

**TOWN OF YORK, MAINE**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 2019**

**TOWN OF YORK, MAINE**  
**Annual Financial Report**  
**For the Year Ended June 30, 2019**

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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, 2019, 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.

***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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of York, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of York, Maine's internal control over financial reporting and compliance.



February 28, 2020  
South Portland, Maine

**TOWN OF YORK, MAINE**  
**Management's Discussion and Analysis**  
**June 30, 2019**

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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, 2019. Please read it in conjunction with the Town's financial statements, which begin on page 17.

## **USING THIS ANNUAL REPORT**

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

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

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

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

These two statements report the Town's net position and changes in it. You can think of the Town's net position - 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, Center for Active Living (formerly Senior Center), Mt. Agamenticus, Goodrich Park, and Outside Duty activities are reported here.

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

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

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

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

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

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

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

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

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

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

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**THE TOWN AS A WHOLE**

For the year ended June 30, 2019, net position changed as follows:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018		2018		2018	
	2019	restated	2019	2018	2019	restated
Current and other assets	\$ 17,488,879	17,566,332	755,232	642,129	18,244,111	18,208,461
Capital assets	86,162,377	83,817,465	183,148	204,713	86,345,525	84,022,178
Total assets	103,651,256	101,383,797	938,380	846,842	104,589,636	102,230,639
Deferred outflows of resources	2,010,781	1,862,729	-	-	2,010,781	1,862,729
Long-term liabilities	48,624,022	51,239,199	-	-	48,624,022	51,239,199
Other liabilities	5,005,450	5,219,957	77,834	59,468	5,083,284	5,279,425
Total liabilities	53,629,472	56,459,156	77,834	59,468	53,707,306	56,518,624
Deferred inflows of resources	1,020,569	401,276	-	-	1,020,569	401,276
Net investment in capital assets	48,398,837	46,077,938	183,148	204,713	48,581,985	46,282,651
Restricted	1,040,496	953,208	-	-	1,040,496	953,208
Unrestricted	1,572,663	(645,052)	677,398	582,661	2,250,061	(62,391)
Total Net Position	\$ 51,011,996	46,386,094	860,546	787,374	51,872,542	47,173,468

The 2018 amounts have been restated as the Town recognized an OPEB liability for the School Department's health insurance through the Maine Education Association Benefits Trust (MEABT). The information related to this OPEB liability was not available in the prior fiscal year.

These numbers reflect an increase in net position of 10.0% percent for governmental activities and an increase of 9.3% for business-type activities (see page 23-25 for details).

**Governmental Activities**

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

General Government	Charges for plumbing permits, shoreland permits, cable TV franchise fees, gas tax refund, reimbursements, clerk fees, parking meter and permit receipts, parking ticket receipts and shellfish licenses.
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**TOWN OF YORK, MAINE**  
**Management's Discussion and Analysis, Continued**

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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	Expenses	Revenues	Revenues	Net Expenses	Net Expenses
	2019	2018	2019	2018	2019	2018
General Government	\$5,065,651	5,948,477	805,770	922,231	4,259,881	5,026,246
Public Safety	7,637,744	7,421,259	754,990	961,020	6,882,754	6,460,239
Public Works	6,688,232	6,634,004	937,868	1,341,719	5,750,364	5,292,285
Parks & Recreation	1,902,865	1,756,456	123,724	140,450	1,779,141	1,616,006
Public Assistance	88,655	79,381	13,260	8,200	75,395	71,181
Education & Libraries	36,815,956	35,741,673	6,346,654	5,562,245	30,469,302	30,179,428
Capital Outlay	-	1,853,815	-	452,403	-	1,401,412
Interest on Long-term Debt	519,710	549,303	-	-	519,710	549,303
<b>Total Government Activities</b>	<b>\$ 58,718,813</b>	<b>59,984,368</b>	<b>8,982,266</b>	<b>9,388,268</b>	<b>49,736,547</b>	<b>50,596,100</b>

The net expense is the financial burden that was placed on the taxpayers by each of these functions. Approximately \$8.9 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.

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.

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

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General Government expenses decreased by \$0.9 million primarily due to the large decrease in the Town's net pension liability and related deferred inflows and outflows of resources, the change in which is recognized as an offset to current year expenses.

Education and Libraries' share of expenses is still the largest percentage at 62.7%, followed by Public Safety at 13%, Public Works at 11.4%, and General Government at 8.6%.

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. \$179,900 in impact fees were collected by the Town and transferred to the school to offset costs.

By ordinance, building permit fees are used to 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 approximately \$302,000 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, 2019 with a comparison to 2018:

<b><u>Revenues</u></b>	<b><u>2019</u></b>	<b><u>Percent of</u></b>	<b><u>2018</u></b>	<b><u>Percent of</u></b>
Taxes	\$ 52,789,098	86.54%	50,084,571	87.33%
Intergovernmental	5,417,530	8.88%	4,678,764	8.16%
Charges for Services	1,365,245	2.24%	1,502,948	2.62%
Licenses and Permits	366,879	0.60%	358,332	0.62%
Other	1,063,085	1.74%	728,402	1.27%
<b>Total Revenues</b>	<b>\$ 61,001,837</b>	<b>100.00%</b>	<b>57,353,017</b>	<b>100.00%</b>

Revenues from all sources increased 6.4% from the previous year. Tax revenues increased 5.4%. State Revenue Sharing increased by 7.1%. Investment interest income saw a significant increase of 34%.

**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, 2019:

<b><u>Expenditures</u></b>	<b><u>2019</u></b>	<b><u>Percent of</u></b>	<b><u>2018</u></b>	<b><u>Percent of</u></b>
General Government	\$ 3,707,710	6.24%	3,337,936	5.83%
Public Safety	7,102,089	11.96%	6,850,308	11.97%
Public Works	5,145,868	8.66%	4,961,712	8.67%
Parks & Recreation	1,781,465	3.00%	1,648,310	2.88%
Public Assistance	88,655	0.15%	79,381	0.15%
Education & Library	33,848,291	56.98%	32,438,930	56.69%
Maine PERS on Behalf	2,418,743	4.00%	2,360,082	4.12%
County Tax	2,276,680	3.83%	2,426,202	4.24%
Unclassified	72,014	0.12%	49,066	0.09%
Capital Outlay	375,502	0.63%	1,149,787	2.01%
Interest on Long Term Debt	378,322	0.64%	277,506	0.49%
 Principal Payments on LT				
Debt and Bond Costs	2,205,501	3.71%	1,638,222	2.86%
 Total Expenditures	 \$ 59,400,840	 100.00%	 57,217,442	 100.00%

Overall, expenditures increased 3.8%. The General Government expenditures increase is typical of inflation and personnel-related cost increases combined with an increase in capital outlay. The principal payments on long-term debt increased approximately 35% compared to the previous year. New debt was issued December 12, 2018. In addition, funding for Education and Library increased by 4%.

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

The taxpayers were very supportive of the Board of Selectmen's five - year capital plan, approved all of the municipal and school projects put before them on the ballot for year one. The plan totaled \$4,233,000 and included beach sidewalk and seawall replacement, Town-wide road construction, a new rescue truck for the York Beach Fire Station, replacement of playground equipment at the Coastal Ridge Elementary School, various other maintenance costs for the schools, a new patrol plow truck as well as other small equipment and vehicles.

Revenues were up overall. Excise tax came in over budget 6% higher than expected or approximately \$190,000 due to a strong economy. Interest rates are up over the past many years contributing an additional \$160,000 more than anticipated. The Board of Selectmen identified and sold, through the Town Realtor, properties owned by the Town. Income from those sales total approximately \$205,000.

Expenses came in under budget primarily due to health insurance costs coming in under budget in the amount of \$253,000.

The Town recorded an increase in fund balance of approximately \$1,500,000 of which about \$185,000 of the increase belonged to the School.

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

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## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2019, the Town had \$86.2 million invested in capital assets for its governmental activities and \$183,148 in business-type activities, including substantial funding for paving and construction of town roads. The usual additions included police vehicles and the plow truck fleet as well as a new fire rescue vehicle and design and installation of a improved seawall at Long Sands Beach.

With the assistance of a Capital Planning Committee, (which includes staff and board members), 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. 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 a Town Hall addition and improvements, bridge replacement at the Chases Pond/Cape Neddick River overcrossing, a renovation of the Center for Active Living (formerly the Senior Center), major drainage along with road construction.

This year's major additions included:

<b>Dept.</b>	<b>Category</b>	<b>Asset Name</b>	<b>Date Acquired</b>	<b>Cost</b>
DPW	Infrastructure	Broadway/Airport Drive	8/17/2018	\$ 50,344
DPW	Equipment	Parking- Meter & Ticketing	5/16/2019	\$ 54,467
DPW	Infrastructure	Old Post Road	9/10/2018	\$ 60,317
DPW	Infrastructure	Barrell Lane	9/17/2018	\$ 61,502
DPW	Infrastructure	Agamenticus Road	9/17/2018	\$ 63,748
DPW	Vehicles	19 Ford F350 6288	11/1/2018	\$ 66,396
DPW	Infrastructure	Bog Road Paving Project	6/30/2019	\$ 91,589
DPW	Buildings and Improvements	HS Office Renovations	9/26/2018	\$ 108,000
DPW	Vehicles	Plow Truck	3/21/2019	\$ 152,418
DPW	Vehicles	19 International 5370	12/13/2018	\$ 221,499
DPW	Infrastructure	Birch Hill Rd.	10/1/2018	\$ 226,209
DPW	Vehicles	Street Sweeper	7/30/2018	\$ 230,015
DPW	Infrastructure	Rte 103/Walkway	12/3/2018	\$ 359,121
Police	Infrastructure	Tower	6/13/2019	\$ 405,673
DPW	Infrastructure	Cider Hill Road Rebuild	11/8/2018	\$ 586,175
Schools	Buildings and Improvements	YHS Auditorium	6/13/2019	\$ 10,940,906

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

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**Long-term Obligations**

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

At year-end, the Town had \$48,624,022 in outstanding debt and other liabilities, representing a net decrease of \$2,615,177.

