

**Financial Statements**

**Town of York, Maine**

**June 30, 2005**

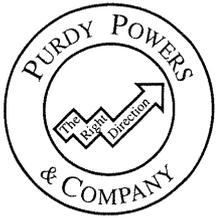
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## Town of York, Maine

June 30, 2005

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# PURDY POWERS & COMPANY

Certified Public Accountants

Stephen H. Purdy, CPA, CMA  
Marc J. Powers, CPA, CVA

Raymond G. Hamlin, CPA  
Bruce D. Moir, CPA, JD, MPA

Richard E. Emerson, Jr., CPA, CVA  
David J. Shorette, CPA, CVA

## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of York, Maine, as of and for the year ended June 30, 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the York School Department's general fund, other governmental funds (special revenue funds and capital project funds) and fiduciary funds (agency funds). Those financial statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the general fund, other governmental funds and fiduciary funds, is based solely on the report of the other auditors.

We conducted our audit in accordance with United States generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of York, Maine as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, thereof and for the year then ended, in conformity with United States generally accepted accounting principles.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2005, on our consideration of the Town of York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Purdy Powus & Company*  
Professional Association

**Portland, Maine**  
**December 21, 2005**



# Town of York

186 York Street  
York, Maine 03909-1314

Town Manager/  
Selectmen  
(207)363-1000

Town Clerk/  
Tax Collector  
(207)363-1003

Finance/  
Treasurer  
(207)363-1004

Code  
Enforcement/  
Planning  
(207)363-1002  
(207)363-1007

Assessor  
(207)363-1005

Police Department  
(207)363-1031

Dispatch  
(207)363-2557

York Beach Fire  
Department  
(207)363-1014

York Village Fire  
Department  
(207)363-1015

Public Works/  
Harbor Master  
(207)363-1010

Senior Center/  
General Assistance  
(207)363-1036

Parks and  
Recreation  
(207)363-1040

Grant House  
(207)351-1204

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

www.york.maine.org

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of York's financial performance provides an overview of the Town's financial activities for the year ended June 30, 2005. Please read it in conjunction with the Town's financial statements, which begin on page 4.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 4 and 5) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 6. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

### REPORTING THE TOWN AS A WHOLE

#### The Statement of Net Assets and the Statement of Activities

Our analysis of the Town as a whole begins on page 3. One of the most important questions asked about the Town's finances is, "Is the Town as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

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

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

Our analysis of the Town's major funds begins on page 6. The fund financial statements begin on page 8 and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Selectmen establishes many other funds to help it control and manage money for particular purposes.

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

The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in the reconciliations on pages 7 and 9.

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

### **Reporting the Town's Fiduciary Responsibilities**

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

**THE TOWN AS A WHOLE**

For the year ended June 30, 2005, net assets changed as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current and other assets	\$ 12,383,422	\$ 12,279,846	\$ 49,760	\$ 128,844	\$ 12,433,182	\$ 12,408,690
Capital Assets	<u>51,757,639</u>	<u>51,452,048</u>			<u>51,757,639</u>	<u>51,452,048</u>
Total Assets	64,141,061	63,731,894	49,760	128,844	64,190,821	63,860,738
Long Term Liabilities	20,635,714	22,026,158			20,635,714	22,026,158
Other Liabilities	<u>2,432,307</u>	<u>2,253,912</u>	<u>16,830</u>	<u>12,992</u>	<u>2,449,137</u>	<u>2,266,904</u>
Total Liabilities	23,068,021	24,280,070	16,830	12,992	23,084,851	24,293,062
Net Assets:						
Invested in capital assets,						
Net of related debt	31,789,171	30,091,156			31,789,171	30,091,156
Restricted	20,955	20,916			20,955	20,916
Reserved for specific purposes						
Unrestricted	9,262,914	9,339,752	32,930	115,852	9,295,844	9,455,604
Total Net Assets	<u>\$ 41,073,040</u>	<u>\$ 39,451,824</u>	<u>\$ 32,930</u>	<u>\$ 115,852</u>	<u>\$ 41,105,970</u>	<u>\$ 39,567,676</u>

These numbers reflect an increase of 4.12 percent for governmental activities and 71.58 percent decrease for business-type activities, largely due to the use of Sohier Park funds for repairs and maintenance at the park and Cape Neddick Light Station, its intended purpose. Two land purchases, one for open space (\$200,000) and one for water access (\$254,013) account for \$454,013 of the increase in capital assets. In addition, we have invested over \$600,000 in road resurfacing and rebuilding, as well as \$154,036 in building new athletic fields.

**Governmental Activities**

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

- General Government                      Charges for photocopies, maps, building permits, plumbing permits, shoreland permits, cable TV franchise fees, gas tax refund, clerk fees, a portion of parking meter and permit receipts, parking ticket receipts.
- Public Safety                                Mooring receipts, police reports, dispatching services agreement with Ogunquit, gas tax refund, 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, gas tax refund, FEMA reimbursements, other state grants to improve certain street intersections.
- Community Services                      General Assistance state reimbursement and a portion of the gas tax refund.

Boards and Commissions An Historic District Commission grant, shellfish licenses, Ellis Park/Short Sands funds (a trust fund set up early in the last century to oversee a park at Short Sands Beach).

Education Food service, grants, state subsidy.

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

### Business-type Activities

The Town operates a number of Enterprise Funds, designed to be mostly self-sustaining through user fees and grants.

	Recreation	Mt. Agamenti- cus	Sohier Park	Goodrich Park	Outside Duty	Printing	Senior Transport- ation
Charges for Services	\$ 301,334	\$ 48,178	\$ 107,019	\$ 5,200	\$ 87,951		\$ 7,580
Donations/Sponsorships	50,150		4,754				11,000
<b>Total Revenues</b>	<b>351,484</b>	<b>48,178</b>	<b>111,773</b>	<b>5,200</b>	<b>87,951</b>		<b>18,580</b>
Salaries and Benefits	247,249	18,132	39,120		83,935		28,541
Cost of Goods Sold			67,747				
Contracts/Repairs	158,257	17,864	33,893	3,090	25,510		756
Supplies	42,937	8,505	11,829				
Utilities	4,846	4,849	6,413	2,632			2,098
<b>Total Operating Exp</b>	<b>453,289</b>	<b>49,350</b>	<b>159,002</b>	<b>5,722</b>	<b>109,445</b>		<b>31,395</b>
<b>Operating Income/(Loss)</b>	<b>(101,805)</b>	<b>(1,172)</b>	<b>(47,229)</b>	<b>(522)</b>	<b>(21,494)</b>		<b>(12,815)</b>
Tax Appropriations	64,535						24,940
Other Revenues	15,931						
Total Other Revenues	80,466						24,940
<b>Net Increase(decrease)</b>	<b>(21,339)</b>	<b>(1,172)</b>	<b>(47,229)</b>	<b>(522)</b>	<b>(21,494)</b>		<b>12,125</b>
Beg Net Assets	5,645	(780)	50,498	(955)	40,510	(1,407)	18,528
<b>Ending Net Assets (Deficit)</b>	<b>\$ (15,694)</b>	<b>\$ (1,952)</b>	<b>\$ 3,269</b>	<b>\$ (955)</b>	<b>\$ 19,016</b>	<b>\$ (1,407)</b>	<b>\$ 30,653</b>

## **The Town's Enterprise Funds**

The **Recreation Enterprise** is funded primarily by user fees with a heavy participation by 'sponsors', local businesses who sponsor teams participating in the various programs. There is a town tax subsidy in the amount of \$64,535 which was originally intended to cover the full time salaries and benefits required to run the department. In addition, there was \$15,931 in funds collected to cover part of the cost of fireworks displays for the last couple of years that are handled by this department. The town lost the use of a swimming pool, which contributed in part to the net decrease in assets as of June 30, 2005.

The **Mt. Agamenticus Enterprise** was established to maintain the summit of Mt. Agamenticus which includes a lodge and other viewing areas. Revenues are generated through tower rentals, lodge rentals, the rental of the apartment in the lodge and viewer fees. The net decrease in assets is expected to be temporary and this fund will see an increase in assets over FY2006.

The **Sohier Park Enterprise** was established to maintain Sohier Park and the Cape Neddick Light Station viewable from the beaches (also known as the Nubble Lighthouse). There is a gift shop in the park that sells trinkets and collectibles that generates sufficient revenue to maintain the park and make substantial repairs to the light station. The fund has been building over the years and significant projects were completed this year.

**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 building.

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

**Printing Enterprise** was set up to cover the cost of printing ordinances and revenues are credited to this account as copies of the ordinances are sold. There was no activity in this account for FY2005.

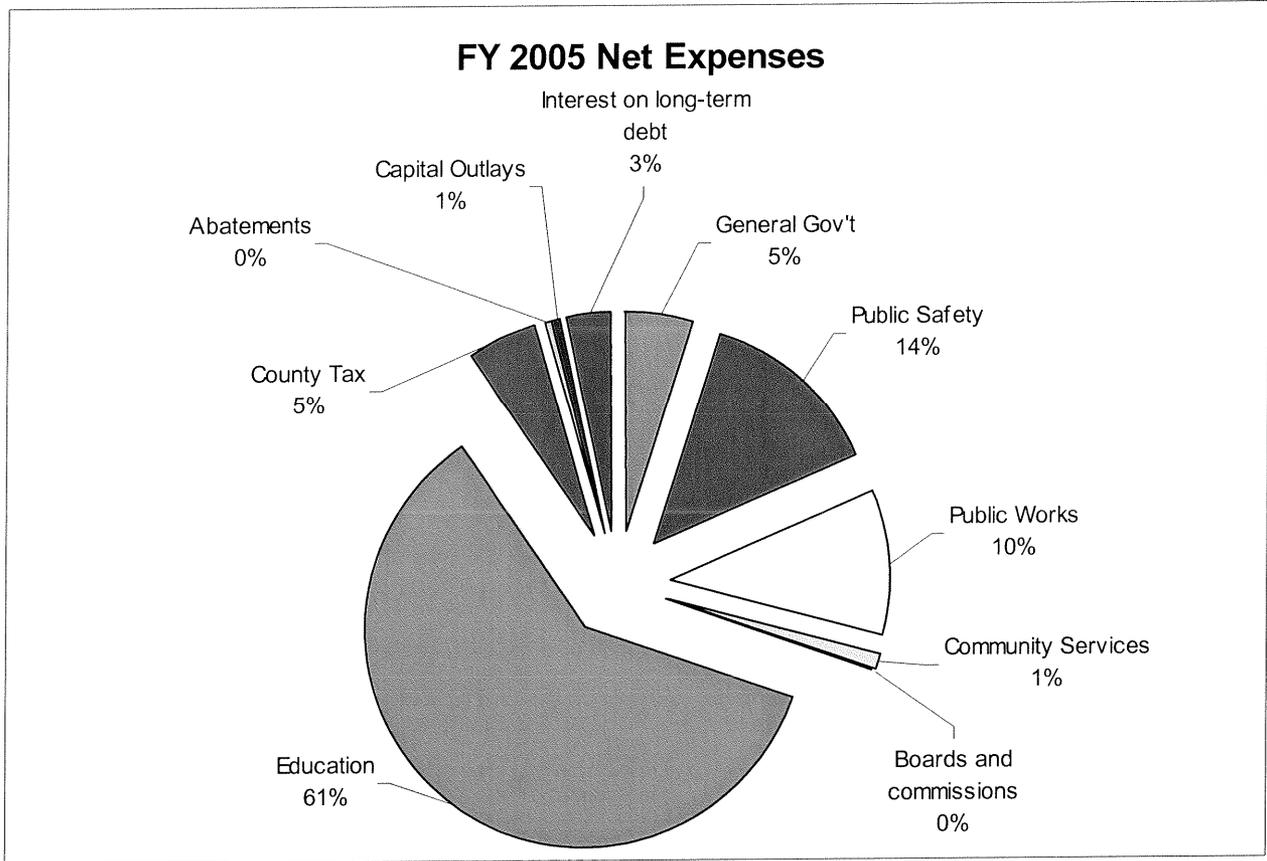
**Senior Transportation** was established in response to a need. Two generous citizens donated cars; one was older and a good starter car; the other one donated was brand new. In addition, there have been fund raisers in anticipation of replacing those cars or adding another (the earlier used car is only for backup) should the program grow to that extent. The tax appropriation is designed to cover the cost of the drivers salaries and benefits. The user fees cover the cost of gas, oil, maintenance, repairs and insurance. The users of this program are being driven to doctors' appointments, therapies, shopping, and to the Senior Center and other activities. It has been quite successful and serves a very important need in the community.

