

TOWN OF BRIDGTON, MAINE

Annual Financial Report

**For the Year Ended
June 30, 2019**

TOWN OF BRIDGTON, MAINE
Annual Financial Report
Year ended June 30, 2019

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Annual Financial Report
For the Fiscal Year Ended June 30, 2019

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Independent Auditor's Report

Board of Selectmen
Town of Bridgton, Maine

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Bridgton, Maine as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Bridgton, 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 the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-type Activities	Unmodified
General Fund	Qualified
Moose Pond Trust	Unmodified
Street Scape	Unmodified
Lower Main	Unmodified
Sewer Department	Unmodified
Salmon Point Campground	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinion on General Fund

We were unable to obtain sufficient appropriate audit evidence to support the classifications of certain transactions recorded during the year to the General Fund's miscellaneous revenue account. As a result, it is likely that classifications of revenues in the General Fund are materially misstated. These misstatements are confined to the General Fund's statement of revenues, expenditures, and changes in fund balance and, therefore, are not considered pervasive to the financial statements as whole.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the General Fund of the Town of Bridgton, Maine, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund other than the General Fund, and the aggregate remaining fund information of the Town of Bridgton, Maine, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management discussion and analysis section that accounting principles generally accepted in the United States of America require to be present to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedules related to pension asset and OPEB liability, 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 an opinion on the financial statements that collectively comprise the Town of Bridgton, Maine's basic financial statements. The combining and individual fund financial statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 10, 2020 on our consideration of the Town of Bridgton, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 Bridgton, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Raymond Kursten Ouellette". The signature is written in a cursive style with a large initial 'R'.

April 10, 2020
South Portland, Maine

BASIC FINANCIAL STATEMENTS

TOWN OF BRIDGTON, MAINE
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,200,189	43,568	12,243,757
Investments	2,839,820	-	2,839,820
Receivables:			
Accounts	5,404	31,617	37,021
Due from other governments	100,189	-	100,189
Taxes - current	481,167	-	481,167
Tax and liens - prior, net	235,228	-	235,228
Internal balances	(718,023)	718,023	-
Pension asset	441,765	-	441,765
Capital assets not being depreciated	712,772	819,463	1,532,235
Capital assets, net of accumulated depreciation	6,897,113	623,214	7,520,327
Total assets	23,195,624	2,235,885	25,431,509
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB	4,065	-	4,065
Total deferred outflows of resources	4,065	-	4,065
LIABILITIES			
Accounts payable and prepaid taxes	273,817	-	273,817
Escrow payable	9,956	-	9,956
Accrued payroll	21,537	256	21,793
Bond anticipation note	-	190,001	190,001
Accrued interest	24,728	-	24,728
Noncurrent liabilities:			
Due within one year	95,441	-	95,441
Due in more than one year	4,827,886	-	4,827,886
Total liabilities	5,253,365	190,257	5,443,622
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	10,662	-	10,662
Deferred inflows of resources related to OPEB	26,442	-	26,442
Total deferred inflows of resources	37,104	-	37,104
NET POSITION			
Net investment in capital assets	7,304,708	1,252,676	8,557,384
Restricted for:			
Nonexpendable trust principal	3,028,596	-	3,028,596
TIF districts	342,041	-	342,041
Grants	467,998	-	467,998
Unrestricted	6,765,877	792,952	7,558,829
Total net position	\$ 17,909,220	2,045,628	19,954,848

See accompanying notes to basic financial statements.

TOWN OF BRIDGTON, MAINE
Statement of Activities
For the year ended June 30, 2019

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 2,007,609	180,466	23,826	197,412	(1,605,905)	-	(1,605,905)
Public safety	1,558,858	7,150	8,922	-	(1,542,786)	-	(1,542,786)
Public works	2,030,503	137,164	182,885	10,524	(1,699,930)	-	(1,699,930)
Education	9,263,856	-	-	-	(9,263,856)	-	(9,263,856)
Culture and recreation	687,385	52,515	15,500	-	(619,370)	-	(619,370)
Outside agencies	71,505	-	-	-	(71,505)	-	(71,505)
Unclassified	905,332	-	-	-	(905,332)	-	(905,332)
Capital maintenance expenses	65,143	-	-	-	(65,143)	-	(65,143)
Interest on debt	28,414	-	-	-	(28,414)	-	(28,414)
Total governmental activities	16,618,605	377,295	231,133	207,936	(15,802,241)	-	(15,802,241)
Business-type activities:							
Sewer Department	113,568	120,702	-	-	-	7,134	7,134
Salmon Point Campground	114,322	162,785	-	-	-	48,463	48,463
Total business-type activities	227,890	283,487	-	-	-	55,597	55,597
Total primary government	\$ 16,846,495	660,782	231,133	207,936	(15,802,241)	55,597	(15,746,644)
General revenues:							
Property taxes					14,675,440	-	14,675,440
Interest and costs on taxes					60,198	-	60,198
Excise taxes					1,075,583	-	1,075,583
Cable TV franchise fee					59,512	-	59,512
Grants and contributions not restricted to specific programs:							
State revenue sharing					240,762	-	240,762
Homestead exemption					215,044	-	215,044
State BETE reimbursement					1,831	-	1,831
Other					41,601	-	41,601
Investment earnings					328,788	251	329,039
Miscellaneous					172,505	-	172,505
Transfers					194,111	(194,111)	-
Total general revenues and transfers					17,065,375	(193,860)	16,871,515
Change in net position					1,263,134	(138,263)	1,124,871
Net position - beginning, as restated					16,646,086	2,183,891	18,829,977
Net position - ending	\$				17,909,220	2,045,628	19,954,848

See accompanying notes to basic financial statements.

TOWN OF BRIDGTON, MAINE
Balance Sheet
Governmental Funds
June 30, 2019

	General	Moose Pond Trust	Street Scope	Lower Main	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 7,674,000	125,578	2,941,215	1,357,259	102,137	12,200,189
Investments	-	1,537,411	-	-	1,302,409	2,839,820
Receivables:						
Accounts	5,404	-	-	-	-	5,404
Due from other governments	-	-	-	-	100,189	100,189
Taxes - current	481,167	-	-	-	-	481,167
Taxes and liens - prior, net	235,228	-	-	-	-	235,228
Interfund loans receivable	-	-	-	-	1,224,563	1,224,563
Total assets	\$ 8,395,799	1,662,989	2,941,215	1,357,259	2,729,298	17,086,560
LIABILITIES						
Accounts payable	205,236	-	-	-	3,500	208,736
Escrows payable	-	-	-	-	9,956	9,956
Taxes paid in advance	65,081	-	-	-	-	65,081
Accrued payroll	21,537	-	-	-	-	21,537
Interfund loans payable	1,820,618	2,009	74,572	1,598	43,789	1,942,586
Total liabilities	2,112,472	2,009	74,572	1,598	57,245	2,247,896
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	504,070	-	-	-	-	504,070
Total deferred inflows of resources	504,070	-	-	-	-	504,070
FUND BALANCES						
Nonspendable	-	1,660,980	-	-	1,367,616	3,028,596
Restricted	-	-	-	-	810,039	810,039
Committed	-	-	2,866,643	1,355,661	515,731	4,738,035
Assigned	843,896	-	-	-	-	843,896
Unassigned	4,935,361	-	-	-	(21,333)	4,914,028
Total fund balances	5,779,257	1,660,980	2,866,643	1,355,661	2,672,053	14,334,594
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,395,799	1,662,989	2,941,215	1,357,259	2,729,298	
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.						7,609,885
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						504,070
Net pension assets and related deferred inflows and outflows of resources reported in the Statement of Net Position are not current financial resources, and therefore, are not reported in the governmental funds.						431,103
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:						
Total OPEB liability with related deferred outflows and inflows of resources						(263,505)
Accrued interest						(24,728)
Accrued compensated absences						(154,718)
Notes from direct borrowings						(4,291,320)
Capital leases						(236,161)
Net position of governmental activities	\$					17,909,220

See accompanying notes to basic financial statements.

