

TOWN OF YORK, MAINE

Annual Financial Report

For the Fiscal Year ended June 30, 2013

TOWN OF YORK, MAINE
Annual Financial Report
For the Year Ended June 30, 2013

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Independent Auditor's Report

Board of Selectmen
Town of York, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of York, Maine as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of York, Maine's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Board of Selectmen
Town of York, Maine

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of York, Maine as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

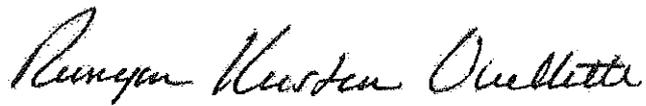
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of York, Maine's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a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

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

Board of Selectmen
Town of York, Maine

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 18, 2014, on our consideration of the Town of York, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 York, Maine's internal control over financial reporting and compliance.



February 18, 2014
South Portland, Maine

TOWN OF YORK, MAINE
Management's Discussion and Analysis
June 30, 2013

Our discussion and analysis of the Town of York, Maine's financial performance provides an overview of the Town's financial activities for the year ended June 30, 2013. Please read it in conjunction with the Town's financial statements, which begin on page 17.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 17 and 18) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 19. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE TOWN AS A WHOLE

The Statement of Net Position and the Statement of Activities

Our analysis of the Town as a whole begins on page 17. One of the most important questions asked about the Town's finances is, "Is the Town as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. You can think of the Town's net position - the difference between assets, liabilities and deferred inflows - as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

Governmental activities - Most of the Town's basic services are reported here, including the police, fire, general administration, education, roads, parks, and beaches. Property taxes, auto excise taxes, franchise fees, fines, parking revenues, state revenue sharing and state and federal grants finance most of these activities.

Business-type activities - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's Recreation, Sohler Park, Senior Center, Mt. Agamenticus, Goodrich Park, Printing and Police Outside Duty activities are reported here.

REPORTING THE TOWN'S MOST SIGNIFICANT FUND FINANCIAL STATEMENTS

Our analysis of the Town's major funds begins on page 19. The fund financial statements begin on page 19 and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law and by bond covenants.

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

However, the Board of Selectmen establishes many other funds to help it control and manage money for particular purposes.

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

The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations on pages 21.

- **Proprietary funds** - When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

Reporting the Town's Fiduciary Responsibilities

We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE TOWN AS A WHOLE

For the year ended June 30, 2013, net position changed as follows:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current & other assets	\$ 21,435,384	21,746,212	475,705	242,980	21,911,089	21,989,192
Capital assets	65,461,703	63,604,232	-	-	65,461,703	63,604,232
Total assets	86,897,087	85,350,444	475,705	242,980	87,372,792	85,593,424
Long-term debt outstanding	32,521,003	30,109,798	-	-	32,521,003	30,109,798
Other liabilities	4,887,012	4,145,911	47,994	41,781	4,935,006	4,187,692
Total liabilities	37,408,015	34,255,709	47,994	41,781	37,456,009	34,297,490
Net position:						
Investment in:						
Capital assets	45,330,880	43,831,095	-	-	45,330,880	43,831,095
Restricted	443,885	1,649,195	-	-	443,885	1,649,195
Unrestricted	3,714,307	5,614,445	427,711	201,199	4,142,018	5,815,644
Total net position	\$ 49,489,072	51,094,735	427,711	201,199	49,916,783	51,295,934

These numbers reflect a decrease in net position of 3.1% percent for governmental activities and an increase of almost 113% for business-type activities (see pages 23-25 for a detailed explanation).

The Town issued bonds in the amount of \$3,644,100 in September 2012. At year-end, there were significant bond proceeds that had not yet been spent, with project completion timelines into the 2014 fiscal year.

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

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Town's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General Government	Charges for photocopies, maps, plumbing permits, shoreland permits, cable TV franchise fees, gas tax refund, reimbursements, clerk fees, a portion of parking meter and permit receipts, parking ticket receipts.
Public Safety	Mooring receipts, police reports, dispatch services agreement with Ogunquit, PSAP (Public Safety Answering Point) fees from other surrounding towns, COPS grants, other grants, dog license fees and an agreement with York Hospital to provide officers on a regular basis.
Public Works	Urban/Rural Initiative Program, FEMA reimbursements, other state grants to improve certain street intersections.
Community Services	Recreation, General Assistance and Library.
Boards and Commissions	Shellfish licenses.
Education	Food service, grants, state subsidy.

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Net Expense

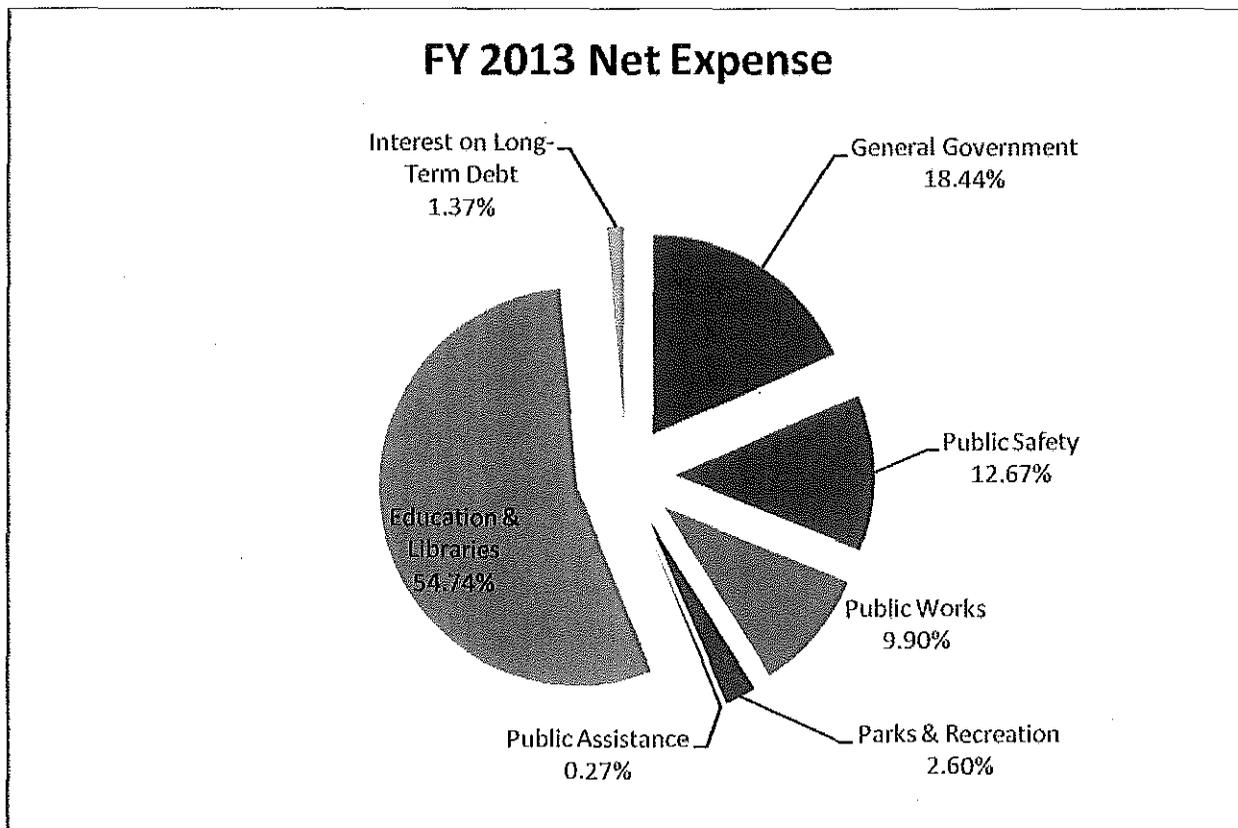
Function/ Program	Expenses		Revenues		Net Expense	
	2013	2012	2013	2012	2013	2012
General Government	\$ 8,742,352	7,372,862	792,467	976,832	7,949,885	6,396,030
Public Safety	6,351,944	6,406,157	889,995	1,107,796	5,461,949	5,298,361
Public Works	5,302,228	4,929,539	1,031,643	323,507	4,270,585	4,606,032
Parks and Recreation	1,210,599	1,064,162	89,445	61,900	1,121,154	1,002,262
Public Assistance	128,525	113,568	9,986	6,867	118,539	106,701
Education and Libraries	28,213,727	27,607,439	4,610,144	4,948,407	23,603,583	22,659,032
Interest on long-term debt	592,389	368,110	-	-	592,389	368,110
Total Governmental Activities	<u>\$ 50,541,764</u>	<u>\$ 47,861,837</u>	<u>\$ 7,423,680</u>	<u>\$ 7,425,309</u>	<u>\$ 43,118,084</u>	<u>\$ 40,436,528</u>

The Net Expense is the financial burden that was placed on the taxpayers by each of these functions. Over \$7.42 million dollars worth of activity was paid by grants, user fees, parking tickets and meter revenues and fees other than taxes.

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

Public Safety revenues derive from dispatching services provided to neighboring towns as well as patrol and security services for the local hospital, and public safety grants. Those dispatching services were reduced in FY13 due to a non-renewal of a contract with one party. Rural roads subsidies make up the bulk of the Public Works revenues, in addition to reimbursements for some paving projects, mostly from the local water and sewer districts, as well as reimbursements for recycling materials.

General Government net expenses increased by \$1.5 million due to wage, property insurance and health insurance increases along with an increase in county taxes due to a supplemental six-month assessment from York County.



Education and Libraries' share of net expense is still the largest percentage at 54.74%, followed by General Government at 18.44%, Public Safety at 12.67% and Public Works at 9.90%.

In an effort to reduce the net expense to taxpayers, there has been a concerted effort to institute user fees as appropriate. To that end, 'impact fees' were imposed years ago on residential dwelling units to help defray the debt service costs of new school buildings. \$98,600 in impact fees were collected by the Town and transferred to the school to offset costs. By ordinance, building permit fees are used to reduce taxpayer impact of the Community Development Department (Code, Planning and Geographic Information Services) to a great extent. Several full time positions in that department are funded by fees, saving the taxpayers almost \$260,000 this year, while delivering desired services in the area of inspections and GIS mapping and data collection.

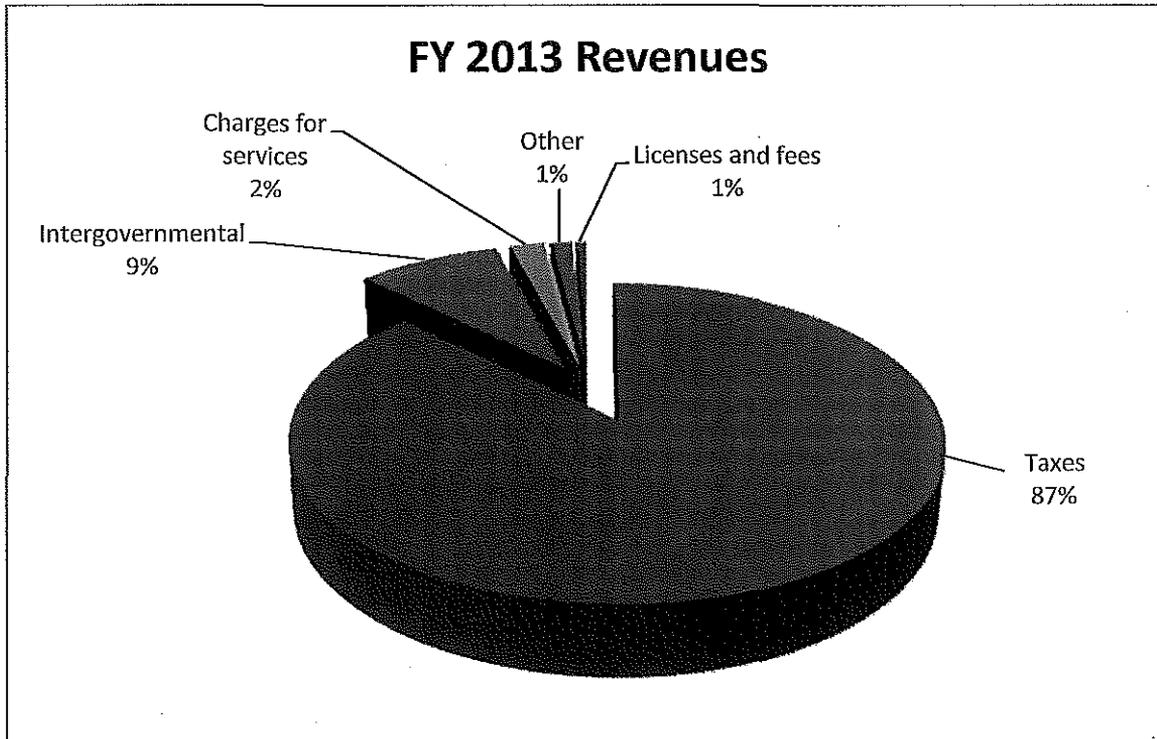
TOWN OF YORK, MAINE
Management's Discussion and Analysis, Continued

THE TOWN'S FUNDS

The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2013 with a comparison to 2012:

<i>Revenues:</i>	<i>FY 2013 Amount</i>	<i>Percent of Total</i>	<i>FY 2012 Amount</i>	<i>Percent of Total</i>
<i>Taxes</i>	\$ 40,908,441	87.32%	\$ 38,803,457	85.99%
<i>Intergovernmental</i>	1,866,170	3.98%	2,052,158	4.55%
<i>Intergovernmental on behalf payments</i>	2,122,267	4.53%	2,038,129	4.52%
<i>Charges for services</i>	1,009,979	2.16%	1,206,557	2.67%
<i>Licenses and permits</i>	294,155	.63%	285,333	.63%
<i>Other</i>	647,989	1.38%	742,161	1.64%
<i>Total Revenues</i>	\$ 46,849,001	100%	\$ 45,127,795	100%

Revenues from all sources increased 3.8% from the previous year. Tax revenues increased 5.42%. State Revenue sharing declined 8.6%. Investment interest income remains flat and low.



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

The following schedule presents a summary of General Fund expenditures for the fiscal year ended June 30, 2013:

<i>Expenditures:</i>	<i>FY 2013</i>	<i>Percent</i>	<i>FY 2012</i>	<i>Percent</i>
	<i>Amount</i>	<i>of Total</i>	<i>Amount</i>	<i>of Total</i>
<i>General Government</i>	\$ 2,193,463	4.64%	\$ 2,207,485	4.73%
<i>Public Safety</i>	5,951,109	12.60%	6,068,416	13.02%
<i>Public Works</i>	3,882,942	8.22%	3,562,840	7.64%
<i>Parks & Recreation</i>	1,198,646	2.54%	1,078,686	2.31%
<i>Public Assistance</i>	128,525	.27%	113,568	.24%
<i>Education & Library</i>	26,583,128	56.29%	26,759,452	57.39%
<i>Maine PERS on behalf</i>	2,122,267	4.50%	2,038,129	4.37%
<i>County Tax</i>	2,188,134	4.63%	2,194,203	4.71%
<i>Unclassified</i>	436,259	.92%	417,413	.90%
<i>Capital Outlays</i>	687,588	1.46%	923,732	1.98%
<i>Interest on Long-Term Debt</i>	541,145	1.15%	436,528	.94%
<i>Principal Payment on Long-term and Debt & Bond Issuance Costs</i>	1,313,260	2.78%	825,160	1.77%
<i>Total Expenditures</i>	\$ 47,226,466	100.00%	\$ 46,625,612	100.00%

Overall expenditures increased 1.29%. General Government increase is typical of inflation and personnel related cost increases. The Principal Payments on Long-Term Debt increase is attributed to additional bond issuances for various capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The taxpayers were very supportive of the Board of Selectmen's five-year capital plan, and approved all of the municipal and school projects put before them on the ballot for year one. The plan totaled \$3,644,100 and included a drainage project, renovations to one of the fire stations, paving at the schools as well as renovations to the High School and some smaller infrastructure and equipment upgrades.

