

**TOWN OF YORK, MAINE**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 2017**

**TOWN OF YORK, MAINE**  
**Annual Financial Report**  
**For the Year Ended June 30, 2017**

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## Independent Auditor's Report

Board of Selectmen  
Town of York, Maine

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of York, Maine as of and for the year ended June 30, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress-retiree healthcare plan, the schedule of Town's proportionate share of the net pension liability, and the schedule of Town contributions, 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. 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.

Board of Selectmen  
Town of York, Maine

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2018, on our consideration of the Town of York, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of York, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Runyan Kristen Quellitter".

March 23, 2018  
South Portland, Maine

**TOWN OF YORK, MAINE**  
**Management's Discussion and Analysis**  
**June 30, 2017**

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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, 2017. Please read it in conjunction with the Town's financial statements, which begin on page 17.

## **USING THIS ANNUAL REPORT**

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

## **REPORTING THE TOWN AS A WHOLE**

### **The Statement of Net Position and the Statement of Activities**

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

These two statements report the Town's net position and changes in it. You can think of the Town's net position - 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**

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

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

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

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

### Reporting the Town's Fiduciary Responsibilities

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

### THE TOWN AS A WHOLE

For the year ended June 30, 2017, net position changed as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 20,411,089	18,823,256	574,863	605,435	20,985,952	19,428,691
Capital assets	77,933,249	68,319,411	226,278	247,843	78,159,527	68,567,254
Total assets	98,344,338	87,142,667	801,141	853,278	99,145,479	87,995,945
Deferred outflows of resources	3,022,668	2,389,427	-	-	3,022,668	2,389,427
Long-term liabilities	46,055,947	34,601,491	-	-	46,055,947	34,601,491
Other liabilities	5,424,386	3,963,594	73,119	65,136	5,497,505	4,028,730
Total liabilities	51,480,333	38,565,085	73,119	65,136	51,553,452	38,630,221
Deferred inflows of resources	298,726	448,721	-	-	298,726	448,721
Net investment in capital assets	45,296,596	44,556,492	226,278	247,843	45,522,874	44,804,335
Restricted	1,179,749	1,129,611	-	-	1,179,749	1,129,611
Unrestricted	3,111,602	4,832,485	501,744	540,299	3,613,346	5,372,784
Total net position	\$ 49,587,947	50,518,588	728,022	788,142	50,315,969	51,306,730

These numbers reflect a decrease in net position of 1.84% percent for governmental activities and a decrease of 7.63% for business-type activities (see page 23-25 for details).

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

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**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 refund, 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	
	2017	2016	2017	2016	2017	2016
General Government	\$ 8,106,839	\$ 5,583,620	982,303	815,773	7,124,536	4,767,847
Public Safety	7,403,367	6,637,063	779,722	790,758	6,623,645	5,846,305
Public Works	6,241,095	5,884,956	723,094	670,013	5,518,001	5,214,943
Parks and Recreation	1,287,281	1,143,893	47,899	78,126	1,239,382	1,065,767
Public Assistance	378,809	368,375	21,363	42,997	357,446	325,378
Education and Libraries	34,307,964	32,878,437	4,998,485	5,215,078	29,309,479	27,663,359
Interest on long-term debt	628,147	430,985	-	-	628,147	430,985
Total Government Activities	<u>\$ 58,353,502</u>	<u>52,927,329</u>	<u>7,552,866</u>	<u>7,612,745</u>	<u>50,800,636</u>	<u>45,314,584</u>

The net expense is the financial burden that was placed on the taxpayers by each of these functions. Approximately \$7.6 million worth of activity was paid by grants, user fees, parking tickets and meter revenues and fees other than taxes.

Public Safety revenues derive from dispatching services provided to neighboring towns as well as public safety grants.

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

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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 increased by \$2.5 million primarily due to the change in net pension liability and the deferred inflows and outflows, as well as an increase in capital outlay that was not capitalized.

Education and Libraries' share of net expense is still the largest percentage at 58%, followed by General Government at 14%, Public Safety at 13%, and Public Works at 11%.

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. \$168,300 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 \$400,000 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, 2017 with a comparison to 2016:

<b>Revenues</b>	<b>FY2017</b>	<b>Percent of</b>	<b>FY2016</b>	<b>Percent of</b>
Taxes	\$ 48,882,362	88.66%	\$ 46,707,059	88.37%
Intergovernmental	3,952,673	7.17%	3,768,047	7.13%
Charges for Services	1,191,165	2.16%	1,492,103	2.82%
Licenses and Permits	341,560	0.62%	344,087	0.65%
Other	767,312	1.39%	543,126	1.03%
<b>Total Revenues</b>	<b>\$ 55,135,072</b>	<b>100.00%</b>	<b>\$ 52,854,422</b>	<b>100.00%</b>

Revenues from all sources increased 4.3% from the previous year. Tax revenues increased 4.7%. State Revenue sharing increased by 2.5%. Investment interest income saw a minor increase, but remains low.

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

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

<b>Expenditures</b>	<b>FY2017</b>	<b>Percent of</b>	<b>FY2016</b>	<b>Percent of</b>
General Government	\$ 2,705,084	5.00%	\$ 2,555,702	4.85%
Public Safety	6,920,792	12.80%	6,267,085	11.89%
Public Works	4,885,059	9.03%	4,546,829	8.63%
Parks and Recreation	1,214,516	2.25%	1,108,466	2.10%
Public Assistance	378,809	0.70%	368,375	0.70%
Education and Library	31,258,906	57.79%	29,772,708	56.50%
Maine PERS on Behalf	1,931,612	3.57%	1,868,480	3.55%
County Tax	2,398,830	4.44%	2,416,154	4.58%
Unclassified	481,941	0.89%	458,428	0.87%
Capital Outlay	314,384	0.58%	1,509,421	2.86%
Interest on Long-Term Debt	258,428	0.48%	510,272	0.97%
Principal Payment on LT				
Debt and Bond Cost	1,339,292	2.48%	1,317,483	2.50%
<b>Total Expenditures</b>	<b>\$ 54,087,653</b>	<b>100.00%</b>	<b>\$ 52,699,403</b>	<b>100.00%</b>

Overall, expenditures increased 2.6%. The General Government expenditures increase is typical of inflation and personnel-related cost increases. The principal payments on long-term debt remained similar to the previous year. New debt was issued July 14, 2017. In addition, funding for Education and Library increased by 5.0%.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Although a \$300,000 utilization of unassigned fund balance for the Town and \$200,000 for the School Department was approved by voters to reduce tax appropriations, the Town recorded a modest increase in General Fund GAAP fund balance for the year of \$1,211,322.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

##### **Capital Assets**

At June 30, 2017, the Town had \$77.9 million invested in capital assets for its governmental activities and \$226,278 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**

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This year's major additions included:

<b>Dept.</b>	<b>Category</b>	<b>Asset Name</b>	<b>Date Acquired</b>	<b>Cost</b>
Parks	<i>Vehicles</i>	2017 Ford Pickup F-550 Vin 02447	1/19/2017	\$ 55,438.00
Public Safety	<i>Vehicles</i>	2013 Ford Explorer Vin 89261	8/8/2016	\$ 26,500.00
Parks	<i>Equipment</i>	Kubota Tractor Serial # 38125	8/9/2016	\$ 15,200.37
Public Safety	<i>Equipment</i>	Antenna System for Verizon tower at beach	9/27/2016	\$ 13,992.00
Public Safety	<i>Vehicles</i>	2017 Ford Explorer Vin 33223	12/1/2017	\$ 33,650.09
Public Works	<i>Equipment</i>	Pipe Camera	6/30/2017	\$ 8,091.00
General Gov't	<i>Vehicles</i>	2015 Ford Escape Vin 29188	7/7/2016	\$ 21,901.00
Public Safety	<i>Vehicles</i>	YVF Fire Truck	9/30/2016	\$ 655,000.00
General Gov't	<i>Equipment</i>	Security Cameras - Town Hall	2/27/2017	\$ 6,250.00
Parks	<i>Land Improvements</i>	Mt. A Trail System	6/27/2017	\$ 351,119.24
Parks	<i>Land Improvements</i>	Bog Road Athletic Complex	4/13/2017	\$ 224,864.78
Parks	<i>Building Imps.</i>	Bog Road Maintenance Facility	6/30/2017	\$ 114,000.00
Parks	<i>Building Imps.</i>	Grant House	6/30/2017	\$ 45,000.00
Public Safety	<i>Equipment</i>	Dispatch Consoles	4/27/2017	\$ 177,287.70
Public Works	<i>Vehicles</i>	2017 Ford F-550 1 Ton PU Vin 2448	6/15/2017	\$ 85,000.00
Public Works	<i>Vehicles</i>	2010 International Sign Truck Vin 45086 (addt'l)	4/4/2017	\$ 36,045.01
Education	<i>Vehicles</i>	2017 Ford Transit VIN 13805	2/1/2017	\$ 26,154.00
Education	<i>Vehicles</i>	2017 Ford Transit VIN 13808	2/1/2017	\$ 26,154.00
Education	<i>Vehicles</i>	2017 Ford Expedition VIN 41694	12/8/2016	\$ 37,785.00
Education	<i>Equipment</i>	Boiler Room Alarms	12/16/2016	\$ 68,371.00
Education	<i>Building Imps.</i>	Central Office Roof	5/19/2017	\$ 197,000.00
Education	<i>Equipment</i>	Security System Upgrade	6/30/2017	\$ 164,000.00
General Gov't	<i>Equipment</i>	Dell PowerEdge R630 Servers	9/22/2016	\$ 29,019.96
General Gov't	<i>Equipment</i>	Cisco Catalyst Layer 3 Switches	9/22/2016	\$ 11,455.12
General Gov't	<i>Equipment</i>	FortiGate-200E Hardware	4/6/2017	\$ 11,107.30
Public Safety	<i>Equipment</i>	New Trylon Super Tital Tower for Dispatch	12/8/2016	\$ 22,867.65
Public Safety	<i>Equipment</i>	Emergency Microwave Commun. System	6/8/2017	\$ 124,000.00
Public Safety	<i>Equipment</i>	Antenna System for PD station	12/1/2016	\$ 42,897.57
Public Works	<i>Infrastructure</i>	Main Street Rebuild/Drainage	12/22/2016	\$ 390,565.67
Public Works	<i>Infrastructure</i>	Bay Haven reclamation	8/25/2016	\$ 173,658.93
Public Works	<i>Infrastructure</i>	Mosley & Bank reclamation	10/13/2016	\$ 27,013.32
Public Works	<i>Infrastructure</i>	Airport Road reclamation	6/30/2017	\$ 109,011.44
Public Works	<i>Infrastructure</i>	Long Sands Major Drainage	6/30/2017	\$ 693,656.89
Public Safety	<i>Building Imps.</i>	Police Station	6/30/2017	\$ 5,961,083.39

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

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

**Long-term Obligations**

The taxpayers approved all of the municipal and school projects put before them on the ballot. The projects totaled \$3,655,025. The Town's Standard and Poor's rating remains at AAA+.