**Governmental Activities**

	<b>2019</b>	<b>2018 restated</b>
General Obligation Bonds	\$ 35,979,282	36,676,022
Premium on Bonds	395,623	381,186
Capital Leases	3,083,878	3,337,570
Net Pension Liability	3,136,240	4,587,651
Other Post-Employment Benefits	4,398,246	4,569,345
Accrued Compensated Absences	1,630,753	1,687,425
<b>Total Outstanding Long-term Liabilities</b>	<b>\$ 48,624,022</b>	<b>51,239,199</b>

**Bonds Issued December 12, 2018**

Road and Sidewalk Construction	\$ 1,000,000
DPW Street Sweeper	230,000
DPW Wheeler Plow Truck	225,000
DPW Patrol Plow Truck	167,000
DPW 4WD Pick-Up	103,000
Paving Parking Lot @ Bog Rd Fields	100,000
John Deere Utility Tractor	42,000
YBF Rescue Truck	210,000
School - Flooring & Stair Treads YMS	500,000
School - Exterior Bldng Work @ Schools	400,000
School - CRES Playground Equipment	176,000
School - 2 Vehicles for Student Transportation	80,000
<b>Total</b>	<b>\$ 3,233,000</b>

Pursuant to GASB 75, actuaries have calculated the Town's liability with respect to Other Postemployment Benefits. The Town offers limited postemployment benefits, including life insurance (for Maine State Retirees) and the privilege of remaining on the Town's and School Department's health insurance plans. The Town and School Department do not fund this liability, but rather is on a pay-as-you-go basis.

**Tax Increment Financing**

A tax increment financing district in the York Beach area was established in 2006 with the tax increment to be used for the betterment of public infrastructure within the district. In FY10, the first year of the implementation, \$113,928 in new tax increment was collected and \$15,000 was expended in planning and design services. For FY11 through FY15, there was a reduction in valuation and no tax increment was generated, but approximately \$34,000 was expended on engineering and related expenses and \$30,000 was expended on infrastructure from the accumulated fund balance. In FY16, \$1,824 in new tax increment was collected resulting in a fund balance of \$15,662. In FY17, there was a reduction in valuation and no tax increment was generated. In FY18, the tax increment generated totaled \$118,729. In FY19 no tax increment was generated.

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

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**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.

**Business-type Activities - Enterprise Funds**

	Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Center for Active Living	Totals
<b>Operating revenues:</b>							
User fees	\$ 554,922	5,926	330	91,987	-	305,546	958,711
Sponsorships/memberships	59,800	-	-	-	-	7,735	67,535
Gift shop sales	-	2,799	585,630	-	-	-	588,429
Rental income	-	82,465	-	-	7,200	-	89,665
Donations	-	36,815	11,960	-	-	3,831	52,606
Miscellaneous	-	-	800	-	-	-	800
<b>Total operating revenues</b>	<b>614,722</b>	<b>128,005</b>	<b>598,720</b>	<b>91,987</b>	<b>7,200</b>	<b>317,112</b>	<b>1,757,746</b>
<b>Operating expenses:</b>							
Cost of goods	16,178	11,280	269,521	-	-	35,859	332,838
Salaries and benefits	294,573	74,132	107,446	84,741	-	8,371	569,263
Training, meetings, and travel	3,318	557	2,994	-	-	143	7,012
Maintenance	594	5,734	-	-	-	5,376	11,704
Office expenses	22,788	4,013	3,618	-	-	5,640	36,059
Supplies	51,359	13,618	12,326	-	981	12,396	90,680
Contracts	154,610	16,942	20,145	-	1,775	249,272	442,744
Utilities	-	2,657	198	-	2,182	-	5,037
Fuel	-	-	-	-	-	2,680	2,680
Depreciation expense	-	-	5,070	-	-	16,495	21,565
<b>Total operating expenses</b>	<b>543,420</b>	<b>128,933</b>	<b>421,318</b>	<b>84,741</b>	<b>4,938</b>	<b>336,232</b>	<b>1,519,582</b>
<b>Operating income (loss)</b>	<b>71,302</b>	<b>(928)</b>	<b>177,402</b>	<b>7,246</b>	<b>2,262</b>	<b>(19,120)</b>	<b>238,164</b>
Transfers in	-	-	-	536	-	-	536
Transfers out	-	-	(165,528)	-	-	-	(165,528)
<b>Change in net position</b>	<b>71,302</b>	<b>(928)</b>	<b>11,874</b>	<b>7,782</b>	<b>2,262</b>	<b>(19,120)</b>	<b>73,172</b>
<b>Total net position, beginning of year</b>	<b>191,025</b>	<b>62,177</b>	<b>380,618</b>	<b>36,425</b>	<b>10,680</b>	<b>106,449</b>	<b>787,374</b>
<b>Total net position, end of year</b>	<b>\$ 262,327</b>	<b>61,249</b>	<b>392,492</b>	<b>44,207</b>	<b>12,942</b>	<b>87,329</b>	<b>860,546</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. Mount A's trails are for hikers, bikers, and other recreational activities such as snowshoeing. Select trails are open to equestrians and ATV riders.

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 **Center for Active Living Enterprise Fund**, formerly **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 continues to be experiencing an upturn in terms of development. State funding has been consistent, but has not yet returned to levels of FY2010 – FY2012. 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 remain strong and steady. This year, we picked up \$53,989,400 in new construction; this includes additions and renovations as compared to \$87,782,800 the year before. The 2019 State valuation is \$4,473,800,000 (2018 actual) second highest in the State behind the City of Portland. Tourism continues to be a major industry in the Town of York.

<b>Fiscal Year</b>	<b>Taxable Valuation</b>	<b>% Change in Valuation</b>	<b>Tax Rate/1000</b>	<b>% Change in Tax Rate</b>	<b>Annual Budget</b>	<b>% Change in Annual Budget</b>
2006	\$3,465,999,200	8.72%	\$8.46	-3.31%	\$29,322,353	5.12%
2007	\$3,794,235,030	9.47%	\$8.14	-3.78%	\$30,736,026	4.82%
2008	\$3,988,361,710	5.12%	\$8.10	-0.49%	\$32,160,100	4.63%
2009	\$4,100,916,830	2.82%	\$8.26	1.98%	\$33,722,498	4.86%
2010	\$4,037,653,357	-1.54%	\$8.58	3.87%	\$34,485,161	2.26%
2011	\$3,967,061,240	-1.78%	\$9.10	6.06%	\$35,961,240	4.28%
2012	\$3,909,591,408	-1.45%	\$9.35	2.75%	\$36,406,723	1.24%
2013	\$3,849,714,344	-1.53%	\$9.96	6.52%	\$38,245,119	5.05%
2014	\$3,855,034,616	0.14%	\$10.43	4.72%	\$39,974,697	4.52%
2015	\$3,915,250,959	0.16%	\$10.70	2.59%	\$41,746,976	4.43%
2016	\$3,964,520,605	+1.26%	\$11.00	2.80%	\$43,471,673	4.13%
2017	\$4,078,218,785	+2.87%	\$11.15	1.36%	\$45,268,871	4.13%
2018	\$4,268,495,853	4.67%	\$10.95	-1.79%	\$46,474,724	2.66%
2019	\$4,445,463,093	+4.15%	\$11.15	+1.83%	\$49,221,706	5.92%

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, 2019**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 15,873,843	2,700	15,876,543
Receivables:			
Accounts	207,621	16,329	223,950
Intergovernmental	676,764	-	676,764
Taxes	1,315,144	-	1,315,144
Prepaid expenses	44,781	653	45,434
Inventory	20,903	85,373	106,276
Internal balances	(650,177)	650,177	-
Capital assets not being depreciated	16,520,024	-	16,520,024
Capital assets being depreciated, net	69,642,353	183,148	69,825,501
<b>Total assets</b>	<b>103,651,256</b>	<b>938,380</b>	<b>104,589,636</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	1,876,703	-	1,876,703
Deferred outflows of resources related to OPEB	134,078	-	134,078
<b>Total deferred outflows of resources</b>	<b>2,010,781</b>	<b>-</b>	<b>2,010,781</b>
<b>LIABILITIES</b>			
Accounts payable and other liabilities	3,046,946	54,081	3,101,027
Accrued payroll	1,673,388	23,753	1,697,141
Unearned revenue	2,048	-	2,048
Accrued interest	283,068	-	283,068
Noncurrent liabilities:			
Due within one year	4,085,263	-	4,085,263
Due in more than one year	44,538,759	-	44,538,759
<b>Total liabilities</b>	<b>53,629,472</b>	<b>77,834</b>	<b>53,707,306</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	824,630	-	824,630
Deferred inflows of resources related to OPEB	195,939	-	195,939
<b>Total deferred inflows of resources</b>	<b>1,020,569</b>	<b>-</b>	<b>1,020,569</b>
<b>NET POSITION</b>			
Net investment in capital assets	48,398,837	183,148	48,581,985
Restricted for:			
Permanent fund principal - nonexpendable	20,529	-	20,529
Permanent fund earnings - expendable	30	-	30
Education	749,053	-	749,053
Grants	270,884	-	270,884
Unrestricted	1,572,663	677,398	2,250,061
<b>Total net position</b>	<b>\$ 51,011,996</b>	<b>860,546</b>	<b>51,872,542</b>

*See accompanying notes to basic financial statements.*

**TOWN OF YORK, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2019**

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	\$ 5,065,651	764,928	40,842	-	(4,259,881)	-	(4,259,881)
Public safety	7,637,744	727,869	27,121	-	(6,882,754)	-	(6,882,754)
Public works	6,688,232	193,035	84,036	660,797	(5,750,364)	-	(5,750,364)
Parks and recreation	1,902,865	114,241	9,483	-	(1,779,141)	-	(1,779,141)
Public assistance	88,655	-	13,260	-	(75,395)	-	(75,395)
Libraries	598,311	-	-	-	(598,311)	-	(598,311)
Education	36,217,645	1,027,480	5,319,174	-	(29,870,991)	-	(29,870,991)
Interest on debt	519,710	-	-	-	(519,710)	-	(519,710)
Total governmental activities	58,718,813	2,827,553	5,493,916	660,797	(49,736,547)	-	(49,736,547)
Business-type activities:							
Recreation	543,420	614,722	-	-	-	71,302	71,302
Mt. Agamenticus	128,933	91,190	36,815	-	-	(928)	(928)
Sohier Park	421,318	586,760	11,960	-	-	177,402	177,402
Outside Duty	84,741	91,987	-	-	-	7,246	7,246
Goodrich Park	4,938	7,200	-	-	-	2,262	2,262
Center for active living	336,232	313,281	3,831	-	-	(19,120)	(19,120)
Total business-type activities	1,519,582	1,705,140	52,606	-	-	238,164	238,164
<b>Total primary government</b>	<b>\$ 60,238,395</b>	<b>4,532,693</b>	<b>5,546,522</b>	<b>660,797</b>	<b>(49,736,547)</b>	<b>238,164</b>	<b>(49,498,383)</b>
<b>General revenues:</b>							
Property taxes, levied for general purposes				\$ 49,298,461	-	49,298,461	
Motor vehicle excise taxes				3,620,460	-	3,620,460	
Grants and contributions not restricted to specific programs:							
Homestead exemption				244,527	-	244,527	
BETE reimbursements				10,402	-	10,402	
State Revenue Sharing				367,289	-	367,289	
Unrestricted investment earnings				355,706	-	355,706	
Miscellaneous revenues				300,612	-	300,612	
Transfers				164,992	(164,992)	-	
Total general revenues and transfers				54,362,449	(164,992)	54,197,457	
<b>Change in net position</b>							
Change in net position				4,625,902	73,172	4,699,074	
<b>Net position - beginning, restated</b>				46,386,094	787,374	47,173,468	
<b>Net position - ending</b>				<b>\$ 51,011,996</b>	<b>860,546</b>	<b>51,872,542</b>	

