

**Financial Statements**

**Town of York, Maine**

**June 30, 2008**

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## Town of York, Maine

June 30, 2008

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## Independent Auditors' Report

**To the Selectboard  
Town of York  
York, Maine**

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, 2008, 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's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the York School Department's general fund, other governmental funds (special revenue funds and capital project funds) and fiduciary funds (agency funds). Those financial statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the general fund, other governmental funds and fiduciary funds, is based solely on the report of the other auditors.

We conducted our audit in accordance with United States generally accepted auditing standards 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, 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, 2008, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, thereof and for the year then ended, in conformity with United States generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated April 8, 2009, on our consideration of the Town of York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 and important for assessing the results of our audit.

The Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by United States generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*Purdy Powers & Company*  
Professional Association

**Portland, Maine**  
**April 8, 2009**



# Town of York

186 York Street  
York, Maine 03909-1314

Town Manager/  
Selectmen  
(207)363-1000

Town Clerk/  
Tax Collector  
(207)363-1003

Finance/  
Treasurer  
(207)363-1004

Code Enforcement  
(207)363-1002

Planning  
(207)363-1007

Assessor  
(207)363-1005

Police Department  
(207)363-1031

Dispatch  
(207)363-2557

York Beach Fire  
Department  
(207)363-1014

York Village Fire  
Department  
(207)363-1015

Public Works/  
Harbor Master  
(207)363-1010

Senior Center/  
General Assistance  
(207)363-1036

Parks and  
Recreation  
(207)363-1040

Grant House  
(207)351-1204

Fax  
(207)363-1009  
(207)363-1019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of York's financial performance provides an overview of the Town's financial activities for the year ended June 30, 2008. Please read it in conjunction with the Town's financial statements, which begin on page 4.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 4 and 5) 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 6. 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 Assets and the Statement of Activities

Our analysis of the Town as a whole begins on page 3. 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 Assets 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 assets and changes in them. You can think of the Town's net assets - the difference between assets and liabilities - as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets 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 Assets 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, 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 Transportation, Mt. Agamenticus, Goodrich Park, Printing Enterprise and Police Outside Duty activities are reported here.

## **REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS FINANCIAL STATEMENTS**

Our analysis of the Town's major funds begins on page 8. The fund financial statements begin on page 8 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. 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 Assets and the Statement of Activities) and governmental funds in the reconciliations on pages 7 and 9.

- **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 Assets and the Statement of Activities. In fact, the Town's enterprise fund is 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, 2008, net assets changed as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 13,340,206	13,158,580	\$ 82,998	\$ 95,569	\$ 13,423,204	\$ 13,254,149
Capital Assets	<u>54,599,730</u>	<u>54,046,239</u>			<u>54,599,730</u>	<u>54,046,239</u>
Total Assets	67,939,936	67,204,819	82,998	95,569	68,022,934	67,300,388
Long Term Liabilities	16,323,810	17,895,711			16,323,810	17,895,711
Other Liabilities	<u>2,753,901</u>	<u>2,861,344</u>	<u>45,694</u>	<u>26,077</u>	<u>2,799,595</u>	<u>2,887,421</u>
Total Liabilities	19,077,711	20,757,055	45,694	26,077	19,123,405	20,783,132
Net Assets:						
Invested in capital assets,						
Net of related debt	39,142,510	36,943,015			39,142,510	36,943,015
Restricted	21,125	21,450			21,125	21,450
Reserved for specific purposes						
Unrestricted	<u>9,698,590</u>	<u>9,483,299</u>	<u>37,304</u>	<u>69,492</u>	<u>9,735,894</u>	<u>9,552,791</u>
Total Net Assets	<u>\$ 48,862,225</u>	<u>\$ 46,447,764</u>	<u>\$ 37,304</u>	<u>\$ 69,492</u>	<u>\$ 48,899,529</u>	<u>\$ 46,517,256</u>

These numbers reflect an increase in net assets of 5.20 percent for governmental activities and 46.32 percent decrease for business-type activities (see page 3-10 for a detailed explanation). The Patriots' Day Storm of 2007 (a FEMA event) as well as taxpayer investment in paving (\$442,600) and other drainage projects resulted in over \$1.3M in infrastructure spending and an increase in net assets. The increase in liabilities for Business-Type activities is the result of the accrual of salaries and benefits which was not applicable in FY07.

### 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, Expenses, 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, dispatching 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	General Assistance state reimbursement and room rental fees.
Boards and Commissions	Shellfish licenses, Ellis Park/Short Sands funds (a trust fund set up early in the last century to oversee a park at Short Sands Beach).
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.

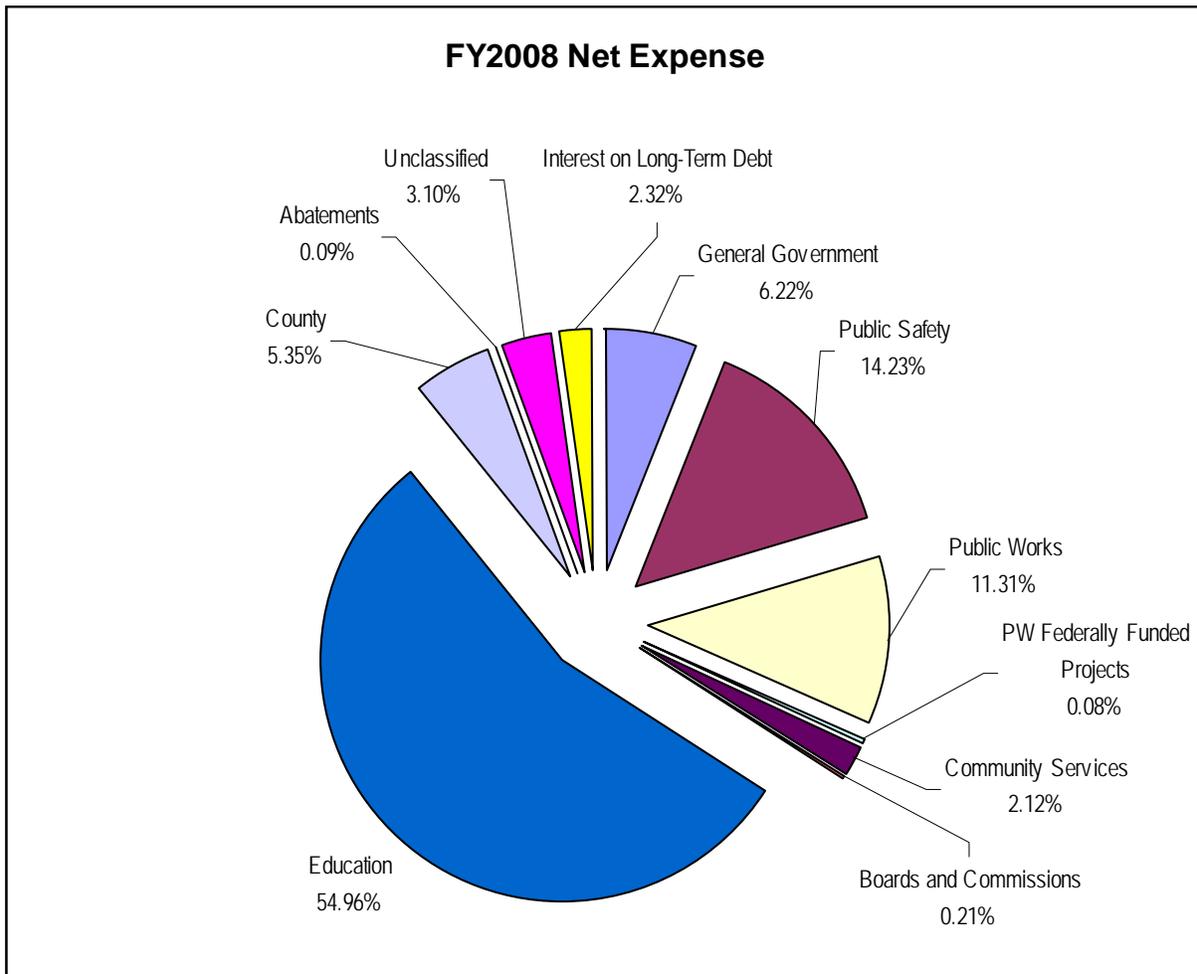
### Net Expense

The Net Expense is the financial burden that was placed on the taxpayers by each of these functions. Almost \$8.7 million dollars worth of activity was paid by grants, user fees, parking tickets and meter revenues and fees other than taxes. There is not a significant difference in allocation from FY2007 to FY2008. There is, however a significant reduction in receipts for federally funded projects. The largest portion of FEMA reimbursements was in prior years.

Function/ Program	Expenses		Revenues		Net Expense	
	2008	2007	2008	2007	2008	2007
General Government	\$ 2,503,438	\$ 2,165,060	\$ 374,603	\$ 339,511	\$ 2,128,835	\$ 1,825,549
Public Safety	5,259,644	5,066,276	393,846	493,720	4,865,798	4,572,556
Public Works	4,215,636	3,965,982	347,641	309,158	3,867,995	3,656,824
Public Works – federally funded projects	1,048,908	701,999	1,020,388	2,160,340	28,520	(1,458,341)
Community Services	734,735	731,256	9,063	5,839	725,672	725,417
Boards and Commissions	104,575	98,270	32,460	27,583	72,115	70,687
Education	22,614,171	23,492,990	3,816,699	3,590,707	18,797,472	19,902,283
Maine State Retirement on behalf payments	2,227,442	2,224,225	2,227,442	2,224,225		
County Tax	1,828,020	1,704,470			1,828,020	1,704,470
Abatements	30,458	33,480			30,458	33,480
Unclassified	1,777,407	755,660	717,590	797,615	1,059,817	(41,955)
Capital Outlay						
Interest on long-term debt	794,495	865,000			794,495	865,000
Total Governmental Activities	<b>\$ 43,138,929</b>	<b>\$ 41,804,668</b>	<b>\$ 8,939,732</b>	<b>\$ 9,948,698</b>	<b>\$ 34,199,197</b>	<b>\$ 31,855,970</b>

Public Safety revenues derive from dispatching services provided to neighboring towns as well as patrol and security services for the local hospital in addition to COPS and other public safety grants. 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.

On Patriot's Day, April 18, 2007, the Town suffered another declared FEMA event which resulted in about \$2M in road, bridge and culvert damage. Emergency measures and minor repairs were performed by the prior year-end and the bulk of the work has been done in FY08. Much of the work has been completed in FY08, but as of June 30, 2008, a few projects remained to be completed in FY09.



Education's share of net expenses decreased a couple of percentage points (representing \$1.1M) due to the way debt service was expensed. The school capital projects account had accumulated over \$1M in interest over the last few years; it was determined after the budget referendum that debt service for FY08 would be funded from this interest accumulation rather than from tax appropriations, resulting in a lower net expense, a lower capital projects fund balance and a sizable increase in school fund balance.

