

TOWN OF YORK, MAINE

Annual Financial Report

For the Fiscal Year Ended June 30, 2014

TOWN OF YORK, MAINE
Annual Financial Report
For the Year Ended June 30, 2014

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Independent Auditor's Report

Board of Selectmen
Town of York, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of York, Maine as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Board of Selectmen
Town of York, Maine

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of York, Maine as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Board of Selectmen
Town of York, Maine

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2015, on our consideration of the Town of York, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of York, Maine's internal control over financial reporting and compliance.

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

March 30, 2015
South Portland, Maine

TOWN OF YORK, MAINE
Management's Discussion and Analysis
June 30, 2014

Our discussion and analysis of the Town of York, Maine's financial performance provides an overview of the Town's financial activities for the year ended June 30, 2014. Please read it in conjunction with the Town's financial statements, which begin on page 17.

USING THIS ANNUAL REPORT

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

REPORTING THE TOWN AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

REPORTING THE TOWN'S MOST SIGNIFICANT FUND FINANCIAL STATEMENTS

Our analysis of the Town's major funds begins on page 19. The fund financial statements begin on page 19 and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Selectmen establishes many other funds to help it control and manage money for particular purposes.

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

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

- **Proprietary funds** - When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise 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.

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

THE TOWN AS A WHOLE

For the year ended June 30, 2014, net position changed as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current & other assets	\$ 22,955,591	21,435,384	575,181	475,705	23,530,772	21,911,089
Capital assets	67,337,906	65,461,703	-	-	67,337,906	65,461,703
Total assets	90,293,497	86,897,087	575,181	475,705	90,868,678	87,372,792
Long-term debt outstanding	34,060,029	32,521,003	-	-	34,060,029	32,521,003
Other liabilities	5,208,251	4,887,012	50,112	47,994	5,258,363	4,935,006
Total liabilities	39,268,280	37,408,015	50,112	47,994	39,318,392	37,456,009
Net position:						
Net investment in capital assets	45,136,677	45,330,880	-	-	45,136,677	45,330,880
Restricted	940,804	443,885	-	-	940,804	443,885
Unrestricted	4,947,736	3,714,307	525,069	427,711	5,472,805	4,142,018
Total net position	\$ 51,025,217	49,489,072	525,069	427,711	51,550,286	49,916,783

These numbers reflect an increase in net position of 3.1% percent for governmental activities and an increase of almost 23% for business-type activities (see page 23-25 for details).

The Town issued bonds in the amount of \$2,574,000 in November 2013. At year-end, there were significant bond proceeds that had not yet been spent, with project completion timelines into the 2015 fiscal year.

Governmental Activities

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

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

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

Community Services	Recreation, General Assistance and Library
Boards and Commissions	Shellfish licenses
Education	Food service, grants, state subsidy

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

Net Expense

Function/ Program	Expenses		Revenues		Net Expense	
	2014	2013	2014	2013	2014	2013
General Government	\$ 5,809,011	8,742,352	744,502	792,467	5,064,509	7,949,885
Public Safety	6,329,643	6,351,944	756,485	889,995	5,573,158	5,461,949
Public Works	5,539,476	5,302,228	991,333	1,031,643	4,548,143	4,270,585
Parks and Recreation	1,124,267	1,210,599	161,471	89,445	962,796	1,121,154
Public Assistance	353,735	128,525	33,076	9,986	320,659	118,539
Education and Libraries	30,783,951	28,213,727	5,211,174	4,610,144	25,572,777	23,603,583
Interest on long-term debt	469,299	592,389	-	-	469,299	592,389
Total Government Activities	\$ 50,409,382	50,541,764	7,898,041	7,423,680	42,511,341	43,118,084

The net expense is the financial burden that was placed on the taxpayers by each of these functions. Nearly \$7.9 million dollars worth of activity was paid by grants, user fees, parking tickets and meter revenues and fees other than taxes.

Public Safety revenues derive from dispatching services provided to neighboring towns as well as patrol and security services for the local hospital, and public safety grants. Those dispatching services were reduced in FY 14 due to a non-renewal of a contract with one party. Rural roads subsidies make up the bulk of the Public Works revenues, in addition to reimbursements for some paving projects, mostly from the local water and sewer districts, as well as reimbursements for recycling materials.

General Government expenses decreased by \$2.9 million primarily due to the posting of a long term note payable for county tax last year, which was a one-time event resulting from a change in the County's fiscal year.

Education and Libraries' share of net expense is still the largest percentage at 56%, followed by Public Safety at 12%, General Government at 5%, and Public Works at 8%.

In an effort to reduce the net expense to taxpayers, there has been a concerted effort to institute user fees as appropriate. To that end, 'impact fees' were imposed years ago on residential dwelling units to help defray the debt service costs of new school buildings. \$113,900 in impact fees were collected by the Town and transferred to the school to offset costs. By ordinance, building permit fees are used to reduce taxpayer impact of the Community Development Department (Code, Planning and Geographic Information Services) to a great extent. Several full time positions in that department are funded by fees, saving the taxpayers almost \$270,000 this year, while delivering desired services in the area of inspections and GIS mapping and data collection.

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

THE TOWN'S FUNDS

The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2014 with a comparison to 2013:

Revenues	FY 2014 FY 2014	Percent of Percent of	FY2013 FY2013	Percent of Percent of
Taxes	\$ 42,896,028	87.61%	40,908,441	87.32%
Intergovernmental	4,085,154	8.34%	3,988,437	8.51%
Charges for Services	966,289	1.97%	1,009,979	2.16%
Licenses and Permits	310,762	0.63%	294,155	0.63%
Other	704,122	1.44%	647,989	1.38%
Total Revenues	\$ 48,962,355	100.00%	46,849,001	100.00%

Revenues from all sources increased 4.5% from the previous year. Tax revenues increased 4.9%. State Revenue sharing declined 9.2%. Investment interest income remains flat and low.

The following schedule presents a summary of expenditures for the fiscal year ended June 30, 2014:

Expenditures	FY 2014 Amount	Percent of Total	FY2013 Amount	Percent Total
General Government	\$ 2,302,951	4.76%	2,193,463	4.64%
Public Safety	5,905,780	12.21%	5,951,109	12.60%
Public Works	4,057,549	8.39%	3,882,942	8.22%
Parks & Recreation	1,012,175	2.09%	1,198,646	2.54%
Public Assistance	353,735	0.73%	128,525	0.27%
Education & Library	27,158,669	56.13%	26,583,128	56.29%
Maine Pers on Behalf	2,384,100	4.93%	2,122,267	4.50%
County Tax	2,070,339	4.28%	2,188,134	4.63%
Unclassified	441,345	0.91%	436,259	0.92%
Capital Outlays	722,534	1.49%	687,588	1.46%
Interest on Long-term Debt	512,963	1.06%	541,145	1.15%
Principal Payment on Long-term and Debt & Bond Costs	1,461,019	3.02%	1,313,260	2.78%
Total Expenditures	\$ 48,383,159	100.00%	47,226,466	100.00%

Overall, expenditures increased 2.45%. The General Government expenditures' increase is typical of inflation and personnel-related cost increases. The principal payments on long-term debt increased due to additional bond issuances for various capital projects.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The taxpayers and approved all of the municipal and school projects put before them on the ballot. The projects totaled \$2,574,000 and are listed on page 10. The Town's Standard and Poor's rating is AA+.

Although a \$1,053,945 utilization of unassigned fund balance was approved by voters to reduce tax appropriations, the Town recorded a modest increase in its fund balance for the year.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2014, the Town had \$67.3 million invested in capital assets including substantial funding for paving and construction of town roads. The usual additions included police vehicles and computer equipment. This year's major additions included:

Dept	Category	Asset Name	Date Acquired	Cost
Education	Building Imps.	Athletic Field Upgrades	8/31/2014	\$ 145,483
Education	Building Imps.	YHS Tennis Courts	6/30/2014	124,384
Education	CIP	VES Roof	6/30/2014	62,914
Education	CIP	CRES Roof	6/30/2014	52,719
Education	CIP	YHS Renovations	6/30/2014	857,053
Education	CIP	Honeywell Improvements (leased)	6/30/2014	2,228,339
Parks	CIP	Bog Road Parking Lot	4/16/2014	42,732
Public Safety	CIP	PS Building	5/15/2014	94,088
Public Works	CIP	Broadway/Airport Drive	5/15/2014	11,781
Public Works	CIP	Lake Carolyn Dam	5/15/2014	36,711
Public Works	CIP	York Beach Lighting	6/30/2014	51,239
Comm Dev	Equipment	Global Positioning Unit	6/24/2014	13,820
Public Works	Equipment	Signboard	5/25/2014	13,295
Education	Infrastructure	YHS Paving	6/30/2014	113,948
Public Works	Infrastructure	Sewall's Bridge Utility	4/9/2014	75,000
Public Works	Infrastructure	York Street	6/23/2014	157,482
Public Safety	Vehicles	2014 Explorer Interceptor #13886	5/14/2014	19,701
Public Safety	Vehicles	2014 Explorer Interceptor #13886 trade	5/14/2014	7,500
Public Safety	Vehicles	1980 Boston Whaler	3/11/2014	6,350
Public Safety	Vehicles	2014 Ford Explorer #74171	3/5/2014	18,092
Public Safety	Vehicles	2014 Ford Explorer #74171 trade	3/5/2014	9,500
Public Safety	Vehicles	2014 Ford Explorer #74172	2/28/2014	23,092
Public Safety	Vehicles	2014 Ford Explorer #74172 trade	2/28/2014	4,500
Public Works	Vehicles	Heavy Plow Truck FY14	4/30/2014	73,422
Total additions				\$ 4,243,142