## Net Expense

The Net Expense is the financial burden that was placed on the taxpayers by each of these functions. Over \$7 million dollars worth of activity was paid by grants, user fees, parking tickets and meter revenues and fees other than taxes. There is not a significant difference in allocation from FY2004 to FY2005. This graph does not include net expenses from 'Unclassified' programs. The "unclassified" programs resulted in net revenues because these programs included special revenue programs and grant programs such as Homeland Security, state grants for recreational facilities, and FEMA reimbursements for equipment use during storms. The net revenues are intended to be used in a subsequent period.

Function/ Program	Expenses		Revenues		Net Expense	
	2005	2004	2005	2004	2005	2004
General Government	\$ 1,822,388	\$ 1,757,075	\$ 277,910	\$ 263,000	\$ 1,544,478	\$ 1,494,075
Public Safety	4,747,252	4,505,231	577,315	718,227	4,169,937	3,787,004
Public Works	3,791,067	3,452,377	486,608	364,714	3,304,459	3,087,663
Community Services	377,706	479,395	9,342	7,261	368,364	472,134
Boards and Commissions	19,709	30,318	25,501	27,717	( 5,792)	2,601
Education	20,854,551	19,776,997	2,559,083	2,345,350	18,295,468	17,431,647
Maine State Retirement on behalf payments	1,920,198	1,802,787	1,920,198	1,802,787	-	-
County Tax	1,596,782	1,581,837			1,596,782	1,581,837
Abatements	95,178	131,051			95,178	131,051
Unclassified	869,409	589,769	1,207,963	65,150	(338,554)	524,619
Capital Outlay	165,399	194,634		8,117	165,399	186,517
Interest on long-term debt	1,057,336	1,095,266			1,057,336	1,095,266
<b>Total Governmental Activities</b>	<b>\$ 37,316,975</b>	<b>\$ 35,396,737</b>	<b>\$7,063,920</b>	<b>\$ 5,602,323</b>	<b>\$ 30,253,055</b>	<b>\$ 29,794,414</b>

Public Safety revenues derive from dispatching services provided to a neighboring town as well as patrol and security services for the local hospital in addition to COPS grants. Rural roads subsidies and state grants for improvements at certain intersections 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.

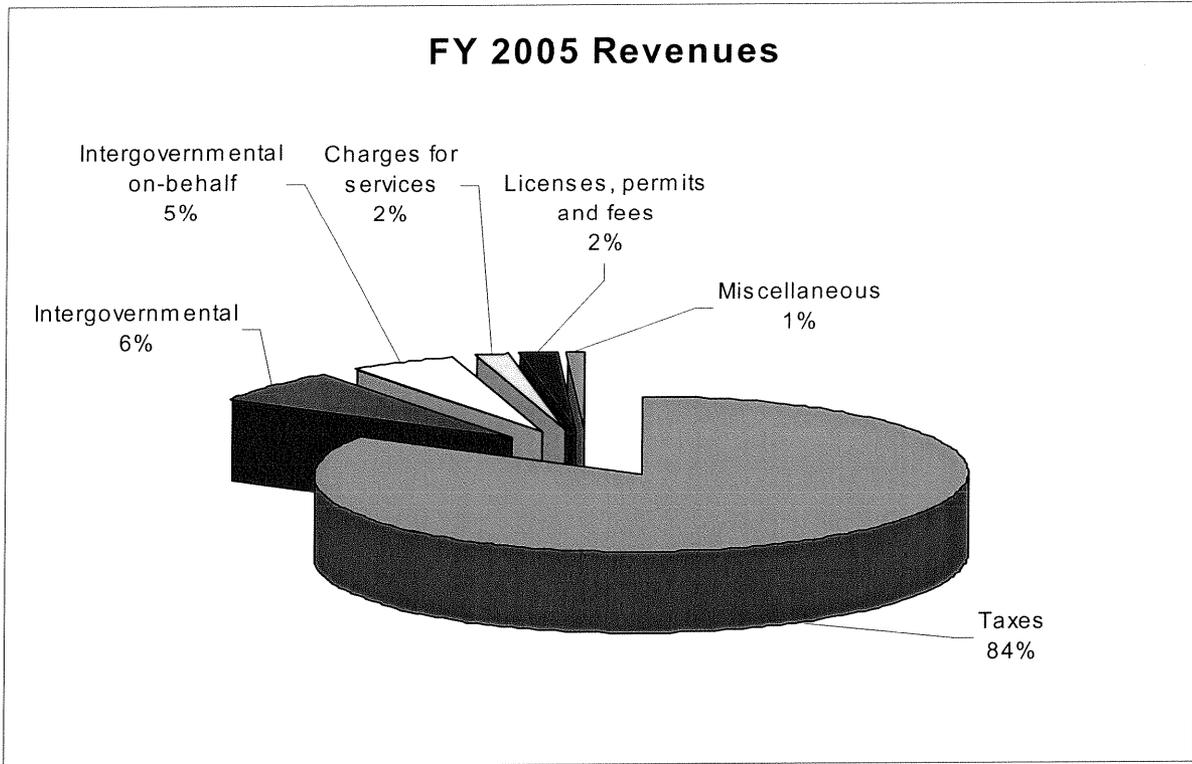


### THE TOWN'S FUNDS

The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2005 with a comparison to 2004:

<u>Revenues:</u>	<u>FY 2005 Amount</u>	<u>Percent of Total</u>	<u>FY 2004 Amount</u>	<u>Percent of Total</u>
Taxes	30,712,315	84.02%	29,838,707	84.45%
Intergovernmental	2,261,064	6.18%	2,107,360	5.96%
Intergovernmental on behalf payments	1,920,198	5.25%	1,802,787	5.10%
Charges for services	599,494	1.64%	778,764	2.20%
Licenses and permits	767,671	2.10%	506,810	1.43%
Miscellaneous	294,398	.81%	299,820	.85%
<b>Total Revenues</b>	<u><u>36,555,140</u></u>	<u><u>100.00%</u></u>	<u><u>35,334,248</u></u>	<u><u>100.00%</u></u>

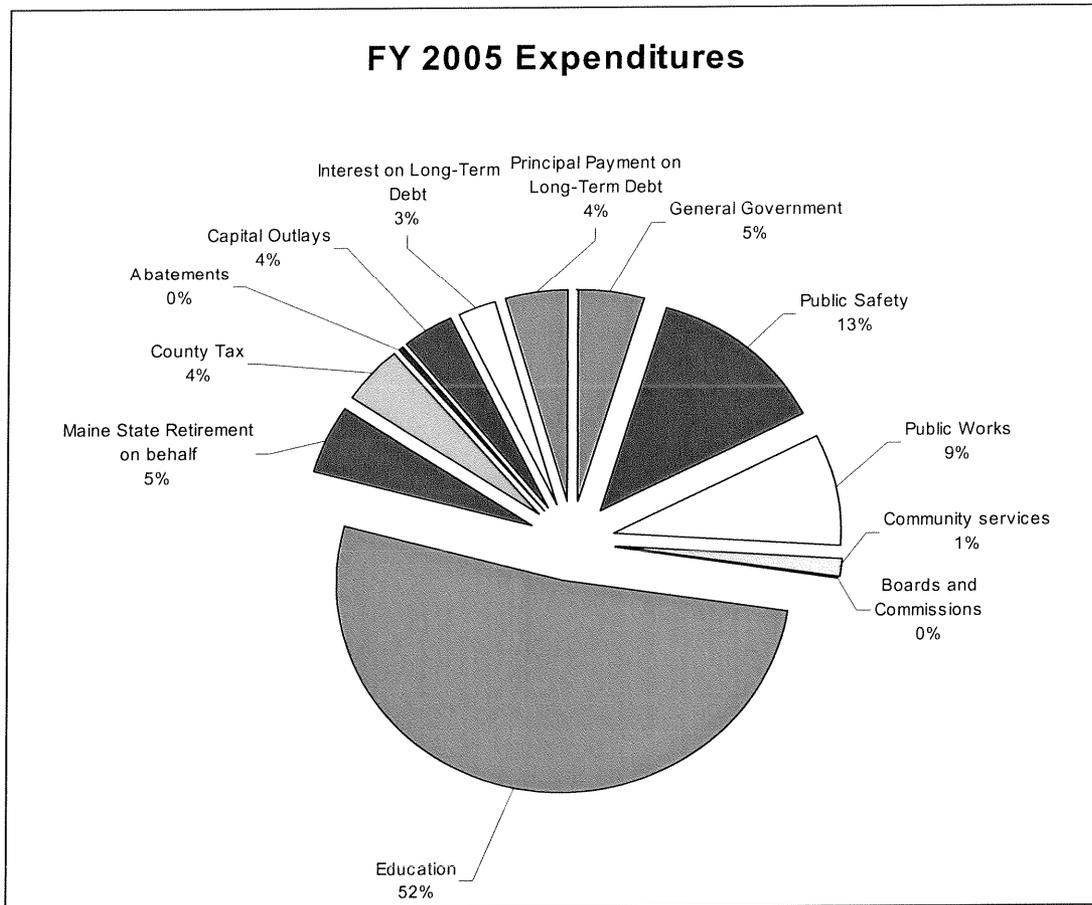
Revenues from all sources increased 3.45% from the previous year. Auto excise taxes collected increased about 2% from last year to this. All revenues related to parking (beach parking stickers, meter collections and parking tickets) are somewhat dependent on the summer weather and sufficient staffing to collect the revenues and monitor the parking. Property taxes are up 3% from the previous year and make up the large majority of revenues.