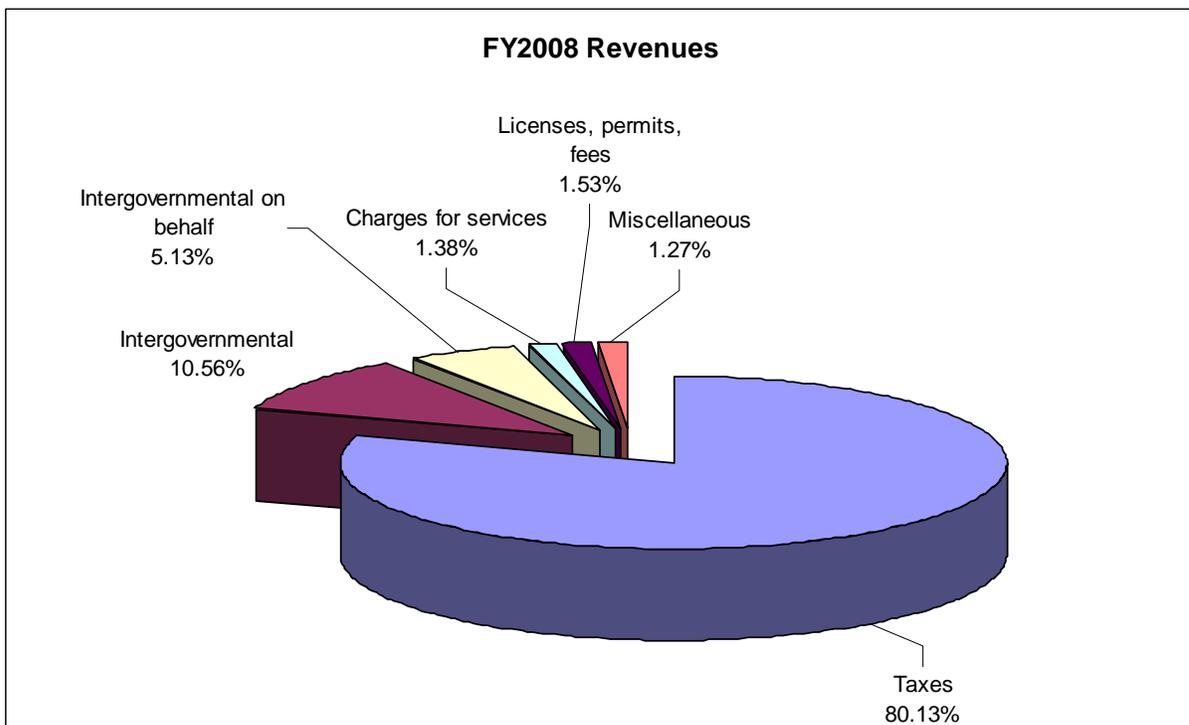
What is not evident from these presentations is that \$119,000 is collected in impact fees which are then transferred to the school budget and presented as revenues. Additionally, by ordinance, one-half of building permit fees are set aside to offset code enforcement efforts. To that end, \$145,070 in building permit fees fund substantial salaries, benefits and other costs of additional enforcement personnel with no taxpayer impact. The management has made great efforts to expand fee-based programs and support services. The other half of building permit fees are collected as special revenues to maintain the sizable GIS database and associated information.

## THE TOWN'S FUNDS

The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2008 with a comparison to 2007:

<b><i>Revenues:</i></b>	<b><i>FY 2008 Amount</i></b>	<b><i>Percent of Total</i></b>	<b><i>FY2007 Amount</i></b>	<b><i>Percent of Total</i></b>
<i>Taxes</i>	\$ 34,915,825	80.13%	\$ 33,556,668	77.79%
<i>Intergovernmental</i>	4,584,303	10.56%	5,499,302	12.75%
<i>Intergovernmental on behalf payments</i>	2,227,442	5.13%	2,224,225	5.16%
<i>Charges for services</i>	599,374	1.38%	527,994	1.22%
<i>Licenses and permits</i>	665,899	1.53%	580,174	1.35%
<i>Miscellaneous</i>	549,368	1.27%	747,097	1.73%
<b><i>Total Revenues</i></b>	<b><u>\$ 43,422,878</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 43,135,460</u></b>	<b><u>100.00%</u></b>

Revenues from all sources increased 0.66% from the previous year. For the second year in a row, excise tax collections decreased, 2.4% in Fy07 and 2.2% in Fy08. All revenues related to parking (beach parking stickers, meter collections and parking tickets) which are somewhat dependent on the summer weather and sufficient staffing to collect the revenues and monitor the parking, resulted in increased parking revenues of \$49,529 or almost 20%. Property taxes are up 4.2% or \$1,295,345 from the previous year and make up the large majority of revenues. State Revenue Sharing receipts increased 8.2% and investment interest income is down 29% compared to the prior year due to interest rate changes.



The following schedule presents a summary of expenditures for the fiscal year ended June 30, 2008:

<b><u>Expenditures:</u></b>	<b><u>FY 2008</u></b>	<b><u>Percent</u></b>	<b><u>FY 2007</u></b>	<b><u>Percent</u></b>
	<b><u>Amount</u></b>	<b><u>of Total</u></b>	<b><u>Amount</u></b>	<b><u>of Total</u></b>
<i>General Government</i>	\$ 2,507,554	5.93%	\$ 2,152,225	4.98%
<i>Public Safety</i>	5,037,637	11.92%	4,874,031	11.28%
<i>Public Works</i>	3,710,947	8.78%	3,307,635	7.65%
<i>Public Works federally funded</i>	1,048,908	2.48%	2,249,276	5.22%
<i>Community services</i>	761,083	1.80%	722,670	1.67%
<i>Boards and Commissions</i>	104,575	.25%	98,270	.22%
<i>Education</i>	22,405,285	53.01%	21,345,944	49.41%
<i>Maine State Retirement on behalf</i>	2,227,442	5.27%	2,224,225	5.15%
<i>County Tax</i>	1,828,020	4.33%	1,704,470	3.95%
<i>Abatements</i>	30,458	.07%	33,480	.07%
<i>Capital Outlays</i>	1,527,975	3.62%	2,006,360	4.64%
<i>Interest on Long-Term Debt</i>	813,608	1.92%	884,047	2.05%
<i>Principal Payment on Long-Term Debt</i>	260,281	.62%	1,602,142	3.71%
<b><u>Total Expenditures</u></b>	<b><u>\$ 42,263,773</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 43,204,775</u></b>	<b><u>100.00%</u></b>

Overall expenditures decreased 2.23%, due in large part to the school portion of debt service being paid from a capital projects fund, in the amount of \$1,337,100. Capital outlays include the regular replacement of vehicles and road paving, but are substantially reduced from the prior year in which large items, including a street sweeper costing \$142,000 and a fire truck costing \$380,000 were purchased. General Government costs reflect an increase in staffing in Code Enforcement to be covered by permit fees. An especially costly winter with regards to overtime and the price of salt contributed to Public Works taking a larger piece of the pie than in prior years.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Significant resources were devoted to the FEMA projects resulting from the April 2007 storm, diverting some resources from other Public Works projects. As a direct result of assessing damage from two FEMA events, five small drainage improvement projects involving culvert replacement and one large drainage project were approved by voters. Within the town boundaries of York is a mountain (Mt. Agamenticus), many rivers and streams that lead to the ocean continue to make drainage a major concern. Capital Improvement Planning schedules project into the foreseeable future the allocation of potentially millions of dollars in this effort to address the problem of flooding in various neighborhoods.

This year was the first year of the Community Development Department, which combined Code Enforcement, Planning and Geographic Information Services into one department to better coordinate activities. Building permit fees offset expenditures in this department to lessen taxpayer impact while providing improved and enhanced services to the citizens. FY08 is the first year of a \$40,000 appropriation to the York Ambulance Association to help that organization fund its operations.

The Maine Turnpike Authority is considering moving the current toll booth located in York to a location farther up the turnpike but also in York, which would disrupt a number of citizens. Foreseeing a potential legal battle, the Board of Selectmen saw fit to carry forward unspent legal funds for potential use in Fy2009.

Although a \$500,000 utilization of fund balance was approved by voters to reduce tax appropriations, only \$374,448 of funds authorized were used, bringing undesignated fund balance to \$5,128,049, keeping York in a very healthy fund balance position. Many unspent funds were authorized by the Board of Selectmen to be carried forward and expended in the next fiscal year. Public Safety, Public Works and the Parks department make good use of grant funds, leveraging them with matching tax appropriations. Every four years or so, the Town absorbs 53 pay weeks in the year, rather than 52. Such was the case in FY2008. In addition, gasoline prices spiked significantly, burdening the Public Works and Public Safety departments, moving the Board of Selectmen to use contingency to cover unforeseen fuel costs.

With taxes receivable of only \$877,255 on total tax bills of \$32.16 million, the Town of York enjoys a remarkable tax collection rate of 97.3%. The balance due on tax liens at year-end is only \$180,256, less than .6% of total taxes due. Along with a healthy fund balance and prudent investments, the Town's cash flow is managed well, and does not require any short-term borrowing. The Town's Standard and Poor's AA rating was upgraded to AA+.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2008, the Town had \$54.6 million invested in capital assets including substantial funding for paving and construction of town roads. The usual additions included police vehicles, pickup trucks, two servers, emergency management equipment, improvements to Cape Neddick Light Station, as well as various substantial repairs to other buildings, a cooling system for the Town Hall "technology room" (closet), mowers, solar trash compactors and repairs to the Town Dock.

	<b>Capital Assets</b>	<b>Accumulated Depreciation at June 30, 2008</b>	<b>Capital Assets Net of Depreciation</b>
Land	\$ 8,081,342	\$ -	\$ 8,081,342
Buildings & Improvements	36,176,159	13,307,694	22,868,465
Land Improvements	33,583,495	13,126,297	20,457,198
Equipment	3,121,487	1,745,164	1,376,323
Vehicles	5,572,218	3,755,816	1,816,402
<b>TOTALS</b>	<b>\$ <u>86,534,701</u></b>	<b>\$ <u>31,934,971</u></b>	<b>\$ <u>54,599,730</u></b>

This year's major additions included:

Harbor Beach Bathhouse	\$ 125,000
Harbormaster replacement boat	63,610
Heavy Plow Truck	105,491
Long Sands Beach Stairs	44,451
Grandstand/Bleachers at High School	192,227
Improvements to Cape Neddick Ligh Station	32,440
Photocopiers and Printers in all schools	154,257
Repaving and reconstructing town roads (FEMA)	1,343,863
Other Additions	558,840
	<b>\$ <u>2,620,179</u></b>

**Debt**

At year-end, the Town had \$16,323,810 in outstanding debt representing a net reduction of \$1,571,901:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	2008	2007	2008	2007	2008	2007
General Obligation Debt					\$	
	\$ 15,222,030	\$ 16,819,411	\$ -	\$ -	15,222,030	\$ 16,819,411
Capital Lease obligations	235,190	283,813			235,190	283,813
Compensated absences	866,590	792,487			866,590	792,487
<b>Totals</b>	<b>\$ 16,323,810</b>	<b>\$ 17,895,711</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,323,810</b>	<b>\$ 17,895,711</b>

There was no new bonded debt issued in 2008. A citizen-initiative Tax Task Force committee recognizes the need for municipal buildings, some school renovations, drainage remediation and some other large projects that could lead to potential future bonding. The Budget Referendum of May, 2007, included \$7.67M for a new Town Hall, bleachers, a grant match and some drainage work, to be funded by a combination of bond proceeds and fund balance. The Town Hall warrant article was defeated, at almost \$6.6M. The drainage article passed but wasn't large enough to bond on its own, so will be added to future projects approved for FY09. The Five-Year Capital plan includes about \$8M per year in proposed projects and will need approval of the voters.

**Tax Increment Financing**

The voters approved an article that will designate a portion of 'downtown' York Beach as a TIF district. The TIF will provide 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.