TOWN OF BRIDGTON, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2019

	General	Moose Pond Trust	Street Scape	Lower Main	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 15,852,151	-	-	-	-	15,852,151
Licenses and permits	119,474	-	-	-	-	119,474
Intergovernmental	719,563	-	-	-	218,744	938,307
Charges for services	310,746	-	-	-	6,587	317,333
Investment earnings	106,474	120,250	4,895	2,259	94,910	328,788
Unclassified	141,958	1,500	-	-	29,047	172,505
Total revenues	17,250,366	121,750	4,895	2,259	349,288	17,728,558
Expenditures:						
Current:						
General government	1,840,812	5,733	-	-	60,227	1,906,772
Public safety	1,438,705	-	-	-	-	1,438,705
Public works	1,520,281	-	-	-	-	1,520,281
Education	9,263,856	-	-	-	-	9,263,856
Culture and recreation	635,299	-	-	-	21,061	656,360
Outside agencies	71,505	-	-	-	-	71,505
Unclassified	905,332	-	-	-	-	905,332
Debt service	176,182	-	-	-	-	176,182
Capital outlay	707,259	-	74,572	1,598	247,696	1,031,125
Total expenditures	16,559,231	5,733	74,572	1,598	328,984	16,970,118
Excess (deficiency) of revenues over (under) expenditures	691,135	116,017	(69,677)	661	20,304	758,440
Other financing sources (uses):						
Proceeds from issuance of direct borrowings	-	-	2,936,320	1,355,000	-	4,291,320
Proceeds from capital lease issuance	141,500	-	-	-	-	141,500
Transfers from (to) other funds	120,403	(62,075)	-	-	135,783	194,111
Total other financing sources (uses)	261,903	(62,075)	2,936,320	1,355,000	135,783	4,626,931
Net change in fund balances	953,038	53,942	2,866,643	1,355,661	156,087	5,385,371
Fund balances, beginning of year	4,826,219	1,607,038	-	-	2,515,966	8,949,223
Fund balances, end of year	\$ 5,779,257	1,660,980	2,866,643	1,355,661	2,672,053	14,334,594

See accompanying notes to basic financial statements.

TOWN OF BRIDGTON, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2019

Net change in fund balances - total governmental funds (from Statement 4)	\$	5,385,371
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
<p>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.</p>		
Capital outlays	965,982	
Less: depreciation expense	(775,761)	190,221
<p>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 revenue.</p>		
		(40,930)
<p>Some revenues (expenses) reported in the Statement of Activities do not provide (require the use of) current financial resources and therefore, are not reported as revenues (expenditures) in the governmental funds. These are the changes in other asset (liability)-related amounts:</p>		
Accrued interest	(24,728)	
Accrued compensated absences	(16,432)	
Total OPEB liability, including related deferred inflows and outflows	(15,728)	
Net Pension asset, including related deferred inflows and outflows	45,684	(11,204)
<p>The issuance of long-term debt (direct borrowings/capital leases) 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. These are the changes long-term debt and related amounts:</p>		
Principal payments on direct borrowings	75,000	
Proceeds from issuance of direct borrowings	(4,291,320)	
Principal payments on capital leases	97,496	
Proceeds from issuance of capital leases	(141,500)	(4,260,324)
Change in net position of governmental activities (see Statement 2)		\$ 1,263,134

See accompanying notes to basic financial statements.

TOWN OF BRIDGTON, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balance--
Budget and Actual -- Budgetary Basis -- General Fund
For the year ended June 30, 2019

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 15,651,998	15,651,998	15,852,151	200,153
Licenses and permits	138,270	138,270	119,474	(18,796)
Intergovernmental	657,555	657,555	719,563	62,008
Charges for services	246,778	246,778	310,746	63,968
Investment earnings	15,000	15,000	106,474	91,474
Unclassified	22,000	22,000	141,958	119,958
Total revenues	16,731,601	16,731,601	17,250,366	518,765
Expenditures:				
Current:				
General government	2,076,332	2,076,332	1,840,812	235,520
Public safety	1,554,393	1,554,393	1,438,705	115,688
Public works	1,603,296	1,603,296	1,520,281	83,015
Education	9,263,856	9,263,856	9,263,856	-
Culture and recreation	688,098	688,098	635,299	52,799
Outside agencies	71,505	71,505	71,505	-
Unclassified	921,383	921,383	905,332	16,051
Debt service	190,612	190,612	176,182	14,430
Capital outlay	1,100,303	1,100,303	565,759	534,544
Total expenditures	17,469,778	17,469,778	16,417,731	1,052,047
Excess (deficiency) of revenues over (under) expenditures	(738,177)	(738,177)	832,635	1,570,812
Other financing sources:				
Transfer from other funds	329,747	329,747	334,722	4,975
Transfer to other funds	(333,303)	(333,303)	(214,319)	118,984
Utilization of assigned fund balance	46,900	46,900	-	(46,900)
Utilization of unassigned fund balance	694,833	694,833	-	(694,833)
Total other financing sources	738,177	738,177	120,403	(617,774)
Net change in fund balance	-	-	953,038	953,038
Fund balance, beginning of year			4,826,219	
Fund balance, end of year	\$		5,779,257	

See accompanying notes to basic financial statements.

TOWN OF BRIDGTON, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2019

	Sewer Department	Salmon Point Campground	Total Proprietary Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 43,568	-	43,568
Accounts receivable	31,617	-	31,617
Interfund loans receivable	421,751	296,272	718,023
Total current assets	496,936	296,272	793,208
Noncurrent assets:			
Capital assets, not being depreciated	169,463	650,000	819,463
Capital assets, net of depreciation	530,144	93,070	623,214
Total noncurrent assets	699,607	743,070	1,442,677
Total assets	\$ 1,196,543	1,039,342	2,235,885
LIABILITIES			
Accrued wages	-	256	256
Bond anticipation note	190,001	-	190,001
Total liabilities	190,001	256	190,257
NET POSITION			
Net investment in capital assets	509,606	743,070	1,252,676
Unrestricted	496,936	296,016	792,952
Total net position	\$ 1,006,542	1,039,086	2,045,628

See accompanying notes to basic financial statements.

