292,676	74,397	40,762,286
Governmental activities capital assets, net	\$ 43,643,103	3,502,106	1,665,410	45,479,799

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

Governmental activities:	
General government	\$ 36,432
Public safety	303,008
Public works, including depreciation of general infrastructure assets	654,041
Facilities	48,967
Education	869,299
Library	135,014
Cultural and parks	<u>366,091</u>
Total depreciation expense – governmental activities	\$ 2,412,852

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND BALANCES

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

	<u>Interfund receivables</u>	<u>Interfund payables</u>	<u>Interfund transfers</u>
<u>General Fund</u>	\$ -	1,829,553	(22,690)
<u>Sewer Fund</u>	1,929,354	-	(63,000)
<u>Rescue Fund</u>	-	542,747	300,000
Nonmajor Special Revenue Funds:			
School grants and other programs	-	238,467	7,000
School lunch program	-	499,545	105,500
Portland Head light	237,557	-	(10,000)
Other town programs	2,747	-	(6,512)
Riverside perpetual care	-	-	(2,000)
Library fund	-	-	2,000
Fire department scholarships	3,740	-	-
Public safety funds	340	-	-
PD donations	4,701	-	-
Thomas Jordan	-	-	(55,000)
Spurwink Church	-	-	(300)
<u>Total nonmajor special revenue funds</u>	<u>249,085</u>	<u>738,012</u>	<u>40,688</u>
Nonmajor Capital Project Funds:			
Tax increment financing	231,285	-	-
School projects	-	21,418	-
Town bonded projects	-	-	(26,052)
Land acquisition	63,563	-	16,457
Infrastructure improvement	411,153	-	-
Turf field	25,000	-	(249,915)
Fort Williams park	222,290	-	4,512
<u>Total nonmajor capital project funds</u>	<u>953,291</u>	<u>21,418</u>	<u>(254,998)</u>
<u>Total</u>	<u>\$ 3,131,730</u>	<u>3,131,730</u>	<u>-</u>

With the exception of certain trust funds, all cash of the Town is co-mingled in centralized cash accounts maintained within the General Fund, the practice of which results in the interfund balances listed above.

The transfers were budgeted transfers to fund certain activities.

STATUTORY DEBT LIMIT

In accordance with Maine law, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. At June 30, 2021, the Town complied with these limitations.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 8,730,000	-	1,185,000	7,545,000	985,000
Premium	586,372	-	60,791	525,581	60,791
Total bonds payable	9,316,372	-	1,245,791	8,070,581	1,045,791
Notes from direct borrowings*	1,843,550	273,300	337,818	1,779,032	286,422
Financed purchases*	1,604,701	1,291,829	902,888	1,993,641	266,300
Net pension liability	1,153,568	412,877	-	1,566,445	-
Other postemployment benefits	5,049,488	410,881	-	5,460,369	-
Accrued compensated absences	1,682,316	-	133,533	1,548,783	-
Governmental activity long-term liabilities	\$ 20,649,995	2,388,887	1,807,430	20,418,851	1,598,513

*Both notes and financed purchases are considered direct borrowings.

LONG-TERM DEBT

Long-term debt payable at June 30, 2021 is comprised of the following:

	<u>Amount of Original issue</u>	<u>Interest rate</u>	<u>Final maturity date</u>	<u>Balance end of year</u>
General obligation bonds:				
2012 Refunding bond	\$ 780,000	2.00%-2.50%	2022	75,000
2014 Refunding bond	4,190,000	2.00%-4.00%	2025	1,360,000
2015 General obligation bond	5,450,000	3.00%-3.25%	2035	3,800,000
2016 General obligation bond	2,100,000	3.00%-4.00%	2037	1,540,000
2020 Refunding bond	880,000	5.00%	2028	770,000
Total				\$ 7,545,000
Notes from direct borrowings:				
2006 Clean water revolving fund	\$3,510,000	1.73%	2026	993,392
2006 Roadway/drainage bond	1,890,000	1.90 – 5.50%	2027	567,000
2021 School revolving renovation fund	390,429 (1)	0.00%	2026	218,640
Total				\$ 1,779,032

(1) Of the School revolving renovation fund note principal, \$117,129 was forgiven on issuance.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize all debt outstanding at June 30, 2021 are as follows. Such amounts exclude overlapping debt requirements, but include School debt requirements to be reimbursed by the State of Maine.

	<u>Bonds payable</u>		<u>Notes from direct borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 985,000	266,300	286,422	26,542
2023	905,000	227,625	344,402	20,622
2024	900,000	191,725	347,780	15,563
2025	745,000	156,025	351,216	13,170
2026	520,000	126,525	354,712	6,084
2027-2031	1,990,000	398,925	94,500	178
2032-2036	1,430,000	123,886	-	-
2037	70,000	1,227	-	-
Totals	\$ 7,545,000	1,492,238	1,779,032	82,159

The State of Maine currently reimburses the Town for a portion of financing costs of school building and school bus purchases. Continuation of such reimbursements is dependent upon continued appropriations by the State Legislature.

In prior years, the Town defeased school renovation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At June 30, 2021, \$1,470,000 of defeased bonds remain outstanding.

FINANCED PURCHASES (LEASES)

The Town has entered into several agreements for financing the purchases of computers, technology equipment, public works and public safety vehicles and equipment, boilers and school buses. The agreements contain fiscal funding clauses that permit the Town to terminate the agreements on an annual basis if funds are not appropriated. These agreements have been recorded in the Town's statement of net position at the present value of the future minimum payments as of the date of their inception.

The following is a summary of equipment included in financed purchase agreements as of June 30, 2021:

Boilers	\$ 580,000
Buses	196,821
Computers and technology equipment	342,602
Public works and public safety vehicles	2,760,000

The computer and technology equipment were not capitalized as they are below the Town's capitalization threshold.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

FINANCED PURCHASES (LEASES), CONTINUED

The following is a schedule of the future minimum payments under the financed purchase agreements, and the present value of the net minimum payments at June 30, 2021:

Fiscal year ending	
<u>June 30,</u>	
2022	\$ 800,885
2023	729,662
2024	324,878
2025	<u>212,365</u>
Total minimum payments	2,067,790
Less amounts representing interest	<u>(74,149)</u>
Present value of future minimum payments	<u>\$ 1,993,641</u>

OVERLAPPING DEBT AND OTHER CONTINGENCIES

Overlapping Debt

Cumberland County - The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's state valuation to the County's state valuation. At June 30, 2021, the Town's share is \$1,524,568 (4.57%) of Cumberland County's outstanding debt of \$33,370,194.

Portland Water District - The Town is served by the Wastewater Division of the Portland Water District (PWD), a wholly separate quasi-municipal entity whose operations are not part of the Town, for treatment of its wastewater. The Town owns and maintains the collector sewer lines and is responsible for the cost of their maintenance, improvements, and expansion. The PWD owns and operates a sewer interceptor system, all pumping stations within the Town and a treatment plant in the Town for sewage delivered to the plant by the Town, for which the Town pays a monthly fee.

The Town is responsible for the entire debt service required to finance the PWD's treatment plant at the Spurwink Avenue Treatment Plant (Wastewater Fund Debt). All Town users of the wastewater system pay monthly fees, based upon water volume, to support expenditures from the Sewer Fund, which are paid for these services. At June 30, 2021, the Town was responsible for \$3,784,200 of its portion of PWD's Wastewater Fund Debt (or 10.00% of PWD's \$37,839,787- total Wastewater Fund Debt).

Other Contingencies

Portland Water District Debt - The Water Division of the PWD also provides water to the inhabitants of ten cities and towns within the Greater Portland Area (PWD Municipalities), including the Town. The Water Division's debt is not a debt or obligation of the Town. However, under Title 35-A, Section 6103 of the Maine Revised Statutes, as amended (Act), and pursuant to an agreement with nine of the ten PWD municipalities, the exception being the Town of Standish (Section 6103 Members), in compliance with subsection 6 of the Act, the PWD possesses authority for taxation in the event of default in the payment of the indebtedness of the PWD incurred for water purposes (Water Fund Debt).

In the event of a default by PWD in the payment of the principal of, in interest on, its Water Fund Debt, the Trustees of the PWD have the authority to issue a warrant for payment of amounts necessary to cure the default to the assessors in each section 6103 Member municipality within the PWD, including the Town.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OVERLAPPING DEBT AND OTHER CONTINGENCIES, CONTINUED

Such assessment is allocated pro-rata, to each Section 6103 Member municipality based upon 100% of its respective equalized State Valuation. On this basis, at June 30, 2021, the Town was contingently responsible for approximately 6.77%, or \$3,707,165, of the PWD's \$54,758,718 Water Fund Debt.

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

The Town is a member community in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore; has not reported an asset in these financial statements in connection with its participation in ecomaine.

Selected balance sheet information for ecomaine for the year ended June 30, 2021 based on the most recent information available, includes total assets of \$70,308,100, total liabilities of \$21,406,572 and unrestricted net position of \$18,438,342. The liabilities include an accrual for landfill closure and post closure care amounting to \$15,619,054. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained from the Town's finance office.

POSTCLOSURE CARE COSTS

Under existing state law, Maine communities have to close existing landfills under a state approved plan and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The Town closed its existing landfill during 1998 and the transfer station was modified to handle and transport future materials. The Town has estimated that there will be no significant post closure care costs.

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, either participates in a public entity risk pool, or is effectively self-insured. Currently, the Town participates in a public entity and self-insured risk pool sponsored by the Maine Municipal Association. In addition, the School Department participates in a public entity risk pool, which is sponsored by the Maine School Management Association (MSMA).

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2021.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCES

At June 30, 2021, portions of the Governmental Funds fund balances were unassigned, assigned, committed or restricted for future periods or classified as nonspendable for specific amounts as follows:

	General <u>Fund</u>	Sewer <u>Fund</u>	Rescue <u>Fund</u>	Other Governmental <u>Funds</u>
Nonspendable:				
Prepaid expenditures	\$ 62,909	-	-	-
Inventory	-	-	-	87,008
Total nonspendable	62,909	-	-	87,008
Restricted:				
Education	2,477,936	-	-	219,856
Town grants and donations	4,825	-	-	88,184
Library	-	-	-	286,978
Tax increment financing	-	-	-	231,285
Total restricted	2,482,761	-	-	826,303
Committed:				
Sewer operations	-	2,375,175	-	-
School grants and programs	-	-	-	92,324
Portland Head Light operations	-	-	-	201,952
Riverside perpetual cemetery care	-	-	-	439,907
Thomas Jordan benevolence	-	-	-	1,378,990
Future land acquisition	-	-	-	63,563
Turf field replacement	-	-	-	25,000
Total committed	-	2,375,175	-	2,216,107
Assigned:				
Budgeted use of fund balance	1,000,000	-	-	-
Operating expenditures	311,287	-	-	-
Capital improvements	954,976	-	-	-
Total assigned	2,266,263	-	-	-
Total unassigned	\$ 4,494,603	-	(542,747)	(560,653)

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

TAX INCREMENT FINANCING DISTRICT

Under Maine law, the Town has established a Tax Increment Financing District (TIF) to finance improvements within the Town of Cape Elizabeth. The District specifically encompasses the Town center and surrounding areas. The purpose of the District is to fund certain improvements to the Town center, including improved sidewalk connections, a study and plan for storm water improvements, open space, improved visual appeal, and infrastructure improvements. TIF improvements are to be funded through a combination of funds previously set aside for infrastructure improvements, grants, and the incremental value multiplied by the tax rate.