## 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 or capital asset and are not intended to amass large fund balances.

	Recreation	Mt. Agamenti- cus	Sohier Park	Goodrich Park	Outside Duty	Printing	Senior Transport- ation
Charges for Services	\$ 376,352	\$ 44,947	\$ 152,262	\$ 9,250	\$ 159,919	\$ 0	\$ 9,435
Donations/Sponsorships	45,730		6,918				
<b>Total Revenues</b>	<b>422,082</b>	<b>44,947</b>	<b>159,180</b>	<b>9,250</b>	<b>159,919</b>	<b>0</b>	<b>9,435</b>
Salaries and Benefits	171,141	21,520	25,014		147,727		42,316
Cost of Goods Sold			76,824				
Contracts/Repairs	174,781	10,521	3,767	7,719	24,686		1,218
Supplies	58,655	6,904	2,401	1,320			13,828
Utilities	6,161	5,115	1,324				2,020
<b>Total Operating Exp</b>	<b>410,738</b>	<b>44,060</b>	<b>109,330</b>	<b>9,039</b>	<b>172,413</b>		<b>59,382</b>
<b>Operating Income/(Loss)</b>	<b>11,344</b>	<b>887</b>	<b>49,850</b>	<b>211</b>	<b>(12,494)</b>		<b>(49,947)</b>
Operating Transfers In	0						28,000
Operating Transfers Out	0	0	-60,039				
Total Other Financing Sources	0	0					28,000
<b>Net Increase(decrease)</b>	<b>11,344</b>	<b>887</b>	<b>(10,189)</b>	<b>211</b>	<b>(12,494)</b>		<b>(21,947)</b>
Beg Net Assets	7,917	276	6,310	771	12,494	(1,382)	43,106
<b>Ending Net Assets (Deficit)</b>	<b>\$ 19,261</b>	<b>\$ 1,163</b>	<b>\$ (3,879)</b>	<b>\$ 982</b>	<b>\$ 0</b>	<b>\$ (1,382)</b>	<b>\$ 21,159</b>

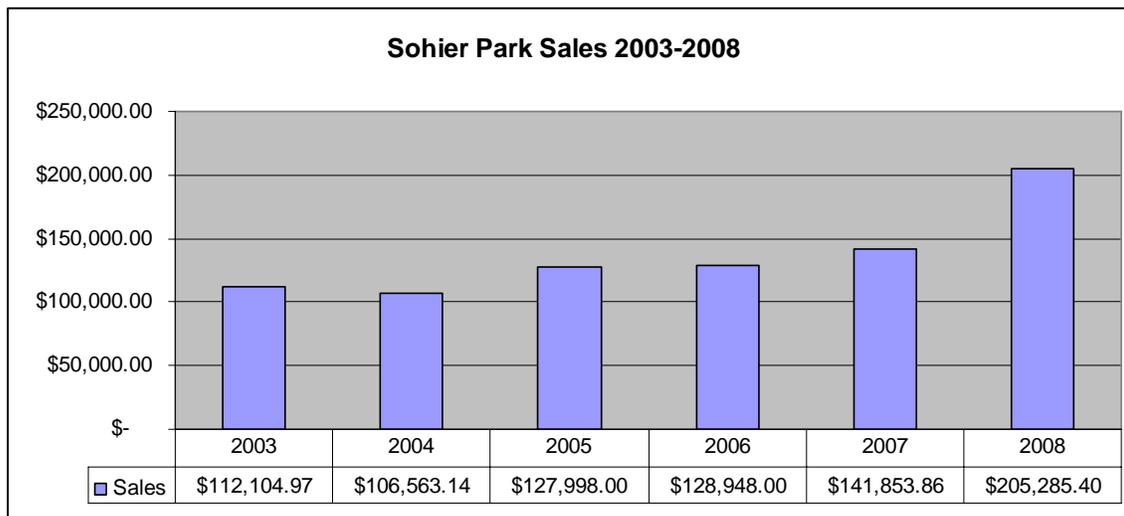
## The Town's Enterprise Funds

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 a lodge and other viewing areas, trails and grounds. Revenues are generated through tower rentals, the rental of the apartment in the lodge and viewer fees. The Town has re-negotiated with the businesses that use the communications towers and those negotiations have resulted in some additional revenues.

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 net income and beginning fund balance from the Gift Shop receipts (\$56,160) are transferred to a Sohier Park Maintenance Special Revenue fund which is responsible for the repairs and maintenance of the park and the Light Station. The new reporting will separate out the cost of operating of the gift shop and the net income derived from the gift shop from the costs to maintain the Park itself.

Management decided in 2008 to invest in more sophisticated staffing and was rewarded with increased sales and better management of inventory and all other aspects of the retail operation, which includes substantial volunteer involvement, as the Park and Lighthouse are icons to many. The increase in calendar year sales from 2007 to 2008 as depicted in the following table is 44.7%, which resulted in a higher net profit and increased funds available to maintain Sohier 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 services outside the normal patrol 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, if necessary. The revenues generated by administration and cruiser 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. There were no sales of ordinance copies in this fiscal year.

**Senior Transportation** was established in 2004 in response to a need. There were significant fundraisers and donations early in the program to get it established. The taxpayers of York have generously funded a tax appropriation designed to cover a large part of the cost of the drivers' salaries and benefits. The user fees cover the cost of gas, oil, maintenance, repairs and insurance. The users of this program are being driven to doctors' appointments, therapies, shopping, and to the Senior Center and other activities. It has been quite successful and serves a very important need in the community. A new vehicle was purchased in 2008 with fund balance, shown in this table as a large supplies expense. The hours of the driver were increased to fulfill the need as demand increased, accounting for a 40% increase in salaries and benefits costs.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

There has been concern expressed about a slowing economy. 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. For several years the Town's 'Circuit Breaker' program, which mimics the State's Property Tax and Rent Refund Program, aids those citizens that perhaps can not absorb property tax increases. As a result of those two programs, some property owners pay no property taxes at all.

The Assessor continues to use his extensive resources to keep values within the 90-100% range as dictated by state statute. Property values continue to rise, with waterfront properties showing the largest percentage increases. Tourism still continues to be a major industry in the Town of York.

<b>Fiscal Year</b>	<b>Total Valuation</b>	<b>Valuation Increase</b>	<b>Total Tax Bills</b>	<b>Tax Bill Increase</b>	<b>Mil Rate</b>
2003	\$2,564,463,024		\$26,285,720		\$10.25
2004	\$2,805,191,350	9.39%	\$27,205,357	3.50%	\$ 9.70
2005	\$3,197,719,520	13.99%	\$27,980,046	2.85%	\$ 8.75
2006	\$3,503,231,200	9.55%	\$29,322,153	4.80%	\$ 8.46
2007	\$3,775,924,530	7.78%	\$30,736,026	4.82%	\$ 8.14
2008	\$3,970,382,710	5.14%	\$32,160,100	4.63%	\$ 8.10
2009	\$4,082,626,820	2.83%	\$33,722,497	4.86%	\$ 8.26

After six years of declining mil rates, York will see an increase of 16 cents per thousand dollars of value in FY2009. 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. From FY2003 to FY2009 total valuation has increased 59.2% while total tax bills have only increased 28.29%, reflected in a **decrease** in the mil rate from \$10.25 to \$8.26 or 24.09%. The mean non-waterfront single family home has an assessed value of about \$470,000 with a tax bill of \$3,807 in FY2008.

## 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.

## Statement of Net Assets

### Town of York, Maine

As of June 30, 2008

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 10,084,761	\$ 35,696	\$ 10,120,457
Taxes receivable	887,255	-	887,255
Tax liens receivable	180,256	-	180,256
Accounts receivable	1,726,811	33,629	1,760,440
Inventory	15,515	36,533	52,048
Internal balances	22,860	(22,860)	-
Tax acquired property	59,453	-	59,453
Prepaid expenses	363,295	-	363,295
Capital assets, net of accumulated depreciation	54,599,730	-	54,599,730
<b>Total Assets</b>	<u>67,939,936</u>	<u>82,998</u>	<u>68,022,934</u>
<b>Liabilities</b>			
Accounts payable	923,596	26,489	950,085
Other accrued liabilities	135,230	-	135,230
Accrued payroll	1,411,130	19,205	1,430,335
Accrued interest payable	210,596	-	210,596
Deferred revenues	55,590	-	55,590
Escrow payable	15,662	-	15,662
Security deposits	2,097	-	2,097
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	1,587,621	-	1,587,621
Capital lease obligations	78,649	-	78,649
Accrued vacation and sick leave	520,568	-	520,568
Portion due or payable after one year:			
Bonds payable	13,634,409	-	13,634,409
Capital lease obligations	156,541	-	156,541
Accrued vacation and sick leave	346,022	-	346,022
<b>Total Liabilities</b>	<u>19,077,711</u>	<u>45,694</u>	<u>19,123,405</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	39,142,510	-	39,142,510
Restricted for endowments	21,125	-	21,125
Unrestricted	9,698,590	37,304	9,735,894
<b>Total Net Assets</b>	<u>\$ 48,862,225</u>	<u>\$ 37,304</u>	<u>\$ 48,899,529</u>

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

# Statement of Activities

## Town of York, Maine

For the Year Ended June 30, 2008

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 2,503,438	\$ 374,603	\$ -	\$ -	\$ (2,128,835)		\$ (2,128,835)
Public safety	5,259,644	368,803	25,043	-	(4,865,798)		(4,865,798)
Public works and sanitation	4,215,636	92,633	255,008	-	(3,867,995)		(3,867,995)
Public works - federally funded projects	1,048,908	-	675,100	345,288	(28,520)		(28,520)
Community services	734,735	-	9,063	-	(725,672)		(725,672)
Boards and commissions	104,575	32,460	-	-	(72,115)		(72,115)
Education	23,951,271	713,109	3,103,590	-	(20,134,572)		(20,134,572)
Maine State Retirement on-behalf payments	2,227,442	-	2,227,442	-	-		-
County tax	1,828,020	-	-	-	(1,828,020)		(1,828,020)
Abatements	30,458	-	-	-	(30,458)		(30,458)
Unclassified	440,307	707,690	9,900	-	277,283		277,283
Interest on long-term debt	794,495	-	-	-	(794,495)		(794,495)
<b>Total Governmental Activities</b>	<b>43,138,929</b>	<b>2,289,298</b>	<b>6,305,146</b>	<b>345,288</b>	<b>(34,199,197)</b>		<b>(34,199,197)</b>
<b>Business-type Activities:</b>							
Recreation	410,738	376,352	45,730	-	-	\$ 11,344	11,344
Mt. Agamenticus	44,060	44,947	-	-	-	887	887
Sohier Park	109,330	152,262	6,918	-	-	49,850	49,850
Goodrich Park	9,039	9,250	-	-	-	211	211
Outside duty	172,413	159,919	-	-	-	(12,494)	(12,494)
Senior transportation	59,382	9,435	-	-	-	(49,947)	(49,947)
<b>Total Business-type Activities</b>	<b>804,962</b>	<b>752,165</b>	<b>52,648</b>	<b>-</b>	<b>-</b>	<b>(149)</b>	<b>(149)</b>
<b>Total Primary Government</b>	<b>\$ 43,943,891</b>	<b>\$ 3,041,463</b>	<b>\$ 6,357,794</b>	<b>\$ 345,288</b>	<b>(34,199,197)</b>	<b>(149)</b>	<b>(34,199,346)</b>
General revenues:							
Taxes					34,915,825	-	34,915,825
Intergovernmental					829,270	-	829,270
Miscellaneous					346,372	-	346,372
Interest income					537,995	-	537,995
Gain (loss) on disposal of capital assets					(47,843)	-	(47,843)
Transfers					32,039	(32,039)	-
<b>Total General Revenues and Transfers</b>					<b>36,613,658</b>	<b>(32,039)</b>	<b>36,581,619</b>
<b>Change in Net Assets</b>					<b>2,414,461</b>	<b>(32,188)</b>	<b>2,382,273</b>
Net assets at beginning of year					46,447,764	69,492	46,517,256
<b>Net Assets at End of Year</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>48,862,225</b>	<b>37,304</b>	<b>48,899,529</b>