TOWN OF BRIDGTON, MAINE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2019

	Sewer Department	Salmon Point Campground	Total Proprietary Funds
Operating revenues:			
Charges for service	\$ 120,702	162,735	283,437
Other revenue	-	50	50
Total operating revenues	120,702	162,785	283,487
Operating expenses:			
Salaries and benefits	5,777	23,888	29,665
Repairs and maintenance	9,333	13,136	22,469
Contracted services	57,838	37,999	95,837
Utilities	8,755	14,913	23,668
Miscellaneous	437	7	444
Depreciation	31,428	24,379	55,807
Total operating expenses	113,568	114,322	227,890
Operating income (loss)	7,134	48,463	55,597
Nonoperating revenues (expenses):			
Investment income	251	-	251
Total nonoperating revenues (expenses)	251	-	251
Net income (loss) before transfers and contributions	7,385	48,463	55,848
Transfers and contributions:			
Transfer out to General Fund	(131,323)	(62,788)	(194,111)
Total transfers and contributions	(131,323)	(62,788)	(194,111)
Change in net position	(123,938)	(14,325)	(138,263)
Net position, beginning of year	1,130,480	1,053,411	2,183,891
Net position, end of year	\$ 1,006,542	1,039,086	2,045,628

See accompanying notes to basic financial statements.

TOWN OF BRIDGTON, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2019

	Sewer Department	Salmon Point Campground	Total Proprietary Funds
Cash flows from operating activities:			
Receipts from customers	\$ 101,039	162,785	263,824
Payments to suppliers	(76,363)	(66,055)	(142,418)
Payments to employees	(5,777)	(23,987)	(29,764)
Net cash provided by (used in) operating activities	18,899	72,743	91,642
Cash flows from noncapital financing activities:			
Transfers from (to) other funds	(131,323)	(62,788)	(194,111)
(Increase) decrease in interfund loans receivable	123,309	(9,955)	113,354
Net cash provided by (used in) noncapital financing activities	(8,014)	(72,743)	(80,757)
Cash flows from capital and related financing activities:			
Proceeds from issuance of bond anticipation note	190,001	-	190,001
Purchase of capital assets	(157,569)	-	(157,569)
Net cash provided by (used in) capital and related financing activities	32,432	-	32,432
Cash flows from investing activities:			
Investment income	251	-	251
Net cash provided by (used in) investing activities	251	-	251
Increase (decrease) in cash	43,568	-	43,568
Cash and cash equivalents , beginning of year	-	-	-
Cash and cash equivalents, end of year	\$ 43,568	-	43,568
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 7,134	48,463	55,597
Adjustments not affecting cash:			
Depreciation	31,428	24,379	55,807
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(19,663)	-	(19,663)
Increase (decrease) in accrued wages	-	(99)	(99)
Net cash provided by (used in) operating activities	18,899	72,743	91,642

See accompanying notes to basic financial statements.

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Bridgton, Maine is located in Cumberland County and operates under a Town Manager/Town Meeting/Board of Selectmen form of Government.

The financial statements of the Town of Bridgton conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting polices are described below.

A. Reporting Entity

This report includes all funds of the Town of Bridgton, Maine. 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. Based upon the application of these criteria, there are no potential component units which should be included in these basic 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 nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 the programs, functions and segments. Amounts reported as 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) 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

TOWN OF BRIDGTON, 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

The Town reports the following major governmental funds:

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

The *Moose Pond Trust Fund* was established by the sale of land conveyed to the Town. Income of the fund is restricted to the acquisition and development of other public lands to provide for public access and use and also for maintenance of park and recreational property of the Town. This fund is a permanent fund and only earnings on investments are available for the uses described above.

The *Street Scape Fund* was established to track loan proceeds and related capital expenditures for the street scape upgrade project in downtown Bridgton. This fund is a capital project fund and all excess fund balances are considered committed to the project.

The *Lower Main Fund* was established to track loan proceeds and related capital expenditures for the Lower Main Street upgrade project in downtown Bridgton. This fund is a capital project fund and all excess fund balances are considered committed to the project.

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Town reports the following major proprietary funds:

The Sewer Department fund accounts for and collects user fees to facilitate the maintenance and improvement of the sewer system within the Town.

The Salmon Point Campground fund accounts for and collects user fees to provide for services, maintenance, and improvements related to the operation of a campground owned and operated by the Town.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Cash and Investments

Cash includes amounts in demand deposits as well as time deposits and certificates of deposit owned by the Town. State statues authorize the Town to invest in obligations of the U.S. Treasury, Commercial paper, corporate bonds, and repurchase agreements.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Capital Assets, Continued

Straight-line depreciation is used on the following estimated useful lives:

Buildings and Improvements	10-60 years
Infrastructure	20-50 years
Machinery, vehicles, and equipment	5-30 years

F. Long-term Obligations

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

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 accrual debt proceeds received, are reported as expenditures.

G. Accrued Compensated Absences

In the government-wide financial statements, liabilities that are attributable to services already rendered are accrued as employees earn the rights to benefits and are recognized in the period incurred. In the governmental fund financial statements, compensated absences are recognized as related payments come due each period. Pursuant to the terms of the personnel policies, vacation time and sick time are granted in varying amounts according to length of service.

H. Deferred Outflows and Inflows 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 asset and net OPEB liability, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the OPEB liability in the subsequent year.

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

H. Deferred Outflows and Inflows of Resources, Continued

They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town's 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 plan investments, which is deferred and amortized over a five-year period.

I. 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 which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that has 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 Select Board 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 Select Board approves the assigned amounts either before or after year end.

It is the policy of the Town of Bridgton, Maine to maintain unassigned fund balance in the general fund between 16.67% and 25% of general fund revenues measured on a GAAP basis. In the event that the unassigned fund balance drops below the minimum level, the Town Manager will develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of no more than five (5) years. Amounts in excess of the target shall be used to offset negative balances in capital projects funds, offset intergovernmental loans, and to build capital project fund levels for future purchases, as determined by the Town Select Board and Town Manager. If the first three purposes are met, then the Town may use excess balances to offset future tax levy amounts.

Should there be multiple sources of funding available for a particular purpose, it is the Town's policy to expend Restricted funds first, then committed, then assigned, and finally unassigned amounts.

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

K. 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.

L. Pensions and Other Post Employment Benefits (OPEB)

For purposes of measuring the pension asset and OPEB liability, the related deferred outflows of resources and deferred inflows of resources, and the related expense, information about the fiduciary net position of the respective plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Net Position

Net position represents the assets less 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, notes, and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on its 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, 2019:

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Capital assets	\$ 13,498,076	1,792,408
Accumulated depreciation	(5,888,191)	(349,731)
Capital leases	(236,161)	-
Notes from direct borrowings	(4,291,320)	-
Bond anticipation notes payable	-	(190,001)
Unspent proceeds from direct borrowings	4,222,304	-
<u>Net investment in capital assets</u>	<u>\$ 7,304,708</u>	<u>1,252,676</u>

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

A budget is adopted for the General Fund only, and is adopted on a basis consistent with United States generally accepted accounting principles (GAAP) except for lease proceeds and expenditures which are excluded from the budget. These amounts offset and do not have any effect on the ending fund balance between the two bases of accounting. This budget is established in accordance with the various laws which govern the Town's operations. At the annual Town meeting held in June, the townspeople vote on various articles, in which amounts of appropriations have been recommended by the Board of Selectmen and/or Budget Committee. Subsequent additions to the budget by taxation may be made only at special town meetings held before taxes are committed; thereafter, additions to the budget may be made only by transfer of funds from surplus approved at special town meetings.