The incremental value is defined as the increase of the current valuation over the original assessed value. For the year ended June 30, 2021, taxes raised were \$85,278 and there were no TIF related expenditures.

	Original Assessed <u>Value</u>	Current Assessed <u>Value</u>	Captured <u>Value</u>	Captured <u>Tax</u>
TIF District I	\$ 11,225,200	15,506,200	4,281,000	85,278

NET PENSION LIABILITY– CONSOLIDATED PLANS

General Information about the Pension Plans

Plan Descriptions - The Town’s police officers and sergeants are provided a pension through the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan). In addition, teaching-certified employees of the Town are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan). Both plans are cost-sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employees Retirement System (MPERS).

New employees not eligible to participate in the Maine Public Employees Retirement System participate in the Town’s ICMA Plan.

Benefits Provided - The PLD and SET Plans provide defined retirement benefits based on members’ average final compensation and service credit earned as of retirement. Vesting (i.e. eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). For SET members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD Plan) or by statute (SET Plan).

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY— CONSOLIDATED PLANS, CONTINUED

Consolidated PLD Plan - Employees are required to contribute 8.10% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2021 was 10.80% of annual pay for the Special Plan 2-C. Contributions to the pension plan from the Town were \$108,151 for the year ended June 30, 2021.

SET Plan - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2021, was 18.49% of annual payroll of which 4.16% of payroll was required from the Town and 14.33% was required from the State. Contributions to the pension plan from the Town were \$628,521 for the year ended June 30, 2021.

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

The net pension liabilities were measured as of June 30, 2020, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The Town's proportion of the net pension liabilities for the consolidated PLD and SET plans were based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

Consolidated PLD Plan - At June 30, 2021, the Town reported a liability of \$626,169 for its proportionate share of the net pension liability. At June 30, 2020, the Town's proportion of the PLD Plan was 0.1576%.

SET Plan - At June 30, 2021, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 253,799
State's proportionate share of the net pension liability associated with the Town	<u>17,757,054</u>
Total	<u>\$ 18,010,853</u>

At June 30, 2020, the Town's proportion of the SET Plan was 0.0155%.

For the year ended June 30, 2021, the Town recognized pension expense of \$140,360 for the Consolidated PLD Plan, and also pension expense of \$2,770,702 for the SET Plan and revenue of \$2,165,034 for support provided by the State for the SET Plan.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY – CONSOLIDATED PLANS, CONTINUED

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to the Consolidated PLD and SET pension plans from the following sources:

	<u>PLD Plan</u>		<u>SET Plan</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,690	-	2,741	-
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	40,746	-	10,521	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	10,186	-	6,895
Town contributions subsequent to the measurement date	108,151	-	628,521	-
Total	\$ 179,587	10,186	641,783	6,895

The amounts of \$108,151 and \$628,521 are 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 liabilities in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>PLD Plan</u>	<u>SET Plan</u>
2022	\$(25,989)	(5,326)
2023	17,944	(6,892)
2024	34,609	9,341
2025	34,686	9,244

Actuarial Assumptions - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Consolidated <u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75% + merit	2.75 + merit
Investment return, per annum, compounded annually	6.75%	6.75%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY – CONSOLIDATED PLANS, CONTINUED

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
US government	7.5%	2.3%
Private equity	15.0%	7.6%
Real 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%	7.2%
Diversifiers	10.0%	5.9%

Discount Rate - The discount rate used to measure the total pension liability was 6.75% for the Consolidated PLD Plan and the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

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

<u>Consolidated PLD Plan</u>	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Town’s proportionate share of the net pension liability	\$ 1,315,955	626,169	61,529

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY – CONSOLIDATED PLANS, CONTINUED

<u>SET Plan</u>	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Town's proportionate share of the net pension liability	\$ 440,162	253,799	98,469

Pension Plan Fiduciary Net Position - Detailed information about the Consolidated PLD and SET pension plans' fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2021.

NET PENSION LIABILITY – WITHDRAWN PLD

General Information about the Pension Plan

Plan Description - all Town employees who were previously in the Town's District Group (prior to the Town opting out of the Maine Public Employees Retirement System) are eligible to participate in the system as part of a withdrawn Participating Local District, a single employer agent defined benefit pension plan. Benefit terms are established in Maine statute. MEPERS issues a publicly available financial report that can be obtained at www.maineopers.org for the PLD and SET plans.

Benefits Provided - The withdrawn PLD Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Employees are eligible for normal retirement upon attaining age 60 with ten or more years of service or after completing 25 or more years of creditable service prior to age 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.

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Retired employees	35
<u>Total employees</u>	<u>35</u>

This plan is not available to any non-participating current employees or new hires. Vested participants are entitled to a retirement benefit equal to a fraction (2%) of the average final compensation multiplied by the years of membership service (discounted for early retirement).

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY – WITHDRAWN PLD, CONTINUED

Withdrawn Plan - Employees are required to contribute 6.50% of their annual pay. The Town’s contractually required contribution rate for the year ended June 30, 2021 was 0% of annual pay for the Withdrawn PLD. The amounts paid include “catch up” amounts to fully fund the IUUAL. Contributions to the pension plan from the Town were \$67,920 for the year ended June 30, 2021.

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date.

Changes in the Withdrawn PLD net pension liability are as follows:

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 5,133,906	4,727,121	406,785
Changes for the year:			
Service cost	-	-	-
Interest	327,293	-	327,293
Change in benefit terms	-	-	-
Differences between expected and actual experience	148,241	-	148,241
Changes in assumptions	-	-	-
Contributions – employer	-	71,184	(71,184)
Contributions – employee	-	-	-
Net investment income	-	129,115	(129,115)
Benefit payments, including refunds of employee contributions	(579,720)	(579,720)	-
Administrative expense	-	(4,457)	4,457
Net changes	(104,186)	(383,878)	279,692
Balance at June 30, 2021	\$ 5,029,720	4,343,243	686,477

For the year ended June 30, 2021, the Town recognized pension expense of \$202,371 for the withdrawn PLD.

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to the withdrawn PLD pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 33,327	-
Town contributions subsequent to the measurement date	67,920	-
Total	\$ 101,247	-

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY – WITHDRAWN PLD, CONTINUED

An amount of \$67,920 is reported as deferred outflows of resources related to pension 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, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2022	\$ (8,332)
2023	(8,332)
2024	(8,332)
2025	(8,331)

Actuarial Assumptions - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases, per year	2.75%
Investment return, per annum, compounded annually	6.75%
Cost of living benefit increases, per annum	2.20%

Mortality rates were based on the RP-2014 total data set mortality projected using the RPEC 2015 model with ultimate rate of 0.85% at 2020.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2010 through June 30, 2015, performed in 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY – WITHDRAWN PLD, CONTINUED

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
US government	7.5%	2.3%
Private equity	15.0%	7.6%
Real 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%	7.2%
Diversifiers	10.0%	5.9%

Discount Rate - The discount rate used to measure the total pension liability was 6.75% for the withdrawn PLD. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

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

	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Net pension liability	\$1,186,709	686,477	226,966

Payables to the Pension Plan - None as of June 30, 2021.

OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE, TOWN

General Information about the OPEB Plan

Plan Descriptions - The Town sponsors post-retirement benefit plans providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plans administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Council and the Maine State Legislature have the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE, TOWN, CONTINUED

Benefits Provided - The MMEHT Health Plan provides healthcare and life insurance benefits for retirees and their dependents. Town employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the MMEHT Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employee entitled to but not yet receiving benefits	-
<u>Active employees</u>	<u>57</u>
Total	62

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

The MMEHT Health Plan total OPEB liability of \$876,121 was measured as of January 1, 2021, and was determined by an actuarial valuation performed on January 1, 2020.

Changes in the Total Health Plan OPEB Liability

	Total OPEB <u>Liability</u>
Balance at June 30, 2020	\$ 779,659
Changes for the year:	
Service cost	37,420
Interest	22,175
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	52,487
Benefit payments	<u>(15,620)</u>
Net changes	<u>96,462</u>
<u>Balance at June 30, 2021</u>	<u>\$ 876,121</u>

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

For the year ended June 30, 2021, The Town recognized OPEB expense of \$50,198 related to the MMEHT Health Plan.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE, TOWN, CONTINUED

At June 30, 2021, The Town reported deferred outflows of resources and deferred inflows of resources related to the MMEHT Health Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	142,501
Changes in assumptions	14,071	-
Contributions subsequent to the measurement date	8,241	-
Total	\$ 22,312	142,501

\$8,241 is reported as deferred outflows of resources related to MMEHT OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Deferred outflows of resources and deferred inflows of resources related to the MMEHT Health Plan will be recognized in OPEB expense as follows:

Year ended June 30:

2022	\$ (25,806)
2023	(25,806)
2024	(25,811)
2025	(35,793)
2026	(22,713)
Thereafter	7,499

Actuarial Assumptions – MMEHT Health Plan - The total OPEB liability in the January 1, 2020 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% per annum
Salary increases	2.75% per annum
Discount rate	2.12% per annum
Healthcare cost trend rates – Non-Medicare	8.50 for 2020, grading to 3.28% for 2040
Health cost trend rates – Medicare	8.55% for 2020, grading to 3.28% for 2040
Retirees’ share of the benefit related costs	100% of projected health insurance premiums

Mortality rates for the Health Plans were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2020 valuation for the Health Plans were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

Discount Rate - The rate used to measure the total OPEB liability for the MMEHT Health Plan was 2.12%. The discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE, TOWN, CONTINUED

Sensitivity of the OPEB Liability to Changes in the Discount Rates - The following presents the Town’s net OPEB liability related to the Health Plan calculated using the discount rate, as well as what the Town’s OPEB liability would be if it was calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>1%</u> <u>Decrease</u>	<u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
MMEHT Health Plan OPEB (1.12% - 3.12%)	\$ 1,018,974	876,121	759,979

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Town’s total OPEB liability related to the Health Plan calculated using the current healthcare cost trend rates, as well as what the Town’s total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Rates</u>	<u>1%</u> <u>Increase</u>
MMEHT Health Plan OPEB	\$ 748,789	876,121	1,036,405

OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE, SCHOOL DEPARTMENT

General Information about the OPEB Plans

Plan Descriptions - The Town sponsors post-retirement benefit plans providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (MEABT). The School Board and the Maine State Legislature have the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided – The MEABT Health Plan provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	92
Inactive employee entitled to but not yet receiving benefits	-
<u>Active employees</u>	<u>235</u>
<u>Total</u>	<u>327</u>

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE, SCHOOL DEPARTMENT, CONTINUED

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

The MEABT Health Plan total OPEB liability of \$4,432,412 was measured as of June 30, 2020, and was determined by an actuarial valuation as of the same date.