*See accompanying notes to basic financial statements.*

**TOWN OF YORK, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 15,249,655	592,392	31,796	15,873,843
Receivables:				
Accounts	203,451	-	4,170	207,621
Intergovernmental	170,132	-	506,632	676,764
Taxes	1,315,144	-	-	1,315,144
Prepaid expenditures	44,781	-	-	44,781
Inventory	-	-	20,903	20,903
Interfund loans receivable	-	2,337,180	42,414	2,379,594
<b>Total assets</b>	<b>\$ 16,983,163</b>	<b>2,929,572</b>	<b>605,915</b>	<b>20,518,650</b>
<b>LIABILITIES</b>				
Accounts payable	1,448,379	541,977	159,104	2,149,460
Accrued payroll	1,656,275	-	17,113	1,673,388
Other liabilities	897,486	-	-	897,486
Unearned revenues	-	-	2,048	2,048
Interfund loans payable	2,156,664	-	873,107	3,029,771
<b>Total liabilities</b>	<b>6,158,804</b>	<b>541,977</b>	<b>1,051,372</b>	<b>7,752,153</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	869,000	-	-	869,000
<b>Total deferred inflows of resources</b>	<b>869,000</b>	<b>-</b>	<b>-</b>	<b>869,000</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	44,781	-	20,529	65,310
Restricted	622,406	-	388,870	1,011,276
Committed	-	2,387,595	887,677	3,275,272
Assigned	1,302,597	-	-	1,302,597
Unassigned	7,985,575	-	(1,742,533)	6,243,042
<b>Total fund balances (deficits)</b>	<b>9,955,359</b>	<b>2,387,595</b>	<b>(445,457)</b>	<b>11,897,497</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,983,163</b>	<b>2,929,572</b>	<b>605,915</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.				86,162,377
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.				869,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:				
Bonds and notes payable			(35,979,282)	
Capital leases			(3,083,878)	
Premium on bonds			(395,623)	
Accrued interest			(283,068)	
Accrued compensated absences			(1,630,753)	
Other post-employment benefits liability			(4,398,246)	
Net pension liability			(3,136,240)	
Deferred inflows and outflows of resources related to pensions			1,052,073	
Deferred inflows and outflows of resources related to OPEB			(61,861)	(47,916,878)
<b>Net position of governmental activities</b>				<b>\$ 51,011,996</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, 2019**

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 52,789,098	-	149,823	52,938,921
Licenses and permits	366,879	-	-	366,879
Intergovernmental	5,417,530	-	1,216,838	6,634,368
Charges for services	1,365,245	-	682,390	2,047,635
Donations	83,402	-	59,161	142,563
Interest income	319,167	24,845	11,694	355,706
Other	660,516	33,107	20,028	713,651
<b>Total revenues</b>	<b>61,001,837</b>	<b>57,952</b>	<b>2,139,934</b>	<b>63,199,723</b>
<b>Expenditures:</b>				
Current:				
General government	3,707,710	-	-	3,707,710
Public safety	7,102,089	-	27,121	7,129,210
Public works	5,145,868	-	84,321	5,230,189
Parks and recreation	1,781,465	-	-	1,781,465
Public assistance	88,655	-	-	88,655
Library	598,311	-	-	598,311
Education	33,249,980	-	1,763,370	35,013,350
County tax	2,276,680	-	-	2,276,680
MEPERS on behalf payments	2,418,743	-	-	2,418,743
Unclassified	72,014	-	95,281	167,295
Capital outlay	375,502	3,445,571	1,501,358	5,322,431
Debt service (excluding education debt):				
Bond issuance costs	1,500	-	-	1,500
Principal	2,204,001	-	-	2,204,001
Interest	378,322	151,194	-	529,516
<b>Total expenditures</b>	<b>59,400,840</b>	<b>3,596,765</b>	<b>3,471,451</b>	<b>66,469,056</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,600,997</b>	<b>(3,538,813)</b>	<b>(1,331,517)</b>	<b>(3,269,333)</b>
<b>Other financing sources (uses):</b>				
Lease proceeds	10,513	-	-	10,513
Bond proceeds	-	3,233,000	-	3,233,000
Premium on bond proceeds	-	38,526	-	38,526
Transfers in	165,897	-	214,382	380,279
Transfers out	(214,918)	(369)	-	(215,287)
<b>Total other financing sources (uses)</b>	<b>(38,508)</b>	<b>3,271,157</b>	<b>214,382</b>	<b>3,447,031</b>
<b>Net change in fund balances</b>	<b>1,562,489</b>	<b>(267,656)</b>	<b>(1,117,135)</b>	<b>177,698</b>
<b>Fund balances, beginning of year</b>	<b>8,392,870</b>	<b>2,655,251</b>	<b>671,678</b>	<b>11,719,799</b>
<b>Fund balances (deficits), end of year</b>	<b>\$ 9,955,359</b>	<b>2,387,595</b>	<b>(445,457)</b>	<b>11,897,497</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, 2019**

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Net change in fund balances - total governmental funds (from Statement 4)	\$	177,698
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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.

These are the amounts related to capital assets:

Capital outlay	5,711,112	
Depreciation expense	(3,366,200)	2,344,912

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.

(20,000)

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

These are the changes in other liabilities:

Net pension liability	1,451,411	
Deferred inflows and outflows of resources related to the net pension liability	(248,805)	
Other post-employment benefits liability	171,099	
Deferred inflows and outflows of resource related to the net OPEB liability	(222,436)	
Accrued compensated absences	56,672	
Accrued interest payable	(20,644)	1,187,297

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. These are the changes related to capital leases:

Proceeds from leases	(10,513)	
Lease principal payments	264,205	253,692

The bond issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond 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	(3,233,000)	
Premium on bond issuance	(38,526)	
Bond principal payments	3,929,740	
Amortization of bond premium	24,089	682,303

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Change in net position of governmental activities (see Statement 2)	\$	4,625,902
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*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, 2019**

				Variance with final budget positive (negative)
		<b>Budgeted amounts</b>		
		Original	Final	Actual
<b>Revenues:</b>				
Taxes	\$ 52,500,884	52,500,884	52,789,098	288,214
Licenses and permits	311,000	311,000	366,879	55,879
Intergovernmental	3,042,217	3,042,217	2,998,787	(43,430)
Charges for services	1,532,304	1,532,304	1,239,167	(293,137)
Other	563,688	563,688	974,043	410,355
<b>Total revenues</b>	<b>57,950,093</b>	<b>57,950,093</b>	<b>58,367,974</b>	<b>417,881</b>
<b>Expenditures:</b>				
Current:				
General government	3,822,781	3,828,241	3,656,047	172,194
Public safety	7,302,199	7,302,199	7,102,089	200,110
Public works	5,122,026	5,122,026	5,144,335	(22,309)
Parks and recreation	1,612,553	1,612,553	1,579,728	32,825
Public assistance	140,205	140,205	88,655	51,550
Library	598,311	598,311	598,311	-
Education:				
Regular instruction	13,622,174	13,622,174	13,940,037	(317,863)
Special education instruction	5,897,896	5,876,196	5,668,259	207,937
Career and technical education	29,963	29,963	20,590	9,373
Other instruction	1,317,408	1,346,408	1,268,924	77,484
Student and staff support	2,924,582	2,924,582	2,870,169	54,413
System administration	1,038,779	1,060,479	1,185,001	(124,522)
School administration	1,641,885	1,641,885	1,572,042	69,843
Transportation	1,077,200	1,077,200	1,034,773	42,427
Facilities maintenance	3,608,332	3,579,332	3,536,166	43,166
Other	292,299	292,299	280,649	11,650
Debt service	2,151,298	2,151,298	2,088,132	63,166
County tax	2,276,680	2,276,680	2,276,680	-
Unclassified	409,270	409,270	72,014	337,256
Capital outlay	410,000	533,149	320,772	212,377
Debt service	2,691,752	2,691,752	2,593,193	98,559
<b>Total expenditures</b>	<b>57,987,593</b>	<b>58,116,202</b>	<b>56,896,566</b>	<b>1,219,636</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(37,500)</b>	<b>(166,109)</b>	<b>1,471,408</b>	<b>1,637,517</b>
<b>Other financing sources (uses):</b>				
Carryforward balances	-	128,609	-	(128,609)
Appropriations for reserve accounts	(47,500)	(47,500)	(47,500)	-
Transfers to reserve accounts	-	-	(263,836)	(263,836)
Transfers from reserve accounts	85,000	85,000	85,536	536
Transfers in	-	-	165,897	165,897
Transfers out	-	-	(536)	(536)
<b>Total other financing sources (uses)</b>	<b>37,500</b>	<b>166,109</b>	<b>(60,439)</b>	<b>(226,548)</b>
<b>Net change in fund balance - budgetary basis</b>	<b>-</b>	<b>-</b>	<b>1,410,969</b>	<b>1,410,969</b>
<b>Reconciliation to GAAP:</b>				
Change in prepaid debt service			9,750	
Change in reserves			141,770	
Net change in fund balance - GAAP basis			1,562,489	
<b>Fund balance, beginning of year - GAAP basis</b>			<b>8,392,870</b>	
<b>Fund balance, end of year - GAAP basis</b>	<b>\$</b>		<b>9,955,359</b>	

