

TOWN OF YORK, MAINE

Annual Financial Report

For the Fiscal Year Ended June 30, 2018

TOWN OF YORK, MAINE
Annual Financial Report
For the Year Ended June 30, 2018

Table of Contents

	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report		1-3
Management's Discussion and Analysis		4-14
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	17
Statement of Activities	2	18
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	19
Statement of Revenues, Expenditures, and Changes in Fund		
Balances - Governmental Funds	4	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund		
Balances of Governmental Funds to the Statement of Activities	5	21
Statement of Revenues, Expenditures, and Changes in Fund Balance -		
Budget and Actual - General Fund	6	22
Statement of Net Position - Proprietary Funds	7	23
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	8	24
Statement of Cash Flows - Proprietary Funds	9	25
Statement of Fiduciary Net Position - Fiduciary Funds	10	26
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	11	27
Notes to Basic Financial Statements		28-53
Required Supplementary Information:		
Schedule of Town's Proportionate Share of the Net Pension Liability		54
Schedule of Town Contributions - Net Pension Liability		55
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios		56
Schedule of the Town's Share of the Net OPEB Liability		57
Schedule of Town Contributions - Net OPEB Liability		58
Notes to Required Supplementary Information		59
Combining and Individual Fund Financial Statements and Schedules:	<u>Exhibit</u>	<u>Page</u>
General Fund:		
Comparative Balance Sheets	A - 1	63
Statement of Revenues, Expenditures, and Changes in Fund		
Balance - Budget and Actual	A - 2	64-66
Capital Project Funds		
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances	B	69-70

TOWN OF YORK, MAINE
Annual Financial Report
For the Year Ended June 30, 2018

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
Other Governmental Funds:		
Combining Balance Sheet	C - 1	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C - 2	74
Nonmajor Special Revenue Funds - Town Programs:		
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D	77
Nonmajor Proprietary Funds:		
Combining Statement of Net Position	E - 1	81
Combining Statement of Revenues, Expenses, and Changes in Net Position	E - 2	82
	<u>Schedule</u>	
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund Reserves	1	85

Independent Auditor's Report

Board of Selectmen
Town of York, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of York, Maine as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of York, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Board of Selectmen
Town of York, Maine

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of York, Maine as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in the notes to basic financial statements, in 2018, the Town adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual fund financial statements and schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Board of Selectmen
Town of York, Maine

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2019, on our consideration of the Town of York, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of York, Maine's internal control over financial reporting and compliance.



February 26, 2019
South Portland, Maine

TOWN OF YORK, MAINE
Management's Discussion and Analysis
June 30, 2018

Our discussion and analysis of the Town of York, Maine's financial performance provides an overview of the Town's financial activities for the year ended June 30, 2018. Please read it in conjunction with the Town's financial statements, which begin on page 17.

USING THIS ANNUAL REPORT

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

REPORTING THE TOWN AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

REPORTING THE TOWN'S MOST SIGNIFICANT FUND FINANCIAL STATEMENTS

Our analysis of the Town's major funds begins on page 19. The fund financial statements begin on page 19 and provide detailed information about the most significant funds - not the Town as a whole.

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

Some funds are required to be established by State law and by bond covenants. However, the Board of Selectmen establishes many other funds to help it control and manage money for particular purposes.

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

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

- **Proprietary funds** - When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise fund is the same as the business-type activities we report in the government-wide statements but provides 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, 2018, net position changed as follows:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017 (restated)	2018	2017	2018	2017 (restated)
Current and other assets	\$ 17,566,332	20,411,089	642,129	574,863	18,208,461	20,985,952
Capital assets	83,817,465	77,933,249	204,713	226,278	84,022,178	78,159,527
Total assets	101,383,797	98,344,338	846,842	801,141	102,230,639	99,145,479
Deferred outflows of resources	1,791,520	3,022,668	-	-	1,791,520	3,022,668
Long-term liabilities	48,448,746	47,194,995	-	-	48,448,746	47,194,995
Other liabilities	5,219,957	5,424,386	59,468	73,119	5,279,425	5,497,505
Total liabilities	53,668,703	52,619,381	59,468	73,119	53,728,171	52,692,500
Deferred inflows of resources	401,276	298,726	-	-	401,276	298,726
Net investment in capital assets	46,077,938	45,296,596	204,713	226,278	46,282,651	45,522,874
Restricted	953,208	1,179,749	-	-	953,208	1,179,749
Unrestricted	2,074,192	1,972,554	582,661	501,744	2,656,853	2,474,298
Total net position	\$ 49,105,338	48,448,899	787,374	728,022	49,892,712	49,176,921

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

These numbers reflect an increase in net position of 1.4% percent for governmental activities and an increase of 8.2% for business-type activities (see page 23-25 for details).

Governmental Activities

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

General Government	Charges for plumbing permits, shoreland permits, cable TV franchise fees, gas tax refunds, reimbursements, clerk fees, a portion of parking meter and permit receipts, parking ticket receipts and shellfish licenses.
Public Safety	Mooring receipts, police reports, dispatch services agreement with Ogunquit, PSAP (Public Safety Answering Point) fees from other surrounding towns, grants and dog license fees.
Public Works	Urban/Rural Initiative program, FEMA reimbursements, other state grants to improve certain street intersections.
Recreation & Public Assistance	Recreation, General Assistance.
Education & Libraries	Food service, grants, state subsidy, library revenues.

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.

Function/Program	Expenses		Revenues		Net Expense	
	2018	2017	2018	2017	2018	2017
General Government	\$ 5,948,477	7,224,759	922,231	982,303	5,026,246	6,242,456
Public Safety	7,421,259	7,403,367	961,020	779,722	6,460,239	6,623,645
Public Works	6,634,004	6,241,095	1,341,719	723,094	5,292,285	5,518,001
Parks and Recreation	1,756,456	1,287,281	140,450	47,899	1,616,006	1,239,382
Public Assistance	79,381	378,809	8,200	21,363	71,181	357,446
Education and Libraries	35,741,673	34,307,964	5,562,245	4,998,485	30,179,428	29,309,479
Capital Outlay	1,853,815	882,080	452,403	-	1,401,412	882,080
Interest on long-term debt	549,303	628,147	-	-	549,303	628,147
Total Governmental Activities	\$ 59,984,368	58,353,502	9,388,268	7,552,866	50,596,100	50,800,636

The net expense is the financial burden that was placed on the taxpayers by each of these functions. Approximately \$9.4 million worth of activity was paid by grants, user fees, parking tickets and meter revenues and fees other than taxes.

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

Public Safety revenues derive from dispatching services provided to neighboring towns as well as 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, as well as reimbursements for recycling materials.

General Government expenses decreased by \$1.3 million primarily due to the change in the net pension liability, which decreased expenses.

Education and libraries' share of net expense is still the largest percentage at 59.6%, followed by Public Safety at 12.4%, and Public Works at 11.1%. General Government at 9.9%,

In an effort to reduce the net expense to taxpayers, there has been a concerted effort to institute user fees as appropriate. To that end, impact fees were imposed years ago on residential dwelling units to help defray the debt service costs of new school buildings. \$124,114 in impact fees were collected by the Town and transferred to the school to offset costs. By ordinance, building permit fees are used to greatly reduce the impact on taxpayers by the Community Development Department (Code, Planning, and Geographic Information Services). Several full-time positions in that department are funded by fees, saving the taxpayers almost \$420,000 this year, while delivering desired services in the area of inspections and GIS mapping and data collection.

THE TOWN'S FUNDS

The following schedule presents a summary of General Fund revenues for the fiscal year ended June 30, 2018 with a comparison to 2017:

Revenues	2018	Percent of	2017	Percent of
Taxes	\$ 50,084,571	87.33%	48,882,362	88.66%
Intergovernmental	4,678,764	8.16%	3,952,673	7.17%
Charges for Services	1,502,948	2.62%	1,191,165	2.16%
Licenses and Permits	358,332	0.62%	341,560	0.62%
Other	728,402	1.27%	767,312	1.39%
Total Revenues	\$ 57,353,017	100.00%	55,135,072	100.00%

Revenues from all sources increased 4% from the previous year. Tax revenues increased 2.5%. State Revenue sharing increased by 9.0%. Interest income saw a significant increase of 26.2%.

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

The following schedule presents a summary of General Fund expenditures for the fiscal year ended June 30, 2018, with a comparison to 2017:

Expenditures	2018	Percent of	2017	Percent of
General Government	\$ 3,337,936	5.83%	2,705,084	5.00%
Public Safety	6,850,308	11.97%	6,920,792	12.80%
Public Works	4,961,712	8.67%	4,885,059	9.03%
Parks & Recreation	1,648,310	2.88%	1,214,516	2.25%
Public Assistance	79,381	0.14%	378,809	0.70%
Education & Library	32,438,930	56.69%	31,258,906	57.79%
MainePERS on Behalf	2,360,082	4.12%	1,931,612	3.57%
County Tax	2,426,202	4.24%	2,398,830	4.44%
Unclassified	49,066	0.09%	481,941	0.89%
Capital Outlay	1,149,787	2.01%	314,384	0.58%
Interest and Bond Costs	277,506	0.50%	258,428	0.48%
Principal Payments on LT Debt and Bond Costs	1,638,222	2.86%	1,339,292	2.48%
Total Expenditures	<u>\$ 57,217,442</u>	<u>100.00%</u>	<u>54,087,653</u>	<u>100.00%</u>

Overall, expenditures increased 5.8%. The General Government expenditures increase is typical of inflation and personnel-related cost increases combined with an increase in capital outlay. The principal payments on long-term debt remained similar to the previous year. New debt was issued December 28, 2018. In addition, funding for Education and Library increased by 3.8%.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted to use \$625,000 and the School Department budgeted to use \$250,000 of unassigned fund balance that was approved by voters to reduce tax appropriations. The Town recorded a modest increase in General Fund GAAP fund balance for the year of \$190,390.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the Town had \$83.8 million invested in capital assets for its governmental activities and \$204,713 in business-type activities, including substantial funding for paving and construction of town roads. The usual additions included police vehicles and computer equipment.

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

This year's major additions included:

<i>Department</i>	<i>Category</i>	<i>Asset Name</i>	<i>Date Acquired</i>	<i>Cost</i>
Public Safety	<i>Vehicles</i>	2015 Ford Explorer	12/20/2017	\$ 30,069.00
Public Safety	<i>Vehicles</i>	2017 Ford Interceptor	12/28/2017	\$ 28,857.00
Public Safety	<i>Vehicles</i>	2018 Ford Explorer	1/22/2018	\$ 38,821.00
Public Works	<i>Vehicles</i>	2018 Ford F550 w/wing	2/8/2018	\$ 131,137.82
Parks	<i>Buildings and Improvements</i>	Long Sands Bathhouse	6/1/2018	\$ 878,165.49
Public Works	<i>Vehicles</i>	CAT Loader	12/15/2017	\$ 147,900.00
Public Works	<i>Vehicles</i>	2018 International HD Dump Truck	12/14/2017	\$ 205,149.00
Education	<i>Vehicles</i>	2018 Expedition	12/4/2017	\$ 39,258.00
Public Works	<i>Vehicles</i>	2018 International	12/14/2017	\$ 103,509.00
Education	<i>Infrastructure</i>	YHS Pavement reconstruction	4/23/2018	\$ 8,148.00
Education	<i>Infrastructure</i>	Sliding door with new windows	9/22/2017	\$ 33,716.14
Public Works	<i>Vehicles</i>	2018 Ford F550	2/8/2018	\$ 198,948.85
Education	<i>Equipment</i>	REV Scrubber	8/17/2017	\$ 7,500.00
Education	<i>Equipment</i>	JGL Lift	1/22/2018	\$ 12,207.00
Education	<i>Infrastructure</i>	Paving - Middle School Parking Lot	8/30/2017	\$ 125,376.00
Public Safety	<i>Infrastructure</i>	Police Station Construction	6/28/2018	\$ 5,000.00
Public Safety	<i>Infrastructure</i>	Police Station Construction	6/28/2018	\$ 5,000.00
Parks	<i>Vehicles</i>	2018 Ford F350	4/27/2018	\$ 49,705.00
Public Works	<i>Infrastructure</i>	Atlantic & Cross	6/30/2018	\$ 53,659.10
Education	<i>Infrastructure</i>	Alt-ed Renovations	6/30/2018	\$ 51,292.67
Education	<i>Infrastructure</i>	High School Main Switch Gear	6/30/2018	\$ 22,650.00
Education	<i>Infrastructure</i>	Replacement of High School goal posts	8/24/2017	\$ 17,500.00
Public Works	<i>Infrastructure</i>	MDOT Building	4/23/2018	\$ 625,000.00
Public Works	<i>Infrastructure</i>	Walt Kuhn Road	11/1/2017	\$ 792,000.00
Public Works	<i>Infrastructure</i>	Forest Hill Lane	11/1/2017	\$ 198,000.00
				\$ 3,808,569.07

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

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

Long-term Obligations

The taxpayers approved all of the municipal and school projects put before them on the ballot. The projects totaled \$4,233,000. The Town's Standard and Poor's rating remains at AAA+.