The Selectmen are allowed to transfer funds between accounts at the end of the fiscal year to avoid overdrafts in specific accounts. Generally, all unexpended appropriations lapse at the close of the fiscal year, however, by vote of the townspeople at the annual town meeting, the Board of Selectmen is authorized to carry forward account balances at the end of the fiscal year if it deems it advisable.

B. Deficit Fund Balances

The following funds had deficit balances at June 30, 2019:

Bridgton Baseball and Softball	\$13,555
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CASH 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 not have a deposit policy for custodial credit risk. As of June 30, 2019, the Town reported deposits of \$12,243,757 with a bank balance of \$12,240,095. Of the Town's bank balances of \$12,240,095, \$4,798,983 was covered by the FDIC and \$7,441,112 was secured by assets held by the financial institution's trust department, but not in the Town's name.

Deposits have been reported as follows:

Reported in governmental funds	\$ 12,200,189
Reported in proprietary funds	43,568
Total deposits	<u>\$ 12,243,757</u>

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

CASH DEPOSITS AND INVESTMENTS, CONTINUED

B. Investments

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

	<u>Fair value</u>	<u>Weighted average maturity</u>
Equity	1,938,685	N/A
Mutual funds (1)	618,420	N/A
Federal Farm Credit Bank	10,039	1.60
Corporate Bonds	272,676	3.87
Total investments	\$ 2,839,820	

(1) Mutual funds are not considered securities and are exempt from credit risk disclosure noted above.

Investments have been reported as follows:

<u>Reported in governmental funds</u>	<u>\$ 2,839,820</u>
Total investments	\$ 2,839,820

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. All of the Town's investments at year end were classified as Level 1 inputs.

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

Credit Risk: Under Maine statute, municipalities may invest in U.S. Treasury and U.S. agencies, repurchase agreements, and certain corporate stocks and bonds. As of June 30, 2019, the Town's investments were rated by Standards and Poor's as follows:

	<u>AA+</u>	<u>AA-</u>	<u>A+</u>	<u>A-</u>	<u>BBB+</u>	<u>BBB</u>
Federal Farm Credit Bank	\$ 10,039	-	-	-	-	-
Corporate Bonds	-	26,072	30,746	134,324	71,288	10,246
Total	\$ 10,039	26,072	30,746	134,324	71,288	10,246

Custodial Credit Risk-Investments: For investments, this is the risk that in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town does not currently have an investment policy for custodial credit risk.

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

PROPERTY TAX

Property taxes for the current year were committed on July 10, 2018, on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Taxes were due in four equal installments on August 15, 2018, November 15, 2018, February 15, 2019 and May 15, 2019. Interest was charged at 6% on all taxes unpaid after these dates. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value. The assessed value for the list of April 1, 2018, upon which the levy for the year ended June 30, 2019 was based, was \$990,439,070.

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 \$42,458 for the year ended June 30, 2019. The variance between actual property tax revenues and budgeted property tax revenues represents supplemental taxes and the change in unavailable revenue.

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 remain unpaid.

Property acquired by foreclosure for nonpayment of taxes is recorded at the amount of expired tax liens plus the costs involved in foreclosure. Liens and any current taxes on the same period are not included as part of the tax acquired property account until expiration of statutory time limits.

The following summarizes the 2019 and 2018 levy:

	<u>2019</u>	<u>2018</u>
Assessed value	990,439,070	975,985,445
<u>Tax rate (per \$1,000)</u>	<u>14.80</u>	<u>15.30</u>
Original commitment	14,658,498	14,932,577
<u>Supplementals</u>	<u>15,027</u>	<u>7,994</u>
Total commitment	14,673,525	14,940,571
Less:		
<u>Abatements and collections</u>	<u>(14,192,358)</u>	<u>(14,366,029)</u>
 <u>Current year taxes receivable at end of year</u>	 <u>\$ 481,167</u>	 <u>574,542</u>
 Interest rate on delinquent taxes	 6%	 7%
Collection rate	96.7%	96.2%

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

INTERFUND BALANCES AND TRANSFERS

Individual interfund loans and fund transfers for the year ended June 30, 2019 were as follows:

	<u>Receivables</u>	<u>Payables</u>	<u>Transfers In (Out)</u>
General Fund	\$ -	1,820,618	120,403
Moose Pond Trust	-	2,009	(62,075)
Street Scape	-	74,572	-
Lower Main	-	1,598	-
Nonmajor Governmental Funds	1,224,563	43,789	135,783
Proprietary Funds:			
Salmon Point Campground	421,751	-	(131,323)
Sewer Department	296,272	-	(62,788)
Totals	\$ 1,942,586	\$ 1,942,586	-

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Restated Balance July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 69,594	143,405	-	212,999
Land	499,773	-	-	499,773
Total capital assets not being depreciated	569,367	143,405	-	712,772
Capital assets, being depreciated:				
Land & Improvements	329,739	11,855	-	341,594
Buildings and improvements	2,789,903	114,570	-	2,904,473
Machinery, vehicles and equipment	5,564,900	242,719	69,664	5,737,955
Infrastructure	3,347,849	453,433	-	3,801,282
Total capital assets being depreciated	12,032,391	822,577	69,664	12,785,304
Less accumulated depreciation for:				
Land & improvements	116,675	13,910	-	130,585
Buildings and improvements	1,353,674	130,833	-	1,484,507
Machinery, vehicles and equipment	2,922,374	431,378	69,664	3,284,088
Infrastructure	789,371	199,640	-	989,011
Total accumulated depreciation	5,182,094	775,761	69,664	5,888,191
Total capital assets being depreciated, net	6,850,297	46,816	-	6,897,113
Governmental activities capital assets, net	\$ 7,419,664	190,221	-	7,609,885

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

CAPITAL ASSETS, CONTINUED

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

Governmental activities:	
General government	\$ 114,361
Public safety	120,153
Public works	510,222
Culture and recreation	<u>31,025</u>
Total depreciation expense – governmental activities	<u>\$ 775,761</u>

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	157,569	-	157,569
Land	<u>661,894</u>	-	-	<u>661,894</u>
Total capital assets not being depreciated	661,894	157,569	-	819,463
Capital assets, being depreciated:				
Land improvements	138,170	-	-	138,170
Buildings and improvements	15,851	-	-	15,851
Machinery, vehicles and equipment	95,809	-	-	95,809
Infrastructure	<u>723,115</u>	-	-	<u>723,115</u>
Total capital assets being depreciated	972,945	-	-	972,945
Less accumulated depreciation for:				
Land improvements	53,665	21,238	-	74,903
Buildings and improvements	8,501	350	-	8,851
Machinery, vehicles and equipment	21,625	5,221	-	26,846
Infrastructure	<u>210,133</u>	<u>28,998</u>	-	<u>239,131</u>
Total accumulated depreciation	293,924	55,807	-	349,731
Total capital assets being depreciated, net	<u>679,021</u>	<u>(55,807)</u>	-	<u>623,214</u>
Business-type activities capital assets, net	<u>\$ 1,340,915</u>	<u>101,762</u>	-	<u>1,442,677</u>