The following schedule presents a summary of expenditures for the fiscal year ended June 30, 2005:

<b><i>Expenditures:</i></b>	<b><i>FY 2005</i></b>	<b><i>Percent</i></b>	<b><i>FY 2004</i></b>	<b><i>Percent</i></b>
	<b><i>Amount</i></b>	<b><i>of Total</i></b>	<b><i>Amount</i></b>	<b><i>of Total</i></b>
<i>General Government</i>	1,767,821	4.84%	1,673,316	4.80%
<i>Public Safety</i>	4,573,529	12.56%	4,362,219	12.52%
<i>Public Works</i>	3,194,479	8.78%	2,949,064	8.47%
<i>Community services</i>	466,183	1.28%	453,133	1.30%
<i>Boards and Commissions</i>	16,890	.05%	22,566	.07%
<i>Education</i>	18,785,622	51.61%	17,853,266	51.25%
<i>Maine State Retirement on behalf</i>	1,920,198	5.27%	1,802,787	5.18%
<i>County Tax</i>	1,596,782	4.39%	1,581,837	4.54%
<i>Abatements</i>	95,178	.26%	131,051	.38%
<i>Capital Outlays</i>	1,337,706	3.67%	1,314,010	3.77%
<i>Interest on Long-Term Debt</i>	1,058,386	2.91%	1,113,347	3.20%
<i>Principal Payment on Long-Term Debt</i>	1,593,824	4.38%	1,575,858	4.52%
<b><u>Total Expenditures</u></b>	<b><u>\$36,406,598</u></b>	<b><u>100.00%</u></b>	<b><u>\$34,832,454</u></b>	<b><u>100.00%</u></b>

Overall expenditures increased 4.5%, a modest predictable increase considering personnel contracts and agreements, employee benefit costs, fuel costs and a quite expensive winter that resulted in an overdraft in the winter budget fueled by an extraordinary \$225,000 in salt purchases.



### GENERAL FUND BUDGETARY HIGHLIGHTS

The winter of 2004-2005 had a significant impact on the Town of York. The state declared four storm emergencies and the Town had significant flooding and storm damage as a result. Extensive FEMA projects are in the works for FY2006. The Town will be applying for reimbursement when the projects are completed. In addition, as allowed by Town Charter, the winter budget was overdrafted due to a large number of callouts to deal with winter weather and icing conditions, some of which were covered by the aforementioned FEMA storm declarations. Changes in Homeland Security policy prompted the Public Safety departments to apply for funds to upgrade equipment necessary to prepare for such an event, equipping the schools, fire stations and police stations with appropriate apparatus.

Although a \$500,000 utilization of fund balance was approved by voters to reduce tax appropriations, a net \$396,247 was added to undesignated general fund balance, bringing it to \$5,122,506, keeping York in a very healthy fund balance position. Public Safety, Public Works and the Parks department make good use of grant funds, leveraging them with matching tax appropriations.

With taxes receivable of only \$536,236 on total tax bills of nearly \$28 million, the Town of York enjoys a remarkable tax collection rate. Along with a healthy fund balance and prudent investments, the Town's cash flow is managed well, and does not require any short-term borrowing. The Town continues to maintain its Standard and Poor's AA rating.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of June 30, 2005, the Town had \$51.7 million invested in capital assets including substantial funding for paving and construction of town roads. Funds were earmarked for replacement fire vehicles, police vehicles, plow and pickup trucks. Municipal buildings are decades- and centuries-old requiring some updating of heating systems and roof replacements.

	<b>Capital Assets</b>	<b>Accumulated Depreciation at June 30, 2005</b>	<b>Capital Assets Net of Depreciation</b>
Land	\$ 7,176,061	\$ -	\$ 7,176,061
Buildings & Improvements	35,771,336	9,987,564	25,783,772
Land Improvements	28,255,448	11,547,661	16,707,787
Equipment	2,026,154	1,529,073	497,081
Vehicles	5,353,463	3,760,525	1,592,938
<b>TOTALS</b>	<b><u>\$ 78,582,462</u></b>	<b><u>\$ 26,824,823</u></b>	<b><u>\$ 51,757,639</u></b>

This year's major additions included:

Purchase of Strawberry Island (public water access)	\$ 254,013
Repaving and rebuilding of Town Roads	673,329
Heavy Plow Truck	93,432
Acquisition of Open Space Acreage	200,000
Building of Athletic Fields	154,036
Other Additions	398,636
	<b><u>\$ 1,773,446</u></b>

### Debt

At year-end, the Town had \$19,752,009 in outstanding notes representing a reduction of \$1,593,824:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds	\$ 19,752,009	\$ 21,345,833	\$ -	\$ -	\$ 19,752,009	\$ 21,345,833
Capital Lease obligations	216,459	154,886			216,459	154,886
Compensated absences	667,246	665,266			677,246	665,266
<b>Totals</b>	<b><u>\$ 20,635,714</u></b>	<b><u>\$ 22,165,985</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 20,635,714</u></b>	<b><u>\$ 22,165,985</u></b>

There was no new debt issued in 2005. Other obligations of the Town include accrued compensated absences in the amount of \$667,246.

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

FY 2005 continued the discussion begun in the previous year concerning recommendations made in the pavement management study. Future capital planning and current capital spending addresses some of these concerns as well as drainage issues that continue to be evident as development increases and puts pressure on the existing system. Continued reassessment of pavement conditions and drainage issues will drive a large portion of future projects and spending.

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

Year	Total Valuation	Valuation Increase	Total Tax Bills	Tax Bill Increase	Mil Rate
2003	\$ 2,564,463,024		26,285,720		\$10.25
2004	\$ 2,805,191,350	9.39%	27,205,357	3.50%	\$ 9.70
2005	\$ 3,197,719,520	13.99%	27,980,046	2.85%	\$ 8.75
2006	\$ 3,503,231,200	9.55%	29,322,153	4.80%	\$ 8.46

With rising values and extensive new building, York's valuation increases each year enough to reduce tax rates and keep tax bills almost flat for a large percentage of the property owners. Those closest to the water see that property valuation translate to larger tax bills, yet there are segments of the population for which tax bills decrease each year. The tax rate for FY 2003 was \$10.25/thousand and for FY 2004 was \$9.70/thousand and fell to \$8.75/thousand for FY 2005. For FY 2006, the mil rate will be \$8.46. Total tax bills increased 3.25% from FY03 to FY04, 2.85% from FY04 to FY05 and 4.8% from FY05 to FY06 for a total increase FY03 to FY06 of 11.55%. During that same time period, the total valuation of the Town has increased 36.6%, from \$2.564 billion to \$3.503 billion.

Affordable housing is a major concern as property values cause more and more municipal employees and first-time homebuyers to look elsewhere for housing. The growth ordinance which has been in place for several years and has kept non-subdivision permits at 84 annually will sunset in 2006 unless the voters extend it. That growth 'cap' has caused a lot owner to wait 3.5 to 4 years for a building permit. It was put in place to give planners and the infrastructure a chance to accommodate increased growth and the inherent demands

Municipal facilities replacement is considered a top priority with a Public Safety building the number one concern followed closely by a Town Hall. Future land acquisition is necessary to make that a reality. There is a building reserve fund of more than \$550,000 expected to be used to offset a portion of future land and building costs.

## CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

## Statement of Net Assets

### Town of York, Maine

As of June 30, 2005

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 9,250,394	\$ -	\$ 9,250,394
Investments	1,549,478	31,614	1,581,092
Taxes receivable	536,236	-	536,236
Tax liens receivable	185,767	-	185,767
Accounts receivable	732,468	39,453	771,921
Inventory	17,294	38,212	55,506
Internal balances	59,519	(59,519)	-
Tax acquired property	22,266	-	22,266
Prepaid expenses	30,000	-	30,000
Capital assets, net of accumulated depreciation	51,757,639	-	51,757,639
<b>Total Assets</b>	<b>64,141,061</b>	<b>49,760</b>	<b>64,190,821</b>
<b>Liabilities</b>			
Accounts payable	796,530	16,830	813,360
Other accrued liabilities	4,505	-	4,505
Accrued payroll	1,139,211	-	1,139,211
Accrued interest payable	267,812	-	267,812
Deferred revenues	387	-	387
Escrow payable	221,765	-	221,765
Security deposits	2,097	-	2,097
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	1,588,823	-	1,588,823
Capital lease obligations	61,584	-	61,584
Accrued vacation and sick leave	407,249	-	407,249
Portion due or payable after one year:			
Bonds payable	18,163,186	-	18,163,186
Capital lease obligations	154,875	-	154,875
Accrued vacation and sick leave	259,997	-	259,997
<b>Total Liabilities</b>	<b>23,068,021</b>	<b>16,830</b>	<b>23,084,851</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	31,789,171	-	31,789,171
Restricted for endowments	20,955	-	20,955
Unrestricted	9,262,914	32,930	9,295,844
<b>Total Net Assets</b>	<b>\$ 41,073,040</b>	<b>\$ 32,930</b>	<b>\$ 41,105,970</b>

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

# Statement of Activities

## Town of York, Maine

### For the Year Ended June 30, 2005

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 1,822,388	\$ 277,910	\$ -	\$ -	(1,544,478)	\$ -	(1,544,478)
Public safety	4,747,252	419,781	155,695	1,839	(4,169,937)		(4,169,937)
Public works and sanitation	3,791,067	100,807	385,801	-	(3,304,459)		(3,304,459)
Community services	377,706	-	9,342	-	(368,364)		(368,364)
Boards and commissions	19,709	25,501	-	-	5,792		5,792
Education	20,854,551	864,655	1,694,428	-	(18,295,468)		(18,295,468)
Maine State Retirement on-behalf payments	1,920,198	-	1,920,198	-	-		-
County tax	1,596,782	-	-	-	(1,596,782)		(1,596,782)
Abateements	95,178	-	-	-	(95,178)		(95,178)
Unclassified	869,409	703,539	284,625	219,799	338,534		338,534
Capital outlay	165,399	-	-	-	(165,399)		(165,399)
Interest on long-term debt	1,057,336	-	-	-	(1,057,336)		(1,057,336)
<b>Total Governmental Activities</b>	<b>37,316,975</b>	<b>2,392,193</b>	<b>4,450,089</b>	<b>221,638</b>	<b>(30,253,055)</b>		<b>(30,253,055)</b>
<b>Business-type Activities:</b>							
Recreation	453,289	301,334	50,150	-	-	\$ (101,805)	(101,805)
Mt. Agamencicus	49,350	48,178	-	-	-	(1,172)	(1,172)
Sohier Park	159,002	107,019	4,183	-	-	(47,800)	(47,800)
Goodrich Park	5,722	5,200	-	-	-	(522)	(522)
Outside duty	109,445	87,951	-	-	-	(21,494)	(21,494)
Printing	-	-	-	-	-	-	-
Senior transportation	31,395	7,580	11,000	-	-	(12,815)	(12,815)
<b>Total Business-type Activities</b>	<b>808,203</b>	<b>557,262</b>	<b>65,333</b>	<b>-</b>	<b>-</b>	<b>(185,608)</b>	<b>(185,608)</b>
<b>Total Primary Government</b>	<b>\$ 38,125,178</b>	<b>\$ 2,949,455</b>	<b>\$ 4,515,422</b>	<b>\$ 221,638</b>	<b>(30,253,055)</b>	<b>(185,608)</b>	<b>(30,438,663)</b>
<b>General revenues:</b>							
Taxes					30,722,315	-	30,722,315
Intergovernmental					828,051	-	828,051
Miscellaneous					278,729	28	278,757
Investment income					287,118	543	287,661
Transfers					(105,406)	105,406	-
<b>Total General Revenues and Transfers</b>					<b>32,010,807</b>	<b>105,977</b>	<b>32,116,784</b>
<b>Change in Net Assets</b>					<b>1,757,752</b>	<b>(79,631)</b>	<b>1,678,121</b>
Net assets at beginning of year, as reported					39,455,115	112,561	39,567,676
Prior period adjustment					(139,827)	-	(139,827)
Net assets at beginning of year, as reported					39,315,288	112,561	39,427,849
<b>Net Assets at End of Year</b>					<b>\$ 41,073,040</b>	<b>\$ 32,930</b>	<b>\$ 41,105,970</b>