*See accompanying notes to basic financial statements.*

**Statement 7**

**TOWN OF YORK, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

<b>Business-type Activities - Enterprise Funds</b>		<b>Nonmajor Enterprise Funds</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents		\$ 2,700	
Accounts receivable		16,329	
Inventory		85,373	
Prepaid expenses		653	
Interfund loan receivable		650,177	
<b>Total current assets</b>		<b>755,232</b>	
Noncurrent assets:			
Capital assets, net of depreciation		183,148	
<b>Total noncurrent assets</b>		<b>183,148</b>	
<b>Total assets</b>		<b>938,380</b>	
<b>LIABILITIES</b>			
Accounts payable		54,081	
Accrued payroll		23,753	
<b>Total liabilities</b>		<b>77,834</b>	
<b>NET POSITION</b>			
Net investment in capital assets		183,148	
Unrestricted		677,398	
<b>Total net position</b>	<b>\$</b>	<b>860,546</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, 2019**

<b>Business-type Activities - Enterprise Funds</b>		<b>Nonmajor Enterprise Funds</b>
Operating revenues:		
User fees		\$ 958,711
Sponsorships and memberships		67,535
Gift shop sales		588,429
Rental income		89,665
Donations		52,606
Miscellaneous		800
	<b>Total operating revenues</b>	<b>1,757,746</b>
Operating expenses:		
Cost of goods sold		332,838
Salaries and benefits		569,263
Training, meetings, and travel		7,012
Maintenance		11,704
Office expenses		36,059
Supplies		90,680
Contracts		442,744
Utilities		5,037
Fuel		2,680
Depreciation expense		21,565
	<b>Total operating expenses</b>	<b>1,519,582</b>
	<b>Operating income (loss)</b>	<b>238,164</b>
Transfers in		536
Transfers out		(165,528)
	<b>Change in net position</b>	<b>73,172</b>
<b>Total net position, beginning of year</b>		<b>787,374</b>
<b>Total net position, end of year</b>		<b>\$ 860,546</b>

*See accompanying notes to basic financial statements.*

**TOWN OF YORK, MAINE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2019**

<b>Business-type Activities - Enterprise Funds</b>	<b>Nonmajor Enterprise Funds</b>
Cash flows from operating activities:	
Receipts from customers and users	\$ 1,766,781
Payments to suppliers	(899,329)
Payments to employees	(562,646)
Net cash provided by (used in) operating activities	<u>304,806</u>
Cash flows from non-capital financing activities:	
Transfers to other funds	(164,992)
Decrease in interfund loans	(138,564)
Net cash provided by (used in) non-capital financing activities	<u>(303,556)</u>
Change in cash	1,250
Cash and cash equivalents, beginning of year	<u>1,450</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,700</b>
Reconciliation of operating income (loss) to net cash	
provided by (used in) operating activities:	
Operating income (loss)	\$ 238,164
Adjustments to reconcile operating income (loss) to	
net cash provided by (used in) operating activities:	
Depreciation expense	21,565
Change in assets:	
Accounts receivable	9,035
Inventory	16,909
Prepaid expenses	768
Change in liabilities:	
Accounts payable	11,748
Accrued payroll	6,617
Net cash provided by (used in) operating activities	<u>304,806</u>

*See accompanying notes to basic financial statements.*

**TOWN OF YORK, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<b>Private- purpose 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	\$ 8,999	5,584	171,618
Total assets	8,999	5,584	171,618
<b>LIABILITIES</b>			
Held for student groups	-	-	171,618
Total liabilities	-	-	171,618
<b>NET POSITION</b>			
Held in trust	\$ 8,999	5,584	-

*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, 2019**

	<b>Private- purpose Trust Funds</b>	
	<b>Larry A. D'Entremont Scholarship</b>	<b>York Mentor Scholarship</b>
Additions:		
Donations	\$	180
Interest	-	6
Total additions	-	186
Deductions:		
Scholarships awarded	-	-
Total deductions	-	-
Change in net position	-	186
Net position, beginning of year	8,999	5,398
<b>Net position, end of year</b>	<b>\$</b>	<b>8,999</b>
		<b>5,584</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 Capital Projects Fund accounts for the bond proceeds, bond premiums, and other revenues dedicated to capital projects and the acquisition of assets, as well as the related capital expenditures.

Additionally, the Town reports the following Fiduciary Fund types:

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

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

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

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

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

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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 and OPEB liabilities, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the liability in the subsequent year.

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

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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.

**OPEB Liabilities** - For purposes of measuring the OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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

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

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

The Town's net investment in capital assets was calculated as follows at June 30, 2019:

	<u>Governmental</u> <u>activities</u>	<u>Business-type</u> <u>activities</u>
Capital assets	\$ 146,839,401	285,260
Accumulated depreciation	(60,677,024)	(102,112)
Unspent bond proceeds	1,695,243	-
Unamortized bond premium	(395,623)	-
Bonds payable	(35,979,282)	-
Capital leases	(3,083,878)	-
 <b>Net investment in capital assets</b>	 <b>\$ 48,398,837</b>	 <b>183,148</b>

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**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.

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**BUDGETARY VERSUS 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 \$2,418,743. 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, with the exception of the School Department, in which the level of control is at the cost center. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year. The Town Manager is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures must be approved by the Board of Selectmen. Encumbrance accounting is not employed by the Town. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

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

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STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

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**B. Deficit Fund Balances**

At June 30, 2019, the following funds had deficit fund balances:

Special Revenue Funds:	
School lunch fund	\$ 309,144
Adult education	84,564
Town programs	171,639

**C. Excess of Expenditures over Appropriations**

For the year ended June 30, 2019, expenditures exceeded appropriations in the following areas:

Public works	\$ 22,309
Regular instruction	317,863
System administration	124,522

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, 2019, the Town reported deposits of \$16,062,744, with a bank balance of \$16,512,382. None of the Town's bank balances were exposed to custodial credit risk as they were covered by FDIC or additional insurance purchased on behalf of the Town by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 15,873,843
Reported in fiduciary funds	186,201
<u>Reported in proprietary funds</u>	<u>2,700</u>
<b><u>Total deposits</u></b>	<b><u>\$ 16,062,744</u></b>

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

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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 10, 2018 on the assessed values of real property as of April 1, 2018. Taxes were due September 24, 2018 and February 8, 2019. This assessed value of \$4,414,502,840 was 100% of the estimated market value and 99.4% of the 2019 state valuation of \$4,473,800,000.

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 \$409,270 for the year ended June 30, 2019.

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, 2019 and 2018 levies:

	<u>2019</u>	<u>2018</u>
Assessed value	\$ 4,414,502,840	4,244,267,085
<u>Tax rate (per \$1,000)</u>	11.15	10.95
Commitment	49,221,707	46,474,725
<u>Supplemental taxes assessed</u>	41,639	50,680
	49,263,346	46,525,405
Less:		
<u>Collections and abatements</u>	48,430,201	45,633,665
<b><u>Receivable at June 30</u></b>	<b>\$ 833,145</b>	<b>891,740</b>
Due date(s)	9/24/2018 2/8/2019	9/15/2017 2/2/2018
Interest rate charged on delinquent taxes	8.00%	7.00%
Collection rate	98.31%	98.08%

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

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**CAPITAL ASSETS**

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Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance June 30, <u>2018, restated</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2019</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 14,315,645	3,513,180	12,270,758	5,558,067
Land	10,961,957	-	-	10,961,957
<u>Total capital assets, not being depreciated</u>	<u>25,277,602</u>	<u>3,513,180</u>	<u>12,270,758</u>	<u>16,520,024</u>
Capital assets, being depreciated:				
Land improvements	1,295,114	-	-	1,295,114
Buildings and building improvements	51,509,817	11,152,094	-	62,661,911
Equipment	5,311,510	363,186	-	5,674,696
Vehicles	9,287,517	951,376	27,593	10,211,300
Infrastructure	48,474,322	2,002,034	-	50,476,356
Total capital assets being depreciated	115,878,280	14,468,690	27,593	130,319,377
Less accumulated depreciation for:				
Land improvements	155,990	64,756	-	220,746
Buildings and building improvements	23,183,655	1,312,501	-	24,496,156
Equipment	3,766,508	289,216	-	4,055,724
Vehicles	6,393,609	612,537	27,593	6,978,553
Infrastructure	23,838,655	1,087,190	-	24,925,845
Total accumulated depreciation	57,338,417	3,366,200	27,593	60,677,024
<u>Total capital assets being depreciated, net</u>	<u>58,539,863</u>	<u>11,102,490</u>	-	<u>69,642,353</u>
<b>Governmental activities capital assets, net</b>	<b>\$ 83,817,465</b>	<b>14,615,670</b>	<b>(12,270,758)</b>	<b>86,162,377</b>

In 2019, the Town recategorized some of its capital assets and therefore, some of the beginning balances for the individual categories above have been restated.