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

Business-type activities:	
Sewer Department	\$ 31,428
Salmon Point Campground	<u>24,379</u>
Total depreciation expense – Business-type activities	<u>\$ 55,807</u>

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Restated Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
Notes from direct borrowings	\$ 75,000	4,291,320	75,000	4,291,320	-
Capital leases	192,157	141,500	97,496	236,161	95,441
Accrued compensated absences	138,286	16,432	-	154,718	-
Total OPEB liability	244,219	-	3,091	241,128	-
Governmental activity long-term liabilities	\$ 649,662	4,449,252	175,587	4,923,327	95,441

CAPITAL LEASES

The Town has entered into lease agreements as lessee for financing the acquisition of equipment. These leases qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of future minimum lease payments as of the date of its inception.

The following is a schedule of future minimum lease payments under the capital lease at June 30, 2019:

2020	\$ 104,579
2021	67,018
2022	62,475
2023	20,841
Total future minimum lease payments	254,913
Less amounts representing interest	(18,752)
Present value of future minimum lease payments	\$ 236,161

Amounts capitalized under leases are \$623,123 for governmental activities. Accumulated depreciation for the capital lease assets equals \$237,601.

NOTES FROM DIRECT BORROWINGS

Notes from direct borrowing at June 30, 2019 are comprised of the following:

	Date of issue	Original amount issued	Date of maturity	Interest rate	Balance June 30, 2019
Governmental activities:					
2019 Lower Main St	5/23/19	\$ 1,355,000	11/1/39	1.72-3.76%	1,355,000
2019 Main St Streetscape	5/23/19	2,936,320	11/1/39	1.72-3.76%	2,936,320
Total notes from direct borrowings					\$ 4,291,320

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

NOTES FROM DIRECT BORROWINGS, CONTINUED

The annual requirements to amortize all long-term debt outstanding as of June 30, 2019 are as follows:

<u>June 30,</u>	<u>Governmental activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	112,724	112,724
2021	169,819	118,515	288,334
2022	172,964	115,370	288,334
2023	176,229	112,105	288,334
2024	179,647	108,687	288,334
2025-2029	955,951	485,720	1,441,671
2030-2034	1,080,884	360,787	1,441,671
2035-2039	1,272,683	168,989	1,441,672
2040	283,143	5,191	288,334
Total	\$ 4,291,320	1,588,088	5,879,408

The Town is subject to a statutory limitation, by the State of Maine, of its general long-term debt equal to 15% of the State's valuation of the Town. The Town's outstanding general long-term debt of \$4,291,320 at June 30, 2019 was within the statutory limit.

SHORT-TERM DEBT

The Town issued a bond anticipation note for interim financing of a Rural Development Bond until long-term bonds were issued. The bond anticipation note was \$4,600,000 with an interest rate of 2.69% and due on February 15, 2020. Bond anticipation note activity for the year ended June 30, 2019 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>
Bond anticipation note	\$ -	190,001	-	190,001

OVERLAPPING DEBT

The Town is contingently responsible for the following overlapping debt as of June 30, 2019:

<u>Governmental Unit</u>	<u>Net debt outstanding</u>	<u>Applicable to Bridgton</u>	<u>Bridgton's share of debt</u>
Cumberland County	\$ 37,893,997	2.27%	858,895
M.S.A.D. #61	8,053,402	41.26%	3,322,834

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

JOINTLY GOVERNED ORGANIZATION

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

ecomaine is a solid waste management corporation servicing 59 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, 2019 includes total assets of \$63,227,321, total liabilities of \$18,166,889 and unrestricted net position of \$14,041,866. The liabilities include an accrual for landfill closure and postclosure care amounting to \$15,082,777. Ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2019 and the projected closing date. The separate audited financial statements of ecomaine may be obtained by contacting Aurthur P. Birt, ecomaine Director of Finance and Administration, at (207) 523-3107.

FUND BALANCES

As of June 30, 2019, fund balance components consisted of the following:

	General Fund	Moose Pond Trust	Street Scape	Lower Main	Nonmajor Govt. Funds
Nonspendable:					
Principal for permanent funds	\$ -	1,660,980	-	-	1,367,616
Total nonspendable	-	1,660,980	-	-	1,367,616
Restricted:					
CDBG	-	-	-	-	467,998
TIF Funds	-	-	-	-	342,041
Total restricted	-	-	-	-	810,039
Committed:					
General government	-	-	-	-	27,868
Capital projects	-	-	2,866,643	1,355,661	487,863
Total committed	-	-	2,866,643	1,355,661	515,731
Assigned:					
Subsequent budget	200,000	-	-	-	-
Carryforward balances	643,896	-	-	-	-
Total committed	843,896	-	-	-	-

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

FUND BALANCES, CONTINUED

	<u>General Fund</u>	<u>Moose Pond Trust</u>	<u>Street Scape</u>	<u>Lower Main</u>	<u>Nonmajor Govt Funds</u>
Unassigned	\$ 4,935,361	-	-	-	(21,333)
Total fund balance	\$ 5,779,257	1,660,980	2,866,643	1,355,661	2,672,053

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the Town either carries commercial insurance or participates in a public entity risk pools. Currently, the Town participates in several public entity and self-insured risk pools and self-insurance programs sponsored by the Maine Municipal Association for unemployment and workers' compensation.

Based on the coverage provided by these pools, 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, 2019.

RESTATEMENT OF NET POSITION

For the fiscal year ended June 30, 2019, the Town has restated beginning net position in the government-wide statement of net position to account for the addition of the Town's total OPEB liability in regards to an implicit liability for retiree health insurance through the Maine Municipal Employees Health Trust (MMEHT), which effectively decreased the Town's net position as of July 1, 2018 by \$247,777. Additionally, due to information discovered in the fiscal year 2019 audit, construction in progress for Governmental Activities was restated to include missing additions from fiscal year 2018. As a result of the restatement, prior net position and construction in progress were increased by \$69,594.

Due to restatements mentioned above, government-wide net position as of July 1, 2018 was reduced by \$178,183.

TAX INCREMENT FINANCING DISTRICTS

The Town has established two tax increment financing districts under the terms of applicable state laws.

	<u>Original value</u>	<u>Increase in value</u>	<u>TIF cap</u>	<u>Captured value</u>	<u>Captured tax</u>
Route 302	\$ 42,457,470	9,413,427	100%	9,413,427	139,319
Magic Lantern	368,070	1,757,818	100%	1,757,818	26,016

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

TAX INCREMENT FINANCING DISTRICTS, CONTINUED

The Town may provide financial assistance to local economic development projects by using the new property taxes that result from the commercial investment and corresponding increase in taxable property valuation. This is accomplished by utilizing municipal tax increment financing district (TIF) in accordance with Chapter 260 of MRSA Title 30-A. The Board of Selectmen is authorized by statute to establish a Municipal Tax Increment Financing District and establish the Development Plan subject to the approval by the Commissioner of the Maine Department of Economic and Community Development.