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

## Balance Sheet - Governmental Funds

### Town of York, Maine

As of June 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Cash and cash equivalents	\$ 9,245,011	\$ 5,383	\$ 9,250,394
Investments	-	1,549,478	1,549,478
Taxes receivable	536,236	-	536,236
Tax liens receivable	185,767	-	185,767
Accounts receivable	449,325	283,143	732,468
Due from other funds	793,343	2,069,100	2,862,443
Inventory	-	17,294	17,294
Prepaid expenses	30,000	-	30,000
Tax acquired property	22,266	-	22,266
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Assets</b>	<b>\$ 11,261,948</b>	<b>\$ 3,924,398</b>	<b>\$ 15,186,346</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 600,366	\$ 196,164	\$ 796,530
Other accrued liabilities	4,505	-	4,505
Accrued payroll	1,132,072	7,139	1,139,211
Due to other funds	2,093,729	709,195	2,802,924
Deferred revenues	441,387	-	441,387
Escrow payable	221,765	-	221,765
Security deposits	2,097	-	2,097
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities</b>	<b>4,495,921</b>	<b>912,498</b>	<b>5,408,419</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Fund Balances</b>			
Reserved for:			
Endowments	-	20,955	20,955
Unreserved:			
Designated for subsequent year's expenditures	1,643,521	2,990,945	4,634,466
Undesignated	5,122,506	-	5,122,506
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Fund Balances</b>	<b>6,766,027</b>	<b>3,011,900</b>	<b>9,777,927</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,261,948</b>	<b>\$ 3,924,398</b>	<b>\$ 15,186,346</b>
	<u>          </u>	<u>          </u>	<u>          </u>

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

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

## Town of York, Maine

As of June 30, 2005

**Total Fund Balances - Governmental Funds** \$ 9,777,927

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

Capital assets used in governmental activities are not financial  
resources and therefore are not reported as assets in governmental  
funds. The cost of capital assets, net of accumulated depreciation is: 51,757,639

Property tax revenues are presented on the modified accrual basis  
of accounting in the governmental funds but in the Statement of  
Activities, property tax revenue is reported under the accrual method.  
The balance in deferred property tax revenue in the governmental  
funds as a liability is: 441,000

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

Bonds payable	\$ (19,752,009)	
Capital lease obligations	(216,459)	
Accrued interest payable	(267,812)	
Accrued vacation and sick leave	<u>(667,246)</u>	
		<u>(20,903,526)</u>

**Total Net Assets - Governmental Activities** \$ 41,073,040

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

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

**Town of York, Maine**

**For the Year Ended June 30, 2005**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Taxes	\$ 30,712,315	\$ -	\$ 30,712,315
Intergovernmental	2,261,064	1,318,516	3,579,580
Intergovernmental on-behalf payments	1,920,198	-	1,920,198
Charges for services	599,494	1,077,407	1,676,901
Licenses, permits, and fees	767,671	-	767,671
Miscellaneous	294,398	264,346	558,744
<b>Total Revenues</b>	<b>36,555,140</b>	<b>2,660,269</b>	<b>39,215,409</b>
<b>Expenditures</b>			
Current			
General government	1,767,821	-	1,767,821
Public safety	4,573,529	-	4,573,529
Public works and sanitation	3,194,479	-	3,194,479
Community services	466,183	-	466,183
Boards and commissions	16,890	-	16,890
Education	18,785,622	1,483,848	20,269,470
MSRS on-behalf payments	1,920,198	-	1,920,198
County tax	1,596,782	-	1,596,782
Abatements	95,178	-	95,178
Unclassified	-	833,167	833,167
Debt service - principal	1,593,824	-	1,593,824
- interest	1,058,386	-	1,058,386
Capital outlays	1,337,706	601,139	1,938,845
<b>Total Expenditures</b>	<b>36,406,598</b>	<b>2,918,154</b>	<b>39,324,752</b>
<b>Revenues Over (Under) Expenditures</b>	<b>148,542</b>	<b>(257,885)</b>	<b>(109,343)</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from capital lease obligation	125,589	-	125,589
Operating transfers in	94,000	37,858	131,858
Operating transfers out	(221,333)	(15,931)	(237,264)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,744)</b>	<b>21,927</b>	<b>20,183</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>146,798</b>	<b>(235,958)</b>	<b>(89,160)</b>
Fund balances at beginning of year	6,619,229	3,247,858	9,867,087
<b>Fund Balances at End of Year</b>	<b>\$ 6,766,027</b>	<b>\$ 3,011,900</b>	<b>\$ 9,777,927</b>

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

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

## Town of York, Maine

As of June 30, 2005

**Net Change in Fund Balances - Total Governmental Funds** \$ (89,160)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation expense in the current period:

Capital outlays	\$ 1,938,845	
Expenditures included in capital outlays that were not capitalized as additions to capital assets	<u>(165,399)</u>	
Additions to capital assets	1,773,446	
Depreciation expense	<u>(1,422,579)</u>	350,867

Property tax revenues are presented on the modified accrual basis of accounting in the governmental funds but in the Statement of Activities, property tax revenue is reported under the accrual method. The current year change in deferred property tax revenue reported in the governmental funds and not in the Statement of Activities is: 10,000

In the Statement of Activities, only the net loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold, net of accumulated depreciation. (45,276)

Debt proceeds and entering into capital lease obligations provide current resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt and capital lease obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which long-term debt and capital lease payments exceeded proceeds from entering into capital lease obligations in the current period:

Principal portion of debt service payments	1,593,824	
Proceeds from capital lease obligations	(125,589)	
Reductions in capital lease obligations	<u>64,016</u>	1,532,251

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

Change in accrued interest payable	1,050	
Change in accrued vacation and sick leave	<u>(1,980)</u>	(930)

**Change in Net Assets of Governmental Activities** \$ 1,757,752

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

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

## Town of York, Maine

For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 30,576,131	\$ 30,576,131	\$ 30,712,315	\$ 136,184
Intergovernmental	1,716,345	1,855,827	2,261,064	405,237
Intergovernmental on-behalf payments	-	-	1,920,198	1,920,198
Charges for services	485,400	1,003,250	599,494	(403,756)
Licenses, permits, and fees	229,000	229,000	767,671	538,671
Miscellaneous	414,700	414,700	294,398	(120,302)
<b>Total Revenues</b>	<u>33,421,576</u>	<u>34,078,908</u>	<u>36,555,140</u>	<u>2,476,232</u>
<b>Expenditures</b>				
Current				
General government	1,932,999	1,932,999	1,767,821	165,178
Public safety	4,386,692	4,707,620	4,573,529	134,091
Public works and sanitation	3,005,465	3,341,869	3,194,479	147,390
Community services	462,088	462,088	466,183	(4,095)
Boards and commissions	107,180	107,180	16,890	90,290
Education	19,227,831	19,227,831	18,785,622	442,209
MSRS on-behalf payments	-	-	1,920,198	(1,920,198)
County tax	1,596,782	1,596,782	1,596,782	-
Abatements	-	-	95,178	(95,178)
Debt service - principal	1,593,824	1,593,824	1,593,824	-
- interest	1,073,384	1,073,384	1,058,386	14,998
Capital outlays	1,744,732	1,744,732	1,337,706	407,026
<b>Total Expenditures</b>	<u>35,130,977</u>	<u>35,788,309</u>	<u>36,406,598</u>	<u>(618,289)</u>
<b>Revenues Over (Under) Expenditures</b>	(1,709,401)	(1,709,401)	148,542	1,857,943
<b>Other Financing Sources (Uses)</b>				
Proceeds from capital lease obligation	-	-	125,589	125,589
Operating transfers in	94,000	94,000	94,000	-
Operating transfers out	(165,475)	(165,475)	(221,333)	(55,858)
Utilization of designated surplus	1,730,516	1,730,516	-	(1,730,516)
Utilization of undesignated surplus	500,000	500,000	-	(500,000)
<b>Total Other Financing Sources (Uses)</b>	<u>2,159,041</u>	<u>2,159,041</u>	<u>(1,744)</u>	<u>(2,160,785)</u>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	\$ 449,640	\$ 449,640	146,798	\$ (302,842)
Fund balance at beginning of year			<u>6,619,229</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 6,766,027</u>	

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

# Combined Statement of Net Assets

## All Proprietary Fund Types - Business-type Activities - Enterprise Funds

### Town of York, Maine

As of June 30, 2005

#### Assets

Investments	\$	31,614
Accounts receivable		39,453
Due from other funds		30,803
Inventory		<u>38,212</u>
<b>Total Assets</b>		<b>140,082</b>

#### Liabilities

Accounts payable		16,830
Due to other funds		<u>90,322</u>
<b>Total Liabilities</b>		<b><u>107,152</u></b>

#### Net Assets

Unrestricted		<u>32,930</u>
<b>Total Net Assets</b>	<b>\$</b>	<b><u><u>32,930</u></u></b>

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

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

**Town of York, Maine**

**For the Year Ended June 30, 2005**

<b>Operating Revenues</b>	
Charges for services	\$ 557,262
Other	<u>65,904</u>
<b>Total Operating Revenues</b>	<b>623,166</b>
<b>Operating Expenses</b>	
Designated purposes	<u>808,203</u>
<b>Total Operating Expenses</b>	<b><u>808,203</u></b>
	<b>Operating Loss</b> (185,037)
<b>Other Financing Sources (Uses)</b>	
Operating transfers in	105,406
Operating transfers out	<u>-</u>
<b>Total Other Financing Sources</b>	<b><u>105,406</u></b>
	<b>Decrease in Net Assets</b> (79,631)
Net assets at beginning of year	<u>112,561</u>
<b>Net Assets at End of Year</b>	<b>\$ <u><u>32,930</u></u></b>

