

**Financial Statements**

**Town of York, Maine**

**June 30, 2007**

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## Town of York, Maine

June 30, 2007

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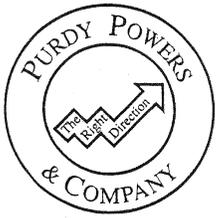
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# PURDY POWERS & COMPANY

Certified Public Accountants

Marc J. Powers, CPA, CVA  
Richard E. Emerson, Jr., CPA, CVA

David J. Shorette, CPA, CVA  
Dana O. Dakers, CPA, MST, MBA

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

Stephen H. Purdy, CPA, CVA  
Founder

## 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, 2007, 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, 2007, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, thereof and for the year then ended, in conformity with United States generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2008, on our consideration of the Town of York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

*Purdy Powers & Company*  
Professional Association



# Town of York

186 York Street  
York, Maine 03909-1314

Town Manager/  
Selectmen  
(207)363-1000

Town Clerk/  
Tax Collector  
(207)363-1003

Finance/  
Treasurer  
(207)363-1004

Code Enforcement  
(207)363-1002

Planning  
(207)363-1007

Assessor  
(207)363-1005

Police Department  
(207)363-1031

Dispatch  
(207)363-2557

York Beach Fire  
Department  
(207)363-1014

York Village Fire  
Department  
(207)363-1015

Public Works  
(207) 363-1011

Harbor Master  
(207)363-1000

Senior Center/  
General Assistance  
(207)363-1036

Parks and  
Recreation  
(207)363-1040

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

[www.yorkmaine.org](http://www.yorkmaine.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, 2007. Please read it in conjunction with the Town's financial statements, which begin on page 4.

### USING THIS ANNUAL REPORT

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

### REPORTING THE TOWN AS A WHOLE

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

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

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

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

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

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

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

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

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

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

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

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

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

## THE TOWN AS A WHOLE

For the year ended June 30, 2007, net assets changed as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Current and other assets	\$ 13,158,580	\$ 12,788,784	\$ 95,569	\$ 44,239	\$ 13,254,149	\$ 12,833,023
Capital Assets	<u>54,046,239</u>	<u>52,423,383</u>			<u>54,046,239</u>	<u>52,423,383</u>
Total Assets	67,204,819	65,212,167	95,569	44,239	67,300,388	65,256,406
Long Term Liabilities	17,895,711	19,486,454			17,895,711	19,486,454
Other Liabilities	<u>2,861,344</u>	<u>2,640,301</u>	<u>26,077</u>	<u>17,660</u>	<u>2,887,421</u>	<u>2,657,961</u>
Total Liabilities	20,757,055	22,126,755	26,077	17,660	20,783,132	22,144,415
Net Assets:						
Invested in capital assets, net of related debt	36,943,015	33,669,332			36,943,015	33,669,332
Restricted	21,450	21,177			21,450	21,177
Unrestricted	<u>9,483,299</u>	<u>9,394,903</u>	<u>69,492</u>	<u>26,579</u>	<u>9,552,791</u>	<u>9,421,482</u>
Total Net Assets	<u>\$ 46,447,764</u>	<u>\$ 43,085,412</u>	<u>\$ 69,492</u>	<u>\$ 26,579</u>	<u>\$ 46,517,256</u>	<u>\$ 43,111,991</u>

These numbers reflect an increase of 7.80 percent for governmental activities and 261.45 percent increase for business-type activities (see page 3-4 for a detailed explanation). The Mothers' Day Storm of 2006 (a FEMA event) as well as taxpayer investment in paving (\$442,600) and road restoration (\$250,000) resulted in over \$2.5M in infrastructure spending and increase in net assets.

### 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. Due to some policy and management decisions, all funds were able to generate enough net revenues to offset prior year deficit balances, resulting in a significant change in net assets.

	Recreation	Mt. Agamenti- cus	Sohier Park	Goodrich Park	Outside Duty	Printing	Senior Transport- ation
Charges for Services	\$ 377,050	\$ 49,031	\$ 141,277	\$ 5,100	\$ 132,414	\$ 0	\$ 8,208
Donations/Sponsorships	62,550		7,014				176
<b>Total Revenues</b>	<b>439,600</b>	<b>49,031</b>	<b>148,291</b>	<b>5,100</b>	<b>132,414</b>	<b>0</b>	<b>8,384</b>
Salaries and Benefits	166,250	26,657	54,636		120,209		30,230
Cost of Goods Sold			59,459				
Contracts/Repairs	196,866	6,995	9,092	873			2,122
Supplies	49,857	10,801	13,754	742			20
Utilities	7,797	2,515	7,035	250			747
<b>Total Operating Exp</b>	<b>420,770</b>	<b>46,968</b>	<b>143,976</b>	<b>1,865</b>	<b>120,209</b>		<b>33,119</b>
<b>Operating Income/(Loss)</b>	<b>18,830</b>	<b>2,063</b>	<b>4,315</b>	<b>3,235</b>	<b>12,205</b>		<b>(24,735)</b>
Tax Appropriations	0						27,000
Other Revenues	0	0					
Total Other Revenues	0	0					27,000
<b>Net Increase(decrease)</b>	<b>18,830</b>	<b>2,063</b>	<b>4,315</b>	<b>3,235</b>	<b>12,205</b>		<b>2,265</b>
Beg Net Assets	(10,913)	(1,787)	1,995	(2,464)	289	(1,382)	40,841
<b>Ending Net Assets (Deficit)</b>	<b>\$ 7,917</b>	<b>\$ 276</b>	<b>\$ 6,310</b>	<b>\$ 771</b>	<b>\$ 12,494</b>	<b>\$ (1,382)</b>	<b>\$ 43,106</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. A significant change in FY2007 is the tax appropriation that covers the 1.5 full time staff needed to administer this program. As a consequence, those expenses are now entirely a General Fund expense and no longer appear in the Recreation Enterprise Fund. This allows this program to be self sustaining with respect to all the other costs such as instructors, coaches, supplies, and transportation. It is the goal of the administration to make programs as affordable and accessible to as many citizens as are interested, made possible, in part by some generous donors who sponsor 'scholarships'. The Recreation Department offers programs for all ages – children through senior citizens, including soccer, tai chi, photography, dance and everything in between.

The **Mt. Agamenticus Enterprise** was established to maintain the summit of Mt. Agamenticus which includes a lodge and other viewing areas, trails and grounds. Revenues are generated through tower rentals, lodge rentals, the rental of the apartment in the lodge and viewer fees. The Town is re-negotiating with the businesses that use the communications towers and those negotiations have resulted in some additional revenues.

The **Sohier Park Enterprise** was established to maintain Sohier Park and the Cape Neddick Light Station viewable from the beaches (also known as the Nubble Lighthouse). 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 management of the gift shop and its inventory continues to improve and is reflected in revenues.

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. The Patriots' Day Storm in April, 2007 resulted in increased demand for outside duty assignments.

**Printing Enterprise** was set up to cover the cost of printing ordinances and revenues are credited to this account as copies of the ordinances are sold. There were no sales of ordinance copies in this fiscal year.

**Senior Transportation** was established in response to a need. Two generous citizens donated cars; one was older and a good starter car; the other one donated was a newer, larger vehicle. 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 a large part of the cost of the drivers' salaries and benefits. The user fees cover the cost of gas, oil, maintenance, repairs and insurance. The users of this program are being driven to doctors' appointments, therapies, shopping, and to the Senior Center and other activities. It has been quite successful and serves a very important need in the community. It is anticipated that a new vehicle will be purchased with available funds in 2008.