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

## Balance Sheet - Governmental Funds

### Town of York, Maine

As of June 30, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 8,994,494	\$ 1,090,267	\$ 10,084,761
Taxes receivable	887,255	-	887,255
Tax liens receivable	180,256	-	180,256
Accounts receivable	1,584,999	141,812	1,726,811
Due from other funds	478,044	850,333	1,328,377
Inventory	-	15,515	15,515
Prepaid expenses	363,295	-	363,295
Tax acquired property	59,453	-	59,453
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<b>\$ 12,547,796</b>	<b>\$ 2,097,927</b>	<b>\$ 14,645,723</b>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 646,632	\$ 276,964	\$ 923,596
Other accrued liabilities	135,230	-	135,230
Accrued payroll	1,404,045	7,085	1,411,130
Due to other funds	922,307	383,210	1,305,517
Deferred revenues	675,590	-	675,590
Escrow payable	15,662	-	15,662
Security deposits	2,097	-	2,097
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<b>3,801,563</b>	<b>667,259</b>	<b>4,468,822</b>
 <b>Fund Balances</b>			
Reserved for:			
Endowments	-	21,125	21,125
Unreserved:			
Designated for subsequent year's expenditures	3,618,184	1,409,543	5,027,727
Undesignated	5,128,049	-	5,128,049
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Fund Balances</b>	<b>8,746,233</b>	<b>1,430,668</b>	<b>10,176,901</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,547,796</b>	<b>\$ 2,097,927</b>	<b>\$ 14,645,723</b>

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

**Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Assets**

**Town of York, Maine**

**As of June 30, 2008**

**Total Fund Balances - Governmental Funds** \$ 10,176,901

Amounts reported for governmental activities in the Statement of  
Net Assets are different because:

Capital assets used in governmental activities are not financial  
resources and therefore are not reported as assets in governmental  
funds. The cost of capital assets, net of accumulated depreciation is: 54,599,730

Property tax revenues are presented on the modified accrual basis  
of accounting in the governmental funds but in the Statement of  
Activities, property tax revenue is reported under the accrual method.  
The balance in deferred property tax revenue in the governmental  
funds as a liability is: 620,000

Long-term liabilities are not due and payable in the current period  
and therefore are not reported as liabilities in the funds. Long-term  
and related liabilities at year-end consist of:

Bonds payable	\$ (15,222,030)	
Capital lease obligations	(235,190)	
Accrued interest payable	(210,596)	
Accrued vacation and sick leave	(866,590)	
		<u>(16,534,406)</u>

**Total Net Assets - Governmental Activities** \$ 48,862,225

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

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds**

**Town of York, Maine**

**For the Year Ended June 30, 2008**

	General	Other Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Taxes	\$ 34,796,492	\$ -	\$ 34,796,492
Intergovernmental	4,584,303	667,959	5,252,262
Intergovernmental on-behalf payments	2,227,442	-	2,227,442
Charges for services	599,374	1,054,608	1,653,982
Licenses, permits, and fees	665,899	-	665,899
Miscellaneous	549,368	305,916	855,284
<b>Total Revenues</b>	<u>43,422,878</u>	<u>2,028,483</u>	<u>45,451,361</u>
<b>Expenditures</b>			
Current			
General government	2,507,554	-	2,507,554
Public safety	5,037,637	-	5,037,637
Public works and sanitation	3,710,947	-	3,710,947
Public works - federally funded projects	1,048,908	-	1,048,908
Community services	761,083	-	761,083
Boards and commissions	104,575	-	104,575
Education	22,405,285	1,391,522	23,796,807
MSRS on-behalf payments	2,227,442	-	2,227,442
County tax	1,828,020	-	1,828,020
Abatements	30,458	-	30,458
Unclassified	-	452,029	452,029
Debt service - principal	260,281	1,337,100	1,597,381
- interest	813,608	-	813,608
Capital outlays	1,527,975	71,385	1,599,360
<b>Total Expenditures</b>	<u>42,263,773</u>	<u>3,252,036</u>	<u>45,515,809</u>
<b>Revenues Over (Under) Expenditures</b>	1,159,105	(1,223,553)	(64,448)
<b>Other Financing Sources (Uses)</b>			
Proceeds from capital lease obligation	183,032	-	183,032
Operating transfers in	264,070	352,357	616,427
Operating transfers out	(320,318)	(264,070)	(584,388)
<b>Total Other Financing Sources (Uses)</b>	<u>126,784</u>	<u>88,287</u>	<u>215,071</u>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	1,285,889	(1,135,266)	150,623
Fund balances at beginning of year	7,460,344	2,565,934	10,026,278
<b>Fund Balances at End of Year</b>	<u>\$ 8,746,233</u>	<u>\$ 1,430,668</u>	<u>\$ 10,176,901</u>

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

# Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

## Town of York, Maine

As of June 30, 2008

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ 150,623
Amounts reported for governmental activities in the Statement of Activities 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. Donations of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources. This is the amount by which capital asset additions exceeded depreciation expense in the current period:		
Additions to capital assets	\$ 2,620,179	
Depreciation expense	<u>(2,017,345)</u>	602,834
Property tax revenues are presented on the modified accrual basis of accounting in the governmental funds but in the Statement of Activities, property tax revenue is reported under the accrual method. The current year change in deferred property tax revenue reported in the governmental funds and not in the Statement of Activities is:		
		119,333
Governmental funds report the sale of capital assets as revenues. However, in the Statement of Activities, the sale of those assets is recognized as a gain or loss, depending on the sale proceeds and accumulated depreciation amounts.		
Proceeds from sale of capital assets	(1,500)	
Loss on sale of capital assets	<u>(47,843)</u>	(49,343)
Bond proceeds and entering into capital lease obligations provide current resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt and capital lease obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which long-term debt and capital lease payments exceeded proceeds from entering into capital lease obligations and long-term borrowing in the current period:		
Principal portion of debt service payments	1,597,381	
Proceeds from capital lease obligations	(183,032)	
Reductions in capital lease obligations	<u>231,655</u>	1,646,004
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	19,113	
Change in accrued vacation and sick leave	<u>(74,103)</u>	(54,990)
<b>Change in Net Assets of Governmental Activities</b>		<u><u>\$ 2,414,461</u></u>

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

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - General Fund (Budgetary Basis)**

**Town of York, Maine**

**For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 35,020,100	\$ 35,020,100	\$ 34,796,492	\$ (223,608)
Intergovernmental	3,363,459	4,409,700	4,584,303	174,603
Intergovernmental on-behalf payments	-	-	2,227,442	2,227,442
Charges for services	26,350	26,350	599,374	573,024
Licenses, permits, and fees	553,000	553,000	665,899	112,899
Miscellaneous	655,267	655,267	549,368	(105,899)
<b>Total Revenues</b>	<b>39,618,176</b>	<b>40,664,417</b>	<b>43,422,878</b>	<b>2,758,461</b>
<b>Expenditures</b>				
Current				
General government	2,581,067	2,726,137	2,507,554	218,583
Public safety	4,755,922	4,755,922	5,037,637	(281,715)
Public works and sanitation	3,589,995	3,589,995	3,710,947	(120,952)
Public works - federally funded projects	58,022	1,104,263	1,048,908	55,355
Community services	770,396	770,396	761,083	9,313
Boards and commissions	109,250	109,250	104,575	4,675
Education	22,639,126	22,639,126	22,405,285	233,841
MSRS on-behalf payments	-	-	2,227,442	(2,227,442)
County tax	1,828,020	1,828,020	1,828,020	-
Abatements	-	-	30,458	(30,458)
Debt service - principal	1,597,380	1,597,380	260,281	1,337,099
- interest	892,244	892,244	813,608	78,636
Capital outlays	2,205,734	2,205,734	1,527,975	677,759
<b>Total Expenditures</b>	<b>41,027,156</b>	<b>42,218,467</b>	<b>42,263,773</b>	<b>(45,306)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(1,408,980)</b>	<b>(1,554,050)</b>	<b>1,159,105</b>	<b>2,713,155</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from capital lease obligation	-	-	183,032	183,032
Operating transfer in	125,000	270,070	264,070	(6,000)
Operating transfers out	(247,741)	(247,741)	(320,318)	(72,577)
Utilization of designated surplus	1,086,135	1,086,135	-	(1,086,135)
Utilization of undesignated surplus	600,000	600,000	-	(600,000)
<b>Total Other Financing Sources (Uses)</b>	<b>1,563,394</b>	<b>1,708,464</b>	<b>126,784</b>	<b>(1,581,680)</b>
<b>Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ 154,414</b>	<b>\$ 154,414</b>	<b>1,285,889</b>	<b>\$ 1,131,475</b>
Fund balance at beginning of year			7,460,344	
<b>Fund Balance at End of Year</b>			<b>\$ 8,746,233</b>	

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

**Combined Statement of Net Assets**  
**All Proprietary Fund Types - Business-type Activities - Enterprise Funds**

**Town of York, Maine**

**As of June 30, 2008**

**Assets**

Cash equivalents	\$	35,696
Accounts receivable		33,629
Due from other funds		71,974
Inventory		<u>36,533</u>
<b>Total Assets</b>		<u>177,832</u>

**Liabilities**

Accounts payable		26,489
Accrued payroll		19,205
Due to other funds		<u>94,834</u>
<b>Total Liabilities</b>		<u>140,528</u>

**Net Assets**

Unrestricted		<u>37,304</u>
<b>Total Net Assets</b>	\$	<u><u>37,304</u></u>

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

**Combined Statement of Revenues, Expenses and Changes in Fund Net Assets  
All Proprietary Fund Types - Business-type Activities - Enterprise Funds**

**Town of York, Maine**

**For the Year Ended June 30, 2008**

**Operating Revenues**

Charges for services \$ 752,165  
Other 52,648

**Total Operating Revenues** 804,813

**Operating Expenses**

Designated purposes 804,962

**Total Operating Expenses** 804,962

**Operating Income (Loss)** (149)

**Other Financing Sources (Uses)**

Operating transfers in 28,000  
Operating transfers out (60,039)

**Total Other Financing Sources (Uses)** (32,039)

**Decrease in Net Assets** (32,188)

Net assets at beginning of year 69,492

**Net Assets at End of Year** \$ 37,304

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

**Statement of Cash Flows**  
**All Proprietary Fund Types - Business-type Activities - Enterprise Funds**

**Town of York, Maine**

**For the Year Ended June 30, 2008**

**Cash Flows from Operating Activities**

Receipts from customers and users	\$ 755,271
Other operating receipts	52,648
Payments to and on behalf of employees	(388,513)
Payments to suppliers and vendors	<u>(385,513)</u>
<b>Net Cash Provided by Operating Activities</b>	<b>33,893</b>

**Cash Flows from Noncapital Financing Activities**

Transfers in from other funds	28,000
Transfers out to other funds	<u>(60,039)</u>
<b>Net Cash Used by Noncapital Financing Activities</b>	<b>(32,039)</b>

**Increase in Cash Equivalents** 1,854

Cash equivalents at beginning of year 33,842

**Cash Equivalents at End of Year** \$ 35,696

**Reconciliation of Operating Loss to**

**Net Cash Provided by Operating Activities:**

Operating loss	\$ (149)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
(Increase) decrease in operating assets:	
Accounts receivable	3,106
Due from other funds	(10,817)
Inventory	7,698
Increase (decrease) in operating liabilities:	
Accounts payable	412
Accrued payroll	19,205
Due to other funds	<u>14,438</u>

**Net Cash Provided by Operating Activities** \$ 33,893

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

**Statement of Fiduciary Net Assets  
Fiduciary Fund - Agency Fund**

**Town of York, Maine**

**As of June 30, 2008**

	<u>Student Activity Accounts</u>
<b>Assets</b>	
Cash	\$ 66,294
	<hr/>
<b>Total Assets</b>	66,294
 <b>Liabilities</b>	
Held for student activities and other purposes	66,294
	<hr/>
<b>Total Liabilities</b>	66,294
	<hr/>
	<hr/>
<b>Net Assets</b>	\$ -
	<hr/> <hr/>

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

## Notes to Financial Statements

### Town of York, Maine

#### Note A - Summary of Significant Accounting Policies

The Town of York, Maine was incorporated in 1652 and currently operates under a Selectboard-Town Manager-Town Meeting form of government. The accounting policies of the Town of York conform to generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so. The more significant accounting policies established in GAAP and used by the Town are discussed below.