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

## Statement of Cash Flows

### All Proprietary Fund Types - Business-type Activities - Enterprise Funds

## Town of York, Maine

For the Year Ended June 30, 2005

#### Cash Flows from Operating Activities

Receipts from customers and users	\$ 562,035
Receipts from intergovernmental sources	-
Other operating receipts	65,904
Payments to and on behalf of employees	(416,977)
Payments to suppliers and vendors	<u>(315,825)</u>
<b>Net Cash Used by Operating Activities</b>	<b>(104,863)</b>

#### Cash Flows from Noncapital Financing Activities

Transfers in from other funds	105,406
Transfers out to other funds	<u>-</u>
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>105,406</b>

#### Cash Flows from Investing Activities

Purchase of investments	<u>(543)</u>
<b>Net Cash Used by Investing Activities</b>	<b><u>(543)</u></b>

**Increase (Decrease) in Cash** -

Cash at beginning of year

-

**Cash at End of Year** \$ -

#### Reconciliation of Operating Income (Loss) to

##### Net Cash Provided (Used) by Operating Activities:

Operating income (loss)	\$ (185,037)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in operating assets:	
Accounts receivable	4,773
Due from other funds	(8,050)
Inventory	23,753
Increase (decrease) in operating liabilities:	
Accounts payable	3,838
Due to other funds	<u>55,860</u>
<b>Net Cash Used by Operating Activities</b>	<b>\$ <u><u>(104,863)</u></u></b>

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

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

**Town of York, Maine**

**As of June 30, 2005**

	<u>Student Activity Accounts</u>
<b>Assets</b>	
Cash	\$ 78,931
<b>Total Assets</b>	<u>78,931</u>
<b>Liabilities</b>	
Held for student activities and other purposes	<u>78,931</u>
<b>Total Liabilities</b>	<u>78,931</u>
	<b>Net Assets</b> \$ <u><u>-</u></u>

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

## Notes to Financial Statements

### Town of York, Maine

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

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

#### Principles Determining Scope of Reporting Entity

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

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

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

#### Basis of Presentation

##### Government-wide Financial Statements

The statement of net assets and statement of activities report information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services for support.

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

## Notes to Financial Statements - Continued

### Town of York, Maine

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

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

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

#### Fund Financial Statements

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

#### Governmental Activities

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

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

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

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

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

#### Proprietary (Business-type) Activities

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

## Notes to Financial Statements - Continued

### Town of York, Maine

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

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

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

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

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

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

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

#### **Basis of Accounting**

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

#### Accrual

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

#### Modified Accrual

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

## Notes to Financial Statements - Continued

### Town of York, Maine

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

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

#### Cash and Cash Equivalents

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

#### Investments

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

#### Inventories

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

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

#### Capital Assets

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

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

#### Vacation and Sick Leave

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

## Notes to Financial Statements - Continued

### Town of York, Maine

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

##### **Budget**

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

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

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

The Town does not adopt budgets for special revenue funds.

##### **Estimates**

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

##### **Interfund Activity**

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

##### **Long-Term Obligations**

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

## Notes to Financial Statements - Continued

### Town of York, Maine

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

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

#### Debt Issuance Costs

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

#### Revenue Recognition - Property Taxes

The Town's property tax for the current year was levied August 17, 2004, on the assessed value listed as of April 1, 2004, for all real and personal property located in the Town. Taxes were due October 1, 2004 and February 4, 2005. Interest on unpaid taxes commenced on October 2, 2004 and February 5, 2005, at 6.5% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$449,640 (2%) for the year ended June 30, 2005.

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

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note B - Cash and Investments

The Town conducts all its banking and investment transactions with depository banks and investment firms.

#### Custodial Credit Risk - Deposits

At June 30, 2005, the carrying amount of the Town's deposits was \$9,329,325 and the bank balance was \$9,230,384. The difference between these balances relates to deposits in transit, outstanding checks and cash on hand at year-end.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy on custodial credit risk. At June 30, 2005, \$233,584 of the Town's bank balance of \$9,230,384 was exposed to credit risk as follows:

Uninsured and uncollateralized	\$ <u>233,584</u>
--------------------------------	-------------------

#### Investments

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, certain corporate stocks and bonds and mutual funds.

At June 30, 2005, the Town's investment portfolio consisted of stocks and U.S. Government Securities. The carrying amount of the Town's investments was \$1,581,092 (market).

The Town's investments are categorized to give an indication of the level of risk assumed by the Town at year-end. These categories are defined as follows:

- Category # 1 - Includes investments that are insured or registered, or securities held by The Town or its agent in the Town's name.
- Category # 2 - Includes uninsured and unregistered investments with securities held by the broker, or dealer, or by its trust department or agent but not in the Town's name.
- Category # 3 - Includes uninsured and unregistered investments with securities held by the broker, dealer, bank, or by its trust department or agent but not in the Town's name.

**Notes to Financial Statements - Continued**

**Town of York, Maine**

**Note B - Cash and Investments - Continued**

<u>Investment vehicle</u>	<u>Balance</u>	<u>#1</u>	<u>Category #2</u>	<u>#3</u>
Mutual funds	\$ <u>1,581,092</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

Investments in mutual funds are not subject to categorization.

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note C - Capital Assets

A summary of capital assets transactions for the year ended June 30, 2005, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Non-Depreciable Assets:				
Land	\$ 6,722,048	\$ 454,013	\$ -	\$ 7,176,061
Depreciable Assets:				
Buildings and improvements	35,746,869	24,467	-	35,771,336
Land improvements	27,387,438	868,010	-	28,255,448
Equipment	1,989,654	36,500	-	2,026,154
Vehicles	<u>5,100,659</u>	<u>390,456</u>	<u>137,652</u>	<u>5,353,463</u>
Totals at historical cost	76,946,668	1,773,446	137,652	78,582,462
Less accumulated depreciation:				
Buildings and improvements	9,299,294	688,270	-	9,987,564
Land improvements	11,178,049	369,612	-	11,547,661
Equipment	1,417,850	111,223	-	1,529,073
Vehicles	<u>3,599,427</u>	<u>253,474</u>	<u>92,376</u>	<u>3,760,525</u>
Total accumulated depreciation	<u>25,494,620</u>	<u>1,422,579</u>	<u>92,376</u>	<u>26,824,823</u>
Net Capital Assets	<u>\$ 51,452,048</u>	<u>\$ 350,867</u>	<u>\$ 45,276</u>	<u>\$ 51,757,639</u>

Depreciation expense was charged to the following functions:

<b>Governmental activities:</b>	
General government	\$ 45,562
Public safety	164,559
Public works and sanitation	556,977
Community services	3,565
Boards and commissions	2,819
Education	<u>649,097</u>
Total governmental activities depreciation expense	<u>\$ 1,422,579</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note D - Interfund Receivables and Payables

Interfund balances at June 30, 2005 consisted of the following individual fund receivables and payables:

<b>Governmental Activities</b>	Receivables	Payables	Net
<u>General Fund:</u>	<u>Due from</u>	<u>(Due to)</u>	<u>Internal</u>
<u>Special Revenue:</u>			<u>Balances</u>
Airport Drive	\$ -	\$ (27,506)	
Athletic Fields	-	(7,879)	
Beach Fire Truck	-	(5,216)	
Beach Reserve	-	(32,235)	
Bog Road	22,988	-	
Capital Equipment	-	(25,000)	
Code Enforcement	-	(78,078)	
Earned Time	-	(40,000)	
FEMA Fire Grant	-	(973)	
Fireworks	10,756	-	
Fisherman's Memorial	-	(205)	
GIS Mapping	-	(112,893)	
Goodrich Park	3,786	-	
Harbor and Wharf	65,508	-	
Harbor Beach Bathhouse	-	(2,411)	
Harbor Dredge	-	(43,396)	
Historic Markers	24	-	
Hoist Repair	-	(700)	
Homeland Security	184,442	-	
Impact Fees	321,800	-	
Long Sands Bathhouse	-	(468)	
Nubble Light	-	(605)	
MMA Wellness	-	(52)	
Mt. Agamenticus Trails 2004	-	(2,494)	
Mt. Agamenticus Trails 2005	2,763	-	
Mt. Agamenticus Coordinator	5,441	-	
Open Space	-	(13,526)	
Performance Accounts	-	(176,623)	
Public Works Equipment	14,458	-	
350 <sup>th</sup> Committee	-	(2,601)	
Unemployment Compensation	5,802	-	
Wheeler Marsh Restoration	-	(17,976)	
School categorical programs	26,491	(209,201)	
School lunch program	44,471	-	
	<u>\$ 708,730</u>	<u>\$ (800,038)</u>	

**Notes to Financial Statements - Continued**

**Town of York, Maine**

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

	Receivables <u>Due from</u>	Payables <u>(Due to)</u>	Net Internal <u>Balances</u>
Capital Projects:			
Middle School renovations	\$ -	\$(1,254,606)	
High School renovations	<u>-</u>	<u>(14,456)</u>	
	-	(1,269,062)	
Permanent Fund:			
Clark/Emerson Trust Fund	465	-	
<i>Business-type Activities:</i>			
Enterprise Funds:			
Recreation	9,586	-	
Mt. Agamenticus	14,474	-	
Sohier Park	57,726	-	
Goodrich Park	955	-	
Outside Duty	6,174	-	
Printing	1,407	-	
Senior Transportation	<u>-</u>	<u>(30,803)</u>	
	<u>90,322</u>	<u>(30,803)</u>	
General Fund	<u>\$ 799,517</u>	<u>\$(2,099,903)</u>	

## Notes to Financial Statements - Continued

### Town of York, Maine

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

	Receivables <u>Due from</u>	Payables <u>(Due to)</u>	Net Internal <u>Balances</u>
<u>Other Governmental Funds:</u>			
<i>Special Revenue:</i>			
General Fund:			
Airport Drive	\$ 27,506	\$ -	
Athletic Fields	7,879	-	
Beach Fire Truck	5,216	-	
Beach Reserve	32,235	-	
Bog Road	-	(22,988)	
Capital Equipment	25,000	-	
Code Enforcement	78,078	-	
Earned Time	40,000	-	
FEMA Fire Grant	973	-	
Fireworks	-	(10,756)	
Fisherman's Memorial	205	-	
GIS Mapping	112,893	-	
Goodrich Park	-	(3,786)	
Harbor and Wharf	-	(65,508)	
Harbor Beach Bathhouse	2,411	-	
Harbor Dredge	43,396	-	
Historic Markers	-	(24)	
Hoist Repair	700	-	
Homeland Security	-	(184,442)	
Impact Fees	-	(321,800)	
Long Sands Bathhouse	468	-	
Nubble Light	605	-	
MMA Wellness	52	-	
Mt. Agamenticus Trails 2004	2,494	-	
Mt. Agamenticus Trails 2005	-	(2,763)	
Mt. Agamenticus Coordinator	-	(5,441)	
Open Space	13,526	-	
Performance Accounts	176,623	-	
Public Works Equipment	-	(14,458)	
350 <sup>th</sup> Committee	2,601	-	
Unemployment Compensation	-	(5,802)	
Wheeler Marsh Restoration	17,976	-	
School categorical programs	209,201	(26,491)	
School lunch program	-	(44,471)	
Special Revenue subtotal	<u>\$ 800,038</u>	<u>\$ (708,730)</u>	