At year-end, the Town had \$46,055,947 in outstanding debt and other liabilities, representing a net increase of \$11,454,456:

<b>Governmental Activities</b>		
	<b>2017</b>	<b>2016</b>
General Obligation Bonds	\$ 34,148,783	\$ 25,122,625
Note Payable	217,347	434,694
Premium on Bonds	304,487	133,531
Capital Leases	3,414,109	3,553,363
Net Pension	6,057,198	3,564,628
Other Post-Employment Benefits	500,147	481,765
Accrued Compensated Absenses	1,413,876	1,310,885
<b>Total Outstanding Long-Term Liabilities</b>	<b>\$ 46,055,947</b>	<b>\$ 34,601,491</b>

Bonds were issued during FY17. The projects included:

Parks Pickup	\$ 34,000
Parks Used Pick up	18,000
DPW Plow Truck	205,000
DPW Bucket Sign Truck	94,000
York High School Auditorium	10,465,000
School Security Upgrades	164,000
Mt. Agamenticus Trail Phase 2	60,000
Mt. Agamenticus Trail Phases 3 & 4	159,000
Bog Road Recreation Complex	150,000
School IT Upgrades	200,000
Town IT Upgrades	225,000
York Fire Defibrillator	24,000
York Fire 2 Outboard Motors	15,000
Public Safety PSAP Equipment	42,000
<b>Public Safety Dispatch Equipment</b>	<b>177,000</b>
<b>TOTAL</b>	<b>\$ 12,032,000</b>

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

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

**Tax Increment Financing**

In the past, the voters approved an article that designates a portion of 'downtown' York Beach as a TIF district. The TIF provides funding for design, traffic studies and to fund public infrastructure improvements such as sidewalks and roadways within the boundaries of the TIF district. It is designed as a twenty-year program and could allocate significant resources to this area of Town known as York Beach. The first funds, in the amount of \$113,928 were made available with the May 2009 Budget Referendum. The major focus is on infrastructure in the Short Sands Beach area of York Beach to improve drainage and other small infrastructure projects. Due to the structure of the TIF, funds in the amount of \$1,824 were allocated from the FY 15 tax appropriations.

**Business-type Activities**

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

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

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<b>Business-type Activities - Enterprise Funds</b>							
	<b>Recreation</b>	<b>Mt. Agamenticus</b>	<b>Sohier Park</b>	<b>Outside Duty</b>	<b>Goodrich Park</b>	<b>Senior Center</b>	<b>Totals</b>
<b>Operating revenues:</b>							
User fees	\$ 493,528	11,051	-	74,050	-	164,757	743,386
Sponsorships/memberships	69,400	-	-	-	-	10,190	79,590
Gift shop sales	-	-	512,553	-	-	-	512,553
Rental income	-	40,603	-	-	7,800	-	48,403
Donations	-	52,485	791	-	-	4,894	58,170
<b>Total operating revenues</b>	<b>562,928</b>	<b>104,139</b>	<b>513,344</b>	<b>74,050</b>	<b>7,800</b>	<b>179,841</b>	<b>1,442,102</b>
<b>Operating expenses:</b>							
Cost of goods	17,194	-	237,028	-	-	34,217	288,439
Salaries and benefits	274,390	53,151	94,135	65,738	-	8,965	496,379
Training, meetings, and travel	4,025	492	1,835	-	-	324	6,676
Maintenance	-	12,787	1,135	-	800	1,846	16,568
Office expenses	26,233	7,064	3,765	-	265	1,124	38,451
Supplies	66,533	16,146	6,026	-	5,992	7,436	102,133
Contracts	177,481	8,964	9,652	-	15,096	165,797	376,990
Utilities	-	2,338	183	-	-	972	3,493
Fuel	167	-	292	-	-	1,561	2,020
Depreciation expense	-	-	5,070	-	-	16,495	21,565
<b>Total operating expenses</b>	<b>566,023</b>	<b>100,942</b>	<b>359,121</b>	<b>65,738</b>	<b>22,153</b>	<b>238,737</b>	<b>1,352,714</b>
<b>Operating income (loss)</b>	<b>(3,095)</b>	<b>3,197</b>	<b>154,223</b>	<b>8,312</b>	<b>(14,353)</b>	<b>(58,896)</b>	<b>89,388</b>
Transfers in	2,857	-	-	390	-	2,532	5,779
Transfers out	(88)	-	(155,199)	-	-	-	(155,287)
<b>Change in net position</b>	<b>(326)</b>	<b>3,197</b>	<b>(976)</b>	<b>8,702</b>	<b>(14,353)</b>	<b>(56,364)</b>	<b>(60,120)</b>
<b>Total net position, beginning of year</b>	<b>183,219</b>	<b>49,352</b>	<b>303,037</b>	<b>45,478</b>	<b>21,196</b>	<b>185,860</b>	<b>788,142</b>
<b>Total net position, end of year</b>	<b>\$ 182,893</b>	<b>52,549</b>	<b>302,061</b>	<b>54,180</b>	<b>6,843</b>	<b>129,496</b>	<b>728,022</b>

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

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

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

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

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

The **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**

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**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 2017 assessment valuations as of April 1, 2016, rose 2.87% from the previous year.

Fiscal Year	Total 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%

York will see a mil rate increase in the amount of \$0.15/\$1,000 assessed valuation for FY 2018. 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, 2017**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 18,419,174	1,550	18,420,724
Receivables:			
Accounts	187,839	5,656	193,495
Intergovernmental	679,346	-	679,346
Taxes	1,452,662	-	1,452,662
Prepaid expenses	114,742	334	115,076
Inventory	25,603	99,046	124,649
Internal balances	(468,277)	468,277	-
Capital assets not being depreciated	20,115,873	-	20,115,873
Capital assets being depreciated, net	57,817,376	226,278	58,043,654
<b>Total assets</b>	<b>98,344,338</b>	<b>801,141</b>	<b>99,145,479</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	3,022,668	-	3,022,668
<b>Total deferred outflows of resources</b>	<b>3,022,668</b>	<b>-</b>	<b>3,022,668</b>
<b>LIABILITIES</b>			
Accounts payable and other liabilities	2,852,275	55,983	2,908,258
Accrued payroll	2,322,563	17,136	2,339,699
Unearned revenue	14,128	-	14,128
Accrued interest	235,420	-	235,420
Noncurrent liabilities:			
Due within one year	3,287,985	-	3,287,985
Due in more than one year	42,767,962	-	42,767,962
<b>Total liabilities</b>	<b>51,480,333</b>	<b>73,119</b>	<b>51,553,452</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	298,726	-	298,726
<b>Total deferred inflows of resources</b>	<b>298,726</b>	<b>-</b>	<b>298,726</b>
<b>NET POSITION</b>			
Net investment in capital assets	45,296,596	226,278	45,522,874
Restricted for:			
Permanent fund principal - nonexpendable	20,529	-	20,529
Permanent fund earnings - expendable	28	-	28
Education	794,488	-	794,488
Grants	364,704	-	364,704
Unrestricted	3,111,602	501,744	3,613,346
<b>Total net position</b>	<b>\$ 49,587,947</b>	<b>728,022</b>	<b>50,315,969</b>

*See accompanying notes to basic financial statements.*

**TOWN OF YORK, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2017**

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		
					Governmental activities	Business-type activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 8,106,839	934,964	47,339	-	(7,124,536)	-	(7,124,536)
Public safety	7,403,367	717,952	61,770	-	(6,623,645)	-	(6,623,645)
Public works	6,241,095	67,154	1,775	654,165	(5,518,001)	-	(5,518,001)
Parks and recreation	1,287,281	32,604	15,295	-	(1,239,382)	-	(1,239,382)
Public assistance	378,809	-	21,363	-	(357,446)	-	(357,446)
Education and libraries	34,307,964	946,309	4,052,176	-	(29,309,479)	-	(29,309,479)
Interest on debt	628,147	-	-	-	(628,147)	-	(628,147)
<b>Total governmental activities</b>	<b>58,353,502</b>	<b>2,698,983</b>	<b>4,199,718</b>	<b>654,165</b>	<b>(50,800,636)</b>	<b>-</b>	<b>(50,800,636)</b>
Business-type activities:							
Recreation	566,023	562,928	-	-	-	(3,095)	(3,095)
Mt. Agamenticus	100,942	51,654	52,485	-	-	3,197	3,197
Sohier Park	359,121	512,553	791	-	-	154,223	154,223
Outside Duty	65,738	74,050	-	-	-	8,312	8,312
Goodrich Park	22,153	7,800	-	-	-	(14,353)	(14,353)
Senior Center	238,737	174,947	4,894	-	-	(58,896)	(58,896)
<b>Total business-type activities</b>	<b>1,352,714</b>	<b>1,383,932</b>	<b>58,170</b>	<b>-</b>	<b>-</b>	<b>89,388</b>	<b>89,388</b>
<b>Total primary government</b>	<b>\$ 59,706,216</b>	<b>4,082,915</b>	<b>4,257,888</b>	<b>654,165</b>	<b>(50,800,636)</b>	<b>89,388</b>	<b>(50,711,248)</b>
<b>General revenues:</b>							
Property taxes, levied for general purposes				\$ 45,392,760	-	45,392,760	
Motor vehicle excise taxes				3,437,871	-	3,437,871	
Grants and contributions not restricted to specific programs:							
Homestead exemption				201,448	-	201,448	
BETE reimbursements				1,879	-	1,879	
State Revenue Sharing				314,505	-	314,505	
Unrestricted investment earnings				212,191	-	212,191	
Miscellaneous revenues				159,833	-	159,833	
Transfers				149,508	(149,508)	-	
<b>Total general revenues and transfers</b>				<b>49,869,995</b>	<b>(149,508)</b>	<b>49,720,487</b>	
<b>Change in net position</b>							
Net position - beginning				(930,641)	(60,120)	(990,761)	
<b>Net position - ending</b>				<b>\$ 49,587,947</b>	<b>728,022</b>	<b>50,315,969</b>	