Although a \$825,000 utilization of unassigned fund balance was approved by voters to reduce tax appropriations, the Town recorded a modest increase in its fund balance for the year.

Due to the implementation of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, revenues and expenditures for certain funds historically reported in Special Revenues are now included as part of the General Fund. These balances are now carried forward and reported as part of assigned fund balance. The Town will continue to segregate and earmark funds for specific purposes as noted in the creation of each fund. The only change is in the additional reporting required by this new standard.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the Town had \$65.5 million invested in capital assets including substantial funding for paving and construction of town roads. The usual additions included police vehicles and computer equipment. Other additions are listed below.

	Capital Assets	Accumulated Depreciation at June 30, 2013	Capital Assets Net of Depreciation
Land	\$ 10,956,342	\$ -	\$ 10,956,342
Construction in progress	4,082,046	-	4,082,046
Buildings & Improvements	39,326,193	18,034,999	21,291,194
Infrastructure	44,317,068	18,174,164	26,142,904
Equipment	3,488,107	2,369,669	1,118,438
Vehicles	6,781,849	4,911,070	1,870,779
TOTALS	\$ 108,951,605	\$ 43,489,902	\$ 65,461,703

This year's major additions included:

Breathing Apparatus (Fire)	\$ 288,013
Village Fire Station Renovations	401,017
Open Space Land Purchase	300,000
River Road	152,915
Bog Road Build	328,736
Heavy Plow Truck	134,760
Construction in Progress:	
Public Safety Building	\$ 1,477,453
Connector Road	27,411
Lake Carolyn Dam	41,100
School Renovations	1,001,793

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

Debt

At year-end, the Town had \$30,927,207 in outstanding debt representing a net increase of \$2,285,861.

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
General obligation bonds	\$ 29,832,057	28,582,749
Loan payable	8,417	58,597
Note payable	1,086,733	-
Capital leases	1,515,206	1,468,452
Other post employment benefits	346,124	288,629
Accrued compensated absences	<u>1,092,691</u>	<u>1,127,822</u>
	\$ 33,881,228	31,526,249

In September 2012, there was an issuance in the amount of \$3,644,100. The projects included:

High School Renovations	\$ 1,216,000
Other School Infrastructure/Improvements	575,000
Plow Truck	142,000
Bog Road Build	250,000
Long Beach Drainage	350,000
Fire Station Renovations	455,000
Purchase of Open Space Land	300,000
Other Smaller Projects	<u>356,100</u>
Total Debt Issuance	<u>\$ 3,644,100</u>

Pursuant to GASB 45, actuaries have calculated the Town's liability with respect to Other Postemployment Benefits. The Town offers limited postemployment benefits, including life insurance (for Maine State Retirees) and the privilege of remaining on the Town's health insurance plan for 102% of premiums. The Town does not fund this liability but rather is on a pay-as-you-go basis.

With the formation of a Capital Planning Committee, (which includes staff, board members and members of the Tax Task Force) and a Tax Task Force Committee (which is comprised of citizens), a five-year capital plan is revised annually as necessary and submitted to the Board of Selectmen for its approval and sent on to the voters at the Budget Referendum in May of each year. The Tax Task Force had formulated dollar and percentage limit suggestions based on what it felt the taxpayers could bear and the Capital Planning Committee tries to work within those guidelines. It has been established that the Town has focused on school buildings for the last twenty years and the municipal buildings are in need of attention. Projects on the five year capital plan include Recreation/Community Center, Auditorium, Long Sands Bathhouse, additional land purchases for open space and municipal use and Major Drainage along with road construction.

Tax Increment Financing

In a prior year, the voters approved an article that designates a portion of 'downtown' York Beach as a TIF district. The TIF provides funding for design, traffic studies and to fund public infrastructure improvements such as sidewalks and roadways within the boundaries of the TIF district. It is designed as a twenty-year program and could allocate significant resources to this area of Town known as York Beach.

The first funds, in the amount of \$113,928 were made available with the May 2009 Budget Referendum. The major focus is on infrastructure in the Short Sands Beach area of York Beach to improve drainage and other small infrastructure projects. Due to the structure of the TIF, no new funds were allocated from the FY13 tax appropriations.

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

Business-type Activities

The Town operates a number of Enterprise Funds, designed to be mostly self-sustaining through user fees and grants. All funds are designed to maintain some activity and are not intended to amass large fund balances.

	Recreation	Mt. Agamenticus	Sohier Park	Goodrich Park	Outside Duty	Printing	Senior Center
Charges for Services	\$ 485,233	48,146	246,533	7,200	113,990	598	149,374
Donations	-	13,486	4,271	-	-	-	105,700
Total Revenues	485,233	61,632	250,804	7,200	113,990	598	255,074
Salaries and Benefits	261,042	13,095	14,044	-	85,400	-	710
Cost of Goods Sold	-	-	73,159	-	-	-	28,795
Contracts/Repairs	144,571	24,659	14,869	2,110	-	-	74,909
Supplies/Training	78,396	2,969	7,653	2,461	-	941	14,058
Utilities	-	3,366	130	113	-	-	-
Total Operating Exp	484,009	44,089	109,855	4,684	85,400	941	118,472
Operating Income/(Loss)	1,224	17,543	140,949	2,516	28,590	(343)	136,602
Transfers Out	-	(20,985)	(62,386)	-	(17,198)	-	-
Net Increase (decrease)	1,224	(3,442)	78,563	2,516	11,392	(343)	136,602
Beg Net Position	67,693	25,422	53,083	1,744	32,174	(872)	21,955
Ending Net Position (Deficit)	\$ 68,917	\$ 21,980	\$131,646	\$ 4,260	\$ 43,566	\$ (1,215)	\$ 158,557

The Town's Enterprise Funds

The **Recreation Enterprise** is funded primarily by user fees with a heavy participation by 'sponsors', local businesses who sponsor teams participating in the various programs. With the exception of the 1.5 full time positions that are funded by the General Fund, this program is self-sustaining with respect to all the other costs such as instructors, coaches, supplies, and transportation. It is the goal of the administration to make programs as affordable and accessible to as many citizens as are interested, made possible, in part by some generous donors who sponsor 'scholarships'. The Recreation Department offers programs for all ages – children through senior citizens, including soccer, tai chi, photography, dance and everything in between.

The **Mt. Agamenticus Enterprise** was established to maintain the summit of Mt. Agamenticus which includes an education center in the lodge, viewing areas, trails and grounds. Revenues are generated through tower rentals, donations and viewer fees.

The **Sohier Park Enterprise** was established to maintain Sohier Park and the Cape Neddick Light Station viewable from the beaches (also known as the Nubble Lighthouse). The gift shop in the park sells trinkets and collectibles and generates sufficient revenue to maintain the park and make substantial repairs to the light station, the island and Sohier Park.

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

Net income from the Gift Shop receipts is transferred to a Sohier Park Maintenance Special Revenue fund which is responsible for the repairs and maintenance of the park and the Light Station. This important national landmark and nearby park are maintained with no taxpayer dollars except for capital improvements, which included a recent roof replacement for the lightkeeper's house.

Improved systems and focused management have resulted in substantial revenue increases, allowing for more funding of park improvements and maintenance. There are plans for expansion to the gift shop to provide for more retail space, as well as more restrooms for the park.

The Grant House at Goodrich Park is a wonderful community building restored by a volunteer group. It currently houses the Parks and Recreation offices and is used by community groups for meetings. The revenue from the upstairs apartment offsets some of the costs of maintaining the Grant House and Barn.

An account for **Outside Duty** was established to handle the demand for police and fire services outside the normal responsibilities. Outside entities such as the water and sewer districts might hire an officer to handle traffic around the job site. Billing rates are set to cover the costs of the officer, some administration of the program and the use of a cruiser or fire truck, if necessary. The revenues generated by administration and vehicle usage are transferred to the public safety accounts, to offset those expenses.

Printing Enterprise was set up to cover the cost of printing ordinances and revenues are credited to this account as copies of the ordinances are sold.

Senior Center Enterprise includes a Senior Transportation program which was established in 2004 in response to a need. The Town partially funded the program through tax appropriations and donations covered the rest. That program and its funding was eliminated, but there are trips offered to citizens and other smaller programs available that are funded by the user. A very generous donation was received in FY13 to cover a bus to provide transportation for many of the trips which will make a big difference in what is offered and how it is funded.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The economy as a whole continues to be a concern and a factor in budgeting and spending. York is not as susceptible to fluctuations as are some communities, but nevertheless, high oil prices and other economic factors have an impact on the Town's citizens. Balancing that concern with the need for major building and infrastructure improvements tasks the Town's management to be creative and frugal in its budgeting and proposals.

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

The Assessor continues to use his extensive resources to keep values within the 90-100% range as dictated by state statute. Waterfront property values continue to rise, while inland parcel values are flat or have declined somewhat. Tourism still continues to be a major industry in the Town of York. The FY2014 assessment which represents valuations as of April 1, 2013, remained almost flat with an increase of .15% over the prior year.

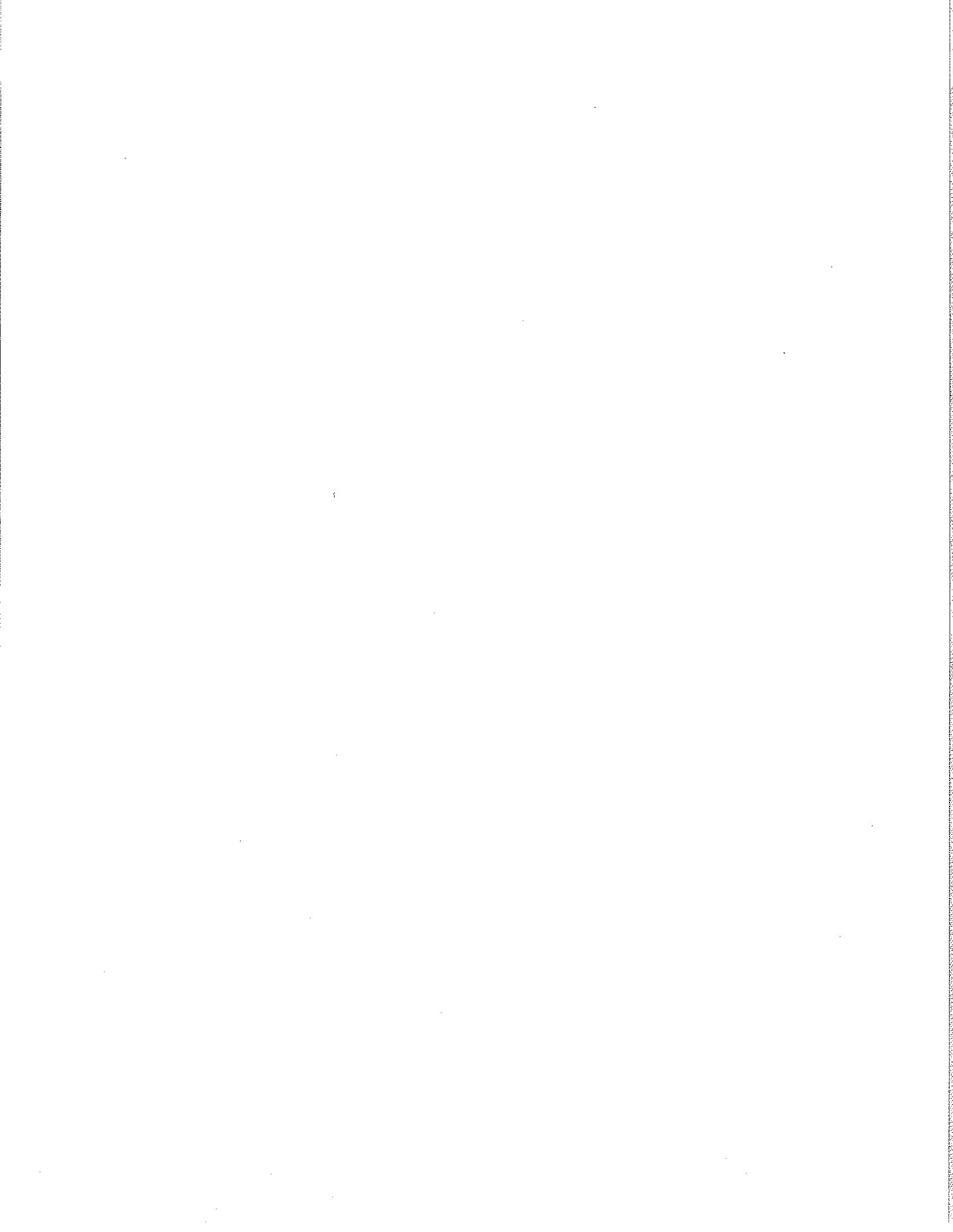
Fiscal Year	Total Valuation	Valuation Increase/ (Decrease)	Total Tax Bills	Tax Bill Increase	Mil Rate
2005	\$2,805,191,350	.4%	\$24,545,424	-9.44%	\$ 8.75
2006	\$3,197,719,520	13.99%	\$27,052,707	10.21%	\$ 8.46
2007	\$3,465,999,200	8.39%	\$28,213,233	4.29%	\$ 8.14
2008	\$3,988,361,710	15.07%	\$32,305,703	14.51%	\$ 8.10
2009	\$4,082,626,820	2.36%	\$33,722,497	4.39%	\$ 8.26
2010	\$4,019,248,550	-1.55%	\$34,485,152	2.26%	\$8.58
2011	\$3,951,774,450	-1.68%	\$35,961,240	4.28%	\$9.10
2012	\$3,893,577,155	-1.47%	\$36,404,946	1.23%	\$9.35
2013	\$3,834,685,364	-1.51%	\$38,193,466	4.9%	\$9.96
2014	\$3,840,653,382	0.15%	\$40,058,015	4.88%	\$10.43

York will see a mil rate increase in the amount of \$.47/\$1,000 assessed valuation for FY14. Those closest to the water see that property valuation translates to larger tax bills, yet there are segments of the population for which tax bills decrease each year. After several years of declining total valuation, this year shows some signs of recovery of values which had declined modestly compared to some areas of the country.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Manager's Office at 186 York Street, York, Maine, or by phone at (207) 363-1000.

BASIC FINANCIAL STATEMENTS



TOWN OF YORK, MAINE
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 18,101,662	36,859	18,138,521
Receivables:			
Accounts	285,504	16,876	302,380
Intergovernmental	629,649	-	629,649
Taxes	1,562,850	-	1,562,850
Prepaid expenses	1,193,190	-	1,193,190
Inventory	20,834	63,665	84,499
Internal balances	(358,305)	358,305	-
Capital assets not being depreciated	15,038,388	-	15,038,388
Capital assets being depreciated, net	50,423,315	-	50,423,315
Total assets	86,897,087	475,705	87,372,792
LIABILITIES			
Accounts payable and other liabilities	1,062,424	32,572	1,094,996
Accrued payroll	2,199,376	15,422	2,214,798
Escrow payable	101	-	101
Unearned revenue	19,047	-	19,047
Accrued interest payable	167,249	-	167,249
Other post employment benefits	346,124	-	346,124
Accrued compensated absences	1,092,691	-	1,092,691
Noncurrent liabilities:			
Due within one year	3,155,969	-	3,155,969
Due in more than one year	29,365,034	-	29,365,034
Total liabilities	37,408,015	47,994	37,456,009
NET POSITION			
Investment in capital assets	45,330,880	-	45,330,880
Restricted for:			
Permanent fund principal - nonexpendable	20,527	-	20,527
Permanent fund earnings - expendable	21	-	21
Education	334,330	-	334,330
Grants	89,007	-	89,007
Unrestricted	3,714,307	427,711	4,142,018
Total net position	\$ 49,489,072	427,711	49,916,783

See accompanying notes to financial statements.