Changes in the Total OPEB Liability

Balance at June 30, 2020	\$ 4,016,916
Changes for the year:	
Service cost	46,578
Interest	139,517
Changes of benefit terms	(490,092)
Differences between expected and actual experience	(174,385)
Changes in assumptions or other inputs	1,049,802
Benefit payments	(155,924)
Net changes	415,496
Balance at June 30, 2021	\$ 4,432,412

Change in assumptions reflects a change in the discount rate from 3.50% to 2.21%. In addition, changes of benefit terms reflect the change in the Medicare Companion plan to a Medicare Advantage plan.

For the year ended June 30, 2021, The Town recognized OPEB gain of \$171,065 related to the MEABT Health Plan.

At June 30, 2021, The Town reported deferred outflows of resources and deferred inflows of resources related to the MEABT Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 959,121	-
Difference between expected and actual experience	-	149,473
Contributions subsequent to the measurement date	121,828	-
Total	\$ 1,080,949	149,473

\$121,828 is reported as deferred outflows of resources related to MEABT OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE, SCHOOL DEPARTMENT, CONTINUED

<u>Year ended June 30:</u>	
2022	\$ 132,932
2023	132,932
2024	132,930
2025	160,737
2026	125,060
Thereafter	125,057

Actuarial Assumptions - The total OPEB liability in the June 30, 2020 actuarial valuation for the total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	2.75% per annum
Discount rate	2.21% per annum
Healthcare cost trend rates - Pre-Medicare	6.21% for 2020 grading over 18 years to 3.25%
Healthcare cost trend rates - Medicare	0.00% for 2020 grading over 18 years to 3.25%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

Mortality rates for the Health Plans were based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table with adjustments.

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

Discount Rate - The rate used to measure the total OPEB liability for the MEABT Health Plan was 2.21% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the OPEB Liability to Changes in the Discount Rates - The following presents the Town's net OPEB liability related to the Health Plan calculated using the discount rate, as well as what the Town's OPEB liability would be if it was calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>1%</u> <u>Decrease</u>	<u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
MEABT Health Plan OPEB (1.21% - 3.21%)	\$ 5,225,144	4,432,412	3,796,609

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Town's total OPEB liability related to the Health Plan calculated using the current healthcare cost trend rates, as well as what the Town's total OPEB liability would be if it was calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	<u>Healthcare Cost</u>		
	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% Increase</u>
MEABT Health Plan OPEB	\$ 3,737,923	4,432,412	5,319,278

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS – GROUP TERM LIFE INSURANCE

General Information about the OPEB Plans

Plan Descriptions - The Town sponsors three post-retirement benefit plans providing group term life insurance to retiring teachers, police department employees, and other town employees (hereafter referred to as the GTL Plans). The plans are cost-sharing multiple-employer defined benefit OPEB plans administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements. MPERS issues a publicly available financial report that is available at www.maineipers.org.

Benefits Provided - Under the GTL Plans, MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plans prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees' average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions - Premium rates are determined for both the PLD and SET plans by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims.

PLD OPEB Plans - The Town is required to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB plan from the Town were \$11,243 for the regular plan and \$1,728 for the police plan for the year ended June 30, 2021. Employees are not required to contribute to the PLD OPEB plan.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the Town were \$62,118 for the year ended June 30, 2021. Employers and employees are not required to contribute to the SET OPEB plan.

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

The net OPEB liabilities for the GTL plans were measured as of June 30, 2020 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liabilities was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan - At June 30, 2021, the Town reported a liability of \$131,608 for its proportionate share of the net OPEB liability. At June 30, 2020 the Town's proportion was 0.9976%.

PLD Police OPEB Plan - At June 30, 2021, the Town reported a liability of \$20,228 for its proportionate share of the net OPEB liability. At June 30, 2020, the Town's proportion was 0.1533%.

SET OPEB Plan - At June 30, 2021, the Town reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the Town was \$553,215 as of June 30, 2021. At June 30, 2020, the Town's proportion was 0.00%.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS – GROUP TERM LIFE INSURANCE, CONTINUED

For the year ended June 30, 2021, The Town recognized OPEB gain of \$18,891 and expense of \$2,543 related to related to the GTL Consolidated PLD and Consolidated PLD – Police, respectively. For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$62,118 for support provided by the State related to the SET OPEB plan. At June 30, 2021, the Town reported no deferred outflows resources nor deferred inflows of resources related to the SET OPEB plan.

At June 30, 2021, The Town reported deferred outflows of resources and deferred inflows of resources related to the GTL Consolidated PLD plan and Consolidated Police PLD Plan from the following sources:

	<u>PLD Plan</u>		<u>Police PLD Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 16,248	-	2,497	-
Changes of assumptions	-	80,092	-	12,310
Net difference between projected and actual earnings on OPEB plan investments	-	3,287	-	505
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	22,380	10,182	-
Town contributions subsequent to the measurement date	11,243	-	1,728	-
Total	\$ 27,491	105,759	14,407	12,815

The amounts \$11,243 and \$1,728 are reported as deferred outflows of resources related to the Consolidated PLD OPEB plans resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plans will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	<u>PLD Plan</u>	<u>Police PLD Plan</u>
2022	\$(24,782)	(340)
2023	(22,785)	(33)
2024	(11,219)	1,253
2025	(14,756)	109
2026	(15,969)	(1,125)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2020 actuarial valuations for both the PLD and SET OPEB plans was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>PLD OPEB Plans</u>	<u>SET OPEB Plan</u>
Inflation	2.75%	2.75%
Salary increases	2.75% - 9.00%	2.75% - 14.50%
Investment rate of return	6.75%	6.75%

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS – GROUP TERM LIFE INSURANCE, CONTINUED

Mortality rates for both the PLD and SET OPEB plans were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2020 valuations for both the PLD and SET OPEB plans were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

The long-term expected rate of return on both the PLD and SET OPEB plan investments was determined using a building-block method which best estimates ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
US Government Securities	10.0%	2.3%

Discount Rate - The rate used to measure the net OPEB liability for the PLD OPEB plans and the SET OPEB plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS – GROUP TERM LIFE INSURANCE, CONTINUED

Sensitivity of the OPEB Liabilities to Changes in the Discount Rates - The following presents the Town’s net OPEB liabilities related to the GTL plans calculated using the discount rate, as well as what the Town’s OPEB liabilities would be if they were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% <u>Decrease</u>	Discount <u>Rate</u>	1% <u>Increase</u>
GTL Consolidated PLD (5.75% - 7.75%)	\$ 177,251	131,608	94,922
GTL Consolidated PLD – Police (5.75% - 7.75%)	27,243	20,228	14,589

OPEB Plan Fiduciary Net Position - Detailed information about the GTL plans’ fiduciary net position is available in a separately issued MPERS financial report.

RETIREMENT PLANS

Defined Contribution Plan

The Town offers its regular employees and certain school employees not participating in the Maine Public Employees Retirement System a defined contribution money purchase plan created in accordance with Internal Revenue Code Section 401(a). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate and are vested from the date of employment.

The Town matches the employees' contribution to the plan up to 7% of compensation for the plan year. For the year ended June 30, 2021, the Town and School’s contributions to the plan totaled \$259,723.

Deferred Compensation Plan

The Town of Cape Elizabeth offers all its employees not participating in Maine Public Employees Retirement System a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets are not included in the Town’s financial statements.

Other

Additionally, the Town participates in the Social Security Retirement Program. The Town's contribution to Social Security (including Medicare) was approximately \$812,578 for the year ended June 30, 2021.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

SUBSEQUENT EVENTS

In October 2021, the Town Council approved a lease purchase agreement through J.P. Morgan of \$1,109,000 at an interest rate not to exceed 1.75% and a term of no more than five years. The agreement will finance several projects and the purchases of various Public Works and Public Safety equipment and vehicles. The transaction closed on October 30, 2021 with an interest rate of 1.34%.

PRIOR PERIOD ADJUSTMENTS AND NEW PRONOUNCEMENT

For the fiscal year ended June 30, 2021, the Town has elected to implement Statement No. 84 of the Government Accounting Standards Board – *Fiduciary Activities*. As a result of implementing GASB Statement No. 84, the School Unit has restated beginning net position of the governmental activities and beginning fund balance in the Nonmajor governmental funds to account for certain activities that were previously reported as fiduciary funds. Net position and fund balance were increased as of July 1, 2020 by \$253,015 related to student activity funds.

TOWN OF CAPE ELIZABETH, MAINE
Required Supplementary Information

Schedule of Town's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
 Last 10 Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PLD Plan							
Town's proportion of the net pension liability	\$ 0.1576%	0.1638%	0.1614%	0.1541%	0.1648%	0.1640%	0.1788%
Town's proportionate share of the net pension liability	626,169	500,824	441,844	631,119	875,619	523,211	275,173
Town's covered payroll	960,397	954,561	887,359	868,191	868,832	807,643	784,698
Town's proportionate share of the net pension liability as a percentage of its covered payroll	65.20%	52.47%	49.79%	72.69%	100.78%	64.78%	35.07%
Plan fiduciary net position as a percentage of the total pension liability	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%
SET Plan							
Town's proportion of the net pension liability	0.0155%	0.0168%	0.0156%	0.0142%	0.0122%	0.0094%	0.0031%
Town's proportionate share of the net pension liability	253,799	245,959	210,392	206,754	215,232	127,262	33,912
State's proportionate share of the net pension liability associated with the Town	17,757,054	15,727,770	14,508,885	15,283,420	18,455,085	14,033,346	11,196,388
Total	\$ 18,010,853	15,973,729	14,719,277	15,490,174	18,670,317	14,160,608	11,230,300
Town's covered payroll	\$ 14,305,002	13,921,211	13,411,866	12,892,814	12,405,910	12,030,288	11,642,925
Town's proportionate share of the net pension liability as a percentage of its covered payroll	1.77%	1.77%	1.57%	1.35%	1.73%	1.06%	0.29%
Plan fiduciary net position as a percentage of the total pension liability	81.03%	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

* Only seven years of information available.

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

TOWN OF CAPE ELIZABETH, MAINE
Required Supplementary Information, Continued

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PLD Plan							
Contractually required contribution	\$ 108,151	101,802	100,229	89,623	79,005	77,326	67,035
Contributions in relation to the contractually required contribution	(108,151)	(101,802)	(100,229)	(89,623)	(79,005)	(77,326)	(67,035)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
Town's covered payroll	1,001,398	960,397	954,561	887,359	868,191	868,832	807,643
Contributions as a percentage of covered payroll	10.80%	10.60%	10.50%	10.10%	9.10%	8.90%	8.30%
SET Plan							
Contractually required contribution	\$ 628,521	595,088	552,673	532,452	433,199	416,839	318,802
Contributions in relation to the contractually required contribution	(628,521)	(595,088)	(552,673)	(532,452)	(433,199)	(416,839)	(318,802)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
Town's covered payroll	15,108,404	14,305,002	13,921,211	13,411,866	12,892,814	12,405,910	12,030,288
Contributions as a percentage of covered payroll	4.16%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%
Withdrawn PLD Plan							
Actuarially determined contributions**	\$ 67,920	71,184	92,652	83,508	97,368	123,252	181,236
Contributions in relation to the actuarially required contribution	(67,920)	(71,184)	(92,652)	(83,508)	(97,368)	(123,252)	(181,236)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
Town's covered payroll	\$ -	-	-	-	6,181	44,264	104,158
Contributions as a percentage of covered payroll	n/a	n/a	n/a	n/a	1575%	278%	174%

* Only seven years of information available.