**Notes to Financial Statements - Continued**

**Town of York, Maine**

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

	Receivables <u>Due from</u>	Payables <u>(Due to)</u>	Net Internal <u>Balances</u>
<i>Capital Projects:</i>			
General Fund:			
Middle School renovations	\$ 1,254,606	\$ -	
High School renovations	<u>14,456</u>	<u>-</u>	
Capital Projects subtotal	1,269,062	-	
 <i>Permanent Fund:</i>			
General Fund:			
Clark/Emerson Trust Fund	<u>-</u>	<u>(465)</u>	
Other Governmental Funds	<u>2,069,100</u>	<u>(709,195)</u>	
Total Governmental Funds	<u>\$ 2,868,617</u>	<u>\$(2,809,098)</u>	<u>\$ 59,519</u>
 <b>Business-type Activities:</b>			
<u>Enterprise Funds:</u>			
<i>General Fund:</i>			
Recreation	\$ -	\$ (9,586)	
Mt. Agamenticus	-	(14,474)	
Sohier Park	-	(57,726)	
Goodrich Park	-	(955)	
Outside Duty	-	(6,174)	
Printing	-	(1,407)	
Senior Transportation	<u>30,803</u>	<u>-</u>	
Total Business-type Activities	<u>\$ 30,803</u>	<u>\$(90,322)</u>	<u>\$ (59,519)</u>

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

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note E - Interfund Transfers

Interfund transfers for the year ended June 30, 2005 consisted of the following amounts:

<b>Governmental Activities</b>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<u>General Fund:</u>			
<i>Other Governmental Funds:</i>			
Capital Projects	\$ 94,000	\$ -	\$ 94,000
Special Revenues	-	(131,858)	(131,858)
Enterprise		(89,475)	(89,475)
 <u>Other Governmental Funds:</u>			
<i>Capital Projects:</i>			
General Fund	-	(94,000)	(94,000)
 <i>Special Revenue:</i>			
General Fund	131,858	-	131,858
 <i>Enterprise:</i>			
General Fund	<u>89,475</u>	<u>-</u>	<u>89,475</u>
<b>Total Interfund Transfers</b>	<u>\$ 315,333</u>	<u>\$ (315,333)</u>	<u>\$ -</u>

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

#### Note F - Deferred Revenue

At June 30, 2005 deferred revenues consisted of the following:

Deferred property taxes	\$ 441,000
Net unsettled refunds & reimbursements	<u>387</u>
	<u>\$ 441,387</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note G - Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
<b>Governmental Activities:</b>					
General obligation debt	\$ 21,345,833	\$ -	\$ 1,593,824	\$ 19,752,009	\$ 1,588,823
Capital lease obligations	154,886	125,589	64,016	216,459	61,584
Compensated absences	<u>665,266</u>	<u>338,849</u>	<u>336,869</u>	<u>667,246</u>	<u>407,249</u>
Total Governmental	<u>\$ 22,165,985</u>	<u>\$ 464,438</u>	<u>\$ 1,994,709</u>	<u>\$ 20,635,714</u>	<u>\$ 2,057,656</u>

#### Long-Term Debt:

At June 30, 2005 long-term debt consisted of the following individual issues:

1998 General Obligation Refunding Bond maturing March 1, 2011, annual payment ranging from \$330,000 to \$390,000, variable interest rate from 4.1% to 4.6%.	\$ 2,095,000
1999 General Obligation Bond maturing April 1, 2019, annual payments of \$230,000 each to 2003, and \$275,000 each to 2019 with annual rate of interest from 4.2% to 4.8%.	3,850,000
2000 General Obligation Bond maturing April 1, 2020, annual payments of \$800,000 to 2019, and one payment of \$780,000, with annual rate of interest from 5% to 5.5%.	11,980,000
2001 General Obligation Bond maturing September 1, 2021, annual payments of \$90,000 to 2021, with annual rate of interest from 3.5% to 4.8%.	1,530,000
Revolving Renovation Fund Loan, maturing June 1, 2011, annual payments of \$30,858 each. This loan is interest free.	185,147
Revolving Renovation Fund Loan, maturing June 1, 2009, annual payments of \$27,965 each. This loan is interest free.	<u>111,862</u>
	<u>\$19,752,009</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

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

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

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 1,588,823	\$ 943,375	\$ 2,532,198
2007	1,583,823	873,345	2,457,168
2008	1,578,823	803,120	2,381,943
2009	1,568,824	732,528	2,301,352
2010	1,535,858	661,750	2,197,608
2011-2015	6,185,858	2,335,107	8,520,965
2016-2020	5,530,000	868,253	6,398,253
2021-2022	<u>180,000</u>	<u>8,640</u>	<u>188,640</u>
Total	<u>\$ 19,752,009</u>	<u>\$ 7,226,118</u>	<u>\$ 26,978,127</u>

#### Capital Lease Obligations:

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

The following is a schedule of future minimum payments required under the leases as of June 30, 2005:

Year ending <u>June 30,</u>	
2006	\$ 69,864
2007	42,416
2008	42,415
2009	42,416
2010	<u>42,415</u>
Total minimum lease payments	239,526
Less amount representing interest	<u>23,067</u>
Present value of minimum lease payments	<u>\$ 216,459</u>

#### Note H - Debt Reimbursement

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

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note I - Designated Fund Balance

At June 30, 2005 the designated fund balance applicable to future periods was as follows:

Debt service - Long Sands sewer	\$ 6,494
Tree care	6,452
General highway - southside culvert	25,000
Contracted services	5,600
Josiah Norton Road	15,704
Police vehicles	55,834
Police radios	5,903
Hot top	104,071
Fisherman's Walk renovations	36,927
Fire truck reserve	116,766
Dispatch software	5,760
Bell Marsh Road	(9,237)
York Corner traffic signals	7,646
Printing/Records management	21,914
Accounting software	7,850
Route 1/Route 91 redesign	39,119
E911	18,103
Village Fire Squad 1 mechanical upgrade	14,500
York Beach Fire siding	21,000
Septic system at York Beach garage	10,000
COPS funds	89,482
Police Dept facility plan	55,000
Maine State Retirement debt service	29,655
Conservation Commission	1,046
Road repair/rebuild	68,208
Drainage	21,418
Town Hall heating system	38,051
Seawall repair	22,557
Long Sands Road rebuild	30,000
Sidewalk snowblower	6,600
Education	766,098
	<u>\$ 1,643,521</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note J - Commitment and Contingencies

##### Grant Funds

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

#### Note K - Retirement Plan

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

**Description of the Plan** - The Town contributes to Maine State Retirement System Consolidated Plan, a cost sharing multiple-employer public employee retirement system established by the Maine State legislature. The Maine State Retirement System provided retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. The Maine State Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. A complete report is available from the Maine State Retirement System.

**Funding Policy** - Plan members are required to contribute 6.5% of their annual covered salary and the Town is required to contribute an actuarially determined rate. The contribution rates of plan members and the Town of York are established and may be amended by the Maine State retirement System Board of Trustees. The Town's contributions to the Maine State Retirement System Consolidated Plan for the year ended June 30, 2005 was \$12,916, equal to the required contribution.

**Teacher Group - Description of the Plan** - All school teachers, plus other qualified educators, participate in the Maine State Retirement System's teacher group. The teacher's group is a cost sharing plan with a special funding situation, established by the Maine State legislature. The Maine State Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. The Maine State Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher's Group. A complete report is available from the Maine State Retirement System.

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note K - Retirement Plan - Continued

**Funding Policy** - Plan members are required to contribute 7.65% of their compensation to the retirement system. The State of Maine Department of Education is required, by the same statute, to contribute the employer contribution which amounts to \$1,920,198 (17.77%) for the fiscal year 2005. This amount has been reported as an intergovernmental revenue and education expenditure in the GAAP basis financial statements. There is no contribution required by the School except for federally funded teachers, for which the School contributed 17.77% of their compensation. This cost of charged to the applicable grant.

In addition, the Town offers its employees a deferred compensation plan created in accordance the Internal Revenue Code Section 457 through the International City Management Association Retirement Corporation. The deferred compensation plan is available to all employees of the Town. Under the plan, employees may elect to defer a portion of their salary and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Town's computed contribution to this plan for the year ended June 30, 2005 was approximately \$235,578. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the Town's financial statements.

The Town has also established a 401(a) Money Purchase Plan covering eligible employees of the York Police Department. Contributions by the Town to the plan during the year ended June 30, 2005 were approximately \$42,134.

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note L - Fund Balance Transfer

The Town transferred a portion of the Recreation Fund, an enterprise fund, to the Special Revenue Funds in the current year. Since the nature of the Mt. Agamenticus Trails and Mt. Agamenticus Coordinator operations involve receiving funding and donations for expenditures that are restricted for specified purposes, the activity of these funds will be accounted for in the Special Revenue Funds. The following special revenue accounts include a beginning balance transferred from the Enterprise Fund:

Mt. Agamenticus Trails 2004	\$ 2,694
Mt. Agamenticus Coordinator	<u>597</u>
	<u>\$ 3,291</u>

#### Note M - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the Town either carries commercial insurance, participates in a public entity risk pool, or is effectively self-insured. Currently, the Town participates in several public entity and self-insured risk pools sponsored by the Maine Municipal Association. Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities that should be recorded at June 30, 2005.

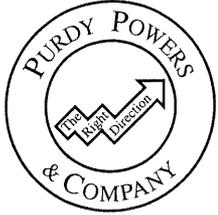
The Town of York agrees to indemnify police officers for claims and suits, which exceed the liability limits of the \$1,000,000 police liability policy, provided there is no willful negligence on behalf of the officers who are sued or against whom litigation is filed.

#### Note N - Litigation

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

#### Note O - Prior Period Adjustment

The Town's beginning net asset balance includes an adjustment related to debt from a previous year. In the current year, the debt terms of a loan through the revolving renovation fund were finalized. Long-term debt for the School Department has been increased by \$139,827 and beginning net assets were decreased by the same amount.



# PURDY POWERS & COMPANY

Certified Public Accountants

Stephen H. Purdy, CPA, CMA  
Marc J. Powers, CPA, CVA

Raymond G. Hamlin, CPA  
Bruce D. Moir, CPA, JD, MPA

Richard E. Emerson, Jr., CPA, CVA  
David J. Shorette, CPA, CVA

## Independent Auditors' Report on Supplemental Information

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

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information contained in the following schedules for the year ended June 30, 2005, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Purdy Powers & Company*  
Professional Association

**Portland, Maine  
December 21, 2005**

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

**Town of York, Maine**

**As of June 30, 2005**

	Special Revenue	Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash	\$ 4,958	\$ -	\$ 425	\$ 5,383
Investments	1,528,483	-	20,995	1,549,478
Due from other funds	800,038	1,269,062	-	2,069,100
Accounts receivable	283,143	-	-	283,143
Inventory	17,294	-	-	17,294
	<u>\$ 2,633,916</u>	<u>\$ 1,269,062</u>	<u>\$ 21,420</u>	<u>\$ 3,924,398</u>
<b>Total Assets</b>				
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 196,164	\$ -	\$ -	\$ 196,164
Accrued payroll	7,139	-	-	7,139
Due to other funds	708,730	-	465	709,195
	<u>912,033</u>	<u>-</u>	<u>465</u>	<u>912,498</u>
<b>Total Liabilities</b>				
<b>Fund Balances</b>				
Reserved for:				
Endowments	-	-	20,955	20,955
Unreserved:				
Designated	1,721,883	1,269,062	-	2,990,945
	<u>1,721,883</u>	<u>1,269,062</u>	<u>20,955</u>	<u>3,011,900</u>
<b>Total Fund Balances</b>				
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,633,916</u>	<u>\$ 1,269,062</u>	<u>\$ 21,420</u>	<u>\$ 3,924,398</u>

See accompanying independent auditors' report on supplemental financial information.