#### Principles Determining Scope of Reporting Entity

The basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in GAAP include whether:

- the organization is legally separate (can sue and be sued in its own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of York has no component units.

#### Basis of Presentation

##### Government-wide Financial Statements

The statement of net assets and statement of activities report information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. 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 services for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not allocate indirect expenses to functions in the statement of activities.

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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

#### Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures.

#### Governmental Activities

Governmental funds are identified as either general, special revenue, capital projects, or permanent funds based upon the following guidelines.

The *General Fund* is the operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds* are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

*Capital Projects Funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

*Permanent Funds* are used to account for resources legally held in trust. All resources of the fund, including any earnings on invested resources, may be used to support the organization as stipulated by the specific trust instrument.

#### Proprietary (Business-type) Activities

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

*Enterprise Funds* are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the costs of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

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 revenue of the Town's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

#### Fiduciary Funds (not included in Government-wide statements)

The Town's fiduciary funds are presented in the fiduciary fund statements by type. Since by definition these assets are being held for the benefit of a third party and can not be used to address activities or obligations of the Town, these funds are not incorporated into the Government-wide statements.

*Agency Funds* are used to account for assets held by the Town as an agent for individuals, private organizations, and/or other government units.

#### **Basis of Accounting**

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

#### Accrual

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

#### Modified Accrual

Governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

#### Cash and Cash Equivalents

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

#### Investments

The Town follows GASBS No. 31, Accounting and Reporting of Certain Investments and External Investment Pools. Under GASBS No. 31, certain investments held by governments are reported at their fair value in the balance sheet. Unrealized gains and losses are included in the statement of revenues, expenditures and changes in fund balance.

#### Inventories

Inventories of supplies are considered to be expenditures at the time of purchase.

Inventories consisting of food and supplies for the special revenue fund, and general merchandise for the proprietary fund, are accounted for at the lower of cost or market on a first-in, first out (FIFO) basis. Government surplus items donated to the School Lunch Program are included in special revenue inventory and are valued at fair market value on a first-in, first-out (FIFO) basis.

#### Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line method. Estimated useful lives are as follows: land improvements, 15 to 20 years; buildings and improvements, 20 to 50 years; infrastructure, 5 to 60 years; and vehicles and equipment, 3 to 15 years.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

#### Vacation and Sick Leave

Under the terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service. The Town accrues unpaid vacation and sick leave when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentation.

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

##### **Budget**

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

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

- Early in the second half of the last fiscal year the Town prepared a budget for this fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
- A vote of the inhabitants of the Town was then taken for the purpose of adopting the proposed budget after public notice of the vote was given.
- The budget was adopted subsequent to passage by the inhabitants of the Town.

The Town does not adopt budgets for special revenue funds.

##### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### **Interfund Activity**

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund loan receivables and payables as appropriate and are subject to elimination upon consolidation in the government-wide presentation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. Since not all funds maintain a separate cash account, cash is pooled in the General Fund cash account and activity for individual funds are recorded through the General Fund and each respective individual fund through the recognition of a "due to/due from" as appropriate. The due to/from other funds balances are subject to elimination upon consolidation in the government-wide presentation. All interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

##### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

##### Debt Issuance Costs

In governmental funds, debt issuance costs are recognized in the current period. For the government-wide financial statements, governmental activity debt issuance costs are amortized over the life of the debt issue.

##### Revenue Recognition - Property Taxes

The Town's property tax for the current year was levied August 10, 2007 on the assessed value listed as of April 1, 2007, for all real and personal property located in the Town. Taxes were due September 24, 2007 and February 8, 2008. Interest on unpaid taxes commenced on September 25, 2007 and February 9, 2008, at 11% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$154,414 for the year ended June 30, 2008.

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.

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note B - Cash

The Town conducts all its banking with depository banks.

#### Custodial Credit Risk - Deposits

At June 30, 2008, the carrying amount of the Town's deposits was \$10,186,751 and the bank balance was \$10,577,875. The difference between these balances relates to deposits in transit, outstanding checks and cash on hand at year-end.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy on custodial credit risk. At June 30, 2008, \$8,512,936 of the Town's bank balance of \$10,577,875 was exposed to credit risk as follows:

Uninsured and uncollateralized	\$ 126,194
Collateralized with securities held by the pledging financial institution	<u>8,386,742</u>
	<u>\$ 8,512,936</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note C - Capital Assets

A summary of capital assets transactions for the year ended June 30, 2008, follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
<b>Governmental Activities:</b>				
Non-Depreciable Assets:				
Land	\$ 8,081,342	\$ -	\$ -	\$ 8,081,342
Depreciable Assets:				
Buildings and improvements	35,912,272	263,887	-	36,176,159
Land improvements	32,239,632	1,343,863	-	33,583,495
Equipment	2,564,545	556,942	-	3,121,487
Vehicles	<u>5,325,748</u>	<u>455,487</u>	<u>209,017</u>	<u>5,572,218</u>
Totals at historical cost	84,123,539	2,620,179	209,017	86,534,701
Less accumulated depreciation:				
Buildings and improvements	12,442,351	865,343	-	13,307,694
Land improvements	12,467,523	658,774	-	13,126,297
Equipment	1,584,727	160,437	-	1,745,164
Vehicles	<u>3,582,699</u>	<u>332,791</u>	<u>159,674</u>	<u>3,755,816</u>
Total accumulated depreciation	<u>30,077,300</u>	<u>2,017,345</u>	<u>159,674</u>	<u>31,934,971</u>
Net Capital Assets	<u>\$ 54,046,239</u>	<u>\$ 602,834</u>	<u>\$ 49,343</u>	<u>\$ 54,599,730</u>

Depreciation expense was charged to the following functions:

<b>Governmental activities:</b>	
General government	\$ 68,131
Public safety	248,773
Public works and sanitation	859,092
Community services	2,868
Education	<u>838,481</u>
Total governmental activities depreciation expense	<u>\$ 2,017,345</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note D - Interfund Receivables and Payables

Interfund balances at June 30, 2008 consisted of the following individual fund receivables and payables:

<b>Governmental Activities</b>	Receivables	Payables	Net
<u>General Fund:</u>	<u>Due from</u>	<u>(Due to)</u>	<u>Internal</u>
<u>Special Revenue:</u>			<u>Balances</u>
Airport Drive	\$ -	\$ (22,113)	
Animal Welfare	-	(19,590)	
Beach Reserve	570	-	
Building Fund	-	(25,000)	
CMP Spur Road	-	(9,150)	
COPS Funds	-	(52,977)	
Code Enforcement	-	(157,954)	
Earned Time	-	(18,636)	
Fishermen's Fund	-	(2,000)	
GIS Mapping	-	(131,476)	
Harbor and Wharf	-	(20,314)	
Harbor Beach Bathhouse	-	(2,762)	
Harbor Dredge	-	(19,655)	
Historic Markers	272	-	
Hoist Repair	-	(800)	
Impact Fees	76,500	-	
Long Sands Bathhouse	-	(468)	
Mt. Agamenticus Coordinator	-	(886)	
Mt. Agamenticus Landscape	-	(2,967)	
Mt. Agamenticus Trails 2008	4,541	-	
Park Commission	8	-	
Performance Accounts	-	(176,139)	
350 <sup>th</sup> Committee	-	(77)	
Unemployment Compensation	2,006	-	
Wheeler Marsh Restoration	-	(17,976)	
York Land Trust	-	(10,500)	
School categorical programs	64,052	(93,159)	
School lunch program	232,628	-	
	\$ 380,577	\$ (784,599)	\$ (404,022)

**Notes to Financial Statements - Continued**

**Town of York, Maine**

**Note D - Interfund Receivables and Payables - Continued**

	Receivables <u>Due from</u>	Payables <u>(Due to)</u>	Net Internal <u>Balances</u>
Capital Projects:			
Middle School renovations	\$ -	\$ (54,757)	
High School renovations	-	<u>(10,977)</u>	
	<u>-</u>	(65,734)	\$ (65,734)
Permanent Fund:			
Clark/Emerson Trust Fund	<u>2,633</u>	<u>-</u>	
	2,633	-	2,633
<i>Business-type Activities:</i>			
Enterprise Funds:			
Recreation	-	(45,588)	
Mt. Agamenticus	-	(2,808)	
Sohier Park	62,936	-	
Goodrich Park	-	(982)	
Outside Duty	30,516	-	
Printing	1,382	-	
Senior Transportation	<u>-</u>	<u>(22,596)</u>	
	<u>94,834</u>	<u>(71,974)</u>	<u>22,860</u>
General Fund	\$ <u>478,044</u>	\$ <u>(922,307)</u>	\$ <u>(444,263)</u>

**Notes to Financial Statements - Continued**

**Town of York, Maine**

**Note D - Interfund Receivables and Payables - Continued**

	Receivables <u>Due from</u>	Payables <u>(Due to)</u>	Net Internal <u>Balances</u>
<u>Other Governmental Funds:</u>			
<i>Special Revenue:</i>			
General Fund:			
Airport Drive	\$ 22,113	\$ -	
Animal Welfare	19,590	-	
Beach Reserve	-	(570)	
Building Fund	25,000	-	
CMP Spur Road	9,150	-	
Code Enforcement	157,954	-	
COPS Funds	52,977	-	
Earned Time	18,636	-	
Fishermen's Fund	2,000	-	
GIS Mapping	131,476	-	
Harbor and Wharf	20,314	-	
Harbor Beach Bathhouse	2,762	-	
Harbor Dredge	19,655	-	
Historic Markers	-	(272)	
Hoist Repair	800	-	
Impact Fees	-	(76,500)	
Long Sands Bathhouse	468	-	
Mt. Agamenticus Landscape	2,967	-	
Mt. Agamenticus Trails 2008	-	(4,541)	
Mt. Agamenticus Coordinator	886	-	
Park Commission	-	(8)	
Performance Accounts	176,139	-	
350 <sup>th</sup> Committee	77	-	
Unemployment Compensation	-	(2,006)	
Wheeler Marsh Restoration	17,976	-	
York Land Trust	10,500	-	
School categorical programs	93,159	(64,052)	
School lunch program	-	(232,628)	
Special Revenue subtotal	\$ 784,599	\$ (380,577)	\$ 404,022