** Amount includes a "catch up" monthly amount to fully fund the IUUAL. There is no payroll associated with the withdrawn plan as all employees have retired as of FY 2017.

TOWN OF CAPE ELIZABETH, MAINE
Required Supplementary Information, Continued

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 37,420	31,645	35,515	34,179
Interest	22,175	40,409	35,814	35,047
Changes of benefit terms	-	(18,715)	-	-
Differences between expected and actual experience	-	(242,510)	-	71,685
Changes of assumptions or other inputs	52,487	31,057	(91,594)	(1,774)
Benefit payments	(15,620)	(32,029)	(30,797)	(22,308)
Net change in total OPEB Liability	<u>96,462</u>	<u>(190,143)</u>	<u>(51,062)</u>	<u>116,829</u>
Total OPEB liability - beginning	<u>779,659</u>	<u>969,802</u>	<u>1,020,864</u>	<u>904,035</u>
Total OPEB liability - ending	\$ <u>876,121</u>	<u>779,659</u>	<u>969,802</u>	<u>1,020,864</u>
Covered-employee payroll	\$ 3,213,430	3,213,430	2,910,545	2,910,545
Total OPEB liability as a percent of covered-employee payroll	27.3%	24.3%	33.32%	35.07%

*Only four years of information available.

TOWN OF CAPE ELIZABETH, MAINE
Required Supplementary Information, Continued

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability			
Service cost	\$ 46,578	39,502	42,076
Interest	139,517	143,849	136,774
Changes of benefit terms	(490,092)	-	-
Differences between expected and actual experience	(174,385)	-	-
Changes of assumptions or other inputs	1,049,802	214,072	(166,844)
Benefit payments	<u>(155,924)</u>	<u>(114,952)</u>	<u>(110,979)</u>
Net change in total OPEB Liability	415,496	282,471	(98,973)
Total OPEB liability - beginning	<u>4,016,916</u>	<u>3,734,445</u>	<u>3,833,418</u>
Total OPEB liability - ending	\$ <u>4,432,412</u>	<u>4,016,916</u>	<u>3,734,445</u>
Covered-employee payroll	\$ 11,182,589	12,072,954	11,749,834
Total OPEB liability as a percent of covered-employee payroll	39.6%	33.3%	31.8%

*Only three years of information available.

TOWN OF CAPE ELIZABETH, MAINE
Required Supplementary Information, Continued

Schedule of Changes in the Town's Net Pension Liability and Related Ratios
Withdrawn PLD
Last 10 Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability							
Service cost	\$ -	-	-	4,011	12,145	12,215	18,040
Interest	327,293	341,154	369,327	378,925	419,966	446,047	476,464
Differences between expected and actual experience	148,241	23,909	(164,758)	69,878	(267,896)	(258,728)	(312,353)
Changes in assumptions	-	-	48,418	-	49,534	59,714	-
Benefit payments including refunds & employee contributions	(579,720)	(561,417)	(579,878)	(596,658)	(582,633)	(552,867)	(545,068)
Net change in total pension Liability	(104,186)	(196,354)	(326,891)	(143,844)	(368,884)	(293,619)	(362,917)
Total pension liability - beginning	\$ 5,133,906	\$ 5,330,260	5,657,151	5,800,995	6,169,879	6,463,498	6,826,415
Total pension liability - ending (a)	\$ 5,029,720	\$ 5,133,906	5,330,260	5,657,151	5,800,995	6,169,879	6,463,498
Plan Fiduciary Net Position							
Contributions - Employer	71,184	92,652	83,484	97,368	123,168	181,126	114,468
Contributions - Employee	-	-	-	402	2,877	6,770	9,199
Net investment income	129,115	303,586	468,472	582,166	10,948	98,648	836,690
Benefit payments, including refunds of employee contributions	(579,720)	(561,417)	(579,878)	(596,658)	(582,633)	(552,867)	(545,068)
Administration expense	(4,457)	(4,707)	(4,560)	(577)	(4,473)	(4,912)	(4,252)
Net change in plan fiduciary position	(383,878)	(169,886)	(32,482)	82,701	(450,113)	(271,235)	411,037
Plan fiduciary net position - beginning	\$ 4,727,121	\$ 4,897,007	4,929,489	4,846,788	5,296,901	5,568,136	5,157,099
Plan fiduciary net position - ending (b)	\$ 4,343,243	\$ 4,727,121	4,897,007	4,929,489	4,846,788	5,296,901	5,568,136
Town's net pension liability - ending (a) - (b)	\$ 686,477	\$ 406,785	433,253	727,662	954,207	872,978	895,362
Plan fiduciary net position as a percentage of the total pension liability	86.35%	92.08%	91.87%	87.14%	83.55%	85.85%	86.15%
Covered-employee payroll	-	-	-	-	6,181	44,264	104,158
Town's net pension liability as a percent of covered-employee payroll	0%	0%	0%	0%	15438%	1972%	860%

*Only seven years of information available.

TOWN OF CAPE ELIZABETH, MAINE
Required Supplementary Information, Continued

Schedule of Town's Proportionate Share of the Net OPEB Liability
Last 10 Fiscal Years*

<u>PLD OPEB Plan</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.9976%	1.0559%	1.0810%	1.1313%
Town's proportionate share of the net OPEB liability	\$ 131,608	225,938	218,382	189,451
Town's covered employee payroll	2,179,793	2,060,021	1,073,935	1,073,935
Town's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	6.04%	10.97%	20.33%	17.64%
Plan fiduciary net position as a percentage of the total OPEB liability	55.40%	43.18%	78.32%	47.42%
<u>PLD OPEB Plan - Police</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.1533%	0.1261%	0.1013%	0.0931%
Town's proportionate share of the net OPEB liability	\$ 20,228	26,975	20,465	15,564
Town's covered-employee payroll	1,080,592	791,459	422,252	422,252
Town's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	1.87%	3.41%	4.85%	3.69%
Plan Fiduciary net position as a percentage of the total OPEB liability	55.40%	43.18%	78.32%	47.42%
<u>SET OPEB Plan</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0%	0%	0%	0%
Town's proportion share of the net OPEB liability	\$ -	-	-	-
State's proportionate share of the net OPEB liability associated with the Town	553,215	533,316	516,881	485,775
Total	\$ 553,215	533,316	516,881	485,775
Plan fiduciary net position as a percentage of the total OPEB liability	49.51%	49.22%	92.46%	47.29%

* Only four years of information available.

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

TOWN OF CAPE ELIZABETH, MAINE
Required Supplementary Information, Continued

Schedule of Town Contributions – OPEB

Last 10 Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>PLD OPEB Plan</u>				
Contractually required contribution	\$ 11,243	7,999	6,890	8,364
Contributions in relation to the contractually required contribution	(11,243)	(7,999)	(6,890)	(8,364)
Contribution deficiency (excess)	\$ -	-	-	-
Town's covered employee payroll	3,073,508	2,179,793	2,060,021	1,041,139
Contributions as a percentage of covered payroll	0.37%	0.37%	0.33%	0.80%
<u>PLD OPEB Plan - Police</u>				
Contractually required contribution	1,728	3,208	2,581	2,731
Contributions in relation to the contractually required contribution	(1,728)	(3,208)	(2,581)	(2,731)
Contribution deficiency (excess)	\$ -	-	-	-
Town's covered-employee payroll	\$ 582,065	1,080,592	791,459	425,455
Contributions as a percentage of covered payroll	0.30%	0.30%	0.33%	0.64%

* Only four years of information available.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Required Supplementary Information

Net Pension Liability

Changes of Benefit Terms - None

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

PLD Plan	<u>2021</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate - PLD	6.75%	6.75%	6.875%	7.125%	7.25%
Inflation rate - PLD	2.75%	2.75%	2.75%	3.50%	3.50%
Salary increases - PLD	2.75 + merit	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%
Cost of living increases - PLD	1.91%	2.20%	2.20%	2.55%	2.55%

SET Plan

Discount rate - SET	6.75%	6.75%	6.875%	7.125%	7.125%
Inflation Rate	2.75%	2.75%	2.75%	3.50%	3.50%
Salary increases - SET	2.75 + merit	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%
Cost of living increases - SET	2.20%	2.20%	2.20%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table.

Withdrawn PLD Plan

Mortality rates:

In 2016 through 2019, mortality rates were based on the RP 2014 Total Data Set Healthy Annuitant Mortality Table.

In 2020, mortality rates were based on the RP-2014 total data set projected using the RPEC 2015 model with ultimate rate of 0.85% at 2020.

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

TOWN OF CAPE ELIZABETH, MAINE
Notes to Required Supplementary Information, continued

Total OPEB Liabilities - Health Insurance

MMEHT Health Plan

Changes of Benefit Terms - None

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

	<u>2021</u>	<u>2020</u>	<u>2018</u>	<u>2017</u>
Discount rate	2.12%	2.74%	4.10%	3.440%

MEABT Health Plan

Changes of Benefit Terms

In 2020, the plan switched its Medicare Companion plan to a Medicare Advantage plan.

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

	<u>2021</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	2.21%	3.50%	3.87%	3.580%

Net OPEB Liabilities - Group Term Life Insurance

Changes of Benefit Terms - None

Changes of Assumptions - None

<u>Discount Rate</u>	<u>2021</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Consolidated PLD - Town	6.75%	4.98%	5.13%	5.41%
Consolidated PLD - Police	6.75%	4.98%	5.13%	5.41
State and Teacher's Plan	6.75%	6.75%	6.75%	6.875%

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

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS**

GENERAL FUND

The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. Most governmental services are provided by the General Fund including general government, public works, public safety, education, recreation, health and welfare, and assessments from other governmental agencies.