*See accompanying notes to basic financial statements.*

**TOWN OF YORK, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	General	School Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,484,692	-	3,934,482	18,419,174
Receivables:				
Accounts	179,580	-	8,259	187,839
Intergovernmental	245,881	-	433,465	679,346
Taxes	1,452,662	-	-	1,452,662
Prepaid expenditures	114,742	-	-	114,742
Inventory	-	-	25,603	25,603
Interfund loans receivable	-	3,894,059	605,002	4,499,061
<b>Total assets</b>	<b>\$ 16,477,557</b>	<b>3,894,059</b>	<b>5,006,811</b>	<b>25,378,427</b>
<b>LIABILITIES</b>				
Accounts payable	1,152,218	1,102,484	322,155	2,576,857
Accrued payroll	2,299,782	-	22,781	2,322,563
Other liabilities	275,418	-	-	275,418
Unearned revenues	-	-	14,128	14,128
Interfund loans payable	3,605,225	-	1,362,113	4,967,338
<b>Total liabilities</b>	<b>7,332,643</b>	<b>1,102,484</b>	<b>1,721,177</b>	<b>10,156,304</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	942,434	-	-	942,434
<b>Total deferred inflows of resources</b>	<b>942,434</b>	<b>-</b>	<b>-</b>	<b>942,434</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	114,742	-	20,529	135,271
Restricted	655,644	-	490,672	1,146,316
Committed	-	3,016,584	5,676,602	8,693,186
Assigned	2,234,836	-	-	2,234,836
Unassigned	5,197,258	(225,009)	(2,902,169)	2,070,080
<b>Total fund balances</b>	<b>8,202,480</b>	<b>2,791,575</b>	<b>3,285,634</b>	<b>14,279,689</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,477,557</b>	<b>3,894,059</b>	<b>5,006,811</b>	
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.				77,933,249
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.				942,434
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		(34,366,130)		
Capital leases		(3,414,109)		
Premium on bonds		(304,487)		
Accrued interest		(235,420)		
Accrued compensated absences		(1,413,876)		
Other post employment benefits		(500,147)		
Net pension liability		(6,057,198)		
Deferred inflows and outflows of resources related to pensions		2,723,942	(43,567,425)	
<b>Net position of governmental activities</b>				<b>\$ 49,587,947</b>

*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, 2017**

	School	Other	Total	
	Capital	Governmental	Governmental	Funds
	General	Projects	Funds	Funds
<b>Revenues:</b>				
Taxes	\$ 48,882,362	-	100,690	48,983,052
Licenses and permits	341,560	-	-	341,560
Intergovernmental	3,952,673	-	1,294,788	5,247,461
Charges for services	1,191,165	-	740,533	1,931,698
Donations	17,070	-	8,631	25,701
Interest income	185,362	21,884	4,945	212,191
Other	564,880	852	118,379	684,111
<b>Total revenues</b>	<b>55,135,072</b>	<b>22,736</b>	<b>2,267,966</b>	<b>57,425,774</b>
<b>Expenditures:</b>				
Current:				
General government	2,705,084	-	-	2,705,084
Public safety	6,920,792	-	53,402	6,974,194
Public works	4,885,059	-	51,703	4,936,762
Parks and recreation	1,214,516	-	-	1,214,516
Public assistance	378,809	-	-	378,809
Library	519,584	-	-	519,584
Education	30,739,322	-	1,780,111	32,519,433
County tax	2,398,830	-	-	2,398,830
MEPERS on behalf payments	1,931,612	-	-	1,931,612
Unclassified	481,941	-	9,505	491,446
Capital outlay	314,384	7,248,202	5,892,892	13,455,478
Debt service (excluding education debt):				
Bond issuance costs	2,000	-	-	2,000
Principal	1,337,292	-	222,297	1,559,589
Interest	258,428	220,707	-	479,135
<b>Total expenditures</b>	<b>54,087,653</b>	<b>7,468,909</b>	<b>8,009,910</b>	<b>69,566,472</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,047,419</b>	<b>(7,446,173)</b>	<b>(5,741,944)</b>	<b>(12,140,698)</b>
<b>Other financing sources (uses):</b>				
Lease proceeds	90,093	-	-	90,093
Bond proceeds	-	10,829,000	1,203,000	12,032,000
Premium on bond proceeds	-	120,802	67,918	188,720
Transfers in	258,423	-	184,312	442,735
Transfers out	(184,613)	-	(108,614)	(293,227)
<b>Total other financing sources</b>	<b>163,903</b>	<b>10,949,802</b>	<b>1,346,616</b>	<b>12,460,321</b>
<b>Net change in fund balances</b>	<b>1,211,322</b>	<b>3,503,629</b>	<b>(4,395,328)</b>	<b>319,623</b>
<b>Fund balances, beginning of year</b>	<b>6,991,158</b>	<b>(712,054)</b>	<b>7,680,962</b>	<b>13,960,066</b>
<b>Fund balances, end of year</b>	<b>\$ 8,202,480</b>	<b>2,791,575</b>	<b>3,285,634</b>	<b>14,279,689</b>

*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, 2017**

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Net change in fund balances - total governmental funds (from Statement 4)	\$ 319,623
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 (\$12,577,148) exceeded depreciation expense (\$2,955,255) and the loss on disposal of assets (\$8,055).	9,613,838
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.	(152,421)
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	(2,492,570)
Deferred inflows and outflows of resources related to the net pension liability	783,236
Other post employment benefits	(18,382)
Accrued compensated absences	(102,991)
Accrued interest payable	(40,461)
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 (\$229,347) exceed lease proceeds (\$90,093).	139,254
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	(12,032,000)
Premium on bond issuance	(188,720)
Bond and note principal payments	3,223,189
Amortization of bond premium	17,764
<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$ (930,641)</b>

*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, 2017**

				Variance with final budget positive (negative)
		Budgeted amounts		
		Original	Final	Actual
<b>Revenues:</b>				
Taxes	\$ 48,297,181	48,297,181	48,882,362	585,181
Licenses and permits	290,500	290,500	341,560	51,060
Intergovernmental	1,969,282	1,969,282	2,012,693	43,411
Charges for services	1,166,527	1,166,527	1,179,752	13,225
Other	554,061	554,061	614,037	59,976
<b>Total revenues</b>	<b>52,277,551</b>	<b>52,277,551</b>	<b>53,030,404</b>	<b>752,853</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	2,642,232	2,642,232	2,685,632	(43,400)
Public safety	6,632,712	6,734,303	6,799,046	(64,743)
Public works	4,766,388	4,766,388	4,855,419	(89,031)
Parks and recreation	1,133,995	1,133,995	1,134,317	(322)
Public assistance	454,048	454,048	378,809	75,239
Library	519,584	519,584	519,584	-
<b>Education:</b>				
Regular instruction	13,252,735	13,312,635	13,312,635	-
Special education instruction	4,367,614	4,721,832	5,333,623	(611,791)
Career and technical education	37,731	35,844	22,864	12,980
Other instruction	1,276,816	1,222,403	1,222,403	-
Student and staff support	2,742,634	2,701,864	2,695,017	6,847
System administration	926,331	966,331	964,305	2,026
School administration	1,438,710	1,416,650	1,416,648	2
Transportation	1,029,204	977,744	917,596	60,148
Facilities maintenance	3,317,680	3,152,680	3,074,411	78,269
Other	252,869	240,240	62,144	178,096
Debt service	2,117,976	2,012,077	1,718,036	294,041
County tax	2,398,830	2,398,830	2,398,830	-
Unclassified	1,375,931	1,375,931	481,941	893,990
Capital outlay	209,155	293,304	177,926	115,378
Debt service	1,836,876	1,941,143	1,601,860	339,283
<b>Total expenditures</b>	<b>52,730,051</b>	<b>53,020,058</b>	<b>51,773,046</b>	<b>1,247,012</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(452,500)</b>	<b>(742,507)</b>	<b>1,257,358</b>	<b>1,999,865</b>
<b>Other financing sources (uses):</b>				
Use of fund balance	500,000	500,000	-	(500,000)
Carryforward balances	-	290,007	-	(290,007)
Appropriations for reserve accounts	(47,500)	(47,500)	(47,500)	-
Transfers to reserve accounts	-	-	(218,605)	(218,605)
Transfers from reserve accounts	-	-	34,248	34,248
Transfers in	-	-	258,423	258,423
Transfers out	-	-	(184,613)	(184,613)
<b>Total other financing sources (uses)</b>	<b>452,500</b>	<b>742,507</b>	<b>(158,047)</b>	<b>(900,554)</b>
Net change in fund balance - budgetary basis	-	-	1,099,311	1,099,311
<b>Fund balance, beginning of year, budgetary basis</b>			<b>6,210,652</b>	
<b>Fund balance, end of year-budgetary basis</b>			<b>7,309,963</b>	
<b>Reconciliation to GAAP:</b>				
Change in prepaid debt service			4,500	
Change in reserves			107,511	
Net change in fund balance - GAAP basis			1,211,322	
<b>Fund balance, beginning of year - GAAP basis</b>			<b>6,991,158</b>	
<b>Fund balance, end of year - GAAP basis</b>	<b>\$</b>		<b>8,202,480</b>	

*See accompanying notes to basic financial statements.*

**Statement 7**

**TOWN OF YORK, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

<b>Business-type Activities - Enterprise Funds</b>		
		<b>Nonmajor Enterprise Funds</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	1,550
Accounts receivable		5,656
Inventory		99,046
Prepaid expenses		334
Interfund loan receivable		468,277
Total current assets		574,863
Noncurrent assets:		
Capital assets, net of depreciation		226,278
Total noncurrent assets		226,278
Total assets		801,141
<b>LIABILITIES</b>		
Accounts payable		55,983
Accrued payroll		17,136
Total liabilities		73,119
<b>NET POSITION</b>		
Net investment in capital assets		226,278
Unrestricted		501,744
<b>Total net position</b>	<b>\$</b>	<b>728,022</b>

*See accompanying notes to basic financial statements.*

**Statement 8**

**TOWN OF YORK, MAINE**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2017**

<b>Business-type Activities - Enterprise Funds</b>		<b>Nonmajor Enterprise Funds</b>
Operating revenues:		
User fees		\$ 743,386
Sponsorships/memberships		79,590
Gift shop sales		512,553
Rental income		48,403
Donations		58,170
	<b>Total operating revenues</b>	<b>1,442,102</b>
Operating expenses:		
Cost of goods sold		288,439
Salaries and benefits		496,379
Training, meetings, and travel		6,676
Maintenance		16,568
Office expenses		38,451
Supplies		102,133
Contracts		376,990
Utilities		3,493
Fuel		2,020
Depreciation expense		21,565
	<b>Total operating expenses</b>	<b>1,352,714</b>
	<b>Operating income</b>	<b>89,388</b>
Transfers in		5,779
Transfers out		(155,287)
	<b>Change in net position</b>	<b>(60,120)</b>
	<b>Total net position, beginning of year</b>	<b>788,142</b>
	<b>Total net position, end of year</b>	<b>\$ 728,022</b>

*See accompanying notes to basic financial statements.*

**TOWN OF YORK, MAINE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2017**

<b>Business-type Activities - Enterprise Funds</b>	<b>Nonmajor Enterprise Funds</b>
Cash flows from operating activities:	
Receipts from customers and users	\$ 1,439,129
Payments to suppliers	(838,315)
Payments to employees	(496,379)
Net cash provided by operating activities	104,435
Cash flows from non-capital financing activities:	
Transfers to other funds	(149,508)
Decrease in interfund loans	44,173
Net cash used in non-capital financing activities	(105,335)
Decrease in cash	(900)
Cash, beginning of year	2,450
<b>Cash, end of year</b>	<b>\$ 1,550</b>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 89,388
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	21,565
Change in assets:	
Accounts receivable	(2,973)
Inventory	(11,194)
Prepaid expenses	(334)
Change in liabilities:	
Accounts payable	7,983
Net cash provided by operating activities	104,435

*See accompanying notes to basic financial statements.*

**TOWN OF YORK, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2017**

	<b>Private- purpose</b>	<b>Trust Funds</b>		
	<b>Larry A. D'Entremont Scholarship</b>	<b>York Mentor Scholarship</b>		<b>Agency Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,997	5,142	172,972	
Total assets	8,997	5,142	172,972	
<b>LIABILITIES</b>				
Held for student groups	-	-	172,972	
Total liabilities	-	-	172,972	
<b>NET POSITION</b>				
Held in trust	\$ 8,997	5,142	-	

*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, 2017**

	Private- purpose Trust Funds	Larry A. D'Entremont Scholarship	York Mentor Scholarship
Additions:			
Donations	\$	-	1,409
Interest		6	7
Total additions		6	1,416
Deductions:			
Scholarships awarded		-	2,000
Total deductions		-	2,000
Change in net position		6	(584)
Net position, beginning of year		8,991	5,726
<b>Net position, end of year</b>	<b>\$</b>	<b>8,997</b>	<b>5,142</b>

*See accompanying notes to basic financial statements.*

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

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### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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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 School Capital Projects Fund accounts for the bond proceeds and other revenues dedicated to school 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**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**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, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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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.