**Notes to Financial Statements - Continued**

**Town of York, Maine**

**Note D - Interfund Receivables and Payables - Continued**

	Receivables <u>Due from</u>	Payables <u>(Due to)</u>	Net Internal <u>Balances</u>
<i>Capital Projects:</i>			
General Fund:			
Middle School renovations	\$ 54,757	\$ -	
High School renovations	<u>10,977</u>	<u>-</u>	
Capital Projects subtotal	65,734	-	\$ 65,734
 <i>Permanent Fund:</i>			
General Fund:			
Clark/Emerson Trust Fund	<u>-</u>	<u>(2,633)</u>	
Permanent Fund subtotal	-	(2,633)	<u>(2,633)</u>
Other Governmental Funds	<u>850,333</u>	<u>(383,210)</u>	<u>467,123</u>
Total Governmental Funds	<u>\$ 1,328,377</u>	<u>\$ (1,305,517)</u>	<u>\$ 22,860</u>

**Business-type Activities:**

Enterprise Funds:

*General Fund:*

Recreation	\$ 45,588	\$ -	
Mt. Agamenticus	2,808	-	
Sohier Park	-	(62,936)	
Goodrich Park	982	-	
Outside Duty	-	(30,516)	
Printing	-	(1,382)	
Senior Transportation	<u>22,596</u>	<u>-</u>	
Total Business-type Activities	<u>\$ 71,974</u>	<u>\$ (94,834)</u>	<u>\$ (22,860)</u>

All interfund balances resulted from the Town pooling cash in the General Fund for other funds disclosed above, for greater efficiency and physical control, with each fund having an interest in the pooled cash account and reporting its interest in its balance sheet and statement of net assets.

**Notes to Financial Statements - Continued**

**Town of York, Maine**

**Note E - Interfund Transfers**

Interfund transfers for the year ended June 30, 2008 consisted of the following amounts:

	Transfers <u>In</u>	Transfers <u>Out</u>	<u>Net</u> <u>Transfers</u>
<b>Governmental Activities</b>			
<u>General Fund:</u>			
<i>Other Governmental Funds:</i>			
Special Revenues:			
Animal Welfare	\$ -	\$ (19,590)	
COPS Funds	-	(52,977)	
Code Enforcement	145,070	-	
Earned Time	-	(20,000)	
Impact Fees	119,000	-	
Mt. Agamenticus Trails 2007	-	(1,380)	
Mt. Agamenticus Trails Coordinator	-	(18,620)	
School lunch program	-	(179,751)	
	<u>264,070</u>	<u>(292,318)</u>	\$ (28,248)
Enterprise:			
Senior Transportation	-	(28,000)	
	<u>-</u>	<u>(28,000)</u>	(28,000)
<u>Other Governmental Funds:</u>			
<i>Special Revenue:</i>			
Enterprise	60,039	-	
General Fund	292,318	(264,070)	
	<u>352,357</u>	<u>(264,070)</u>	<u>88,287</u>
<b>Total Governmental Funds</b>	<u>616,427</u>	<u>(584,388)</u>	<u>32,039</u>
<b>Business-type Activities</b>			
<i>Enterprise:</i>			
General Fund	28,000	-	
Special Revenue	-	(60,039)	
<b>Total Business-type Activities</b>	<u>28,000</u>	<u>(60,039)</u>	<u>(32,039)</u>
<b>Total Interfund Transfers</b>	<u>\$ 644,427</u>	<u>\$ (644,427)</u>	<u>\$ -</u>

Transfers are used to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Notes to Financial Statements - Continued**

**Town of York, Maine**

**Note F - Deferred Revenue**

At June 30, 2008 deferred revenues consisted of the following:

Deferred property taxes	\$ 620,000
Maintenance of the Hartley Mason Estate at York Harbor Beach	4,333
MMA insurance storm damage proceeds	51,207
Senior Center Room Rental	50
	<u>\$ 675,590</u>

**Note G - Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
<b>Governmental Activities:</b>					
General obligation debt	\$ 16,819,411	\$ -	\$ 1,597,381	\$ 15,222,030	\$ 1,587,621
Capital lease obligations	283,813	183,032	231,655	235,190	78,649
Compensated absences	<u>792,487</u>	<u>472,881</u>	<u>398,778</u>	<u>866,590</u>	<u>520,568</u>
Total Governmental	<u>\$ 17,895,711</u>	<u>\$ 655,913</u>	<u>\$ 2,227,814</u>	<u>\$ 16,323,810</u>	<u>\$ 2,186,838</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note G - Long-Term Liabilities - Continued

##### Long-Term Debt:

At June 30, 2008 long-term debt consisted of the following individual issues:

1998 General Obligation Refunding Bond maturing March 1, 2011, annual payment ranging from \$330,000 to \$390,000, variable interest rate from 4.1% to 4.6%.	\$ 1,015,000
1999 General Obligation Bond maturing April 1, 2019, annual payments of \$230,000 each to 2003, and \$275,000 each to 2019 with annual rate of interest from 4.2% to 4.8%.	3,025,000
2000 General Obligation Bond maturing April 1, 2020, annual payments of \$800,000 to 2019, and one payment of \$780,000, with annual rate of interest from 5% to 5.5%.	9,580,000
2001 General Obligation Bond maturing September 1, 2021, annual payments of \$90,000 to 2021, with annual rate of interest from 3.5% to 4.8%.	1,260,000
Revolving Renovation Fund Loan, maturing June 1, 2011, annual payments of \$30,858 each. This loan is interest free.	92,574
Revolving Renovation Fund Loan, maturing June 1, 2009, annual payments of \$27,965 each. This loan is interest free.	27,965
York Sewer District Loan, maturing November 14, 2020, annual payment ranging from \$17,559 to \$20,627, with annual rate of interest of 1.3%.	212,364
York Sewer District Loan, maturing November 14, 2020, annual payments of \$761 each. This loan is interest free.	9,127
	<u>\$15,222,030</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note G - Long-Term Liabilities - Continued

The annual requirements to amortize long-term debt are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,587,621	\$ 735,398	\$ 2,323,019
2010	1,554,899	664,376	2,219,275
2011	1,545,146	593,404	2,138,550
2012	1,184,538	522,549	1,707,087
2013	1,184,792	466,595	1,651,387
2014-2018	5,927,886	1,465,383	7,393,269
2019-2022	<u>2,237,148</u>	<u>176,176</u>	<u>2,413,324</u>
Total	<u>\$ 15,222,030</u>	<u>\$ 4,623,881</u>	<u>\$ 19,845,911</u>

#### Capital Lease Obligations:

The Town of York and the School Department have entered into lease agreements as lessee for financing the acquisition of equipment and vehicles. These agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease terms) and, therefore have been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is a schedule of future minimum payments required under the leases as of June 30, 2008:

Year ending <u>June 30</u>	
2009	\$ 86,773
2010	51,272
2011	51,022
2012	34,540
2013	<u>34,540</u>
Total minimum lease payments	258,147
Less amount representing interest	<u>22,957</u>
Present value of minimum lease payments	<u>\$ 235,190</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note H - Debt Reimbursement

The State of Maine currently reimburses the Town for a portion of financing costs of various school construction projects. Continuation of such reimbursements is dependent upon continued appropriations by the state legislature.

#### Note I - Designated Fund Balance

At June 30, 2008 the designated fund balance applicable to future periods was as follows:

Debt service	\$ 63,776
Elections - Help America Vote Act	5,500
Academic reimbursement	3,000
Josiah Norton Road	32,650
Police vehicles	40,673
Cliff Walk/Fisherman's Walk	42,989
Church Street/Long Beach sidewalk	33,343
Grader upgrade	26,213
Chase Pond garage addition	30,913
Bog Road build	1,985
Fire truck reserve	17,128
Route 91/Route 1 redesign	39,119
Seawall repair	8,221
Road restoration	288,501
Voting machines	45,000
Ocean Avenue sidewalk	34,000
Public safety plan	10,140
Village building plan	44,542
Bellmarsh Road	22,495
Woodbridge sidewalk	22,954
Broadway/Airport Drive	68,350
Mitchell Road	50,000
Contingency	15,082
Legal	39,773
Cow Beach	18,200
Drainage plan	18,500
FEMA and Federal Highway reimbursements	55,355
Education	<u>2,539,782</u>
	<u>\$ 3,618,184</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note J - Commitment and Contingencies

##### **Grant Funds**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

#### Note K - Retirement Plan

##### **Maine State Retirement - Consolidated Plan**

**Description of the Plan** - The Town contributes to Maine State Retirement System Consolidated Plan, a cost sharing multiple-employer public employee retirement system established by the Maine State legislature. The Maine State 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 State Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. A complete report is available from the Maine State Retirement System.

**Funding Policy** - Plan members are required to contribute 6.5% of their annual covered salary and the Town is required to contribute an actuarially determined rate. The contribution rates of plan members and the Town of York are established and may be amended by the Maine State Retirement System Board of Trustees. The Town's contributions to the Maine State Retirement System Consolidated Plan for the year ended June 30, 2008 was \$88,515, equal to the required contribution.

**Teacher Group - Description of the Plan** - All school teachers, plus other qualified educators, participate in the Maine State 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 State 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 State Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher's Group. A complete report is available from the Maine State Retirement System.

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note K - Retirement Plan - Continued

**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 \$2,227,442 (18.71%) for the fiscal year 2008. This amount has been reported as an intergovernmental revenue and education expenditure in the GAAP basis financial statements. There is no contribution required by the School except for federally funded teachers, for which the School contributed 18.71% of their compensation. This cost is charged to the applicable grant.

In addition, the Town offers its employees a deferred compensation plan created in accordance the Internal Revenue Code Section 457 through the International City Management Association Retirement Corporation. The deferred compensation plan is available to all employees of the Town. Under the plan, employees may elect to defer a portion of their salary and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Town's computed contribution to this plan for the year ended June 30, 2008 was approximately \$151,000. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the Town's financial statements.

The Town has also established a 401(a) Money Purchase Plan covering eligible employees of the York Police Department. Contributions by the Town to the plan during the year ended June 30, 2008 were approximately \$41,000.

#### Note L - 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, participates in a public entity risk pool, or is effectively self-insured. Currently, the Town participates in several public entity and self-insured risk pools sponsored by the Maine Municipal Association. Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities that should be recorded at June 30, 2008.

The Town of York agrees to indemnify police officers for claims and suits, which exceed the liability limits of the \$1,000,000 police liability policy, provided there is no willful negligence on behalf of the officers who are sued or against whom litigation is filed.

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note M - Litigation

The Town is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the Town. The Town has vigorously defended these claims and believes an unfavorable outcome is unlikely.

#### Note N - School Department Designated Fund Balance

Subsequent to the issuance of the School Department's audited financial statements, certain revenue and expenditures adjustments were noted revising the ending fund balance as originally reported.