TOWN OF YORK, MAINE
Statement of Activities
For the year ended June 30, 2013

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	\$ 8,742,352	692,117	84,852	15,498	(7,949,885)	-	(7,949,885)
Public safety	6,351,944	699,691	190,304	-	(5,461,949)	-	(5,461,949)
Public works	5,302,228	116,485	-	915,158	(4,270,585)	-	(4,270,585)
Parks and recreation	1,210,599	37,070	52,375	-	(1,121,154)	-	(1,121,154)
Public assistance	128,525	-	9,986	-	(118,539)	-	(118,539)
Education and libraries	28,213,727	645,112	3,965,032	-	(23,603,583)	-	(23,603,583)
Interest on debt	592,389	-	-	-	(592,389)	-	(592,389)
Total governmental activities	50,541,764	2,190,475	4,302,549	930,656	(43,118,084)	-	(43,118,084)
Business-type activities:							
Recreation	484,009	485,233	-	-	-	1,224	1,224
Mt. Agamenticus	44,089	48,146	13,486	-	-	17,543	17,543
Sohier Park	109,855	246,522	4,271	-	-	140,938	140,938
Outside Duty	85,400	113,990	-	-	-	28,590	28,590
Goodrich Park	4,684	7,200	-	-	-	2,516	2,516
Printing	941	598	-	-	-	(343)	(343)
Senior Center	118,472	149,374	105,700	-	-	136,602	136,602
Total business-type activities	847,450	1,051,063	123,457	-	-	327,070	327,070
Total primary government	\$ 51,389,214	3,241,538	4,426,006	930,656	(43,118,084)	327,070	(42,791,014)
General revenues:							
Property taxes, levied for general purposes					\$ 38,331,743	-	38,331,743
Motor vehicle excise taxes					2,693,854	-	2,693,854
Grants and contributions not restricted to specific programs:							
Homestead exemption					127,915	-	127,915
BETE reimbursements					18,244	-	18,244
State Revenue Sharing					462,286	-	462,286
Unrestricted investment earnings					206,051	11	206,062
Sale of property					62,649	-	62,649
Miscellaneous revenues					196,860	-	196,860
Transfers					100,569	(100,569)	-
Total general revenues and transfers					42,200,171	(100,558)	42,099,613
Change in net position					(917,913)	226,512	(691,401)
Net position - beginning, restated					50,406,985	201,199	50,608,184
Net position - ending					\$ 49,489,072	427,711	49,916,783

See accompanying notes to financial statements.

TOWN OF YORK, MAINE
Balance Sheet
Governmental Funds
June 30, 2013

	General	Public Safety Building Capital Project	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,697,997	4,548,514	2,855,151	18,101,662
Receivables:				
Accounts	265,143	-	20,361	285,504
Intergovernmental	2,226	-	627,423	629,649
Taxes	1,562,850	-	-	1,562,850
Prepaid expenditures	1,193,190	-	-	1,193,190
Inventory	-	-	20,834	20,834
Interfund loans receivable	-	49,116	3,578,435	3,627,551
Total assets	\$ 13,721,406	4,597,630	7,102,204	25,421,240
LIABILITIES				
Accounts payable	365,140	7,612	322,342	695,094
Accrued payroll	2,175,546	-	23,830	2,199,376
Other liabilities	367,330	-	-	367,330
Escrow payable	101	-	-	101
Unearned revenues	6,000	-	13,047	19,047
Interfund loans payable	3,315,602	-	670,254	3,985,856
Total liabilities	6,229,719	7,612	1,029,473	7,266,804
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,014,852	-	-	1,014,852
Total deferred inflows of resources	1,014,852	-	-	1,014,852
FUND BALANCES (DEFICITS)				
Nonspendable	1,193,190	-	41,361	1,234,551
Restricted	334,330	-	89,028	423,358
Committed	-	4,590,018	6,322,247	10,912,265
Assigned	2,494,477	-	-	2,494,477
Unassigned	2,454,838	-	(379,905)	2,074,933
Total fund balances	6,476,835	4,590,018	6,072,731	17,139,584
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,721,406	4,597,630	7,102,204	

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.	65,461,703
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.	1,014,852
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:	
Bonds, notes and loans payable	(30,927,207)
Capital leases	(1,515,206)
Premium on bonds	(78,590)
Accrued interest	(167,249)
Accrued compensated absences	(1,092,691)
Other post employment benefits	(346,124)
Net position of governmental activities	\$ 49,489,072

See accompanying notes to financial statements.

TOWN OF YORK, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2013

	General	Public Safety Building Capital Project	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 40,908,441	-	92,690	41,001,131
Licenses and permits	294,155	-	-	294,155
Intergovernmental	3,988,437	-	1,623,967	5,612,404
Charges for services	1,009,979	-	491,678	1,501,657
Donations	31,894	-	12,250	44,144
Interest income	183,901	11,392	10,758	206,051
Other	432,194	46,752	360,328	839,274
Total revenues	46,849,001	58,144	2,591,671	49,498,816
Expenditures:				
Current:				
General government	2,193,463	-	-	2,193,463
Public safety	5,951,109	-	-	5,951,109
Public works	3,882,942	-	-	3,882,942
Parks and recreation	1,198,646	-	-	1,198,646
Public assistance	128,525	-	-	128,525
Library	450,218	-	-	450,218
Education	26,132,910	-	-	26,132,910
County tax	2,188,134	-	-	2,188,134
MEPERs on behalf payments	2,122,267	-	-	2,122,267
Unclassified	436,259	-	2,287,981	2,724,240
Capital outlay	687,588	1,465,611	3,037,461	5,190,660
Debt service:				
Bond issuance costs	35,332	-	-	35,332
Principal	1,277,928	-	-	1,277,928
Interest	541,145	-	-	541,145
Total expenditures	47,226,466	1,465,611	5,325,442	54,017,519
Deficiency of revenues under expenditures	(377,465)	(1,407,467)	(2,733,771)	(4,518,703)
Other financing sources (uses):				
Bond proceeds	-	-	3,644,100	3,644,100
Premium on bond issue	82,520	-	-	82,520
Lease proceeds	336,484	-	-	336,484
Transfers in	172,646	-	257,793	430,439
Transfers out	(210,153)	-	(119,717)	(329,870)
Total other financing sources (uses)	381,497	-	3,782,176	4,163,673
Net change in fund balances	4,032	(1,407,467)	1,048,405	(355,030)
Fund balances, beginning of year, restated	6,472,803	5,997,485	5,024,326	17,494,614
Fund balances, end of year	\$ 6,476,835	4,590,018	6,072,731	17,139,584

See accompanying notes to financial statements.

TOWN OF YORK, 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, 2013

Net change in fund balances - total governmental funds (from Statement 4)	\$	(355,030)
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

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

This is the amount by which capital outlays (\$4,751,030) exceeded the loss on disposal of assets (\$40,936) and depreciation expense (\$2,852,623). 1,857,471

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 tax revenues. 24,466

Expenses in the statement of activities that do not consume current financial resources are not reported as expenses in the funds.

This is the change in accrued compensated absences (\$35,131), accrued interest (\$11,251) and other post employment benefits (\$57,495). (33,615)

The issuance of capital leases provide current financial resources to governmental funds, but capital leases increases long-term liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which lease proceeds (\$336,484) exceeded principal payments (\$289,730). (46,754)

The bond, notes and loan issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond, note and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which bond, note and loan proceeds (\$4,730,833) and the premium on the bond (\$82,520) exceeded principal payments (\$2,444,972) and amortization on the premium (\$3,930). (2,364,451)

Change in net position of governmental activities (see Statement 2)	\$	(917,913)
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See accompanying notes to financial statements.

TOWN OF YORK, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2013

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 40,902,966	40,902,966	40,908,441	5,475
Licenses and permits	250,630	250,630	294,155	43,525
Intergovernmental	1,961,178	1,961,178	1,866,170	(95,008)
Charges for services	1,167,000	1,167,000	933,164	(233,836)
Other	526,801	526,801	615,978	89,177
Total revenues	44,808,575	44,808,575	44,617,908	(190,667)
Expenditures:				
Current:				
General government	2,306,758	2,380,939	2,193,463	187,476
Public safety	6,110,135	6,143,229	5,942,591	200,638
Public works	3,988,469	3,988,469	3,852,301	136,168
Parks and recreation	1,141,712	1,141,712	1,132,518	9,194
Public assistance	122,701	122,701	114,897	7,804
Library	450,218	450,218	450,218	-
Education:				
Regular instruction	10,895,985	10,895,985	10,825,381	70,604
Special education instruction	3,927,536	3,888,597	3,803,287	85,310
Career and technical education	3,000	3,060	3,060	-
Other instruction	1,043,609	1,043,609	1,014,264	29,345
Student and staff support	2,574,924	2,574,924	2,552,776	22,148
System administration	759,165	790,251	790,251	-
School administration	1,319,299	1,319,299	1,300,915	18,384
Transportation	1,047,894	1,130,750	1,130,750	-
Facilities maintenance	2,863,903	2,781,047	2,747,900	33,147
Other	79,695	79,695	77,453	2,242
Debt service	1,504,801	1,512,594	1,472,037	40,557
County tax	2,188,134	2,188,134	2,188,134	-
Unclassified	524,746	542,652	374,218	168,434
Capital outlay	627,125	1,244,127	349,496	894,631
Debt service	1,865,923	1,880,659	1,771,885	108,774
Total expenditures	45,345,732	46,102,651	44,087,795	2,014,856
Excess (deficiency) of revenues over (under) expenditures	(537,157)	(1,294,076)	530,113	1,824,189
Other financing sources (uses):				
Use of fund balance	825,000	825,000	-	(825,000)
Carryforward balances	-	790,919	-	(790,919)
Appropriations for reserve accounts	(27,000)	(27,000)	(25,000)	2,000
Transfer to reserve accounts	-	-	(307,184)	(307,184)
Transfers in	-	-	172,646	172,646
Transfers out	(260,843)	(294,843)	(210,153)	84,690
Total other financing sources (uses)	537,157	1,294,076	(369,691)	(1,663,767)
Net change in fund balance	-	-	160,422	160,422
Fund balance, beginning of year, budgetary basis			5,929,774	
Fund balance, end of year-budgetary basis			6,090,196	
Accrued summer benefits			(414,836)	
Amounts held in reserves			801,475	
Fund balance, end of year-GAAP basis	\$		6,476,835	

See accompanying notes to financial statements.

TOWN OF YORK, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2013

Business-type Activities - Enterprise Funds		Nonmajor Enterprise Funds
ASSETS		
Cash and cash equivalents	\$	36,859
Accounts receivable		16,876
Inventory		63,665
Interfund loan receivable		359,520
Total assets		476,920
LIABILITIES		
Accounts payable		32,572
Accrued payroll		15,422
Interfund loans payable		1,215
Total liabilities		49,209
NET POSITION		
Unrestricted		427,711
Total net position	\$	427,711

See accompanying notes to financial statements.

TOWN OF YORK, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2013

Business-type Activities - Enterprise Funds		Nonmajor Enterprise Funds
Operating revenues:		
User fees	\$	691,436
Sponsorships/memberships		54,354
Gift shop sales		246,522
Rental income		55,346
Donations		123,457
Other		3,405
Total operating revenues		1,174,520
Operating expenses:		
Cost of goods sold		101,954
Salaries and benefits		374,291
Training, meetings, and travel		6,746
Maintenance		20,937
Office expenses		19,521
Supplies		70,750
Contracts		240,181
Utilities		3,609
Fuel		3,365
Other		6,096
Total operating expenses		847,450
Operating income		327,070
Nonoperating revenue:		
Interest income		11
Total nonoperating revenue		11
Income before transfers		327,081
Transfers out		(100,569)
Change in net position		226,512
Total net position, beginning of year		201,199
Total net position, end of year		\$ 427,711

See accompanying notes to financial statements.

TOWN OF YORK, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2013

Business-type Activities - Enterprise Funds		Nonmajor Enterprise Funds
Cash flows from operating activities:		
Receipts from customers and users	\$	841,236
Payments to suppliers		(467,482)
Payments to employees		(373,755)
Net cash used in operating activities		(1)
Cash flows from investing activities:		
Investment income		11
Net cash provided by investing activities		11
Increase in cash		10
Cash, beginning of year		36,849
Cash, end of year	\$	36,859
Reconciliation of operating income to net cash used in operating activities:		
Operating income	\$	327,070
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) decrease in operating assets:		
Accounts receivable		(2,914)
Inventory		(25,513)
Interfund receivables		(304,857)
Increase (decrease) in operating liabilities:		
Accounts payable		5,677
Accrued payroll		536
Net cash used in operating activities		(1)
Non-cash transactions:		
Interfund transfers		75,371

See accompanying notes to financial statements.

TOWN OF YORK, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Private- purpose Trust Funds			Agency Funds	Total
	Larry A. D'Entremont Scholarship	York Mentor Scholarship			
ASSETS					
Cash and cash equivalents	\$	8,977	6,209	108,579	123,765
Total assets		8,977	6,209	108,579	123,765
LIABILITIES					
Held for student groups		-	-	108,579	108,579
Total liabilities		-	-	108,579	108,579
NET POSITION					
Held in trust	\$	8,977	6,209	-	15,186

See accompanying notes to financial statements.

TOWN OF YORK, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2013

	Private- purpose Trust Funds	
	Larry A. D'Entremont Scholarship	York Mentor Scholarship
Additions:		
Donations	\$ -	1,710
Interest	8	4
Total additions	8	1,714
Deductions:		
Scholarships awarded	-	1,390
Total deductions	-	1,390
 Change in net assets	 8	 324
Net position, beginning of year, restated	8,969	5,885
Net position, end of year	\$ 8,977	6,209

See accompanying notes to financial statements.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of York conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies:

Reporting Entity

In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by accounting principles generally accepted in the United States of America. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there are no potential component units that should be included as part of this reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 Public Safety Building Capital Project Fund accounts for the bond proceeds and related capital expenditures for the construction of the public safety building.

Additionally, the Town reports the following Fiduciary Fund types:

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

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting.

Fiduciary Funds use an economic resources measurement focus.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Assets, Liabilities, and Equity

Cash and Cash Equivalents - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value. For statement of cash flow purposes, the Town considers cash and cash equivalents to be demand deposits, certificates of deposit with maturities of less than three months, and money market mutual funds.

Inventory - Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are generally recorded as expenditures when consumed rather than when purchased.

Interfund Loans Receivable/Payable - Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans or as interfund advances (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated fair market 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.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	15-20 years
Buildings and building improvements	20-50 years
Equipment	3-15 years
Vehicles	3-15 years
Infrastructure	5-60 years

Deferred Inflows of Resources - In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Vacation and Sick Leave - Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service and are accrued ratably over the year. Regular part-time employees receive vacation on a pro-rated basis. Accumulated vacation and sick time has been recorded as a liability in the government-wide statements.

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

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

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 voters have 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 Board of Selectmen approves the assigned amounts either before or after year end.

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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

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

The Town's net investment in capital assets was calculated as follows at June 30, 2013:

	<u>Governmental activities</u>
Capital assets	\$ 108,951,605
Accumulated depreciation	(43,489,902)
Unspent bond proceeds	10,138,124
Noncapital long-term debt	1,086,733
Bonds and loans payable	(29,840,474)
Capital leases	(1,515,206)
<u>Total net investment in capital assets</u>	<u>\$ 45,330,880</u>

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

Budgets are adopted for the General Fund only and are adopted on a basis consistent with generally accepted accounting principles (GAAP). The level of control (level at which expenditures may not exceed budget) is the Department. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year. The Town Manager is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures must be approved by the Board of Selectmen. Encumbrance accounting is not employed by the Town. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

B. Deficit Fund Balances/Net Position

At June 30, 2013, the following funds had deficit fund balances/net position:

Special Revenue Funds:	
School lunch fund	\$ 234,285
Adult education	4,574
Choose to be healthy fund	1,782
Trails	12,026
Capital Project Funds:	
Town Hall renovations	90,610
Enterprise Funds:	
Printing	1,215

These fund deficits will be covered by future revenue sources.

CASH AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy is to have its deposits covered by F.D.I.C. insurance or by additional insurance purchased on behalf of the Town by the respective banking institution.

As of June 30, 2013, the Town reported deposits of \$ 18,262,286 with a bank balance of \$18,937,310. Of the Town's bank balances of \$18,262,286, \$17,322,676 was covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions and the remaining balance of \$1,614,634 was exposed to custodial credit risk.