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

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

Long-term Obligations

At year-end, the Town had \$29,917,395 in outstanding debt, representing a net decrease of \$955,812:

Governmental Activities		
	2014	2013
General obligation bonds	\$ 29,102,009	29,832,057
Loan payable	-	8,417
Note payable	869,386	1,086,733
Premium on bonds	118,628	78,590
Capital leases	3,970,006	1,515,206
Other post employment benefits	415,903	346,124
Accrued compensated absences	1,175,934	1,092,691
Total outstanding debt	\$ 35,651,866	33,959,818

In November 2013, there was an issuance in the amount of \$2,574,000. The projects included:

Long Beach Drainage	\$	350,000
Long Sands Bath House		687,000
Heavy Duty Plow Truck		147,000
Birch Hill Road Improvements		250,000
Long Beach Lighting		75,000
Bog Road Parking/Athletic Field		375,000
Mt. Agamenticus Barn Renovation		20,000
Village Elementary School Roof		100,000
Coastal Ridge Roof		305,000
York High School Paving		115,000
School Athletic Field Upgrades		150,000
Total Issuance	\$	2,574,000

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

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

Tax Increment Financing

In the past, the voters approved an article that designates a portion of 'downtown' York Beach as a TIF district. The TIF provides funding for design, traffic studies and to fund public infrastructure improvements such as sidewalks and roadways within the boundaries of the TIF district. It is designed as a twenty-year program and could allocate significant resources to this area of Town known as York Beach. The first funds, in the amount of \$113,928 were made available with the May 2009 Budget Referendum. The major focus is on infrastructure in the Short Sands Beach area of York Beach to improve drainage and other small infrastructure projects. Due to the structure of the TIF, no new funds were allocated from the FY 14 tax appropriations.

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 assets and are not intended to amass large net position.

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

Business-type Activities - Enterprise Funds							
	Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Printing	Senior Center
Operating revenues:							
User fees	\$ 496,634	700	-	71,966	-	-	168,458
Sponsorships/memberships	60,143	-	-	-	-	-	6,302
Gift shop sales	-	-	337,432	-	-	-	-
Rental income	-	49,754	-	-	7,200	-	-
Donations	-	17,294	4,361	-	-	-	5,776
Other	-	-	-	-	-	-	3,534
Total operating revenues	556,777	67,748	341,793	71,966	7,200	-	184,070
Operating expenses:							
Cost of goods	-	-	162,671	-	655	-	31,969
Salaries and benefits	222,108	21,671	46,112	64,374	-	-	-
Training, meetings & travel	2,058	-	134	-	-	-	1,225
Maintenance	1,349	3,812	1,672	-	4,761	-	951
Office expenses	16,128	175	2,505	-	-	-	3,024
Supplies	57,522	9,390	11,245	-	1,119	-	8,099
Contracts	181,606	5,421	7,579	-	2,500	-	119,561
Utilities	-	3,339	773	-	113	-	-
Fuel	90	-	72	-	-	-	3,951
Other	2,369	-	-	-	-	-	1,902
Total operating expenses	483,230	43,808	232,763	64,374	9,148	-	170,682
Operating income (loss)	73,547	23,940	109,030	7,592	(1,948)	-	13,388
Nonoperating revenue:							
Interest income	-	-	3	-	-	-	-
Total nonoperating income	-	-	3	-	-	-	-
Income (loss) before transfers	73,547	23,940	109,033	7,592	(1,948)	-	13,388
Transfers out	(77)	(20,037)	(108,080)	-	-	-	-
Change in net position	73,470	3,903	953	7,592	(1,948)	-	13,388
Total net position, beg. of year	68,917	21,980	131,646	43,566	4,260	(1,215)	158,557
Total net position, end of year	\$ 142,387	25,883	132,599	51,158	2,312	(1,215)	171,945

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.

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

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

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

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

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

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

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

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

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

The Assessor continues to use his extensive resources to keep values within the 90-100% range as dictated by state statute. Waterfront property values continue to rise, while inland parcel values are flat or have declined somewhat. Tourism still continues to be a major industry in the Town of York. The FY 2014 assessment which represents valuations as of April 1, 2014, remained almost flat with an increase of .15% over the prior year.

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

York will see a mil rate increase in the amount of \$.47/\$1,000 assessed valuation for FY 15. Those closest to the water see that property valuation translates to larger tax bills, yet there are segments of the population for which tax bills decrease each year. After several years of declining total valuation, this year shows some signs of recovery of values which had declined modestly compared to some areas of the country.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

TOWN OF YORK, MAINE
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 19,793,090	1,450	19,794,540
Receivables:			
Accounts	452,418	11,058	463,476
Intergovernmental	581,682	-	581,682
Taxes	1,601,455	-	1,601,455
Prepaid expenses	592,144	-	592,144
Inventory	21,838	69,900	91,738
Internal balances	(492,773)	492,773	-
Amounts held in escrow	405,737	-	405,737
Capital assets not being depreciated	18,221,354	-	18,221,354
Capital assets being depreciated, net	49,116,552	-	49,116,552
Total assets	90,293,497	575,181	90,868,678
LIABILITIES			
Accounts payable and other liabilities	1,269,802	32,853	1,302,655
Accrued payroll	2,218,612	17,259	2,235,871
Unearned revenue	19,040	-	19,040
Accrued interest payable	108,960	-	108,960
Other post employment benefits	415,903	-	415,903
Accrued compensated absences	1,175,934	-	1,175,934
Noncurrent liabilities:			
Due within one year	2,749,023	-	2,749,023
Due in more than one year	31,311,006	-	31,311,006
Total liabilities	39,268,280	50,112	39,318,392
NET POSITION			
Net investment in capital assets	45,136,677	-	45,136,677
Restricted for:			
Permanent fund principal - nonexpendable	20,529	-	20,529
Permanent fund earnings - expendable	21	-	21
Education	786,179	-	786,179
Grants	134,075	-	134,075
Unrestricted	4,947,736	525,069	5,472,805
Total net position	\$ 51,025,217	525,069	51,550,286

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Activities
For the year ended June 30, 2014

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 5,809,011	711,515	32,987	-	(5,064,509)	-	(5,064,509)
Public safety	6,329,643	630,698	125,787	-	(5,573,158)	-	(5,573,158)
Public works	5,539,476	175,035	1,944	814,354	(4,548,143)	-	(4,548,143)
Parks and recreation	1,124,267	-	96,471	65,000	(962,796)	-	(962,796)
Public assistance	353,735	-	33,076	-	(320,659)	-	(320,659)
Education and libraries	30,783,951	684,139	4,191,178	335,857	(25,572,777)	-	(25,572,777)
Interest on debt	469,299	-	-	-	(469,299)	-	(469,299)
Total governmental activities	50,409,382	2,201,387	4,481,443	1,215,211	(42,511,341)	-	(42,511,341)
Business-type activities:							
Recreation	483,230	556,777	-	-	-	73,547	73,547
Mt. Agamenticus	43,808	50,454	17,294	-	-	23,940	23,940
Sohier Park	232,763	337,432	4,361	-	-	109,030	109,030
Outside Duty	64,374	71,966	-	-	-	7,592	7,592
Goodrich Park	9,148	7,200	-	-	-	(1,948)	(1,948)
Senior Center	170,682	178,294	5,776	-	-	13,388	13,388
Total business-type activities	1,004,005	1,202,123	27,431	-	-	225,549	225,549
Total primary government	\$ 51,413,387	3,403,510	4,508,874	1,215,211	(42,511,341)	225,549	(42,285,792)
General revenues:							
Property taxes, levied for general purposes					\$ 40,143,206	-	40,143,206
Motor vehicle excise taxes					2,864,082	-	2,864,082
Grants and contributions not restricted to specific programs:							
Homestead exemption					133,817	-	133,817
BETE reimbursements					16,261	-	16,261
State Revenue Sharing					301,520	-	301,520
Unrestricted investment earnings					192,369	3	192,372
Sale of property					207,350	-	207,350
Miscellaneous revenues					60,687	-	60,687
Transfers					128,194	(128,194)	-
Total general revenues and transfers					44,047,486	(128,191)	43,919,295
Change in net position					1,536,145	97,358	1,633,503
Net position - beginning					49,489,072	427,711	49,916,783
Net position - ending					\$ 51,025,217	525,069	51,550,286

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Balance Sheet
Governmental Funds
June 30, 2014

	General	Public Safety Building Capital Project	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,278,516	4,578,773	2,935,801	19,793,090
Receivables:				
Accounts	140,167	-	312,251	452,418
Intergovernmental	270,818	-	310,864	581,682
Taxes	1,601,455	-	-	1,601,455
Prepaid expenditures	1,192,144	-	-	1,192,144
Inventory	-	-	21,838	21,838
Interfund loans receivable	-	298,715	3,783,748	4,082,463
Amounts held in escrow	-	-	405,737	405,737
Total assets	\$ 15,483,100	4,877,488	7,770,239	28,130,827
LIABILITIES				
Accounts payable	782,337	4,787	198,876	986,000
Accrued payroll	2,185,981	-	32,631	2,218,612
Other liabilities	283,802	-	-	283,802
Unearned revenues	6,000	-	13,040	19,040
Interfund loans payable	4,011,272	-	563,964	4,575,236
Total liabilities	7,269,392	4,787	808,511	8,082,690
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,033,422	-	-	1,033,422
Total deferred inflows of resources	1,033,422	-	-	1,033,422
FUND BALANCES (DEFICITS)				
Nonspendable	1,192,144	-	42,367	1,234,511
Restricted	786,179	-	134,096	920,275
Committed	-	4,872,701	7,298,880	12,171,581
Assigned	2,849,852	-	-	2,849,852
Unassigned	2,352,111	-	(513,615)	1,838,496
Total fund balances	7,180,286	4,872,701	6,961,728	19,014,715
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,483,100	4,877,488	7,770,239	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				67,337,906
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.				1,033,422
Amounts that are shown as prepaid expenditures in the fund financial statements reduce long-term liabilities in governmental activities.				(600,000)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:				
Bonds and notes payable	(29,971,395)			
Capital leases	(3,970,006)			
Premium on bonds	(118,628)			
Accrued interest	(108,960)			
Accrued compensated absences	(1,175,934)			
Other post employment benefits	(415,903)			(35,760,826)
Net position of governmental activities				\$ 51,025,217