**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:

- *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.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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- *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, 2017:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 132,341,585	285,260
Accumulated depreciation	(54,408,336)	(58,982)
Unspent bond proceeds	5,230,726	-
Unamortized bond premium	(304,487)	-
Bonds payable	(34,148,783)	-
Capital leases	(3,414,109)	-
 <b>Net investment in capital assets</b>	 <b>\$ 45,296,596</b>	 <b>226,278</b>

**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.

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

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#### BUDGETARY VS GAAP BASIS OF ACCOUNTING

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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 \$1,931,612. 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.

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#### STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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##### **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. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year. The Town Manager is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures must be approved by the Board of Selectmen. Encumbrance accounting is not employed by the Town. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

##### **B. Deficit Fund Balances**

At June 30, 2017, the following funds had deficit fund balances:

Special Revenue Funds:	
School lunch fund	\$ 332,020
Adult education	74,387
School special revenues	776
Capital Project Funds:	
Energy efficiency	408
Parks and rec pickup truck	55,438
DPW plow truck	152,995
DPW one ton truck	85,000
Goodrich Park/Grant House rest	45,000
Bog road maintenance facility	114,000
Road paving	860,000

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

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**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED**

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Municipal IT upgrades	\$ 191,653
Parking meter and ticketing system	200,000
Emergency microwave comm. system	124,000
YVD fire truck	655,000
School capital projects	225,009

**C. Excess of Expenditures over Appropriations**

For the year ended June 30, 2017, expenditures exceeded appropriations in the following areas:

General government	\$ 43,400
Public safety	64,743
Public works	89,031
Parks and recreation	322
Special education instruction	611,791

Expenditures in excess of appropriations will lapse to fund balance.

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**DEPOSITS**

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*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, 2017, the Town reported deposits of \$18,607,835, with a bank balance of \$18,617,484. 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	\$ 18,419,174
Reported in fiduciary funds	187,111
<u>Reported in proprietary funds</u>	<u>1,550</u>
<b>Total deposits</b>	<b>\$ 18,607,835</b>

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**PROPERTY TAX**

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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 19, 2016 on the assessed values of real property as of April 1, 2016. Taxes were due September 23, 2016 and February 3, 2017. This assessed value of \$4,059,988,430 was 100% of the estimated market value and 100.5% of the 2017 state valuation of \$4,039,100,000.

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 \$896,616 for the year ended June 30, 2017.

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

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**PROPERTY TAX, CONTINUED**

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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, 2017 and 2016 levies:

	<u>2017</u>	<u>2016</u>
Assessed value	\$ 4,059,988,430	3,951,970,310
Tax rate (per \$1,000)	11.15	11.00
Commitment	45,268,871	43,471,673
<u>Supplemental taxes assessed</u>	<u>12,324</u>	<u>50,618</u>
	45,281,195	43,522,291
Less:		
Collections and abatements	44,345,254	42,601,838
<b>Receivable at June 30</b>	<b>\$ 935,941</b>	<b>920,453</b>
Due date(s)	9/23/2016	9/25/2015
	2/3/2017	2/5/2016
Interest rate charged on delinquent taxes	7.00%	7.00%
Collection rate	97.93%	97.89%

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**CAPITAL ASSETS**

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Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Balance</u>	<u>June 30,</u>	<u>2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>June 30,</u>	<u>2017</u>
<b>Governmental activities:</b>								
Capital assets, not being depreciated:								
Construction in progress	\$ 6,634,506	10,355,253	7,835,843	9,153,916	-	10,961,957	-	10,961,957
<u>Land</u>	<u>10,961,957</u>	-	-	-	-	-	-	-
<b>Total capital assets, not being depreciated</b>	<b>17,596,463</b>	<b>10,355,253</b>	<b>7,835,843</b>	<b>9,153,916</b>	<b>-</b>	<b>20,115,873</b>	<b>-</b>	<b>-</b>
Capital assets, being depreciated:								
Land improvements	445,464	575,984	-	-	-	1,021,448	-	-
Buildings and building improvements	44,832,480	6,331,798	-	-	-	51,164,278	-	-
Equipment	4,197,117	831,059	-	-	-	5,028,176	-	-
Vehicles	7,417,567	1,184,122	126,859	126,859	-	8,474,830	-	-
Infrastructure	45,402,205	1,134,775	-	-	-	46,539,980	-	-
<b>Total capital assets being depreciated</b>	<b>102,294,833</b>	<b>10,057,738</b>	<b>126,859</b>	<b>126,859</b>	<b>-</b>	<b>112,225,712</b>	<b>-</b>	<b>-</b>

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

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**CAPITAL ASSETS, CONTINUED**

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	Balance June 30, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2017</u>
<b>Less accumulated depreciation for:</b>				
Land improvements	\$ 13,702	36,673	-	50,375
Buildings and building improvements	21,149,239	1,136,006	-	22,285,245
Equipment	2,976,838	270,739	-	3,247,577
Vehicles	5,658,641	443,751	118,804	5,983,588
Infrastructure	21,773,465	1,068,086	-	22,841,551
Total accumulated depreciation	51,571,885	2,955,255	118,804	54,408,336
<b>Total capital assets being depreciated, net</b>	<b>50,722,948</b>	<b>7,102,483</b>	<b>8,055</b>	<b>57,817,376</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 68,319,411</b>	<b>17,457,736</b>	<b>7,843,898</b>	<b>77,933,249</b>

	Balance June 30, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2017</u>
<b>Business-type activities:</b>				
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	12,674	5,070	-	17,744
Vehicles	24,743	16,495	-	41,238
Total accumulated depreciation	37,417	21,565	-	58,982
<b>Total capital assets being depreciated, net</b>	<b>247,843</b>	<b>(21,565)</b>	<b>-</b>	<b>226,278</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 247,843</b>	<b>(21,565)</b>	<b>-</b>	<b>226,278</b>

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

<b>Governmental activities:</b>	
General government	\$ 93,641
Public safety	424,868
Public works, including depreciation of general infrastructure assets	1,304,333
Parks and recreation	72,765
Education and libraries	1,059,648
<b>Total depreciation expense – governmental activities</b>	<b>\$ 2,955,255</b>

<b>Business-type activities:</b>	
Sohier Park	\$ 5,070
Senior Center	16,495
<b>Total depreciation expense – business-type activities</b>	<b>\$ 21,565</b>

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

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**INTERFUND LOAN BALANCES/TRANSFERS**

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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, 2017 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>	<u>Interfund transfers</u>
<u>General Fund</u>	\$ -	3,605,225	73,810
<u>School Capital Projects</u>	3,894,059	-	-
<b>Other Governmental Funds:</b>			
Town programs	605,002	-	(98,759)
School lunch	-	370,339	174,457
Adult education	-	82,073	-
School special revenue funds	-	291,097	-
Nonmajor capital project funds	-	615,449	-
Clark Emerson permanent fund	-	3,155	-
<u>Total Other Governmental Funds</u>	605,002	1,362,113	75,698
<b>Enterprise Funds:</b>			
Recreation	224,260	-	2,769
Mt. Agamenticus	56,934	-	-
Sohier Park	35,469	-	(155,199)
Outside Duty	49,597	-	390
Goodrich Park	7,833	-	-
Senior Center	94,184	-	2,532
<u>Total Enterprise Funds</u>	468,277	-	(149,508)
<b>Totals</b>	<b>\$ 4,967,338</b>	<b>4,967,338</b>	<b>-</b>

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

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**CHANGES IN LONG-TERM LIABILITIES**

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Long-term liability activity for the year ended June 30, 2017 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$ 25,122,625	12,032,000	3,005,842	34,148,783	2,831,113
Notes payable	434,694	-	217,347	217,347	217,347
Premium on bonds	133,531	188,720	17,764	304,487	18,689
Total bonds and notes payable	25,690,850	12,220,720	3,240,953	34,670,617	3,067,149
Capital leases	3,553,363	90,093	229,347	3,414,109	220,836
Net pension liability	3,564,628	2,492,570	-	6,057,198	-
Other post-employment benefits	481,765	81,846	63,464	500,147	-
Accrued compensated absences	1,310,885	102,991	-	1,413,876	-
<b>Total long-term liabilities</b>	<b>\$ 34,601,491</b>	<b>14,988,220</b>	<b>3,533,764</b>	<b>46,055,947</b>	<b>3,287,985</b>

**LONG-TERM DEBT**

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**Bonds and Notes Payable**

Bonds and notes payable at June 30, 2017 are comprised of the following:

	<u>Originally issued</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance</u>
<b>Bonds and notes payable:</b>					
<b>Governmental activities:</b>					
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%	2,283
York County	1,086,733	6/30/2013	12/31/2017	1.73%	217,347
General Obligation Bonds	3,524,000	11/1/2008	11/1/2028	4.0-5.0%	2,100,000
General Obligation Refunding	10,785,000	3/1/2010	3/1/2020	1.0-3.0%	2,930,000
General Obligation Refunding	8,624,500	7/1/2010	7/1/2020	2.0-3.8%	4,826,000
General Obligation Refunding	9,124,421	10/1/2011	9/1/2031	2.0-3.25%	6,524,421
General Obligation Bonds	3,644,100	8/1/2012	8/1/2033	1.0-2.4%	2,564,100
General Obligation Bonds	2,574,000	11/1/2013	11/1/2033	2.0-4.10%	1,924,000
General Obligation Bonds	1,085,000	2/1/2015	2/1/2035	2.0-3.25%	1,365,000
General Obligation Bonds	12,032,000	7/14/2016	10/1/2032	2.0-2.25%	11,872,000
<b>Total governmental activities</b>					<b>\$ 34,366,130</b>

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

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**LONG-TERM DEBT, CONTINUED**

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 3,048,460	708,703	3,757,163
2019	3,176,388	791,022	3,967,410
2020	3,062,761	711,342	3,774,103
2021	2,480,000	631,660	3,111,660
2022	2,400,000	573,501	2,973,501
2023-2027	10,270,000	2,038,602	12,308,602
2028-2032	8,815,421	706,385	9,521,806
<u>2033-2035</u>	<u>1,113,100</u>	<u>21,265</u>	<u>1,134,365</u>
<b>Totals</b>	<b>\$ 34,366,130</b>	<b>6,182,480</b>	<b>40,548,610</b>

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, 2017, 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, 2017 and 2016, the Town's outstanding amount of the note payable to York County was \$217,347 and \$434,694, respectively.