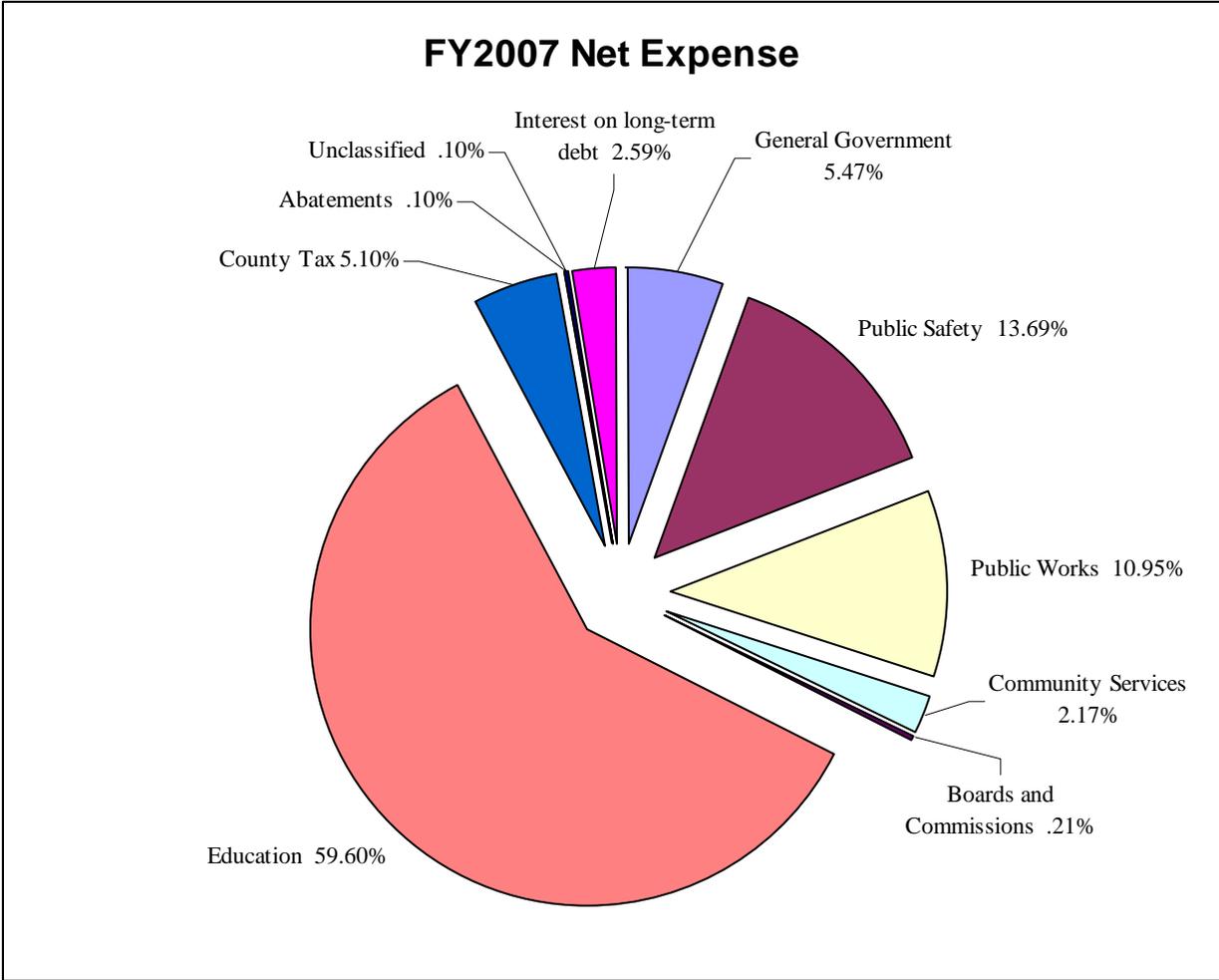
## Net Expense

The Net Expense is the financial burden that was placed on the taxpayers by each of these functions. Over \$9.8 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 FY2006 to FY2007.

Function/ Program	Expenses		Revenues		Net Expense	
	2007	2006	2007	2006	2007	2006
General Government	\$ 2,165,060	\$ 2,260,997	\$ 339,511	\$ 506,982	\$ 1,825,549	\$ 1,754,015
Public Safety	5,066,276	5,004,589	493,720	570,356	4,572,556	4,434,233
Public Works	3,965,982	3,738,448	309,158	246,207	3,656,824	3,492,241
Public Works – federally funded projects	701,999	291,118	2,161,340	552,646	(1,458,341)	(261,528)
Community Services	731,256	573,834	5,839	4,554	725,417	569,280
Boards and Commissions	98,270	29,132	27,583	34,064	70,687	(4,932)
Education	23,492,990	23,268,364	3,590,707	3,932,998	19,902,283	19,335,366
Maine State Retirement on behalf payments	2,224,225	2,114,098	2,224,225	2,114,098		
County Tax	1,704,470	1,662,857			1,704,470	1,662,857
Abatements	33,480	36,810			33,480	36,810
Unclassified	755,660	691,655	797,615	1,057,607	(41,955)	(365,952)
Capital Outlay						
Interest on long-term debt	865,000	948,614			865,000	948,614
Total Governmental Activities	<u>\$ 41,804,668</u>	<u>\$ 40,620,516</u>	<u>\$9,949,698</u>	<u>\$ 9,019,512</u>	<u>\$ 31,855,970</u>	<u>\$ 31,601,004</u>

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 and other public safety grants. Rural roads subsidies make up the bulk of the Public Works revenues, in addition to reimbursements for some paving projects, mostly from the local water and sewer districts.

Over the May 14, 2006 weekend, the Town sustained 36 hours of rain which resulted in \$1.6M in road, bridge and culvert damage, closing many roads for a period of time. Emergency measures and minor repairs were performed by the prior year-end and the bulk of the work has been done in FY07. Over the April 18, 2007 weekend, an additional storm hit York, leaving \$2M - \$3.5M in damages, the bulk of which will be repaired in FY2008. FEMA and Maine Emergency Management will cover 90% of the costs and the Town will be responsible for the remaining 10% on eligible projects, which will be covered by carrying forward some of the excess funds shown above in the 'Public Works – federally funded projects' line. Several of the damaged areas were State roads which the Town will have repaired at 100% reimbursement.



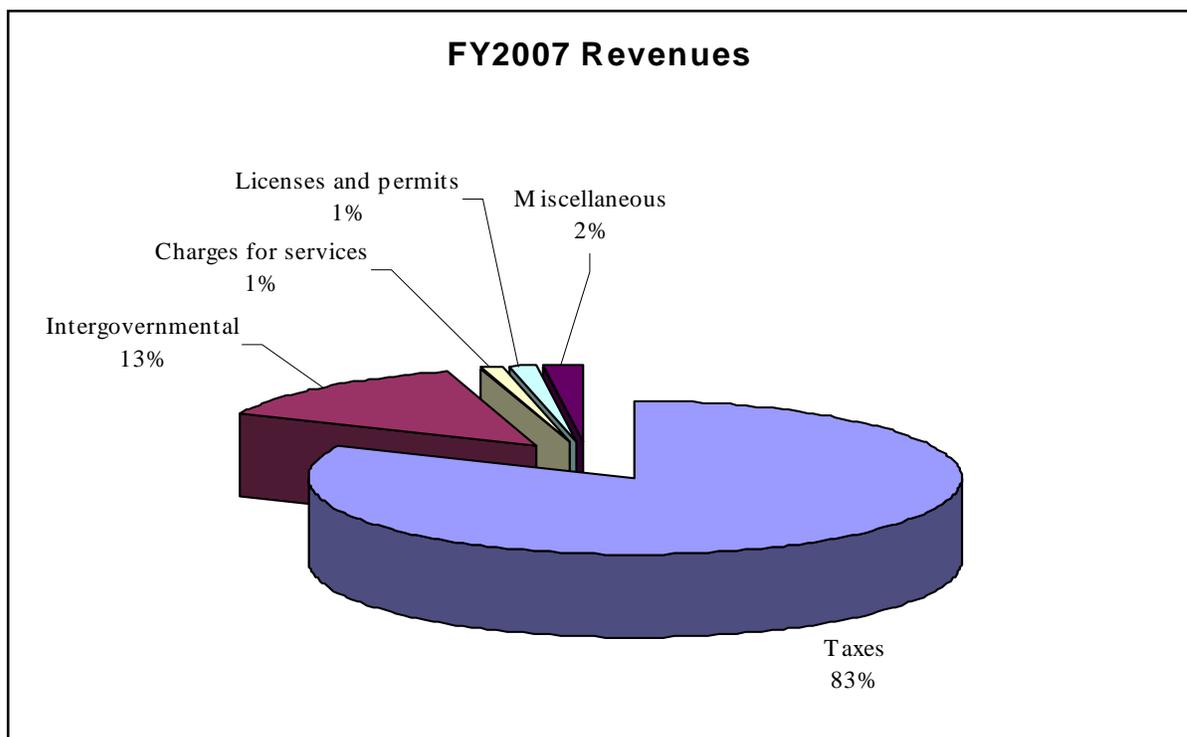
Percentages do not seem to vary much year to year. Education has been between 58% and 60% over the last few years with a significant increase in state revenue sharing for York this year; county tax is creeping over 5% of total net expenditures, and the other governmental expenditure groups have not varied much as to their percentage. There are plans to increase capital expenditures through bonding, as there are several large projects on the horizon, so it is expected that the interest on long-term debt would begin to increase after many years of decreasing numbers. Boards and management have been looking for ways to offset taxpayer burden by the increased application of user fees to particular government functions.

## THE TOWN'S FUNDS

The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2007 with a comparison to 2006:

<b><i>Revenues:</i></b>	<b><i>FY 2007 Amount</i></b>	<b><i>Percent of Total</i></b>	<b><i>FY 2006 Amount</i></b>	<b><i>Percent of Total</i></b>
<i>Taxes</i>	\$ 33,556,668	77.79%	\$ 32,137,727	79.89%
<i>Intergovernmental</i>	5,499,302	12.75%	4,026,918	10.01%
<i>Intergovernmental on behalf payments</i>	2,224,225	5.16%	2,114,098	5.26%
<i>Charges for services</i>	527,994	1.22%	496,169	1.23%
<i>Licenses and permits</i>	580,174	1.35%	848,447	2.11%
<i>Miscellaneous</i>	747,097	1.73%	603,508	1.50%
<b><i>Total Revenues</i></b>	<b><u>\$ 43,135,460</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 40,226,867</u></b>	<b><u>100.00%</u></b>

Revenues from all sources increased 7.23% from the previous year. After years of steady increases in auto excise tax from year to year, collection of auto excise taxes in FY2007 decreased 2.4% from the prior year. 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. With new parking meters in place and decent weather, beach revenues increased 12.02%. Property taxes are up 5.06% from the previous year and make up the large majority of revenues. State Revenue Sharing is reduced 13.2% and investment interest income is up 23.39% over the prior year due to interest rate changes.