Deposits have been reported as follows:

Reported in governmental funds	\$ 18,101,662
Reported in fiduciary funds	123,765
Reported in proprietary funds	36,859
<u> Total deposits</u>	<u> \$ 18,262,286</u>

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

PROPERTY TAX

The Town's property tax is levied on the assessed value listed as of the prior April 1 for all real and taxable personal property located in the Town. Assessed values are periodically established by the Assessor at 100% of the assumed market value. Each property must be reviewed no less than once every four years.

Property taxes were levied August 22, 2012 on the assessed values of real property as of April 1, 2012. Taxes were due October 5, 2012 and February 8, 2013. This assessed value of \$3,834,685 was 100% of the estimated market value and 97.6% of the 2013 state valuation of \$3,928,900.

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 \$13,931 for the year ended June 30, 2013.

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

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

The following summarizes the period ended June 30, 2013 levy:

	<u>2013</u>	<u>2012</u>
Valuation:		
Land	\$ 1,842,069,700	1,900,352,500
Buildings	1,969,477,500	1,970,680,900
Personal property	23,138,164	22,733,770
Total assessed valuation	3,834,685,364	3,893,767,170
Assessed value	3,834,685,364	3,893,767,170
Tax rate (per \$1,000)	9.96	9.35
Commitment	38,193,466	36,406,723
Supplemental taxes assessed	13,441	31,954
	38,206,907	36,438,677
Less:		
Collections and abatements	37,176,572	35,457,271
Receivable at June 30	\$ 1,030,335	981,406
Due date(s)	10/5/12	9/30/11
	2/8/13	2/3/12
Interest rate charged on delinquent taxes	7.00%	7.00%
Collection rate	97.3%	97.3%

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

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2013</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,534,289	2,547,757	-	4,082,046
Land	10,656,342	300,000	-	10,956,342
Total capital assets, not being depreciated	12,190,631	2,847,757	-	15,038,388
Capital assets, being depreciated:				
Buildings and building improvements	38,925,176	401,017	-	39,326,193
Equipment	3,092,731	466,223	70,847	3,488,107
Vehicles	6,760,296	305,806	284,253	6,781,849
Infrastructure	43,586,841	730,227	-	44,317,068
Total capital assets being depreciated	92,365,044	1,903,273	355,100	93,913,217
Less accumulated depreciation for:				
Buildings and building improvements	17,058,342	976,657	-	18,034,999
Equipment	2,204,166	219,819	54,316	2,369,669
Vehicles	4,727,031	443,887	259,848	4,911,070
Infrastructure	16,961,904	1,212,260	-	18,174,164
Total accumulated depreciation	40,951,443	2,852,623	314,164	43,489,902
Total capital assets being depreciated, net	51,413,601	(949,350)	40,936	50,423,315
Governmental activities capital assets, net	\$ 63,604,232	1,898,407	40,936	65,461,703

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

Governmental activities:	
General government	\$ 70,176
Public safety	359,899
Public works, including depreciation of general infrastructure assets	1,419,286
Recreation and parks	11,953
Education	991,309
Total depreciation expense – governmental activities	\$ 2,852,623

INTERFUND LOAN BALANCES

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account. Individual interfund loan receivable and payable balances at the year ended June 30, 2013 were as follows:

	Interfund Receivables	Interfund payables
General Fund	\$ -	3,315,602
Public Safety Building Capital Project	49,116	-

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

INTERFUND LOAN BALANCES, CONTINUED

	<u>Interfund Receivables</u>	<u>Interfund payables</u>
Other Governmental Funds:		
Town special revenue funds	\$ 245,069	-
School lunch special revenue fund	-	350,458
Adult education special revenue fund	-	10,529
School special revenue funds	-	306,112
Nonmajor capital project funds	3,333,366	-
Clark Emerson permanent fund	-	3,155
Total Other Governmental Funds	3,578,435	670,254
Proprietary Funds:		
Recreation	97,312	-
Mt. Agamenticus	26,812	-
Sohier Park	39,932	-
Outside duty	26,942	-
Goodrich Park	4,348	-
Printing	-	1,215
Senior Center	164,174	-
Total Proprietary Funds	359,520	1,215
Totals	\$ 3,987,071	3,987,071

INTERFUND TRANSFERS

Interfund transfers consist of budgeted transfers to and from other funds to fund certain activities accounted for in those funds. Individual fund transfers for the year ended June 30, 2013 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 172,646	210,153
Other Governmental Funds:		
Special revenue funds:		
FEMA Irene grant	-	25,027
FEMA NEMO grant	-	60,035
York Beach TIF	-	30,000
Trails	5,638	-
Conservation coordinator	40,597	-
School lunch	142,903	-
Adult education	4,655	-
School special revenues	-	4,655
Total Special Revenue Funds	193,793	119,717
Capital Project Funds:		
Short Ridge drainage	34,000	-
York Beach infrastructure	30,000	-
Total Capital Project Funds	64,000	-
Total Other Governmental Funds	257,793	119,717

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

INTERFUND TRANSFERS, CONTINUED

	Transfers in	Transfers out
Enterprise Funds:		
Mt. Agamenticus	\$ -	20,985
Sohier Park	-	62,386
Outside duty	-	17,198
Total Enterprise Funds	-	100,569
Totals	\$ 430,439	430,439

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 28,582,749	3,644,100	2,394,792	29,832,057	2,704,049
Loans payable	58,597	-	50,180	8,417	8,417
Note payable	-	1,086,733	-	1,086,733	217,347
Premium on bonds	-	82,520	3,930	78,590	3,930
Total bonds, notes and loans payable	28,641,346	4,813,353	2,448,902	31,005,797	2,933,743
Capital leases	1,468,452	336,484	289,730	1,515,206	222,226
Other post employment benefits	288,629	78,737	21,242	346,124	-
Accrued compensated absences	1,127,822	1,092,691	1,127,822	1,092,691	-
Total long-term liabilities	\$ 31,526,249	6,321,265	3,887,696	33,959,818	3,155,969

Notes Payable

During the fiscal year ended June 30, 2013, York County changed its fiscal year end and assessed county tax over a six-month interim period. The amount of tax assessed to the Town of York, Maine totaled \$1,086,733. The Town has an agreement with the County to pay the \$1,086,733 in five equal annual payments of \$217,347 plus interest of 1.73% starting on December 31, 2013 and ending December 31, 2017. As of June 30, 2013, the Town's outstanding amount of the note payable to York County was \$1,086,733.

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

LONG-TERM DEBT

Bonds, Notes and Loans Payable

Bonds, notes and loans payable at June 30, 2013 are comprised of the following:

	<u>Originally Issued</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance</u>
Bonds, notes and loans payable:					
Governmental activities:					
York Sewer District	\$ 313,593	6/3/2005	6/9/2019	1.30%	119,712
York Sewer District	11,409	9/23/2005	11/14/2019	0%	5,324
York County	1,086,733	6/30/2013	12/31/2017	1.73%	1,086,733
General Obligation Bond	3,524,000	11/1/2008	11/1/2028	4.0-5.0%	2,804,000
General Obligation Refunding	10,785,000	3/1/2010	3/1/2020	1.0-3.0%	7,230,000
General Obligation Refunding	8,624,500	7/1/2010	7/1/2020	2.0-3.8%	7,424,500
General Obligation Refunding	9,124,421	10/1/2011	9/1/2031	2.0-3.25%	8,604,421
General Obligation Bonds	3,644,100	8/1/2012	8/1/2033	1.0-2.4%	3,644,100
Kennebunk Savings Loan	100,000	1/17/2013	12/17/2013	2.15%	8,417
Total governmental activities					\$ 30,927,207

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

	<u>Principal</u>	<u>Interest</u>
2014	\$ 2,929,813	676,220
2015	2,917,656	722,362
2016	2,841,421	662,778
2017	2,633,188	604,546
2018	2,608,460	545,240
2019-2023	7,932,149	1,928,423
2024-2028	5,470,000	1,022,750
2029-2033	3,594,520	209,396
Totals	\$ 30,927,207	6,371,715

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its state assessed valuation. At June 30, 2013, the Town's outstanding debt did not exceed these limits.

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

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 and the present value of the net minimum lease payment at June 30, 2013.

	Governmental Funds
2014	\$ 288,176
2015	166,911
2016	153,359
2017	149,118
2018	115,741
2019-2023	563,614
2024-2028	544,019
2029	<u>106,134</u>
Total minimum lease payments	2,087,072
Less: amount representing interest	<u>571,866</u>
Present value of future minimum lease payments	<u>\$ 1,515,206</u>

OVERLAPPING DEBT

The Town is subject to an annual assessment of its proportional share of York County expenses, including debt repayment, as determined by the percentage of the Town's State valuation to the County's State valuation. For the year ended June 30, 2013, the Town's State valuation of \$3,928,900 was 13.54% of the County's State valuation of \$29,012,250. The Town's share is 13.54% or \$1,402,142 of York County's \$10,355,554 long-term debt outstanding at June 30, 2013.

COMMITMENTS AND CONTINGENCIES

As of June 30, 2013, the Town has commitments for various, ongoing construction projects, including the public safety building and energy upgrades at the School Department, among others.

As of June 30, 2013, the School Department had a commitment for the Coastal Ridge Elementary School window and siding project of \$176,828.

On November 20, 2012, a special education hearing officer made a determination that the School Department is responsible for costs of approximately \$120,000 for two years of programming for a student at an out of district school. The School Department is appealing this judgment to Federal District Court. If the appeal is not successful, the School Department will also be liable for the other party's attorneys' fees and costs, and would potentially be responsible for the student's instruction costs for a third year.

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

COMMITMENTS AND CONTINGENCIES, CONTINUED

The School Department's total potential liability, if the appeal is unsuccessful, is unknown but is estimated at \$220,000. At this time, the School Department has not accrued a liability since the outcome of the appeal is unknown.

The York School Department participates in a number of federally assisted grant programs. Although the programs have been audited in compliance with the Single Audit Act of 1984, these programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for, or including, the year ended June 30, 2013, have not yet been completed. Accordingly, the York Public School's compliance with applicable grant requirements will be established at some future date. The amount, if any, of the expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School Department expects such amounts, if any, to be immaterial.

FUND BALANCE

At June 30, 2013, portions of the Governmental Funds fund balances consisted of the following:

	General Fund	Public Safety Building Capital Project	Other Governmental Funds
Nonspendable:			
Prepaid expenditures	\$ 1,193,190	-	-
Permanent fund principal	-	-	20,527
School lunch inventory	-	-	20,834
Total nonspendable	1,193,190	-	41,361
Restricted:			
School general fund	334,330	-	-
School special revenues	-	-	50,729
Adult education grants	-	-	12,179
York Beach TIF	-	-	13,838
Other Town grants and donations	-	-	12,261
Permanent fund income	-	-	21
Total restricted	334,330	-	89,028
Committed:			
Public safety building capital project fund	-	4,590,018	-
Mitchell/Airport Drive capital project fund	-	-	1,013,134
Energy efficiency capital project fund	-	-	193,155
Short Sands drainage	-	-	109,901
Town docks capital project fund	-	-	388,592
Lake Carolyn Dam capital project fund	-	-	72,407
Town hall improvements capital project fund	-	-	94,483
York Street capital project fund	-	-	114,360
Route 103 capital project fund	-	-	143,485
Connector road capital project fund	-	-	1,520,884
Major drainage capital project fund	-	-	350,846
Two ton plow truck capital project fund	-	-	75,181
Seawall's Bridge Utility capital project fund	-	-	75,181
York Street/Long Sands capital project fund	-	-	50,121

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

FUND BALANCE, CONTINUED

	General Fund	Public Safety Building Capital Project	Other Governmental Funds
School capital project fund	\$ -	-	1,094,844
Other Town capital project funds	-	-	62,888
York Beach reserve special revenue fund	-	-	211,215
Harbor dredge special revenue fund	-	-	363,299
Harbor/wharf special revenue fund	-	-	205,712
Impact fees special revenue fund	-	-	41,491
Performance accounts special revenue fund	-	-	135,160
<u>Other Town special revenue funds</u>	-	-	<u>5,908</u>
Total committed	-	4,590,018	6,322,247
Assigned:			
Future budgeted use of fund balance	650,000	-	-
Town budget carry forwards:			
Voting machines	45,000	-	-
Legal (MTA Issue)	10,738	-	-
Legal	32,674	-	-
Information technology	10,380	-	-
Debt services (YSD)	14,770	-	-
Cable TV	7,130	-	-
Police vehicles	69,453	-	-
Public safety site design & engineering	60,684	-	-
Hot top	292,101	-	-
White goods – maintenance/paving	10,500	-	-
Contract services – traffic lights	592	-	-
FEMA funds	8,095	-	-
Contingency	44,800	-	-
Contingency (Cape Neddick River)	1,400	-	-
Contingency (YVF)	18,123	-	-
YBF roof repair	35,720	-	-
Bellmarsh Road	24,676	-	-
Sign maintenance	1,762	-	-
Road repair and reconstruction	273,922	-	-
Fishermen’s Walk renovations	31,676	-	-
Seawall repair	19,563	-	-
Broadway/Airport Drive drainage	11,043	-	-
Cow Beach phase II drainage	18,200	-	-
Town reserves:			
OT detail	3,852	-	-
Sohier Park building	7,750	-	-
Iron/metal recycling	10,190	-	-
Fire equipment	258	-	-
350 th	5,380	-	-
Airport Drive	22,113	-	-
Academic reimbursement	8,017	-	-

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

FUND BALANCE, CONTINUED

	General Fund	Public Safety Building Capital Project	Other Governmental Funds
Animal welfare	\$ 22,916	-	-
Building	41,612	-	-
Bog Road	17,857	-	-
Capital equipment	252,600	-	-
CEO	102,514	-	-
CMP Spur Road	9,988	-	-
Conservation	5,089	-	-
Earned time	155,354	-	-
Fireworks	(77)	-	-
York Beach fire truck	2,026	-	-
Fishermen's fund	1,034	-	-
Fishermen's memorial	753	-	-
Goodrich Park	355	-	-
Heat	14,672	-	-
Historic markers	230	-	-
Hoist repair	2,432	-	-
Long Sands BH	468	-	-
Nubble Light	14,678	-	-
Off premise signs	2,844	-	-
Open space	81,957	-	-
Wheeler Marsh	12,976	-	-
Public works equipment	2,890	-	-
Street openings	(8,660)	-	-
Sohier Park maintenance	1	-	-
Tree planting	6,328	-	-
Unemployment	2,693	-	-
Village lights	1,511	-	-
Wheeler trust	(3,126)	-	-
Total assigned	2,494,477	-	-
Unassigned	2,454,838	-	(379,905)
Total fund balance	\$ 6,476,835	4,590,018	6,072,731

TAX INCREMENT FINANCING DISTRICT

Under Maine law, the Town has established a Tax Increment Financing District (TIF) to finance improvements within the Town of York. The District specifically encompasses the downtown residential and commercial areas of York Beach, as well as the surrounding open areas. The purpose of the District is to fund certain improvements to the York Beach area, including drainage and flood control infrastructure, sidewalk improvements, and area traffic designs. TIF improvements are to be funded through a combination of municipal bonds, federal grants, and the incremental value multiplied by the tax rate. The incremental value is defined as the increase of the current valuation over the original assessed value of \$36,650,300. As there has been a decrease in the valuation of the District area, no current year taxes have been allocated to the District. Expenditures related to the District's purpose totaled \$0 and \$21,354 as of June 30, 2013 and 2012, respectively.

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

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (MainePERS)

Maine PERS - Consolidated Plan

Description of the Plan - The Town contributes to the Maine Public Employees Retirement System Consolidated Plan, a cost sharing multiple-employer public employee retirement system established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 6.5% of their annual covered salary and the Town of York is required to contribute an actuarially determined rate.