At year-end, the Town had \$48,448,746 in outstanding debt and other liabilities, representing a net increase of \$1,253,751.

	2018	2017 (restated)
General Obligation Bonds	\$ 36,676,022	\$ 34,148,783
Notes Payable	-	217,347
Premium on Bonds	381,186	304,487
Capital Leases	3,337,570	3,414,109
Net Pension Liability	4,587,651	6,057,198
Other Post-Employment Benefits	1,778,892	1,639,195
Accrued Compensated Absences	1,687,425	1,413,876
Total Outstanding Long-term Liabilities	\$ 48,448,746	\$ 47,194,995

Bonds Issued August 10, 2017

Parks and Recreation Pick Up	\$ 94,000
DPW Plow Truck	426,000
DPW One Ton Dump Truck	85,000
DPW Backhoe	148,000
Grant House Restoration	45,000
Bog Road Maintenance Facility	114,000
York Land Trust Fuller Forest	218,000
Road Overlay Paving	1,730,000
Municipal It Infrastructure	280,000
Kiosk Parking Meters	200,000
Emergency Microwave System	650,000
Village Fire Truck	655,000
School - Boiler Room	75,000
School - Superintendent's Office Roof	197,000
School - YHS Main Electrical Switch Gear	30,000
School - YHS Alternative Educ. Renovation	75,000
School - YHS Office Renovation	108,000
School - Coastal Ridge Renovation	400,000
School - Middle School Parking Paving	130,000
School - Village Elementary Door	39,000
School - Vocational Ed. Vehicle	39,000
Total	\$ 5,738,000

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

Pursuant to GASBS No. 75, actuaries have calculated the Town's liability with respect to Other Postemployment Benefits. The Town offers limited postemployment benefits, including life insurance (for Maine State Retirees) and the privilege of remaining on the Town's health insurance plan. The Town does not fund this liability, but rather is on a pay-as-you-go basis.

Tax Increment Financing

A tax increment financing district in the York Beach area was established in 2006 with the tax increment to be used for the betterment of public infrastructure within the district. In FY10, the first year of the implementation, \$113,928 in new tax increment was collected and \$15,000 was expended in planning and design services. For FY11 through FY15, there was a reduction in valuation and no tax increment was generated, but approximately \$34,000 was expended on engineering and related expenses and \$30,000 was expended on infrastructure from the accumulated fund balance. In FY16, \$1,824 in new tax increment was collected resulting in a fund balance of \$15,662. In FY17, there was a reduction in valuation and no tax increment was generated. In FY18, the tax increment generated totaled \$118,729.

Business-type Activities

The Town operates a number of enterprise funds, designed to be mostly self-sustaining through user fees and grants. All funds are designed to maintain some activity or capital assets and are not intended to amass large net position.

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

Business-type Activities - Enterprise Funds

	Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Senior Center	Totals
Operating revenues:							
User fees	\$ 486,440	3,841	-	83,571	-	252,488	826,340
Sponsorships/memberships	55,317	-	-	-	-	12,177	67,434
Gift shop sales	-	1,530	580,853	-	-	-	582,383
Rental income	-	56,095	-	-	6,600	-	62,695
Donations	-	50,557	7,415	-	-	4,177	62,149
Total operating revenues	541,757	112,023	588,268	88,571	6,600	268,782	1,601,001
Operating expenses:							
Cost of goods	14,701	5,165	291,016	-	-	35,139	346,018
Salaries and benefits	275,232	64,116	100,076	61,413	-	7,950	508,787
Training, meetings, and travel	1,701	892	1,797	-	-	-	4,390
Maintenance	-	2,982	-	-	-	2,915	5,897
Office expenses	28,289	4,856	8,731	-	-	557	42,433
Supplies	54,389	14,818	4,894	-	3,119	8,966	86,186
Contracts	149,183	6,779	15,133	-	-	218,008	389,103
Equipment	10,130	-	-	-	-	-	10,130
Utilities	-	2,787	204	-	-	280	3,271
Fuel	-	-	-	-	-	1,522	1,522
Depreciation	-	-	5,070	-	-	16,495	21,565
Total operating expenses	533,625	102,395	426,921	-	3,119	291,829	1,419,302
Operating income (loss)	8,132	9,628	161,347	22,158	3,481	(23,047)	181,699
Transfers in	-	-	-	-	356	-	356
Transfers out	-	-	(82,790)	(39,913)	-	-	(122,703)
Change in net position	8,132	9,628	78,557	(17,755)	3,837	(23,047)	59,352
Total net position, beginning of year	182,893	52,549	302,061	54,180	6,843	129,496	728,022
Total net position, end of year	\$ 191,025	62,177	380,618	36,425	10,680	106,449	787,374

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

The Town's Enterprise Funds

The **Recreation Enterprise Fund** is funded primarily by user fees with a heavy participation by 'sponsors'; local businesses who sponsor teams participating in the various programs. With the exception of the 1.5 full time positions that are funded by the General Fund, this program is self-sustaining with respect to all the other costs, such as instructors, coaches, supplies, and transportation.

It is the goal of the administration to make programs as affordable and accessible to as many citizens as are interested, made possible, in part by some generous donors who sponsor 'scholarships'. The Recreation Department offers programs for all ages – children through senior citizens, including soccer, tai chi, photography, dance, and everything in between.

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

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

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

Improved systems and focused management have resulted in substantial revenue increases, allowing for more funding of park improvements and maintenance.

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

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

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

The Assessor continues to use his extensive resources to keep values within the 90-100% range as dictated by state statute. All classes of real estate have seen a healthy rebound in sales over the last three years, with market value steadily increasing. Tourism still continues to be a major industry in the Town of York. The FY 2018 assessment valuations as of April 1, 2017, rose 4.67% from the previous year.

Fiscal Year	Taxable Valuation	% Change in Valuation	Tax Rate/1000	% Change in Tax Rate	Annual Budget	% Change in
						Annual Budget
2006	\$3,465,999,200	8.72%	\$8.46	-3.31%	\$29,322,353	5.12%
2007	\$3,794,235,030	9.47%	\$8.14	-3.78%	\$30,736,026	4.82%
2008	\$3,988,361,710	5.12%	\$8.10	-0.49%	\$32,160,100	4.63%
2009	\$4,100,916,830	2.82%	\$8.26	1.98%	\$33,722,498	4.86%
2010	\$4,037,653,357	-1.54%	\$8.58	3.87%	\$34,485,161	2.26%
2011	\$3,967,061,240	-1.78%	\$9.10	6.06%	\$35,961,240	4.28%
2012	\$3,909,591,408	-1.45%	\$9.35	2.75%	\$36,406,723	1.24%
2013	\$3,849,714,344	-1.53%	\$9.96	6.52%	\$38,245,119	5.05%
2014	\$3,855,034,616	0.14%	\$10.43	4.72%	\$39,974,697	4.52%
2015	\$3,915,250,959	0.16%	\$10.70	2.59%	\$41,746,976	4.43%
2016	\$3,964,520,605	1.26%	\$11.00	2.80%	\$43,471,673	4.13%
2017	\$4,078,218,785	2.87%	\$11.15	1.36%	\$45,268,871	4.13%
2018	\$4,268,495,853	4.67%	\$10.95	-1.79%	\$46,474,725	2.66%

York will see a mil rate decrease in the amount of \$0.20/\$1,000 assessed valuation for FY 2019. Those closest to the water see that property valuation translates to larger tax bills, yet there are segments of the population for which tax bills decrease each year. After several years of declining total valuation, this year again shows some signs of recovery of values which had declined modestly compared to some areas of the country.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

TOWN OF YORK, MAINE
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,706,646	1,450	15,708,096
Receivables:			
Accounts	256,258	25,364	281,622
Intergovernmental	681,314	-	681,314
Taxes	1,371,086	-	1,371,086
Prepaid expenses	37,037	1,421	38,458
Inventory	25,603	102,282	127,885
Internal balances	(511,612)	511,612	-
Capital assets not being depreciated	25,277,602	-	25,277,602
Capital assets being depreciated, net	58,539,863	204,713	58,744,576
Total assets	101,383,797	846,842	102,230,639
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	1,638,122	-	1,638,122
Deferred outflows of resources related to OPEB	153,398	-	153,398
Total deferred outflows of resources	1,791,520	-	1,791,520
LIABILITIES			
Accounts payable and other liabilities	2,941,085	42,332	2,983,417
Accrued payroll	2,003,408	17,136	2,020,544
Unearned revenue	13,040	-	13,040
Accrued interest	262,424	-	262,424
Noncurrent liabilities:			
Due within one year	3,820,677	-	3,820,677
Due in more than one year	44,628,069	-	44,628,069
Total liabilities	53,668,703	59,468	53,728,171
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	337,244	-	337,244
Deferred inflows of resources related to OPEB	64,032	-	64,032
Total deferred inflows of resources	401,276	-	401,276
NET POSITION			
Net investment in capital assets	46,077,938	204,713	46,282,651
Restricted for:			
Permanent fund principal - nonexpendable	20,529	-	20,529
Permanent fund earnings - expendable	30	-	30
Education	563,023	-	563,023
Grants	369,626	-	369,626
Unrestricted	2,074,192	582,661	2,656,853
Total net position	\$ 49,105,338	787,374	49,892,712

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Activities
For the year ended June 30, 2018

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 5,948,477	885,193	37,038	-	(5,026,246)	-	(5,026,246)
Public safety	7,421,259	924,015	37,005	-	(6,460,239)	-	(6,460,239)
Public works	6,634,004	87,296	30,787	1,223,636	(5,292,285)	-	(5,292,285)
Parks and recreation	1,756,456	119,889	20,561	-	(1,616,006)	-	(1,616,006)
Public assistance	79,381	-	8,200	-	(71,181)	-	(71,181)
Education and libraries	35,741,673	932,724	4,629,521	-	(30,179,428)	-	(30,179,428)
Capital outlay	1,853,815	-	-	452,403	(1,401,412)	-	(1,401,412)
Interest on debt	549,303	-	-	-	(549,303)	-	(549,303)
Total governmental activities	59,984,368	2,949,117	4,763,112	1,676,039	(50,596,100)	-	(50,596,100)
Business-type activities: 9.9%							
Recreation	533,625	541,757	-	-	-	8,132	8,132
Mt. Agamenticus	102,395	61,466	50,557	-	-	9,628	9,628
Sohier Park	426,921	580,853	7,415	-	-	161,347	161,347
Outside Duty	61,413	83,571	-	-	-	22,158	22,158
Goodrich Park	3,119	6,600	-	-	-	3,481	3,481
Senior Center	291,829	264,605	4,177	-	-	(23,047)	(23,047)
Total business-type activities	1,419,302	1,538,852	62,149	-	-	181,699	181,699
Total primary government	\$ 61,403,670	4,487,969	4,825,261	1,676,039	(50,596,100)	181,699	(50,414,401)
General revenues:							
Property taxes, levied for general purposes					\$ 46,627,880	-	46,627,880
Motor vehicle excise taxes					3,528,947	-	3,528,947
Grants and contributions not restricted to specific programs:							
Homestead exemption					260,829	-	260,829
BETE reimbursements					4,548	-	4,548
State Revenue Sharing					342,864	-	342,864
Unrestricted investment earnings					244,662	-	244,662
Miscellaneous revenues					120,462	-	120,462
Transfers					122,347	(122,347)	-
Total general revenues and transfers					51,252,539	(122,347)	51,130,192
Change in net position					656,439	59,352	715,791
Net position - beginning, restated					48,448,899	728,022	49,176,921
Net position - ending					\$ 49,105,338	787,374	49,892,712