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2014

	General	Public Safety Building Capital Project	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 42,896,028	-	92,690	42,988,718
Licenses and permits	310,762	-	-	310,762
Intergovernmental	4,085,154	-	1,585,937	5,671,091
Charges for services	966,289	-	683,349	1,649,638
Donations	55,008	-	45,442	100,450
Interest income	162,307	13,772	16,290	192,369
Other	486,807	-	398,928	885,735
Total revenues	48,962,355	13,772	2,822,636	51,798,763
Expenditures:				
Current:				
General government	2,302,951	-	-	2,302,951
Public safety	5,905,780	-	72,472	5,978,252
Public works	4,057,549	-	60,119	4,117,668
Parks and recreation	1,012,175	-	92,847	1,105,022
Public assistance	353,735	-	-	353,735
Library	462,906	-	-	462,906
Education	26,695,763	-	1,732,403	28,428,166
County tax	2,384,100	-	-	2,384,100
MEPERS on behalf payments	2,070,339	-	-	2,070,339
Unclassified	441,345	-	82,573	523,918
Capital outlay	722,534	94,089	4,840,888	5,657,511
Debt service:				
Bond issuance costs	36,454	-	-	36,454
Principal	1,424,565	-	-	1,424,565
Interest	512,963	-	-	512,963
Total expenditures	48,383,159	94,089	6,881,302	55,358,550
Excess (deficiency) of revenues over (under) expenditures	579,196	(80,317)	(4,058,666)	(3,559,787)
Other financing sources (uses):				
Bond proceeds	-	-	2,574,000	2,574,000
Premium on bond issue	-	-	46,165	46,165
Lease proceeds	52,483	-	2,634,076	2,686,559
Transfers in	279,246	363,000	241,029	883,275
Transfers out	(207,474)	-	(547,607)	(755,081)
Total other financing sources	124,255	363,000	4,947,663	5,434,918
Net change in fund balances	703,451	282,683	888,997	1,875,131
Fund balances, beginning of year	6,476,835	4,590,018	6,072,731	17,139,584
Fund balances, end of year	\$ 7,180,286	4,872,701	6,961,728	19,014,715

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2014

Net change in fund balances - total governmental funds (from Statement 4)	\$	1,875,131
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$4,725,642) exceeded the loss on disposal of assets (\$7,103) and depreciation expense (\$2,842,336).</p>		
		1,876,203
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable tax revenues.</p>		
		18,570
<p>Expenses in the statement of activities that do not consume current financial resources are not reported as expenses in the funds. This is the change in accrued compensated absences (\$83,243), accrued interest (\$58,289) and other post employment benefits (\$69,779).</p>		
		(94,733)
<p>The issuance of capital leases provide current financial resources to governmental funds, but capital leases increases long-term liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which lease proceeds (\$2,686,559) exceeded principal payments (\$231,759).</p>		
		(2,454,800)
<p>The bond and note issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which principal payments (\$2,929,812, net of prepaid amounts) and amortization on the premium (\$6,127) exceeded the bond and note proceeds (\$2,574,000) and the premium on the bond (\$46,165).</p>		
		315,774
Change in net position of governmental activities (see Statement 2)		\$ 1,536,145

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2014

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 42,734,825	42,734,825	42,896,028	161,203
Licenses and permits	280,630	280,630	310,762	30,132
Intergovernmental	1,788,872	1,788,872	2,014,815	225,943
Charges for services	994,327	994,327	827,816	(166,511)
Other	533,335	533,335	649,074	115,739
Total revenues	46,331,989	46,331,989	46,698,495	366,506
Expenditures:				
Current:				
General government	2,408,238	2,463,430	2,302,951	160,479
Public safety	6,109,290	6,163,133	5,905,780	257,353
Public works	4,045,322	4,066,272	4,057,549	8,723
Parks and recreation	926,157	926,157	909,541	16,616
Public assistance	375,897	375,897	327,349	48,548
Library	462,906	462,906	462,906	-
Education:				
Regular instruction	11,290,234	11,290,234	11,479,088	(188,854)
Special education instruction	4,217,520	4,217,520	4,204,150	13,370
Career and technical education	5,757	5,757	5,757	-
Other instruction	1,101,063	1,101,063	1,036,882	64,181
Student and staff support	2,559,311	2,559,311	2,597,650	(38,339)
System administration	806,602	806,602	760,225	46,377
School administration	1,393,510	1,393,510	1,346,759	46,751
Transportation	1,060,268	1,060,268	995,577	64,691
Facilities maintenance	3,020,453	3,020,453	2,909,303	111,150
Other	82,838	82,838	81,722	1,116
Debt service	1,614,248	1,614,248	1,614,248	-
County tax	2,406,949	2,406,949	2,384,100	22,849
Unclassified	661,149	713,079	371,431	341,648
Capital outlay	682,910	1,529,228	451,082	1,078,146
Debt service	1,966,744	1,981,513	1,973,982	7,531
Total expenditures	47,197,366	48,240,368	46,178,032	2,062,336
Excess (deficiency) of revenues over (under) expenditures	(865,377)	(1,908,379)	520,463	2,428,842
Other financing sources (uses):				
Use of fund balance	1,053,945	1,053,945	-	(1,053,945)
Carryforward balances	-	1,043,002	-	(1,043,002)
Appropriations for reserve accounts	(35,000)	(35,000)	(185,000)	(150,000)
Transfers to reserve accounts	-	-	(196,981)	(196,981)
Transfers from reserve accounts	-	-	111,790	111,790
Transfers in	-	-	279,246	279,246
Transfers out	(153,568)	(153,568)	(207,474)	(53,906)
Total other financing sources (uses)	865,377	1,908,379	(198,419)	(2,106,798)
Net change in fund balance - budgetary basis	-	-	322,044	322,044
Fund balance, beginning of year, budgetary basis			6,090,196	
Fund balance, end of year-budgetary basis			6,412,240	
Reconciliation to GAAP:				
Accrued summer benefits			414,836	
Out-of-district tuition liability			(79,238)	
Amounts held in reserves			45,809	
Net change in fund balance - GAAP basis			703,451	
Fund balance, beginning of year - GAAP basis			6,476,835	
Fund balance, end of year-GAAP basis	\$		7,180,286	

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2014

Business-type Activities - Enterprise Funds		Nonmajor Enterprise Funds
ASSETS		
Cash and cash equivalents	\$	1,450
Accounts receivable		11,058
Inventory		69,900
Interfund loan receivable		493,988
Total assets		576,396
LIABILITIES		
Accounts payable		32,853
Accrued payroll		17,259
Interfund loans payable		1,215
Total liabilities		51,327
NET POSITION		
Unrestricted		525,069
Total net position	\$	525,069

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2014

Business-type Activities - Enterprise Funds		Nonmajor Enterprise Funds
Operating revenues:		
User fees	\$	737,758
Sponsorships/memberships		66,445
Gift shop sales		337,432
Rental income		56,954
Donations		27,431
Other		3,534
Total operating revenues		1,229,554
Operating expenses:		
Cost of goods sold		195,295
Salaries and benefits		354,265
Training, meetings, and travel		3,417
Maintenance		12,545
Office expenses		21,832
Supplies		87,375
Contracts		316,667
Utilities		4,225
Fuel		4,113
Other		4,271
Total operating expenses		1,004,005
Operating income		225,549
Nonoperating revenue:		
Interest income		3
Total nonoperating revenue		3
Income before transfers		225,552
Transfers out		(128,194)
Change in net position		97,358
Total net position, beginning of year		427,711
Total net position, end of year		\$ 525,069

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2014

Business-type Activities - Enterprise Funds		Nonmajor Enterprise Funds
Cash flows from operating activities:		
Receipts from customers and users	\$	1,235,372
Payments to suppliers		(655,694)
Payments to employees		(352,428)
Net cash provided by operating activities		227,250
Cash flows from non-capital financing activities:		
Transfers to other funds		(128,194)
(Increase) decrease in interfund loans		(134,468)
Net cash used in non-capital financing activities		(262,662)
Cash flows from investing activities:		
Investment income		3
Net cash provided by investing activities		3
Decrease in cash		(35,409)
Cash, beginning of year		36,859
Cash, end of year	\$	1,450
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$	225,549
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) decrease in operating assets:		
Accounts receivable		5,818
Inventory		(6,235)
Increase (decrease) in operating liabilities:		
Accounts payable		281
Accrued payroll		1,837
Net cash provided by operating activities		227,250

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Private- purpose Trust Funds			Agency Funds	Total
	Larry A. D'Entremont Scholarship	York Mentor Scholarship			
ASSETS					
Cash and cash equivalents	\$	8,979	5,776	118,991	133,746
Total assets		8,979	5,776	118,991	133,746
LIABILITIES					
Held for student groups		-	-	118,991	118,991
Total liabilities		-	-	118,991	118,991
NET POSITION					
Held in trust	\$	8,979	5,776	-	14,755

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2014

		Private- purpose Trust Funds	
		Larry A. D'Entremont Scholarship	York Mentor Scholarship
Additions:			
Donations	\$	-	1,380
Interest		2	7
Total additions		2	1,387
Deductions:			
Scholarships awarded		-	1,820
Total deductions		-	1,820
Change in net position		2	(433)
Net position, beginning of year		8,977	6,209
Net position, end of year	\$	8,979	5,776

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Basis of Presentation

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

Fiduciary Funds use an economic resources measurement focus.