The current rate is 5.3% for the Regular AC plan and 7.5% for the Special #2C plan, of annual covered payroll. The contribution rates of plan members and the Town of York are established and may be amended by the Maine Public Employees Retirement System Board of Trustees. The Town's contributions to the Maine Public Employees Retirement System Consolidated Plan for the years ended June 30, 2013 and 2012 were \$280,628 and \$230,932, respectively, which is equal to the required contributions for the year.

Maine Public Employees Retirement System (Maine PERS) - Teachers Group

Description of Plan - All schoolteachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's teacher group. The teacher's group is a cost-sharing plan with a special funding situation, established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Maine State Legislature establishes and amends benefit provisions. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher's Group. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 7.65% of their compensation to the retirement system. The State of Maine Department of Education is required, by the same statute, to contribute the employer contribution which amounts to \$2,122,267 (15.86%) for the fiscal year 2013. This amount has been reported as an intergovernmental revenue and retirement expenditure in the GAAP basis financial statements (Statement 2). There is no contribution required by the School except for federally funded teachers, for which the School contributed 16.33% of their compensation. This cost is charged to the applicable grant.

Beginning on July 1, 2013, as a result of the State Biennial budget, the School Unit will be responsible for approximately half of the normal cost of the teacher's plan. This approximates 2.65% of compensation.

457 RETIREMENT PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

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

457 RETIREMENT PLAN, CONTINUED

The Town contributes 7.5% of annual compensation on behalf of full time employees who are not participating in the Maine Public Employees Retirement System. Contributions for the year ended June 30, 2013 and 2012 were \$121,901 and \$122,111, respectively.

The requirements of IRS Section 457(g) prescribes that the Town no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on their plan assets, were removed from the Town's financial statements.

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors, and omissions, and natural disasters for which the Town either carries commercial insurance, or participates in public entity risk pools or is effectively self-insured. Currently, the Town participates in two public entity risk pools sponsored by the Maine Municipal Association. Based on the coverage provided by these pools, as well as certain 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, 2013.

PRIOR PERIOD ADJUSTMENTS

During FY 2013, the Town determined that the accrued compensated absences previously reported were understated. The liability and the Governmental Activities beginning net position have been restated.

During FY 2013, the School Department decided to split the Adult Education activity from the General Fund and Other Special Revenue Funds and show it as its own special revenue fund. In addition, the School Department determined that a long-term lease that was reported under the Town General Fund should have been reported as a capital project fund. Lastly, the School Department discovered scholarship accounts that had not been previously reported on the financial statements. Fund balances and net position amounts as of July 1, 2012 have been restated as follows:

	<u>General Fund</u>	<u>Adult Education</u>	<u>School Special Revenues</u>
Fund balance as previously reported	\$ 6,835,511	-	300,734
FY 2012 lease proceeds	(353,626)	-	-
Adult education fund balances	(9,082)	10,035	(953)
Net position/fund balance, as restated	\$ 6,472,803	10,035	299,781

	<u>School Capital Projects</u>	<u>Private- Purpose Trusts</u>	<u>Governmental Activities</u>
Net position/fund balance as previously reported	\$ 35,253	469	51,094,735
Additional accrued compensated absences	-	-	(687,750)
FY 2012 lease proceeds	353,626	-	-
Certificate of deposit and savings not reported	-	14,385	-
Net position/fund balance, as restated	\$ 388,879	14,854	50,406,985

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

SUBSEQUENT EVENTS

On July 24, 2013, the School Committee approved a "Resolution to Authorize Energy Conservation and Air Quality Equipment and Related Improvements at York Schools for a price not to exceed \$2,634,076". The improvements are to be funded through the issuance of \$1,436,052 in Qualified School Construction Bonds and a lease purchase agreement of \$1,198,024. A Qualified School Construction Bond also funds the lease purchase agreement.

OTHER POST EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) issued its Statement 45, which addressed the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the Town of York, Maine for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The Town of York is a member of the Maine Municipal Employees Health Trust. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the Town's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in October 2011.

Plan Descriptions - In addition to providing pension benefits, the Town provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage.

Funding Policy and Annual OPEB Cost - GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The Town currently funds these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits.

The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

The following table represents the OPEB costs for the years ended June 30, 2013, 2012 and 2011 and the annual required contribution:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Normal cost	\$ 33,027	33,027	33,027
Amortization of unfunded	49,227	49,227	49,227
Interest	13,174	10,832	8,315
Annual required contribution	95,428	93,086	90,569
Amortizing adjustment to ARC	(16,692)	(13,306)	(9,667)
Annual OPEB cost	78,737	79,780	80,902
Contributions made	(21,241)	(27,782)	(17,975)
Increase in net OPEB obligation	57,495	51,998	62,927
Net OPEB obligation beginning of year	288,629	236,631	173,704
Net OPEB obligation end of year	\$ 346,124	288,629	236,631

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

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

The "contributions made" represent an implicit rate subsidy offset based on a calculation provided by the actuary which calculates the percentage of premiums which subsidizes retirees.

Funding Status and Funding Progress - The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2013, 2012 and 2011 were as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual OPEB Cost	\$78,737	79,780	80,902
Percent of annual OPEB cost contributed	26.98%	34.82%	22.22%
<u>Net OPEB obligation</u>	<u>346,124</u>	<u>288,629</u>	<u>236,631</u>
Actuarial accrued liability	885,280	885,280	885,280
<u>Plan assets</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	885,280	885,280	885,280
<u>Covered payroll</u>	<u>7,201,733</u>	<u>7,201,733</u>	<u>6,000,000</u>
Unfunded actuarial accrued liability as a percentage of covered payroll	12.29%	12.29%	14.75%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions - Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/11
Actuarial cost method	Projected unit credit
Amortization method	Level dollar
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	N/A
Healthcare cost trend rate	4.0% - 8.7%

TOWN OF YORK, MAINE
Required Supplementary Information

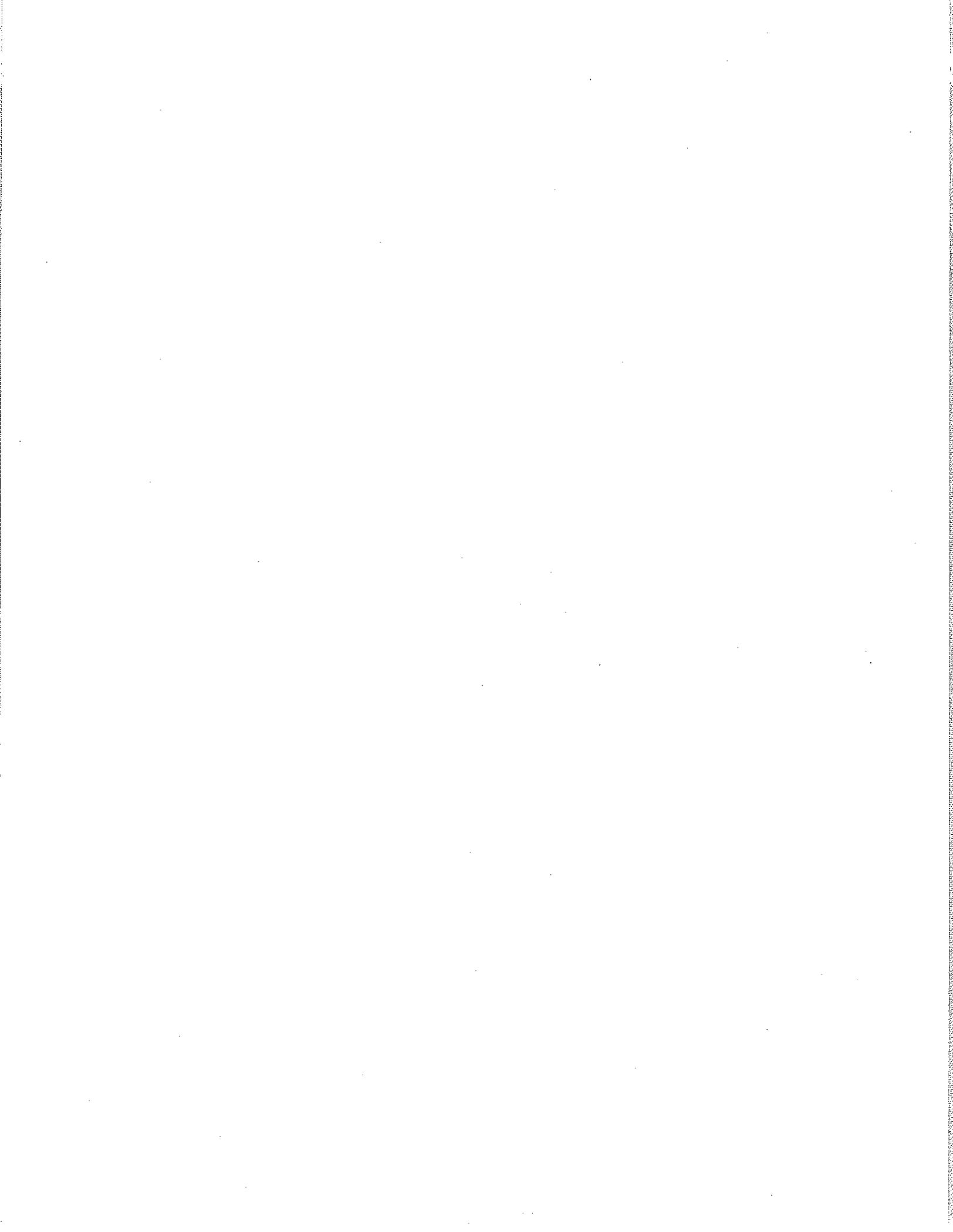
Schedule of Funding Progress
Retiree Healthcare Plan

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) – Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a) / c]</u>
2009	1/1/09	\$ -	869,124	869,124	0.00%	5,100,000	17.04%
2010	1/1/09	\$ -	869,124	869,124	0.00%	5,200,000	16.71%
2011	1/1/11	\$ -	885,280	885,280	0.00%	6,000,000	14.75%
2012	1/1/11	\$ -	885,280	885,280	0.00%	7,201,733	12.29%
2013	1/1/11	\$ -	885,280	885,280	0.00%	7,201,733	12.29%



GENERAL FUND

The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The fund pays general operating expenditures, fixed charges, and capital improvement costs which are not paid through other funds.



TOWN OF YORK, MAINE
Balance Sheet - General Fund
June 30, 2013

ASSETS	
Cash and cash equivalents	\$ 10,697,997
Receivables:	
Accounts	265,143
Intergovernmental	2,226
Taxes receivable - current year	1,030,335
Taxes receivable - prior years	51,641
Tax liens	417,699
Tax acquired property	63,175
Prepaid items	1,193,190
Total assets	\$ 13,721,406
LIABILITIES	
Accounts payable	365,140
Accrued payroll	2,175,546
Other liabilities	367,330
Escrow payable	101
Unearned revenues	6,000
Interfund loans payable	3,315,602
Total liabilities	6,229,719
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	1,014,852
Total deferred inflows of resources	1,014,852
FUND BALANCE	
Nonspendable	1,193,190
Restricted	334,330
Assigned	2,494,477
Unassigned	2,454,838
Total fund balance	6,476,835
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,721,406

TOWN OF YORK, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2013

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes:			
Property taxes	\$ 38,193,466	38,187,916	(5,550)
Supplemental taxes	-	13,441	13,441
Change in unavailable tax revenue	-	(24,466)	(24,466)
Excise taxes	2,707,000	2,693,854	(13,146)
Other	2,500	37,696	35,196
Total taxes	40,902,966	40,908,441	5,475
Licenses and permits:			
Town clerk fees	95,000	99,501	4,501
Plumbing permits	30,000	34,350	4,350
Parking stickers	87,500	98,833	11,333
Parking permits	-	6,000	6,000
Transfer station permits	35,000	30,820	(4,180)
Other permits and fees	3,130	24,651	21,521
Total licenses and permits	250,630	294,155	43,525
Intergovernmental:			
State Revenue Sharing	455,000	462,286	7,286
Homestead reimbursement	131,073	127,915	(3,158)
BETE reimbursement	18,615	18,244	(371)
General assistance reimbursement	9,000	9,986	986
Public safety grants	-	1,816	1,816
Rural roads	165,000	198,548	33,548
Education subsidy	1,162,490	996,420	(166,070)
State agency clients	20,000	7,094	(12,906)
Other	-	43,861	43,861
Total intergovernmental	1,961,178	1,866,170	(95,008)
Charges for services:			
Parking ticket revenue	110,000	76,386	(33,614)
Meter collections	200,000	206,272	6,272
Community development code fees	290,000	263,394	(26,606)
York hospital patrol fees	110,000	114,000	4,000
Police department fees	-	17,447	17,447
Ellis Park fees	29,000	31,790	2,790
Ogunquit reimbursement	-	174	174
Public safety answering point	318,000	104,103	(213,897)
Animal control officer registrations	20,000	4,668	(15,332)
Impact fees	90,000	98,600	8,600
Other charges for services	-	300	300
School charges for services	-	16,030	16,030
Total charges for services	1,167,000	933,164	(233,836)

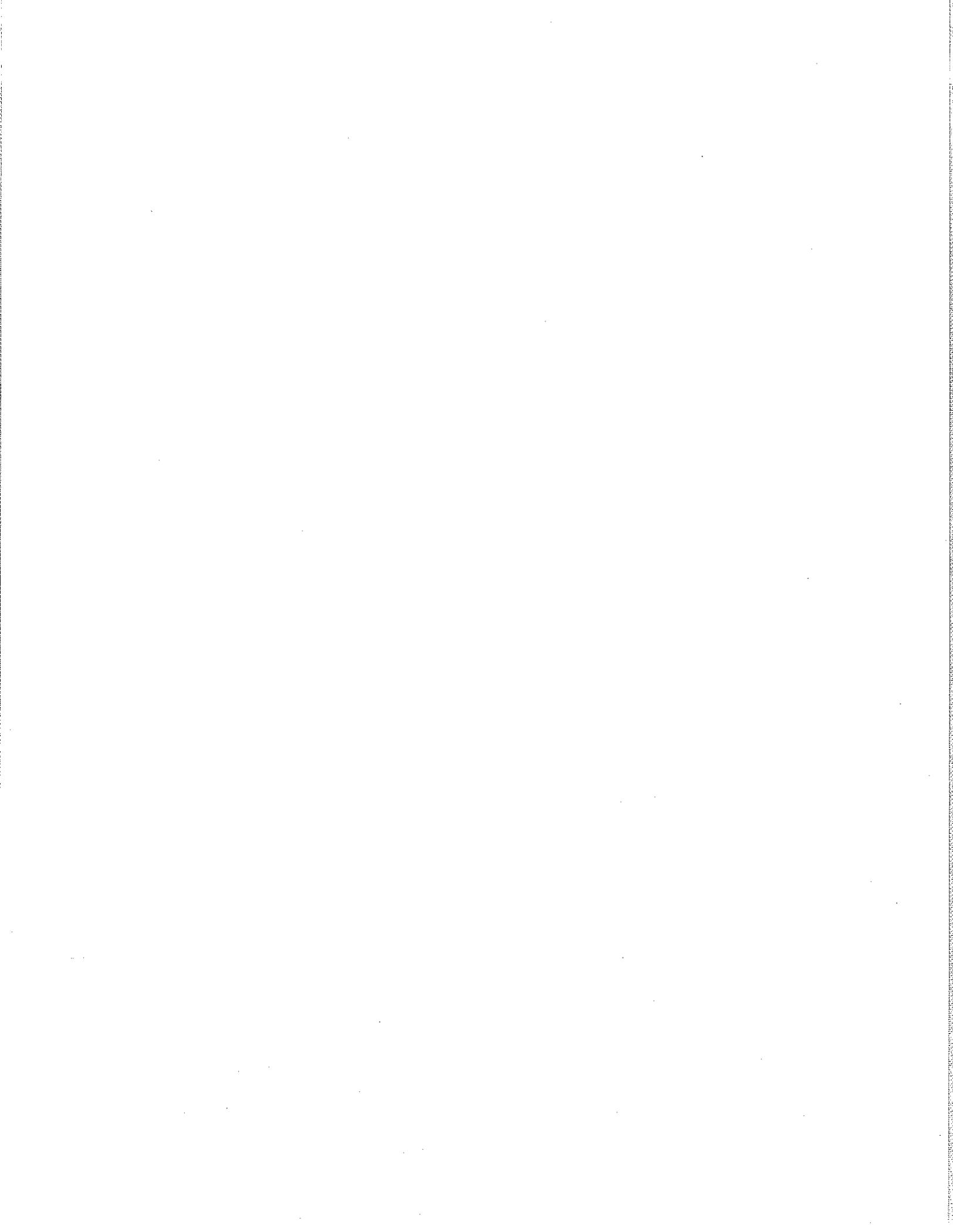
TOWN OF YORK, MAINE
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund, Continued