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

**Town of York, Maine**

**For the Year Ended June 30, 2005**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>				
Intergovernmental	\$ 1,318,516	\$ -	\$ -	\$ 1,318,516
Charges for services	1,077,407	-	-	1,077,407
Miscellaneous	<u>239,439</u>	<u>24,461</u>	<u>446</u>	<u>264,346</u>
<b>Total Revenues</b>	2,635,362	24,461	446	2,660,269
<b>Expenditures</b>				
Designated purpose	2,315,256	1,351	408	2,317,015
Capital outlay	<u>601,139</u>	<u>-</u>	<u>-</u>	<u>601,139</u>
<b>Total Expenditures</b>	<u>2,916,395</u>	<u>1,351</u>	<u>408</u>	<u>2,918,154</u>
<b>Revenues Over (Under) Expenditures</b>	(281,033)	23,110	38	(257,885)
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	131,858	(94,000)	-	37,858
Operating transfers out	<u>(15,931)</u>	<u>-</u>	<u>-</u>	<u>(15,931)</u>
<b>Total Other Sources (Uses)</b>	<u>115,927</u>	<u>(94,000)</u>	<u>-</u>	<u>21,927</u>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	(165,106)	(70,890)	38	(235,958)
Fund balances at beginning of year	<u>1,886,989</u>	<u>1,339,952</u>	<u>20,917</u>	<u>3,247,858</u>
<b>Fund Balances at End of Year</b>	<u>\$ 1,721,883</u>	<u>\$ 1,269,062</u>	<u>\$ 20,955</u>	<u>\$ 3,011,900</u>

See accompanying independent auditors' report on supplemental financial information.

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

## Town of York, Maine

As of June 30, 2005

	Assets						Liabilities				Fund Balance (Deficit) Designated	
	Cash	Investments	Due from		Inventory	Total Assets	Accounts Payable	Accrued Payroll	Due to			Total Liabilities
			Other Funds	Accounts Receivable					Other Funds	Total		
Airport Drive	\$ -	-	\$ 27,506	-	-	\$ 27,506	-	-	-	-	-	\$ 27,506
Athletic Fields	-	-	7,879	-	-	7,879	590	-	-	590	-	7,289
Beach Fire Truck	-	790	5,216	-	-	6,006	-	-	-	-	-	6,006
Beach Reserve	-	16,315	32,235	-	-	48,550	-	-	-	-	-	48,550
Bog Road	-	34,251	-	-	-	34,251	8,303	-	22,988	31,291	-	2,960
Building Fund	-	558,447	-	-	-	558,447	-	-	-	-	-	558,447
Capital Equipment	-	6,636	25,000	-	-	31,636	-	-	-	-	-	31,636
CMP Spur Road	-	20,396	-	-	-	20,396	-	-	-	-	-	20,396
Code Enforcement	-	-	78,078	-	-	78,078	3,038	-	-	3,038	-	75,040
Conservation Commission	-	3,851	-	-	-	3,851	-	-	-	-	-	3,851
Earned Time	-	78,350	40,000	-	-	118,350	-	-	-	-	-	118,350
FEMA Fire Grant	-	-	973	-	-	973	-	-	-	-	-	973
Fireworks	-	10,943	-	-	-	10,943	-	-	10,756	10,756	-	187
Fisherman's Memorial	-	471	205	-	-	676	-	-	-	-	-	676
GIS Mapping	-	-	112,893	-	-	112,893	-	-	-	-	-	112,893
Goodrich Park	-	4,035	-	-	-	4,035	-	-	3,786	3,786	-	249
Harbor & Wharf	-	169,406	-	50,000	-	219,406	150,000	-	65,508	215,508	-	3,898
Harbor Beach Bathhouse	-	-	2,411	-	-	2,411	-	-	-	-	-	2,411
Harbor Dredge	-	103,685	43,396	-	-	147,081	-	-	-	-	-	147,081
Historic Markers	-	3,609	-	-	-	3,609	-	-	24	24	-	3,585
Hoist Repair	-	169	700	-	-	869	-	-	-	-	-	869
Homeland Security	-	-	-	182,756	-	182,756	1,706	-	184,442	186,148	-	(3,392)
Ice Pond	-	8,334	-	-	-	8,334	-	-	-	-	-	8,334

See accompanying independent auditors' report on supplemental financial information.

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

## Town of York, Maine

As of June 30, 2005

	Assets					Liabilities				Fund Balance (Deficit) Designated			
	Cash	Investments	Due from Other Funds		Accounts Receivable	Inventory	Total Assets	Accounts Payable	Accrued Payroll		Due to Other Funds		Total Liabilities
			-	-							-	-	
Impact Fees	\$ -	\$ 344,821	\$ -	\$ -	\$ -	\$ 344,821	\$ -	\$ -	\$ 321,800	\$ 321,800	\$ -	\$ 23,021	
Long Sands Bathhouse	-	-	468	-	-	468	-	-	-	-	-	468	
Nubble Light	-	20,045	605	-	-	20,650	-	-	-	-	-	20,650	
MMA Wellness	-	-	52	-	-	52	3	-	-	-	-	49	
Mt. Agamenticus Trails 2004	-	-	2,494	-	-	2,494	-	-	-	-	-	2,494	
Mt. Agamenticus Trails 2005	-	-	-	-	-	-	-	-	2,763	2,763	-	(2,763)	
Mt. Agamenticus Coordinator	-	-	-	5,000	-	5,000	-	-	5,441	5,441	-	(441)	
Off Premises Signs	-	14,375	-	-	-	14,375	-	-	-	-	-	14,375	
Open Space	-	59,267	13,526	-	-	72,793	-	-	-	-	-	72,793	
Park Commission	-	7	-	-	-	7	-	-	-	-	-	7	
Performance Accounts	-	-	176,623	-	-	176,623	2,066	-	-	-	2,066	174,557	
Public Works Equipment	-	46,492	-	-	-	46,492	-	-	14,458	14,458	-	32,034	
350th Committee	-	-	2,601	-	-	2,601	-	-	-	-	-	2,601	
Tree Planting	-	5,602	-	-	-	5,602	-	-	-	-	-	5,602	
Unemployment Compensation	-	14,915	-	-	-	14,915	-	-	5,802	5,802	-	9,113	
Village Fire Truck	-	3,271	-	-	-	3,271	-	-	-	-	-	3,271	
Wheeler Marsh Restoration	-	-	17,976	-	-	17,976	-	-	-	-	-	17,976	
School Categoryals	-	-	209,201	34,630	-	243,831	19,033	7,139	26,491	52,663	-	191,168	
School Lunch Program	4,958	-	-	10,757	17,294	33,009	11,425	-	44,471	55,896	-	(22,887)	
	<u>\$ 4,958</u>	<u>\$ 1,528,483</u>	<u>\$ 800,038</u>	<u>\$ 283,143</u>	<u>\$ 17,294</u>	<u>\$ 2,633,916</u>	<u>\$ 196,164</u>	<u>\$ 7,139</u>	<u>\$ 708,730</u>	<u>\$ 912,033</u>	<u>\$ 1,721,883</u>	<u>\$ -</u>	

See accompanying independent auditors' report on supplemental financial information.

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

**Town of York, Maine**

**For the Year Ended June 30, 2005**

	Revenues			Expenditures			Transfers In (Out)	Revenues and Other Sources Over (Under) Expenditures and Other Uses	Fund Balance (Deficit) at Beginning of Year	Fund Balance (Deficit) at End of Year	
	Intergovern- mental	Charges for Services	Other	Total Revenues	Designated Purpose	Capital Outlay					Total Expenditures
	\$	\$	\$	\$	\$	\$					\$
Airport Drive	-	-	-	-	-	-	-	-	\$ 27,506	\$ 27,506	
Athletic Fields	25,000	-	12,937	37,937	(6,394)	(154,036)	(160,430)	(122,493)	129,782	7,289	
Beach Fire Truck	-	-	22	22	-	-	-	22	5,984	6,006	
Beach Reserve	-	-	32,952	32,952	-	-	-	32,952	15,598	48,550	
Bog Road	-	-	586	586	-	(23,291)	(23,291)	(22,705)	25,665	2,960	
Building Fund	-	-	9,575	9,575	-	-	-	9,575	548,872	558,447	
Capital Equipment	25,000	-	113	25,113	-	-	-	25,113	6,523	31,636	
CMP Spur Road	-	-	351	351	-	-	-	351	20,045	20,396	
Code Enforcement	-	162,045	-	162,045	(162,773)	-	(162,773)	(728)	75,768	75,040	
Conservation Commission	-	-	66	66	-	-	-	66	3,785	3,851	
Earned Time	-	-	1,344	1,344	-	-	-	1,344	97,006	118,350	
FEMA Fire Grant	55,975	-	-	55,975	(55,002)	-	(55,002)	21,344	-	973	
Fireworks	-	-	1,863	1,863	-	-	-	(14,068)	14,255	187	
Fisherman's Memorial	-	-	8	8	-	-	(15,931)	8	668	676	
GIS Mapping	-	136,406	-	136,406	(124,203)	-	(124,203)	12,203	100,690	112,893	
Goodrich Park	-	-	69	69	-	-	-	69	180	249	
Harbor & Wharf	50,000	27,235	2,905	80,140	(13,066)	(254,013)	(267,079)	(186,939)	190,837	3,898	
Harbor Beach Bathhouse	-	-	13,069	13,069	(12,647)	-	(12,647)	422	1,989	2,411	
Harbor Dredge	-	22,284	1,778	24,062	-	-	-	24,062	123,019	147,081	
Historic Markers	-	-	62	62	-	-	-	62	3,523	3,585	
Hoist Repair	-	-	3	3	(300)	-	(300)	(297)	1,166	869	
Homeland Security	318,449	-	-	318,449	(152,042)	(169,799)	(321,841)	(3,392)	-	(3,392)	
Ice Pond	-	-	143	143	-	-	-	143	8,191	8,334	

See accompanying independent auditors' report on supplemental financial information.