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**OVERLAPPING DEBT**

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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, 2017, the Town's State valuation of \$4,039,100,000 was 13.2% of the County's State valuation of \$30,629,550,000. The Town's share is 13.2% or \$844,857 of York County's \$6,400,567 long-term debt outstanding at June 30, 2016 (the most recent information available).

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

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#### CAPITAL LEASES

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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 \$4,045,491.

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, 2017.

<u>Governmental Funds</u>	
2018	\$ 373,601
2019	371,741
2020	368,508
2021	365,695
2022	341,810
2023-2027	1,704,862
<u>2028-2031</u>	<u>1,044,081</u>
Total minimum lease payments	4,570,298
Less: amount representing interest	(1,156,189)
<b>Present value of future minimum lease payments</b>	<b>\$ 3,414,109</b>

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#### COMMITMENTS AND CONTINGENCIES

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As of June 30, 2017, the Town has commitments for various, ongoing construction projects, including the public safety building, among others, including \$1,015,000 for the public safety building and \$1,379,000 for the connector road.

As of June 30, 2017, the School Department had outstanding commitments with contractors for the York Community Auditorium. Of the contracted amounts, approximately \$1,320,000 remained to be completed.

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, 2017, 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.

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

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**FUND BALANCE**

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At June 30, 2017, portions of the Governmental Funds fund balances consisted of the following:

	<u>General Fund</u>	<u>School Capital Projects</u>	<u>Other Governmental Funds</u>
<b>Nonspendable:</b>			
Prepaid expenditures	\$ 114,742	-	-
Permanent fund principal	-	-	20,529
<b>Total nonspendable</b>	<b>114,742</b>	<b>-</b>	<b>20,529</b>
<b>Restricted:</b>			
School general fund	655,644	-	-
School special revenues	-	-	114,448
Adult education grants	-	-	11,492
York Beach TIF	-	-	15,662
Long sands MPI grant	-	-	349,042
Permanent fund income	-	-	28
<b>Total restricted</b>	<b>655,644</b>	<b>-</b>	<b>490,672</b>
<b>Committed:</b>			
School projects	-	3,016,584	-
Mitchell - airport drive	-	-	827,380
York street	-	-	213,755
Route 103	-	-	143,784
Public safety building	-	-	1,015,104
Connector road	-	-	1,378,865
Major drainage	-	-	9,858
York Street/long sands	-	-	50,967
LS bathhouse	-	-	593,536
Other town capital project funds	-	-	105,241
York beach reserve	-	-	353,529
Harbor dredge	-	-	464,643
Harbor/wharf	-	-	340,527
Performance accounts	-	-	158,850
Other town special revenue funds	-	-	20,563
<b>Total committed</b>	<b>-</b>	<b>3,016,584</b>	<b>5,676,602</b>
<b>Assigned:</b>			
Future budgeted use of fund balance	625,000	-	-
Town budget carry forwards:			
Voting machines	21,911	-	-
Finance software	39,511	-	-
Public safety	7,191	-	-
Fishermen's Walk renovations	30,053	-	-
Seawall repair	15,831	-	-
Web page upgrade	23,200	-	-
PD transitional expenses	14,863	-	-

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

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**FUND BALANCE, CONTINUED**

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	<u>General Fund</u>	<u>School Capital Projects</u>	<u>Other Governmental Funds</u>
<b>Town reserves:</b>			
Lawns to lobsters	\$ 5	-	-
Iron/metal recycling	35,678	-	-
Fire equipment	268	-	-
350 <sup>th</sup>	5,383	-	-
Academic reimbursement	8,020	-	-
Animal welfare	22,916	-	-
Building	128,735	-	-
Bog Road	2	-	-
Capital equipment	224,393	-	-
CEO	608,068	-	-
Conservation	2,260	-	-
Earned time	154,694	-	-
York Beach fire truck	2,026	-	-
Fishermen's fund	1,034	-	-
Fishermen's memorial	999	-	-
Goodrich Park	356	-	-
Hoist repair	9,608	-	-
Sohier Park Building	93,584	-	-
Open space	81,989	-	-
Wheeler Marsh	12,976	-	-
Sohier park maintenance	6,685	-	-
Unemployment	11,641	-	-
Village lights	2,071	-	-
Wheeler trust	1,874	-	-
Construction settlement	38,360	-	-
Street openings	3,651	-	-
<b>Total assigned</b>	<b>2,234,836</b>	<b>-</b>	<b>-</b>
<b>Unassigned</b>	<b>5,197,258</b>	<b>(225,009)</b>	<b>(2,902,169)</b>
<b>Total fund balance</b>	<b>\$8,202,480</b>	<b>2,791,575</b>	<b>3,285,634</b>

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**TAX INCREMENT FINANCING DISTRICT**

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Under Maine law, the Town has established a Tax Increment Financing District (TIF) to finance improvements within the Town of York. The District specifically encompasses the downtown residential and commercial areas of York Beach, as well as the surrounding open areas. The purpose of the District is to fund certain improvements to the York Beach area, including drainage and flood control infrastructure, sidewalk improvements, and area traffic designs. TIF improvements are to be funded through a combination of municipal bonds, federal grants, and the incremental value multiplied by the tax rate. The incremental value is defined as the increase of the current valuation over the original assessed value of \$36,650,300. As the valuation of the District area has remained relatively flat, no current year taxes have been allocated to the District. Expenditures related to the District's purpose totaled \$0 as of June 30, 2017 and 2016, respectively.

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

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

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***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.mainepers.org](http://www.mainepers.org).

**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, 2017 were 9.1% for the Special 2C plan and 9.5% for the Regular AC plan of annual payroll. Contributions to the pension plan from the Town were \$548,521 for the year ended June 30, 2017.

**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, 2017, was 13.38% of annual payroll of which 3.36% of payroll was required from the Town and 10.02% was required from the State. Contributions to the pension plan from the Town were \$517,653 for the year ended June 30, 2017.

***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, 2016, 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.

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

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED**

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**PLD Plan** - At June 30, 2017, the Town reported a liability of \$5,806,844 for its proportionate share of the net pension liability. At June 30, 2016, the Town's proportion of the PLD Plan was 1.0929%.

**SET Plan** - At June 30, 2017, 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. 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	\$ 250,354
State's proportionate share of the net pension liability associated with the Town	<u>22,407,172</u>
<b>Total</b>	<b><u>\$ 22,657,526</u></b>

At June 30, 2016, the Town's proportion of the SETP Plan was 0.0142%.

For the year ended June 30, 2017, the Town recognized pension expense of \$2,201,431 for the PLD Plan and \$2,117,793 for the SET Plan with revenue of \$1,543,716 for support provided by the State.

At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ -	298,726
Changes of assumptions	616,078	-
Net difference between projected and actual earnings on pension plan investments	1,299,944	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	40,472	-
Town contributions subsequent to the measurement date	<u>1,066,174</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 3,022,668</u></b>	<b><u>298,726</u></b>

\$1,066,174 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, 2018.

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

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

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

Year ended June 30:

2018	\$ 266,617
2019	276,946
2020	767,135
2021	347,070

**Actuarial Assumptions** - The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases, per year - SET	2.75% to 14.50%
Salary increases per year - PLD	2.75% to 9.00%
Investment return, per annum, compounded annually	6.875%
Cost of living benefit increases, per annum	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table.

The actuarial assumptions used in the June 30, 2016 valuation 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 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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	5.7%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real assets:		
Real estate	10%	5.2%
Infrastructure	10%	5.3%
Hard assets	5%	5.0%
Fixed income	25%	2.9%
<b><u>Total</u></b>	<b><u>100%</u></b>	

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

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

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**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:

<b><u>PLD Plan</u></b>	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	\$ 9,638,315	\$ 5,806,844	\$ 2,199,651
<b><u>SET Plan</u></b>	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	\$ 400,880	\$ 250,354	\$ 124,891

**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, 2017.

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**457 RETIREMENT PLAN**

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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, 2017, 2016 and 2015 were \$132,529, \$127,512, and \$121,973, respectively. The requirements of IRS Section 457(g) prescribes that the Town no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on their plan assets, were removed from the Town's financial statements.

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

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**OTHER POST EMPLOYMENT BENEFITS**

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

The Town of York is a member of the Maine Municipal Employees Health Trust. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the Town's OPEB liability under GASB Statement 45. The consultants completed an OPEB liability actuarial valuation in August 2017.

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

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

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

The following table represents the OPEB costs for the years ended June 30, 2017, 2016, and 2015 and the annual required contribution:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Normal cost	\$19,386	30,086	30,086
Amortization of unfunded	69,294	65,219	65,219
Interest	21,027	20,335	18,523
Annual required contribution	109,707	115,640	113,828
<u>Amortizing adjustment to ARC</u>	<u>(27,861)</u>	<u>(26,671)</u>	<u>(24,052)</u>
Annual OPEB cost	81,846	88,969	89,776
Contributions made	(63,464)	(68,412)	(44,471)
Increase in net OPEB obligation	18,382	20,557	45,305
<u>Net OPEB obligation beginning of year</u>	<u>481,765</u>	<u>461,208</u>	<u>415,903</u>
Net OPEB obligation end of year	\$ 500,147	481,765	461,208

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

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

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**OTHER POST EMPLOYMENT BENEFITS, CONTINUED**

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**Funding Status and Funding Progress** - The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2017, 2016, and 2015 were as follows:

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Annual OPEB Cost	\$ 81,846	88,969	89,776
<u>Percent of annual OPEB cost contributed</u>	<u>77.54%</u>	<u>76.89%</u>	<u>49.54%</u>
<u>Net OPEB obligation</u>	<u>500,147</u>	<u>481,765</u>	<u>461,208</u>
Actuarial accrued liability	1,246,159	1,172,878	1,172,878
<u>Plan assets</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	1,246,159	1,172,878	1,172,878
<u>Covered payroll</u>	<u>6,719,187</u>	<u>6,593,845</u>	<u>6,461,567</u>
Unfunded actuarial accrued liability as a percentage of covered payroll	18.55%	17.79%	18.15%

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

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

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

Actuarial valuation date	1/1/17
Actuarial cost method	Entry age normal
Amortization method	Level dollar open
Remaining amortization period	30 years

Actuarial assumptions:	
Investment rate of return	4.00%
Projected salary increases	2.75%
Ultimate rate of medical inflation	4.00%

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

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**RISK MANAGEMENT**

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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, 2017.