The Town reports the following major governmental funds:

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

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

Additionally, the Town reports the following Fiduciary Fund types:

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

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

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

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town’s intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the Town’s intent to use committed or assigned resources first, and then unassigned resources as they are needed.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

The Town's net investment in capital assets was calculated as follows at June 30, 2014:

	Governmental <u>activities</u>
Capital assets	\$ 113,523,427
Accumulated depreciation	(46,185,521)
Unspent bond proceeds	10,870,786
Bonds and loans payable	(29,102,009)
Capital leases	(3,970,006)
<u>Net investment in capital assets</u>	<u>\$ 45,136,677</u>

BUDGETARY VS GAAP BASIS OF ACCOUNTING

As required by generally accepted accounting principles (GAAP), the Town has recorded a revenue and an expenditure for Maine Public Employees Retirement contributions made by the State of Maine on behalf of the School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$2,070,339. These amounts have been included as an intergovernmental revenue and as a retirement expenditure in the General Fund on Statement 2 (GAAP basis). There is no effect on the fund balance at the end of the year.

In addition, the Town did not budget for the out-of-district tuition costs for a special education student. The amount has been shown as an adjustment on Statement 3 and Exhibit A-2 to reconcile fund balance on the budgetary basis with fund balance on a GAAP basis. The out-of-district tuition costs have been included in special education expenditures on Statement 2.

Last year, the School Department did not budget for the benefits related to teacher summer accruals. This year, the amount has been included in the budget. Since the amounts were recognized as expenditures on a GAAP - basis last year, they are shown as a reconciling item on Exhibit A-2 and have reduced expenditures on Statement 2.

The Town has also budgeted as part of its fiscal year June 30, 2015 budget to utilize \$650,000 of its June 30, 2014 fund balance.

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

B. Deficit Fund Balances/Net Position

At June 30, 2014, the following funds had deficit fund balances/net position:

Special Revenue Funds:	
School lunch fund	\$ 337,179
School special revenue funds	8,832
Adult education	41,190
Seat belt	7
Safety grant	77
Speed grant	447
Capital Project Funds:	
School Projects – insured projects	91,732
Enterprise Funds:	
Printing	1,215

These fund deficits will be covered by future revenue sources.

C. Excess of Expenditures over Appropriations

For the year ended June 30, 2014, education expenditures exceeded appropriations in the following areas:

Regular instruction	\$ 188,854	Student and staff support	38,339
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Although the School Department exceeded the budget in these individual cost centers, it did not exceed the budget in total.

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

DEPOSITS

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

As of June 30, 2014, the Town reported deposits of \$19,928,286 with a bank balance of \$20,567,933. Of the Town's bank balances of \$20,567,933, the entire amount was covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 19,793,090
Reported in fiduciary funds	133,746
Reported in proprietary funds	1,450
Total deposits	\$ 19,928,286

PROPERTY TAX

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

Property taxes were levied July 24, 2013 on the assessed values of real property as of April 1, 2014. Taxes were due September 13, 2013 and February 7, 2014. This assessed value of \$3,840,653,382 was 100% of the estimated market value and 98.8% of the 2014 state valuation of \$3,885,750,000.

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 \$233,314 for the year ended June 30, 2014.

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

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

The following summarizes the period ended June 30, 2014 levy:

	<u>2014</u>	<u>2013</u>
Valuation:		
Land	\$ 1,832,411,000	1,842,069,700
Buildings	1,983,234,200	1,969,477,500
Personal property	25,008,182	23,138,164
Total assessed valuation	\$ 3,840,653,382	3,834,685,364

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

PROPERTY TAX, CONTINUED

	<u>2014</u>	<u>2013</u>
Assessed value	\$ 3,840,653,382	3,834,685,364
Tax rate (per \$1,000)	10.43	9.96
Commitment	40,058,015	38,193,466
Supplemental taxes assessed	40,683	13,441
	40,098,698	38,206,907
Less:		
Collections and abatements	39,016,589	37,176,572
Receivable at June 30	\$ 1,082,109	1,030,335
Due date(s)	9/13/13 2/7/14	10/5/12 2/8/13
Interest rate charged on delinquent taxes	7.00%	7.00%
Collection rate	97.3%	97.3%

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance June 30, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2014</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 4,082,046	3,447,307	264,341	7,265,012
Land	10,956,342	-	-	10,956,342
Total capital assets, not being depreciated	15,038,388	3,447,307	264,341	18,221,354
Capital assets, being depreciated:				
Buildings and building improvements	39,326,193	815,495	-	40,141,688
Equipment	3,488,107	71,025	-	3,559,132
Vehicles	6,781,849	286,065	153,820	6,914,094
Infrastructure	44,317,068	370,091	-	44,687,159
Total capital assets being depreciated	93,913,217	1,542,676	153,820	95,302,073
Less accumulated depreciation for:				
Buildings and building improvements	18,034,999	987,655	-	19,022,654
Equipment	2,369,669	214,376	-	2,584,045
Vehicles	4,911,070	404,624	146,717	5,168,977
Infrastructure	18,174,164	1,235,681	-	19,409,845
Total accumulated depreciation	43,489,902	2,842,336	146,717	46,185,521
Total capital assets being depreciated, net	50,423,315	(1,299,660)	7,103	49,116,552
Governmental activities capital assets, net	\$ 65,461,703	2,147,647	271,444	67,337,906

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

CAPITAL ASSETS, CONTINUED

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

Governmental activities:

General government	\$ 78,461
Public safety	344,558
Public works, including depreciation of general infrastructure assets	1,421,538
Parks and recreation	19,245
Education and libraries	978,534

<u>Total depreciation expense – governmental activities</u>	<u>\$ 2,842,336</u>
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INTERFUND LOAN BALANCES

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account. Individual interfund loan receivable and payable balances at the year ended June 30, 2014 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund payables</u>
<u>General Fund</u>	\$ -	4,011,272
<u>Public Safety Building Capital Project</u>	298,715	-
Other Governmental Funds:		
Town special revenue funds	154,864	-
School lunch special revenue fund	-	360,829
Adult education special revenue fund	-	50,443
School special revenue funds	-	149,537
Nonmajor capital project funds	3,628,884	-
Clark Emerson permanent fund	-	3,155
<u> Total Other Governmental Funds</u>	<u>3,783,748</u>	<u>563,964</u>
Enterprise Funds:		
Recreation	165,420	-
Mt. Agamenticus	22,473	-
Sohier Park	81,780	-
Outside Duty	45,372	-
Goodrich Park	2,589	-
Printing	-	1,215
Senior Center	176,354	-
<u> Total Proprietary Funds</u>	<u>493,988</u>	<u>1,215</u>
<u>Totals</u>	<u>\$ 4,576,451</u>	<u>4,576,451</u>

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

INTERFUND TRANSFERS

Interfund transfers consist of budgeted transfers to and from other funds to fund certain activities accounted for in those funds. Individual fund transfers for the year ended June 30, 2014 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
<u>General Fund</u>	<u>\$ 279,246</u>	<u>207,474</u>
<u>Public Safety Building Capital Project</u>	<u>363,000</u>	<u>-</u>
Other Governmental Funds:		
Town special revenue funds	-	12,410
School lunch special revenue fund	144,314	-
Town nonmajor capital project funds	96,715	535,197
<u>Total Other Governmental Funds</u>	<u>241,029</u>	<u>547,607</u>
Enterprise Funds:		
Recreation	-	77
Mt. Agamenticus	-	20,037
Sohier Park	-	108,080
<u>Total Enterprise Funds</u>	<u>-</u>	<u>128,194</u>
 <u>Totals</u>	 <u>\$ 883,275</u>	 <u>883,275</u>

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 29,832,057	2,574,000	3,304,048	29,102,009	2,320,309
Loans payable	8,417	-	8,417	-	-
Note payable	1,086,733	-	217,347	869,386	217,347
Premium on bonds	78,590	46,165	6,127	118,628	6,128
Total bonds, notes and loans payable	31,005,797	2,620,165	3,535,939	30,090,023	2,543,784
Capital leases	1,515,206	2,686,559	231,759	3,970,006	205,239
Other post employment benefits	346,124	91,021	21,242	415,903	-
Accrued compensated absences	1,092,691	1,175,934	1,092,691	1,175,934	-
 <u>Total long-term liabilities</u>	 <u>\$ 33,959,818</u>	 <u>6,573,679</u>	 <u>4,881,631</u>	 <u>35,651,866</u>	 <u>2,749,023</u>

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

LONG-TERM DEBT

Bonds and Notes Payable

Bonds and notes payable at June 30, 2014 are comprised of the following:

	<u>Originally Issued</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance</u>
Bonds, notes and loans payable:					
Governmental activities:					
York Sewer District	\$ 313,593	6/3/2005	6/9/2019	1.30%	100,423
York Sewer District	11,409	9/23/2005	11/14/2019	0%	4,564
York County	1,086,733	6/30/2013	12/31/2017	1.73%	869,387
General Obligation Bond	3,524,000	11/1/2008	11/1/2028	4.0-5.0%	2,625,000
General Obligation Refunding	10,785,000	3/1/2010	3/1/2020	1.0-3.0%	6,155,000
General Obligation Refunding	8,624,500	7/1/2010	7/1/2020	2.0-3.8%	6,224,500
General Obligation Refunding	9,124,421	10/1/2011	9/1/2031	2.0-3.25%	8,084,421
General Obligation Bonds	3,644,100	8/1/2012	8/1/2033	1.0-2.4%	3,334,100
General Obligation Bonds	2,574,000	11/1/2013	11/1/2033	2.0-4.10%	2,574,000
Total governmental activities					\$ 29,971,395

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

	<u>Principal</u>	<u>Interest</u>
2015	\$ 2,537,656	688,130
2016	3,056,421	723,214
2017	2,848,188	660,683
2018	2,818,460	597,126
2019	2,546,388	535,239
2020-2024	7,510,761	1,894,030
2025-2029	5,810,000	940,911
2030-2034	2,843,521	144,853
Totals	\$ 29,971,395	6,184,186

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its state assessed valuation. At June 30, 2014, the Town's outstanding debt did not exceed these limits.