	Balance June 30, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2019</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Buildings and building improvements	\$ 202,784	-	-	202,784
Vehicles	82,476	-	-	82,476
<u>Total capital assets being depreciated</u>	<u>285,260</u>	-	-	<u>285,260</u>
Less accumulated depreciation for:				
Buildings and building improvements	22,814	5,070	-	27,884
Vehicles	57,733	16,495	-	74,228
Total accumulated depreciation	80,547	21,565	-	102,112
<u>Total capital assets being depreciated, net</u>	<u>204,713</u>	<u>(21,565)</u>	-	<u>183,148</u>
<b>Business-type activities capital assets, net</b>	<b>\$ 204,713</b>	<b>(21,565)</b>	-	<b>183,148</b>

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

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**CAPITAL ASSETS, CONTINUED**

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

**Governmental activities:**

General government	\$ 70,304
Public safety	508,534
Public works, including depreciation of general infrastructure assets	1,458,043
Parks and recreation	121,400
<u>Education</u>	<u>1,207,919</u>
<b>Total depreciation expense – governmental activities</b>	<b>\$ 3,366,200</b>

**Business-type activities:**

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

**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, 2019 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>	<u>Interfund transfers</u>
<u>General Fund</u>	\$ -	2,156,664	(49,021)
<u>Capital Projects</u>	2,337,180	-	(369)
<b>Other Governmental Funds:</b>			
Town programs	-	441,433	-
School lunch	-	336,699	214,382
Adult education	-	91,820	-
School special revenues fund	42,414	-	-
Clark Emerson permanent fund	-	3,155	-
<b>Total Other Governmental Funds</b>	<b>42,414</b>	<b>873,107</b>	<b>214,382</b>
<b>Enterprise Funds:</b>			
Recreation	297,792	-	-
Mt. Agamenticus	70,916	-	-
Sohier Park	151,147	-	(165,528)
Outside Duty	28,315	-	536
Goodrich Park	12,942	-	-
Senior Center	89,065	-	-
<b>Total Enterprise Funds</b>	<b>650,177</b>	<b>-</b>	<b>(164,992)</b>
<b>Totals</b>	<b>\$ 3,029,771</b>	<b>3,029,771</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, 2019 was as follows:

	<u>Beginning balance (restated)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$ 36,676,022	3,233,000	3,929,740	35,979,282	3,785,761
Premium on bonds	381,186	38,526	24,089	395,623	26,095
Total bonds	37,057,208	3,271,526	3,953,829	36,374,905	3,811,856
Capital leases	3,337,570	10,513	264,205	3,083,878	273,407
Net pension liability	4,587,651	-	1,451,411	3,136,240	-
Other post-employment benefits	4,569,345	-	171,099	4,398,246	-
Accrued compensated absences	1,687,425	-	56,672	1,630,753	-
<b>Total long-term liabilities</b>	<b>\$ 51,239,199</b>	<b>3,282,039</b>	<b>5,897,216</b>	<b>48,624,022</b>	<b>4,085,263</b>

**LONG-TERM DEBT**

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**Bonds Payable**

Bonds payable at June 30, 2019 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	\$ 11,409	9/23/2005	11/14/2019	0.0%	761
General Obligation Bonds	3,524,000	11/1/2008	11/1/2028	4.0-5.0%	1,750,000
General Obligation Refunding	10,785,000	3/1/2010	3/1/2020	1.0-3.0%	780,000
General Obligation Refunding	8,624,500	7/1/2010	7/1/2020	2.0-3.8%	4,031,000
General Obligation Refunding	9,124,421	10/1/2011	9/1/2031	2.0-3.25%	5,534,421
General Obligation Bonds	3,644,100	8/1/2012	8/1/2033	1.0-2.4%	2,164,100
General Obligation Bonds	2,574,000	11/1/2013	11/1/2033	2.0-4.10%	1,509,000
General Obligation Bonds	1,085,000	2/1/2015	2/1/2035	2.0-3.25%	955,000
General Obligation Bonds	12,032,000	7/14/2016	10/1/2032	2.0-2.25%	11,022,000
General Obligation Bonds	5,738,000	8/10/2017	8/1/2037	2.0-3.0%	5,000,000
General Obligation Bonds	3,233,000	12/12/2018	8/1/2033	3.0%	3,233,000
<b>Total governmental activities</b>					<b>\$ 35,979,282</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>
2020	\$ 3,785,761	833,676	4,619,437
2021	3,570,000	792,591	4,362,591
2022	3,390,000	710,007	4,100,007
2023	3,105,000	630,890	3,735,890
2024	2,860,000	555,939	3,415,939
2025-2029	12,465,000	1,742,717	14,207,717
2030-2034	6,653,521	355,608	7,009,129
<u>2035-2039</u>	<u>150,000</u>	<u>8,175</u>	<u>158,175</u>
<b>Totals</b>	<b>\$ 35,979,282</b>	<b>5,629,603</b>	<b>41,608,885</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, 2019, the Town's outstanding debt did not exceed these limits.

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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 \$4,012,635. Leased assets with values that are less than the Town's capital asset threshold have not been capitalized, such as photocopiers.

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, 2019.

	<u>Governmental Funds</u>
2020	\$ 411,103
2021	408,290
2022	382,242
2023	341,661
2024	341,418
2025-2029	1,699,839
<u>2030-2032</u>	<u>366,025</u>
Total minimum lease payments	3,950,578
Less: amount representing interest	(866,700)
<b>Present value of future minimum lease payments</b>	<b>\$ 3,083,878</b>

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

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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, 2019, the Town's State valuation of \$4,473,800,000 was 13.36% of the County's State valuation of \$33,490,850,000. The Town's share is 13.36% or \$520,973 of York County's \$3,900,000 long-term debt outstanding at June 30, 2018 (the most recent information available).

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#### COMMITMENTS AND CONTINGENCIES

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As of June 30, 2019, the Town has commitments for various, ongoing construction projects, including the window replacements and renovations at the High School and Village Elementary School, and the replacement of flooring at the Middle School. Of the contracted amounts, approximately \$155,000 for the window replacements and renovations at the High School and Village Elementary School, and \$230,000 for the Middle School floor replacement remained outstanding.

The York Town and School Department participate in a number of federally assisted grant programs. Although the programs have been audited in compliance with the Single Audit Act, as amended, these programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for, or including, the year ended June 30, 2019, 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.

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#### FUND BALANCE

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At June 30, 2019, portions of the Governmental Funds fund balances consisted of the following:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>
<b>Nonspendable:</b>			
Prepaid expenditures	\$ 44,781	-	-
Permanent fund principal	-	-	20,529
<b>Total nonspendable</b>	<b>44,781</b>	<b>-</b>	<b>20,529</b>
<b>Restricted:</b>			
School general fund	622,406	-	-
School special revenues (grants and donations)	-	-	102,819
Adult education grants	-	-	15,137
MMA wellness grant	-	-	257
York Beach TIF	-	-	134,391
Long sands MPI grant	-	-	136,236
Permanent fund income	-	-	30
<b>Total restricted</b>	<b>622,406</b>	<b>-</b>	<b>388,870</b>

**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>Capital Projects</u>	<u>Other Governmental Funds</u>
<b>Committed:</b>			
Town and school projects	\$ -	2,387,595	-
York beach reserve	-	-	18,274
Maine partners initiative	-	-	129,581
Harbor dredge	-	-	279,975
Harbor/wharf	-	-	338,518
Performance accounts	-	-	<u>121,329</u>
<b>Total committed</b>	<b>-</b>	<b>2,387,595</b>	<b>887,677</b>
<b>Assigned:</b>			
Town budget carry forwards:			
Voting machines	21,911	-	-
Select board contingency fund	17,800	-	-
Town hall planning and design	20,000	-	-
Police vehicles	28,624	-	-
Fishermen's walk	12,432	-	-
Seawall repair	27,925	-	-
Town reserves:			
Iron/metal recycling	43,384	-	-
Munis implementation	62,019	-	-
350 <sup>th</sup>	5,469	-	-
Academic reimbursement	8,148	-	-
Animal welfare	22,916	-	-
Building	5,565	-	-
Capital equipment	71,436	-	-
CEO	684,253	-	-
Earned time	163,074	-	-
York Beach fire truck	2,058	-	-
Fishermen's fund	1,050	-	-
Fishermen's memorial	1,015	-	-
LS Bathhouse fundraising	29,097	-	-
Hoist repair	11,594	-	-
Sohier Park Building	21,736	-	-
Unemployment	12,852	-	-
Village lights	1,706	-	-
Construction settlement	26,533	-	-
<b>Total assigned</b>	<b>1,302,597</b>	<b>-</b>	<b>-</b>
<b>Unassigned</b>	<b>7,985,575</b>	<b>-</b>	<b>(1,742,533)</b>
<b>Total fund balance</b>	<b>\$ 9,955,359</b>	<b>2,387,595</b>	<b>(445,457)</b>

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

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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 determined by the increase in the TIF district valuation over the prior fiscal year as a percentage of the prior year valuation, reduced by the total increase in valuation of the entire Town as a percentage of the Town's prior year valuation.

For the year ended June 30, 2019, there were no taxes raised and there were no TIF related expenditures.

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**NET PENSION LIABILITY**

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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, 2019 were 10.5% for the Special 2C plan and 10.0% for the Regular AC plan of annual payroll. Contributions to the pension plan from the Town were \$693,940 for the year ended June 30, 2019.

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

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**NET PENSION LIABILITY, CONTINUED**

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**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, 2019, was 15.05% of annual payroll of which 3.97% of payroll was required from the Town and 11.08% was required from the State. Contributions to the pension plan from the Town were \$649,427 for the year ended June 30, 2019.

***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, 2018, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The Town's proportion of the net pension liabilities were based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

**PLD Plan** - At June 30, 2019, the Town reported a liability of \$2,975,319 for its proportionate share of the net pension liability. At June 30, 2018, the Town's proportion of the PLD Plan was 1.0872%.

**SET Plan** - At June 30, 2019, 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	\$ 160,921
State's proportionate share of the net pension liability associated with the Town	<u>17,469,365</u>
<b>Total</b>	<b>\$ 17,630,286</b>

At June 30, 2018, the Town's proportion of the SETP Plan was 0.0119%.

For the year ended June 30, 2019, the Town recognized pension gain of \$483,831 for the PLD Plan and a pension expense of \$2,437,099 for the SET Plan with revenue of \$1,812,507 for support provided by the State.

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

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**NET PENSION LIABILITY, CONTINUED**

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At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD pension plan from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ -	32,678
Changes of assumptions	474,880	-
Net difference between projected and actual earnings on pension plan investments	-	718,421
Changes in proportion and differences between Town contributions and proportionate share of contributions	43,419	31,098
Town contributions subsequent to the measurement date	<u>693,940</u>	-
<b>Total</b>	<b>\$ 1,212,239</b>	<b>782,197</b>

\$693,940 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, 2020.

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

Year ended June 30:

2020	\$ 410,868
2021	40,066
2022	(488,738)
2023	(185,680)

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

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**NET PENSION LIABILITY, CONTINUED**

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At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the SET pension plan from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 4,915	-
Changes of assumptions	10,122	-
Net difference between projected and actual earnings on pension plan investments	-	20,920
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	21,513
Town contributions subsequent to the measurement date	649,427	-
<b>Total</b>	<b>\$ 664,464</b>	<b>42,433</b>

\$649,427 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, 2020.