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Balance Sheet
Governmental Funds
June 30, 2018

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 13,407,739	2,268,362	30,545	15,706,646
Receivables:				
Accounts	224,474	29,553	2,231	256,258
Intergovernmental	76,407	-	604,907	681,314
Taxes	1,371,086	-	-	1,371,086
Prepaid expenditures	37,037	-	-	37,037
Inventory	-	-	25,603	25,603
Interfund loans receivable	-	1,575,634	762,651	2,338,285
Total assets	\$ 15,116,743	3,873,549	1,425,937	20,416,229
LIABILITIES				
Accounts payable	941,733	1,218,298	270,305	2,430,336
Accrued payroll	1,960,959	-	42,449	2,003,408
Other liabilities	510,749	-	-	510,749
Unearned revenues	-	-	13,040	13,040
Interfund loans payable	2,421,432	-	428,465	2,849,897
Total liabilities	5,834,873	1,218,298	754,259	7,807,430
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	889,000	-	-	889,000
Total deferred inflows of resources	889,000	-	-	889,000
FUND BALANCES (DEFICITS)				
Nonspendable	37,037	-	20,529	57,566
Restricted	432,201	-	486,172	918,373
Committed	-	2,655,251	1,084,380	3,739,631
Assigned	1,160,477	-	-	1,160,477
Unassigned	6,763,155	-	(919,403)	5,843,752
Total fund balances	8,392,870	2,655,251	671,678	11,719,799
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,116,743	3,873,549	1,425,937	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	83,817,465
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.	889,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:	
Bonds and notes payable	(36,676,022)
Capital leases	(3,337,570)
Premium on bonds	(381,186)
Accrued interest	(262,424)
Accrued compensated absences	(1,687,425)
Other post-employment benefits liability	(1,778,892)
Net pension liability	(337,244)
Deferred inflows and outflows of resources related to pensions	(2,949,529)
Deferred inflows and outflows of resources related to OPEB	89,366
	(47,320,926)

Net position of governmental activities **\$ 49,105,338**

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2018

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 50,084,571	-	125,690	50,210,261
Licenses and permits	358,332	-	-	358,332
Intergovernmental	4,678,764	-	1,331,082	6,009,846
Charges for services	1,502,948	-	670,723	2,173,671
Donations	21,124	-	26,422	47,546
Interest income	233,956	10,616	90	244,662
Other	473,322	32,147	32,107	537,576
Total revenues	57,353,017	42,763	2,186,114	59,581,894
Expenditures:				
Current:				
General government	3,337,936	-	-	3,337,936
Public safety	6,850,308	-	37,005	6,887,313
Public works	4,961,712	-	359,350	5,321,062
Parks and recreation	1,648,310	-	-	1,648,310
Public assistance	79,381	-	-	79,381
Library	544,144	-	-	544,144
Education	31,894,786	-	1,687,459	33,582,245
County tax	2,426,202	-	-	2,426,202
MEPERS on behalf payments	2,360,082	-	-	2,360,082
Unclassified	49,066	-	18,202	67,268
Capital outlay	1,149,787	7,598,596	1,090,396	9,838,779
Debt service (excluding education debt):				
Bond issuance costs	29,282	-	-	29,282
Principal	1,638,222	-	-	1,638,222
Interest	248,224	275,702	-	523,926
Total expenditures	57,217,442	7,874,298	3,192,412	68,284,152
Excess (deficiency) of revenues over (under) expenditures	135,575	(7,831,535)	(1,006,298)	(8,702,258)
Other financing sources (uses):				
Lease proceeds	182,051	-	-	182,051
Bond proceeds	-	5,738,000	-	5,738,000
Premium on bond proceeds	-	99,970	-	99,970
Transfers in	334,866	2,245	459,501	796,612
Transfers out	(462,102)	-	(212,163)	(674,265)
Total other financing sources (uses)	54,815	5,840,215	247,338	6,142,368
Net change in fund balances	190,390	(1,991,320)	(758,960)	(2,559,890)
Fund balances, beginning of year	8,202,480	4,646,571	1,430,638	14,279,689
Fund balances, end of year	\$ 8,392,870	2,655,251	671,678	11,719,799

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2018

Net change in fund balances - total governmental funds (from Statement 4)	\$	(2,559,890)
---------------------------------------------------------------------------	----	-------------

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

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

This is the amount by which capital outlay (\$8,974,964) exceeded depreciation expense (\$3,083,480) and loss on disposal of assets (\$7,268). 5,884,216

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable tax revenues. (53,434)

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

These are the changes in other liabilities:

Net pension liability		1,469,547
Deferred inflows and outflows of resources related to the net pension liability		(1,423,064)
Other post-employment benefits liability		(139,697)
Deferred inflows and outflows of resource related to the net OPEB liability		89,366
Accrued compensated absences		(273,549)
Accrued interest payable		(27,004)

The issuance of capital leases provide current financial resources to governmental funds, but capital leases increases long-term liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which current year principal payments (\$258,590) exceed lease proceeds (\$182,051). 76,539

The bond and note issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

These are the changes in long term debt:

Bond proceeds		(5,738,000)
Premium on bond issuance		(99,970)
Bond and note principal payments		3,428,108
Amortization of bond premium		23,271

Change in net position of governmental activities (see Statement 2)	\$	656,439
----------------------------------------------------------------------------	-----------	----------------

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2018

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 49,628,035	49,628,035	50,084,571	456,536
Licenses and permits	292,500	292,500	358,332	65,832
Intergovernmental	2,255,669	2,255,669	2,318,682	63,013
Charges for services	1,187,027	1,187,027	1,493,107	306,080
Other	546,191	546,191	565,514	19,323
Total revenues	53,909,422	53,909,422	54,820,206	910,784
Expenditures:				
Current:				
General government	3,335,841	3,359,040	3,242,686	116,354
Public safety	6,809,692	6,824,555	6,850,308	(25,753)
Public works	4,974,299	4,974,299	4,952,125	22,174
Parks and recreation	1,469,734	1,469,734	1,490,608	(20,874)
Public assistance	170,805	170,805	79,381	91,424
Library	544,144	544,144	544,144	-
Education:				
Regular instruction	13,846,027	13,846,027	13,605,592	240,435
Special education instruction	4,635,373	4,635,373	5,408,598	(773,225)
Career and technical education	36,599	36,599	28,257	8,342
Other instruction	1,286,524	1,286,524	1,240,196	46,328
Student and staff support	2,895,100	2,895,100	2,778,274	116,826
System administration	982,816	967,816	1,109,940	(142,124)
School administration	1,594,151	1,594,151	1,490,614	103,537
Transportation	968,482	993,482	986,450	7,032
Facilities maintenance	3,446,968	3,436,968	3,286,877	150,091
Other	303,863	303,863	189,959	113,904
Debt service	2,084,040	2,084,040	1,897,406	186,634
County tax	2,426,202	2,426,202	2,426,202	-
Unclassified	405,584	405,584	49,066	356,518
Capital outlay	178,000	917,498	867,072	50,426
Debt service	2,073,709	2,073,709	1,919,868	153,841
Total expenditures	54,467,953	55,245,513	54,443,623	801,890
Excess (deficiency) of revenues over (under) expenditures	(558,531)	(1,336,091)	376,583	1,712,674
Other financing sources (uses):				
Use of fund balance	250,000	875,000	-	(875,000)
Carryforward balances	-	152,560	-	(152,560)
Appropriations for reserve accounts	(45,000)	(45,000)	(45,000)	-
Transfers to reserve accounts	172,260	172,260	(82,790)	(255,050)
Transfers from reserve accounts	300,000	300,000	362,724	62,724
Transfers in	-	-	334,866	334,866
Transfers out	(118,729)	(118,729)	(335,085)	(216,356)
Total other financing sources (uses)	558,531	1,336,091	234,715	(1,101,376)
Net change in fund balance - budgetary basis	-	-	611,298	611,298
Fund balance, beginning of year, budgetary basis			7,309,963	
Fund balance, end of year-budgetary basis			7,921,261	
Reconciliation to GAAP:				
Change in prepaid debt service			4,500	
Change in reserves			(425,408)	
Net change in fund balance - GAAP basis			190,390	
Fund balance, beginning of year - GAAP basis			8,202,480	
Fund balance, end of year - GAAP basis	\$		8,392,870	

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2018

Business-type Activities - Enterprise Funds		Nonmajor Enterprise Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$	1,450
Accounts receivable		25,364
Inventory		102,282
Prepaid expenses		1,421
Interfund loan receivable		511,612
Total current assets		642,129
Noncurrent assets:		
Capital assets, net of depreciation		204,713
Total noncurrent assets		204,713
Total assets		846,842
LIABILITIES		
Accounts payable		42,332
Accrued payroll		17,136
Total liabilities		59,468
NET POSITION		
Net investment in capital assets		204,713
Unrestricted		582,661
Total net position	\$	787,374

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2018

Business-type Activities - Enterprise Funds		Nonmajor Enterprise Funds
Operating revenues:		
User fees	\$	826,340
Sponsorships and memberships		67,434
Gift shop sales		582,383
Rental income		62,695
Donations		62,149
Total operating revenues		1,601,001
Operating expenses:		
Cost of goods sold		346,018
Salaries and benefits		508,787
Training, meetings, and travel		4,390
Maintenance		5,897
Office expenses		42,433
Supplies		86,186
Contracts		389,103
Equipment		10,130
Utilities		3,271
Fuel		1,522
Depreciation expense		21,565
Total operating expenses		1,419,302
Operating income		181,699
Transfers in		356
Transfers out		(122,703)
Change in net position		59,352
Total net position, beginning of year		728,022
Total net position, end of year		\$ 787,374

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2018

Business-type Activities - Enterprise Funds		Nonmajor Enterprise Funds
Cash flows from operating activities:		
Receipts from customers and users	\$	1,581,293
Payments to suppliers		(906,924)
Payments to employees		(508,787)
Net cash provided by operating activities		165,582
Cash flows from non-capital financing activities:		
Transfers to other funds		(122,347)
Decrease in interfund loans		(43,335)
Net cash used in non-capital financing activities		(165,682)
Change in cash		(100)
Cash and cash equivalents, beginning of year		1,550
Cash and cash equivalents, end of year	\$	1,450
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$	181,699
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense		21,565
Change in assets:		
Accounts receivable		(19,708)
Inventory		(3,236)
Prepaid expenses		(1,087)
Change in liabilities:		
Accounts payable		(13,651)
Net cash provided by operating activities		165,582

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private- purpose Trust Funds			Agency Funds
	Larry A. D'Entremont Scholarship	York Mentor Scholarship		
ASSETS				
Cash and cash equivalents	\$	8,999	5,398	158,823
Total assets		8,999	5,398	158,823
LIABILITIES				
Held for student groups		-	-	158,823
Total liabilities		-	-	158,823
NET POSITION				
Held in trust	\$	8,999	5,398	-

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2018

		Private- purpose Trust Funds	
		Larry A. D'Entremont Scholarship	York Mentor Scholarship
Additions:			
Donations	\$	-	1,649
Interest		2	7
Total additions		2	1,656
Deductions:			
Scholarships awarded		-	1,400
Total deductions		-	1,400
Change in net position		2	256
Net position, beginning of year		8,997	5,142
Net position, end of year	\$	8,999	5,398

See accompanying notes to basic financial statements.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for the agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

The Town reports the following major governmental funds:

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

The Capital Projects Fund accounts for the bond proceeds, bond premiums, and other revenues dedicated to capital projects and the acquisition of assets, as well as the related capital expenditures.