The following schedule presents a summary of expenditures for the fiscal year ended June 30, 2007:

<b><u>Expenditures:</u></b>	<b><u>FY 2007</u></b>	<b><u>Percent</u></b>	<b><u>FY2006</u></b>	<b><u>Percent</u></b>
	<b><u>Amount</u></b>	<b><u>of Total</u></b>	<b><u>Amount</u></b>	<b><u>of Total</u></b>
<i>General Government</i>	\$ 2,152,225	4.98%	\$ 2,201,994	5.51%
<i>Public Safety</i>	4,874,031	11.28%	4,835,244	12.11%
<i>Public Works</i>	3,307,635	7.65%	3,180,951	7.98%
<i>Public Works federally funded</i>	2,249,276	5.22%	291,118	.73%
<i>Community services</i>	722,670	1.67%	565,324	1.42%
<i>Boards and Commissions</i>	98,270	.22%	29,132	.07%
<i>Education</i>	21,345,944	49.41%	20,133,551	50.42%
<i>Maine State Retirement on behalf</i>	2,224,225	5.15%	2,114,098	5.29%
<i>County Tax</i>	1,704,470	3.95%	1,662,857	4.16%
<i>Abatements</i>	33,480	.07%	36,810	.09%
<i>Capital Outlays</i>	2,006,360	4.64%	2,309,138	5.78%
<i>Interest on Long-Term Debt</i>	884,047	2.05%	967,670	2.42%
<i>Principal Payment on Long-Term Debt</i>	1,602,142	3.71%	1,606,908	4.02%
<b><u>Total Expenditures</u></b>	<b><u>\$ 43,204,775</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 39,934,795</u></b>	<b><u>100.00%</u></b>

Overall expenditures increased 3.31%, which if the FEMA projects (Public Works federally funded) are factored out. The portion of the increase attributed to the Town side of funding is .5%; the school expenditures showed an increase of 6%; the FEMA projects increased expenditures by 772%. Some of the capital spending that was planned for FY2007 was postponed to FY2008 due to the extensive damage and subsequent repairs from the FEMA events which required time and attention from the Public Works Department and forced them to postpone the expenditure until FY2008.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Another FEMA Flood event in April 2007 affected many departments the last quarter of the year and will affect FY2008 as well. Most of the Mothers' Day 2006 event damage was repaired in FY2007 and much time and expense was devoted to this effort, including the Police Department, Public Works Department, Parks Department and the Finance Department.

Although a \$500,000 utilization of fund balance was approved by voters to reduce tax appropriations, a net \$115,278 was added to undesignated general fund balance, bringing it to \$5,504,497, 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 \$556,751 on total tax bills of \$30.7 million, the Town of York enjoys a remarkable tax collection rate of 98.20%. The balance due on tax liens at year-end is only \$168,536, less than .5% of total taxes due. Along with a healthy fund balance and prudent investments, the Town's cash flow is managed well, and does not require any short-term borrowing. The Town continues to maintain its Standard and Poor's AA rating.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2007, the Town had \$54 million invested in capital assets including substantial funding for paving and construction of town roads. The usual additions included police vehicles, pickup trucks, two servers, a vehicle exhaust system (grant funded), a new phone system for Town Hall, and playground equipment for the Bog Road Playground. Municipal buildings are decades- and centuries-old requiring some roof replacements.

	<b>Capital Assets</b>	<b>Accumulated Depreciation at June 30, 2007</b>	<b>Capital Assets Net of Depreciation</b>
Land	\$ 8,081,342	\$ -	\$ 8,081,342
Buildings & Improvements	35,912,272	12,442,351	23,469,921
Land Improvements	32,239,632	12,467,523	19,772,109
Equipment	2,564,545	1,584,727	979,818
Vehicles	5,325,748	3,582,699	1,743,049
<b>TOTALS</b>	<b><u>\$ 84,123,539</u></b>	<b><u>\$ 30,077,300</u></b>	<b><u>\$ 54,046,239</u></b>

This year's major additions included:

Sweeper for beach parking lots	\$ 141,774
Fire Truck	379,638
Heavy Plow Truck	97,111
Repaving and reconstructing town roads (FEMA)	2,525,178
Other Additions	<u>357,324</u>
	<u>\$ 3,501,025</u>

### Debt

At year-end, the Town had \$17,895,711 in outstanding debt representing a net reduction of \$2,167,498:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	2007	2006	2007	2006	2007	2006
General Obligation Debt	\$ 16,819,411	\$ 18,421,553	\$ -	\$ -	\$ 16,819,411	\$ 18,421,553
Capital Lease obligations	283,813	332,498			283,813	332,498
Compensated absences	<u>792,487</u>	<u>732,403</u>			<u>792,487</u>	<u>732,403</u>
<b>Totals</b>	<b><u>\$ 17,895,711</u></b>	<b><u>\$ 19,486,45</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 17,895,711</u></b>	<b><u>\$ 19,486,454</u></b>

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

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

There has been concern expressed about a slowing economy. York is not as susceptible to fluctuations as are some communities, but nevertheless, high oil prices and all that encompasses has an impact on the Town's citizens. Balancing that concern with the need for major building and infrastructure improvements tasks the Town's management to be creative and frugal in its budgeting and proposals. For several years the Town's 'Circuit Breaker' program, that mimics the State's Property Tax and Rent Refund Program, aids those citizens that perhaps can not absorb property tax increases. As a result of those two programs, some property owners pay no property taxes at all.

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

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

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 translates to larger tax bills, yet there are segments of the population for which tax bills decrease each year. From FY2003 to FY2008 total valuation has increased 54.82% while total tax bills have only increased 22.35%, reflected in a decrease in the mil rate from \$10.25 to \$8.10 or 26.54%. The mean non-waterfront single family home has an assessed value of about \$470,000 with a tax bill of \$3,807.

**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, 2007

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 9,449,307	\$ -	\$ 9,449,307
Investments	1,076,161	33,842	1,110,003
Taxes receivable	556,751	-	556,751
Tax liens receivable	168,536	-	168,536
Accounts receivable	1,798,163	36,735	1,834,898
Inventory	15,864	44,231	60,095
Internal balances	19,239	(19,239)	-
Tax acquired property	68,802	-	68,802
Prepaid expenses	5,757	-	5,757
Capital assets, net of accumulated depreciation	54,046,239	-	54,046,239
<b>Total Assets</b>	<b>67,204,819</b>	<b>95,569</b>	<b>67,300,388</b>
<b>Liabilities</b>			
Accounts payable	1,269,044	26,077	1,295,121
Other accrued liabilities	67,512	-	67,512
Accrued payroll	1,274,480	-	1,274,480
Accrued interest payable	229,709	-	229,709
Deferred revenues	4,333	-	4,333
Escrow payable	14,169	-	14,169
Security deposits	2,097	-	2,097
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	1,597,379	-	1,597,379
Capital lease obligations	175,855	-	175,855
Accrued vacation and sick leave	442,472	-	442,472
Portion due or payable after one year:			
Bonds payable	15,222,032	-	15,222,032
Capital lease obligations	107,958	-	107,958
Accrued vacation and sick leave	350,015	-	350,015
<b>Total Liabilities</b>	<b>20,757,055</b>	<b>26,077</b>	<b>20,783,132</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	36,943,015	-	36,943,015
Restricted for endowments	21,450	-	21,450
Unrestricted	9,483,299	69,492	9,552,791
<b>Total Net Assets</b>	<b>\$ 46,447,764</b>	<b>\$ 69,492</b>	<b>\$ 46,517,256</b>

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

# Statement of Activities

## Town of York, Maine

For the Year Ended June 30, 2007

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 2,165,060	\$ 339,511	\$ -	\$ -	\$ (1,825,549)		\$ (1,825,549)
Public safety	5,066,276	432,587	14,013	47,120	(4,572,556)		(4,572,556)
Public works and sanitation	3,965,982	18,866	290,292	-	(3,656,824)		(3,656,824)
Public works - federally funded projects	701,999	-	618,063	1,542,277	1,458,341		1,458,341
Community services	731,256	-	5,839	-	(725,417)		(725,417)
Boards and commissions	98,270	27,583	-	-	(70,687)		(70,687)
Education	23,492,990	675,026	2,915,681	-	(19,902,283)		(19,902,283)
Maine State Retirement on-behalf payments	2,224,225	-	2,224,225	-	-		-
County tax	1,704,470	-	-	-	(1,704,470)		(1,704,470)
Abatements	33,480	-	-	-	(33,480)		(33,480)
Unclassified	755,660	687,088	34,285	76,242	41,955		41,955
Interest on long-term debt	865,000	-	-	-	(865,000)		(865,000)
<b>Total Governmental Activities</b>	<b>41,804,668</b>	<b>2,180,661</b>	<b>6,102,398</b>	<b>1,665,639</b>	<b>(31,855,970)</b>		<b>(31,855,970)</b>
<b>Business-type Activities:</b>							
Recreation	420,770	377,050	62,550	-	-	\$ 18,830	18,830
Mt. Agamenticus	46,968	49,031	-	-	-	2,063	2,063
Sohier Park	143,976	141,277	7,014	-	-	4,315	4,315
Goodrich Park	1,865	5,100	-	-	-	3,235	3,235
Outside duty	120,209	132,414	-	-	-	12,205	12,205
Printing	-	-	-	-	-	-	-
Senior transportation	33,119	8,208	176	-	-	(24,735)	(24,735)
<b>Total Business-type Activities</b>	<b>766,907</b>	<b>713,080</b>	<b>69,740</b>	<b>-</b>	<b>-</b>	<b>15,913</b>	<b>15,913</b>
<b>Total Primary Government</b>	<b>\$ 42,571,575</b>	<b>\$ 2,893,741</b>	<b>\$ 6,172,138</b>	<b>\$ 1,665,639</b>	<b>(31,855,970)</b>	<b>15,913</b>	<b>(31,840,057)</b>
General revenues:							
Taxes					33,551,606	-	33,551,606
Intergovernmental					770,180	-	770,180
Miscellaneous					291,976	-	291,976
Investment income					680,495	-	680,495
Gain (loss) on disposal of capital assets					(48,935)	-	(48,935)
Transfers					(27,000)	27,000	-
<b>Total General Revenues and Transfers</b>					<b>35,218,322</b>	<b>27,000</b>	<b>35,245,322</b>
<b>Change in Net Assets</b>					<b>3,362,352</b>	<b>42,913</b>	<b>3,405,265</b>
Net assets at beginning of year					<b>43,085,412</b>	<b>26,579</b>	<b>43,111,991</b>
<b>Net Assets at End of Year</b>					<b>\$ 46,447,764</b>	<b>\$ 69,492</b>	<b>\$ 46,517,256</b>