Note Payable

During the fiscal year ended June 30, 2013, York County changed its fiscal year end and assessed county tax over a six-month interim period. The amount of tax assessed to the Town of York, Maine totaled \$1,086,733. The Town has an agreement with the County to pay the \$1,086,733 in five equal annual payments of \$217,347 plus interest of 1.73% starting on December 31, 2013 and ending December 31, 2017. As of June 30, 2014 and 2013, the Town's outstanding amount of the note payable to York County was \$869,386 and \$1,086,733, respectively.

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

CAPITAL LEASES

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

The following is a schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payment at June 30, 2014.

	Governmental Funds
2015	\$ 442,368
2016	391,345
2017	387,303
2018	346,932
2019	345,071
2020-2024	1,708,595
2025-2029	1,699,839
<u>2030-2034</u>	<u>366,026</u>
Total minimum lease payments	5,687,479
Less: amount representing interest	1,717,473
Present value of future minimum lease payments	<u>\$ 3,970,006</u>

OVERLAPPING DEBT

The Town is subject to an annual assessment of its proportional share of York County expenses, including debt repayment, as determined by the percentage of the Town's State valuation to the County's State valuation. For the year ended June 30, 2014, the Town's State valuation of \$3,885,750,000 was 13.54% of the County's State valuation of \$28,703,250,000. The Town's share is 13.54% or \$1,223,723 of York County's \$9,039,396 long-term debt outstanding at June 30, 2014.

COMMITMENTS AND CONTINGENCIES

As of June 30, 2014, the Town has commitments for various, ongoing construction projects, including the public safety building, among others.

As of June 30, 2014, the School Department had outstanding commitments with contractors for the roofing projects, restoration related to water damage, and energy upgrades. Of the contracted amounts, approximately \$60,000, \$140,000, and \$393,000 remained to be completed, respectively.

During the fiscal year, a Federal District Court determined that the School Department is responsible for the tuition costs of a special education student currently attending an out-of-district school. The School Department has accrued a liability of \$79,238 as of June 30, 2014 for the remaining tuition not yet paid for the student. The School Department is also responsible for the student's legal costs related to the court hearings and attorney fees. As of yet, the total attorney's costs and legal fees to be reimbursed by the School Department to the student's family are not yet estimable and therefore, no liability has been recorded.

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

COMMITMENTS AND CONTINGENCIES, CONTINUED

The York Town and School Department participate in a number of federally assisted grant programs. Although the programs have been audited in compliance with the Single Audit Act of 1984, these programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for, or including, the year ended June 30, 2014, have not yet been completed. Accordingly, the York Town and School Department's compliance with applicable grant requirements will be established at some future date. The amount, if any, of the expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School Department expects such amounts, if any, to be immaterial.

FUND BALANCE

At June 30, 2014, portions of the Governmental Funds fund balances consisted of the following:

	General Fund	Public Safety Building Capital Project	Other Governmental Funds
Nonspendable:			
Prepaid expenditures	\$ 1,192,144	-	-
Permanent fund principal	-	-	20,529
School lunch inventory	-	-	21,838
Total nonspendable	1,192,144	-	42,367
Restricted:			
School general fund	786,179	-	-
School special revenues	-	-	54,556
Adult education grants	-	-	12,313
York Beach TIF	-	-	13,838
Other Town grants and donations	-	-	53,368
Permanent fund income	-	-	21
Total restricted	786,179	-	134,096
Committed:			
Public safety building capital project fund	-	4,872,701	-
Mitchell - Airport Drive capital project fund	-	-	1,014,030
York Street capital project fund	-	-	613,909
Route 103 capital project fund	-	-	143,612
Connector road capital project fund	-	-	1,525,462
Major drainage capital project fund	-	-	693,338
LS bathhouse capital project fund	-	-	689,311
Birch Hill Road capital project fund	-	-	242,155
Bog Road parking capital project fund	-	-	332,520
School capital project fund	-	-	756,994
Other Town capital project funds	-	-	206,217
York Beach reserve special revenue fund	-	-	253,436
Harbor dredge special revenue fund	-	-	386,353
Harbor/wharf special revenue fund	-	-	236,344
Performance accounts special revenue fund	-	-	131,654
Other Town special revenue funds	-	-	73,545
Total committed	-	4,872,701	7,298,880

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

FUND BALANCE, CONTINUED

	General <u>Fund</u>	Public Safety Building <u>Capital Project</u>	Other Governmental <u>Funds</u>
Assigned:			
Future budgeted use of fund balance	\$ 650,000	-	-
Town budget carry forwards:			
Voting machines	27,294	-	-
Legal (MTA Issue)	10,738	-	-
Legal	32,674	-	-
Information technology	34,778	-	-
Debt services	94,587	-	-
Cable TV	12,128	-	-
Contingency	90,375	-	-
Public safety site design & engineering	60,684	-	-
Finance	16,212	-	-
Contract services – traffic lights	964	-	-
Hot top	524,392	-	-
Road repair and reconstruction	273,922	-	-
Fishermen’s Walk renovations	31,677	-	-
Seawall repair	19,388	-	-
Cow Beach phase II drainage	18,200	-	-
Sand/gravel DPW (Bog Road)	16,810	-	-
FEMA Funds	8,095	-	-
Public safety	51,000	-	-
Public safety police vehicles	22,890	-	-
Town reserves:			
OT detail	3,852	-	-
Iron/metal recycling	28,198	-	-
Fire equipment	258	-	-
350 th	5,381	-	-
Airport Drive	22,113	-	-
Academic reimbursement	8,017	-	-
Animal welfare	22,916	-	-
Building	41,616	-	-
Bog Road	17,859	-	-
Capital equipment	236,592	-	-
CEO	217,233	-	-
Conservation	2,260	-	-
Earned time	123,540	-	-
York Beach fire truck	2,026	-	-
Fishermen’s fund	1,034	-	-
Fishermen’s memorial	924	-	-
Goodrich Park	355	-	-
Heat	4,786	-	-
Historic markers	230	-	-
Hoist repair	5,107	-	-
Long Sands BH	468	-	-

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

FUND BALANCE, CONTINUED

	<u>General</u> <u>Fund</u>	<u>Public</u> <u>Safety Building</u> <u>Capital Project</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>
Sohier Park building	\$ 5,551	-	-
Off premise signs	1,764	-	-
Open space	81,965	-	-
Wheeler Marsh	12,976	-	-
Unemployment	2,402	-	-
Village lights	1,747	-	-
Wheeler trust	1,874	-	-
Total assigned	2,849,852	-	-
Unassigned	2,352,111	-	(513,615)
Total fund balance	\$ 7,180,286	4,872,701	6,961,728

TAX INCREMENT FINANCING DISTRICT

Under Maine law, the Town has established a Tax Increment Financing District (TIF) to finance improvements within the Town of York. The District specifically encompasses the downtown residential and commercial areas of York Beach, as well as the surrounding open areas. The purpose of the District is to fund certain improvements to the York Beach area, including drainage and flood control infrastructure, sidewalk improvements, and area traffic designs. TIF improvements are to be funded through a combination of municipal bonds, federal grants, and the incremental value multiplied by the tax rate. The incremental value is defined as the increase of the current valuation over the original assessed value of \$36,650,300. As there has been a decrease in the valuation of the District area, no current year taxes have been allocated to the District. Expenditures related to the District's purpose totaled \$0 and \$0 as of June 30, 2014 and 2013, respectively.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (MainePERS)

Maine PERS - Consolidated Plan

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

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

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

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (MainePERS), CONTINUED

The current rate is 6.5% for the Regular AC plan and 7.9% for the Special #2C plan, of annual covered payroll. The contribution rates of plan members and the Town of York are established and may be amended by the Maine Public Employees Retirement System Board of Trustees. The Town's contributions to the Maine Public Employees Retirement System Consolidated Plan for the years ended June 30, 2014, 2013 and 2012 were \$310,227, \$280,628 and \$230,932, respectively, which is equal to the required contributions for the year.

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

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

Funding Policy - Plan members are required to contribute 7.65% of their compensation to the retirement system. The same statute requires the State of Maine Department of Education, to contribute the employer contribution, which amounts to \$2,070,339 (15.36%) for the fiscal year 2014. The School Department made contributions for the normal cost of the teacher's plan, which in fiscal year 2014 was 2.65%. In addition, the School Department made contributions for federally funded teachers, which in fiscal year 2014 was 18.48% of the teachers' compensation. This cost was charged to the applicable grant.