Tax Increment Financing Districts allow the Town to “shelter” the increased property valuation from the computation of its State subsidies (General Purpose Aid to Education and Municipal Revenue Sharing) and Cumberland County tax assessments. The Town would lose 50%-55% of all new property taxes due to reductions in State subsidies and increase in the Town’s share of County taxes.

The Development Plan may authorize the Town to enter into a Credit Enhancement Agreement (C.E.A.). The C.E.A. is a mechanism to assist the development project by using all or a portion of the incremental property tax revenues generated by the new investment to pay certain authorized project cost directly to the developer.

The Town had two approved Tax Increment Financing Districts as of June 30, 2019. For FY 2019, the Town captured \$165,335 in TIF tax revenues and disbursed \$26,016 in C.E.A. payments to one developer. The remaining \$139,319 was applied toward eligible local expenditures. The following is a discription of the only CEA payment issued to a developer in fiscal year 2019:

\$26,016 (100%) was disbursed to the developer of the Magic Lantern Movie Theater, Snap Dragon, LLC. The movie theater contains four screens with one being a Pub for viewing live televised events. The C.E.A became effective for FY 2006 when the development of the theater began.

NET PENSION ASSET – 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. MPERS 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.

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

NET PENSION ASSET – WITHDRAWN PLD, CONTINUED

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

Inactive employees or beneficiaries currently receiving benefits	-
Retired employees	<u>2</u>
Total employees	<u>2</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.

Withdrawn Plan - Employees are required to contribute 5.00% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2019 was 0% of annual pay for the Withdrawn PLD.

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

The net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by actuarial valuations as of that date.

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2018	\$ 58,814	463,159	(404,345)
Changes for the year:			
Service cost	-	-	-
Interest	3,669	-	3,669
Differences between expected and actual experience	4,303	-	4,303
Changes in assumptions	256	-	256
Net investment income	-	46,076	(46,076)
Benefit payments, including refunds of employee contributions	(11,080)	(11,080)	-
Administrative expense	-	(428)	428
Net changes	(2,852)	34,568	(37,420)
Balance at June 30, 2019	\$ 55,962	497,727	(441,765)

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

NET PENSION ASSET – WITHDRAWN PLD, CONTINUED

For the year ended June 30, 2019, the Town recognized pension gain of \$45,684 for the withdrawn PLD. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the withdrawn PLD pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	10,662
Total	\$ -	10,662

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

Year ended June 30:

2020	\$ 2,666
2021	2,666
2022	2,666
2023	2,664

Actuarial Assumptions - The total pension liability in the June 30, 2018 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 RP2014 Total Dataset projected generationally using RPEC 2015 model with ultimate rate of 0.85% at 2020.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study from 2010 through 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 BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

NET PENSION ASSET – 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, 2018 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%	4.2%
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 Asset to Changes in the Discount Rate - The following presents the Town’s proportionate share of the net pension asset 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 asset	\$436,169	441,765	446,853

Payables to the Pension Plan - None as of June 30, 2019.

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description - The Town sponsors a post-retirement benefit plan 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 Municipal Employees Health Trust (MMEHT). The Board of Selectmen has the authority to establish and amend the benefit terms and financing requirements. In addition, the Town provides a benefit to current employees that contributes to a retirement savings account, which may be used after retirement to offset health insurance premiums.

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 - Under the Health Plan, MMEHT 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, 2019, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employee entitled to but not yet receiving benefits	-
Active employees	33
Total	34

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

The Town’s total Health Plan OPEB liability of \$241,128 was measured as of January 1, 2019 and was determined by an actuarial valuation as January 1, 2018.

Changes in the Total Health Plan OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2018	\$ 244,219
Changes for the year:	
Service cost	16,722
Interest	8,907
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(24,655)
Benefit payments	(4,065)
Net changes	(3,091)
Balance at June 30, 2019	\$ 241,128

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

Change in assumptions and other inputs reflect a change in the discount rate from 3.44% in 2018 to 4.10% in 2019.

For the year ended June 30, 2019, the Town recognized OPEB expense of \$15,728 related to the Health Plan. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	25,770
Changes of assumption or other inputs	-	672
Contributions subsequent to measurement date	4,065	-
Total	\$ 4,065	26,442

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (3,894)
2021	(3,894)
2022	(3,894)
2023	(3,894)
2024	(3,894)
Thereafter	(6,972)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2019 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	3.00% per annum
Salary increases	2.75% per annum
Discount rate	4.10% per annum
Healthcare cost trend rates	8.27% for 2019, decreasing to 4.00% per year
Retirees' share of the benefit related costs	100% of projected health insurance premiums

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

The actuarial assumptions used in the January 1, 2018 valuation for the Health Plan were based on the results of an actuarial experience study covering from the period of June 30, 2012 through June 30, 2015.

TOWN OF BRIDGTON, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

Discount Rate - The rate used to measure the total OPEB liability for the Health Plan was 4.10% per annum. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate – The following presents the Town’s total OPEB liability related to the Health Plan calculated using the discount rate of 4.10%, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.10%) or 1 percentage-point higher (5.10%) than the current rate:

		1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$	279,899	241,128	209,647

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 healthcare cost trend rates of 8.27% decreasing 0.28% per year, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (7.27% decreasing 0.28% per year) or 1 percentage-point higher (9.27% decreasing 0.28% per year) than the current healthcare cost trend rates:

		1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$	206,235	241,128	285,331

SUBSEQUENT EVENTS

In March of 2020, the Town of Bridgton, Maine approved funding from the Clean Water State Revolving Loan Fund program. The approved funding is \$2,050,000 with \$1,050,000 eligible for loan forgiveness. This funding is to provide resources for the Wastewater Systems Upgrade. This funding amount is in addition to a grant and loan agreement with the U.S. Department of Agriculture (USDA) – Rural Development for \$10,000,000 grant and \$10,437,000 loan that was approved in December 2018. The USDA loan and grant agreement has not been executed at the time of this report.

In October of 2019, the Town of Bridgton, Maine approved joining the Maine Public Employees Retirement System as a member of the Participating Local District plan, effective January 1, 2020. The net pension asset that existed at that time for the former Withdrawn PLD Plan will be refunded to the Town in an amount of \$478,650.