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

## Balance Sheet - Governmental Funds

### Town of York, Maine

As of June 30, 2007

	General	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Cash and cash equivalents	\$ 9,337,229	\$ 112,078	\$ 9,449,307
Investments	-	1,076,161	1,076,161
Taxes receivable	556,751	-	556,751
Tax liens receivable	168,536	-	168,536
Accounts receivable	1,758,897	39,266	1,798,163
Due from other funds	500,749	2,071,486	2,572,235
Inventory	-	15,864	15,864
Prepaid expenses	5,757	-	5,757
Tax acquired property	68,802	-	68,802
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Assets</b>	<b>\$ 12,396,721</b>	<b>\$ 3,314,855</b>	<b>\$ 15,711,576</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 945,490	\$ 323,554	\$ 1,269,044
Other accrued liabilities	67,512	-	67,512
Accrued payroll	1,270,234	4,246	1,274,480
Due to other funds	2,131,875	421,121	2,552,996
Deferred revenues	505,000	-	505,000
Escrow payable	14,169	-	14,169
Security deposits	2,097	-	2,097
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities</b>	<b>4,936,377</b>	<b>748,921</b>	<b>5,685,298</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Fund Balances</b>			
Reserved for:			
Endowments	-	21,450	21,450
Unreserved:			
Designated for subsequent year's expenditures	1,955,847	2,544,484	4,500,331
Undesignated	5,504,497	-	5,504,497
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Fund Balances</b>	<b>7,460,344</b>	<b>2,565,934</b>	<b>10,026,278</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,396,721</b>	<b>\$ 3,314,855</b>	<b>\$ 15,711,576</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, 2007

**Total Fund Balances - Governmental Funds** \$ 10,026,278

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

Capital assets used in governmental activities are not financial  
resources and therefore are not reported as assets in governmental  
funds. The cost of capital assets, net of accumulated depreciation is: 54,046,239

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: 500,667

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	\$ (16,819,411)	
Capital lease obligations	(283,813)	
Accrued interest payable	(229,709)	
Accrued vacation and sick leave	<u>(792,487)</u>	
		<u>(18,125,420)</u>

**Total Net Assets - Governmental Activities** \$ 46,447,764

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, 2007**

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 33,556,668	\$ -	\$ 33,556,668
Intergovernmental	5,499,302	738,448	6,237,750
Intergovernmental on-behalf payments	2,224,225	-	2,224,225
Charges for services	527,994	1,064,140	1,592,134
Licenses, permits, and fees	580,174	-	580,174
Miscellaneous	747,097	317,469	1,064,566
<b>Total Revenues</b>	<b>43,135,460</b>	<b>2,120,057</b>	<b>45,255,517</b>
<b>Expenditures</b>			
Current			
General government	2,152,225	-	2,152,225
Public safety	4,874,031	-	4,874,031
Public works and sanitation	3,307,635	-	3,307,635
Public works - federally funded projects	2,249,276	-	2,249,276
Community services	722,670	-	722,670
Boards and commissions	98,270	-	98,270
Education	21,345,944	1,441,297	22,787,241
MSRS on-behalf payments	2,224,225	-	2,224,225
County tax	1,704,470	-	1,704,470
Abatements	33,480	-	33,480
Unclassified	-	560,087	560,087
Debt service - principal	1,602,142	-	1,602,142
- interest	884,047	-	884,047
Capital outlays	2,006,360	40,703	2,047,063
<b>Total Expenditures</b>	<b>43,204,775</b>	<b>2,042,087</b>	<b>45,246,862</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(69,315)</b>	<b>77,970</b>	<b>8,655</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from capital lease obligation	153,113	-	153,113
Operating transfers in	134,480	76,000	210,480
Operating transfers out	(103,000)	(134,480)	(237,480)
<b>Total Other Financing Sources (Uses)</b>	<b>184,593</b>	<b>(58,480)</b>	<b>126,113</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>115,278</b>	<b>19,490</b>	<b>134,768</b>
Fund balances at beginning of year	7,345,066	2,546,444	9,891,510
<b>Fund Balances at End of Year</b>	<b>\$ 7,460,344</b>	<b>\$ 2,565,934</b>	<b>\$ 10,026,278</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, 2007**

**Net Change in Fund Balances - Total Governmental Funds** \$ 134,768

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Donations of capital assets increase net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources. This is the amount by which capital asset additions exceeded depreciation expense in the current period:

Additions to capital assets	3,501,025	
Depreciation expense	<u>(1,821,734)</u>	
		1,679,291

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:

(5,062)

Governmental funds report the sale of capital assets as revenues. However, in the Statement of Activities, the sale of those assets is recognized as a gain or loss, depending on the sale proceeds and accumulated depreciation amounts.

Proceeds from sale of capital assets	(7,500)	
Loss on sale of capital assets	<u>(48,935)</u>	
		(56,435)

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

Principal portion of debt service payments	1,602,142	
Proceeds from capital lease obligations	(153,113)	
Reductions in capital lease obligations	<u>201,798</u>	
		1,650,827

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

Change in accrued interest payable	19,047	
Change in accrued vacation and sick leave	<u>(60,084)</u>	
		<u>(41,037)</u>

**Change in Net Assets of Governmental Activities** \$ 3,362,352

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, 2007**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 33,670,551	\$ 33,670,551	\$ 33,556,668	\$ (113,883)
Intergovernmental	3,275,377	5,482,837	5,499,302	16,465
Intergovernmental on-behalf payments	-	-	2,224,225	2,224,225
Charges for services	789,016	789,016	527,994	(261,022)
Licenses, permits, and fees	246,000	246,000	580,174	334,174
Miscellaneous	495,630	571,872	747,097	175,225
<b>Total Revenues</b>	<b>38,476,574</b>	<b>40,760,276</b>	<b>43,135,460</b>	<b>2,375,184</b>
<b>Expenditures</b>				
Current				
General government	2,583,988	2,583,988	2,152,225	431,763
Public safety	4,921,213	4,968,333	4,874,031	94,302
Public works and sanitation	3,536,331	3,536,331	3,307,635	228,696
Public works - federally funded projects	-	2,307,298	2,249,276	58,022
Community services	734,671	734,671	722,670	12,001
Boards and commissions	104,765	104,765	98,270	6,495
Education	21,523,396	21,523,396	21,345,944	177,452
MSRS on-behalf payments	-	-	2,224,225	(2,224,225)
County tax	1,704,470	1,704,470	1,704,470	-
Abatements	-	-	33,480	(33,480)
Debt service - principal	1,602,142	1,602,142	1,602,142	-
- interest	938,729	938,729	884,047	54,682
Capital outlays	3,127,092	3,203,334	2,006,360	1,196,974
<b>Total Expenditures</b>	<b>40,776,797</b>	<b>43,207,457</b>	<b>43,204,775</b>	<b>2,682</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(2,300,223)</b>	<b>(2,447,181)</b>	<b>(69,315)</b>	<b>2,377,866</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from capital lease obligation	-	-	153,113	153,113
Operating transfer in	565,000	565,000	134,480	(430,520)
Operating transfers out	(103,000)	(103,000)	(103,000)	-
Utilization of designated surplus	1,133,391	1,280,349	-	(1,280,349)
Utilization of undesignated surplus	880,000	880,000	-	(880,000)
<b>Total Other Financing Sources (Uses)</b>	<b>2,475,391</b>	<b>2,622,349</b>	<b>184,593</b>	<b>(2,437,756)</b>
<b>Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ 175,168</b>	<b>\$ 175,168</b>	<b>115,278</b>	<b>\$ (59,890)</b>
Fund balance at beginning of year			<u>7,345,066</u>	
<b>Fund Balance at End of Year</b>			<u>\$ 7,460,344</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, 2007**

**Assets**

Investments	\$	33,842
Accounts receivable		36,735
Due from other funds		61,157
Inventory		44,231
<b>Total Assets</b>		<u>175,965</u>

**Liabilities**

Accounts payable		26,077
Due to other funds		80,396
<b>Total Liabilities</b>		<u>106,473</u>

**Net Assets**

Unrestricted		69,492
<b>Total Net Assets</b>	\$	<u><u>69,492</u></u>

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

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

**Town of York, Maine**

**For the Year Ended June 30, 2007**

**Operating Revenues**

Charges for services	\$	713,080
Other		<u>69,740</u>
<b>Total Operating Revenues</b>		<b>782,820</b>

**Operating Expenses**

Designated purposes		<u>766,907</u>
<b>Total Operating Expenses</b>		<b><u>766,907</u></b>

**Operating Income** 15,913

**Other Financing Sources (Uses)**

Operating transfers in		<u>27,000</u>
<b>Total Other Financing Sources</b>		<b><u>27,000</u></b>

**Increase in Net Assets** 42,913

Net assets at beginning of year 26,579

**Net Assets at End of Year** \$ 69,492

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, 2007**

**Cash Flows from Operating Activities**

Receipts from customers and users	\$ 686,585
Receipts from intergovernmental sources	-
Other operating receipts	68,542
Payments to and on behalf of employees	(397,982)
Payments to suppliers and vendors	<u>(382,947)</u>
<b>Net Cash Used by Operating Activities</b>	<b>(25,802)</b>