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**SUBSEQUENT EVENTS**

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On September 20, 2017, the school committee approved a lease purchase agreement for copiers and printers in the amount of \$182,501, bearing an interest rate of 3.07%.

In August 2017, the Town issued general obligation bonds in the amount of \$5,738,000, which will mature in 2037. The bonds will be used to finance various capital projects and asset purchases.

**TOWN OF YORK, MAINE**  
**Required Supplementary Information**

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**Schedule of Funding Progress**  
**Retiree Healthcare Plan**

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial			Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) /c]
			Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		
2009	1/1/09	\$ -	869,124	869,124	0.00%	5,100,000	17.04%
2010	1/1/09	-	869,124	869,124	0.00%	5,200,000	16.71%
2011	1/1/11	-	885,280	885,280	0.00%	6,000,000	14.75%
2012	1/1/11	-	885,280	885,280	0.00%	7,201,733	12.29%
2013	1/1/11	-	885,280	885,280	0.00%	7,201,733	12.29%
2014	1/1/14	-	1,172,878	1,172,878	0.00%	7,417,785	15.81%
2015	1/1/14	-	1,172,878	1,172,878	0.00%	6,461,567	18.15%
2016	1/1/14	-	1,172,878	1,172,878	0.00%	6,593,845	17.79%
2017	1/1/17	-	1,246,159	1,246,159	0.00%	6,719,187	18.55%

**TOWN OF YORK, MAINE**  
**Required Supplementary Information, Continued**

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**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>2017*</u>	<u>2016*</u>	<u>2015*</u>
<b><u>PLD Plan</u></b>			
Town's proportion of the net pension liability	1.0929%	1.0595%	1.0357%
Town's proportionate share of the net pension liability	\$ 5,806,844	3,380,242	1,593,770
Town's covered payroll	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	102.79%	62.38%	32.00%
Plan fiduciary net position as a percentage of the total pension liability	81.61%	88.27%	94.10%
<b><u>SET Plan</u></b>			
Town's proportion of the net pension liability	0.0142%	0.0137%	0.0231%
Town's proportionate share of the net pension liability	250,354	184,386	249,340
State's proportionate share of the net pension liability associated with the Town	22,407,172	16,261,976	12,749,997
<b>Total</b>	<b>\$ 22,657,526</b>	<b>16,466,362</b>	<b>12,996,337</b>
Town's covered payroll	\$ 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	1.66%	1.32%	1.85%
Plan fiduciary net position as a percentage of the total pension liability	76.21%	81.18%	83.19%

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

\*\*Only three years of information available.

**TOWN OF YORK, MAINE**  
**Required Supplementary Information, Continued**

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**Schedule of Town Contributions**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee**  
**and Teacher Plan (SET)**  
Last 10 Fiscal Years\*

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

\* Only three years of information available.

**TOWN OF YORK, MAINE**  
**Notes to Required Supplementary Information**

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**Changes of Benefit Terms - None**

**Changes of Assumptions** - The following are changes in actuarial assumptions for the Consolidated PLD Plan and SET Plan used in the most recent valuation:

	<u>2017</u>	<u>2016</u>
Discount rate	6.875%	7.125%
Inflation rate	2.75%	3.50%
Salary increases - PLD	2.75% to 9.00%	3.50% to 9.00%
Salary increases - SET	2.75% to 14.50%	3.50% to 13.50%
Cost of living increase	2.20%	2.55%
Long-term expected real rate of return on assets:		
US equities	5.7%	5.2%
Real estate	5.2%	3.7%
Infrastructure	5.3%	4.0%
Hard assets	5.0%	4.8%
Fixed income	2.9%	0.7%

In addition, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA; which changed to mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table.

## **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, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 14,484,692	10,393,651
Receivables:		
Accounts	179,580	166,414
Intergovernmental	245,881	61,985
Taxes - current year	935,941	920,453
Taxes - prior years	64,828	61,266
Tax liens	374,164	470,989
Tax acquired property	77,729	62,158
Prepaid expenditures	114,742	195,271
<b>Total assets</b>	<b>\$ 16,477,557</b>	<b>12,332,187</b>
<b>LIABILITIES</b>		
Accounts payable	1,152,218	881,161
Accrued payroll	2,299,782	2,181,545
Other liabilities	275,418	249,056
Interfund loans payable	3,605,225	934,412
<b>Total liabilities</b>	<b>7,332,643</b>	<b>4,246,174</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	942,434	1,094,855
<b>Total deferred inflows of resources</b>	<b>942,434</b>	<b>1,094,855</b>
<b>FUND BALANCE</b>		
Nonspendable	114,742	195,271
Restricted	655,644	921,217
Assigned	2,234,836	2,126,974
Unassigned	5,197,258	3,747,696
<b>Total fund balance</b>	<b>8,202,480</b>	<b>6,991,158</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,477,557</b>	<b>12,332,187</b>

**TOWN OF YORK, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2017**  
**(with comparative actual amounts for the year ended June 30, 2016)**

	Budget	Actual	Variance positive (negative)	2016 Actual
<b>Revenues:</b>				
Taxes:				
Property taxes	\$ 45,168,181	45,169,989	1,808	43,448,861
Supplemental taxes	-	12,324	12,324	50,618
Change in unavailable taxes	-	152,421	152,421	(8,436)
Excise taxes	3,129,000	3,437,871	308,871	3,172,285
Other	-	109,757	109,757	43,731
<b>Total taxes</b>	<b>48,297,181</b>	<b>48,882,362</b>	<b>585,181</b>	<b>46,707,059</b>
Licenses and permits:				
Town clerk fees	100,000	99,765	(235)	104,895
Plumbing permits	45,000	50,319	5,319	52,926
Parking stickers	110,000	138,082	28,082	129,948
Parking permits	-	6,000	6,000	6,000
Transfer station permits	35,000	33,560	(1,440)	33,775
Other permits and fees	500	13,834	13,334	16,543
<b>Total licenses and permits</b>	<b>290,500</b>	<b>341,560</b>	<b>51,060</b>	<b>344,087</b>
Intergovernmental:				
State Revenue Sharing	282,000	314,505	32,505	306,748
Homestead reimbursement	201,448	201,448	-	135,410
BETE reimbursement	1,821	1,879	58	2,707
General assistance reimbursement	35,000	21,363	(13,637)	42,997
Rural roads	224,000	229,932	5,932	213,743
Education subsidy	1,200,013	1,200,013	-	1,110,527
State agency clients	25,000	1,680	(23,320)	19,206
Other	-	41,873	41,873	50,045
<b>Total intergovernmental</b>	<b>1,969,282</b>	<b>2,012,693</b>	<b>43,411</b>	<b>1,881,383</b>
Charges for services:				
Parking ticket revenue	130,000	127,903	(2,097)	117,118
Meter collections	315,000	222,499	(92,501)	243,632
Community development code fees	330,000	395,945	65,945	301,150
Police department fees	-	16,854	16,854	15,927
Ellis Park fees	31,500	32,604	1,104	24,117
Public safety answering point	116,427	116,428	1	116,427
Animal control officer registrations	15,000	5,266	(9,734)	5,236
Cell tower rental	-	15,090	15,090	-
School charges for services	88,600	78,863	(9,737)	73,185
Impact fees	140,000	168,300	28,300	181,900
<b>Total charges for services</b>	<b>1,166,527</b>	<b>1,179,752</b>	<b>13,225</b>	<b>1,078,692</b>
Other:				
Interest revenue	148,000	185,300	37,300	167,186
Board of Appeals	2,500	1,500	(1,000)	1,900
Cable TV	198,000	198,000	-	200,811
Other school department revenues	127,359	120,256	(7,103)	128,618
Sale of property	-	73,190	73,190	-
Miscellaneous	78,202	35,791	(42,411)	25,065
<b>Total other</b>	<b>554,061</b>	<b>614,037</b>	<b>59,976</b>	<b>523,580</b>
<b>Total revenues</b>	<b>52,277,551</b>	<b>53,030,404</b>	<b>752,853</b>	<b>50,534,801</b>

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

			<b>Variance</b>	
			<b>positive</b>	<b>2016</b>
	<b>Budget</b>	<b>Actual</b>	<b>(negative)</b>	<b>Actual</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government:				
Board of selectmen	\$ 29,434	28,408	1,026	28,006
Town manager	697,913	757,543	(59,630)	664,593
Finance	285,207	279,978	5,229	273,790
Assessing	329,537	312,961	16,576	304,709
Code enforcement	376,496	402,937	(26,441)	376,123
Town clerk/tax collector	409,404	400,283	9,121	380,947
Elections	47,111	27,212	19,899	33,078
Town hall operations	230,745	227,259	3,486	242,722
Information technology	186,385	200,672	(14,287)	160,093
Contingency	50,000	48,379	1,621	29,800
Total general government	2,642,232	2,685,632	(43,400)	2,493,861
Public safety:				
Public safety services	4,622,429	4,758,392	(135,963)	4,269,944
Fire department	1,018,930	949,936	68,994	909,940
Hydrants	992,944	990,718	2,226	986,780
Public health	100,000	100,000	-	80,000
Total public safety	6,734,303	6,799,046	(64,743)	6,246,664
Public works:				
Maintenance and disposal services	3,295,282	3,305,181	(9,899)	3,139,614
Winter maintenance	1,375,006	1,454,791	(79,785)	1,340,902
Municipal Separate Storm Sewer	96,100	95,447	653	88,869
Total public works	4,766,388	4,855,419	(89,031)	4,569,385
Parks and recreation:				
Short Sands Park	39,276	47,061	(7,785)	31,751
Recreation administration	150,682	147,471	3,211	135,366
Parks, grounds, and beaches	944,037	939,785	4,252	843,761
Total parks and recreation	1,133,995	1,134,317	(322)	1,010,878
Public assistance:				
General assistance	70,050	45,908	24,142	64,086
Senior center	290,076	289,397	679	265,119
Social services	38,922	35,422	3,500	39,170
Property tax relief	55,000	8,082	46,918	-
Total public assistance	454,048	378,809	75,239	368,375
Library	519,584	519,584	-	504,372
County tax	2,398,830	2,398,830	-	2,416,154
Unclassified:				
Boards and committees	24,853	14,041	10,812	16,807
Insurance	406,542	412,181	(5,639)	381,667
Cable TV	19,220	9,916	9,304	6,611
Policy items	55,700	-	55,700	-
Overlay/abatements	869,616	45,803	823,813	25,337
Total unclassified	1,375,931	481,941	893,990	430,422