TOWN OF BRIDGTON, MAINE
Required Supplementary Information

Schedule of Changes in the Town's Net Pension Liability (Asset) and Related Ratios
Withdrawn PLD Plan

	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
Total Pension Liability					
Interest	\$ 3,669	3,885	4,528	4,588	5,622
Difference between expected and actual experience	4,303	4,058	1,259	5,635	(7,889)
Changes in assumptions	256	-	(1,740)	382	-
Benefit payments, including refunds of employee contributions	(11,080)	(11,080)	(11,080)	(11,080)	(11,628)
Net change in total pension liability	(2,852)	(3,137)	(7,033)	(475)	(13,895)
Total pension liability – beginning	\$ 58,814	61,951	68,984	69,459	83,354
Total pension liability – ending (a)	\$ 55,962	58,814	61,951	68,984	69,459
Plan Fiduciary Net Position					
Net investment income	46,076	53,336	1,765	8,060	63,714
Benefit payments, including refunds of employee contributions	(11,080)	(11,080)	(11,080)	(11,080)	(11,628)
Administration expense	(428)	(50)	(363)	(381)	(316)
Net change in plan fiduciary net position	34,568	42,206	(9,678)	(3,401)	51,770
Plan fiduciary net position – beginning	\$ 463,159	420,953	431,631	434,032	382,262
Plan fiduciary net position – ending (b)	\$ 497,727	463,159	420,953	430,631	434,032
Town's net pension liability (asset) – ending (a) – (b)	\$ (441,765)	(404,345)	(359,002)	(361,647)	(364,573)
Plan fiduciary net position as a percentage of the total pension liability	889.40%	787.5%	679.5%	624.2%	624.9%
Covered payroll	-	-	-	-	-
Town's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

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

**Only five years of information available.

TOWN OF BRIDGTON, MAINE
Required Supplementary Information, Continued

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

	2019	2018
Total Health Plan OPEB Liability		
Service cost	\$ 16,722	14,785
Interest	8,907	9,171
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(34,360)
Changes of assumptions or other inputs	(24,655)	27,867
Benefit payments	(4,065)	(2,123)
Net change in total Health Plan OPEB Liability	(3,091)	15,340
Total Health Plan OPEB liability - beginning	244,219	228,879
Total Health Plan OPEB liability - ending	\$ 241,128	244,219
Covered-employee payroll	\$ 1,548,376	1,548,376
Total Health Plan OPEB liability as a percentage of covered-employee payroll	15.57%	15.77%

* Only two years of information available.

TOWN OF BRIDGTON, MAINE
Notes to Required Supplementary Information

Net Pension Liability – Withdrawn PLD Plan

Changes of Benefit Terms - None

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

Withdrawn PLD

	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate – PLD	6.750%	6.875%	7.125%	7.250%
Inflation rate	2.75%	2.75%	3.50%	3.50%
Salary increases – PLD	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%
Cost of living increases – PLD	2.20%	2.20%	2.55%	3.12%

Mortality rates:

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

In 2016 and going forward, mortality rates were based on the RP2014 Total Dataset projected generationally using 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.*

Total OPEB Liabilities - Health Insurance

Changes of Benefit Terms - None

Changes of Assumptions - The Health Plan changed the discount rate from 3.44% in the 2017 valuation to 4.10% in the 2018 valuation.

GENERAL FUND

TOWN OF BRIDGTON, MAINE
General Fund
Comparative Balance Sheet
June 30, 2019

	2019
ASSETS	
Cash and cash equivalents	\$ 7,674,000
Receivables:	
Accounts	5,404
Taxes - current	481,167
Taxes and liens - prior, net of allowance of \$58,722	235,228
Total assets	\$ 8,395,799
LIABILITIES	
Accounts payable	205,236
Taxes paid in advance	65,081
Accrued payroll and benefits	21,537
Interfund loans payable	1,820,618
Total liabilities	2,112,472
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	504,070
Total deferred inflows of resources	504,070
FUND BALANCE	
Assigned:	
Subsequent year budget	200,000
Carryforward balances	643,896
Unassigned	4,935,361
Total fund balance	5,779,257
Total liabilities, deferred inflows of resources, and fund balance	\$ 8,395,799

TOWN OF BRIDGTON, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual - Budgetary Basis
For the year ended June 30, 2019

	2019		Variance positive (negative)
	Budget	Actual	
Revenues:			
Taxes:			
Real and personal property	\$ 14,658,498	14,714,455	55,957
Interest and costs on taxes	85,600	60,198	(25,402)
Excise taxes	906,500	1,075,583	169,083
Payments in lieu of taxes	1,400	1,915	515
Total taxes	15,651,998	15,852,151	200,153
Licenses and permits:			
Business and victualers	2,500	2,780	280
Town clerk fees	37,500	35,721	(1,779)
Building permits	73,381	60,013	(13,368)
Plumbing permits	21,489	19,920	(1,569)
Other permits	3,400	1,040	(2,360)
Total licenses and permits	138,270	119,474	(18,796)
Intergovernmental:			
Veterans reimbursement	6,200	6,480	280
General assistance	5,000	2,494	(2,506)
MDOT road assistance	104,956	103,836	(1,120)
State revenue sharing	216,500	240,762	24,262
Tree growth	55,500	35,121	(20,379)
Homestead exemption	212,211	215,044	2,833
Public safety grants	-	8,922	8,922
BETE	7,188	1,831	(5,357)
FEMA	-	10,524	10,524
Sand and salt building reimbursement	-	79,049	79,049
Recreation grants	50,000	15,500	(34,500)
Total intergovernmental	657,555	719,563	62,008
Charges for services:			
Fire/police department	-	7,150	7,150
Fuel usage fees to outside agencies	3,000	7,584	4,584
General government	1,500	1,560	60
Rent of Town property	54,828	57,132	2,304
Transfer station	100,900	129,580	28,680
Recreation	31,300	45,928	14,628
Cable TV	50,000	59,512	9,512
Planning and appeals	5,250	2,300	(2,950)
Total charges for services	246,778	310,746	63,968
Investment earnings	15,000	106,474	91,474
Unclassified:			
Sale of property	15,000	15,940	940
Donations	-	7,467	7,467
Other	7,000	118,551	111,551
Total unclassified	22,000	141,958	119,958
Total revenues	16,731,601	17,250,366	518,765

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

	2019		Variance positive (negative)
	Budget	Actual	
Expenditures:			
Current:			
General government:			
Administration	\$ 426,814	437,586	(10,772)
Insurance	208,781	185,876	22,905
Employee benefits	768,929	623,854	145,075
Assessing	39,000	43,995	(4,995)
Code enforcement	106,212	114,264	(8,052)
Community development	184,348	117,972	66,376
Municipal complex	110,278	103,274	7,004
General assistance	24,764	8,242	16,522
Town clerk	191,038	180,513	10,525
Town hall	16,168	14,385	1,783
Tax acquired property sale costs	-	10,851	(10,851)
Total general government	2,076,332	1,840,812	235,520
Public safety:			
Police department	866,707	815,319	51,388
Fire department	381,179	287,976	93,203
Animal control	10,078	16,338	(6,260)
Civil emergency preparedness	12,044	6,863	5,181
Health officer	1,165	1,859	(694)
Ambulance service	51,000	51,000	-
Street lights	36,624	32,476	4,148
Hydrants	195,596	226,874	(31,278)
Total public safety	1,554,393	1,438,705	115,688
Public works:			
Public works department	725,616	685,681	39,935
Town garage	20,083	17,229	2,854
Vehicle maintenance	364,238	355,679	8,559
Transfer station	493,359	461,692	31,667
Total public works	1,603,296	1,520,281	83,015
Education:			
MSAD #61	9,263,856	9,263,856	-
Total education	9,263,856	9,263,856	-
Culture and recreation:			
Parks department	214,830	190,054	24,776
Pondicherry Park	18,550	1,196	17,354
Recreation department	198,738	197,350	1,388
Public library	83,500	83,500	-
Cemeteries	58,131	48,843	9,288
Community center	77,735	77,742	(7)
Lakes region television	36,614	36,614	-
Total culture and recreation	688,098	635,299	52,799