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Comparative Balance Sheets
For The Year Ended June 30, 2021

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 14,863,189	13,526,881
Accounts receivable	254,316	309,402
Due from other governments	296,216	-
Ambulance receivables, net of allowance of \$12,030 and \$6,649	58,849	44,649
Taxes receivable - current year	90,578	241,248
Taxes receivable - prior years	293	-
Tax liens	15,909	9,600
Prepaid expenditures	62,909	3,234
Total assets	15,642,259	14,135,014
LIABILITIES		
Accounts payable and other current liabilities	1,111,231	604,787
Accrued payroll and benefits	2,998,276	2,937,941
Taxes collected in advance	5,778	720
Unearned revenue	317,885	120,076
Interfund loans payable	1,829,553	2,133,770
Total liabilities	6,262,723	5,797,294
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	73,000	151,600
Total deferred inflows of resources	73,000	151,600
FUND BALANCE		
Nonspendable	62,909	3,234
Restricted:		
Town grants and donations	4,825	2,500
School Department General Fund	2,477,936	1,541,397
Assigned	2,266,263	2,019,100
Unassigned	4,494,603	4,619,889
Total fund balance	9,306,536	8,186,120
Total liabilities, deferred inflows of resources, and fund balance	\$ 15,642,259	14,135,014

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2021

	2021			Variance positive (negative)	2020 Actual
	Original Budget	Revised budget	Actual		
Revenues:					
Taxes:					
Property taxes	\$ 34,658,120	34,658,120	34,658,120	-	33,936,812
Supplemental taxes	-	-	29,617	29,617	122,794
Change in deferred taxes	-	-	78,600	78,600	(28,400)
Excise taxes	2,116,100	2,116,100	2,557,069	440,969	2,263,813
Interest and costs on taxes	32,000	32,000	33,244	1,244	22,592
Total taxes	36,806,220	36,806,220	37,356,650	550,430	36,317,611
Licenses and permits:					
Auto registration fees	28,000	28,000	25,862	(2,138)	25,631
Building, electrical and plumbing fees	190,000	190,000	333,328	143,328	220,758
Town clerk fees	14,000	14,000	10,695	(3,305)	10,620
Total licenses and permits	232,000	232,000	369,885	137,885	257,009
Intergovernmental:					
State revenue sharing	750,000	838,693	929,236	90,543	655,048
Education - state subsidies	1,734,364	1,734,364	1,731,960	(2,404)	1,773,718
State agency clients	6,000	6,000	-	(6,000)	3,916
D.O.T. block grant	80,000	80,000	74,440	(5,560)	79,664
BETE reimbursement	15,450	15,450	15,504	54	12,879
Homestead revenue	616,046	616,046	616,046	-	468,384
Federal grants-capital contributions	-	115,000	130,315	15,315	36,660
Federal grants-public safety	-	20,402	12,124	(8,278)	2,548
Other intergovernmental - town	121,900	121,900	127,355	5,455	61,215
Other intergovernmental - school	8,085	8,085	4,325	(3,760)	9,357
Total intergovernmental	3,331,845	3,555,940	3,641,305	85,365	3,103,389
Charges for services:					
Community services programs	1,308,000	1,308,000	758,185	(549,815)	903,855
Community services pool fees	260,000	260,000	175,451	(84,549)	215,425
Refuse disposal	72,000	72,000	67,180	(4,820)	60,554
Rescue	300,000	300,000	270,896	(29,104)	-
School department services	64,000	64,000	40,275	(23,725)	57,875
Library fines and fees	150	150	5,158	5,008	336
Parking revenue	325,000	325,000	355,935	30,935	293,322
Police specials and fees	17,600	17,600	7,009	(10,591)	18,443
Total charges for services	2,346,750	2,346,750	1,680,089	(666,661)	1,549,810
Other revenues:					
Cable television franchise	150,000	150,000	156,216	6,216	156,213
Miscellaneous donations	-	3,673	1,400	(2,273)	1,600
School department miscellaneous	6,500	6,500	94,667	88,167	19,190
Miscellaneous	18,990	18,990	94,819	75,829	51,156
Total other revenues	175,490	179,163	347,102	167,939	228,159
Investment income:					
Investment earnings	50,000	50,000	60,126	10,126	185,748
Total investment income	50,000	50,000	60,126	10,126	185,748
Total revenues	42,942,305	43,170,073	43,455,157	285,084	41,641,726

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2021			Variance positive (negative)	2020 Actual
	Original Budget	Revised budget	Actual		
Expenditures:					
Current:					
General government:					
Administration	\$ 826,385	829,385	776,839	52,546	752,205
Assessing, codes and planning	421,576	440,460	408,363	32,097	385,000
Town council	500	500	250	250	95
Legal and audit	115,000	115,000	63,578	51,422	111,695
Elections	77,180	112,180	84,159	28,021	31,071
Boards and commissions	21,006	21,006	7,285	13,721	9,535
Public information	72,293	76,293	76,072	221	64,724
Total general government	1,533,940	1,594,824	1,416,546	178,278	1,354,325
Insurance and benefits					
Insurance	128,000	128,000	124,970	3,030	114,846
Employee benefits	1,654,000	1,654,000	1,521,135	132,865	1,524,489
Total insurance and benefits	1,782,000	1,782,000	1,646,105	135,895	1,639,335
Public safety:					
Police department	1,576,686	1,601,686	1,424,899	176,787	1,433,701
Animal control	26,718	26,718	27,716	(998)	26,473
Public safety communications	213,188	213,188	205,897	7,291	198,307
WETeam	28,565	28,565	24,580	3,985	18,922
Fire department	667,978	667,978	673,777	(5,799)	582,672
Rescue	642,117	642,117	567,457	74,660	-
Miscellaneous public protection	185,564	185,564	174,751	10,813	171,824
Emergency preparedness	6,952	6,952	6,627	325	4,915
Total public safety	3,347,768	3,372,768	3,105,704	267,064	2,436,814
Public works:					
General public works	1,421,320	1,411,947	1,295,205	116,742	1,360,977
Refuse disposal/recycling	625,205	625,205	582,680	42,525	547,703
Total public works	2,046,525	2,037,152	1,877,885	159,267	1,908,680
Facilities:					
Facilities and property management	315,869	315,869	286,701	29,168	312,570
Town hall maintenance	22,000	22,000	23,541	(1,541)	20,031
Library building	44,664	44,664	22,469	22,195	39,330
Town center fire station	22,960	22,960	23,554	(594)	24,203
Community center building	130,751	130,751	102,397	28,354	90,942
Donald Richards pool facility	252,203	252,203	147,957	104,246	155,047
Cape cottage fire station	6,735	6,735	6,377	358	4,704
Police station	67,462	67,462	67,204	258	30,864
Total facilities	862,644	862,644	680,200	182,444	677,691
Culture and parks:					
Community services	1,427,100	1,427,100	997,021	430,079	1,163,697
Fort Williams park	113,463	113,463	61,222	52,241	-
Parks and grounds	573,905	594,457	508,914	85,543	533,317
Total cultural and parks	2,114,468	2,135,020	1,567,157	567,863	1,697,014
Library	558,948	564,948	485,447	79,501	530,408
Human services	137,200	137,200	62,712	74,488	99,089

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2021			Variance positive (negative)	2020 Actual
	Original Budget	Revised budget	Actual		
Expenditures, continued					
Current, continued:					
Education:					
Regular instruction	13,637,620	13,637,620	13,565,041	72,579	12,572,241
Special education instruction	3,830,113	3,830,113	3,499,888	330,225	3,393,677
Other instruction	993,516	993,516	713,563	279,953	788,120
Student and staff support	3,186,968	3,186,968	2,781,137	405,831	2,684,162
System administration	815,328	815,328	813,281	2,047	720,984
School administration	1,275,047	1,275,047	1,268,414	6,633	1,168,189
Transportation	891,624	891,624	723,321	168,303	738,959
Facilities maintenance	3,284,496	3,284,496	3,217,343	67,153	3,030,652
Other		-	-	-	5,843
Debt service	454,800	454,800	454,800	-	470,200
Total education	28,369,512	28,369,512	27,036,788	1,332,724	25,573,027
Intergovernmental and overlay:					
Overlay and abatements	216,478	216,478	17,746	198,732	41,767
County assessment	1,518,473	1,518,473	1,518,473	-	1,456,670
Other assessments	32,209	32,209	29,902	2,307	32,209
Total intergovernmental and overlay	1,767,160	1,767,160	1,566,121	201,039	1,530,646
Unclassified:					
Contributions	105,500	105,500	90,191	15,309	80,204
Grants	-	258,299	247,618	10,681	60,114
Total unclassified	105,500	363,799	337,809	25,990	140,318
Capital improvements:					
PD cruiser replacement	93,400	96,063	-	96,063	43,837
Roadway and drainage	300,000	213,412	210,431	2,981	613,197
Spurwink school improvements	-	-	-	-	13,000
Sidewalk improvements	220,000	136,726	33,892	102,834	31,095
PW front-end loader	-	-	-	-	176,309
Facilities generator/back up	-	-	-	-	140,553
FD EMC server	-	-	-	-	34,631
Willowbrook culvert engineering	-	47,698	15,644	32,054	17,302
FD upgrades	-	-	-	-	73,156
Facilities equipment	-	6,326	-	6,326	2,216
Library improvements	-	77,198	-	77,198	800
Greenbelt trail improvements	-	27,557	25,218	2,339	-
Assessing - revaluation	-	22,943	700	22,243	34,057
Pool repairs and improvements	-	-	-	-	45,003
Town center building repairs	-	10,667	1,500	9,167	24,833
PW equipment	-	7,721	7,721	-	-
Pubic works building repairs	-	57,326	2,275	55,051	3,174
Police station upgrades	-	-	-	-	5,723
Shore Rd. prelim engineering/design	-	1,652	1,652	-	-
PD equipment	175,900	175,900	271,486	(95,586)	37,718
Town Hall repairs	-	45,400	6,033	39,367	-

continued

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2021			Variance positive (negative)	2020 Actual
	Original Budget	Revised budget	Actual		
Capital improvements:					
CC pool repairs	\$ -	57,000	8,650	48,350	-
CC rental building repairs	20,000	20,000	2,000	18,000	9,046
MS athletic field access	-	-	-	-	61,625
Fort Williams improvements	-	8,000	-	8,000	28,827
Tool carrier replacement	180,000	168,565	168,565	-	-
Rotary mower replacement	14,000	14,000	11,803	2,197	48,564
Comprehensive plan	-	3,121	3,121	-	697
Park furnace replacement	-	3,931	-	3,931	-
Fort Williams building painting	-	14,725	5,500	9,225	5,375
Fort Williams building exterior	-	17,609	-	17,609	91
Community services upgrades	-	-	-	-	6,800
Spurwink river boardwalk	-	37,000	-	37,000	-
Hill way and Scott Dyer improvements	-	-	-	-	624,696
Culvert assessments	-	4,980	-	4,980	-
Sidewalk Rte 77/MDOT grant	-	81,920	-	81,920	-
Scott Dyer Rd. phase 3	110,000	272,175	264,174	8,001	642,773
FD replace ladder truck	-	-	-	-	990,075
Fort Williams central lot	-	14,773	-	14,773	-
Communication tower	375,000	481,435	127,849	353,586	-
CS utility van	14,000	14,000	-	14,000	-
Kettle Cove road drainage	30,000	30,000	20,094	9,906	-
High school tennis court coatings	40,000	40,000	39,875	125	-
High school track shim/coatings	65,000	65,000	63,000	2,000	-
Tennis court coatings	15,000	15,000	11,500	3,500	-
Hannaford turf field replacement	600,000	600,000	583,123	16,877	-
Fort Williams building 324 repair	29,000	29,000	-	29,000	-
PD kitchen	10,500	10,500	-	10,500	-
Middle school ADA improvements	67,000	85,495	85,495	-	-
Village green	-	20,198	20,198	-	-
Total capital improvements	2,358,800	3,035,016	1,991,499	1,043,517	3,715,173
Debt service (excluding School Department)					
Principal and interest payments	1,596,335	1,596,335	1,573,078	23,257	2,750,416
Total debt service	1,596,335	1,596,335	1,573,078	23,257	2,750,416
Total expenditures	46,580,800	47,618,378	43,347,051	4,271,327	44,052,936
Excess (deficiency) of revenues over (under) expenditures	(3,638,495)	(4,448,305)	108,106	4,556,411	(2,411,210)
Other financing sources (uses):					
Proceeds from financed purchase	1,035,100	1,035,100	1,035,000	(100)	225,000
Refunding bonds issued	-	-	-	-	880,000
Premium on refunding bonds issued	-	-	-	-	164,372
Transfers in	631,252	631,252	431,267	(199,985)	416,868
Transfers out	(446,957)	(446,957)	(453,957)	(7,000)	(167,452)
Carryforward balances and subsequent authorizations	-	809,810	-	(809,810)	-
Utilization of prior year surplus - School Department	400,000	400,000	-	(400,000)	-
Utilization of prior year surplus - Town	2,019,100	2,019,100	-	(2,019,100)	-
Total other financing sources (uses)	3,638,495	4,448,305	1,012,310	(3,435,995)	1,518,788
Net change in fund balance	-	-	1,120,416	1,120,416	(892,422)
Reconciliation to GAAP:					
Change in encumbrances			-		(5,841)
Fund balance, beginning of year			8,186,120		9,084,383
Fund balance, ending of year	\$		9,306,536		8,186,120