Fund Balance per audited School Department financial statements	\$	2,515,452
Net revenue and expenditures adjustments		<u>24,330</u>
Revised Fund Balance for the School Department	\$	<u><u>2,539,782</u></u>

## **Independent Auditors' Report on Supplemental Information**

**To the Selectboard  
Town of York  
York, Maine**

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information contained in the following schedules for the year ended June 30, 2008, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Purdy Pownall & Company*  
Professional Association

**Portland, Maine  
April 8, 2009**

**Combining Balance Sheet  
Nonmajor Governmental Funds - Other Governmental Funds**

**Town of York, Maine**

**As of June 30, 2008**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>				
Cash	\$ 1,066,509	\$ -	\$ 23,758	\$ 1,090,267
Due from other funds	784,599	65,734	-	850,333
Accounts receivable	141,812	-	-	141,812
Inventory	15,515	-	-	15,515
	<u>\$ 2,008,435</u>	<u>\$ 65,734</u>	<u>\$ 23,758</u>	<u>\$ 2,097,927</u>
<b>Total Assets</b>				
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 276,964	\$ -	\$ -	\$ 276,964
Accrued payroll	7,085	-	-	7,085
Due to other funds	380,577	-	2,633	383,210
	<u>664,626</u>	<u>-</u>	<u>2,633</u>	<u>667,259</u>
<b>Total Liabilities</b>				
<b>Fund Balances</b>				
Reserved for:				
Endowments	-	-	21,125	21,125
Unreserved:				
Designated	1,343,809	65,734	-	1,409,543
	<u>1,343,809</u>	<u>65,734</u>	<u>21,125</u>	<u>1,430,668</u>
<b>Total Fund Balances</b>				
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,008,435</u>	<u>\$ 65,734</u>	<u>\$ 23,758</u>	<u>\$ 2,097,927</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds - Other Governmental Funds**

**Town of York, Maine**

**For the Year Ended June 30, 2008**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>				
Intergovernmental	\$ 667,959	\$ -	\$ -	\$ 667,959
Charges for services	1,054,608	-	-	1,054,608
Miscellaneous	271,821	33,396	699	305,916
<b>Total Revenues</b>	<u>1,994,388</u>	<u>33,396</u>	<u>699</u>	<u>2,028,483</u>
<b>Expenditures</b>				
Designated purpose	1,842,527	-	1,024	1,843,551
Debt service	-	1,337,100	-	1,337,100
Capital outlay	71,385	-	-	71,385
<b>Total Expenditures</b>	<u>1,913,912</u>	<u>1,337,100</u>	<u>1,024</u>	<u>3,252,036</u>
<b>Revenues Over (Under) Expenditures</b>	80,476	(1,303,704)	(325)	(1,223,553)
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	352,357	-	-	352,357
Operating transfers out	(264,070)	-	-	(264,070)
<b>Total Other Sources (Uses)</b>	<u>88,287</u>	<u>-</u>	<u>-</u>	<u>88,287</u>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	168,763	(1,303,704)	(325)	(1,135,266)
Fund balances at beginning of year	<u>1,175,046</u>	<u>1,369,438</u>	<u>21,450</u>	<u>2,565,934</u>
<b>Fund Balances at End of Year</b>	<u>\$ 1,343,809</u>	<u>\$ 65,734</u>	<u>\$ 21,125</u>	<u>\$ 1,430,668</u>

See accompanying independent auditors' report on supplemental financial information.

## Combining Balance Sheet - Special Revenue Funds (1 of 2)

### Town of York, Maine

As of June 30, 2008

	Assets				Total Assets	Liabilities				Fund Balance (Deficit) Designated
	Cash	Due from Other Funds	Accounts Receivable	Inventory		Accounts Payable	Accrued Payroll	Due to Other Funds	Total Liabilities	
Airport Drive	\$ -	\$ 22,113	\$ -	\$ -	\$ 22,113	\$ -	\$ -	\$ -	\$ -	\$ 22,113
Animal Welfare	-	19,590	-	-	19,590	-	-	-	-	19,590
Beach Fire Truck	6,535	-	-	-	6,535	-	-	-	-	6,535
Beach Reserve	27,577	-	-	-	27,577	-	-	570	570	27,007
Bog Road	19,022	-	-	-	19,022	-	-	-	-	19,022
Building Fund	1,889	25,000	-	-	26,889	-	-	-	-	26,889
Capital Equipment	7,625	-	-	-	7,625	-	-	-	-	7,625
CMP Spur Road	746	9,150	-	-	9,896	-	-	-	-	9,896
Code Enforcement	-	157,954	-	-	157,954	-	-	-	-	157,954
COPS Funds	-	52,977	-	-	52,977	-	-	-	-	52,977
Conservation Commission	4,250	-	-	-	4,250	-	-	-	-	4,250
Earned Time	126,906	18,636	-	-	145,542	-	-	-	-	145,542
Fireworks	2,454	-	-	-	2,454	-	-	-	-	2,454
Fishermen's Fund	-	2,000	-	-	2,000	-	-	-	-	2,000
Fisherman's Memorial	902	-	-	-	902	-	-	-	-	902
GIS Mapping	-	131,476	-	-	131,476	5,695	1,349	-	7,044	124,432
Goodrich Park	347	-	-	-	347	-	-	-	-	347
Hannaford Escrow	230,722	-	-	-	230,722	230,722	-	-	230,722	-
Harbor & Wharf	62,694	20,314	-	-	83,008	-	-	-	-	83,008
Harbor Beach Bathhouse	-	2,762	-	-	2,762	1,961	1,558	-	3,519	(757)
Harbor Dredge	216,859	19,655	-	-	236,514	-	-	-	-	236,514
Historic Markers	3,102	-	-	-	3,102	-	-	272	272	2,830
Hoist Repair	154	800	-	-	954	-	-	-	-	954

See accompanying independent auditors' report on supplemental financial information.

## Combining Balance Sheet - Special Revenue Funds (2 of 2)

### Town of York, Maine

As of June 30, 2008

	Assets				Total Assets	Liabilities				Fund Balance (Deficit) Designated
	Cash	Due from Other Funds	Accounts Receivable	Inventory		Accounts Payable	Accrued Payroll	Due to Other Funds	Total Liabilities	
Impact Fees	\$ 115,637	\$ -	\$ -	\$ -	\$ 115,637	\$ -	\$ -	\$ 76,500	\$ 76,500	\$ 39,137
Long Sands Bathhouse	-	468	-	-	468	-	-	-	-	468
Nubble Light	22,782	-	-	-	22,782	-	-	-	-	22,782
Mt. Agamenticus Trails 2008	-	-	-	-	-	-	3,208	4,541	7,749	(7,749)
Mt. Agamenticus Coordinator	-	886	-	-	886	467	970	-	1,437	(551)
Mt. Agamenticus Landscape	-	2,967	-	-	2,967	1,500	-	-	1,500	1,467
Off Premises Signs	4,431	-	-	-	4,431	-	-	-	-	4,431
Open Space	80,089	-	-	-	80,089	-	-	-	-	80,089
Park Commission	8	-	-	-	8	-	-	8	8	-
Performance Accounts	-	176,139	-	-	176,139	299	-	-	299	175,840
Public Works Equipment	2,824	-	-	-	2,824	-	-	-	-	2,824
Sohier Park Maintenance	-	-	-	-	-	7	-	-	7	(7)
350th Committee	4,213	77	-	-	4,290	-	-	-	-	4,290
Tree Planting	6,184	-	-	-	6,184	-	-	-	-	6,184
Unemployment Compensation	4,345	-	-	-	4,345	189	-	2,006	2,195	2,150
Village Fire Truck	3,610	-	-	-	3,610	-	-	-	-	3,610
Wheeler Marsh Restoration	-	17,976	-	-	17,976	-	-	-	-	17,976
York Land Trust	-	10,500	-	-	10,500	-	-	-	-	10,500
School Categoryals	-	93,159	133,881	-	227,040	24,749	-	64,052	88,801	138,239
School Lunch Program	110,602	-	7,931	15,515	134,048	11,375	-	232,628	244,003	(109,955)
	<u>\$ 1,066,509</u>	<u>\$ 784,599</u>	<u>\$ 141,812</u>	<u>\$ 15,515</u>	<u>\$ 2,008,435</u>	<u>\$ 276,964</u>	<u>\$ 7,085</u>	<u>\$ 380,577</u>	<u>\$ 664,626</u>	<u>\$ 1,343,809</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Special Revenue Funds (1 of 2)**

**Town of York, Maine**

**For the Year Ended June 30, 2008**

	Revenues				Expenditures			Transfers In (Out)	Revenues and Other Sources Over (Under) Expenditures and Other Uses	Fund Balance (Deficit) at Beginning of Year	Fund Balance (Deficit) at End of Year
	Intergovern- mental	Charges for Services	Other	Total Revenues	Designated Purpose	Capital Outlay	Total Expenditures				
Airport Drive	\$ -	\$ -	\$ -	\$ -	\$ (5,393)	\$ -	\$ (5,393)	\$ -	\$ (5,393)	\$ 27,506	\$ 22,113
Animal Welfare	-	-	-	-	-	-	-	19,590	19,590	-	19,590
Beach Fire Truck	-	-	198	198	-	-	-	-	198	6,337	6,535
Beach Reserve	-	-	41,683	41,683	-	(57,978)	(57,978)	-	(16,295)	43,302	27,007
Bog Road	-	-	575	575	-	-	-	-	575	18,447	19,022
Building Fund	-	-	25,056	25,056	-	-	-	-	25,056	1,833	26,889
Capital Equipment	-	-	230	230	-	-	-	-	230	7,395	7,625
CMP Spur Road	-	-	9,546	9,546	(15,007)	-	(15,007)	-	(5,461)	15,357	9,896
Code Enforcement	-	162,235	-	162,235	-	-	-	(145,070)	17,165	140,789	157,954
Conservation Commission	-	-	128	128	-	-	-	-	128	4,122	4,250
COPS Funds	-	-	-	-	-	-	-	52,977	52,977	-	52,977
Earned Time	-	-	4,343	4,343	(21,935)	-	(21,935)	20,000	2,408	143,134	145,542
Fireworks	-	-	3,325	3,325	(5,000)	-	(5,000)	-	(1,675)	4,129	2,454
Fishermen's Fund	-	-	2,000	2,000	-	-	-	-	2,000	-	2,000
Fisherman's Memorial	-	-	47	47	-	-	-	-	47	855	902
GIS Mapping	-	159,041	-	159,041	(119,873)	-	(119,873)	-	39,168	85,264	124,432
Goodrich Park	-	-	10	10	-	-	-	-	10	337	347
Harbor & Wharf	5,470	39,130	3,029	47,629	(16,866)	(5,907)	(22,773)	-	24,856	58,152	83,008
Harbor Beach Bathhouse	-	12,333	16,340	28,673	(28,924)	-	(28,924)	-	(251)	(506)	(757)
Harbor Capital	-	-	-	-	-	(7,500)	(7,500)	-	(7,500)	7,500	-
Harbor Dredge	-	23,629	6,407	30,036	-	-	-	-	30,036	206,478	236,514
Historic Markers	-	-	94	94	(272)	-	(272)	-	(178)	3,008	2,830
Hoist Repair	-	-	1,620	1,620	(2,400)	-	(2,400)	-	(780)	1,734	954

See accompanying independent auditors' report on supplemental financial information.