	Budget	Actual	Variance positive (negative)
Revenues, continued:			
Other:			
Interest revenue	250,000	183,784	(66,216)
Board of Appeals	3,500	2,000	(1,500)
Cable TV	175,000	192,484	17,484
Sale of property	-	62,649	62,649
Other school department revenues	39,050	24,368	(14,682)
Donations	-	585	585
Miscellaneous	59,251	150,108	90,857
Total other	526,801	615,978	89,177
Total revenues	44,808,575	44,617,908	(190,667)
Expenditures:			
Current:			
General government:			
Board of selectmen	24,880	23,586	1,294
Town manager	251,083	241,556	9,527
Finance	233,757	219,629	14,128
Information technology	197,847	187,467	10,380
Human resources	108,986	102,754	6,232
Assessing	292,932	265,612	27,320
Community development	703,389	676,783	26,606
Town clerk/tax collector	333,676	328,867	4,809
Elections	25,043	22,715	2,328
Town hall operations	209,346	124,494	84,852
Total general government	2,380,939	2,193,463	187,476
Public safety:			
Public safety services	4,254,144	4,133,697	120,447
Fire department	952,585	876,806	75,779
Hydrants	856,500	852,088	4,412
Public health	80,000	80,000	-
Total public safety	6,143,229	5,942,591	200,638
Public works:			
Maintenance and disposal services	2,850,804	2,754,336	96,468
Winter maintenance	1,129,570	1,094,679	34,891
FEMA grants	8,095	3,286	4,809
Total public works	3,988,469	3,852,301	136,168
Parks and recreation:			
Short Sands Park	37,076	36,183	893
Recreation administration	131,187	132,116	(929)
Senior center	244,920	236,049	8,871
Parks, grounds, and beaches	728,529	728,170	359
Total parks and recreation	1,141,712	1,132,518	9,194
Public assistance:			
General assistance	35,501	27,878	7,623
Outside agencies	37,200	37,200	-
Circuit breaker assistance	50,000	49,819	181
Total public assistance	122,701	114,897	7,804

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

	Budget	Actual	Variance positive (negative)
Expenditures, continued:			
Library	\$ 450,218	450,218	-
County tax	2,188,134	2,188,134	-
Education:			
Regular instruction	10,895,985	10,825,381	70,604
Special education instruction	3,888,597	3,803,287	85,310
Career and technical education	3,060	3,060	-
Other instruction	1,043,609	1,014,264	29,345
Student and staff support	2,574,924	2,552,776	22,148
System administration	790,251	790,251	-
School administration	1,319,299	1,300,915	18,384
Transportation	1,130,750	1,130,750	-
Facilities maintenance	2,781,047	2,747,900	33,147
Other	79,695	77,453	2,242
Debt service	1,512,594	1,472,037	40,557
Total education	26,019,811	25,718,074	301,737
Unclassified:			
Boards and committees	25,430	13,592	11,838
Insurance	339,303	335,970	3,333
Contingency	65,083	5,200	59,883
Cable TV	14,801	7,530	7,271
Overlay/abatements	98,035	11,926	86,109
Total unclassified	542,652	374,218	168,434
Capital outlay:			
Village plan	44,541	-	44,541
Voting machines	45,000	-	45,000
Police vehicles	115,355	45,902	69,453
Public safety conceptual design	60,684	-	60,684
Roads and side walks	911,278	303,594	607,684
Drainage	47,705	-	47,705
Seawall repair	19,564	-	19,564
Total capital outlay	1,244,127	349,496	894,631
Debt service:			
Bond costs	44,000	35,332	8,668
Principal	1,288,550	1,277,928	10,622
Interest	548,109	458,625	89,484
Total debt service	1,880,659	1,771,885	108,774
Total expenditures	46,102,651	44,087,795	2,014,856
Excess (deficiency) of revenues over (under) expenditures	(1,294,076)	530,113	1,824,189
Other financing sources (uses):			
Use of fund balance	825,000	-	(825,000)
Carryforward balances	790,919	-	(790,919)
Appropriations for reserve accounts	(27,000)	(25,000)	2,000
Transfers to reserve accounts	-	(307,184)	(307,184)
Transfers to special revenue funds	(260,843)	(168,153)	92,690
Transfers from special revenue funds	-	85,062	85,062
Transfers from enterprise funds	-	87,584	87,584
Transfers to enterprise funds	-	(8,000)	(8,000)
Transfers to capital project funds	(34,000)	(34,000)	-
Total other financing sources (uses)	1,294,076	(369,691)	(1,663,767)
Net change in fund balance	-	160,422	160,422
Fund balance, beginning of year-budgetary basis, restated		5,929,774	
Fund balance, end of year-budgetary basis		6,090,196	
Accrued summer benefits		(414,836)	
Amounts held in reserves		801,475	
Fund balance, end of year - GAAP basis	\$	6,476,835	

NONMAJOR GOVERNMENTAL FUNDS



TOWN OF YORK, MAINE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue Funds						Total Other Governmental Funds
	Town Programs	School Lunch	Adult Education	School Special Revenues	Capital Projects Funds	Permanent Funds	
ASSETS							
Cash and cash equivalents	\$ 511,924	104,857	7,539	-	2,207,128	23,703	2,855,151
Accounts receivable	-	-	-	20,361	-	-	20,361
Intergovernmental receivables	235,974	8,085	948	382,416	-	-	627,423
Inventory	-	20,834	-	-	-	-	20,834
Interfund loans receivable	245,069	-	-	-	3,333,366	-	3,578,435
Total assets	\$ 992,967	133,776	8,487	402,777	5,540,494	23,703	7,102,204
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	14,072	247	786	35,595	271,642	-	322,342
Accrued payroll	3,819	4,309	1,746	13,956	-	-	23,830
Unearned revenues	-	13,047	-	-	-	-	13,047
Interfund loans payable	-	350,458	10,529	306,112	-	3,155	670,254
Total liabilities	17,891	368,061	13,061	355,663	271,642	3,155	1,029,473
Fund balances:							
Nonspendable	-	20,834	-	-	-	20,527	41,361
Restricted	26,099	-	12,179	50,729	-	21	89,028
Committed	962,785	-	-	-	5,359,462	-	6,322,247
Unassigned	(13,808)	(255,119)	(16,753)	(3,615)	(90,610)	-	(379,905)
Total fund balances (deficits)	975,076	(234,285)	(4,574)	47,114	5,268,852	20,548	6,072,731
Total liabilities and fund balances	\$ 992,967	133,776	8,487	402,777	5,540,494	23,703	7,102,204

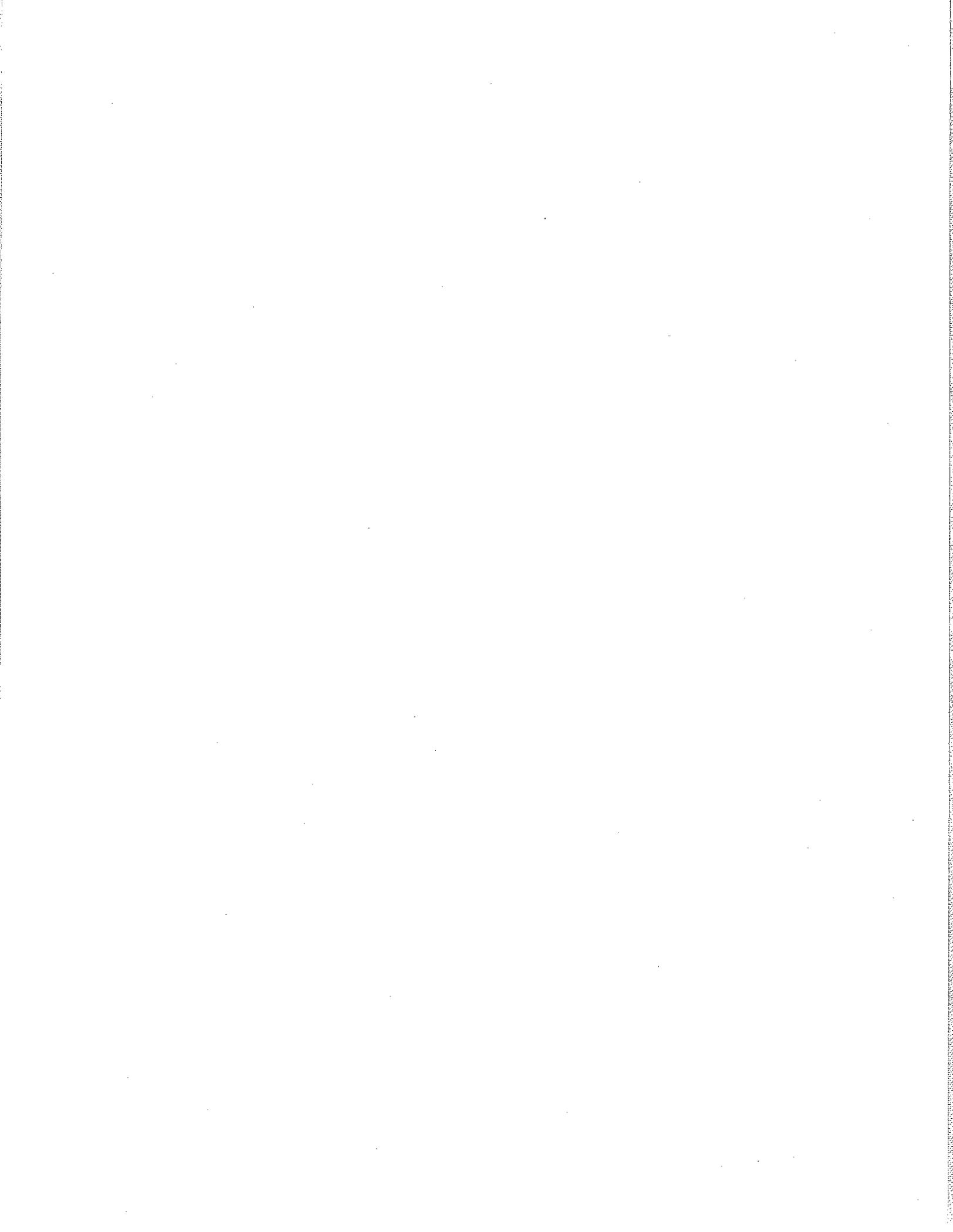
TOWN OF YORK, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2013

	Special Revenue Funds						Total Other Governmental Funds
	Town Programs	School Lunch	Adult Education	School Special Revenues	Capital Projects Funds	Permanent Funds	
Revenues:							
Local assessment	\$ -	-	92,690	-	-	-	92,690
Intergovernmental	366,376	126,651	55,028	477,041	598,871	-	1,623,967
Donations	12,250	-	-	-	-	-	12,250
Charges for services	133,637	317,830	40,211	-	-	-	491,678
Interest income	151	-	-	-	10,600	7	10,758
Other revenue	28,570	145,249	2,824	84,264	99,421	-	360,328
Total revenues	540,984	589,730	190,753	561,305	708,892	7	2,591,671
Expenditures:							
Current:							
Program expenditures	441,928	826,719	210,017	809,317	-	-	2,287,981
Other expenditures	-	-	-	-	-	10	10
Capital expenditures	-	-	-	-	3,037,451	-	3,037,451
Total expenditures	441,928	826,719	210,017	809,317	3,037,451	10	5,325,442
Excess (deficiency) of revenues over (under) expenditures	99,056	(236,989)	(19,264)	(248,012)	(2,328,559)	(3)	(2,733,771)
Other financing sources (uses):							
Bond proceeds	-	-	-	-	3,644,100	-	3,644,100
Transfers in	46,235	142,903	4,655	-	64,000	-	257,793
Transfers out	(115,062)	-	-	(4,655)	-	-	(119,717)
Total other financing sources (uses)	(68,827)	142,903	4,655	(4,655)	3,708,100	-	3,782,176
Net change in fund balances	30,229	(94,086)	(14,609)	(252,667)	1,379,541	(3)	1,048,405
Fund balances (deficits), beginning of year-restated	944,847	(140,199)	10,035	299,781	3,889,311	20,551	5,024,326
Fund balances (deficits), end of year	\$ 975,076	(234,285)	(4,574)	47,114	5,268,852	20,548	6,072,731

NONMAJOR GOVERNMENTAL FUNDS

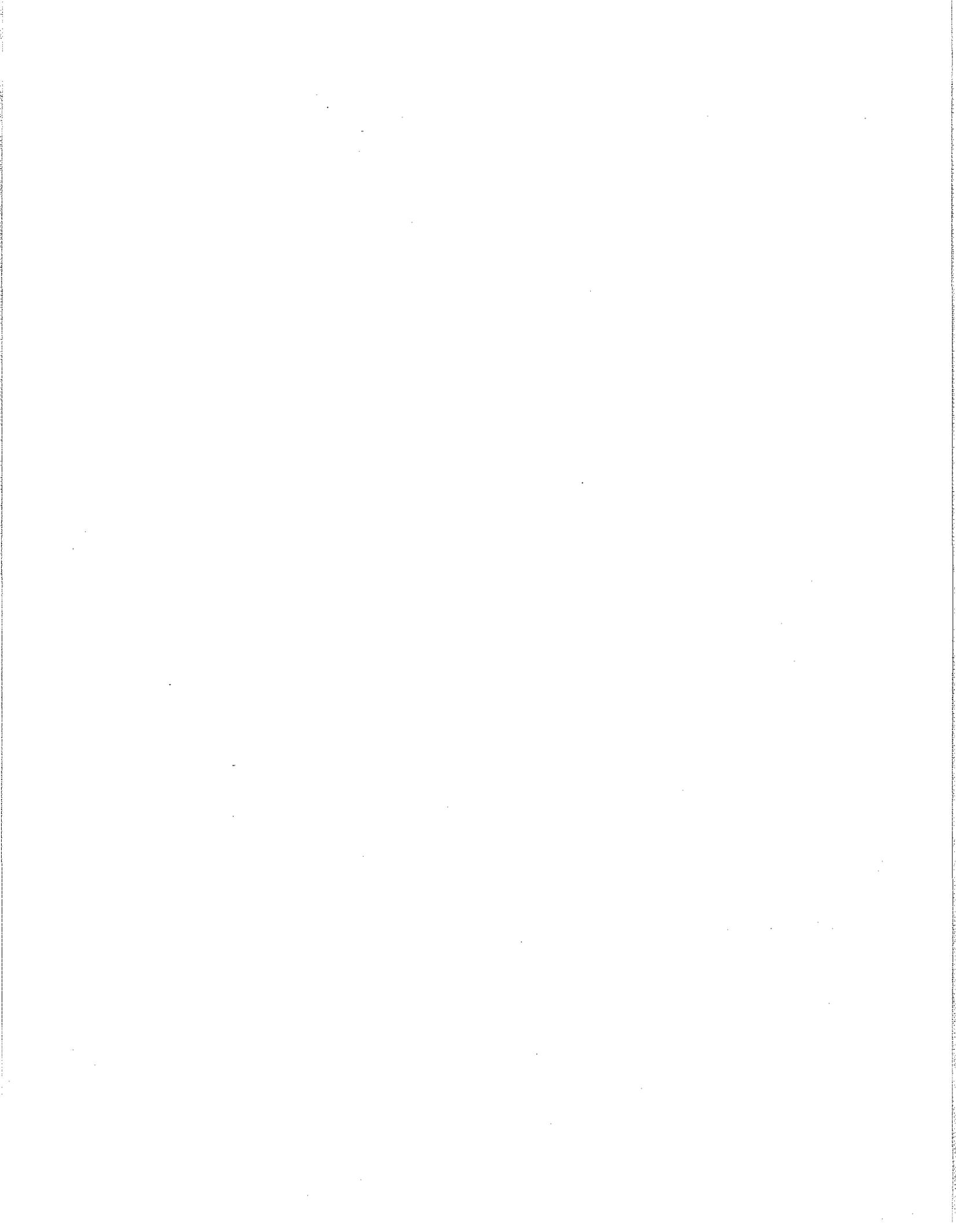
SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes that are restricted by law or administrative action.