Additionally, the Town reports the following Fiduciary Fund types:

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

Agency Funds are custodial in nature and do not present results of operations. The Town's agency funds consist of various school and student activity funds.

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

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

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

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

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

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

Deferred Outflows and Inflows of Resources - In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds only report a deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have deferred outflows and inflows that relate to the net pension liability and net OPEB liabilities, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the liability in the subsequent year.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

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

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

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

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net OPEB Liability - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

The Town’s net investment in capital assets was calculated as follows at June 30, 2018:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 141,155,882	285,260
Accumulated depreciation	(57,338,417)	(80,547)
Unspent bond proceeds	2,655,251	-
Unamortized bond premium	(381,186)	-
Bonds payable	(36,676,022)	-
Capital leases	(3,337,570)	-
<u>Net investment in capital assets</u>	<u>\$ 46,077,938</u>	<u>204,713</u>

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

Comparative Data - Comparative data for the prior year have been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

BUDGETARY VS GAAP BASIS OF ACCOUNTING

As required by generally accepted accounting principles (GAAP), the Town has recorded a revenue and an expenditure for Maine Public Employees Retirement contributions made by the State of Maine on behalf of the School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$2,360,082. These amounts have been included as an intergovernmental revenue and as a retirement expenditure in the General Fund on Statement 4. There is no effect on the fund balance at the end of the year.

In addition, the Town did not budget for prepaid debt service expenditures and the activity in the reserve funds. The amounts have been shown as adjustments on Statement 6 and Exhibit A-2 to reconcile fund balance on the budgetary basis with fund balance on a GAAP basis. The prepaid debt service has been included in debt service expenditures on Statement 4. The reserve fund activity has been included in various General Fund revenues and expenditures on Statement 4.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

B. Deficit Fund Balances

At June 30, 2018, the following funds had deficit fund balances:

Special Revenue Funds:	
School lunch fund	\$ 330,866
Adult education	83,331
School special revenues	5,589
FEMA 4354 fall grant	152,018
FEMA 4367 spring grant	340,573

C. Excess of Expenditures over Appropriations

For the year ended June 30, 2018, expenditures exceeded appropriations in the following areas:

Public safety	\$ 25,753
Parks and recreation	20,874
Special education instruction	773,225
System administration	142,124

Expenditures in excess of appropriations will lapse to fund balance.

DEPOSITS

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

As of June 30, 2018, the Town reported deposits of \$15,881,316, with a bank balance of \$17,038,979. None of the Town's bank balances were exposed to custodial credit risk as they were covered by FDIC or additional insurance purchased on behalf of the Town by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 15,706,646
Reported in fiduciary funds	173,220
Reported in proprietary funds	1,450
Total deposits	\$ 15,881,316

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

PROPERTY TAX

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

Property taxes were levied August 1, 2017 on the assessed values of real property as of April 1, 2017. Taxes were due September 15, 2017 and February 2, 2018. This assessed value of \$4,244,267,085 was 100% of the estimated market value and 99.5% of the 2018 state valuation of \$4,267,300,000.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$405,584 for the year ended June 30, 2018.

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

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

The following summarizes the periods ended June 30, 2018 and 2017 levies:

	<u>2018</u>	<u>2017</u>
Assessed value	\$ 4,244,267,085	4,059,989,430
Tax rate (per \$1,000)	10.95	11.15
Commitment	46,474,725	45,268,871
Supplemental taxes assessed	50,680	12,324
	46,525,405	45,281,195
Less:		
Collections and abatements	45,633,665	44,345,254
Receivable at June 30	\$ 891,740	935,941
Due date(s)	9/15/2017 2/2/2018	9/23/2016 2/3/2017
Interest rate charged on delinquent taxes	7.00%	7.00%
Collection rate	98.08%	97.93%

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance June 30, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2018</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 9,153,916	6,167,496	1,005,767	14,315,645
Land	10,961,957	-	-	10,961,957
Total capital assets, not being depreciated	20,115,873	6,167,496	1,005,767	25,277,602
Capital assets, being depreciated:				
Land improvements	1,021,448	-	-	1,021,448
Buildings and building improvements	51,164,278	878,166	-	52,042,444
Equipment	5,028,176	24,373	-	5,052,549
Vehicles	8,474,830	973,354	160,667	9,287,517
Infrastructure	46,536,980	1,937,342	-	48,474,322
Total capital assets being depreciated	112,225,712	3,813,235	160,667	115,878,280
Less accumulated depreciation for:				
Land improvements	50,375	51,072	-	101,447
Buildings and building improvements	22,285,245	1,176,013	-	23,461,258
Equipment	3,247,577	295,871	-	3,543,448
Vehicles	5,983,588	563,420	153,399	6,393,609
Infrastructure	22,841,551	997,104	-	23,838,655
Total accumulated depreciation	54,408,336	3,083,480	153,399	57,338,417
Total capital assets being depreciated, net	57,817,376	729,755	7,268	58,539,863
Governmental activities capital assets, net	\$ 77,933,249	6,897,251	1,013,035	83,817,465
	Balance June 30, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2018</u>
Business-type activities:				
Capital assets, being depreciated:				
Buildings and building improvements	\$ 202,784	-	-	202,784
Vehicles	82,476	-	-	82,476
Total capital assets being depreciated	285,260	-	-	285,260
Less accumulated depreciation for:				
Buildings and building improvements	17,744	5,070	-	22,814
Vehicles	41,238	16,495	-	57,733
Total accumulated depreciation	58,982	21,565	-	80,547
Total capital assets being depreciated, net	226,278	(21,565)	-	204,713
Business-type activities capital assets, net	\$ 226,278	(21,565)	-	204,713

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

CAPITAL ASSETS, CONTINUED

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

Governmental activities:

General government	\$ 81,210
Public safety	533,946
Public works, including depreciation of general infrastructure assets	1,305,674
Parks and recreation	108,146
Education and libraries	1,054,504

Total depreciation expense – governmental activities **\$ 3,083,480**

Business-type activities:

Sohier Park	\$ 5,070
Senior Center	16,495

Total depreciation expense – business-type activities **\$ 21,565**

INTERFUND LOAN BALANCES/TRANSFERS

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account. Interfund transfers consist of budgeted transfers to and from other funds to fund certain activities accounted for in those funds. Individual interfund receivables and payables and transfers at June 30, 2018 were as follows:

	Interfund <u>receivables</u>	Interfund <u>payables</u>	Interfund <u>transfers</u>
General Fund	\$ -	2,421,432	(127,236)
Capital Projects	1,575,634	-	2,245
Other Governmental Funds:			
Town programs	727,384	-	120,321
School lunch	-	337,053	127,017
Adult education	-	88,257	-
School special revenues fund	35,267	-	-
Clark Emerson permanent fund	-	3,155	-
Total Other Governmental Funds	762,651	428,465	247,338
Enterprise Funds:			
Recreation	211,040	-	-
Mt. Agamenticus	71,635	-	-
Sohier Park	120,386	-	(82,790)
Outside Duty	12,134	-	(39,913)
Goodrich Park	10,803	-	356
Senior Center	85,614	-	-
Total Enterprise Funds	511,612	-	(122,347)
Totals	\$ 2,849,897	2,849,897	-

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Beginning balance (restated)	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 34,148,783	5,738,000	3,210,761	36,676,022	3,534,740
Notes payable	217,347	-	217,347	-	-
Premium on bonds	304,487	99,970	23,271	381,186	23,687
Total bonds and notes payable	34,670,617	5,837,970	3,451,379	37,057,208	3,558,427
Capital leases	3,414,109	182,051	258,590	3,337,570	262,250
Net pension liability	6,057,198	-	1,469,547	4,587,651	-
Other post-employment benefits	1,639,195	139,697	-	1,778,892	-
Accrued compensated absences	1,413,876	273,549	-	1,687,425	-
Total long-term liabilities	\$ 47,194,995	6,433,267	5,179,516	48,448,746	3,820,677

LONG-TERM DEBT

Bonds Payable

Bonds payable at June 30, 2018 are comprised of the following:

	Originally issued	Date of issue	Date of maturity	Interest rate	Balance
Bonds and notes payable:					
Governmental activities:					
York Sewer District	\$ 313,593	6/3/2005	6/9/2019	1.3%	40,979
York Sewer District	11,409	9/23/2005	11/14/2019	0.0%	1,522
General Obligation Bonds	3,524,000	11/1/2008	11/1/2028	4.0-5.0%	1,925,000
General Obligation Refunding	10,785,000	3/1/2010	3/1/2020	1.0-3.0%	1,855,000
General Obligation Refunding	8,624,500	7/1/2010	7/1/2020	2.0-3.8%	4,426,000
General Obligation Refunding	9,124,421	10/1/2011	9/1/2031	2.0-3.25%	6,029,421
General Obligation Bonds	3,644,100	8/1/2012	8/1/2033	1.0-2.4%	2,339,100
General Obligation Bonds	2,574,000	11/1/2013	11/1/2033	2.0-4.10%	1,714,000
General Obligation Bonds	1,085,000	2/1/2015	2/1/2035	2.0-3.25%	1,160,000
General Obligation Bonds	12,032,000	7/14/2016	10/1/2032	2.0-2.25%	11,447,000
General Obligation Bonds	5,738,000	8/10/2017	8/1/2037	2.0-3.0%	5,738,000
Total governmental activities					\$ 36,676,022

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

LONG-TERM DEBT, CONTINUED

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,534,740	901,209	4,435,949
2020	3,802,761	806,749	4,609,510
2021	3,205,000	712,416	3,917,416
2022	3,030,000	640,707	3,670,707
2023	2,750,000	572,315	3,322,315
2024-2028	11,890,000	1,918,095	13,808,095
2029-2033	8,189,521	522,684	8,712,205
2034-2038	274,000	15,487	289,487
Totals	\$ 36,676,022	6,089,662	42,765,684

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its state assessed valuation. At June 30, 2018, the Town's outstanding debt did not exceed these limits.

Notes Payable

During the fiscal year ended June 30, 2013, York County changed its fiscal year end and assessed county tax over a six-month interim period. The amount of tax assessed to the Town of York, Maine totaled \$1,086,733. The Town has an agreement with the County to pay the \$1,086,733 in five equal annual payments of \$217,347 plus interest of 1.73% starting on December 31, 2013 and ending December 31, 2017. As of June 30, 2018 and 2017, the Town's outstanding amount of the note payable to York County was \$0 and \$217,347, respectively.

OVERLAPPING DEBT

The Town is subject to an annual assessment of its proportional share of York County expenses, including debt repayment, as determined by the percentage of the Town's State valuation to the County's State valuation. For the year ended June 30, 2018, the Town's State valuation of \$4,267,300,000 was 13.46% of the County's State valuation of \$31,714,050,000. The Town's share is 13.46% or \$681,742 of York County's \$5,064,946 long-term debt outstanding at June 30, 2017 (the most recent information available).

CAPITAL LEASES

The Town has entered into lease agreements as lessee for financing the acquisition of photocopiers, vehicles, and school improvements. These leases qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of future minimum lease payments as of the date of its inception. Amounts capitalized as assets under these leases have a total cost of \$4,012,635.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

CAPITAL LEASES, CONTINUED

The following is a schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payment at June 30, 2018.