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

Year ended June 30:

2020	\$ 2,138
2021	(9,011)
2022	(14,893)
2023	(5,620)

**Actuarial Assumptions** - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75% to 9.0%	2.75% to 14.5%
Investment return, per annum, compounded annually	6.75%	6.75%
Cost of living benefit increases, per annum	1.91%	2.20%

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

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

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

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**NET PENSION LIABILITY, CONTINUED**

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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, 2018 are summarized in the following table:

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

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75% 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 6.75% 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 (5.75% for PLD Plan and the SET Plan) or 1 percentage-point higher (7.75% for PLD Plan and the SET Plan) than the current rate:

<u>PLD Plan</u>	1% Decrease <u>(5.75%)</u>	Current discount rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Town's proportionate share of the net pension liability	\$ 7,012,432	\$ 2,975,319	\$ (798,274)
<u>SET Plan</u>	1% Decrease <u>(5.75%)</u>	Current discount rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Town's proportionate share of the net pension liability	\$ 297,382	\$ 160,921	\$ 47,271

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

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**NET PENSION LIABILITY, CONTINUED**

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**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, 2019.

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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, 2019, 2018 and 2017 were \$117,884, \$125,560, and \$132,529, 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.

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**OTHER POST-EMPLOYMENT BENEFITS - TOWN HEALTH INSURANCE**

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***General Information about the OPEB Plan***

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

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

***Employees Covered by Benefit Terms*** – At June 30, 2019, the following employees were covered by the Health Plan benefit terms:

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

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

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

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**OTHER POST-EMPLOYMENT BENEFITS - TOWN HEALTH INSURANCE, CONTINUED**

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***OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The Town's total Health Plan OPEB liability of \$1,486,871 was measured as of January 1, 2019, and was determined by an actuarial valuation as of that date.

*Changes in the Total Health Plan OPEB Liability*

	<b>Total OPEB Liability</b>
Balance at June 30, 2018	\$ 1,594,422
Changes for the year:	
Service cost	24,061
Interest	54,645
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(125,802)
Benefit payments	(60,455)
Net changes	<u>(107,551)</u>
Balance at June 30, 2019	<u>\$ 1,486,871</u>

Change in assumptions reflects a change in the discount rate from 3.44% to 4.10%.

For the year ended June 30, 2019, the Town recognized an OPEB gain of \$127,553 related to the Town Health Plan. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,381	-
Changes of assumption or other inputs	-	22,379
Total	<u>\$ 42,381</u>	<u>22,379</u>

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

Year ended June 30:	
2020	\$ 7,594
2021	7,594
2022	7,594
2023	7,594
2024	7,596
Thereafter	(17,970)

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

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**OTHER POST-EMPLOYMENT BENEFITS - TOWN HEALTH INSURANCE, CONTINUED**

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The total OPEB liability in the January 1, 2019 actuarial valuation for the Town Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per year
Salary increases	2.75% per year
Discount rate	4.10%
Healthcare cost trend rates	8.20% for 2019, grading over 14 years to 4.00% per annum
Retirees' share of the benefit related costs	100% of projected health insurance premiums

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

The actuarial assumptions used in the January 1, 2019 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

**Discount Rate** - The rate used to measure the total OPEB liability for the Town Health Plan was 4.10%. The discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

**Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate** - The following presents the Town's total OPEB liability related to the Town Health Plan calculated using the discount rate of 4.10%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.10%) or 1 percentage-point higher (5.10%) than the current rate:

	1%	Discount	1%
	Decrease	Rate	Increase
	(3.10%)	(4.10%)	(5.10%)
Total OPEB liability	\$ 1,684,182	1,486,871	1,324,323

**Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the Town's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates of 8.20% graded over 14 years to 4% per year, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Total OPEB liability	\$ 1,309,234	1,486,871	1,705,161

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

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OTHER POSTEMPLOYMENT BENEFITS - SCHOOL DEPARTMENT HEALTH INSURANCE

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***General Information about the OPEB Plan***

**Plan Description** - The School Department sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (MEABT). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Benefits Provided** - MEABT provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

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

Inactive employees or beneficiaries currently receiving benefits	86
Inactive employee entitled to but not yet receiving benefits	-
Active employees	<u>256</u>
Total	<u>342</u>

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

The Town's total OPEB liability of \$2,698,801 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

***Changes in the Total OPEB Liability***

Balance at June 30, 2018	\$ 2,790,453
<b>Changes for the year:</b>	
Service cost	25,113
Interest	99,534
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(145,090)
Benefit payments	<u>(71,209)</u>
Net changes	<u>(91,652)</u>
Balance at June 30, 2019	<u>\$ 2,698,801</u>

Change in assumptions reflects a change in the discount rate from 3.58% to 3.87%.

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

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**OTHER POSTEMPLOYMENT BENEFITS - SCHOOL DEPARTMENT HEALTH INSURANCE, CONTINUED**

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For the year ended June 30, 2019, the Town recognized OPEB expense of \$103,920. At June 30, 2019, The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$ -	124,363
Town's contributions subsequent to measurement date	73,758	-
<b>Total</b>	<b>\$ 73,758</b>	<b>124,363</b>

\$73,758 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (20,727)
2021	(20,727)
2022	(20,727)
2023	(20,727)
2024	(20,727)
Thereafter	(20,728)

**Actuarial Assumptions** - The total OPEB liability in the June 30, 2018 actuarial valuation for the total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Not reported
Salary increases	2.75% - 14.50% per year
Discount rate	3.87% per annum
Healthcare cost trend rates - Pre-Medicare	5.55% for 2018 grading over 15 years to 3.73%
Healthcare cost trend rates - Medicare	3.72% for 2018 grading over 15 years to 2.81%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

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

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

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

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**OTHER POSTEMPLOYMENT BENEFITS - SCHOOL DEPARTMENT HEALTH INSURANCE, CONTINUED**

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**Discount Rate** - The rate used to measure the total OPEB liability was 3.87% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents the Town's total OPEB liability calculated using the discount rate of 3.87%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.87%) or 1 percentage-point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 3,247,083	2,698,801	2,270,458

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the Town's total OPEB liability calculated using the healthcare cost trend rates, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Total OPEB liability	\$ 2,249,210	2,698,801	3,276,846

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**OTHER POST-EMPLOYMENT BENEFITS - GROUP TERM LIFE**

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

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

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

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

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

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**OTHER POST-EMPLOYMENT BENEFITS - GROUP TERM LIFE, CONTINUED**

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**SET OPEB Plan** - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the Town were \$38,826 for the year ended June 30, 2019. Employers and employees are not required to contribute to the SET OPEB plan.

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

The net OPEB liability for both the PLD and SET OPEB plans was measured as of June 30, 2018, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by actuarial valuations as of that date. The Town's proportion of the net OPEB liabilities was based on a projection of the Town's long-term share of contributions to the PLD and SET OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

**PLD OPEB Plan** - At June 30, 2019, the Town reported a liability of \$212,574 for its proportionate share of the net OPEB liability. At June 30, 2018, the Town's proportion was 1.0523%.

**SET OPEB Plan** - At June 30, 2019, the Town reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the Town was \$425,494 as of June 30, 2019. At June 30, 2018, the Town's proportion was 0.00%.

For the year ended June 30, 2019, the Town recognized OPEB expense of \$59,362 for the PLD OPEB Plan. For the year ended June 30, 2019, the Town recognized OPEB expense of \$38,826 and also revenues of \$38,826 for support provided by the State related to the SET OPEB plan.

At June 30, 2019, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	25,596
Differences between expected and actual experience	17,939	-
Net difference between projected and actual earnings on OPEB plan investments	-	11,155
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	12,446
<b>Total</b>	<b>\$ 17,939</b>	<b>49,197</b>

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

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**OTHER POST-EMPLOYMENT BENEFITS - GROUP TERM LIFE, CONTINUED**

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

Year ended June 30:	
2020	\$ (9,449)
2021	(9,449)
2022	(9,449)
2023	(7,343)
2024	4,432

**Actuarial Assumptions and Other Inputs** - The total OPEB liability in the June 30, 2018 actuarial valuations for both the PLD and SET OPEB plans was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	PLD OPEB Plan	SET OPEB Plan
Inflation	2.75%	2.75%
Salary increases	2.75% - 9.00%	2.75% - 14.50%
Investment rate of return	6.750%	6.750%

Mortality rates for both the PLD and SET OPEB plans were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2018 valuations for both the PLD and SET OPEB plans were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
US government securities	10.0%	2.3%
Total	<hr/> <hr/> 100.0%	

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

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**OTHER POST-EMPLOYMENT BENEFITS - GROUP TERM LIFE, CONTINUED**

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**Discount Rate** - The rate used to measure the net OPEB liability for the PLD OPEB plan was 5.13% which is a blend of the assumed long-term expected rate of return of 6.75% and a municipal bond index rate of 3.87%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2018. Projections of the plan's fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2047. Therefore, the portion of the future projected benefit payments after 2047 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The rate used to measure the net OPEB liability for the SET OPEB plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Town's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - The following presents the Town's proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 5.13%, as well as what the Town's proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.13%) or 1 percentage-point higher (6.13%) than the current rate:

	1% Decrease (4.13%)	Discount Rate (5.13%)	1% Increase (6.13%)
Net OPEB liability	\$ 280,843	212,574	158,749

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

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

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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, 2019.

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

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**RESTATEMENT OF NET POSITION**

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For the fiscal year ended June 30, 2019, the Town has restated beginning net position in the government-wide statement of net position to account for the addition of the Town's total OPEB liability, which is an implicit liability for retiree health insurance, through the Maine Education Association Benefits Trust (MEABT). The information to record the MEABT OPEB liability was not readily available in the prior fiscal year. The Town's net position as of July 1, 2018 decreased by \$2,719,244.

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**SUBSEQUENT EVENTS**

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On December 17, 2019, the Town issued general obligation bonds of \$5,061,000, to be used for various Town projects. The bonds bear an interest rate of 2%-2.5% and mature in 2039.