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF CAPE ELIZABETH, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,453,096	216,138	1,669,234
Investments	954,631	-	954,631
Receivables:			
Accounts receivable	561	7,575	8,136
Due from other governments	348,360	-	348,360
Inventory	112,136	-	112,136
Interfund loans receivable	249,085	953,291	1,202,376
Total assets	3,117,869	1,177,004	4,294,873
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other liabilities	58,751	24,839	83,590
Accrued payroll and benefits	7,808	-	7,808
Unearned revenue - prepaid services	42,963	-	42,963
Interfund loans payable	738,012	21,418	759,430
Total liabilities	847,534	46,257	893,791
Fund balances:			
Nonspendable	87,008	-	87,008
Restricted	595,018	231,285	826,303
Committed	2,127,544	88,563	2,216,107
Assigned	-	832,317	832,317
Unassigned	(539,235)	(21,418)	(560,653)
Total fund balances	2,270,335	1,130,747	3,401,082
Total liabilities and fund balances	\$ 3,117,869	1,177,004	4,294,873

TOWN OF CAPE ELIZABETH, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
Revenues:			
Tax revenue	\$ -	85,278	85,278
Intergovernmental	2,905,227	-	2,905,227
Charges for services:			
Building and park rentals and fees	350	266,277	266,627
Lot sales and fees	70,514	21,650	92,164
Donations	-	20,000	20,000
School programs	4,406	-	4,406
School lunch	28,506	-	28,506
Lighthouse admissions	16,616	-	16,616
Lighthouse gift shop sales	254,970	-	254,970
Fees and services	1,097	-	1,097
Local grants and contributions	252,668	-	252,668
Miscellaneous	84,951	-	84,951
Investment income	305,363	1,499	306,862
Total revenues	3,924,668	394,704	4,319,372
Expenditures:			
Current:			
Public safety	1,899	-	1,899
Education	2,902,347	-	2,902,347
School lunch	703,823	-	703,823
Culture and parks	405,583	87,760	493,343
Library	83,268	-	83,268
Facilities	9,390	-	9,390
Human services	5,050	-	5,050
Capital outlay	6,455	274,695	281,150
Total expenditures	4,117,815	362,455	4,480,270
Excess (deficiency) of revenues over (under) expenditures	(193,147)	32,249	(160,898)
Other financing sources (uses):			
Proceeds from note payable	-	79,930	79,930
Proceeds from financed purchases	-	100,379	100,379
Transfers from other funds	114,500	45,969	160,469
Transfers to other funds	(73,812)	(300,967)	(374,779)
Total other financing sources (uses)	40,688	(74,689)	(34,001)
Net change in fund balances	(152,459)	(42,440)	(194,899)
Fund balances, beginning of year, restated	2,422,794	1,173,187	3,595,981
Fund balances, end of year	\$ 2,270,335	1,130,747	3,401,082

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for resources obtained and expended for specific purposes that are restricted or committed by law or administrative actions.

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

	School Grants and Other Programs	School Lunch Program	Student Activities	Portland Head Light	Other Town Programs	Riverside Perpetual Care	Library Fund	Libby Bequest	Fire Department Scholarships	Public Safety Funds	PD Donations	Thomas Jordan Fund	Spurwink Church Fund	Totals
ASSETS														
Cash and cash equivalents	\$ -	-	203,416	1,450	-	441,945	290,660	56,149	20,847	14,031	-	424,359	239	1,453,096
Investments	-	-	-	-	-	-	-	-	-	-	-	954,631	-	954,631
Accounts receivable	-	-	-	561	-	-	-	-	-	-	-	-	-	561
Due from other governments	317,255	31,105	-	-	-	-	-	-	-	-	-	-	-	348,360
Inventory	-	25,128	-	87,008	-	-	-	-	-	-	-	-	-	112,136
Interfund loans receivable	-	-	-	237,557	2,747	-	-	-	3,740	340	4,701	-	-	249,085
Total assets	317,255	56,233	203,416	326,576	2,747	441,945	290,660	56,149	24,587	14,371	4,701	1,378,990	239	3,117,869
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts payable	14,947	2,628	-	35,805	-	1,530	3,682	-	-	-	-	-	159	58,751
Accrued payroll and benefits	5,489	-	-	1,811	-	508	-	-	-	-	-	-	-	7,808
Unearned revenue	-	42,613	-	-	-	-	-	-	-	-	-	-	350	42,963
Interfund loans payable	238,467	499,545	-	-	-	-	-	-	-	-	-	-	-	738,012
Total liabilities	258,903	544,786	-	37,616	-	2,038	3,682	-	-	-	-	-	509	847,534
Fund balances:														
Nonspendable	-	-	-	87,008	-	-	-	-	-	-	-	-	-	87,008
Restricted	16,440	-	203,416	-	2,747	-	286,978	56,149	24,587	-	4,701	-	-	595,018
Committed	92,324	-	-	201,952	-	439,907	-	-	-	14,371	-	1,378,990	-	2,127,544
Unassigned	(50,412)	(488,553)	-	-	-	-	-	-	-	-	-	-	(270)	(539,235)
Total fund balances (deficits)	58,352	(488,553)	203,416	288,960	2,747	439,907	286,978	56,149	24,587	14,371	4,701	1,378,990	(270)	2,270,335
Total liabilities and fund balances	\$ 317,255	56,233	203,416	326,576	2,747	441,945	290,660	56,149	24,587	14,371	4,701	1,378,990	239	3,117,869

TOWN OF CAPE ELIZABETH, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021

	School Grants and Other Programs	School Lunch Program	Student Activities	Portland Head Light	Other Town Programs	Riverside Perpetual Care	Library Fund	Libby Bequest	Fire Department Scholarships	Public Safety Funds	PD Donations	Thomas Jordan Fund	Spurwink Church Fund	Totals
Revenues:														
Intergovernmental	\$ 2,643,281	259,945	-	-	2,001	-	-	-	-	-	-	-	-	2,905,227
Charges for services:														
Building and park rentals and fees	-	-	-	-	-	-	-	-	-	-	-	-	350	350
Lot sales and fees	-	-	-	-	-	70,514	-	-	-	-	-	-	-	70,514
School programs	4,406	-	-	-	-	-	-	-	-	-	-	-	-	4,406
School lunch	-	28,506	-	-	-	-	-	-	-	-	-	-	-	28,506
Lighthouse admissions	-	-	-	16,616	-	-	-	-	-	-	-	-	-	16,616
Lighthouse gift shop sales	-	-	-	254,970	-	-	-	-	-	-	-	-	-	254,970
Fees and services	-	-	-	-	-	-	1,097	-	-	-	-	-	-	1,097
Local grants and contributions	6,240	5,500	155,003	-	-	-	80,455	-	370	-	5,100	-	-	252,668
Miscellaneous	-	61,830	-	3,702	-	-	5,065	-	-	14,354	-	-	-	84,951
Investment income	-	-	-	-	-	3,195	2,143	114	146	17	-	299,689	59	305,363
Total revenues	2,653,927	355,781	155,003	275,288	2,001	73,709	88,760	114	516	14,371	5,100	299,689	409	3,924,668
Expenditures:														
Current:														
Public safety	-	-	-	-	-	-	-	-	1,500	-	399	-	-	1,899
Education	2,723,316	-	179,031	-	-	-	-	-	-	-	-	-	-	2,902,347
School lunch	-	703,823	-	-	-	-	-	-	-	-	-	-	-	703,823
Culture and parks:														
Portland Head Light - operations and staff	-	-	-	220,201	-	-	-	-	-	-	-	-	-	220,201
Portland Head Light - gift shop costs	-	-	-	146,367	-	-	-	-	-	-	-	-	-	146,367
Cemetery maintenance	-	-	-	-	-	39,015	-	-	-	-	-	-	-	39,015
Library	-	-	-	-	-	-	66,021	17,247	-	-	-	-	-	83,268
Facilities:														
Spurwink church	-	-	-	-	-	-	-	-	-	-	-	-	9,390	9,390
Human services	-	-	-	-	-	-	-	-	-	-	-	5,050	-	5,050
Capital outlay	-	-	-	5,070	-	1,385	-	-	-	-	-	-	-	6,455
Total expenditures	2,723,316	703,823	179,031	371,638	-	40,400	66,021	17,247	1,500	-	399	5,050	9,390	4,117,815
Other financing sources (uses):														
Transfers from other funds	7,000	105,500	-	-	-	-	2,000	-	-	-	-	-	-	114,500
Transfers to other funds	-	-	-	(10,000)	(6,512)	(2,000)	-	-	-	-	-	(55,000)	(300)	(73,812)
Total other sources (uses)	7,000	105,500	-	(10,000)	(6,512)	(2,000)	2,000	-	-	-	-	(55,000)	(300)	40,688
Net change in fund balances	(62,389)	(242,542)	(24,028)	(106,350)	(4,511)	31,309	24,739	(17,133)	(984)	14,371	4,701	239,639	(9,281)	(152,459)
Fund balances (deficits), beginning of year, restated	120,741	(246,011)	227,444	395,310	7,258	408,598	262,239	73,282	25,571	-	-	1,139,351	9,011	2,422,794
Fund balances (deficits), end of year	\$ 58,352	(488,553)	203,416	288,960	2,747	439,907	286,978	56,149	24,587	14,371	4,701	1,378,990	(270)	2,270,335

NONMAJOR GOVERNMENTAL FUND

CAPITAL PROJECT FUNDS

Capital project funds are established to account for resources obtained and expended for the acquisition of major capital facilities.