TOWN OF YORK, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds - Town Programs
For year ended June 30, 2013

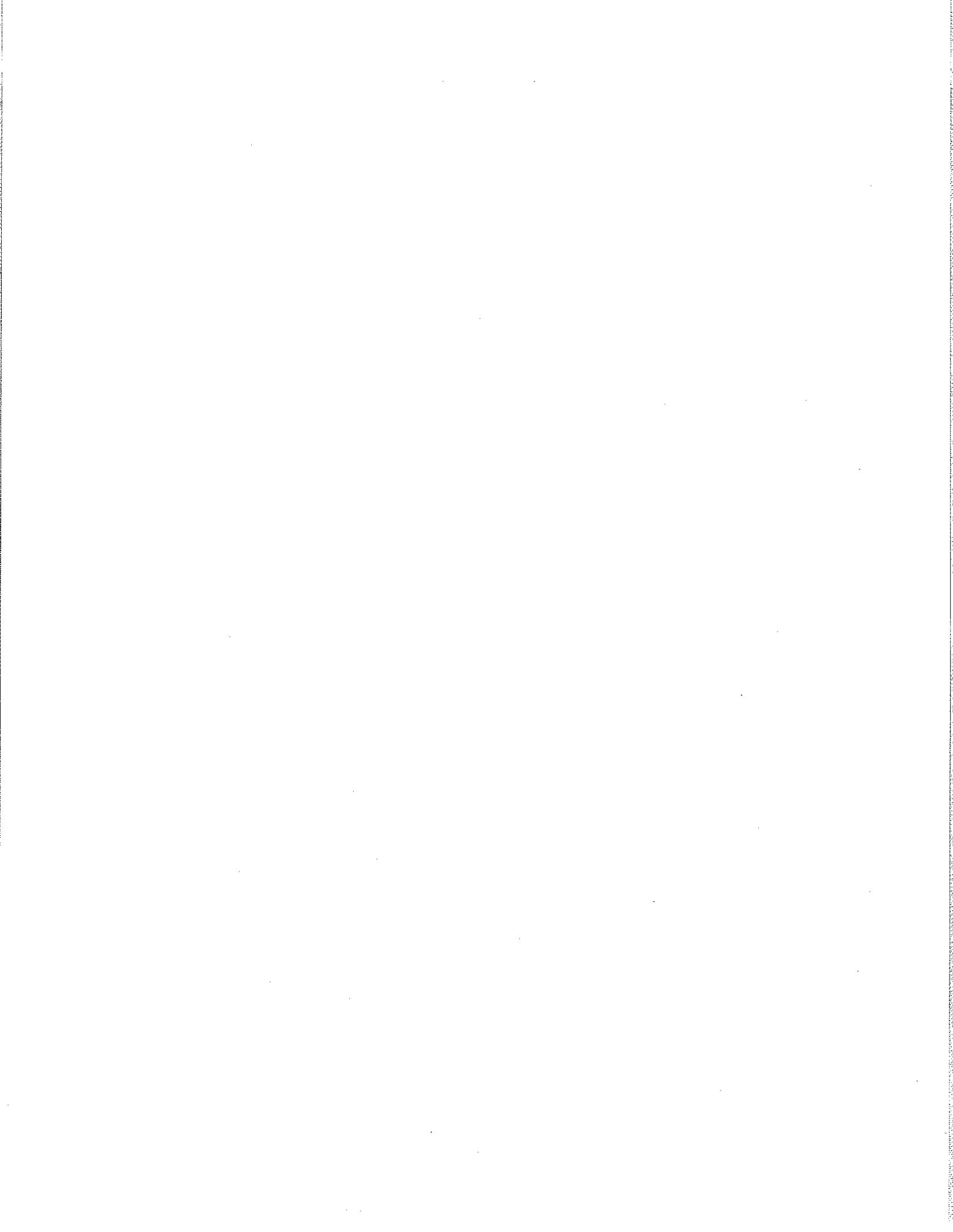
	Balance (deficit) beginning of year, restated	Revenues					Expenditures Program Expenditures	Transfers in (out)	Balance (deficit) end of year
		Grants	Donations	Charges for Services	Other Revenues	Interest Income			
406 Beach reserve	\$ 172,904	-	-	42,760	-	22	4,471	-	211,215
409 FEMA Irene grant	15,703	9,324	-	-	-	-	-	(25,027)	-
411 Emergency planning grants	-	54,223	-	-	-	-	54,223	-	-
413 ATV grants	-	25,078	-	-	-	-	24,465	-	613
415 Smart policing grants	-	43,200	-	-	-	-	42,474	-	726
417 Other police grants	-	65,987	-	-	-	-	61,846	-	4,141
435 Choose to be healthy fund	-	-	-	-	832	-	2,614	-	(1,782)
436 HBB	28	-	-	19,366	8,000	-	21,622	-	5,772
440 Harbor dredge	340,978	-	-	22,239	-	82	-	-	363,299
442 Harbor/wharf	172,953	-	-	38,740	14,758	30	20,769	-	205,712
451 KSB challenge	7,426	-	-	-	-	-	645	-	6,781
452 Impact fees	41,474	-	-	-	-	17	-	-	41,491
455 Maine historic preservation	(2,700)	7,680	-	-	-	-	4,980	-	-
456 MMA wellness	136	-	-	-	-	-	-	-	136
458 Mt. A Landscape	(4,980)	-	-	-	4,980	-	-	-	-
461 FEMA Nemo grant	-	120,759	-	-	-	-	60,724	(60,035)	-
471 York Beach TIF	43,838	-	-	-	-	-	-	(30,000)	13,838
472 Trails	(2,986)	35,000	-	-	-	-	49,678	5,638	(12,026)
474 Conservation coordinator	2,304	5,125	12,250	-	-	-	60,276	40,597	-
490 Performance accounts	157,769	-	-	10,532	-	-	33,141	-	135,160
Total	\$ 944,847	366,376	12,250	133,637	28,570	151	441,928	(68,827)	975,076



NONMAJOR GOVERNMENTAL FUNDS

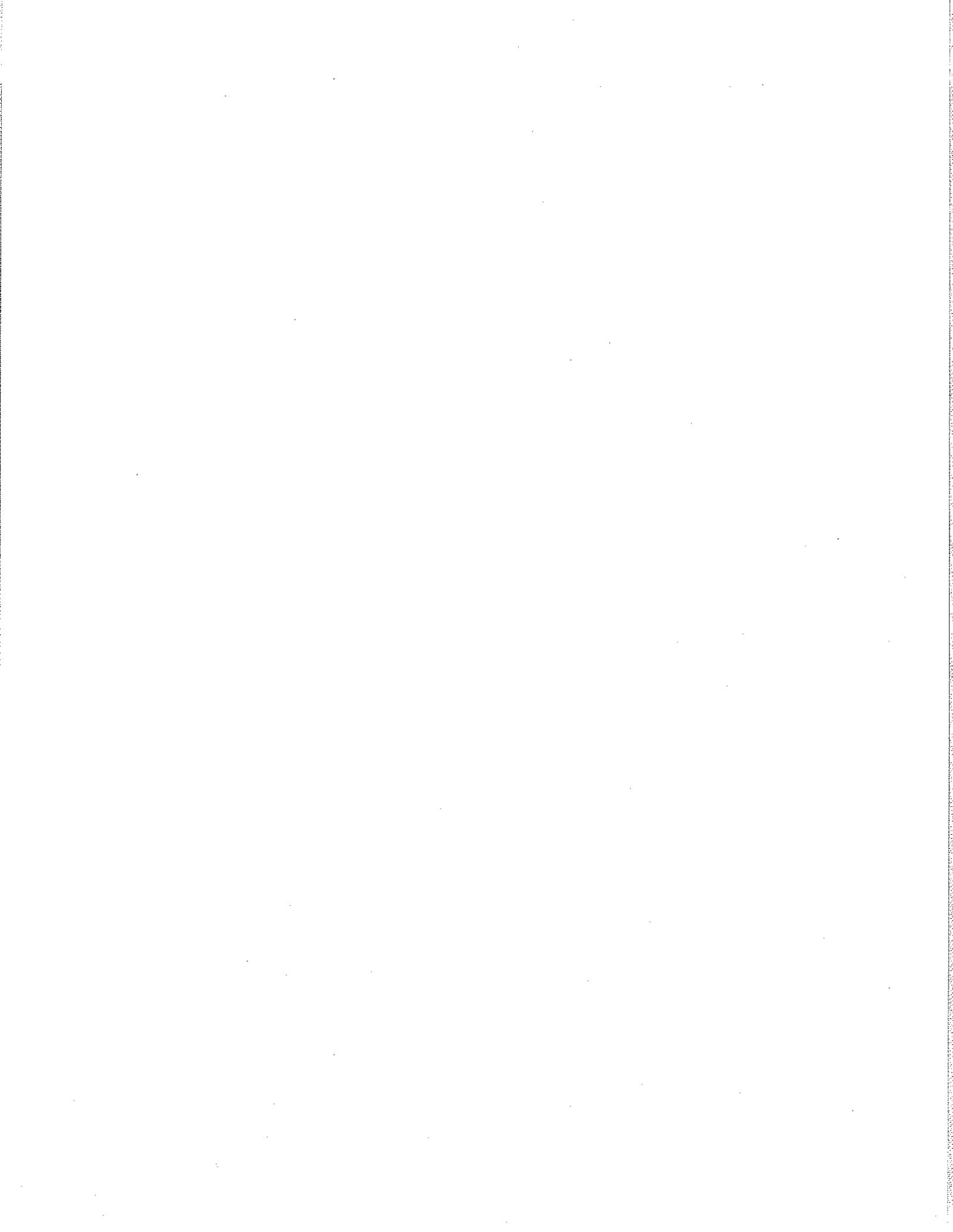
CAPITAL PROJECT FUNDS

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



TOWN OF YORK, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
For year ended June 30, 2013

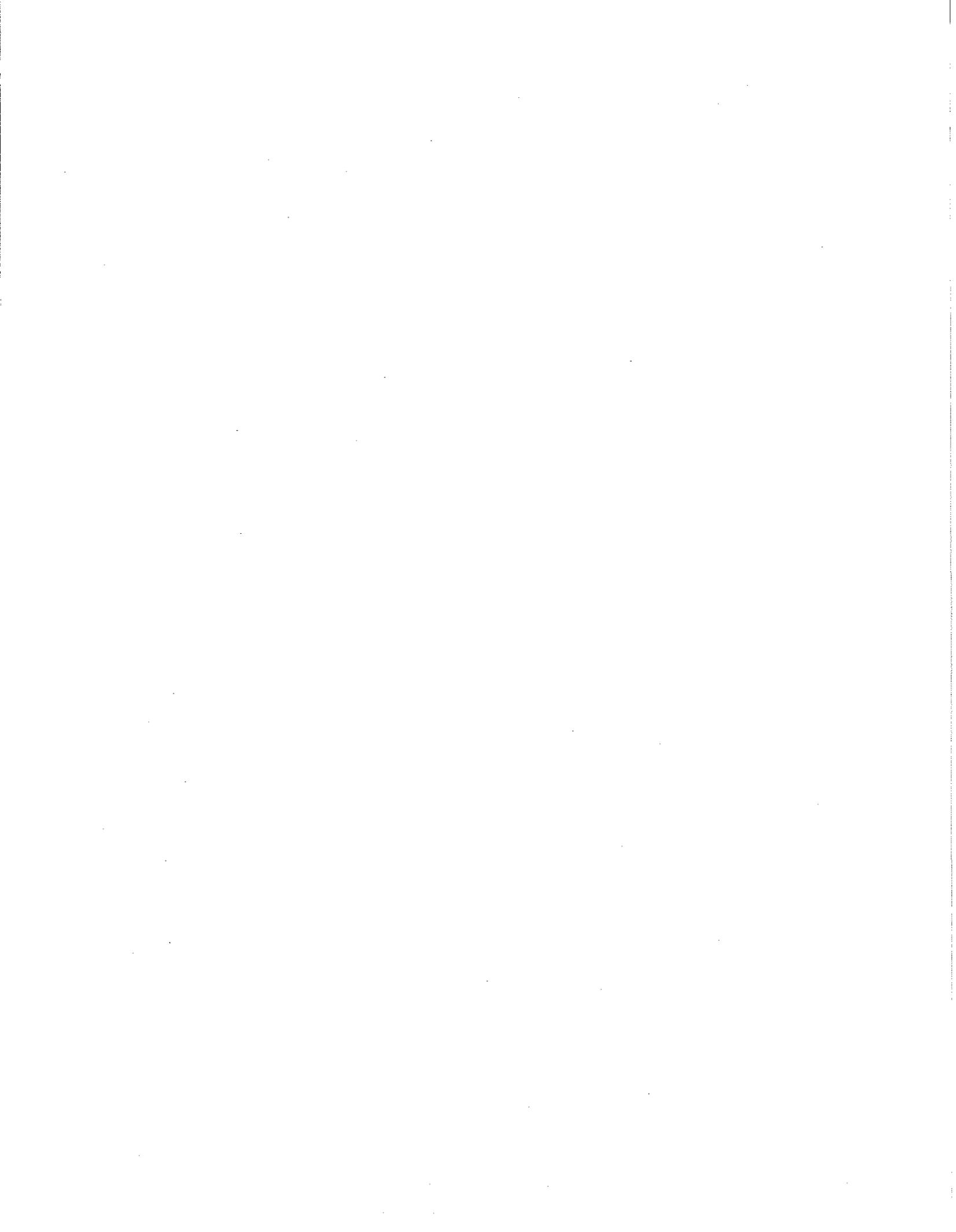
	Balance beginning of year	Revenues			Expenditures	Transfers in (out)	Balance end of year
		Interest	Bond Proceeds	Other Revenues	Capital Outlay		
201 Mitchell Airport Drive	\$ 1,033,284	1,381	-	-	21,531	-	1,013,134
202 York/Raydon	144	17	-	-	-	-	161
203 Roaring Rock	12,678	25	-	-	-	-	12,703
204 Highland Farms	7	1	-	-	-	-	8
205 Town Hall Renovations	(90,610)	-	-	-	-	-	(90,610)
206 Fire Truck	3,288	4	-	-	-	-	3,292
207 Energy Efficiency	148,000	385	100,000	15,498	70,728	-	193,155
209 Short Sands Drainage	(412,058)	58	-	490,000	2,099	34,000	109,901
210 Long Sands	(9,330)	-	-	10,000	467	-	203
211 Town Docks	304,829	390	-	83,373	-	-	388,592
212 Lake Carolyn Dam	105,124	128	-	-	32,845	-	72,407
213 Town Hall improvements	94,478	5	-	-	-	-	94,483
214 Ridge/Old Post	(2,110)	-	-	2,110	-	-	-
215 York Beach Infrastructure	(26,398)	-	-	-	-	30,000	3,602
216 York Street	265,395	201	-	-	151,236	-	114,360
217 North Village	(1,044)	-	-	1,044	-	-	-
218 Bartlett Road	2,821	4	-	-	-	-	2,825
219 Josiah Norton	605	1	-	-	-	-	606
220 Open Space	871	115	300,000	-	300,000	-	986
221 Route 103	143,305	180	-	-	-	-	143,485
223 Lake Carolyn	159	11	-	-	-	-	170
224 SCBA	301,776	59	-	-	288,013	-	13,822
225 Plow Truck	1,395	3	-	-	-	-	1,398
226 Grader	7,916	10	-	-	-	-	7,926
228 Connector Road	1,542,201	3,686	-	-	25,003	-	1,520,884
229 FY 2012 Plow Truck	73,706	86	-	-	73,550	-	242
230 Telephone system	-	25	19,800	-	19,800	-	25
231 Major drainage	-	846	350,000	-	-	-	350,846
232 York Village Fire Renovations	-	515	455,000	-	443,009	-	12,506
233 FY 2013 Heavy Plow Truck	-	99	142,000	-	140,322	-	1,777
234 Two Ton Plow Truck	-	181	75,000	-	-	-	75,181
235 Software Upgrade	-	87	36,300	-	36,060	-	327
236 Seawall's Bridge Utility	-	181	75,000	-	-	-	75,181
237 York Street/Long Sands	-	121	50,000	-	-	-	50,121
238 Bog Road	-	309	250,000	-	250,000	-	309
275 School Projects	388,879	1,486	1,791,000	96,267	1,182,788	-	1,094,844
Total	\$ 3,889,311	10,600	3,644,100	698,292	3,037,451	64,000	5,268,852



NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.