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

	Budget	Actual	Variance positive (negative)	2016 Actual
<b>Expenditures, continued:</b>				
<b>Current:</b>				
<b>Education:</b>				
Regular instruction	\$ 13,312,635	13,312,635	-	12,736,500
Special education instruction	4,721,832	5,333,623	(611,791)	4,336,921
Career and technical education	35,844	22,864	12,980	11,741
Other instruction	1,222,403	1,222,403	-	1,226,190
Student and staff support	2,701,864	2,695,017	6,847	2,579,050
System administration	966,331	964,305	2,026	965,023
School administration	1,416,650	1,416,648	2	1,420,803
Transportation	977,744	917,596	60,148	1,080,713
Facilities maintenance	3,152,680	3,074,411	78,269	3,106,402
Other	240,240	62,144	178,096	63,040
Debt service	2,012,077	1,718,036	294,041	1,704,525
<b>Total education</b>	<b>30,760,300</b>	<b>30,739,682</b>	<b>20,618</b>	<b>29,230,908</b>
<b>Capital outlay:</b>				
Financial software	45,000	5,489	39,511	-
Voting machines	21,911	-	21,911	-
Police vehicles	78,000	70,809	7,191	158,964
Public safety conceptual design	-	-	-	60,684
Public works pickup truck	-	-	-	14,000
Roads and side walks	100,000	99,119	881	1,243,169
Fishermen's walk	30,053	-	30,053	158
Seawall repair	18,340	2,509	15,831	1,048
<b>Total capital outlay</b>	<b>293,304</b>	<b>177,926</b>	<b>115,378</b>	<b>1,478,023</b>
<b>Debt service:</b>				
Bond issuance costs	71,067	2,000	69,067	-
Principal	1,337,292	1,337,292	-	1,438,035
Interest	532,784	262,568	270,216	507,457
<b>Total debt service</b>	<b>1,941,143</b>	<b>1,601,860</b>	<b>339,283</b>	<b>1,945,492</b>
<b>Total expenditures</b>	<b>53,020,058</b>	<b>51,773,046</b>	<b>1,247,012</b>	<b>50,694,534</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(742,507)</b>	<b>1,257,358</b>	<b>1,999,865</b>	<b>(159,733)</b>
<b>Other financing sources (uses):</b>				
Use of fund balance	500,000	-	(500,000)	-
Carryforward balances	290,007	-	(290,007)	-
Appropriations for reserve accounts	(47,500)	(47,500)	-	(35,000)
Transfers to reserve accounts	-	(218,605)	(218,605)	(238,172)
Transfers from reserve accounts	-	34,248	34,248	149,256
Transfers to special revenue funds	-	(184,312)	(184,312)	(239,367)
Transfers to capital projects	-	-	-	(1,711)
Transfers to enterprise funds	-	(301)	(301)	(6,726)
Transfers from special revenue funds	-	103,224	103,224	108
Transfers from enterprise funds	-	155,199	155,199	160,315
<b>Total other financing sources (uses)</b>	<b>742,507</b>	<b>(158,047)</b>	<b>(900,554)</b>	<b>(211,297)</b>
<b>Net change in fund balance - budgetary basis</b>	<b>-</b>	<b>1,099,311</b>	<b>1,099,311</b>	<b>(371,030)</b>
<b>Fund balance, beginning of year-budgetary basis</b>		<b>6,210,652</b>		<b>6,581,682</b>
<b>Fund balance, end of year-budgetary basis</b>	<b>\$</b>	<b>7,309,963</b>		<b>6,210,652</b>
<b>Reconciliation to GAAP:</b>				
Insured repairs		-		(24,575)
Change in prepaid debt service		4,500		158,166
Change in reserves		107,511		318,247
<b>Net change in fund balance - GAAP basis</b>		<b>1,211,322</b>		<b>80,808</b>
<b>Fund balance, beginning of year - GAAP basis</b>		<b>6,991,158</b>		<b>6,910,350</b>
<b>Fund balance, end of year - GAAP basis</b>	<b>\$</b>	<b>8,202,480</b>		<b>6,991,158</b>

## **OTHER GOVERNMENTAL FUNDS**

**TOWN OF YORK, MAINE**  
**Other Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2017**

	Special Revenue Funds				Capital Projects Funds	Clark Emerson Permanent Fund	Total Other Governmental Funds
	Town Programs	School Lunch	Adult Education	School Special Revenues			
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,109,261	33,845	8,160	-	2,759,504	23,712	3,934,482
Accounts receivable	1,615	-	1,939	-	4,705	-	8,259
Intergovernmental receivables	-	10,925	-	422,540	-	-	433,465
Inventory	-	25,603	-	-	-	-	25,603
Interfund loans receivable	605,002	-	-	-	-	-	605,002
<b>Total assets</b>	<b>\$ 1,715,878</b>	<b>70,373</b>	<b>10,099</b>	<b>422,540</b>	<b>2,764,209</b>	<b>23,712</b>	<b>5,006,811</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>							
Liabilities:							
Accounts payable	13,062	-	1,023	14,306	293,764	-	322,155
Accrued payroll	-	17,926	1,390	3,465	-	-	22,781
Unearned revenues	-	14,128	-	-	-	-	14,128
Interfund loans payable	-	370,339	82,073	291,097	615,449	3,155	1,362,113
<b>Total liabilities</b>	<b>13,062</b>	<b>402,393</b>	<b>84,486</b>	<b>308,868</b>	<b>909,213</b>	<b>3,155</b>	<b>1,721,177</b>
Fund balances (deficits):							
Nonspendable	-	-	-	-	-	20,529	20,529
Restricted	364,704	-	11,492	114,448	-	28	490,672
Committed	1,338,112	-	-	-	4,338,490	-	5,676,602
Unassigned	-	(332,020)	(85,879)	(776)	(2,483,494)	-	(2,902,169)
<b>Total fund balances (deficits)</b>	<b>1,702,816</b>	<b>(332,020)</b>	<b>(74,387)</b>	<b>113,672</b>	<b>1,854,996</b>	<b>20,557</b>	<b>3,285,634</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 1,715,878</b>	<b>70,373</b>	<b>10,099</b>	<b>422,540</b>	<b>2,764,209</b>	<b>23,712</b>	<b>5,006,811</b>

**TOWN OF YORK, MAINE**  
**Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2017**

	Special Revenue Funds				Capital Projects Funds	Clark Emerson Permanent Fund	Total Other Governmental Funds
	Town Programs	School Lunch	Adult Education	School Special Revenues			
<b>Revenues:</b>							
Tax revenues	\$ -	-	100,690	-	-	-	100,690
Intergovernmental	403,279	169,348	61,328	585,642	75,191	-	1,294,788
Donations	4,281	-	-	4,350	-	-	8,631
Charges for services	164,884	536,925	24,902	13,822	-	-	740,533
Interest income	97	-	-	-	4,845	3	4,945
Other revenue	16,935	-	3,241	98,203	-	-	118,379
<b>Total revenues</b>	<b>589,476</b>	<b>706,273</b>	<b>190,161</b>	<b>702,017</b>	<b>80,036</b>	<b>3</b>	<b>2,267,966</b>
<b>Expenditures:</b>							
Current:							
Public safety	53,402	-	-	-	-	-	53,402
Public works	51,703	-	-	-	-	-	51,703
Other program expenditures	9,505	-	-	-	-	-	9,505
Education	-	880,730	216,937	682,444	-	-	1,780,111
Capital expenditures	29,159	-	-	-	5,863,733	-	5,892,892
Debt service	-	-	-	-	222,297	-	222,297
<b>Total expenditures</b>	<b>143,769</b>	<b>880,730</b>	<b>216,937</b>	<b>682,444</b>	<b>6,086,030</b>	<b>-</b>	<b>8,009,910</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>445,707</b>	<b>(174,457)</b>	<b>(26,776)</b>	<b>19,573</b>	<b>(6,005,994)</b>	<b>3</b>	<b>(5,741,944)</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	1,203,000	-	1,203,000
Premium on bond proceeds	-	-	-	-	67,918	-	67,918
Transfers in	9,855	174,457	-	-	-	-	184,312
Transfers out	(108,614)	-	-	-	-	-	(108,614)
<b>Total other financing sources (uses)</b>	<b>(98,759)</b>	<b>174,457</b>	<b>-</b>	<b>-</b>	<b>1,270,918</b>	<b>-</b>	<b>1,346,616</b>
<b>Net change in fund balances</b>	<b>346,948</b>	<b>-</b>	<b>(26,776)</b>	<b>19,573</b>	<b>(4,735,076)</b>	<b>3</b>	<b>(4,395,328)</b>
<b>Fund balances (deficits), beginning of year</b>	<b>1,355,868</b>	<b>(332,020)</b>	<b>(47,611)</b>	<b>94,099</b>	<b>6,590,072</b>	<b>20,554</b>	<b>7,680,962</b>
<b>Fund balances (deficits), end of year</b>	<b>\$ 1,702,816</b>	<b>(332,020)</b>	<b>(74,387)</b>	<b>113,672</b>	<b>1,854,996</b>	<b>20,557</b>	<b>3,285,634</b>

## **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, 2017**

	Balance (deficit) beginning of year	Revenues					Expenditures Program Expenditures	Transfers in (out)	Balance end of year	
		Grants	Donations	Charges for Services	Other Revenues	Interest Income				
<b>Public Safety Grants:</b>										
413	ATV grants	\$ -	4,500	-	-	-	4,500	-	-	
419	STOP - DV Investigation	-	27,812	-	-	-	27,812	-	-	
423	Seat belt	-	3,308	-	-	-	3,308	-	-	
425	Speed grant	-	5,060	-	-	-	5,060	-	-	
441	ATV spring grant	-	8,375	-	-	-	8,375	-	-	
445	Drive sober Maine	-	3,995	-	-	-	3,995	-	-	
447	Distracted driving grant	-	352	-	-	-	352	-	-	
406	Beach reserve	336,395	-	46,264	-	29	29,159	-	353,529	
435	Choose to be healthy fund	707	-	-	350	-	-	-	1,057	
436	Harbor beach bathhouse	10,067	-	28,656	10,000	-	30,535	468	18,656	
440	Harbor dredge	437,379	-	27,223	-	41	-	-	464,643	
442	Harbor/wharf	307,838	-	47,245	6,585	27	21,168	-	340,527	
451	KSB challenge (senior center)	2,532	-	-	-	-	-	(2,532)	-	
452	Impact fees	39,818	-	-	-	-	-	(39,818)	-	
453	Bronze relief	-	-	4,281	-	-	4,281	-	-	
456	MMA wellness	316	835	-	-	-	681	-	470	
457	Basketball classic	2,857	-	-	-	-	-	(2,857)	-	
459	Mt. A education grant	380	-	-	-	-	-	-	380	
461	FEMA Nemo grant	(9,387)	-	-	-	-	-	9,387	-	
471	York Beach TIF	15,662	-	-	-	-	-	-	15,662	
487	FEMA Juno grant	63,407	-	-	-	-	-	(63,407)	-	
488	Long sands MPI grant	-	349,042	-	-	-	-	-	349,042	
490	Performance accounts	147,897	-	15,496	-	-	4,543	-	158,850	
<b>Total</b>		<b>\$ 1,355,868</b>	<b>403,279</b>	<b>4,281</b>	<b>164,884</b>	<b>16,935</b>	<b>97</b>	<b>143,769</b>	<b>(98,759)</b>	<b>1,702,816</b>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECT FUNDS**