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

**Town of York, Maine**

**For the Year Ended June 30, 2005**

	Revenues			Expenditures			Transfers In (Out)	Revenues and Other Sources Over (Under) Expenditures and Other Uses	Fund Balance (Deficit) at Beginning of Year	Fund Balance (Deficit) at End of Year
	Intergovern- mental	Charges for Services	Other	Total Revenues	Designated Purpose	Capital Outlay				
Impact Fees	\$ -	\$ 189,050	\$ 5,915	\$ 194,965	\$ (189,050)	\$ -	\$ (189,050)	\$ -	\$ 17,106	\$ 23,021
Long Sands Bathhouse	-	-	-	-	-	-	-	-	468	468
Nubble Light	-	-	922	922	-	-	-	922	19,728	20,650
MMA Wellness	-	-	2,587	2,587	(2,415)	-	(2,415)	172	(123)	49
Mt. Agamenticus Trails 2004	30,000	-	-	30,000	(40,200)	-	(40,200)	(200)	2,694	2,494
Mt. Agamenticus Trails 2005	-	-	-	-	(2,763)	-	(2,763)	(2,763)	-	(2,763)
Mt. Agamenticus Coordinator	-	-	32,099	32,099	(43,137)	-	(43,137)	(1,038)	597	(441)
Off Premises Signs	-	-	246	246	-	-	-	246	14,129	14,375
Open Space	-	-	2,733	2,733	-	-	-	2,733	70,060	72,793
Park Commission	-	-	-	-	-	-	-	-	7	7
Performance Accounts	-	42,702	-	42,702	(24,897)	-	(24,897)	17,805	156,752	174,557
Public Works Equipment	-	-	798	798	-	-	-	798	31,236	32,034
350th Committee	-	-	263	263	-	-	-	263	2,338	2,601
Tree Planting	-	-	96	96	-	-	-	96	5,506	5,602
Unemployment Compensation	-	-	256	256	(2,166)	-	(2,166)	(1,910)	11,023	9,113
Village Fire Truck	-	-	56	56	-	-	-	56	3,215	3,271
Wheeler Marsh Restoration	-	-	-	-	(353)	-	(353)	(353)	18,329	17,976
School Categories	684,027	-	115,575	799,602	(797,164)	-	(797,164)	2,438	188,730	191,168
School Lunch Program	130,065	497,685	47	627,797	(686,684)	-	(686,684)	32,971	(55,858)	(22,887)
	<u>\$ 1,318,516</u>	<u>\$ 1,077,407</u>	<u>\$ 239,439</u>	<u>\$ 2,635,362</u>	<u>\$ (2,315,256)</u>	<u>\$ (601,139)</u>	<u>\$ (2,916,395)</u>	<u>\$ (165,106)</u>	<u>\$ 1,886,989</u>	<u>\$ 1,721,883</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Balance Sheet  
Capital Projects Funds**

**Town of York, Maine**

**As of June 30, 2005**

	<u>Middle School Renovations</u>	<u>High School Renovations</u>	<u>Total</u>
<b>Assets</b>			
Due from other funds	\$ 1,254,606	\$ 14,456	\$ 1,269,062
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 1,254,606</u>	<u>\$ 14,456</u>	<u>\$ 1,269,062</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Unreserved - Designated	<u>1,254,606</u>	<u>14,456</u>	<u>1,269,062</u>
<b>Total Fund Balances</b>	<u>1,254,606</u>	<u>14,456</u>	<u>1,269,062</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,254,606</u>	<u>\$ 14,456</u>	<u>\$ 1,269,062</u>

See accompanying independent auditors' report on supplemental financial information.

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

**Town of York, Maine**

**For the Year Ended June 30, 2005**

	Middle School Renovations	High School Renovations	Total
<b>Revenues</b>	\$ 16,389	\$ 8,072	\$ 24,461
<b>Expenditures</b>	<u>1,351</u>	<u>-</u>	<u>1,351</u>
<b>Revenues Over Expenditures</b>	15,038	8,072	23,110
<b>Other Financing Sources (Uses)</b>			
Operating transfers out	<u>(50,000)</u>	<u>(44,000)</u>	<u>(94,000)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(50,000)</u>	<u>(44,000)</u>	<u>(94,000)</u>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	(34,962)	(35,928)	(70,890)
	<u>1,289,568</u>	<u>50,384</u>	<u>1,339,952</u>
	<u>\$ 1,254,606</u>	<u>\$ 14,456</u>	<u>\$ 1,269,062</u>

See accompanying independent auditors' report on supplemental financial information.

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

**Town of York, Maine**

**As of June 30, 2005**

	Clark/ Emerson	D'Entremont Scholarship	Total
<b>Assets</b>			
Cash	\$ -	\$ 425	\$ 425
Investments	<u>20,995</u>	<u>-</u>	<u>20,995</u>
<b>Total Assets</b>	<u>\$ 20,995</u>	<u>\$ 425</u>	<u>\$ 21,420</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$ 465	\$ -	\$ 465
<b>Total Liabilities</b>	465	-	465
<b>Fund Balances</b>			
Reserved for endowments	<u>20,530</u>	<u>425</u>	<u>20,955</u>
<b>Total Fund Balances</b>	<u>20,530</u>	<u>425</u>	<u>20,955</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 20,995</u>	<u>\$ 425</u>	<u>\$ 21,420</u>

See accompanying independent auditors' report on supplemental financial information.

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

**Town of York, Maine**

**For the Year Ended June 30, 2005**

	<u>Clark/ Emerson</u>	<u>D'Entremont Scholarship</u>	<u>Total</u>
<b>Revenues</b>			
Investment return	\$ 364	\$ 82	\$ 446
<b>Total Revenues</b>	<u>364</u>	<u>82</u>	<u>446</u>
<b>Expenditures</b>			
Current	<u>364</u>	<u>44</u>	<u>408</u>
<b>Total Expenditures</b>	<u>364</u>	<u>44</u>	<u>408</u>
<b>Revenues Over Expenditures</b>	-	38	38
Fund balances at beginning of year	<u>20,530</u>	<u>387</u>	<u>20,917</u>
<b>Fund Balances at End of Year</b>	<u><u>\$ 20,530</u></u>	<u><u>\$ 425</u></u>	<u><u>\$ 20,955</u></u>

See accompanying independent auditors' report on supplemental financial information.

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

**Town of York, Maine**

As of June 30, 2005

	Recreation Program							Total
	Recreation	Mt. Agamenticus	Sohier Park	Goodrich Park	Outside Duty	Printing	Senior Transportation	
<b>Assets</b>								
Investments	\$ -	\$ -	\$ 31,614	\$ -	\$ -	\$ -	\$ -	\$ 31,614
Accounts receivable	-	14,263	-	-	25,190	-	-	39,453
Due from other funds	-	-	-	-	-	-	30,803	30,803
Inventories	-	-	38,212	-	-	-	-	38,212
<b>Total Assets</b>	-	14,263	69,826	-	25,190	-	30,803	140,082
<b>Liabilities</b>								
Accounts payable	6,108	1,741	8,831	-	-	-	150	16,830
Due to other funds	9,586	14,474	57,726	955	6,174	1,407	-	90,322
<b>Total Liabilities</b>	15,694	16,215	66,557	955	6,174	1,407	150	107,152
<b>Net Assets (Deficits)</b>								
Unrestricted	(15,694)	(1,952)	3,269	(955)	19,016	(1,407)	30,653	32,930
<b>Total Net Assets (Deficits)</b>	\$ (15,694)	\$ (1,952)	\$ 3,269	\$ (955)	\$ 19,016	\$ (1,407)	\$ 30,653	\$ 32,930

See accompanying independent auditors' report on supplemental financial information.

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

**Town of York, Maine**

**For the Year Ended June 30, 2005**

	Recreation Program								Total
	Recreation	Mt. Agamenticus	Sohier Park	Goodrich Park	Outside Duty	Printing	Senior Transportation		
<b>Operating Revenues</b>									
Charges for services	\$ 301,334	\$ 48,178	\$ 107,019	\$ 5,200	\$ 87,951	\$ -	\$ 7,580	\$ 557,262	
Intergovernmental	-	-	-	-	-	-	-	-	
Other	50,150	-	4,754	-	-	-	11,000	65,904	
<b>Total Operating Revenues</b>	<b>351,484</b>	<b>48,178</b>	<b>111,773</b>	<b>5,200</b>	<b>87,951</b>	<b>-</b>	<b>18,580</b>	<b>623,166</b>	
<b>Operating Expenses</b>									
Salaries and benefits	247,249	18,132	39,120	-	83,935	-	28,541	416,977	
Cost of goods sold	-	-	67,747	-	-	-	-	67,747	
Service fees	158,257	17,864	33,893	3,090	25,510	-	756	239,370	
Supplies	42,937	8,505	11,829	-	-	-	-	63,271	
Utilities	4,846	4,849	6,413	2,632	-	-	2,098	20,838	
<b>Total Operating Expenses</b>	<b>453,289</b>	<b>49,350</b>	<b>159,002</b>	<b>5,722</b>	<b>109,445</b>	<b>-</b>	<b>31,395</b>	<b>808,203</b>	
<b>Operating Income (Loss)</b>	<b>(101,805)</b>	<b>(1,172)</b>	<b>(47,229)</b>	<b>(522)</b>	<b>(21,494)</b>	<b>-</b>	<b>(12,815)</b>	<b>(185,037)</b>	
<b>Other Financing Sources (Uses)</b>									
Operating transfers in	80,466	-	-	-	-	-	24,940	105,406	
Operating transfers out	-	-	-	-	-	-	-	-	
<b>Total Other Financing Sources (Uses)</b>	<b>80,466</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,940</b>	<b>105,406</b>	
<b>Increase (Decrease) in Net Assets</b>	<b>(21,339)</b>	<b>(1,172)</b>	<b>(47,229)</b>	<b>(522)</b>	<b>(21,494)</b>	<b>-</b>	<b>12,125</b>	<b>(79,631)</b>	
Net assets (deficits) at beginning of year	5,645	(780)	50,498	(433)	40,510	(1,407)	18,528	112,561	
<b>Net Assets (Deficits) at End of Year</b>	<b>\$ (15,694)</b>	<b>\$ (1,952)</b>	<b>\$ 3,269</b>	<b>\$ (955)</b>	<b>\$ 19,016</b>	<b>\$ (1,407)</b>	<b>\$ 30,653</b>	<b>\$ 32,930</b>	

See accompanying independent auditors' report on supplemental financial information.

**Schedule of Valuation, Assessment and Collection of Taxes**

**Town of York, Maine**

**For the Year Ended June 30, 2005**

**Valuation**

Real estate	\$ 3,165,443,400
Personal property	<u>22,571,620</u>

**Total Valuation** \$ 3,188,015,020

**Assessment**

Valuation x Rate - \$3,188,015,020 x .00875	27,895,131
Supplemental taxes	<u>46,325</u>

**Total Assessment Charged to Collector** \$ 27,941,456

**Collection and Credits**

Cash collections	27,362,599
Tax abatements	<u>54,694</u>

**Total Collection and Credits** 27,417,293

**2005 Taxes Receivable - June 30, 2005** \$ 524,163

See accompanying independent auditors' report on supplemental financial information.