**TOWN OF YORK, MAINE
Balance Sheet
Nonmajor Permanent Funds
June 30, 2013**

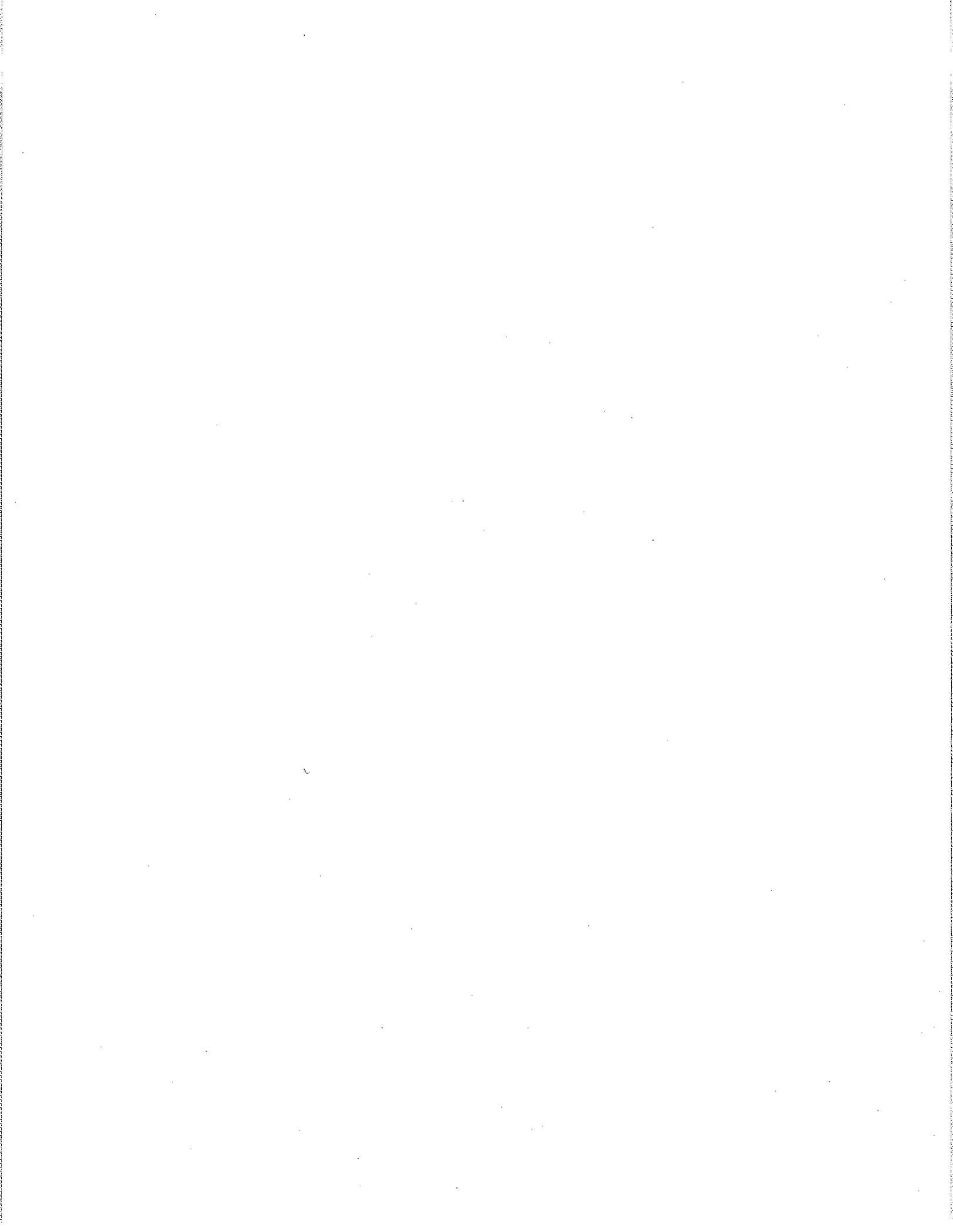
		Clark Emerson
ASSETS		
Cash and cash equivalents	\$	23,703
Total assets		23,703
LIABILITIES AND FUND BALANCE		
Liabilities:		
Interfund loans payable		3,155
Total liabilities		3,155
Fund balance:		
Nonspendable		20,527
Restricted		21
Total fund balance		20,548
Total liabilities and fund balance	\$	23,703

TOWN OF YORK, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2013

		Clark Emerson
<hr/>		
Revenues:		
Investment income	\$	7
Total revenues		7
<hr/>		
Expenditures:		
Current:		
Miscellaneous		10
Total expenditures		10
<hr/>		
Net change in fund balance		(3)
Fund balance, beginning of year		20,551
<hr/>		
Fund balance, end of year	\$	20,548
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NONMAJOR PROPRIETARY FUNDS

Proprietary funds are used to report activities that are self supporting through charging users fees and other related revenues.



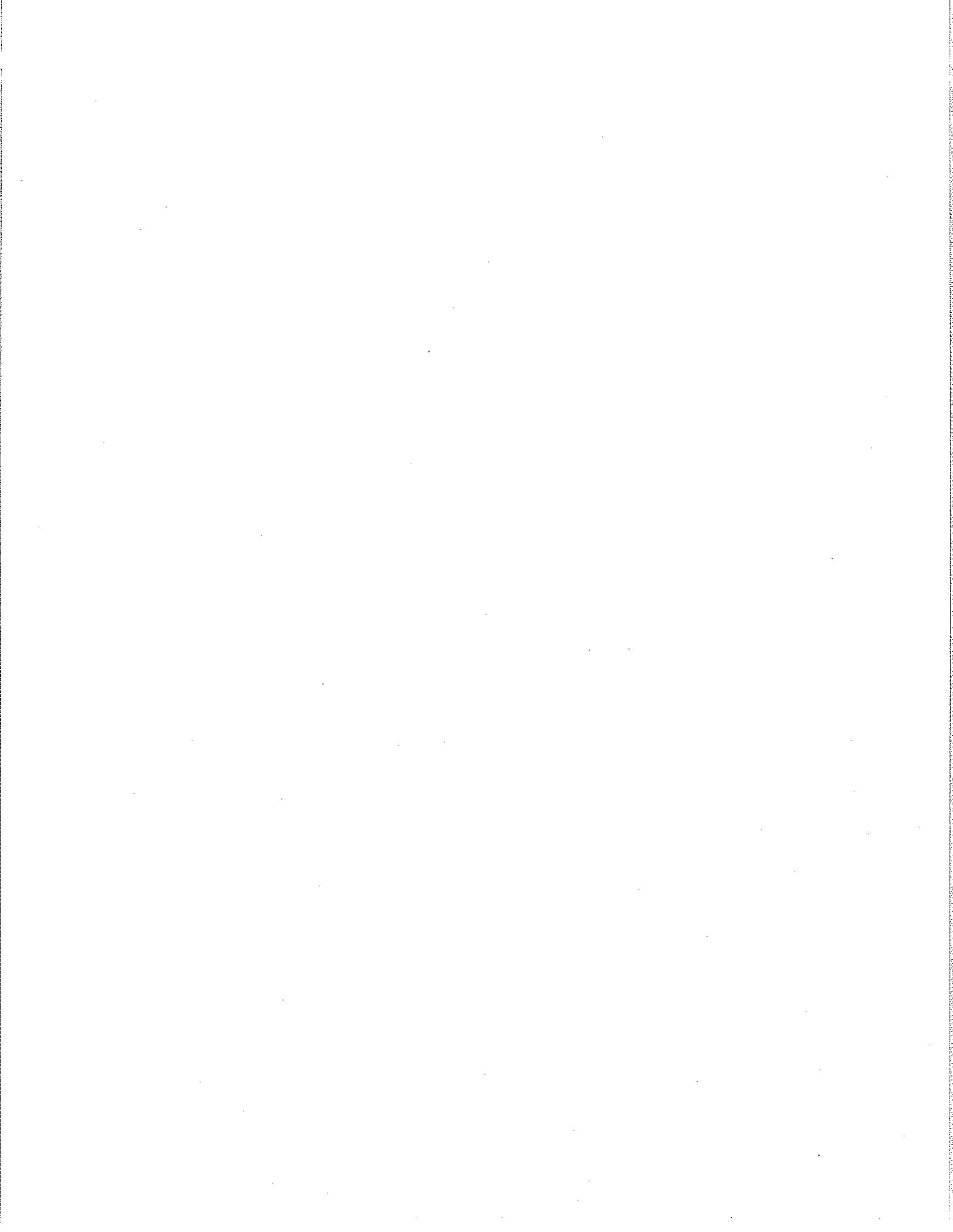
TOWN OF YORK, MAINE
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2013

Business-type Activities - Enterprise Funds									
		Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Printing	Senior Center	Totals
ASSETS									
Cash and cash equivalents	\$	-	-	36,309	-	-	-	550	36,859
Accounts receivable		-	-	-	16,876	-	-	-	16,876
Inventory		-	-	63,665	-	-	-	-	63,665
Interfund loan receivable		97,312	26,812	39,932	26,942	4,348	-	164,174	359,520
Total assets		97,312	26,812	139,906	43,818	4,348	-	164,724	476,920
LIABILITIES									
Accounts payable		14,069	4,832	7,416	-	88	-	6,167	32,572
Accrued payroll		14,326	-	844	252	-	-	-	15,422
Interfund loans payable		-	-	-	-	-	1,215	-	1,215
Total liabilities		28,395	4,832	8,260	252	88	1,215	6,167	49,209
NET POSITION									
Unrestricted		68,917	21,980	131,646	43,566	4,260	(1,215)	158,557	427,711
Total net position	\$	68,917	21,980	131,646	43,566	4,260	(1,215)	158,557	427,711

TOWN OF YORK, MAINE
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
For the year ended June 30, 2013

	Business-type Activities - Enterprise Funds							Totals
	Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Printing	Senior Center	
Operating revenues:								
User fees	\$ 442,389	-	-	113,990	-	598	134,459	691,436
Sponsorships/memberships	42,844	-	-	-	-	-	11,510	54,354
Gift shop sales	-	-	246,522	-	-	-	-	246,522
Rental income	-	48,146	-	-	7,200	-	-	55,346
Donations	-	13,486	4,271	-	-	-	105,700	123,457
Other	-	-	-	-	-	-	3,405	3,405
Total operating revenues	485,233	61,632	250,793	113,990	7,200	598	255,074	1,174,520
Operating expenses:								
Cost of goods	-	-	73,159	-	-	-	28,795	101,954
Salaries and benefits	261,042	13,095	14,044	85,400	-	-	710	374,291
Training, meetings, and travel	1,637	2,439	1,080	-	-	-	1,590	6,746
Maintenance	2,592	12,545	3,493	-	1,523	-	784	20,937
Office expenses	12,371	530	2,431	-	2,461	-	1,728	19,521
Supplies	59,373	-	4,142	-	-	941	6,294	70,750
Contracts	141,979	12,114	11,376	-	587	-	74,125	240,181
Utilities	-	3,366	130	-	113	-	-	3,609
Fuel	-	-	-	-	-	-	3,365	3,365
Other	5,015	-	-	-	-	-	1,081	6,096
Total operating expenses	484,009	44,089	109,855	85,400	4,684	941	118,472	847,450
Operating income (loss)	1,224	17,543	140,938	28,590	2,516	(343)	136,602	327,070
Nonoperating revenue:								
Interest income	-	-	11	-	-	-	-	11
Total nonoperating revenue	-	-	11	-	-	-	-	11
Income before transfers	1,224	17,543	140,949	28,590	2,516	(343)	136,602	327,081
Transfers in (out)	-	(20,985)	(62,386)	(17,198)	-	-	-	(100,569)
Change in net position	1,224	(3,442)	78,563	11,392	2,516	(343)	136,602	226,512
Total net position, beginning of year	67,693	25,422	53,083	32,174	1,744	(872)	21,955	201,199
Total net position, end of year	\$ 68,917	21,980	131,646	43,566	4,260	(1,215)	158,557	427,711

SCHEDULE



TOWN OF YORK, MAINE
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund Reserves
For year ended June 30, 2013

	Balance beginning of year	Interest	Donations	Charges for Services	Appropriations	Expenditures	Transfers in (out)	Balance end of year
130 OT detail	\$ 2,687	-	-	1,682	-	517	-	3,852
131 Lawns to lobsters	(606)	-	2,584	-	-	1,238	(740)	-
132/460 Sohier Park Building	-	-	7,750	-	-	-	-	7,750
133 Iron/Metal Recycling	-	-	-	10,190	-	-	-	10,190
134 Fire Equipment	-	-	8,260	-	-	8,002	-	258
401 350th	5,378	2	-	-	-	-	-	5,380
402 Airport Drive	22,113	-	-	-	-	-	-	22,113
403 Academic reimbursement	8,016	1	-	-	-	-	-	8,017
404 Animal welfare	24,590	-	-	-	-	1,674	-	22,916
408 Building	41,600	12	-	-	-	-	-	41,612
410 Bog Road	19,459	6	-	-	-	1,608	-	17,857
412 Capital equipment	7,800	2	-	-	-	-	244,798	252,600
414 CEO	61,782	-	-	40,732	-	-	-	102,514
416 CMP Spur Road	9,985	3	-	-	-	-	-	9,988
418 Conservation	4,348	1	-	-	-	-	740	5,089
422 Earned time	190,729	56	-	-	20,000	55,431	-	155,354
424 Fireworks	41	-	-	-	-	118	-	(77)
426 York Beach fire truck	2,025	1	-	-	-	-	-	2,026
428 Fishermen's Fund	1,034	-	-	-	-	-	-	1,034
430 Fishermen's Memorial	924	-	-	-	-	171	-	753
434 Goodrich Park	355	-	-	-	-	-	-	355
446 Heat	16,300	-	12,000	-	-	13,628	-	14,672
448 Historic markers	379	1	-	-	-	150	-	230
450 Hoist repair	1,482	-	-	950	-	-	-	2,432
454 Long Sands BH	468	-	-	-	-	-	-	468
450 Nubble Light	14,624	4	50	-	-	-	-	14,678
462 Off premise signs	4,533	1	-	-	-	1,690	-	2,844
464 Open space	81,933	24	-	-	-	-	-	81,957
465 Wheeler Marsh	12,976	-	-	-	-	-	-	12,976
466 PW equipment	2,889	1	-	-	-	-	-	2,890
470 Sohier Park maintenance	3,743	-	-	-	-	66,128	62,386	1
476 Tree planting	6,326	2	-	-	-	-	-	6,328
478 Unemployment	(1,589)	-	-	-	5,000	718	-	2,693
479 Village lights	1,112	-	1,250	-	-	851	-	1,511
480 Wheeler trust	(3,126)	-	-	-	-	-	-	(3,126)
467/489 Street openings	(1,280)	-	-	23,261	-	30,641	-	(8,660)
Total	\$ 543,030	117	31,894	76,815	25,000	182,565	307,184	801,475