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Special Revenue Funds (2 of 2)**

**Town of York, Maine**

**For the Year Ended June 30, 2008**

	Revenues			Expenditures			Transfers In (Out)	Revenues and Other Sources Over (Under) Expenditures and Other Uses	Fund Balance (Deficit) at Beginning of Year	Fund Balance (Deficit) at End of Year	
	Intergovern- mental	Charges for Services	Other	Total Revenues	Designated Purpose	Capital Outlay					Total Expenditures
Impact Fees	\$ -	\$ 119,000	\$ 4,677	\$ 123,677	\$ -	\$ -	\$ -	\$ (119,000)	\$ 4,677	\$ 34,460	\$ 39,137
Long Sands Bathhouse	-	-	-	-	-	-	-	-	-	468	468
Nubble Light	-	-	688	688	-	-	-	-	688	22,094	22,782
Mt. Agamenticus Trails 2007	-	-	28,965	28,965	(26,556)	-	(26,556)	1,380	3,789	(3,789)	-
Mt. Agamenticus Trails 2008	-	-	-	-	(7,749)	-	(7,749)	-	(7,749)	-	(7,749)
Mt. Agamenticus Coordinator	9,900	-	27,200	37,100	(57,524)	-	(57,524)	18,620	(1,804)	1,253	(551)
Mt. Agamenticus Landscape	-	-	4,099	4,099	(2,632)	-	(2,632)	-	1,467	-	1,467
Off Premises Signs	-	-	134	134	-	-	-	-	134	4,297	4,431
Open Space	-	-	2,418	2,418	-	-	-	-	2,418	77,671	80,089
Performance Accounts	-	4,445	-	4,445	(73,999)	-	(73,999)	-	(69,554)	245,394	175,840
Public Works Equipment	-	-	85	85	-	-	-	-	85	2,739	2,824
Sohier Park Maintenance	-	-	-	-	(60,046)	-	(60,046)	60,039	(7)	-	(7)
350th Committee	-	-	429	429	-	-	-	-	429	3,861	4,290
Tree Planting	-	-	187	187	-	-	-	-	187	5,997	6,184
Unemployment Compensation	-	-	220	220	(2,894)	-	(2,894)	-	(2,674)	4,824	2,150
Village Fire Truck	-	-	109	109	-	-	-	-	109	3,501	3,610
Wheeler Marsh Restoration	-	-	-	-	-	-	-	-	-	17,976	17,976
York Land Trust	-	-	4,035	4,035	(3,935)	-	(3,935)	-	100	10,400	10,500
School Categoryals	553,497	-	83,944	637,441	(605,584)	-	(605,584)	-	31,857	106,382	138,239
School Lunch Program	99,092	534,795	-	633,887	(785,938)	-	(785,938)	179,751	27,700	(137,655)	(109,955)
	<u>\$ 667,959</u>	<u>\$ 1,054,608</u>	<u>\$ 271,821</u>	<u>\$ 1,994,388</u>	<u>\$ (1,842,527)</u>	<u>\$ (71,385)</u>	<u>\$ (1,913,912)</u>	<u>\$ 88,287</u>	<u>\$ 168,763</u>	<u>\$ 1,175,046</u>	<u>\$ 1,343,809</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Balance Sheet  
Capital Projects Funds**

**Town of York, Maine**

**As of June 30, 2008**

	<u>Middle School Renovations</u>	<u>High School Renovations</u>	<u>Total</u>
<b>Assets</b>			
Due from other funds	\$ 54,757	\$ 10,977	\$ 65,734
<b>Total Assets</b>	<u>\$ 54,757</u>	<u>\$ 10,977</u>	<u>\$ 65,734</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	-	-	-
<b>Fund Balances</b>			
Unreserved - Designated	54,757	10,977	65,734
<b>Total Fund Balances</b>	<u>54,757</u>	<u>10,977</u>	<u>65,734</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 54,757</u>	<u>\$ 10,977</u>	<u>\$ 65,734</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Capital Projects Funds**

**Town of York, Maine**

**For the Year Ended June 30, 2008**

	Middle School Renovations	High School Renovations	Total
<b>Revenues</b>	\$ 32,963	\$ 433	\$ 33,396
<b>Expenditures</b>	<u>1,337,100</u>	<u>-</u>	<u>1,337,100</u>
<b>Revenues Over (Under) Expenditures</b>	(1,304,137)	433	(1,303,704)
Fund balances at beginning of year	<u>1,358,894</u>	<u>10,544</u>	<u>1,369,438</u>
<b>Fund Balances at End of Year</b>	<u><u>\$ 54,757</u></u>	<u><u>\$ 10,977</u></u>	<u><u>\$ 65,734</u></u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Balance Sheet  
Permanent Funds - Trust Funds**

**Town of York, Maine**

**As of June 30, 2008**

	Clark/ Emerson	D'Entremont Scholarship	Total
<b>Assets</b>			
Cash	\$ 23,163	\$ 595	\$ 23,758
<b>Total Assets</b>	<u>\$ 23,163</u>	<u>\$ 595</u>	<u>\$ 23,758</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$ 2,633	\$ -	\$ 2,633
<b>Total Liabilities</b>	2,633	-	2,633
<b>Fund Balances</b>			
Reserved for endowments	20,530	595	21,125
<b>Total Fund Balances</b>	<u>20,530</u>	<u>595</u>	<u>21,125</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 23,163</u>	<u>\$ 595</u>	<u>\$ 23,758</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Permanent Funds - Trust Funds**

**Town of York, Maine**

**For the Year Ended June 30, 2008**

	<u>Clark/ Emerson</u>	<u>D'Entremont Scholarship</u>	<u>Total</u>
<b>Revenues</b>			
Investment return	\$ 699	\$ -	\$ 699
<b>Total Revenues</b>	<u>699</u>	<u>-</u>	<u>699</u>
<b>Expenditures</b>			
Current	699	325	1,024
<b>Total Expenditures</b>	<u>699</u>	<u>325</u>	<u>1,024</u>
<b>Revenues Over Expenditures</b>	-	(325)	(325)
Fund balances at beginning of year	<u>20,530</u>	<u>920</u>	<u>21,450</u>
<b>Fund Balances at End of Year</b>	<u>\$ 20,530</u>	<u>\$ 595</u>	<u>\$ 21,125</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Schedule of Net Assets (Deficits)**  
**All Proprietary Fund Types - Business-type Activities - Enterprise Funds**

**Town of York, Maine**

**As of June 30, 2008**

	Recreation Program						Senior Transportation	Total
	Recreation	Mt. Agamenticus	Sohier Park	Goodrich Park	Outside Duty	Printing		
<b>Assets</b>								
Cash equivalents	\$ -	\$ -	\$ 35,696	\$ -	\$ -	\$ -	\$ -	\$ 35,696
Accounts receivable	-	-	-	-	33,629	-	-	33,629
Due from other funds	45,588	2,808	-	982	-	-	22,596	71,974
Inventories	-	-	36,533	-	-	-	-	36,533
<b>Total Assets</b>	<u>45,588</u>	<u>2,808</u>	<u>72,229</u>	<u>982</u>	<u>33,629</u>	<u>-</u>	<u>22,596</u>	<u>177,832</u>
<b>Liabilities</b>								
Accounts payable	14,683	50	11,197	-	92	-	467	26,489
Accrued payroll	11,644	1,595	1,975	-	3,021	-	970	19,205
Due to other funds	-	-	62,936	-	30,516	1,382	-	94,834
<b>Total Liabilities</b>	<u>26,327</u>	<u>1,645</u>	<u>76,108</u>	<u>-</u>	<u>33,629</u>	<u>1,382</u>	<u>1,437</u>	<u>140,528</u>
<b>Net Assets (Deficits)</b>								
Unrestricted	19,261	1,163	(3,879)	982	-	(1,382)	21,159	37,304
<b>Total Net Assets (Deficits)</b>	<u>\$ 19,261</u>	<u>\$ 1,163</u>	<u>\$ (3,879)</u>	<u>\$ 982</u>	<u>\$ -</u>	<u>\$ (1,382)</u>	<u>\$ 21,159</u>	<u>\$ 37,304</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Schedule of Revenues, Expenses and Changes Net Assets (Deficits)  
All Proprietary Fund Types - Business-type Activities - Enterprise Funds**

**Town of York, Maine**

**For the Year Ended June 30, 2008**

	Recreation Program							Total
	Recreation	Mt. Agamenticus	Sohier Park	Goodrich Park	Outside Duty	Printing	Senior Transportation	
<b>Operating Revenues</b>								
Charges for services	\$ 376,352	\$ 44,947	\$ 152,262	\$ 9,250	\$ 159,919	\$ -	\$ 9,435	\$ 752,165
Other	45,730	-	6,918	-	-	-	-	52,648
<b>Total Operating Revenues</b>	<u>422,082</u>	<u>44,947</u>	<u>159,180</u>	<u>9,250</u>	<u>159,919</u>	<u>-</u>	<u>9,435</u>	<u>804,813</u>
<b>Operating Expenses</b>								
Salaries and benefits	171,141	21,520	25,014	-	147,727	-	42,316	407,718
Cost of goods sold	-	-	76,824	-	-	-	-	76,824
Service fees	174,781	10,521	3,767	7,719	24,686	-	1,218	222,692
Supplies	58,655	6,904	2,401	1,320	-	-	13,828	83,108
Utilities	6,161	5,115	1,324	-	-	-	2,020	14,620
<b>Total Operating Expenses</b>	<u>410,738</u>	<u>44,060</u>	<u>109,330</u>	<u>9,039</u>	<u>172,413</u>	<u>-</u>	<u>59,382</u>	<u>804,962</u>
<b>Operating Income (Loss)</b>	11,344	887	49,850	211	(12,494)	-	(49,947)	(149)
<b>Other Financing Sources (Uses)</b>								
Operating transfers in	-	-	-	-	-	-	28,000	28,000
Operating transfers out	-	-	(60,039)	-	-	-	-	(60,039)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(60,039)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,000</u>	<u>(32,039)</u>
<b>Increase (Decrease) in Net Assets</b>	11,344	887	(10,189)	211	(12,494)	-	(21,947)	(32,188)
Net assets (deficits) at beginning of year	<u>7,917</u>	<u>276</u>	<u>6,310</u>	<u>771</u>	<u>12,494</u>	<u>(1,382)</u>	<u>43,106</u>	<u>69,492</u>
<b>Net Assets (Deficits) at End of Year</b>	<u>\$ 19,261</u>	<u>\$ 1,163</u>	<u>\$ (3,879)</u>	<u>\$ 982</u>	<u>\$ -</u>	<u>\$ (1,382)</u>	<u>\$ 21,159</u>	<u>\$ 37,304</u>

See accompanying independent auditors' report on supplemental financial information.

# Schedule of Valuation, Assessment and Collection of Taxes

## Town of York, Maine

For the Year Ended June 30, 2008

### Valuation

Real estate	\$ 3,949,674,900
Personal property	<u>20,707,810</u>
<b>Total Valuation</b>	<b><u><u>\$ 3,970,382,710</u></u></b>

### Assessment

Valuation x Rate - \$3,970,382,710 x .00810	\$ 32,160,100
Supplemental taxes	<u>12,589</u>
<b>Total Assessment Charged to Collector</b>	<b>\$ 32,172,689</b>

### Collection and Credits

Cash collections	\$ 31,274,103
Tax abatements	<u>29,367</u>
<b>Total Collection and Credits</b>	<b><u>31,303,470</u></b>
<b>2008 Taxes Receivable - June 30, 2008</b>	<b><u><u>\$ 869,219</u></u></b>

See accompanying independent auditors' report on supplemental financial information.