**Cash Flows from Noncapital Financing Activities**

Transfers in from other funds	27,000
Transfers out to other funds	<u>-</u>
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>27,000</b>

**Cash Flows from Investing Activities**

Purchase of investments	<u>(1,198)</u>
<b>Net Cash Used by Investing Activities</b>	<b><u>(1,198)</u></b>

**Increase (Decrease) in Cash** -

Cash at beginning of year -

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

**Reconciliation of Operating Income to**

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

Operating income	\$ 15,913
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in operating assets:	
Accounts receivable	(26,495)
Due from other funds	(19,348)
Inventory	(482)
Increase (decrease) in operating liabilities:	
Accounts payable	8,417
Due to other funds	<u>(3,807)</u>
<b>Net Cash Used by Operating Activities</b>	<b><u><u>\$ (25,802)</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, 2007**

	<u>Student Activity Accounts</u>
<b>Assets</b>	
Cash	\$ 74,469
<b>Total Assets</b>	<u>74,469</u>
<b>Liabilities</b>	
Held for student activities and other purposes	<u>74,469</u>
<b>Total Liabilities</b>	<u>74,469</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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Town's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

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

#### **Basis of Accounting**

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

#### Accrual

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

#### Modified Accrual

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

## **Notes to Financial Statements - Continued**

### **Town of York, Maine**

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

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

#### **Cash and Cash Equivalents**

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

#### **Investments**

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

#### **Inventories**

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

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

#### **Capital Assets**

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

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

#### **Vacation and Sick Leave**

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

## Notes to Financial Statements - Continued

### Town of York, Maine

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

##### **Budget**

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

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

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

The Town does not adopt budgets for special revenue funds.

##### **Estimates**

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

##### **Interfund Activity**

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

## Notes to Financial Statements - Continued

### Town of York, Maine

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

##### Long-Term Obligations

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

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

##### Debt Issuance Costs

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

##### Revenue Recognition - Property Taxes

The Town's property tax for the current year was levied July 25, 2006, on the assessed value listed as of April 1, 2006, for all real and personal property located in the Town. Taxes were due September 8, 2006 and February 2, 2007. Interest on unpaid taxes commenced on September 9, 2006 and February 3, 2007, at 11% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$175,168 (.6%) for the year ended June 30, 2007.

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, 2007, the carrying amount of the Town's deposits was \$9,523,776 and the bank balance was \$9,882,305. 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, 2007, \$238,325 of the Town's bank balance of \$9,882,305 was exposed to credit risk as follows:

Uninsured and uncollateralized	<u>\$ 238,325</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, 2007, the Town's investment portfolio consisted of stocks and U.S. Government Securities. The carrying amount of the Town's investments was \$1,110,003 (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.

<u>Investment vehicle</u>	<u>Balance</u>	<u>Category</u>		
		<u>#1</u>	<u>#2</u>	<u>#3</u>
Mutual funds	<u>\$ 1,110,003</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, 2007, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Non-Depreciable Assets:				
Land	\$ 8,081,342	\$ ---	\$ ---	\$ 8,081,342
Depreciable Assets:				
Buildings and improvements	35,801,411	110,861	---	35,912,272
Land improvements	29,714,514	2,525,118	---	32,239,632
Equipment	2,357,502	248,043	41,000	2,564,545
Vehicles	<u>4,845,674</u>	<u>617,003</u>	<u>136,929</u>	<u>5,325,748</u>
Totals at historical cost	80,800,443	3,501,025	177,929	84,123,539
Less accumulated depreciation:				
Buildings and improvements	11,576,395	865,956	---	12,442,351
Land improvements	11,981,905	485,618	---	12,467,523
Equipment	1,468,405	154,589	38,267	1,584,727
Vehicles	<u>3,350,355</u>	<u>315,571</u>	<u>83,227</u>	<u>3,582,699</u>
Total accumulated depreciation	<u>28,377,060</u>	<u>1,821,734</u>	<u>121,494</u>	<u>30,077,300</u>
Net Capital Assets	<u>\$ 52,423,383</u>	<u>\$ 1,679,291</u>	<u>\$ 56,435</u>	<u>\$ 54,046,239</u>

Depreciation expense was charged to the following functions:

<b>Governmental activities:</b>	
General government	\$ 42,021
Public safety	223,340
Public works and sanitation	730,724
Community services	3,157
Education	<u>822,492</u>
Total governmental activities depreciation expense	<u>\$ 1,821,734</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note D - Interfund Receivables and Payables

Interfund balances at June 30, 2007 consisted of the following individual fund receivables and payables:

<b>Governmental Activities</b>	<b>Receivables</b>	<b>Payables</b>	<b>Net</b>
<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)	
Beach Reserve	---	(16,558)	
Bog Road Playground	2,964	---	
Code Enforcement	---	(140,789)	
Fireworks	---	(500)	
GIS Mapping	---	(98,493)	
Harbor and Wharf	---	(1,910)	
Harbor Beach Bathhouse	412	---	
Harbor Capital	---	(7,500)	
Harbor Dredge	---	(1,563)	
Impact Fees	124,272	---	
Long Sands Bathhouse	---	(468)	
Mt. Agamenticus Trails 2007	3,789	---	
Mt. Agamenticus Coordinator	---	(1,749)	
Park Commission	8	---	
Performance Accounts	---	(253,374)	
350 <sup>th</sup> Committee	---	(750)	
Unemployment Compensation	1,280	---	
Wheeler Marsh Restoration	---	(17,976)	
York Land Trust	---	(10,400)	
School categorical programs	19,670	(121,744)	
School lunch program	<u>266,025</u>	<u>---</u>	
	\$ 418,420	\$ (701,280)	

**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	\$        - - -	\$ (1,358,894)	
High School renovations	<u>          - - -</u>	<u>      (10,544)</u>	
	- - -	(1,369,438)	
Permanent Fund:			
Clark/Emerson Trust Fund	1,933	- - -	
<i>Business-type Activities:</i>			
Enterprise Funds:			
Recreation	- - -	(14,650)	
Mt. Agamenticus	- - -	(637)	
Sohier Park	54,773	- - -	
Goodrich Park	- - -	(1,969)	
Outside Duty	24,241	- - -	
Printing	1,382	- - -	
Senior Transportation	<u>          - - -</u>	<u>      (43,901)</u>	
	<u>80,396</u>	<u>      (61,157)</u>	
General Fund	<u>\$ 500,749</u>	<u>\$ (2,131,875)</u>	

**Notes to Financial Statements - Continued**

**Town of York, Maine**

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

	<u>Receivables</u> <u>Due from</u>	<u>Payables</u> <u>(Due to)</u>	<u>Net</u> <u>Internal</u> <u>Balances</u>
<u>Other Governmental Funds:</u>			
<i>Special Revenue:</i>			
General Fund:			
Airport Drive	\$ 27,506	\$ ---	
Beach Reserve	16,558	---	
Bog Road Playground	---	(2,964)	
Code Enforcement	140,789	---	
Fireworks	500	---	
GIS Mapping	98,493	---	
Harbor and Wharf	1,910	---	
Harbor Beach Bathhouse	---	(412)	
Harbor Capital	7,500	---	
Harbor Dredge	1,563	---	
Impact Fees	---	(124,272)	
Long Sands Bathhouse	468	---	
Mt. Agamenticus Trails 2007	---	(3,789)	
Mt. Agamenticus Coordinator	1,749	---	
Park Commission	---	(8)	
Performance Accounts	253,374	---	
350 <sup>th</sup> Committee	750	---	
Unemployment Compensation	---	(1,280)	
Wheeler Marsh Restoration	17,976	---	
York Land Trust	10,400	---	
School categorical programs	121,744	(19,670)	
School lunch program	---	(266,025)	
Special Revenue:			
Fisherman's Memorial	---	(768)	
Harbor & Wharf	768	---	
Special Revenue subtotal	\$ 702,048	\$ (419,188)	

**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	\$ 1,358,894	\$ ---	
High School renovations	<u>10,544</u>	<u>---</u>	
Capital Projects subtotal	1,369,438	---	
 <i>Permanent Fund:</i>			
General Fund:			
Clark/Emerson Trust Fund	<u>---</u>	<u>(1,933)</u>	
Other Governmental Funds	<u>2,071,486</u>	<u>(421,121)</u>	
Total Governmental Funds	<u>\$ 2,572,235</u>	<u>\$ (2,552,996)</u>	<u>\$ 19,239</u>
 <b>Business-type Activities:</b>			
<u>Enterprise Funds:</u>			
<i>General Fund:</i>			
Recreation	\$ 14,650	\$ ---	
Mt. Agamenticus	637	---	
Sohier Park	---	(54,773)	
Goodrich Park	1,969	---	
Outside Duty	---	(24,241)	
Printing	---	(1,382)	
Senior Transportation	<u>43,901</u>	<u>---</u>	
Total Business-type Activities	<u>\$ 61,157</u>	<u>\$ (80,396)</u>	<u>\$ (19,239)</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, 2007 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>			
Special Revenues:			
Impact Fees	\$ 134,472	\$ ---	
Park Commission	8	---	
Earned Time	---	(20,000)	
Mt. Agamenticus Trails 2006	---	(5,000)	
Mt. Agamenticus Trails Coordinator	---	(15,000)	
School Lunch Program	---	(36,000)	
	<u>134,480</u>	<u>(76,000)</u>	\$ 58,480
Enterprise:			
Senior Transportation	---	(27,000)	(27,000)
	<u>134,480</u>	<u>(103,000)</u>	<u>31,480</u>
<u>Other Governmental Funds:</u>			
<i>Special Revenue:</i>			
General Fund	76,000	(134,480)	(58,480)
Special Revenue:			
CMP Road Spur	---	(6,470)	
Ice Pond	---	(8,717)	
Performance Accounts	15,187	---	
	<u>15,187</u>	<u>(15,187)</u>	---
Enterprise:			
General Fund	27,000	---	27,000
<b>Total Interfund Transfers</b>	<u>\$ 252,667</u>	<u>\$ (252,667)</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, 2007 deferred revenues consisted of the following:

Deferred property taxes	\$ 500,667
Maintenance of the Hartley Mason Estate at York Harbor Beach	<u>4,333</u>
	<u>\$ 505,000</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, 2007, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Amounts Due within <u>One Year</u>
<b>Governmental Activities:</b>					
General obligation debt	\$ 18,421,553	\$ - - -	\$ 1,602,142	\$ 16,819,411	\$ 1,597,379
Capital lease obligations	332,498	153,113	201,798	283,813	175,855
Compensated absences	<u>732,403</u>	<u>423,642</u>	<u>363,558</u>	<u>792,487</u>	<u>442,472</u>
Total Governmental	<u>\$ 19,486,454</u>	<u>\$ 576,755</u>	<u>\$ 2,167,498</u>	<u>\$ 17,895,711</u>	<u>\$ 2,215,706</u>

#### Long-Term Debt:

At June 30, 2007 long-term debt consisted of the following individual issues:

1998 General Obligation Refunding Bond maturing March 1, 2011, annual payment ranging from \$330,000 to \$390,000, variable interest rate from 4.1% to 4.6%.	\$ 1,370,000
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%.	3,300,000
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%.	10,380,000
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%.	1,350,000
Revolving Renovation Fund Loan, maturing June 1, 2011, annual payments of \$30,858 each. This loan is interest free.	123,432
Revolving Renovation Fund Loan, maturing June 1, 2009, annual payments of \$27,965 each. This loan is interest free.	55,931

## Notes to Financial Statements - Continued

### Town of York, Maine

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

York Sewer District Loan, maturing November 14, 2020, annual payment ranging from \$17,559 to \$20,627, with annual rate of interest of 1.3%.

230,160

York Sewer District Loan, maturing November 14, 2020, annual payments of \$761 each. This loan is interest free.

9,888  
\$16,819,411

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>
2008	\$ 1,597,379	\$ 806,231	\$ 2,403,610
2009	1,587,621	735,398	2,323,019
2010	1,554,899	664,376	2,219,275
2011	1,545,146	593,404	2,138,550
2012	1,184,538	522,549	1,707,087
2013-2017	5,926,566	1,756,910	7,683,476
2018-2022	<u>3,423,262</u>	<u>351,244</u>	<u>3,774,506</u>
Total	<u>\$ 16,819,411</u>	<u>\$ 5,430,112</u>	<u>\$ 22,249,523</u>

## Notes to Financial Statements - Continued

### Town of York, Maine

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

##### Capital Lease Obligations:

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

The following is a schedule of future minimum payments required under the leases as of June 30, 2007:

Year ending	
<u>June 30</u>	
2008	\$ 195,686
2009	71,405
2010	<u>42,415</u>
Total minimum lease payments	309,506
Less amount representing interest	<u>25,693</u>
Present value of minimum lease payments	<u>\$ 283,813</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, 2007 the designated fund balance applicable to future periods was as follows:

Debt service - Long Sands sewer	\$ 54,682
Elections - Help America Vote Act	10,000
Pine Hill South repair	29,454
Academic reimbursement	3,415
Cable TV operations (future upgrades)	3,348
Josiah Norton Road	9,150
Police vehicle	60,640
Cliff Walk / Fisherman's Walk	52,367
Mt. A roof repair	1,186
Church street / Long Beach sidewalk	34,150
Grader upgrade	7,650
Highway garage addition	46,334
Beach stairs	43,563
Bog Road build	13,836
Fire truck reserve	17,128
York Corner traffic signals	7,646
DPW pickup truck	30,236
Bog Road Skate Park	3,800
Route 91/Route 1 redesign	39,119
Sidewalk snowblower lease payment	392
Sewall repair	43,040
Road restoration	70,624
Storm water Management Plan	3,117
Ocean Avenue sidewalk	34,000
Public Safety Plan	10,815
Village Building Plan	66,496
White Goods	15,000
COPS funds (from previous years to fund future years)	102,977
Animal Control funds (by statue)	7,040
York Parish Cemetery	4,800
FEMA and Federal Highway reimbursements	58,022
Education	<u>1,071,820</u>
	<u>\$ 1,955,847</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, 2007 was \$81,216, equal to the required contribution.

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

## Notes to Financial Statements - Continued

### Town of York, Maine

#### Note K - Retirement Plan - Continued

**Funding Policy** - Plan members are required to contribute 7.65% of their compensation to the retirement system. The State of Maine Department of Education is required, by the same statute, to contribute the employer contribution which amounts to \$2,224,225 (19.14%) for the fiscal year 2007. 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 19.14% of their compensation. This cost is charged to the applicable grant.

In addition, the Town offers its employees a deferred compensation plan created in accordance the Internal Revenue Code Section 457 through the International City Management Association Retirement Corporation. The deferred compensation plan is available to all employees of the Town. Under the plan, employees may elect to defer a portion of their salary and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Town's computed contribution to this plan for the year ended June 30, 2007 was approximately \$144,000. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the Town's financial statements.

The Town has also established a 401(a) Money Purchase Plan covering eligible employees of the York Police Department. Contributions by the Town to the plan during the year ended June 30, 2007 were approximately \$45,000.

#### Note L - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the Town either carries commercial insurance, participates in a public entity risk pool, or is effectively self-insured. Currently, the Town participates in several public entity and self-insured risk pools sponsored by the Maine Municipal Association. Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities that should be recorded at June 30, 2007.

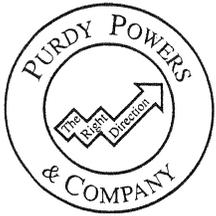
The Town of York agrees to indemnify police officers for claims and suits, which exceed the liability limits of the \$1,000,000 police liability policy, provided there is no willful negligence on behalf of the officers who are sued or against whom litigation is filed.

## **Notes to Financial Statements - Continued**

### **Town of York, Maine**

#### **Note M - Litigation**

The Town is 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.



# PURDY POWERS & COMPANY

Certified Public Accountants

Marc J. Powers, CPA, CVA  
Richard E. Emerson, Jr., CPA, CVA

David J. Shorette, CPA, CVA  
Dana O. Dakers, CPA, MST, MBA

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

Stephen H. Purdy, CPA, CVA  
Founder

## 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, 2007, 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  
February 28, 2008**

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

**Town of York, Maine**

**As of June 30, 2007**

	Special Revenue	Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash	\$ 111,158	\$ -	\$ 920	\$ 112,078
Investments	1,053,698	-	22,463	1,076,161
Due from other funds	702,048	1,369,438	-	2,071,486
Accounts receivable	39,266	-	-	39,266
Inventory	15,864	-	-	15,864
	<u>1,922,034</u>	<u>1,369,438</u>	<u>23,383</u>	<u>3,314,855</u>
<b>Total Assets</b>	<b>\$ 1,922,034</b>	<b>\$ 1,369,438</b>	<b>\$ 23,383</b>	<b>\$ 3,314,855</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 323,554	\$ -	\$ -	\$ 323,554
Accrued payroll	4,246	-	-	4,246
Due to other funds	419,188	-	1,933	421,121
	<u>746,988</u>	<u>-</u>	<u>1,933</u>	<u>748,921</u>
<b>Total Liabilities</b>	<b>746,988</b>	<b>-</b>	<b>1,933</b>	<b>748,921</b>
<b>Fund Balances</b>				
Reserved for:				
Endowments	-	-	21,450	21,450
Unreserved:				
Designated	1,175,046	1,369,438	-	2,544,484
	<u>1,175,046</u>	<u>1,369,438</u>	<u>21,450</u>	<u>2,565,934</u>
<b>Total Fund Balances</b>	<b>1,175,046</b>	<b>1,369,438</b>	<b>21,450</b>	<b>2,565,934</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,922,034</b>	<b>\$ 1,369,438</b>	<b>\$ 23,383</b>	<b>\$ 3,314,855</b>

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, 2007**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>				
Intergovernmental	\$ 738,448	\$ -	\$ -	\$ 738,448
Charges for services	1,064,140	-	-	1,064,140
Miscellaneous	<u>250,586</u>	<u>65,815</u>	<u>1,068</u>	<u>317,469</u>
<b>Total Revenues</b>	2,053,174	65,815	1,068	2,120,057
<b>Expenditures</b>				
Designated purpose	2,000,589	-	795	2,001,384
Capital outlay	<u>40,703</u>	<u>-</u>	<u>-</u>	<u>40,703</u>
<b>Total Expenditures</b>	<u>2,041,292</u>	<u>-</u>	<u>795</u>	<u>2,042,087</u>
<b>Revenues Over (Under) Expenditures</b>	11,882	65,815	273	77,970
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	76,000	-	-	76,000
Operating transfers out	<u>(134,480)</u>	<u>-</u>	<u>-</u>	<u>(134,480)</u>
<b>Total Other Sources (Uses)</b>	<u>(58,480)</u>	<u>-</u>	<u>-</u>	<u>(58,480)</u>
<b>Revenues and Other Sources Over Under) Expenditures and Other Uses</b>	(46,598)	65,815	273	19,490
Fund balances at beginning of year	<u>1,221,644</u>	<u>1,303,623</u>	<u>21,177</u>	<u>2,546,444</u>
<b>Fund Balances at End of Year</b>	<u>\$ 1,175,046</u>	<u>\$ 1,369,438</u>	<u>\$ 21,450</u>	<u>\$ 2,565,934</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, 2007