TOWN OF CAPE ELIZABETH, MAINE
Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2021

	Riverside Cemetery Capital Improvements	Tax Increment Financing	School Projects	Town Bonded Projects	Land Acquisition	Infrastructure Improvement	Turf Field	Fort Williams Park	Total
ASSETS									
Cash and cash equivalents	\$ 216,138	-	-	-	-	-	-	-	216,138
Accounts receivable	-	-	-	-	-	-	-	7,575	7,575
Interfund loans receivable	-	231,285	-	-	63,563	411,153	25,000	222,290	953,291
Total assets	216,138	231,285	-	-	63,563	411,153	25,000	229,865	1,177,004
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	-	-	-	-	-	-	-	15,827	15,827
Security deposits	-	-	-	-	-	-	-	9,012	9,012
Interfund loans payable	-	-	21,418	-	-	-	-	-	21,418
Total liabilities	-	-	21,418	-	-	-	-	24,839	46,257
Fund balances:									
Restricted	-	231,285	-	-	-	-	-	-	231,285
Committed	-	-	-	-	63,563	-	25,000	-	88,563
Assigned	216,138	-	-	-	-	411,153	-	205,026	832,317
Unassigned	-	-	(21,418)	-	-	-	-	-	(21,418)
Total fund balances (deficits)	216,138	231,285	(21,418)	-	63,563	411,153	25,000	205,026	1,130,747
Total liabilities and fund balances	\$ 216,138	231,285	-	-	63,563	411,153	25,000	229,865	1,177,004

TOWN OF CAPE ELIZABETH, MAINE
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021

	Riverside Cemetery Capital Improvements	Tax Increment Financing	School Projects	Town Bonded Projects	Land Acquisition	Infrastructure Improvement	Turf Field	Fort Williams Park	Total
Revenues:									
Tax revenue	\$ -	85,278	-	-	-	-	-	-	85,278
Building and other fees	-	-	-	-	6,729	100,874	-	158,674	266,277
Cemetery lot sales	21,650	-	-	-	-	-	-	-	21,650
Donations	-	-	-	-	-	-	-	20,000	20,000
Investment income	1,499	-	-	-	-	-	-	-	1,499
Total revenues	23,149	85,278	-	-	6,729	100,874	-	178,674	394,704
Expenditures:									
Current:									
Culture and parks	-	-	-	-	-	-	-	87,760	87,760
Capital outlay	-	-	155,629	-	1,876	-	-	117,190	274,695
Total expenditures	-	-	155,629	-	1,876	-	-	204,950	362,455
Other financing sources (uses):									
Proceeds from note payable	-	-	79,930	-	-	-	-	-	79,930
Proceeds from financed purchases	-	-	100,379	-	-	-	-	-	100,379
Transfers from other funds	-	-	-	-	16,457	-	25,000	4,512	45,969
Transfers to other funds	-	-	-	(26,052)	-	-	(274,915)	-	(300,967)
Total other financing sources (uses)	-	-	180,309	(26,052)	16,457	-	(249,915)	4,512	(74,689)
Net change in fund balances	23,149	85,278	24,680	(26,052)	21,310	100,874	(249,915)	(21,764)	(42,440)
Fund balances, beginning of year	192,989	146,007	(46,098)	26,052	42,253	310,279	274,915	226,790	1,173,187
Fund balances (deficits), end of year	\$ 216,138	231,285	(21,418)	-	63,563	411,153	25,000	205,026	1,130,747

SCHEDULES

TOWN OF CAPE ELIZABETH, MAINE
School Department - General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2021

	2021			Variance positive (negative)	2020 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Town appropriation	\$ 26,271,063	26,271,063	26,271,063	-	25,091,933
State education subsidy--school	1,734,364	1,734,364	1,731,960	(2,404)	1,773,718
State agency clients	6,000	6,000	-	(6,000)	3,916
Other state funds	8,085	8,085	4,325	(3,760)	9,357
Activity fees	64,000	64,000	39,730	(24,270)	57,875
Rental income	2,000	2,000	545	(1,455)	-
Miscellaneous	4,500	4,500	94,667	90,167	19,190
Total revenues	28,090,012	28,090,012	28,142,290	52,278	26,955,989
Expenditures:					
Current:					
Regular instruction	13,637,620	13,637,620	13,565,041	72,579	12,572,241
Special education instruction	3,830,113	3,830,113	3,499,888	330,225	3,393,677
Other instruction	993,516	993,516	713,563	279,953	788,120
Student and staff support	3,186,968	3,186,968	2,781,137	405,831	2,684,162
System administration	815,328	815,328	813,281	2,047	720,984
School administration	1,275,047	1,275,047	1,268,414	6,633	1,168,189
Transportation	891,624	891,624	723,321	168,303	738,959
Facilities maintenance	3,284,496	3,284,496	3,217,343	67,153	3,030,652
Other	-	-	-	-	5,843
Debt service	454,800	454,800	454,800	-	470,200
Total expenditures	28,369,512	28,369,512	27,036,788	1,332,724	25,573,027
Excess (deficiency) of revenues over (under) expenditures	(279,500)	(279,500)	1,105,502	1,385,002	1,382,962
Other financing sources (uses):					
Utilization of fund balance	400,000	400,000	-	(400,000)	-
Transfer to Athletic Equipment Replacement	-	-	(7,000)	(7,000)	-
Transfer to Turf Field Fund (budgeted in facilities maintenance)	(15,000)	(15,000)	(15,000)	-	(10,000)
Transfer to School Lunch Fund (budgeted in other)	(105,500)	(105,500)	(105,500)	-	(64,538)
Total other financing sources (uses)	279,500	279,500	(127,500)	(407,000)	(74,538)
Net change in fund balance - budgetary basis	-	-	978,002	978,002	1,308,424
Reconciliation to GAAP basis:					
Less: prior year encumbrances			-		(5,841)
Net change in fund balance - GAAP basis			978,002		1,302,583
Fund balance, beginning of year - GAAP basis			1,541,397		238,814
Fund balance, end of year - GAAP basis	\$		2,519,399		1,541,397

TOWN OF CAPE ELIZABETH, MAINE
School Department Special Revenue Funds
School Grants and Other Programs
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021

		Fund balances (deficits) beginning of year	Program revenues	Program expenditures	Transfers	Fund balances (deficits) end of year
State and Federal Programs:						
Title IA	\$	3,656	29,773	29,773	-	3,656
Title IIA		4,340	32,569	32,569	-	4,340
Local entitlement		(290)	202,694	210,028	-	(7,624)
Preschool		-	1,286	1,299	-	(13)
ESSERF #3		-	-	35,683	-	(35,683)
ESSERF #2		-	95,510	95,510	-	-
ESSERF #1		-	23,099	23,099	-	-
Coronavirus relief funds #1		-	1,052,760	1,052,760	-	-
Coronavirus relief funds #2		-	1,148,299	1,148,299	-	-
Coronavirus relief funds - day program		-	57,291	57,291	-	-
MLTI grant		5,968	-	11,608	-	(5,640)
Total state and federal programs		13,674	2,643,281	2,697,919	-	(40,964)
Other Programs:						
Athletic equipment replacement		16,800	-	-	7,000	23,800
C.E. education foundation		2,408	4,537	8,397	-	(1,452)
Cape Olympians		1,467	-	-	-	1,467
Dale Duff grant		500	-	-	-	500
Easement funds		2,274	-	-	-	2,274
Ecomaine art		165	-	-	-	165
H1N1 grant		4,887	-	4,887	-	-
HS greenhouse fund		1,590	-	-	-	1,590
Computer maintenance		22,092	4,406	10,506	-	15,992
MPSA maker space		1,095	-	-	-	1,095
MS agriculture in the classroom		481	-	-	-	481
Outdoor learning grant		-	1,500	1,500	-	-
School gate receipts		47,531	-	-	-	47,531
Special ed workshop		3,704	-	107	-	3,597
Turf field rental		1,404	-	-	-	1,404
Wellness grant		779	-	-	-	779
Flow through grant		(110)	203	-	-	93
Total other programs		107,067	10,646	25,397	7,000	99,316
Total	\$	120,741	2,653,927	2,723,316	7,000	58,352

STATISTICAL INFORMATION

The following statistical tables are provided to give a historical perspective and to assist in assessing the current financial status of the Town. The tables do not provide full financial information for prior years and are provided for supplementary analysis purposes only.

TOWN OF CAPE ELIZABETH, MAINE
Government-wide Expenses by Function
Last Ten Fiscal Years

Fiscal year	General government	Public works	Facilities	Public safety	Human services	Culture, parks, and library	Education	School lunch	Inter-governmental assessments (2)	Unclassified (2)	Sewer	Capital maintenance expenses	Interest on debt	Total
2021	\$ 4,442,930	2,838,502	738,557	3,422,735	67,762	3,130,320	31,962,175	703,823	-	-	1,792,679	-	119,539	49,219,022
2020	4,775,481	2,573,405	727,188	3,259,551	105,739	3,386,848	28,961,953	673,958	-	-	1,672,221	619,457	265,966	47,021,767
2019	4,239,526	2,568,984	750,630	2,880,288	70,751	3,730,768	27,982,396	730,207	-	-	1,582,769	864,640	266,856	45,667,815
2018	3,596,329	3,727,437	691,111	2,670,887	55,521	3,298,199	27,340,392	810,588	-	-	1,576,605	1,036,685	311,536	45,115,290
2017	4,006,432	2,254,680	734,445	2,716,510	53,958	3,192,225	26,290,674	740,240	-	-	1,529,221	420,720	317,950	42,257,055
2016	3,704,929	2,246,236	342,480	2,435,989	83,591	1,668,963	27,132,972	702,972	-	-	1,505,188	459,621	260,985	40,543,926
2015	2,994,466	2,328,806	355,912	2,377,070	61,511	1,602,266	26,181,942	620,153	-	-	1,411,108	515,136	311,373	38,759,743
2014	2,203,480	2,296,460	357,636	2,085,617	61,539	957,257	26,172,500	640,813	1,082,835	966,844	1,387,301	151,479	146,588	38,510,349
2013	1,319,985	2,294,612	334,992	2,039,980	58,466	943,137	24,169,179	630,350	1,019,311	2,195,830	1,495,047	932,659	176,221	37,609,769
2012	1,174,591	2,196,861	291,201	1,984,056	46,245	1,281,201	23,643,004	596,544	1,013,039	2,210,612	1,251,089	954,434	277,245	36,920,122

(2) Intergovernmental assessments and unclassified expenses were reclassified to other functions in 2015.