	Governmental Funds
2019	\$ 410,628
2020	407,395
2021	404,582
2022	380,696
2023	341,661
2024-2028	1,702,619
<u>2029-2033</u>	<u>704,663</u>
Total minimum lease payments	4,352,244
Less: amount representing interest	(1,014,674)
Present value of future minimum lease payments	<u>\$ 3,337,570</u>

COMMITMENTS AND CONTINGENCIES

As of June 30, 2018, the Town has commitments for various, ongoing construction projects, including the York Beach connector road, Rte. 103 Causeway, and the York High School auditorium. Of the contracted amounts, approximately \$802,830 for the York Beach connector, \$285,000 for the Rte. 103 Causeway, and \$506,000 for the High School auditorium remained outstanding.

The York Town and School Department participate in a number of federally assisted grant programs. Although the programs have been audited in compliance with the Single Audit Act, as amended, these programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for, or including, the year ended June 30, 2018, have not yet been completed. Accordingly, the York Town and School Department's compliance with applicable grant requirements will be established at some future date. The amount, if any, of the expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School Department expects such amounts, if any, to be immaterial.

FUND BALANCE

At June 30, 2018, portions of the Governmental Funds fund balances consisted of the following:

	General Fund	Capital Projects	Other Governmental Funds
Nonspendable:			
Prepaid expenditures	\$ 37,037	-	-
Permanent fund principal	-	-	20,529
<u> Total nonspendable</u>	<u>37,037</u>	<u>-</u>	<u>20,529</u>

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

FUND BALANCE, CONTINUED

	General <u>Fund</u>	Capital <u>Projects</u>	Other Governmental <u>Funds</u>
Restricted:			
School general fund	\$ 432,201	-	-
School special revenues	-	-	109,490
Adult education grants	-	-	7,026
MMA wellness grant	-	-	521
York Beach TIF	-	-	134,391
Nature conservation grant	-	-	20,000
Long sands MPI grant	-	-	214,714
Permanent fund income	-	-	30
Total restricted	432,201	-	486,172
Committed:			
Town and school projects	-	2,655,251	-
York beach reserve	-	-	142,484
Maine partners initiative	-	-	152,859
Harbor dredge	-	-	252,953
Harbor/wharf	-	-	344,212
Performance accounts	-	-	191,872
Total committed	-	2,655,251	1,084,380
Assigned:			
Town budget carry forwards:			
Voting machines	21,911	-	-
Finance software	33,848	-	-
Public safety vehicles	25,638	-	-
Fishermen's Walk renovations	29,320	-	-
Seawall repair	12,432	-	-
Historic district architectural survey	5,460	-	-
Town reserves:			
Lawns to lobsters	5	-	-
Iron/metal recycling	33,148	-	-
Fire equipment	268	-	-
350 th	5,384	-	-
Academic reimbursement	8,021	-	-
Animal welfare	22,916	-	-
Building	5,180	-	-
Capital equipment	155,013	-	-
CEO	569,361	-	-
Earned time	129,763	-	-
York Beach fire truck	2,026	-	-
Fishermen's fund	1,034	-	-
Fishermen's memorial	999	-	-
LS Bathhouse fundraising	250	-	-
Hoist repair	10,644	-	-

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

FUND BALANCE

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>
Sohier Park Building	\$ 45,397	-	-
Unemployment	6,704	-	-
Village lights	2,384	-	-
Wheeler trust	1,874	-	-
Construction settlement	30,962	-	-
Park director retirement	535	-	-
Total assigned	1,160,477	-	-
Unassigned	6,763,155	-	(919,403)
Total fund balance	\$ 8,392,870	2,655,251	671,678

TAX INCREMENT FINANCING DISTRICT

Under Maine law, the Town has established a Tax Increment Financing District (TIF) to finance improvements within the Town of York. The District specifically encompasses the downtown residential and commercial areas of York Beach, as well as the surrounding open areas. The purpose of the District is to fund certain improvements to the York Beach area, including drainage and flood control infrastructure, sidewalk improvements, and area traffic designs. TIF improvements are to be funded through a combination of municipal bonds, federal grants, and the incremental value multiplied by the tax rate. The incremental value is determined by the increase in the TIF district valuation over the prior fiscal year as a percentage of the prior year valuation, reduced by the total increase in valuation of the entire Town as a percentage of the Town's prior year valuation.

For the year ended June 30, 2018, taxes raised were \$118,729 and there were no TIF related expenditures.

	Prior Year Assessed Value	Current Year Assessed Value	Increase in Value	Growth Increment	Taxes
Town of York	\$ 2,128,166,250	2,170,805,400	42,639,150	2%	
TIF District	27,439,200	36,142,800	8,703,600	32%	
Eligible		10,842,840		30%	118,729

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan) and teaching-certified employees of the Town are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), cost-sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.mainebers.org.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Benefits Provided - The PLD and SET Plans provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2015). For SET members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD Plan) or by statute (SET Plan).

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

PLD Plan - Employees are required to contribute 8.0% of their annual pay. The Town's contractually required contribution rates for the year ended June 30, 2018 were 10.1% for the Special 2C plan and 9.6% for the Regular AC plan of annual payroll. Contributions to the pension plan from the Town were \$604,066 for the year ended June 30, 2018.

SET Plan - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2018, was 15.05% of annual payroll of which 3.97% of payroll was required from the Town and 11.08% was required from the State. Contributions to the pension plan from the Town were \$637,340 for the year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

The net pension liabilities were measured as of June 30, 2017, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The Town's proportion of the net pension liabilities were based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

PLD Plan - At June 30, 2018, the Town reported a liability of \$4,381,783 for its proportionate share of the net pension liability. At June 30, 2017, the Town's proportion of the PLD Plan was 1.0702%.

SET Plan - At June 30, 2018, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 205,868
State's proportionate share of the net pension liability	
associated with the Town	18,297,994
Total	\$ 18,503,862

At June 30, 2017, the Town's proportion of the SETP Plan was 0.0142%.

For the year ended June 30, 2018, the Town recognized pension expense of \$723,249 for the PLD Plan and \$2,250,446 for the SET Plan with revenue of \$1,778,772 for support provided by the State.

At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD pension plan from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ -	210,513
Changes of assumptions	372,862	-
Net difference between projected and actual earnings on pension plan investments	-	120,488
Changes in proportion and differences between Town contributions and proportionate share of contributions	12,808	-
Town contributions subsequent to the measurement date	604,066	-
Total	\$ 989,736	331,001

\$604,066 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PLD pension plan will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2019	\$ (70,774)
2020	394,374
2021	29,397
2022	(298,328)

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the SET pension plan from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 8,658	-
Changes of assumptions	-	3,216
Net difference between projected and actual earnings on pension plan investments	-	3,027
Changes in proportion and differences between Town contributions and proportionate share of contributions	2,388	-
Town contributions subsequent to the measurement date	637,340	-
Total	\$ 648,386	6,243

\$637,340 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PLD pension plan will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ (180)
2020	14,627
2021	1,376
2022	(11,020)

Actuarial Assumptions - The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75% to 9.0%	2.75% to 14.5%
Investment return, per annum, compounded annually	6.875%	6.875%
Cost of living benefit increases, per annum	2.20%	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
US government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

Discount Rate - The discount rate used to measure the total pension liability was 6.875% for the PLD Plan and the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

Sensitivity of the Town's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.875% for the PLD Plan and the SET Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.875% for PLD Plan and the SET Plan) or 1 percentage-point higher (7.875% for PLD Plan and the SET Plan) than the current rate:

<u>PLD Plan</u>	1% Decrease <u>(5.875%)</u>	Current discount rate <u>(6.875%)</u>	1% Increase <u>(7.875%)</u>
Town's proportionate share of the net pension liability	\$ 8,791,204	\$4,381,783	\$ 1,062,173
 <u>SET Plan</u>	 1% Decrease <u>(5.875%)</u>	 Current discount rate <u>(6.875%)</u>	 1% Increase <u>(7.875%)</u>
Town's proportionate share of the net pension liability	\$361,237	\$205,868	\$ 77,588

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2018.

457 RETIREMENT PLAN

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

The Town contributes 7.5% of annual compensation on behalf of full time employees who are not participating in the Maine Public Employees Retirement System. Contributions for the year ended June 30, 2018, 2017 and 2016 were \$125,560, \$132,529, and \$127,512, respectively. The requirements of IRS Section 457(g) prescribes that the Town no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on their plan assets, were removed from the Town's financial statements.

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plans

Plan Description - The Town sponsors two post-retirement benefit plans providing group term life insurance to retiring employees. For municipal employees and certain School Department employees, the Town participates in Group Life Insurance Plan for Participating Local District (PLD). Teachers also participate in the Group Term Life Insurance Plan for State Employees and Teachers (SET). Both plans are a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for each plan. MPERS issues a publicly available financial reports that are available at www.maineopers.org.

Additionally, the Town sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided - Under both the PLD and SET OPEB plans, MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Retirees with a minimum of age 55 and 5 years of service at retirement are eligible for postretirement health insurance benefits. Eligible retirees are required to pay 100% of health insurance premiums to receive health benefit coverage and therefore, the Town makes no actual contributions.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

Employees Covered by Benefit Terms – At June 30, 2018, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	26
Inactive employee entitled to but not yet receiving benefits	-
Active employees	77
Total	<u>103</u>

Contributions - Premium rates for both the PLD and SET OPEB plans are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims.

PLD OPEB Plan - The premiums are paid 100% by active and retired employees. The Town currently does not contribute to the premiums.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the Town were \$32,025 for the year ended June 30, 2018. Employers and employees are not required to contribute to the SET OPEB plan.

Health OPEB Plan - Eligible retirees are required to pay 100% of health insurance premiums to receive health benefit coverage and therefore, the Town makes no actual contributions.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability for both the PLD and SET OPEB plans was measured as of June 30, 2017, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by actuarial valuations as of that date. The Town's proportion of the net OPEB liabilities was based on a projection of the Town's long-term share of contributions to the PLD and SET OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan - At June 30, 2018, the Town reported a liability of \$184,470 for its proportionate share of the net OPEB liability. At June 30, 2017, the Town's proportion was 1.1032%.

SET OPEB Plan - At June 30, 2018, the Town reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the Town was \$386,468 as of June 30, 2018. At June 30, 2017, the Town's proportion was 0.00%.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

The Town's total Health Plan OPEB liability of \$1,594,422 was measured as of January 1, 2018, and was determined by an actuarial valuation as of that date.

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
Balance at June 30, 2017	\$ 1,385,162
Changes for the year:	
Service Cost	20,621
Interest	52,340
Changes of benefit terms	-
Differences between expected and actual experience	59,333
Changes in assumptions or other inputs	119,631
Benefit payments	<u>(42,665)</u>
Net changes	<u>209,260</u>
Balance at June 30, 2018	<u>\$ 1,594,422</u>

Change in assumptions reflects a change in the discount rate from 3.78% to 3.44% and also a change in valuation method from Projected Unit Credit to the Entry Age Normal funding method.

For the year ended June 30, 2018, the Town recognized OPEB gain of \$5,531 for the PLD OPEB Plan. For the year ended June 30, 2018, the Town recognized OPEB expense of \$35,025 and also revenues of \$35,025 for support provided by the State related to the SET OPEB plan.

At June 30, 2018, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	51,402
Net difference between projected and actual earnings on OPEB plan investments	-	8,831
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	<u>3,799</u>
Total	<u>\$ -</u>	<u>64,032</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$ (13,248)
2020	(13,248)
2021	(13,248)
2022	(13,248)
2023	(11,040)

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

For the year ended June 30, 2018, the Town recognized OPEB expense of \$55,862 related to the Health Plan. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	102,541	-
Changes of assumption or other inputs		50,857	-
Total	\$	153,398	-

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2019	\$	25,566
2020		25,566
2021		25,566
2022		25,566
2023		25,566
Thereafter		25,598

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2017 actuarial valuations for both the PLD and SET OPEB plans was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	PLD OPEB Plan	SET OPEB Plan
Inflation	2.75%	2.75%
Salary increases	2.75% - 9.00%	2.75% - 14.50%
Investment rate of return	6.875%	6.875%

Mortality rates for both the PLD and SET OPEB plans were based on the RP2014 Total Dataset Healthy Annuity Mortality Table, for males and females, with adjustments ranging 104% to 120% based on actuarially determined demographic differences.