	Assets					Liabilities				Fund Balance	
	Cash	Investments	Due from Other Funds	Accounts Receivable	Inventory	Total Assets	Accounts Payable	Accrued Payroll	Due to Other Funds	Total Liabilities	(Deficit) Designated
Airport Drive	\$ -	\$ -	\$ 27,506	\$ -	\$ -	\$ 27,506	\$ -	\$ -	\$ -	\$ -	\$ 27,506
Athletic Fields	-	-	-	-	-	-	-	-	-	-	-
Beach Fire Truck	-	6,337	-	-	-	6,337	-	-	-	-	6,337
Beach Reserve	-	26,744	16,558	-	-	43,302	-	-	-	-	43,302
Bog Road	-	18,447	-	-	-	18,447	-	-	-	-	18,447
Bog Road Playground	-	-	-	2,964	-	2,964	-	-	2,964	2,964	-
Building Fund	-	1,833	-	-	-	1,833	-	-	-	-	1,833
Capital Equipment	-	7,395	-	-	-	7,395	-	-	-	-	7,395
CMP Spur Road	-	15,357	-	-	-	15,357	-	-	-	-	15,357
Code Enforcement	-	-	140,789	-	-	140,789	-	-	-	-	140,789
Conservation Commission	-	4,122	-	-	-	4,122	-	-	-	-	4,122
Earned Time	-	143,134	-	-	-	143,134	-	-	-	-	143,134
FEMA Fire Grant	-	-	-	-	-	-	-	-	-	-	-
Fireworks	-	3,629	500	-	-	4,129	-	-	-	-	4,129
Fisherman's Memorial	-	1,623	-	-	-	1,623	-	-	768	768	855
GIS Mapping	-	-	98,493	-	-	98,493	13,229	-	-	13,229	85,264
Goodrich Park	-	337	-	-	-	337	-	-	-	-	337
Hannaford Escrow	-	223,755	-	-	-	223,755	223,755	-	-	223,755	-
Harbor & Wharf	-	105,474	2,678	-	-	108,152	50,000	-	-	50,000	58,152
Harbor Beach Bathhouse	-	-	-	-	-	-	94	-	412	506	(506)
Harbor Capital	-	-	7,500	-	-	7,500	-	-	-	-	7,500
Harbor Dredge	-	204,915	1,563	-	-	206,478	-	-	-	-	206,478
Historic Markers	-	3,008	-	-	-	3,008	-	-	-	-	3,008
Hoist Repair	-	1,734	-	-	-	1,734	-	-	-	-	1,734

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, 2007

	Assets					Liabilities					Fund Balance
	Cash	Investments	Due from Other Funds	Accounts Receivable	Inventory	Total Assets	Accounts Payable	Accrued Payroll	Due to Other Funds	Total Liabilities	(Deficit) Designated
Homeland Security	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ice Pond	-	-	-	-	-	-	-	-	-	-	-
Impact Fees	-	158,732	-	-	-	158,732	-	-	124,272	124,272	34,460
Kerry Road	-	-	-	-	-	-	-	-	-	-	-
Long Sands Bathhouse	-	-	468	-	-	468	-	-	-	-	468
Nubble Light	-	22,094	-	-	-	22,094	-	-	-	-	22,094
MMA Wellness	-	-	-	-	-	-	-	-	-	-	-
Mt. Agamenticus Trails 2006	-	-	-	-	-	-	-	-	-	-	-
Mt. Agamenticus Trails 2007	-	-	-	-	-	-	-	-	3,789	3,789	(3,789)
Mt. Agamenticus Coordinator	-	-	1,749	-	-	1,749	496	-	-	496	1,253
Mt. Agamenticus Landscape	-	-	-	-	-	-	-	-	-	-	-
Off Premises Signs	-	4,297	-	-	-	4,297	-	-	-	-	4,297
Open Space	-	77,671	-	-	-	77,671	-	-	-	-	77,671
Park Commission	-	8	-	-	-	8	-	-	8	8	-
Performance Accounts	-	-	253,374	-	-	253,374	7,980	-	-	7,980	245,394
Public Works Equipment	-	2,739	-	-	-	2,739	-	-	-	-	2,739
350th Committee	-	3,111	750	-	-	3,861	-	-	-	-	3,861
Tree Planting	-	5,997	-	-	-	5,997	-	-	-	-	5,997
Unemployment Compensation	-	7,704	-	-	-	7,704	1,600	-	1,280	2,880	4,824
Village Fire Truck	-	3,501	-	-	-	3,501	-	-	-	-	3,501
Wheeler Marsh Restoration	-	-	17,976	-	-	17,976	-	-	-	-	17,976
York Land Trust	-	-	10,400	-	-	10,400	-	-	-	-	10,400
School Categoryals	-	-	121,744	28,678	-	150,422	20,124	4,246	19,670	44,040	106,382
School Lunch Program	111,158	-	-	7,624	15,864	134,646	6,276	-	266,025	272,301	(137,655)
	<u>\$ 111,158</u>	<u>\$ 1,053,698</u>	<u>\$ 702,048</u>	<u>\$ 39,266</u>	<u>\$ 15,864</u>	<u>\$ 1,922,034</u>	<u>\$ 323,554</u>	<u>\$ 4,246</u>	<u>\$ 419,188</u>	<u>\$ 746,988</u>	<u>\$ 1,175,046</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, 2007**

	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	-	-	-	-	(252)	-	(252)	-	(252)	252	-
Beach Fire Truck	-	-	224	224	-	-	-	-	224	6,113	6,337
Beach Reserve	-	-	36,503	36,503	(72,251)	-	(72,251)	-	(35,748)	79,050	43,302
Bog Road	-	-	274	274	-	-	-	-	274	18,173	18,447
Bog Road Playground	-	-	15,053	15,053	-	(40,703)	(40,703)	-	(25,650)	25,650	-
Building Fund	-	-	65	65	-	-	-	-	65	1,768	1,833
Capital Equipment	-	-	262	262	-	-	-	-	262	7,133	7,395
CMP Spur Road	-	-	767	767	-	-	-	(6,470)	(5,703)	21,060	15,357
Code Enforcement	-	153,255	-	153,255	(90,466)	-	(90,466)	-	62,789	78,000	140,789
Conservation Commission	-	-	146	146	-	-	-	-	146	3,976	4,122
Earned Time	-	-	5,129	5,129	(23,557)	-	(23,557)	20,000	1,572	141,562	143,134
FEMA Fire Grant	-	-	-	-	(689)	-	(689)	-	(689)	689	-
Fireworks	-	-	3,368	3,368	-	-	-	-	3,368	761	4,129
Fisherman's Memorial	-	-	110	110	-	-	-	-	110	745	855
GIS Mapping	-	143,962	-	143,962	(152,594)	-	(152,594)	-	(8,632)	93,896	85,264
Goodrich Park	-	-	12	12	-	-	-	-	12	325	337
Hannaford Escrow	-	-	-	-	-	-	-	-	-	-	-
Harbor & Wharf	-	31,667	4,246	35,913	(10,654)	-	(10,654)	-	25,259	32,893	58,152
Harbor Beach Bathhouse	-	-	13,709	13,709	(15,890)	-	(15,890)	-	(2,181)	1,675	(506)
Harbor Capital	-	-	7,500	7,500	-	-	-	-	7,500	-	7,500
Harbor Dredge	-	25,909	6,369	32,278	-	-	-	-	32,278	174,200	206,478
Historic Markers	-	-	292	292	-	-	-	-	292	2,716	3,008
Hoist Repair	-	-	1,090	1,090	(240)	-	(240)	-	850	884	1,734