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

**TOWN OF YORK, MAINE**  
**Nonmajor Capital Project Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For year ended June 30, 2017**

		Balance (deficits) beginning of year	Revenues			Expenditures		Balance (deficits) end of year
			Interest	Bond Proceeds	Premium on Bonds	Other Revenues	Capital Outlay	
200	Capital improvements	\$ 63,378	-	-	67,918	-	-	131,296
201	Mitchell - airport drive	918,381	-	-	-	-	-	91,001 827,380
216	York Street	334,791	-	-	-	-	121,036	- 213,755
221	Route 103	143,784	-	-	-	-	-	- 143,784
227	Public safety building	3,345,168	-	-	-	-	2,330,064	- 1,015,104
228	Connector road	1,408,537	-	-	-	-	29,672	- 1,378,865
231	Major drainage/culvert	107,165	1,171	-	-	-	98,478	- 9,858
237	York street/long sands	50,575	392	-	-	-	-	- 50,967
240	LS bathhouse	680,697	1,993	-	-	-	89,154	- 593,536
241	Birch hill road	36,054	-	-	-	-	36,054	- -
243	York beach lighting	23,170	24	-	-	-	-	- 23,194
246	Mt. A universal access trail	42	-	-	-	-	-	- 42
247	Roadside mower	4,315	14	-	-	-	-	- 4,329
248	Energy efficiency	13,302	56	-	-	-	13,766	- (408)
249	Channel 3 broadcast system	5,362	18	-	-	-	-	- 5,380
250	Heavy duty plow truck	2,343	3	-	-	-	2,343	- 3
251	Cider hill reconstruction	222,817	265	-	-	-	177,900	- 45,182
252	Parts truck	(18,000)	-	18,000	-	-	-	- -
253	Heavy duty plow truck 2016	(201,185)	5	205,000	-	-	3,528	- 292
254	Parts pick up	(33,241)	2	34,000	-	-	-	- 761
255	Mt. A phase 2	(60,000)	-	60,000	-	-	-	- -
256	Mt. A phases 3 and 4	(138,450)	130	159,000	-	-	20,550	- 130
258	Town hall IT upgrades	(150,679)	39	225,000	-	-	74,360	- -
259	Medical defibrillator	(23,544)	1	24,000	-	-	-	- 457
260	Bucket/sign truck	(57,955)	69	94,000	-	-	36,045	- 69
261	Water rescue outboard motors	(14,914)	-	15,000	-	-	-	- 86
262	PSAP equipment	-	110	42,000	-	-	17,385	- 24,725
263	Radio dispatch consoles	-	288	177,000	-	-	177,288	- -
265	Bog road complex phase 2	(71,841)	265	150,000	-	75,191	153,024	- 591
280	Parks and rec pickup	-	-	-	-	-	55,438	- (55,438)
281	DPW plow truck	-	-	-	-	-	152,995	- (152,995)
282	DPW one ton truck	-	-	-	-	-	85,000	- (85,000)
284	Goodrick Park/Grant House rest	-	-	-	-	-	45,000	- (45,000)
285	Bog road maintenance facility	-	-	-	-	-	114,000	- (114,000)
288	Road paving	-	-	-	-	-	860,000	- (860,000)
289	Municipal IT upgrades	-	-	-	-	-	191,653	- (191,653)
290	Parking meter and ticketing system	-	-	-	-	-	200,000	- (200,000)
291	Emergency microwage comm system	-	-	-	-	-	124,000	- (124,000)
292	YVD fire truck	-	-	-	-	-	655,000	- (655,000)
<b>Total</b>		<b>\$ 6,590,072</b>	<b>4,845</b>	<b>1,203,000</b>	<b>67,918</b>	<b>75,191</b>	<b>5,863,733</b>	<b>222,297</b>
								<b>1,854,996</b>

## **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, 2017**

	Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Senior Center	Totals
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 400	-	600	-	-	550	1,550
Accounts receivable	-	-	-	5,656	-	-	5,656
Inventory	-	-	99,046	-	-	-	99,046
Prepaid expenses	334	-	-	-	-	-	334
Interfund loan receivable	224,260	56,934	35,469	49,597	7,833	94,184	468,277
<b>Total current assets</b>	<b>224,994</b>	<b>56,934</b>	<b>135,115</b>	<b>55,253</b>	<b>7,833</b>	<b>94,734</b>	<b>574,863</b>
Noncurrent assets:							
Capital assets, net of depreciation	-	-	185,040	-	-	41,238	226,278
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>185,040</b>	<b>-</b>	<b>-</b>	<b>41,238</b>	<b>226,278</b>
<b>Total assets</b>	<b>224,994</b>	<b>56,934</b>	<b>320,155</b>	<b>55,253</b>	<b>7,833</b>	<b>135,972</b>	<b>801,141</b>
<b>LIABILITIES</b>							
Accounts payable	28,876	2,619	17,022	-	990	6,476	55,983
Accrued payroll	13,225	1,766	1,072	1,073	-	-	17,136
<b>Total liabilities</b>	<b>42,101</b>	<b>4,385</b>	<b>18,094</b>	<b>1,073</b>	<b>990</b>	<b>6,476</b>	<b>73,119</b>
<b>NET POSITION</b>							
Net investment in capital assets	-	-	185,040	-	-	41,238	226,278
Unrestricted	182,893	52,549	117,021	54,180	6,843	88,258	501,744
<b>Total net position</b>	<b>\$ 182,893</b>	<b>52,549</b>	<b>302,061</b>	<b>54,180</b>	<b>6,843</b>	<b>129,496</b>	<b>728,022</b>

**TOWN OF YORK, MAINE**  
**Nonmajor Proprietary Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**For the year ended June 30, 2017**

	Mt. Recreation	Sohier Agamenticus	Outside Park	Goodrich Duty	Senior Park	Senior Center	Totals
<b>Operating revenues:</b>							
User fees	\$ 493,528	11,051	-	74,050	-	164,757	743,386
Sponsorships/memberships	69,400	-	-	-	-	10,190	79,590
Gift shop sales	-	-	512,553	-	-	-	512,553
Rental income	-	40,603	-	-	7,800	-	48,403
Donations	-	52,485	791	-	-	4,894	58,170
<b>Total operating revenues</b>	<b>562,928</b>	<b>104,139</b>	<b>513,344</b>	<b>74,050</b>	<b>7,800</b>	<b>179,841</b>	<b>1,442,102</b>
<b>Operating expenses:</b>							
Cost of goods	17,194	-	237,028	-	-	34,217	288,439
Salaries and benefits	274,390	53,151	94,135	65,738	-	8,965	496,379
Training, meetings, and travel	4,025	492	1,835	-	-	324	6,676
Maintenance	-	12,787	1,135	-	800	1,846	16,568
Office expenses	26,233	7,064	3,765	-	265	1,124	38,451
Supplies	66,533	16,146	6,026	-	5,992	7,436	102,133
Contracts	177,481	8,964	9,652	-	15,096	165,797	376,990
Utilities	-	2,338	183	-	-	972	3,493
Fuel	167	-	292	-	-	1,561	2,020
Depreciation expense	-	-	5,070	-	-	16,495	21,565
<b>Total operating expenses</b>	<b>566,023</b>	<b>100,942</b>	<b>359,121</b>	<b>65,738</b>	<b>22,153</b>	<b>238,737</b>	<b>1,352,714</b>
<b>Operating income (loss)</b>	<b>(3,095)</b>	<b>3,197</b>	<b>154,223</b>	<b>8,312</b>	<b>(14,353)</b>	<b>(58,896)</b>	<b>89,388</b>
Transfers in	2,857	-	-	390	-	2,532	5,779
Transfers out	(88)	-	(155,199)	-	-	-	(155,287)
Change in net position	(326)	3,197	(976)	8,702	(14,353)	(56,364)	(60,120)
<b>Total net position, beginning of year</b>	<b>183,219</b>	<b>49,352</b>	<b>303,037</b>	<b>45,478</b>	<b>21,196</b>	<b>185,860</b>	<b>788,142</b>
<b>Total net position, end of year</b>	<b>\$ 182,893</b>	<b>52,549</b>	<b>302,061</b>	<b>54,180</b>	<b>6,843</b>	<b>129,496</b>	<b>728,022</b>

## **SCHEDULE**

**TOWN OF YORK, MAINE**  
**General Fund Reserves**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For year ended June 30, 2017**

		Balance beginning of year	Charges						Transfers in	Transfers out	Balance end of year
			Interest	Donations	for Services	Other revenues	Appropriations	Expenditures			
131	Lawns to lobsters	\$ 5	-	-	-	-	-	-	-	-	5
133/483	Iron/Metal Recycling	56,790	-	-	7,112	-	-	28,224	-	-	35,678
134	Fire Equipment	268	-	-	-	-	-	-	-	-	268
401	350th	5,382	1	-	-	-	-	-	-	-	5,383
403	Academic reimbursement	8,019	1	-	-	-	-	-	-	-	8,020
404	Animal welfare	22,916	-	-	-	-	-	-	-	-	22,916
408	Building	49,273	4	-	-	79,458	-	-	-	-	128,735
410	Bog Road	2	-	-	-	-	-	-	-	-	2
411	Emergency planning	113,378	-	-	-	8,368	-	121,746	-	-	-
412	Capital equipment	216,715	24	-	-	-	-	46,365	63,406	(9,387)	224,393
414	CEO	632,461	-	-	-	-	-	-	-	(24,393)	608,068
418	Conservation	2,260	-	-	-	-	-	-	-	-	2,260
422	Earned time	120,931	9	-	-	-	40,000	6,246	-	-	154,694
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
450	Hoist repair	8,218	-	-	1,390	-	-	-	-	-	9,608
454	Long Sands BH	468	-	-	-	-	-	-	-	(468)	-
460	Sohier Park Building	3,274	15	15,295	-	-	-	-	75,000	-	93,584
464	Open space	81,981	8	-	-	-	-	-	-	-	81,989
465	Wheeler Marsh	12,976	-	-	-	-	-	-	-	-	12,976
470	Sohier Park maintenance	-	-	-	-	6,685	-	80,199	80,199	-	6,685
478	Unemployment	5,707	-	-	-	-	7,500	1,566	-	-	11,641
479	Village lights	1,712	-	1,775	-	-	-	1,416	-	-	2,071
480	Wheeler trust	1,874	-	-	-	-	-	-	-	-	1,874
486	Construction settlement	-	-	-	-	50,000	-	11,640	-	-	38,360
467/489	Street openings	740	-	-	2,911	-	-	-	-	-	3,651
<b>Total</b>		<b>\$ 1,349,765</b>	<b>62</b>	<b>17,070</b>	<b>11,413</b>	<b>144,511</b>	<b>47,500</b>	<b>297,402</b>	<b>218,605</b>	<b>(34,248)</b>	<b>1,457,276</b>