TOWN OF CAPE ELIZABETH, MAINE
Government-wide Revenues
Last Ten Fiscal Years

Fiscal year	Program Revenues			General Revenues				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions not Restricted to Specific Programs	Unrestricted Investment Earnings	Miscellaneous	Total
2021	\$ 5,166,451	7,784,870	1,336,494	37,363,328	1,688,141	366,988	252,435	53,958,707
2020	5,782,369	5,167,030	36,660	36,415,544	1,197,526	231,904	208,198	49,039,231
2019	5,961,617	4,118,410	53,000	35,071,390	993,964	217,798	326,475	46,742,654
2018	5,833,948	4,878,621	11,145	32,764,038	915,424	174,188	298,598	44,875,962
2017	5,636,885	5,540,255	131,725	31,851,564	717,890	133,304	343,808	44,355,431
2016	5,376,624	5,881,899	627,895	30,532,097	715,532	18,565	329,841	43,482,453
2015	5,276,990	5,322,051	1,041,223	30,029,072	733,544	52,501	248,206	42,703,587
2014	5,458,484	5,071,281	16,158	28,888,688	660,298	134,699	228,934	40,458,542
2013	5,079,106	4,235,013	756,290	27,968,929	902,984	122,110	292,863	39,357,295
2012	4,911,542	5,264,981	-	26,819,699	973,187	58,320	379,976	38,407,705

TOWN OF CAPE ELIZABETH, MAINE
General Fund Expenditures by Function
Budgetary Basis
Last Ten Fiscal Years

Fiscal year	General government (3)	Public works	Facilities	Public safety	Culture, parks, and library	Human services	Education	Intergovernmental assessments	Debt service (1)	Capital improvements	Other expenditures and transfers	Total
2021	\$ 3,062,651	1,877,885	680,200	3,105,704	2,052,604	62,712	27,036,788	1,566,121	1,573,078	1,991,499	791,766	43,801,008
2020	2,993,660	1,908,680	677,691	2,436,814	2,227,422	99,089	25,573,027	1,530,646	2,750,416	3,715,173	307,770	44,220,388
2019	2,952,678	1,788,386	743,482	2,272,065	2,339,514	59,120	24,837,978	1,404,536	1,678,691	1,979,567	484,453	40,540,470
2018	2,601,795	1,724,877	680,809	2,001,665	2,246,150	46,537	24,506,127	1,353,073	1,428,581	1,561,830	317,065	38,468,509
2017	2,537,672	1,596,387	727,644	1,935,217	2,251,089	50,663	23,786,659	1,268,866	1,224,193	893,462	281,470	36,553,322
2016	2,409,010	1,548,041	336,258	1,891,592	998,939	72,977	22,887,223	1,203,042	1,181,063	1,516,755	769,296	34,814,196
2015	2,307,947	1,678,117	349,120	1,865,193	985,897	59,086	22,901,418	1,130,272	900,097	1,343,822	798,958	34,319,927
2014	2,093,378	1,696,555	357,636	1,820,458	957,257	61,539	22,152,487	1,082,835	927,878	853,534	883,370	32,886,927
2013	2,133,127	1,723,157	334,992	1,782,052	943,137	58,466	21,247,797	1,019,311	930,007	2,196,596	625,540	32,994,182
2012	2,015,034	1,643,224	291,201	1,725,819	1,281,201	46,245	20,184,134	1,013,039	1,023,515	1,414,189	396,160	31,033,761

(1) Debt service does not include debt service expenditures for Education related issues, which are included in education.

(3) Includes insurance and benefits.

TOWN OF CAPE ELIZABETH, MAINE
General Fund Revenues by Source
Budgetary Basis
Last Ten Fiscal Years

Fiscal year	Property Taxes	Other taxes	Licenses and permits	Intergovernmental	Charges for services (1)	Investment income	Other Revenues	Transfers and other financing sources	Total
2021	\$ 34,766,337	2,590,313	369,885	3,641,305	1,680,089	60,126	347,102	1,466,267	44,921,424
2020	34,031,206	2,286,405	257,009	3,103,389	1,549,810	185,748	228,159	1,686,240	43,327,966
2019	32,649,369	2,370,221	239,736	2,473,795	1,577,974	167,455	236,475	2,641,293	42,356,318
2018	30,518,873	2,281,765	266,929	3,222,271	1,483,928	70,108	298,598	426,500	38,568,972
2017	29,722,103	2,238,461	289,417	3,506,445	1,412,108	22,729	343,808	-	37,535,071
2016	28,399,890	2,110,207	182,400	4,272,996	160,735	20,225	329,841	-	35,476,294
2015	27,999,747	1,994,325	201,491	3,460,981	196,617	23,408	248,206	315,189	34,439,964
2014	27,079,171	1,850,517	192,108	3,442,636	198,923	13,418	228,934	274,736	33,280,443
2013	26,168,607	1,783,322	154,583	3,648,824	195,942	24,632	292,863	480,000	32,748,773
2012	25,003,996	1,717,703	140,616	3,364,205	389,048	49,116	379,976	3,177,818	34,222,478

(1) In 2017, the Community Services special revenue fund was closed and related revenues were moved to the General Fund.

Table 5

TOWN OF CAPE ELIZABETH, MAINE
Property Tax Rates - All Direct and Overlapping
Last Ten Fiscal Years

Fiscal year end	Direct		Overlapping	Total tax rate	
	Town	Education	County		
2021	\$	2.71	16.33	0.87	19.92
2020		3.28	15.56	0.84	19.68
2019		3.43	14.79	0.80	19.02
2018		4.47	12.74	0.79	18.00
2017		4.40	12.40	0.74	17.54
2016		3.92	12.26	0.70	16.88
2015		3.66	12.47	0.67	16.80
2014		3.66	11.97	0.65	16.28
2013		3.46	11.77	0.61	15.84
2012		3.48	11.10	0.60	15.18

Table 6

TOWN OF CAPE ELIZABETH, MAINE
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal year		Current year's tax levy	Current year's collections	Percent of current levy collected	Current year collections of prior year taxes	Total collections	Tax collections as percent of each year's levy
2021	\$	34,658,120	34,567,542	99.74%	-	34,567,542	99.74%
2020		33,936,812	33,695,564	99.29%	225,200	33,920,764	99.95%
2019		32,659,449	32,515,988	99.56%	133,861	32,649,849	99.97%
2018		30,473,926	30,386,304	99.71%	87,622	30,473,926	100.00%
2017		29,613,103	29,497,849	99.61%	115,254	29,613,103	100.00%
2016		28,406,589	28,268,887	99.52%	137,702	28,406,589	100.00%
2015		28,034,747	27,872,535	99.42%	162,212	28,034,747	100.00%
2014		27,009,057	26,818,436	99.29%	190,621	27,009,057	100.00%
2013		26,179,228	26,012,826	99.36%	166,402	26,179,228	100.00%
2012		25,093,125	24,869,100	99.11%	224,025	25,093,125	100.00%

Note: excludes supplemental taxes, change in unavailable taxes, and the amount raised for the TIF District.

Table 7

TOWN OF CAPE ELIZABETH, MAINE
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years

Fiscal year	Real estate assessed value	Personal property assessed value	Total		Ratio of total assessed value to total estimated actual value
			Assessed value	Estimated actual value (1)	
2021	\$ 1,738,998,400	5,148,100	1,744,146,500	2,275,600,000	76.65%
2020	1,722,738,276	5,226,400	1,727,964,676	2,125,200,000	81.31%
2019	1,709,959,200	6,512,600	1,716,471,800	1,980,850,000	86.65%
2018	1,685,882,700	7,113,200	1,692,995,900	1,915,450,000	88.39%
2017	1,681,526,400	6,791,900	1,688,318,300	1,840,800,000	91.72%
2016	1,676,048,700	6,806,100	1,682,854,800	1,723,250,000	97.66%
2015	1,661,816,800	6,918,100	1,668,734,900	1,685,300,000	99.02%
2014	1,652,277,200	6,755,800	1,659,033,000	1,685,400,000	98.44%
2013	1,646,537,200	6,191,800	1,652,729,000	1,710,750,000	96.61%
2012	1,647,128,000	5,910,500	1,653,038,500	1,789,750,000	92.36%

(1) Estimated actual valuation amounts are the state equalized values published by the Maine Revenue Services, Property Tax Division.

Table 8

**TOWN OF CAPE ELIZABETH, MAINE
Principal Taxpayers
For the Year Ended June 30, 2021**

Name	Assessed valuation	% of total tax commitment
Sprague Corporation	\$ 18,310,500	1.05%
Inn By the Sea	15,580,200	0.89%
Central Maine Power	6,225,900	0.36%
Health Care Property Investors Inc.	5,799,600	0.33%
L & J Downeast Properties LLC	5,349,800	0.31%
Glickman Family Trust	5,239,000	0.30%
1172 LLC	4,789,800	0.27%
Purpoodock Club	4,214,800	0.24%
Stefanie J. Levanson Living Trust	4,055,600	0.23%
Suzanne P. McGinn	3,492,100	0.20%

TOWN OF CAPE ELIZABETH, MAINE
Computation of Legal Debt Margin
For the Year Ended June 30, 2021

Total estimated actual valuation by State			\$ <u>2,427,750,000</u>
Legal debt margin:			
Debt limitation - 15% of estimated actual valuation			364,162,500
Debt applicable to debt limitation:			
Municipal	7.5%	182,081,250	5,463,863
School	10.0%	242,775,000	2,866,777
Storm and sanitary sewers	7.5%	182,081,250	993,392
Airport, water and special districts	3.0%	72,832,500	-
<u>Total</u>	<u>28.0%</u>	<u>679,770,000</u>	<u>9,324,032</u>
Total bonded debt applicable to debt limit			9,324,032
Legal debt margin			\$ 354,838,468

NOTE: Statutory debt limit is in accordance with MRS 30-A, § 5701.

TOWN OF CAPE ELIZABETH, MAINE
Ratio of Net General Obligation Bonded Debt
to Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal year	Population (1)	Assessed value (2)	Net bonded debt (3)	Ratio of net bonded debt to assessed value	Net bonded debt per capita
2021	9,535	\$ 1,744,146,500	9,324,032	0.53%	978
2020	9,535	1,727,964,676	10,573,550	0.54%	1,109
2019	9,015	1,716,471,800	12,458,500	0.73%	1,382
2018	9,015	1,692,995,900	14,235,296	0.84%	1,579
2017	9,015	1,688,318,300	16,018,993	0.95%	1,777
2016	9,015	1,682,854,800	15,569,641	0.93%	1,727
2015	9,015	1,668,734,900	17,247,295	1.03%	1,913
2014	9,015	1,659,033,000	13,807,003	0.83%	1,532
2013	9,015	1,652,729,000	16,053,817	0.97%	1,781
2012	9,015	1,653,038,500	18,122,786	1.10%	2,010

(1) U. S. Bureau of the Census

(2) Amount from Table 7

(3) Excludes financed purchase agreements

TOWN OF CAPE ELIZABETH, MAINE
Ratio of Annual Debt Service Expenditures
for General Obligation Bonded Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal year	Municipal debt service(1)	School debt service	Total debt service - bonded debt	Total general governmental expenditures and transfers out	Ratio of debt service to general governmental expenditures and transfers out
2021	\$ 1,573,078	454,800	2,027,878	43,801,008	4.63%
2020	2,750,416	470,200	3,220,616	44,220,388	7.28%
2019	1,678,691	492,050	2,170,741	40,540,470	5.35%
2018	1,428,581	503,900	1,932,481	38,764,647	4.99%
2017	1,224,193	522,000	1,746,193	36,836,432	4.74%
2016	1,181,063	764,318	1,945,381	34,814,196	5.59%
2015	887,347	1,227,675	2,115,022	34,319,927	6.16%
2014	905,703	1,288,591	2,194,294	32,886,927	6.67%
2013	930,007	1,323,403	2,253,410	32,994,182	6.83%
2012	1,023,515	1,357,916	2,381,431	30,731,943	7.75%

(1) Excludes sewer user debt paid in special revenue funds and school debt service budgeted in facilities maintenance.

TOWN OF CAPE ELIZABETH, MAINE
Computation of Direct, Overlapping and Contingent Debt
For the Year Ended June 30, 2021

Jurisdiction	Net general obligation bonded debt outstanding	Percentage applicable to government	Amount applicable to government
Direct:			
Town of Cape Elizabeth bonds and notes	\$ 9,324,032	100.00%	9,324,032
Overlapping debt:			
Cumberland County	33,370,194	4.57%	1,524,568
Portland Water District -- sewer debt	37,839,787	10.00%	3,784,200
Contingent debt:			
Portland Water District -- water debt	54,758,718	6.77%	3,707,165