The actuarial assumptions used in the June 30, 2017 valuations for both the PLD and SET OPEB plans were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

The total OPEB liability in the January 1, 2018 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per year
Salary increases	2.75% per year
Discount rate	3.44%
Healthcare cost trend rates	8.27% for 2018, decreasing 0.27% per year
Retirees' share of the benefit related costs	

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

Mortality rates for the Health Plan were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2018 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

The long-term expected rate of return on both PLD and SET OPEB plan investments was determined using a building-block method which best estimates ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	16.0%	3.0%
US Government Securities	9.0%	2.3%
Total	100.0%	

Discount Rate - The rate used to measure the net OPEB liability for the PLD OPEB plan was 5.41% which is a blend of the assumed long-term expected rate of return of 6.875% and a municipal bond index rate of 3.58%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2017. Projections of the plan's fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2052. Therefore, the portion of the future projected benefit payments after 2052 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The rate used to measure the net OPEB liability for the SET OPEB plan was 6.875%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The rate used to measure the total OPEB liability for the Health Plan was 3.44%. The discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

Sensitivity of the Town’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following presents the Town’s proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 5.41%, as well as what the Town’s proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.41%) or 1 percentage-point higher (6.41%) than the current rate:

	1% Decrease (4.41%)	Discount Rate (5.41%)	1% Increase (6.41%)
Net OPEB liability	\$ 247,570	184,470	134,665

Sensitivity of the Town’s proportionate share of the net SET OPEB plan liability to the changes in the discount rate are not presented as the Town does not have any liability related to this plan given that the SET OPEB plan is 100% funded by contributions from the State of Maine.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the Town’s total OPEB liability related to the Health Plan calculated using the discount rate of 3.44%, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.44%) or 1 percentage-point higher (4.44%) than the current rate:

	1% Decrease (2.44%)	Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB liability	\$ 1,821,672	1,594,422	1,408,327

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Town’s total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates of 8.27% decreasing 0.27% per year, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 1,405,021	1,594,422	1,828,256

OPEB Plan Fiduciary Net Position - Detailed information about both the PLD and SET OPEB plan’s fiduciary net positions are available in a separately issued MPERS financial report.

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors, and omissions, and natural disasters for which the Town either carries commercial insurance, or participates in public entity risk pools. Currently, the Town participates in two public entity risk pools sponsored by the Maine Municipal Association. Based on the coverage provided by these pools, as well as certain coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2018.

TOWN OF YORK, MAINE
Notes to Basic Financial Statements

NEW PRONOUNCEMENT AND RESTATEMENT OF NET POSITION

For the fiscal year ended June 30, 2018, the Town has elected to implement Statement No. 75 of the Governmental Accounting Standards Board – *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, an amendment of GASB Statement No. 45. As a result of implementing GASB Statement No. 75, the Town has restated beginning net position in the government-wide financial statements to account for the addition of the Town’s proportionate share of the net OPEB liability, which effectively decreased the Town’s net position as of July 1, 2017 by \$1,139,048.

SUBSEQUENT EVENTS

In May 2018, the Town voters approved the issuance of \$4,233,000 in bonds to fund various Town and School Department projects. Bonds of \$3,233,000 were issued in December 2018. The remaining balance of \$1,000,000, which was approved for the Long Beach seawall and sidewalk replacement, has not yet been issued.

TOWN OF YORK, MAINE
Required Supplementary Information, Continued

Schedule of Town's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee
and Teacher Plan (SET)

Last 10 Fiscal Years**

	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
<u>PLD Plan</u>				
Town's proportion of the net pension liability	1.0702%	1.0929%	1.0595%	1.0357%
Town's proportionate share of the net pension liability	\$ 4,381,783	5,806,844	3,380,242	1,593,770
Town's covered payroll	5,877,542	5,649,002	5,418,940	4,980,213
Town's proportionate share of the net pension liability as a percentage of its covered payroll	74.55%	102.79%	62.38%	32.00%
Plan fiduciary net position as a percentage of the total pension liability	86.43%	81.61%	88.27%	94.10%
<u>SET Plan</u>				
Town's proportion of the net pension liability	0.0142%	0.0142%	0.0137%	0.0231%
Town's proportionate share of the net pension liability	205,686	250,354	184,386	249,340
State's proportionate share of the net pension liability associated with the Town	18,297,994	22,407,172	16,261,976	12,749,997
<u>Total</u>	<u>\$ 18,503,862</u>	<u>22,657,526</u>	<u>16,466,362</u>	<u>12,996,337</u>
Town's covered payroll	\$15,406,345	15,055,238	13,967,493	13,478,770
Town's proportionate share of the net pension liability as a percentage of its covered payroll	1.34%	1.66%	1.32%	1.85%
Plan fiduciary net position as a percentage of the total pension liability	83.35%	76.21%	81.18%	83.19%

* The amounts presented for each fiscal year were determined as of the prior fiscal year.

**Only four years of information available.

TOWN OF YORK, MAINE
Required Supplementary Information, Continued

Schedule of Town Contributions – Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee
and Teacher Plan (SET)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan</u>				
Contractually required contribution	\$ 604,066	548,521	502,565	435,364
Contributions in relation to the contractually required contribution	(604,066)	(548,521)	(502,565)	(435,364)
<u>Contribution deficiency (excess)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Town's covered payroll	5,931,411	5,877,542	5,649,002	5,418,940
Contributions as a percentage of covered payroll	10.18%	9.33%	8.90%	8.03%
<u>SET Plan</u>				
Contractually required contribution	\$ 637,340	517,653	505,856	370,139
Contributions in relation to the contractually required contribution	(637,340)	(517,653)	(505,856)	(370,139)
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Town's covered payroll	16,053,899	15,406,345	15,055,238	13,967,493
Contributions as a percentage of covered payroll	3.97%	3.36%	3.36%	2.65%

* Only four years of information available.

TOWN OF YORK, MAINE
Required Supplementary Information, Continued

Schedule of Changes in the Town's Total Health Plan OPEB Liability and Related Ratios

Last 10 Fiscal Years*

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 20,621
Interest	52,340
Changes of benefit terms	-
Differences between expected and actual experience	59,333
Changes of assumptions or other inputs	119,631
Benefit payments	<u>(42,665)</u>
Net change in total OPEB Liability	209,260
Total OPEB liability - beginning	<u>1,385,162</u>
Total OPEB liability - ending	<u>\$ 1,594,422</u>
Covered-employee payroll	\$ 7,009,503
Total OPEB liability as a percentage of covered-employee payroll	22.7%

**Only one year of information available.*

TOWN OF YORK, MAINE
Required Supplementary Information, Continued

Schedule of Town's Proportionate Share of the Net OPEB Liability

Last 10 Fiscal Years*

PLD OPEB Plan

	2018
Town's proportion of the net OPEB liability	1.1032%
Town's proportionate share of the net OPEB liability	\$ 184,470
Town's covered-employee payroll	2,220,465
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	8.31%
Plan fiduciary net position as a percentage of the total OPEB liability	47.42%

SET OPEB Plan

	2018
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	386,468
Total	386,468
Plan fiduciary net position as a percentage of the total OPEB liability	47.29%

**Only one year of information available. Amounts presented for each fiscal year were determined as of the end of the previous fiscal year.*

TOWN OF YORK, MAINE
Required Supplementary Information, Continued

Schedule of Town's Contributions – Net OPEB Liability

Last 10 Fiscal Years*

	<u>2018</u>
<u>PLD OPEB Plan</u>	
Contractually required contribution	\$ -
Contributions in relation to the contractually required contribution	-
Contribution deficiency (excess)	\$ <u>-</u>
Town's covered-employee payroll	\$ 2,220,465
Contributions as a percentage of covered-employee payroll	0.00%

* *Only one year of information available.*

TOWN OF YORK, MAINE
Notes to Required Supplementary Information

Net Pension Liability

Changes of Benefit Terms - None

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate – PLD	6.875%	7.125%	7.250%
Discount rate – SET	6.875%	7.125%	7.125%
Inflation rate	2.75%	3.50%	3.50%
Salary increases – PLD	2.75-9.00%	3.50-9.50%	3.50-9.50%
Salary increases – SET	2.75-14.50%	3.50-13.50%	3.50-13.50%
Cost of living increases – PLD	2.20%	2.55%	3.12%
Cost of living increases – SET	2.20%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

** This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

Net OPEB Liability

Changes of Benefit Terms - None

Changes of Assumptions - None related to the GTL plan. Under the Health Plan, changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Discount Rate</u>
2018	3.44%
2017	3.78%

Additionally, the valuation method was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2018.

GENERAL FUND

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

TOWN OF YORK, MAINE
Comparative Balance Sheets
General Fund
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 13,407,739	14,484,692
Receivables:		
Accounts	224,474	179,580
Intergovernmental	76,407	245,881
Taxes - current year	891,740	935,941
Taxes - prior years	64,903	64,828
Tax liens	353,367	374,164
Tax acquired property	61,076	77,729
Prepaid expenditures	37,037	114,742
Total assets	\$ 15,116,743	16,477,557
LIABILITIES		
Accounts payable	941,733	1,152,218
Accrued payroll	1,960,959	2,299,782
Other liabilities	510,749	275,418
Interfund loans payable	2,421,432	3,605,225
Total liabilities	5,834,873	7,332,643
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	889,000	942,434
Total deferred inflows of resources	889,000	942,434
FUND BALANCE		
Nonspendable	37,037	114,742
Restricted	432,201	655,644
Assigned	1,160,477	2,234,836
Unassigned	6,763,155	5,197,258
Total fund balance	8,392,870	8,202,480
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,116,743	16,477,557

TOWN OF YORK, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	Budget	Actual	Variance positive (negative)	2017 Actual
Revenues:				
Taxes:				
Property taxes	\$ 46,349,035	46,348,309	(726)	45,169,989
Supplemental taxes	-	50,680	50,680	12,324
Change in unavailable taxes	-	53,434	53,434	152,421
Excise taxes	3,279,000	3,528,947	249,947	3,437,871
Other	-	103,201	103,201	109,757
Total taxes	49,628,035	50,084,571	456,536	48,882,362
Licenses and permits:				
Town clerk fees	100,000	98,652	(1,348)	99,765
Plumbing permits	45,000	42,622	(2,378)	50,319
Parking stickers	110,000	159,948	49,948	138,082
Parking permits	-	6,000	6,000	6,000
Transfer station permits	35,000	38,468	3,468	33,560
Other permits and fees	2,500	12,642	10,142	13,834
Total licenses and permits	292,500	358,332	65,832	341,560
Intergovernmental:				
State Revenue Sharing	290,000	342,864	52,864	314,505
Homestead reimbursement	260,829	260,829	-	201,448
BETE reimbursement	4,476	4,548	72	1,879
General assistance reimbursement	35,000	8,200	(26,800)	21,363
Rural roads	225,000	233,636	8,636	229,932
Education subsidy	1,415,364	1,415,364	-	1,200,013
State agency clients	25,000	17,887	(7,113)	1,680
Other	-	35,354	35,354	41,873
Total intergovernmental	2,255,669	2,318,682	63,013	2,012,693
Charges for services:				
Parking ticket revenue	130,000	172,803	42,803	127,903
Meter collections	315,000	394,603	79,603	222,499
Community development code fees	285,000	381,693	96,693	395,945
Police department fees	1,500	14,074	12,574	16,854
Ellis Park fees	56,500	119,889	63,389	32,604
Public safety answering point	116,427	161,428	45,001	116,428
Animal control officer registrations	17,000	5,150	(11,850)	5,266
Cell tower rental	12,000	11,392	(608)	15,090
School charges for services	78,600	107,961	29,361	78,863
Impact fees	175,000	124,114	(50,886)	168,300
Total charges for services	1,187,027	1,493,107	306,080	1,179,752
Other:				
Interest revenue	148,000	233,906	85,906	185,300
Board of Appeals	-	1,400	1,400	1,500
Cable TV	200,000	122,247	(77,753)	198,000
Other school department revenues	121,191	119,646	(1,545)	120,256
Sale of property	-	57,686	57,686	73,190
Miscellaneous	77,000	30,629	(46,371)	35,791
Total other	546,191	565,514	19,323	614,037
Total revenues	53,909,422	54,820,206	910,784	53,030,404