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, 2007**

	Revenues			Expenditures			Transfers In (Out)	Revenues and	Fund Balance	Fund Balance	
	Intergovern- mental	Charges for Services	Other	Total Revenues	Designated Purpose	Capital Outlay		Total Expenditures	Other Sources Over (Under) Expenditures and Other Uses	(Deficit) at Beginning of Year	(Deficit) at End of Year
Homeland Security	\$ -	\$ -	\$ 3,495	\$ 3,495	\$ -	\$ -	\$ -	\$ 3,495	\$ (3,495)	\$ -	
Ice Pond	-	-	112	112	-	-	(8,717)	(8,605)	\$ 8,605	-	
Impact Fees	-	134,472	4,623	139,095	-	-	(134,472)	4,623	\$ 29,837	34,460	
Kerry Road	-	-	750	750	(750)	-	(750)	-	-	-	
Long Sands Bathhouse	-	-	-	-	-	-	-	-	468	468	
Nubble Light	-	-	782	782	-	-	-	782	21,312	22,094	
MMA Wellness	-	-	123	123	(594)	-	(594)	(471)	471	-	
Mt. Agamenticus Trails 2006	24,385	2,497	-	26,882	(23,179)	-	(23,179)	5,000	(8,703)	-	
Mt. Agamenticus Trails 2007	-	-	-	-	(3,789)	-	(3,789)	-	(3,789)	(3,789)	
Mt. Agamenticus Coordinato	9,900	-	26,555	36,455	(57,436)	-	(57,436)	15,000	(5,981)	7,234	
Mt. Agamenticus Landscape	-	-	4,176	4,176	(1,955)	-	(1,955)	-	2,221	(2,221)	
Off Premises Signs	-	-	152	152	-	-	-	152	4,145	4,297	
Open Space	-	-	2,750	2,750	-	-	-	2,750	74,921	77,671	
Park Commission	-	-	-	-	-	-	(8)	(8)	8	-	
Performance Accounts	-	43,679	-	43,679	(101,302)	-	(101,302)	15,187	(42,436)	287,830	
Public Works Equipment	-	-	918	918	-	-	-	918	1,821	2,739	
350th Committee	-	-	1,056	1,056	-	-	-	1,056	2,805	3,861	
Tree Planting	-	-	212	212	-	-	-	212	5,785	5,997	
Unemployment Compensatio	-	-	300	300	(3,694)	-	(3,694)	(3,394)	8,218	4,824	
Village Fire Truck	-	-	124	124	-	-	-	124	3,377	3,501	
Wheeler Marsh Restoration	-	-	-	-	-	-	-	-	17,976	17,976	
York Land Trust	-	-	10,400	10,400	-	-	-	10,400	-	10,400	
School Categoricals	605,608	-	98,858	704,466	(696,257)	-	(696,257)	8,209	98,173	106,382	
School Lunch Program	98,555	528,699	81	627,335	(745,040)	-	(745,040)	36,000	(81,705)	(137,655)	
	<u>\$ 738,448</u>	<u>\$ 1,064,140</u>	<u>\$ 250,586</u>	<u>\$ 2,053,174</u>	<u>\$ (2,000,589)</u>	<u>\$ (40,703)</u>	<u>\$ (2,041,292)</u>	<u>\$ (58,480)</u>	<u>\$ (46,598)</u>	<u>\$ 1,221,644</u>	<u>\$ 1,175,046</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Balance Sheet  
Capital Projects Funds**

**Town of York, Maine**

**As of June 30, 2007**

	<u>Middle School Renovations</u>	<u>High School Renovations</u>	<u>Total</u>
<b>Assets</b>			
Due from other funds	\$ 1,358,894	\$ 10,544	\$ 1,369,438
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 1,358,894</u>	<u>\$ 10,544</u>	<u>\$ 1,369,438</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>1,358,894</u>	<u>10,544</u>	<u>1,369,438</u>
<b>Total Fund Balances</b>	<u>1,358,894</u>	<u>10,544</u>	<u>1,369,438</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,358,894</u>	<u>\$ 10,544</u>	<u>\$ 1,369,438</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, 2007**

	<u>Middle School Renovations</u>	<u>High School Renovations</u>	<u>Total</u>
<b>Revenues</b>	\$ 63,588	\$ 2,227	\$ 65,815
<b>Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues Over (Under) Expenditures</b>	63,588	2,227	65,815
Fund balances at beginning of year	<u>1,295,306</u>	<u>8,317</u>	<u>1,303,623</u>
<b>Fund Balances at End of Year</b>	<u>\$ 1,358,894</u>	<u>\$ 10,544</u>	<u>\$ 1,369,438</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, 2007**

	Clark/ Emerson	D'Entremont Scholarship	Total
<b>Assets</b>			
Cash	\$ -	\$ 920	\$ 920
Investments	<u>22,463</u>	<u>-</u>	<u>22,463</u>
<b>Total Assets</b>	<u>\$ 22,463</u>	<u>\$ 920</u>	<u>\$ 23,383</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$ 1,933	\$ -	\$ 1,933
<b>Total Liabilities</b>	1,933	-	1,933
<b>Fund Balances</b>			
Reserved for endowments	<u>20,530</u>	<u>920</u>	<u>21,450</u>
<b>Total Fund Balances</b>	<u>20,530</u>	<u>920</u>	<u>21,450</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 22,463</u>	<u>\$ 920</u>	<u>\$ 23,383</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, 2007**

	<u>Clark/ Emerson</u>	<u>D'Entremont Scholarship</u>	<u>Total</u>
<b>Revenues</b>			
Investment return	\$ 795	\$ 273	\$ 1,068
<b>Total Revenues</b>	<u>795</u>	<u>273</u>	<u>1,068</u>
<b>Expenditures</b>			
Current	795	-	795
<b>Total Expenditures</b>	<u>795</u>	<u>-</u>	<u>795</u>
<b>Revenues Over Expenditures</b>	-	273	273
Fund balances at beginning of year	<u>20,530</u>	<u>647</u>	<u>21,177</u>
<b>Fund Balances at End of Year</b>	<u><u>\$ 20,530</u></u>	<u><u>\$ 920</u></u>	<u><u>\$ 21,450</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, 2007**

	Recreation Program							Total
	Recreation	Mt. Agamenticus	Sohier Park	Goodrich Park	Outside Duty	Printing	Senior Transportation	
<b>Assets</b>								
Investments	\$ -	\$ -	\$ 33,842	\$ -	\$ -	\$ -	\$ -	\$ 33,842
Accounts receivable	-	-	-	-	36,735	-	-	36,735
Due from other funds	14,650	637	-	1,969	-	-	43,901	61,157
Inventories	-	-	44,231	-	-	-	-	44,231
<b>Total Assets</b>	<u>14,650</u>	<u>637</u>	<u>78,073</u>	<u>1,969</u>	<u>36,735</u>	<u>-</u>	<u>43,901</u>	<u>175,965</u>
<b>Liabilities</b>								
Accounts payable	6,733	361	16,990	1,198	-	-	795	26,077
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	-	-	54,773	-	24,241	1,382	-	80,396
<b>Total Liabilities</b>	<u>6,733</u>	<u>361</u>	<u>71,763</u>	<u>1,198</u>	<u>24,241</u>	<u>1,382</u>	<u>795</u>	<u>106,473</u>
<b>Net Assets (Deficits)</b>								
Unrestricted	<u>7,917</u>	<u>276</u>	<u>6,310</u>	<u>771</u>	<u>12,494</u>	<u>(1,382)</u>	<u>43,106</u>	<u>69,492</u>
<b>Total Net Assets (Deficits)</b>	<u>\$ 7,917</u>	<u>\$ 276</u>	<u>\$ 6,310</u>	<u>\$ 771</u>	<u>\$ 12,494</u>	<u>\$ (1,382)</u>	<u>\$ 43,106</u>	<u>\$ 69,492</u>

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, 2007**

	Recreation Program						Senior Transportation	Total
	Recreation	Mt. Agamenticus	Sohier Park	Goodrich Park	Outside Duty	Printing		
<b>Operating Revenues</b>								
Charges for services	\$ 377,050	\$ 49,031	\$ 141,277	\$ 5,100	\$ 132,414	\$ -	\$ 8,208	\$ 713,080
Intergovernmental	-	-	-	-	-	-	-	-
Other	62,550	-	7,014	-	-	-	176	69,740
<b>Total Operating Revenues</b>	<b>439,600</b>	<b>49,031</b>	<b>148,291</b>	<b>5,100</b>	<b>132,414</b>	<b>-</b>	<b>8,384</b>	<b>782,820</b>
<b>Operating Expenses</b>								
Salaries and benefits	166,250	26,657	54,636	-	120,209	-	30,230	397,982
Cost of goods sold	-	-	59,459	-	-	-	-	59,459
Service fees	196,866	6,995	9,092	873	-	-	2,122	215,948
Supplies	49,857	10,801	13,754	742	-	-	20	75,174
Utilities	7,797	2,515	7,035	250	-	-	747	18,344
<b>Total Operating Expenses</b>	<b>420,770</b>	<b>46,968</b>	<b>143,976</b>	<b>1,865</b>	<b>120,209</b>	<b>-</b>	<b>33,119</b>	<b>766,907</b>
<b>Operating Income (Loss)</b>	<b>18,830</b>	<b>2,063</b>	<b>4,315</b>	<b>3,235</b>	<b>12,205</b>	<b>-</b>	<b>(24,735)</b>	<b>15,913</b>
<b>Other Financing Sources (Uses)</b>								
Operating transfers in	-	-	-	-	-	-	27,000	27,000
Operating transfers out	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,000</b>	<b>27,000</b>
<b>Increase in Net Assets</b>	<b>18,830</b>	<b>2,063</b>	<b>4,315</b>	<b>3,235</b>	<b>12,205</b>	<b>-</b>	<b>2,265</b>	<b>42,913</b>
Net assets (deficits) at beginning of year	(10,913)	(1,787)	1,995	(2,464)	289	(1,382)	40,841	26,579
<b>Net Assets (Deficits) at End of Year</b>	<b>\$ 7,917</b>	<b>\$ 276</b>	<b>\$ 6,310</b>	<b>\$ 771</b>	<b>\$ 12,494</b>	<b>\$ (1,382)</b>	<b>\$ 43,106</b>	<b>\$ 69,492</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, 2007

### Valuation

Real estate	\$ 3,753,385,500
Personal property	<u>22,539,030</u>

<b>Total Valuation</b>	<b>\$ <u>3,775,924,530</u></b>
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### Assessment

Valuation x Rate - \$3,775,924,530 x .00814	\$ 30,736,026
Supplemental taxes	<u>43,443</u>

<b>Total Assessment Charged to Collector</b>	<b>\$ 30,779,469</b>
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### Collection and Credits

Cash collections	\$ 30,206,670
Tax abatements	<u>31,586</u>

<b>Total Collection and Credits</b>	<b><u>30,238,256</u></b>
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<b>2007 Taxes Receivable - June 30, 2007</b>	<b>\$ <u>541,213</u></b>
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See accompanying independent auditors' report on supplemental financial information.