457 RETIREMENT PLAN

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

The Town contributes 7.5% of annual compensation on behalf of full time employees who are not participating in the Maine Public Employees Retirement System. Contributions for the year ended June 30, 2014, 2013 and 2012 were \$121,410, \$121,901 and \$122,111, respectively.

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

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

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors, and omissions, and natural disasters for which the Town either carries commercial insurance, or participates in public entity risk pools or is effectively self-insured. Currently, the Town participates in two public entity risk pools sponsored by the Maine Municipal Association. Based on the coverage provided by these pools, as well as certain coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2014.

OTHER POST EMPLOYMENT BENEFITS

GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The Town of York is a member of the Maine Municipal Employees Health Trust. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the Town's OPEB liability under GASB Statement 45. The consultants completed an OPEB liability actuarial valuation in January 2014.

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

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

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

The following table represents the OPEB costs for the years ended June 30, 2014, 2013 and 2012 and the annual required contribution:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Normal cost	\$ 30,086	33,027	33,027
Amortization of unfunded	65,219	49,227	49,227
Interest	15,732	13,174	10,832
Annual required contribution	111,037	95,428	93,086
Amortizing adjustment to ARC	<u>(20,016)</u>	<u>(16,692)</u>	<u>(13,306)</u>
Annual OPEB cost	91,021	78,737	79,780
Contributions made	<u>(21,242)</u>	<u>(21,241)</u>	<u>(27,782)</u>
Increase in net OPEB obligation	69,779	57,495	51,998
Net OPEB obligation beginning of year	346,124	288,629	236,631
Net OPEB obligation end of year	\$ 415,903	346,124	288,629

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

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

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

Funding Status and Funding Progress - The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2014, 2013 and 2012 were as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual OPEB Cost	\$91,021	78,737	79,780
<u>Percent of annual OPEB cost contributed</u>	<u>23.12%</u>	<u>26.72%</u>	<u>34.82%</u>
<u>Net OPEB obligation</u>	<u>415,903</u>	<u>346,124</u>	<u>288,629</u>
Actuarial accrued liability	1,172,878	885,280	885,280
<u>Plan assets</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	1,172,878	885,280	885,280
<u>Covered payroll</u>	<u>7,417,785</u>	<u>7,201,733</u>	<u>7,201,733</u>

Unfunded actuarial accrued liability			
as a percentage of covered payroll	15.81%	12.29%	12.29%

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

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

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

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

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

Actuarial valuation date	1/1/14
Actuarial cost method	Projected unit credit
Amortization method	Level dollar open
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	3.0%
Healthcare cost trend rate	4.6%

TOWN OF YORK, MAINE
Required Supplementary Information

Schedule of Funding Progress
Retiree Healthcare Plan

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) – Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a) /c]</u>
2009	1/1/09	\$ -	869,124	869,124	0.00%	5,100,000	17.04%
2010	1/1/09	\$ -	869,124	869,124	0.00%	5,200,000	16.71%
2011	1/1/11	\$ -	885,280	885,280	0.00%	6,000,000	14.75%
2012	1/1/11	\$ -	885,280	885,280	0.00%	7,201,733	12.29%
2013	1/1/11	\$ -	885,280	885,280	0.00%	7,201,733	12.29%
2014	1/1/14	\$ -	1,172,878	1,172,878	0.00%	7,417,785	15.81%

GENERAL FUND

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

TOWN OF YORK, MAINE
Balance Sheet - General Fund
June 30, 2014

ASSETS		
Cash and cash equivalents	\$	12,278,516
Receivables:		
Accounts		140,167
Intergovernmental		270,818
Taxes receivable - current year		1,082,109
Taxes receivable - prior years		43,325
Tax liens		412,784
Tax acquired property		63,237
Prepaid expenditures		1,192,144
Total assets	\$	15,483,100
LIABILITIES		
Accounts payable		782,337
Accrued payroll		2,185,981
Other liabilities		283,802
Unearned revenues		6,000
Interfund loans payable		4,011,272
Total liabilities		7,269,392
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes		1,033,422
Total deferred inflows of resources		1,033,422
FUND BALANCE		
Nonspendable		1,192,144
Restricted		786,179
Assigned		2,849,852
Unassigned		2,352,111
Total fund balance		7,180,286
Total liabilities, deferred inflows of resources, and fund balances	\$	15,483,100

TOWN OF YORK, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2014

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes:			
Property taxes	\$ 39,965,325	39,925,704	(39,621)
Supplemental taxes	-	40,683	40,683
Excise taxes	2,732,000	2,864,082	132,082
Other	37,500	65,559	28,059
Total taxes	42,734,825	42,896,028	161,203
Licenses and permits:			
Town clerk fees	100,000	102,070	2,070
Plumbing permits	30,000	41,665	11,665
Parking stickers	97,500	105,591	8,091
Parking permits	6,000	6,000	-
Transfer station permits	35,000	32,893	(2,107)
Other permits and fees	12,130	22,543	10,413
Total licenses and permits	280,630	310,762	30,132
Intergovernmental:			
State Revenue Sharing	505,000	301,520	(203,480)
Homestead reimbursement	133,817	133,817	-
BETE reimbursement	16,179	16,261	82
General assistance reimbursement	9,000	16,576	7,576
Public safety grants	-	875	875
Rural roads	175,000	204,548	29,548
Education subsidy	925,376	1,295,527	370,151
State agency clients	10,000	19,884	9,884
Other	14,500	25,807	11,307
Total intergovernmental	1,788,872	2,014,815	225,943
Charges for services:			
Parking ticket revenue	110,000	95,943	(14,057)
Meter collections	205,000	209,582	4,582
Community development code fees	290,000	269,785	(20,215)
York hospital patrol fees	110,000	-	(110,000)
Police department fees	-	14,835	14,835
Ellis Park fees	29,000	-	(29,000)
Public safety answering point	116,427	119,873	3,446
Animal control officer registrations	20,000	3,898	(16,102)
Impact fees	113,900	113,900	-
Total charges for services	994,327	827,816	(166,511)
Other:			
Interest revenue	225,000	162,267	(62,733)
Board of Appeals	3,500	3,000	(500)
Cable TV	185,000	194,602	9,602
Sale of property	-	207,350	207,350
Other school department revenues	115,085	21,168	(93,917)
Miscellaneous	4,750	60,687	55,937
Total other	533,335	649,074	115,739
Total revenues	46,331,989	46,698,495	366,506

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

	Budget	Actual	Variance positive (negative)
Expenditures:			
Current:			
General government:			
Board of selectmen	24,884	26,900	(2,016)
Town manager	263,782	264,278	(496)
Finance	231,253	215,041	16,212
Information technology	199,994	165,216	34,778
Human resources	113,671	88,678	24,993
Assessing	287,758	275,593	12,165
Community development	692,321	673,417	18,904
Town clerk/tax collector	343,991	351,546	(7,555)
Elections	24,971	9,886	15,085
Municipal Separate Storm Sewer	67,996	71,097	(3,101)
Town hall operations	212,809	161,299	51,510
Total general government	2,463,430	2,302,951	160,479
Public safety:			
Public safety services	4,215,655	4,070,114	145,541
Fire department	1,006,008	900,586	105,422
Hydrants	861,470	855,080	6,390
Public health	80,000	80,000	-
Total public safety	6,163,133	5,905,780	257,353
Public works:			
Maintenance and disposal services	2,891,378	2,826,473	64,905
Winter maintenance	1,166,799	1,172,803	(6,004)
FEMA grants	8,095	58,273	(50,178)
Total public works	4,066,272	4,057,549	8,723
Parks and recreation:			
Short Sands Park	37,573	29,248	8,325
Recreation administration	136,587	135,601	986
Parks, grounds, and beaches	751,997	744,692	7,305
Total parks and recreation	926,157	909,541	16,616
Public assistance:			
General assistance	38,688	41,451	(2,763)
Senior center	251,209	249,898	1,311
Social services	36,000	36,000	-
Circuit breaker assistance	50,000	-	50,000
Total public assistance	375,897	327,349	48,548
Library	462,906	462,906	-
County tax	2,406,949	2,384,100	22,849
Unclassified:			
Boards and committees	22,600	12,577	10,023
Insurance	342,972	343,459	(487)
Contingency	94,800	4,425	90,375
Cable TV	19,393	6,368	13,025
Overlay/abatements	233,314	4,602	228,712
Total unclassified	713,079	371,431	341,648