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

	Budget	Actual	Variance positive (negative)	2017 Actual
Expenditures:				
Current:				
General government:				
Board of selectmen	\$ 29,755	29,921	(166)	28,408
Town manager	696,003	661,564	34,439	757,543
Finance	417,196	356,663	60,533	279,978
Assessing	301,636	300,221	1,415	312,961
Code enforcement	438,404	436,819	1,585	402,937
Town clerk/tax collector	460,024	440,891	19,133	400,283
Elections	30,945	32,648	(1,703)	27,212
Town hall operations	217,200	194,283	22,917	227,259
Information technology	211,129	231,585	(20,456)	200,672
Insurance	455,528	499,668	(44,140)	412,181
Boards and committees	28,300	14,864	13,436	14,041
Cable TV	22,920	16,467	6,453	9,916
Contingency	50,000	27,092	22,908	48,379
Total general government	3,359,040	3,242,686	116,354	3,121,770
Public safety:				
Public safety services	4,680,966	4,742,810	(61,844)	4,758,392
Fire department	1,041,989	964,021	77,968	949,936
Hydrants	1,041,600	1,083,477	(41,877)	990,718
Public health	60,000	60,000	-	100,000
Total public safety	6,824,555	6,850,308	(25,753)	6,799,046
Public works:				
Maintenance	3,181,735	3,457,153	(275,418)	3,305,181
Transfer station and disposal services	1,695,104	1,419,881	275,223	1,454,791
Municipal separate storm sewer	97,460	75,091	22,369	95,447
Total public works	4,974,299	4,952,125	22,174	4,855,419
Parks and recreation:				
Recreation administration	159,557	162,237	(2,680)	147,471
Senior center	313,555	307,260	6,295	289,397
Short Sands Park	42,000	56,138	(14,138)	47,061
Public buildings and grounds	954,622	964,973	(10,351)	939,785
Total parks and recreation	1,469,734	1,490,608	(20,874)	1,423,714
Public assistance:				
General assistance	74,105	30,049	44,056	45,908
Social services	41,700	41,700	-	35,422
Property tax relief	55,000	7,632	47,368	8,082
Total public assistance	170,805	79,381	91,424	89,412
Library	544,144	544,144	-	519,584
County tax	2,426,202	2,426,202	-	2,398,830
Unclassified:				
Overlay/abatements	405,584	49,066	356,518	45,803
Total unclassified	405,584	49,066	356,518	45,803

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

	Budget	Actual	Variance positive (negative)	2017 Actual
Expenditures, continued:				
Current:				
Education:				
Regular instruction	\$ 13,846,027	13,605,592	240,435	13,312,635
Special education instruction	4,635,373	5,408,598	(773,225)	5,333,623
Career and technical education	36,599	28,257	8,342	22,864
Other instruction	1,286,524	1,240,196	46,328	1,222,403
Student and staff support	2,895,100	2,778,274	116,826	2,695,017
System administration	967,816	1,109,940	(142,124)	964,305
School administration	1,594,151	1,490,614	103,537	1,416,648
Transportation	993,482	986,450	7,032	917,596
Facilities maintenance	3,436,968	3,286,877	150,091	3,074,411
Other	303,863	189,959	113,904	236,601
Debt service				
Principal	1,660,505	1,520,414	140,091	1,481,108
Interest	423,535	376,992	46,543	236,928
Total education	32,079,943	32,022,163	57,780	30,914,139
Capital outlay:				
Financial software	39,511	28,559	10,952	5,489
Voting machines	21,911	-	21,911	-
Police vehicles	85,191	99,466	(14,275)	70,809
DOT facility	625,000	625,000	-	-
Roads and side walks	100,000	109,914	(9,914)	99,119
Fishermen's walk	15,832	3,400	12,432	-
Seawall repair	30,053	733	29,320	2,509
Total capital outlay	917,498	867,072	50,426	177,926
Debt service:				
Bond issuance costs	54,000	29,282	24,718	2,000
Principal	1,658,574	1,638,222	20,352	1,337,292
Interest	361,135	252,364	108,771	262,568
Total debt service	2,073,709	1,919,868	153,841	1,601,860
Total expenditures	55,245,513	54,443,623	801,890	51,947,503
Excess (deficiency) of revenues over (under) expenditures	(1,336,091)	376,583	1,712,674	1,082,901
Other financing sources (uses):				
Use of fund balance	875,000	-	(875,000)	-
Carryforward balances	152,560	-	(152,560)	-
Appropriations for reserve accounts	(45,000)	(45,000)	-	(47,500)
Transfers to reserve accounts	172,260	(82,790)	(255,050)	(218,605)
Transfers from reserve accounts	300,000	362,724	62,724	34,248
Transfers to special revenue funds	(118,729)	(118,729)	-	(9,855)
Transfers to capital projects	-	(216,000)	(216,000)	-
Transfers to enterprise funds	-	(356)	(356)	(301)
Transfers from special revenue funds	-	212,163	212,163	103,224
Transfers from enterprise funds	-	122,703	122,703	155,199
Total other financing sources (uses)	1,336,091	234,715	(1,101,376)	16,410
Net change in fund balance - budgetary basis	-	611,298	611,298	1,099,311
Fund balance, beginning of year-budgetary basis		7,309,963		6,210,652
Fund balance, end of year-budgetary basis	\$	7,921,261		7,309,963
Reconciliation to GAAP:				
Change in prepaid debt service		4,500		4,500
Change in reserves		(425,408)		107,511
Net change in fund balance - GAAP basis		190,390		1,211,322
Fund balance, beginning of year - GAAP basis		8,202,480		6,991,158
Fund balance, end of year - GAAP basis	\$	8,392,870		8,202,480

CAPITAL PROJECT FUNDS

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

TOWN OF YORK, MAINE
Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For year ended June 30, 2018

	Balance (deficits) beginning of year	Revenues				Expenditures		Transfers in (out)	Balance (deficits) end of year
		Interest	Bond Proceeds	Premium on Bonds	Other Revenues	Capital Outlay	Debt Service		
200 Capital improvements	\$ -	245	-	80,926	-	-	80,881	-	290
201 Mitchell - airport drive	827,380	-	-	-	-	150	88,531	-	738,699
216 York Street	213,755	-	-	-	-	-	-	(213,755)	-
221 Route 103	143,784	-	-	-	-	118,484	-	-	25,300
222 DPW dump truck	-	577	165,000	-	-	150,149	-	-	15,428
223 DPW dump truck wing	-	279	98,000	-	-	98,134	-	-	145
224 Parks pick up	-	138	38,000	-	-	37,500	-	-	638
225 PD microwave	-	2,603	526,000	-	-	124,973	-	-	403,630
226 Town hall IT upgrades	-	236	70,000	-	-	47,764	-	-	22,472
227 Public safety building	649,550	-	-	-	-	12,037	-	-	637,513
228 Connector road	1,378,865	-	-	-	-	1,270,626	-	-	108,239
229 Police station	365,554	-	-	-	3,039	-	-	-	368,593
231 Major drainage/culvert	9,858	6	-	-	-	8,764	1,100	-	-
237 York street/long sands	50,967	111	-	-	-	-	51,078	-	-
240 LS bathhouse	593,536	707	-	-	-	777,474	-	216,000	32,769
243 York beach lighting	23,194	-	-	-	-	-	23,194	-	-
246 Mt. A universal access trail	42	-	-	-	-	-	42	-	-
247 Roadside mower	4,329	-	-	-	-	-	4,329	-	-
248 Energy efficiency	(408)	-	-	-	-	-	(408)	-	-
249 Channel 3 broadcast system	5,380	18	-	-	-	4,539	859	-	-
250 Heavy duty plow truck	3	-	-	-	-	-	-	-	3
251 Cider hill reconstruction	45,182	256	-	-	-	-	-	-	45,438
253 Heavy duty plow truck 2016	292	-	-	-	-	-	292	-	-
254 Parts pick up	761	-	-	-	-	-	761	-	-
256 Mt. A phases 3 and 4	130	-	-	-	-	-	130	-	-
259 Medical defibrillator	457	-	-	-	-	-	457	-	-
260 Bucket/sign truck	69	-	-	-	-	-	69	-	-
261 Water rescue outboard motors	86	-	-	-	-	-	86	-	-
262 PSAP equipment	24,725	-	-	-	-	24,725	-	-	-
265 Bog road complex phase 2	591	-	-	-	-	-	591	-	-
280 Parks and rec pickup	(55,438)	-	56,000	-	-	-	-	-	562
281 DPW plow truck	(152,995)	7	163,000	-	-	10,012	-	-	-
282 DPW one ton truck	(85,000)	-	85,000	-	-	-	-	-	-
283 DPW backhoe	-	229	148,000	-	-	147,899	-	-	330
284 Goodrick Park/Grant House rest	(45,000)	-	45,000	-	-	-	-	-	-
285 Bog road maintenance facility	(114,000)	-	114,000	-	-	-	-	-	-
286 YLT Fuller forest	-	-	218,000	-	-	218,000	-	-	-
288 Road paving	(860,000)	1,190	1,730,000	-	-	952,905	-	-	(81,715)
289 Municipal IT upgrades	(191,653)	6	210,000	-	-	18,353	-	-	-
290 Parking meter and ticketing system	(200,000)	-	200,000	-	-	-	-	-	-
291 Emergency microwave comm system	(124,000)	-	124,000	-	-	-	-	-	-
292 YVD fire truck	(655,000)	-	655,000	-	-	-	-	-	-
Subtotal Town Capital Projects	\$ 1,854,996	6,608	4,645,000	80,926	3,039	4,022,488	251,992	2,245	2,318,334

continued

TOWN OF YORK, MAINE
Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For year ended June 30, 2018

	Balance (deficits) beginning of year	Revenues				Expenditures		Transfers in (out)	Balance (deficits) end of year
		Interest	Bond Proceeds	Premium on Bonds	Other Revenues	Capital Outlay	Debt Service		
267 YSD 2013 issuance (VES roof)	\$ 24,012	29	-	-	-	24,012	-	-	29
268 YSD 2015 issuance	81,164	211	-	-	-	81,164	-	-	211
269 YHS auditorium	3,016,584	3,387	-	-	-	2,723,464	11,676	-	284,831
270 YHS office renovation	-	125	108,000	-	-	99,955	-	-	8,170
271 CRES roof repairs	-	60	400,000	-	-	389,005	-	-	11,055
272 YMS parking lot	-	52	130,000	-	-	125,376	-	-	4,676
273 VES sliding door replacement	-	39	39,000	-	-	33,717	-	-	5,322
274 School passenger vehicle	-	71	39,000	-	-	39,000	-	-	71
275 Other school projects	9,129	-	-	19,044	29,108	29,108	12,034	-	16,139
276 YSD boiler room alarm	(68,371)	30	75,000	-	-	250	-	-	6,409
277 Superintendent's office roof	(197,000)	-	197,000	-	-	-	-	-	-
278 YHS maine electrical	(22,650)	-	30,000	-	-	7,350	-	-	-
279 YHS alternative education	(51,293)	4	75,000	-	-	23,707	-	-	4
Subtotal School Capital Projects	2,791,575	4,008	1,093,000	19,044	29,108	3,576,108	23,710	-	336,917
Total Capital Projects	\$ 4,646,571	10,616	5,738,000	99,970	32,147	7,598,596	275,702	2,245	2,655,251