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

	2019		Variance positive (negative)
	Budget	Actual	
Expenditures, continued:			
Current, continued:			
Outside agencies:			
Outside agencies	\$ 71,505	71,505	-
Total outside agencies	71,505	71,505	-
Unclassified:			
Legal services	18,000	10,000	8,000
County tax	692,437	692,437	-
County dispatch	110,247	108,630	1,617
Magic Lantern TIF	-	26,016	(26,016)
Contingency	57,491	9,199	48,292
Overlay and abatements	42,458	58,800	(16,342)
Other	750	250	500
Total unclassified	921,383	905,332	16,051
Debt service:			
Principal	174,465	175,036	(571)
Interest	16,147	1,146	15,001
Total debt service	190,612	176,182	14,430
Capital outlay:			
Capital outlay	1,100,303	565,759	534,544
Total capital outlay	1,100,303	565,759	534,544
Total expenditures	17,469,778	16,417,731	1,052,047
Excess (deficiency) of revenues over (under) expenditures	(738,177)	832,635	1,570,812
Other financing sources:			
Transfer from other funds	329,747	334,722	4,975
Transfer to other funds	(333,303)	(214,319)	118,984
Utilization of assigned fund balance	46,900	-	(46,900)
Utilization of unassigned fund balance	694,833	-	(694,833)
Total other financing sources	738,177	120,403	(617,774)
Net change in fund balance	-	953,038	953,038
Fund balance, beginning of year		4,826,219	
Fund balance, end of year	\$	5,779,257	

COMBINING AND INDIVIDUAL FUND EXHIBITS AND SCHEDULES

TOWN OF BRIDGTON, MAINE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 919	-	101,218	102,137
Investments	-	-	1,302,409	1,302,409
Due from other governments	100,189	-	-	100,189
Interfund loans receivable	394,659	829,904	-	1,224,563
Total assets	\$ 495,767	829,904	1,403,627	2,729,298
LIABILITIES				
Accounts payable	3,500	-	-	3,500
Escrow payable	9,956	-	-	9,956
Interfund loans payable	-	-	43,789	43,789
Total liabilities	13,456	-	43,789	57,245
FUND BALANCES				
Nonspendable	-	-	1,367,616	1,367,616
Restricted	467,998	342,041	-	810,039
Committed	27,868	487,863	-	515,731
Unassigned	(13,555)	-	(7,778)	(21,333)
Total fund balances	482,311	829,904	1,359,838	2,672,053
Total liabilities and fund balances	\$ 495,767	829,904	1,403,627	2,729,298

TOWN OF BRIDGTON, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental	\$ 218,744	-	-	218,744
Charges for services	6,587	-	-	6,587
Investment income (loss)	-	-	94,910	94,910
Unclassified	10,553	13,944	4,550	29,047
Total revenues	235,884	13,944	99,460	349,288
Expenditures:				
Current:				
General government	55,456	-	4,771	60,227
Recreation	21,061	-	-	21,061
Capital outlay	152,181	95,515	-	247,696
Total expenditures	228,698	95,515	4,771	328,984
Excess (deficiency) of revenues over (under) expenditures	7,186	(81,571)	94,689	20,304
Other financing sources (uses):				
Transfer from other funds	15,000	167,381	-	182,381
Transfer to other funds	-	-	(46,598)	(46,598)
Total other financing sources (uses)	15,000	167,381	(46,598)	135,783
Net change in fund balance	22,186	85,810	48,091	156,087
Fund balances, beginning of year	460,125	744,094	1,311,747	2,515,966
Fund balances, end of year	\$ 482,311	829,904	1,359,838	2,672,053

**NONMAJOR GOVERNMENTAL
FUNDS**

TOWN OF BRIDGTON, MAINE
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2019

	Balances beginning of year	Revenues		Program Expenditures	Capital Expenditures	Transfers in (out)	Balances (deficits) end of year
		Inter- governmental	Other				
CDBG	\$ 439,206	197,412	-	16,439	152,181	-	467,998
Bridgton baseball and softball	919	-	6,587	21,061	-	-	(13,555)
Planning board	-	-	553	553	-	-	-
Employee benefit reserve	20,000	-	-	17,132	-	15,000	17,868
Betterment fund	-	-	10,000	-	-	-	10,000
Grants fund	-	21,332	-	21,332	-	-	-
Total nonmajor capital project funds	\$ 460,125	218,744	17,140	76,517	152,181	15,000	482,311

TOWN OF BRIDGTON, MAINE
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
For the year ended June 30, 2019

	Balances beginning of year	Revenues	Expenditures	Transfers in (out)	Balances end of year
Municipal building reserve	\$ 236,253	-	14,473	15,000	236,780
Fire department apparatus reserve	141,195	-	27,852	15,000	128,343
Capital projects reserve	17,927	-	-	5,000	22,927
Pondicherry Park reserve	26,645	438	1,600	5,000	30,483
Recreation reserve	64,815	-	18,160	-	46,655
Public works equipment reserve	7,029	13,506	16,067	15,000	19,468
Police cruiser reserve	3,207	-	-	-	3,207
Route 302 TIF fund	247,023	-	17,363	112,381	342,041
Total nonmajor capital project funds	\$ 744,094	13,944	95,515	167,381	829,904

TOWN OF BRIDGTON, MAINE
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2019

	Principal			Unexpended Income						Total
	Balances June 30, 2018	Unrealized Gains (Losses)	Balances June 30, 2019	Balances June 30, 2018	Interest Earned	Miscellaneous Revenue	Expenditures	Transfers In (out)	Balances June 30, 2019	Fund Balances June 30, 2019
Bridgton Trust Funds:										
Cemetery perpetual care	\$ 381,669	16,966	398,635	-	11,767	-	1,440	-	10,327	408,962
Special cemetery fund	396,474	16,254	412,728	-	11,273	4,550	1,379	(30,848)	(16,404)	396,324
Willis Park fund	54,192	2,324	56,516	-	1,612	-	197	(1,864)	(449)	56,067
Village improvement fund	13,239	242	13,481	-	166	-	20	(7,875)	(7,729)	5,752
School fund	25,290	1,083	26,373	-	752	-	92	(885)	(225)	26,148
Worthy and industrious poor fund	144,021	6,165	150,186	-	4,282	-	524	(5,126)	(1,368)	148,818
Revitalization fund	209,266	9,314	218,580	-	6,455	-	790	-	5,665	224,245
Total Bridgton Trust Funds	1,224,151	52,348	1,276,499	-	36,307	4,550	4,442	(46,598)	(10,183)	1,266,316
Park Forest Trust Fund	87,596	3,521	91,117	-	2,734	-	329	-	2,405	93,522
Total nonmajor permanent funds	\$ 1,311,747	55,869	1,367,616	-	39,041	4,550	4,771	(46,598)	(7,778)	1,359,838