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

	Budget	Actual	Variance positive (negative)
Expenditures, continued:			
Education:			
Regular instruction	\$ 11,290,234	11,479,088	(188,854)
Special education instruction	4,217,520	4,204,150	13,370
Career and technical education	5,757	5,757	-
Other instruction	1,101,063	1,036,882	64,181
Student and staff support	2,559,311	2,597,650	(38,339)
System administration	806,602	760,225	46,377
School administration	1,393,510	1,346,759	46,751
Transportation	1,060,268	995,577	64,691
Facilities maintenance	3,020,453	2,909,303	111,150
Other	82,838	81,722	1,116
Debt service	1,614,248	1,614,248	-
Total education	27,151,804	27,031,361	120,443
Capital outlay:			
Village plan	-	17,706	(17,706)
Voting machines	45,000	-	45,000
Police vehicles	137,453	114,563	22,890
Public safety conceptual design	60,684	-	60,684
Parks pickup truck	27,500	26,740	760
Roads and side walks	1,208,591	291,897	916,694
Cliff Path	50,000	-	50,000
Seawall repair	-	176	(176)
Total capital outlay	1,529,228	451,082	1,078,146
Debt service:			
Bond costs	44,000	36,454	7,546
Principal	1,426,275	1,424,565	1,710
Interest	511,238	512,963	(1,725)
Total debt service	1,981,513	1,973,982	7,531
Total expenditures	48,240,368	46,178,032	2,062,336
Excess (deficiency) of revenues over (under) expenditures	(1,908,379)	520,463	2,428,842
Other financing sources (uses):			
Use of fund balance	1,053,945	-	(1,053,945)
Carryforward balances	1,043,002	-	(1,043,002)
Appropriations for reserve accounts	(35,000)	(185,000)	(150,000)
Transfers to reserve accounts	-	(196,981)	(196,981)
Transfers from reserve accounts	-	111,790	111,790
Transfers to special revenue funds	(153,568)	(201,369)	(47,801)
Transfers to capital project funds	-	(6,105)	(6,105)
Transfers from special revenue funds	-	71,503	71,503
Transfers from capital project funds	-	94,587	94,587
Transfers from enterprise funds	-	113,156	113,156
Total other financing sources (uses)	1,908,379	(198,419)	(2,106,798)
Net change in fund balance - budgetary basis	-	322,044	322,044
Fund balance, beginning of year-budgetary basis		6,090,196	
Fund balance, end of year-budgetary basis	\$	6,412,240	
Reconciliation to GAAP:			
Accrued summer benefits		414,836	
Out-of-district tuition liability		(79,238)	
Change in reserves		45,809	
Net change in fund balance - GAAP basis		703,451	
Fund balance, beginning of year - GAAP basis		6,476,835	
Fund balance, end of year - GAAP basis	\$	7,180,286	

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF YORK, MAINE
Other Governmental Funds
Combining Balance Sheet
June 30, 2014

	Special Revenue Funds				Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
	Town Programs	School Lunch	Adult Education	School Special Revenues			
ASSETS							
Cash and cash equivalents	\$ 942,785	2,526	8,109	-	1,958,676	23,705	2,935,801
Accounts receivable	-	-	2,672	-	309,579	-	312,251
Intergovernmental receivables	66,760	27,074	1,000	216,030	-	-	310,864
Inventory	-	21,838	-	-	-	-	21,838
Interfund loans receivable	154,864	-	-	-	3,628,884	-	3,783,748
Amounts held in escrow	-	-	-	-	405,737	-	405,737
Total assets	\$ 1,164,409	51,438	11,781	216,030	6,302,876	23,705	7,770,239
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities:							
Accounts payable	16,402	524	221	4,669	177,060	-	198,876
Accrued payroll	-	14,224	2,307	16,100	-	-	32,631
Unearned revenues	-	13,040	-	-	-	-	13,040
Interfund loans payable	-	360,829	50,443	149,537	-	3,155	563,964
Total liabilities	16,402	388,617	52,971	170,306	177,060	3,155	808,511
Fund balances (deficits):							
Nonspendable	-	21,838	-	-	-	20,529	42,367
Restricted	67,206	-	12,313	54,556	-	21	134,096
Committed	1,081,332	-	-	-	6,217,548	-	7,298,880
Unassigned	(531)	(359,017)	(53,503)	(8,832)	(91,732)	-	(513,615)
Total fund balances (deficits)	1,148,007	(337,179)	(41,190)	45,724	6,125,816	20,550	6,961,728
Total liabilities and fund balances	\$ 1,164,409	51,438	11,781	216,030	6,302,876	23,705	7,770,239

TOWN OF YORK, MAINE
Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2014

	Special Revenue Funds				Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
	Town Programs	School Lunch	Adult Education	School Special Revenues			
Revenues:							
Tax revenues	\$ -	-	92,690	-	-	-	92,690
Intergovernmental	294,480	163,806	54,463	546,910	526,278	-	1,585,937
Donations	40,192	-	-	5,250	-	-	45,442
Charges for services	135,855	488,497	37,942	21,055	-	-	683,349
Interest income	52	-	-	-	16,236	2	16,290
Other revenue	22,773	7	1,570	34,999	339,579	-	398,928
Total revenues	493,352	652,310	186,665	608,214	882,093	2	2,822,636
Expenditures:							
Current:							
Program expenditures	308,011	899,518	223,281	609,604	-	-	2,040,414
Capital expenditures	-	-	-	-	4,840,888	-	4,840,888
Total expenditures	308,011	899,518	223,281	609,604	4,840,888	-	6,881,302
Excess (deficiency) of revenues over (under) expenditures	185,341	(247,208)	(36,616)	(1,390)	(3,958,795)	2	(4,058,666)
Other financing sources (uses):							
Bond proceeds	-	-	-	-	2,574,000	-	2,574,000
Lease proceeds	-	-	-	-	2,634,076	-	2,634,076
Premium on bond issuance	-	-	-	-	46,165	-	46,165
Transfers in	-	144,314	-	-	96,715	-	241,029
Transfers out	(12,410)	-	-	-	(535,197)	-	(547,607)
Total other financing sources (uses)	(12,410)	144,314	-	-	4,815,759	-	4,947,663
Net change in fund balances	172,931	(102,894)	(36,616)	(1,390)	856,964	2	888,997
Fund balances (deficits), beginning of year	975,076	(234,285)	(4,574)	47,114	5,268,852	20,548	6,072,731
Fund balances (deficits), end of year	\$ 1,148,007	(337,179)	(41,190)	45,724	6,125,816	20,550	6,961,728

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

TOWN OF YORK, MAINE
Nonmajor Special Revenue Funds - Town Programs
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For year ended June 30, 2014

	Balance (deficit) beginning of year	Revenues					Expenditures Program Expenditures	Transfers in (out)	Balance (deficit) end of year
		Grants	Donations	Charges for Services	Other Revenues	Interest Income			
Public Safety Grants:									
411 Emergency planning grants	\$ -	53,382	-	-	-	-	9,119	-	44,263
413 ATV grants	613	6,635	-	-	-	-	6,138	-	1,110
415 Smart policing grants	726	30,174	-	-	-	-	29,759	-	1,141
419 STOP - DV Investigation	-	11,549	-	-	-	-	11,314	-	235
423 Seat belt	-	3,000	-	-	-	-	3,007	-	(7)
425 Speed grant	-	3,893	-	-	-	-	4,340	-	(447)
431 EUDL rider (OSA)	-	2,141	-	-	-	-	2,141	-	-
433 School shooter	432	3,717	-	-	-	-	3,770	-	379
437 Safety grant	-	2,807	-	-	-	-	2,884	-	(77)
439 Crime stoppers	3,706	-	-	-	-	-	-	-	3,706
445 Drive sober Maine	3	7,614	-	-	-	-	7,614	-	3
406 Beach reserve	211,215	-	-	44,685	-	8	2,472	-	253,436
409 FEMA Irene grant	-	-	-	-	-	-	21,816	21,816	-
435 Choose to be healthy fund	(1,782)	-	-	-	2,133	-	175	-	176
436 HBB	5,772	-	-	22,291	8,000	-	33,555	-	2,508
440 Harbor dredge	363,299	-	-	23,026	-	28	-	-	386,353
442 Harbor/wharf	205,712	-	-	42,184	12,640	10	24,202	-	236,344
451 KSB challenge	6,781	-	-	-	-	-	4,250	-	2,531
452 Impact fees	41,491	-	-	-	-	6	-	-	41,497
453 Bronze relief	-	-	5,047	-	-	-	6,141	10,000	8,906
456 MMA wellness	136	-	-	-	-	-	-	-	136
457 Basketball classic	-	19,942	-	-	-	-	-	-	19,942
459 Mt. A education grant	-	4,820	-	-	-	-	5,645	1,205	380
461 FEMA Nemo grant	-	109,806	-	-	-	-	38,303	(71,503)	-
471 York Beach TIF	13,838	-	-	-	-	-	-	-	13,838
472 Trails	(12,026)	35,000	-	-	-	-	23,712	738	-
474 Conservation coordinator	-	-	35,145	-	-	-	63,490	28,345	-
490 Performance accounts	135,160	-	-	3,669	-	-	4,164	(3,011)	131,654
Total	\$ 975,076	294,480	40,192	135,855	22,773	52	308,011	(12,410)	1,148,007

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

TOWN OF YORK, MAINE
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For year ended June 30, 2014