OTHER GOVERNMENTAL FUNDS

TOWN OF YORK, MAINE
Other Governmental Funds
Combining Balance Sheet
June 30, 2018

	Special Revenue Funds				Clark	Total Other Governmental Funds
	Town Programs	School Lunch	Adult Education	School Special Revenues	Emerson Permanent Fund	
ASSETS						
Cash and cash equivalents	\$ -	742	6,089	-	23,714	30,545
Accounts receivable	-	-	2,231	-	-	2,231
Intergovernmental	452,402	11,699	-	140,806	-	604,907
Inventory	-	25,603	-	-	-	25,603
Interfund loans receivable	727,384	-	-	35,267	-	762,651
Total assets	\$ 1,179,786	38,044	8,320	176,073	23,714	1,425,937
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts payable	218,371	2,900	2,177	46,857	-	270,305
Accrued payroll	-	15,917	1,217	25,315	-	42,449
Unearned revenues	-	13,040	-	-	-	13,040
Interfund loans payable	-	337,053	88,257	-	3,155	428,465
Total liabilities	218,371	368,910	91,651	72,172	3,155	754,259
Fund balances (deficits):						
Nonspendable	-	-	-	-	20,529	20,529
Restricted	369,626	-	7,026	109,490	30	486,172
Committed	1,084,380	-	-	-	-	1,084,380
Unassigned	(492,591)	(330,866)	(90,357)	(5,589)	-	(919,403)
Total fund balances (deficits)	961,415	(330,866)	(83,331)	103,901	20,559	671,678
Total liabilities and fund balances (deficits)	\$ 1,179,786	38,044	8,320	176,073	23,714	1,425,937

TOWN OF YORK, MAINE
Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2018

	Special Revenue Funds				Clark	Total Other Governmental Funds
	Town Programs	School Lunch	Adult Education	School Special Revenues	Emerson Permanent Fund	
Revenues:						
Tax revenues	\$ -	-	125,690	-	-	125,690
Intergovernmental	521,316	167,472	61,615	580,679	-	1,331,082
Charges for services	104,683	504,215	41,274	20,551	-	670,723
Donations	-	-	-	26,422	-	26,422
Interest income	88	-	-	-	2	90
Other revenue	17,144	1,500	1,013	12,450	-	32,107
Total revenues	643,231	673,187	229,592	640,102	2	2,186,114
Expenditures:						
Current:						
Public safety	37,005	-	-	-	-	37,005
Public works	359,350	-	-	-	-	359,350
Other program expenditures	18,202	-	-	-	-	18,202
Education	-	799,050	238,536	649,873	-	1,687,459
Capital expenditures	1,090,396	-	-	-	-	1,090,396
Total expenditures	1,504,953	799,050	238,536	649,873	-	3,192,412
Excess (deficiency) of revenues over (under) expenditures	(861,722)	(125,863)	(8,944)	(9,771)	2	(1,006,298)
Other financing sources (uses):						
Transfers in	332,484	127,017	-	-	-	459,501
Transfers out	(212,163)	-	-	-	-	(212,163)
Total other financing sources (uses)	120,321	127,017	-	-	-	247,338
Net change in fund balances	(741,401)	1,154	(8,944)	(9,771)	2	(758,960)
Fund balances (deficits), beginning of year	1,702,816	(332,020)	(74,387)	113,672	20,557	1,430,638
Fund balances (deficits), end of year	\$ 961,415	(330,866)	(83,331)	103,901	20,559	671,678

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

TOWN OF YORK, MAINE
Nonmajor Special Revenue Funds - Town Programs
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For year ended June 30, 2018

	Balance beginning of year	Revenues				Interest Income	Expenditures Program Expenditures	Transfers in (out)	Balance (deficit) end of year
		Grants	Charges for Services	Other Revenues					
Public Safety Grants:									
413 ATV grants	\$ -	3,871	-	-	-	3,871	-	-	
419 STOP - DV Investigation	-	8,135	-	-	-	8,135	-	-	
423 Seat belt	-	3,077	-	-	-	3,077	-	-	
425 Speed grant	-	9,699	-	-	-	9,699	-	-	
441 ATV spring grant	-	5,183	-	-	-	5,183	-	-	
445 Drive sober Maine	-	5,969	-	-	-	5,969	-	-	
447 Distracted driving grant	-	1,071	-	-	-	1,071	-	-	
406 Beach reserve	353,529	-	3	-	26	11,074	(200,000)	142,484	
416 Maine partners initiative	-	-	-	-	-	60,896	213,755	152,859	
435 Choose to be healthy fund	1,057	-	-	-	-	-	(1,057)	-	
436 Harbor beach bathhouse	18,656	-	6	10,000	-	17,556	(11,106)	-	
440 Harbor dredge	464,643	-	23,751	-	37	235,478	-	252,953	
442 Harbor/wharf	340,527	-	41,936	7,144	25	45,420	-	344,212	
456 MMA wellness	470	1,684	-	-	-	1,633	-	521	
459 Mt. A education grant	380	-	-	-	-	380	-	-	
471 York Beach TIF	15,662	-	-	-	-	-	118,729	134,391	
477 Nature conservation grant	-	20,000	-	-	-	-	-	20,000	
488 Long sands MPI grant	349,042	133,719	-	-	-	268,047	-	214,714	
490 Performance accounts	158,850	-	38,987	-	-	5,965	-	191,872	
492 Cape Neddick watershed grant	-	10,224	-	-	-	10,224	-	-	
493 FEMA 4354 fall grant	-	131,886	-	-	-	283,904	-	(152,018)	
496 Causeway MPI grant	-	186,798	-	-	-	186,798	-	-	
494 FEMA 4367 spring grant	-	-	-	-	-	340,573	-	(340,573)	
Total	\$ 1,702,816	521,316	104,683	17,144	88	1,504,953	120,321	961,415	

NONMAJOR PROPRIETARY FUNDS

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

TOWN OF YORK, MAINE
Nonmajor Proprietary Funds
Combining Statement of Net Position
June 30, 2018

	Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Senior Center	Totals
ASSETS							
Current assets:							
Cash and cash equivalents	\$ -	300	600	-	-	550	1,450
Accounts receivable	-	-	-	25,364	-	-	25,364
Inventory	-	-	102,282	-	-	-	102,282
Prepaid expenses	334	-	-	-	-	1,087	1,421
Interfund loan receivable	211,040	71,635	120,386	12,134	10,803	85,614	511,612
Total current assets	211,374	71,935	223,268	37,498	10,803	87,251	642,129
Noncurrent assets:							
Capital assets, net of depreciation	-	-	179,970	-	-	24,743	204,713
Total noncurrent assets	-	-	179,970	-	-	24,743	204,713
Total assets	211,374	71,935	403,238	37,498	10,803	111,994	846,842
LIABILITIES							
Accounts payable	7,124	7,992	21,548	-	123	5,545	42,332
Accrued payroll	13,225	1,766	1,072	1,073	-	-	17,136
Total liabilities	20,349	9,758	22,620	1,073	123	5,545	59,468
NET POSITION							
Net investment in capital assets	-	-	179,970	-	-	24,743	204,713
Unrestricted	191,025	62,177	200,648	36,425	10,680	81,706	582,661
Total net position	\$ 191,025	62,177	380,618	36,425	10,680	106,449	787,374

TOWN OF YORK, MAINE
Nonmajor Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2018

	Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Senior Center	Totals
Operating revenues:							
User fees	\$ 486,440	3,841	-	83,571	-	252,488	826,340
Sponsorships/memberships	55,317	-	-	-	-	12,117	67,434
Gift shop sales	-	1,530	580,853	-	-	-	582,383
Rental income	-	56,095	-	-	6,600	-	62,695
Donations	-	50,557	7,415	-	-	4,177	62,149
Total operating revenues	541,757	112,023	588,268	83,571	6,600	268,782	1,601,001
Operating expenses:							
Cost of goods	14,701	5,165	291,016	-	-	35,136	346,018
Salaries and benefits	275,232	64,116	100,076	61,413	-	7,950	508,787
Training, meetings, and travel	1,701	892	1,797	-	-	-	4,390
Maintenance	-	2,982	-	-	-	2,915	5,897
Office expenses	28,289	4,856	8,731	-	-	557	42,433
Supplies	54,389	14,818	4,894	-	3,119	8,966	86,186
Contracts	149,183	6,779	15,133	-	-	218,008	389,103
Equipment	10,130	-	-	-	-	-	10,130
Utilities	-	2,787	204	-	-	280	3,271
Fuel	-	-	-	-	-	1,522	1,522
Depreciation	-	-	5,070	-	-	16,495	21,565
Total operating expenses	533,625	102,395	426,921	61,413	3,119	291,829	1,419,302
Operating income (loss)	8,132	9,628	161,347	22,158	3,481	(23,047)	181,699
Transfers in	-	-	-	-	356	-	356
Transfers out	-	-	(82,790)	(39,913)	-	-	(122,703)
Change in net position	8,132	9,628	78,557	(17,755)	3,837	(23,047)	59,352
Total net position, beginning of year	182,893	52,549	302,061	54,180	6,843	129,496	728,022
Total net position, end of year	\$ 191,025	62,177	380,618	36,425	10,680	106,449	787,374

SCHEDULE

TOWN OF YORK, MAINE
General Fund Reserves
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For year ended June 30, 2018

	Balance beginning of year	Interest	Donations	Charges for Services	Other revenues	Appropriations	Expenditures	Transfers in	Transfers out	Balance end of year
131 Lawns to lobsters	\$ 5	-	-	-	-	-	-	-	-	5
133/483 Iron/Metal Recycling	35,678	-	-	7,055	-	-	9,585	-	-	33,148
134 Fire Equipment	268	-	-	-	-	-	-	-	-	268
401 350th	5,383	1	-	-	-	-	-	-	-	5,384
403 Academic reimbursement	8,020	1	-	-	-	-	-	-	-	8,021
404 Animal welfare	22,916	-	-	-	-	-	-	-	-	22,916
408 Building	128,735	4	-	-	141,714	-	-	-	(265,273)	5,180
410 Bog Road	2	-	-	-	-	-	2	-	-	-
412 Capital equipment	224,393	22	-	-	-	-	18,675	-	(50,727)	155,013
414 CEO	608,068	-	-	-	-	-	-	-	(38,707)	569,361
418 Conservation	2,260	-	-	-	-	-	-	-	(2,260)	-
422 Earned time	154,694	8	-	-	-	40,000	64,939	-	-	129,763
426 York Beach fire truck	2,026	-	-	-	-	-	-	-	-	2,026
428 Fishermen's Fund	1,034	-	-	-	-	-	-	-	-	1,034
430 Fishermen's Memorial	999	-	-	-	-	-	-	-	-	999
434 Goodrich Park	356	-	-	-	-	-	-	-	(356)	-
438 LS bathhouse fundraising	-	-	250	-	-	-	-	-	-	250
450 Hoist repair	9,608	-	-	1,036	-	-	-	-	-	10,644
460 Sohier Park Building	93,584	14	16,256	-	-	-	64,457	-	-	45,397
464 Open space	81,989	-	-	-	-	-	81,989	-	-	-
465 Wheeler Marsh	12,976	-	-	-	-	-	12,976	-	-	-
470 Sohier Park maintenance	6,685	-	-	-	-	-	89,475	82,790	-	-
478 Unemployment	11,641	-	-	-	-	5,000	9,937	-	-	6,704
479 Village lights	2,071	-	313	-	-	-	-	-	-	2,384
480 Wheeler trust	1,874	-	-	-	-	-	-	-	-	1,874
486 Construction settlement	38,360	-	-	-	-	-	7,398	-	-	30,962
495 Park director retirement	-	-	4,305	-	-	-	3,770	-	-	535
467/489 Street openings	3,651	-	-	1,750	-	-	-	-	(5,401)	-
Total	\$ 1,457,276	50	21,124	9,841	141,714	45,000	363,203	82,790	(362,724)	1,031,868