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

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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>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
<b>PLD Plan</b>					
Town's proportion of the net pension liability	1.0872%	1.0702%	1.0929%	1.0595%	1.0357%
Town's proportionate share of the net pension liability	\$2,975,319	4,381,783	5,806,844	3,380,242	1,593,770
Town's covered payroll	5,931,411	5,877,542	5,649,002	5,418,940	4,980,213
Town's proportionate share of the net pension liability as a percentage of its covered payroll	50.16%	74.55%	102.79%	62.38%	32.00%
Plan fiduciary net position as a percentage of the total pension liability	91.14%	86.43%	81.61%	88.27%	94.10%
<b>SET Plan</b>					
Town's proportion of the net pension liability	0.0119%	0.0142%	0.0142%	0.0137%	0.0231%
Town's proportionate share of the net pension liability	160,921	205,868	250,354	184,386	249,340
State's proportionate share of the net pension liability associated with the Town	17,469,365	18,297,994	22,407,172	16,261,976	12,749,997
<b>Total</b>	<b>\$ 17,630,286</b>	<b>18,503,862</b>	<b>22,657,526</b>	<b>16,466,362</b>	<b>12,996,337</b>
Town's covered payroll	\$16,053,899	15,406,345	15,055,238	13,967,493	13,478,770
Town's proportionate share of the net pension liability as a percentage of its covered payroll	1.00%	1.34%	1.66%	1.32%	1.85%
Plan fiduciary net position as a percentage of the total pension liability	82.90%	83.35%	76.21%	81.18%	83.19%

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

<sup>\*\*</sup>Only five years of information available.

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

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

Last 10 Fiscal Years\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>PLD Plan</u></b>					
Contractually required contribution	\$639,940	604,066	548,521	502,565	435,364
Contributions in relation to the contractually required contribution	(639,940)	(604,066)	(548,521)	(502,565)	(435,364)
<b><u>Contribution deficiency (excess)</u></b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Town's covered payroll	6,299,922	5,931,411	5,877,542	5,649,002	5,418,940
Contributions as a percentage of covered payroll	10.16%	10.18%	9.33%	8.90%	8.03%
<b><u>SET Plan</u></b>					
Contractually required contribution	\$649,427	637,340	517,653	505,856	370,139
Contributions in relation to the contractually required contribution	(649,427)	(637,340)	(517,653)	(505,856)	(370,139)
<b><u>Contribution deficiency (excess)</u></b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Town's covered payroll	16,358,370	16,053,899	15,406,345	15,055,238	13,967,493
Contributions as a percentage of covered payroll	3.97%	3.97%	3.36%	3.36%	2.65%

<sup>\*</sup> Only five years of information available.

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

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

Last 10 Fiscal Years\*

	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 24,061	20,621
Interest	54,645	52,340
Changes of benefit terms	-	-
Differences between expected and actual experience	-	59,333
Changes of assumptions or other inputs	(125,802)	119,631
Benefit payments	(60,455)	(42,665)
<b>Net change in total OPEB Liability</b>	<b>(107,551)</b>	<b>209,260</b>
 Total OPEB liability - beginning	 1,594,422	 1,385,162
Total OPEB liability - ending	<u>\$ 1,486,871</u>	<u>1,594,422</u>
 Covered-employee payroll	 \$ 4,746,857	 7,009,503
Total OPEB liability as a percentage of covered-employee payroll	31.3%	22.7%

*\*Only two years of information available.*

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

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**Schedule of Changes in the School Department's Total Health Plan OPEB Liability and Related Ratios**

Last 10 Fiscal Years\*

	<b>2019</b>
<b>Total OPEB Liability</b>	
Service cost	\$ 25,113
Interest	99,534
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(145,090)
Benefit payments	(71,209)
<b>Net change in total OPEB Liability</b>	<hr/> <b>(91,652)</b>
Total OPEB liability - beginning	<hr/> 2,790,453
Total OPEB liability - ending	<hr/> <b>\$ 2,698,801</b>
Covered-employee payroll	\$ 11,913,644
Total OPEB liability as a percentage of covered-employee payroll	22.7%

*\*Only one year of information available.*

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

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

Last 10 Fiscal Years\*

**PLD OPEB Plan**

	<b>2019</b>	<b>2018</b>
Town's proportion of the net OPEB liability	1.0523%	1.1032%
Town's proportionate share of the net OPEB liability	\$ 212,574	184,470
Town's covered-employee payroll	2,069,526	2,220,465
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.27%	8.31%
Plan fiduciary net position as a percentage of the total OPEB liability	43.92%	47.42%

**SET OPEB Plan**

	<b>2019</b>	<b>2018</b>
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	-
State's proportionate share of the net OPEB liability associated with the Town	425,494	386,468
Total	<u>425,494</u>	<u>386,468</u>
Plan fiduciary net position as a percentage of the total OPEB liability	48.04%	47.29%

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

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

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**Schedule of Town's Contributions – Net OPEB Liability**

Last 10 Fiscal Years\*

	<b>2019</b>	<b>2018</b>
<b><u>PLD OPEB Plan</u></b>		
Contractually required contribution	\$ -	-
Contributions in relation to the contractually required contribution	- -----	-
Contribution deficiency (excess)	\$ - -----	-
Town's covered-employee payroll	\$ 2,069,526	2,220,465
Contributions as a percentage of covered-employee payroll	0.00%	0.00%

*\* Only two years of information available.*

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

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**Net Pension Liability**

**Changes of Benefit Terms - None**

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

	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate – PLD	6.750%	6.875%	7.125%	7.250%
Discount rate – SET	6.750%	6.875%	7.125%	7.125%
Inflation rate	2.75%	2.75%	3.50%	3.50%
Salary increases – PLD	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%
Salary increases – SET	2.75-14.5%	2.75-14.50%	3.50-13.50%	3.50-13.50%
Cost of living increases – PLD	1.91%	2.20%	2.55%	3.12%
Cost of living increases – SET	2.20%	2.20%	2.55%	2.55%

Mortality rates:

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

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

**Total OPEB Liability – Town Health Insurance**

**Changes of Benefit Terms - None**

**Changes of Assumptions** – Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

<b>Fiscal Year</b>	<b>Discount</b>
	<b>Rate</b>
2019	4.10%
2018	3.44%
2017	3.78%

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

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**Total OPEB Liability – School Department Health Insurance**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Discount</u>
	<u>Rate</u>
2019	3.87%
2018	3.58%

**Net OPEB Liability – Group Term Life Insurance**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - None related to the GTL plan. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Discount</u>
	<u>Rate</u>
2019	5.13%
2018	5.41%

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

## **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, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 15,249,655	13,407,739
Receivables:		
Accounts	203,451	224,474
Intergovernmental	170,132	76,407
Taxes - current year	833,145	891,740
Taxes - prior years	71,144	64,903
Tax liens	362,333	353,367
Tax acquired property	48,522	61,076
Prepaid expenditures	44,781	37,037
<b>Total assets</b>	<b>\$ 16,983,163</b>	<b>15,116,743</b>
<b>LIABILITIES</b>		
Accounts payable	1,448,379	941,733
Accrued payroll	1,656,275	1,960,959
Other liabilities	897,486	510,749
Interfund loans payable	2,156,664	2,421,432
<b>Total liabilities</b>	<b>6,158,804</b>	<b>5,834,873</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	869,000	889,000
<b>Total deferred inflows of resources</b>	<b>869,000</b>	<b>889,000</b>
<b>FUND BALANCE</b>		
Nonspendable	44,781	37,037
Restricted	622,406	432,201
Assigned	1,302,597	1,160,477
Unassigned	7,985,575	6,763,155
<b>Total fund balance</b>	<b>9,955,359</b>	<b>8,392,870</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,983,163</b>	<b>15,116,743</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, 2019**  
**(with comparative actual amounts for the year ended June 30, 2018)**

	Budget	Actual	Variance positive (negative)	2018 Actual
<b>Revenues:</b>				
Taxes:				
Property taxes	\$ 49,071,884	49,115,442	43,558	46,348,309
Supplemental taxes	-	41,639	41,639	50,680
Change in unavailable taxes	-	(36,168)	(36,168)	53,434
Excise taxes	3,429,000	3,620,460	191,460	3,528,947
Other	-	47,725	47,725	103,201
<b>Total taxes</b>	<b>52,500,884</b>	<b>52,789,098</b>	<b>288,214</b>	<b>50,084,571</b>
Licenses and permits:				
Town clerk fees	100,000	95,929	(4,071)	98,652
Plumbing permits	45,000	41,107	(3,893)	42,622
Parking stickers	130,000	165,950	35,950	159,948
Parking permits	-	6,000	6,000	6,000
Transfer station permits	35,000	44,733	9,733	38,468
Other permits and fees	1,000	13,160	12,160	12,642
<b>Total licenses and permits</b>	<b>311,000</b>	<b>366,879</b>	<b>55,879</b>	<b>358,332</b>
Intergovernmental:				
State Revenue Sharing	330,000	367,289	37,289	342,864
Homestead reimbursement	329,883	244,527	(85,356)	260,829
BETE reimbursement	10,310	10,402	92	4,548
General assistance reimbursement	35,000	13,260	(21,740)	8,200
Rural roads	230,000	231,784	1,784	233,636
Education subsidy	2,082,024	2,083,357	1,333	1,415,364
State agency clients	25,000	9,576	(15,424)	17,887
Other	-	38,592	38,592	35,354
<b>Total intergovernmental</b>	<b>3,042,217</b>	<b>2,998,787</b>	<b>(43,430)</b>	<b>2,318,682</b>
Charges for services:				
Parking ticket revenue	140,000	44,814	(95,186)	172,803
Meter collections	330,000	361,601	31,601	394,603
Community development code fees	300,000	302,900	2,900	381,693
Police department fees	1,500	11,923	10,423	14,074
Ellis Park fees	125,729	114,241	(11,488)	119,889
Public safety answering point	172,075	132,555	(39,520)	161,428
Animal control officer registrations	19,000	5,026	(13,974)	5,150
Cell tower rental	30,000	14,746	(15,254)	11,392
School charges for services	74,000	71,375	(2,625)	107,961
Impact fees	340,000	179,986	(160,014)	124,114
<b>Total charges for services</b>	<b>1,532,304</b>	<b>1,239,167</b>	<b>(293,137)</b>	<b>1,493,107</b>
Other:				
Interest revenue	152,000	313,527	161,527	233,906
Board of Appeals	-	1,800	1,800	1,400
Cable TV	210,000	222,678	12,678	122,247
Other school department revenues	114,688	168,533	53,845	119,646
Sale of property	-	205,610	205,610	57,686
Miscellaneous	87,000	61,895	(25,105)	30,629
<b>Total other</b>	<b>563,688</b>	<b>974,043</b>	<b>410,355</b>	<b>565,514</b>
<b>Total revenues</b>	<b>57,950,093</b>	<b>58,367,974</b>	<b>417,881</b>	<b>54,820,206</b>