	Balance beginning of year	Revenues			Expenditures		Transfers in (out)	Balance end of year
		Interest	Bond and Lease Proceeds	Other Revenues	Capital Outlay			
201 Mitchell - Airport Drive	\$ 1,013,134	896	-	-	-	-	-	1,014,030
200 Capital Improvements	-	-	-	34,180	-	-	-	34,180
202 York/Raydon	161	-	-	-	-	(161)	-	-
203 Roaring Rock	12,703	11	-	-	-	-	-	12,714
204 Highland Farms	8	-	-	-	-	(8)	-	-
205 Town Hall Renovations	(90,610)	-	-	-	-	90,610	-	-
206 Fire Truck	3,292	2	-	-	-	(3,294)	-	-
207 Energy Efficiency	193,155	200	-	-	192,046	-	-	1,309
209 Short Sands Drainage	109,901	-	-	-	93,891	(16,010)	-	-
210 Long Sands	203	-	-	-	-	(203)	-	-
211 Town Docks	388,592	149	-	-	-	(388,741)	-	-
212 Lake Carolyn Dam	72,407	43	-	-	36,711	-	-	35,739
213 Town Hall Improvements	94,483	2	-	-	-	(94,485)	-	-
215 York Beach Infrastructure	3,602	-	-	-	-	(3,602)	-	-
216 York Street	114,360	542	-	500,000	993	-	-	613,909
218 Bartlett Road	2,825	1	-	-	-	(2,826)	-	-
219 Josiah Norton	606	-	-	-	-	(606)	-	-
220 Open Space	986	1	-	-	-	(987)	-	-
221 Route 103	143,485	127	-	-	-	-	-	143,612
223 Lake Carolyn	170	-	-	-	-	(170)	-	-
224 SCBA	13,822	6	-	-	-	(13,828)	-	-
225 Plow Truck	1,398	1	-	-	-	(1,399)	-	-
226 Grader	7,926	4	-	-	-	(7,930)	-	-
228 Connector Road	1,520,884	4,578	-	-	-	-	-	1,525,462
229 FY 2012 Plow Truck	242	-	-	-	-	(242)	-	-
230 Telephone system	25	-	-	-	-	(25)	-	-
231 Major drainage	350,846	2,225	350,000	-	9,733	-	-	693,338
232 York Village Fire Renovations	12,506	22	-	-	11,836	-	-	692
233 Heavy Plow Truck	1,777	336	147,000	-	138,333	-	-	10,780
234 Two Ton Plow Truck	75,181	170	-	-	75,351	-	-	-
235 Software Upgrade	327	1	-	-	-	(328)	-	-
236 Seawall's Bridge Utility	75,181	193	-	-	75,000	-	-	374
237 York Street/Long Sands	50,121	151	-	-	-	-	-	50,272
238 Bog Road	309	43	-	-	-	(352)	-	-
240 LS Bathhouse	-	2,311	687,000	-	-	-	-	689,311
241 Birch Hill Road	-	837	250,000	-	8,682	-	-	242,155
243 York Beach Lighting	-	174	75,000	-	51,239	-	-	23,935
244 Bog Road Parking	-	1,193	375,000	-	43,673	-	-	332,520
245 Mt. A Barn	-	28	20,000	-	19,911	-	-	117
246 Mt. A Universal Access Trail	-	-	-	30,000	-	6,105	-	36,105
275 School Projects - insured projects	-	-	-	309,579	401,311	-	-	(91,732)
275 School Projects	1,094,844	1,989	3,304,076	38,263	3,682,178	-	-	756,994
Total	\$ 5,268,852	16,236	5,208,076	912,022	4,840,888	(438,482)	-	6,125,816

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

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

TOWN OF YORK, MAINE
Nonmajor Permanent Funds
Balance Sheet
June 30, 2014

			Clark Emerson
<hr/>			
ASSETS			
Cash and cash equivalents	\$		23,705
Total assets			23,705
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LIABILITIES AND FUND BALANCE			
Liabilities:			
Interfund loans payable			3,155
Total liabilities			3,155
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Fund balance:			
Nonspendable			20,529
Restricted			21
Total fund balance			20,550
<hr/>			
Total liabilities and fund balance			\$ 23,705
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TOWN OF YORK, MAINE
Nonmajor Permanent Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2014

		Clark Emerson
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Revenues:		
Investment income	\$	2
Total revenues		2
<hr/>		
Expenditures:		
Current:		
Miscellaneous		-
Total expenditures		-
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Net change in fund balance		2
Fund balance, beginning of year		20,548
<hr/>		
Fund balance, end of year	\$	20,550
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NONMAJOR PROPRIETARY FUNDS

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

TOWN OF YORK, MAINE
Nonmajor Proprietary Funds
Combining Statement of Net Position
June 30, 2014

		Mt. Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Printing	Senior Center	Totals
ASSETS									
Cash and cash equivalents	\$	-	-	900	-	-	-	550	1,450
Accounts receivable		-	5,100	-	5,958	-	-	-	11,058
Inventory		-	-	69,900	-	-	-	-	69,900
Interfund loan receivable		165,420	22,473	81,780	45,372	2,589	-	176,354	493,988
Total assets		165,420	27,573	152,580	51,330	2,589	-	176,904	576,396
LIABILITIES									
Accounts payable		8,642	322	18,653	-	277	-	4,959	32,853
Accrued payroll		14,391	1,368	1,328	172	-	-	-	17,259
Interfund loan payable		-	-	-	-	-	1,215	-	1,215
Total liabilities		23,033	1,690	19,981	172	277	1,215	4,959	51,327
NET POSITION									
Unrestricted		142,387	25,883	132,599	51,158	2,312	(1,215)	171,945	525,069
Total net position	\$	142,387	25,883	132,599	51,158	2,312	(1,215)	171,945	525,069

TOWN OF YORK, MAINE
Nonmajor Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2014

	Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Printing	Senior Center	Totals
Operating revenues:								
User fees	\$ 496,634	700	-	71,966	-	-	168,458	737,758
Sponsorships/memberships	60,143	-	-	-	-	-	6,302	66,445
Gift shop sales	-	-	337,432	-	-	-	-	337,432
Rental income	-	49,754	-	-	7,200	-	-	56,954
Donations	-	17,294	4,361	-	-	-	5,776	27,431
Other	-	-	-	-	-	-	3,534	3,534
Total operating revenues	556,777	67,748	341,793	71,966	7,200	-	184,070	1,229,554
Operating expenses:								
Cost of goods	-	-	162,671	-	655	-	31,969	195,295
Salaries and benefits	222,108	21,671	46,112	64,374	-	-	-	354,265
Training, meetings, and travel	2,058	-	134	-	-	-	1,225	3,417
Maintenance	1,349	3,812	1,672	-	4,761	-	951	12,545
Office expenses	16,128	175	2,505	-	-	-	3,024	21,832
Supplies	57,522	9,390	11,245	-	1,119	-	8,099	87,375
Contracts	181,606	5,421	7,579	-	2,500	-	119,561	316,667
Utilities	-	3,339	773	-	113	-	-	4,225
Fuel	90	-	72	-	-	-	3,951	4,113
Other	2,369	-	-	-	-	-	1,902	4,271
Total operating expenses	483,230	43,808	232,763	64,374	9,148	-	170,682	1,004,005
Operating income (loss)	73,547	23,940	109,030	7,592	(1,948)	-	13,388	225,549
Nonoperating revenue:								
Interest income	-	-	3	-	-	-	-	3
Total nonoperating revenue	-	-	3	-	-	-	-	3
Income (loss) before transfers	73,547	23,940	109,033	7,592	(1,948)	-	13,388	225,552
Transfers out	(77)	(20,037)	(108,080)	-	-	-	-	(128,194)
Change in net position	73,470	3,903	953	7,592	(1,948)	-	13,388	97,358
Total net position, beginning of year	68,917	21,980	131,646	43,566	4,260	(1,215)	158,557	427,711
Total net position, end of year	\$ 142,387	25,883	132,599	51,158	2,312	(1,215)	171,945	525,069

SCHEDULE

TOWN OF YORK, MAINE
General Fund Reserves
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For year ended June 30, 2014

	Balance beginning of year	Interest	Donations	Charges for Services	Appropriations	Expenditures	Transfers in	Transfers out	Balance end of year
130 OT detail	\$ 3,852	-	-	-	-	-	-	-	3,852
133/483 Iron/Metal Recycling	10,190	-	-	18,008	-	-	-	-	28,198
134 Fire Equipment	258	-	-	-	-	-	-	-	258
401 350th	5,380	1	-	-	-	-	-	-	5,381
402 Airport Drive	22,113	-	-	-	-	-	-	-	22,113
403 Academic reimbursement	8,017	-	-	-	-	-	-	-	8,017
404 Animal welfare	22,916	-	-	-	-	-	-	-	22,916
408 Building	41,612	4	-	-	-	-	-	-	41,616
410 Bog Road	17,857	2	-	-	-	-	-	-	17,859
412 Capital equipment	252,600	1	-	-	-	13,295	71,503	(74,217)	236,592
414 CEO	102,514	-	-	114,890	-	-	-	(171)	217,233
416 CMP Spur Road	9,988	1	-	-	-	-	-	(9,989)	-
418 Conservation	5,089	1	-	-	-	-	-	(2,830)	2,260
422 Earned time	155,354	19	-	-	30,000	61,833	-	-	123,540
424 Fireworks	(77)	-	-	-	-	-	77	-	-
426 York Beach fire truck	2,026	-	-	-	-	-	-	-	2,026
428 Fishermen's Fund	1,034	-	-	-	-	-	-	-	1,034
430 Fishermen's Memorial	924	-	-	-	-	-	-	-	924
432 GIS	(171)	-	-	-	-	-	171	-	-
434 Goodrich Park	355	-	-	-	-	-	-	-	355
446 Heat	14,672	-	16,500	-	-	26,386	-	-	4,786
448 Historic markers	230	-	-	-	-	-	-	-	230
450 Hoist repair	2,432	-	-	2,675	-	-	-	-	5,107
454 Long Sands BH	468	-	-	-	-	-	-	-	468
460 Sohier Park Building	22,428	1	18,309	-	150,000	202,784	17,597	-	5,551
462 Off premise signs	2,844	1	-	-	-	1,081	-	-	1,764
464 Open space	81,957	8	-	-	-	-	-	-	81,965
465 Wheeler Marsh	12,976	-	-	-	-	-	-	-	12,976
466 PW equipment	2,890	-	-	-	-	2,890	-	-	-
470 Sohier Park maintenance	1	-	-	-	-	102,634	102,633	-	-
476 Tree planting	6,328	1	-	-	-	1	-	(6,328)	-
478 Unemployment	2,693	-	-	-	5,000	5,291	-	-	2,402
479 Village lights	1,511	-	1,944	-	-	1,708	-	-	1,747
480 Wheeler trust	(3,126)	-	18,255	-	-	-	5,000	(18,255)	1,874
467/489 Street openings	(8,660)	-	-	2,900	-	-	-	-	(5,760)
Total	\$ 801,475	40	55,008	138,473	185,000	417,903	196,981	(111,790)	847,284