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

	Budget	Actual	Variance positive (negative)	2018 Actual
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Board of selectmen	\$ 30,634	31,287	(653)	29,921
Town manager	518,527	527,315	(8,788)	661,564
Finance	484,419	401,675	82,744	356,663
Assessing	315,950	307,724	8,226	300,221
Code enforcement	527,753	530,678	(2,925)	436,819
Town clerk/tax collector	478,087	462,447	15,640	440,891
Elections	30,945	39,650	(8,705)	32,648
Town hall operations	230,550	234,588	(4,038)	194,283
Information technology	540,983	534,445	6,538	231,585
Insurance	560,228	522,772	37,456	499,668
Boards and committees	36,795	17,513	19,282	14,864
Cable TV	23,370	14,765	8,605	16,467
Contingency	50,000	31,188	18,812	27,092
Total general government	3,828,241	3,656,047	172,194	3,242,686
<b>Public safety:</b>				
Public safety services	5,142,964	5,051,825	91,139	4,742,810
Fire department	1,140,823	971,998	168,825	964,021
Hydrants	958,412	1,018,266	(59,854)	1,083,477
Public health	60,000	60,000	-	60,000
Total public safety	7,302,199	7,102,089	200,110	6,850,308
<b>Public works:</b>				
Maintenance	3,364,511	3,470,637	(106,126)	3,457,153
Transfer station and disposal services	1,571,363	1,541,664	29,699	1,419,881
Parking management	88,692	47,228	41,464	-
Municipal separate storm sewer	97,460	84,806	12,654	75,091
Total public works	5,122,026	5,144,335	(22,309)	4,952,125
<b>Parks and recreation:</b>				
Recreation administration	175,566	142,047	33,519	162,237
Senior center	331,914	332,121	(207)	307,260
Short Sands Park	57,860	54,111	3,749	56,138
Public buildings and grounds	1,047,213	1,051,449	(4,236)	964,973
Total parks and recreation	1,612,553	1,579,728	32,825	1,490,608
<b>Public assistance:</b>				
General assistance	74,105	35,201	38,904	30,049
Social services	41,100	41,100	-	41,700
Property tax relief	25,000	12,354	12,646	7,632
Total public assistance	140,205	88,655	51,550	79,381
Library	598,311	598,311	-	544,144
County tax	2,276,680	2,276,680	-	2,426,202
<b>Unclassified:</b>				
Overlay/abatements	409,270	72,014	337,256	49,066
Total unclassified	409,270	72,014	337,256	49,066

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

	Budget	Actual	Variance positive (negative)	2018 Actual
<b>Expenditures, continued:</b>				
<b>Current:</b>				
<b>Education:</b>				
Regular instruction	\$ 13,622,174	13,940,037	(317,863)	13,605,592
Special education instruction	5,876,196	5,668,259	207,937	5,408,598
Career and technical education	29,963	20,590	9,373	28,257
Other instruction	1,346,408	1,268,924	77,484	1,240,196
Student and staff support	2,924,582	2,870,169	54,413	2,778,274
System administration	1,060,479	1,185,001	(124,522)	1,109,940
School administration	1,641,885	1,572,042	69,843	1,490,614
Transportation	1,077,200	1,034,773	42,427	986,450
Facilities maintenance	3,579,332	3,536,166	43,166	3,286,877
Other	292,299	280,649	11,650	189,959
Debt service				
Principal	1,757,705	1,755,906	1,799	1,520,414
Interest	393,593	332,226	61,367	376,992
<b>Total education</b>	<b>33,601,816</b>	<b>33,464,742</b>	<b>137,074</b>	<b>32,022,163</b>
<b>Capital outlay:</b>				
Financial software	183,848	85,540	98,308	28,559
T.V. broadcast equipment	45,000	45,000	-	-
Voting machines	21,911	-	21,911	-
Town hall planning and design	30,000	10,000	20,000	-
Police vehicles	110,638	82,015	28,623	99,466
DOT facility	-	-	-	625,000
Roads and side walks	100,000	96,822	3,178	109,914
Fishermen's walk	29,320	-	29,320	3,400
Seawall repair	12,432	1,395	11,037	733
<b>Total capital outlay</b>	<b>533,149</b>	<b>320,772</b>	<b>212,377</b>	<b>867,072</b>
<b>Debt service:</b>				
Bond issuance costs	54,000	1,500	52,500	29,282
Principal	2,209,001	2,209,001	-	1,638,222
Interest	428,751	382,692	46,059	252,364
<b>Total debt service</b>	<b>2,691,752</b>	<b>2,593,193</b>	<b>98,559</b>	<b>1,919,868</b>
<b>Total expenditures</b>	<b>58,116,202</b>	<b>56,896,566</b>	<b>1,219,636</b>	<b>54,443,623</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(166,109)</b>	<b>1,471,408</b>	<b>1,637,517</b>	<b>376,583</b>
<b>Other financing sources (uses):</b>				
Carryforward balances	128,609	-	(128,609)	-
Appropriations for reserve accounts	(47,500)	(47,500)	-	(45,000)
Transfers to reserve accounts	-	(263,836)	(263,836)	(82,790)
Transfers from reserve accounts	85,000	85,536	536	362,724
Transfer from capital projects	-	369	369	-
Transfers to special revenue funds	-	-	-	(118,729)
Transfers to capital projects	-	-	-	(216,000)
Transfers to enterprise funds	-	(536)	(536)	(356)
Transfers from special revenue funds	-	-	-	212,163
Transfers from enterprise funds	-	165,528	165,528	122,703
<b>Total other financing sources (uses)</b>	<b>166,109</b>	<b>(60,439)</b>	<b>(226,548)</b>	<b>234,715</b>
<b>Net change in fund balance - budgetary basis</b>	<b>-</b>	<b>1,410,969</b>	<b>1,410,969</b>	<b>611,298</b>
<b>Reconciliation to GAAP:</b>				
Change in prepaid debt service	9,750			4,500
Change in reserves	141,770			(425,408)
<b>Net change in fund balance - GAAP basis</b>	<b>1,562,489</b>			<b>190,390</b>
<b>Fund balance, beginning of year - GAAP basis</b>	<b>8,392,870</b>			<b>8,202,480</b>
<b>Fund balance, end of year - GAAP basis</b>	<b>\$ 9,955,359</b>			<b>8,392,870</b>

## **CAPITAL PROJECT FUNDS**

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

**TOWN OF YORK, MAINE**  
**Capital Project Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For year ended June 30, 2019**

	Balance (deficits) beginning of year	Revenues				Expenditures			Transfers in (out)	Balance (deficits) end of year
		Interest	Bond Proceeds	Premium on Bonds	Other Revenues	Capital Outlay	Debt Service			
200 Capital improvements	\$ 290	-	-	38,526	-	-	290	-	-	38,526
201 Mitchell - airport drive	738,699	-	-	-	-	-	86,062	-	-	652,637
202 2018 road and sidewalk construction	-	7,543	1,000,000	-	-	759,897	-	(81,715)	-	165,931
204 2018 street sweeper	-	15	230,000	-	-	230,015	-	-	-	-
205 2018 wheeler plow truck	-	343	225,000	-	-	221,499	-	-	-	3,844
206 2018 patrol plow truck	-	1,178	167,000	-	-	152,418	-	-	-	15,760
207 2018 four wheel drive pick up	-	36	103,000	-	-	103,000	-	-	-	36
208 2018 Bog Road parking lot paving	-	915	100,000	-	-	91,589	-	-	-	9,326
209 2018 parks utility tractor	-	-	42,000	-	-	41,855	-	-	-	145
211 2018 York Beach Fire Dept. rescue truck	-	2,042	210,000	-	-	-	-	-	-	212,042
212 2018 York Middle School flooring	-	4,842	500,000	-	-	111,866	-	-	-	392,976
213 2018 School extension building	-	3,850	400,000	-	-	7,806	-	-	-	396,044
214 2018 Coastal Ridge playground	-	1,705	176,000	-	-	1,800	-	-	-	175,905
215 2018 school vehicles	-	106	80,000	-	-	76,750	-	-	-	3,356
221 Route 103	25,300	-	-	-	-	25,300	-	-	-	-
222 DPW dump truck	15,428	-	-	-	-	13,854	-	-	-	1,574
223 DPW dump truck wing	145	-	-	-	-	-	-	145	-	-
224 Parks pick up	638	-	-	-	-	-	-	638	-	-
225 PD microwave	403,630	2,043	-	-	-	405,673	-	-	-	-
226 Town hall IT upgrades	22,472	-	-	-	-	19,073	-	-	-	3,399
227 Public safety building	637,513	-	-	-	-	459,585	-	-	-	177,928
228 Connector road	108,239	-	-	-	33,107	141,346	-	-	-	-
229 Police station	368,593	-	-	-	-	278,778	-	-	-	89,815
240 LS bathhouse	32,769	-	-	-	-	29,011	-	-	-	3,758
250 Heavy duty plow truck	3	-	-	-	-	-	3	-	-	-
251 Cider hill reconstruction	45,438	227	-	-	-	45,665	-	-	-	-
<b>Subtotal</b>	<b>\$ 2,399,157</b>	<b>24,845</b>	<b>3,233,000</b>	<b>38,526</b>	<b>33,107</b>	<b>3,216,780</b>	<b>87,138</b>	<b>(81,715)</b>	<b>2,343,002</b>	

*continued*

**TOWN OF YORK, MAINE**  
**Capital Project Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For year ended June 30, 2019**

	Balance (deficits) beginning of year	Revenues			Expenditures		Transfers in (out)	Balance (deficits) end of year
		Interest	Bond Proceeds	Premium on Bonds	Other Revenues	Capital Outlay		
267	YSD 2013 issuance (VES roof)	\$ 29	-	-	-	-	-	(29) -
268	YSD 2015 issuance	211	-	-	-	-	-	(211) -
269	YHS auditorium	284,831	-	-	-	220,675	20,752	- 43,404
270	YHS office renovation	8,170	-	-	-	8,045	-	(125) -
271	CRES roof repairs	11,055	-	-	-	-	11,055	-
272	YMS parking lot	4,676	-	-	-	-	4,676	-
273	VES sliding door replacement	5,322	-	-	-	-	5,322	-
274	School passenger vehicle	71	-	-	-	71	-	-
275	Other school projects	16,139	-	-	-	-	14,950	- 1,189
276	YSD boiler room alarm	6,409	-	-	-	-	6,409	-
279	YHS alternative education	4	-	-	-	-	-	(4) -
280	Parks and rec pickup	562	-	-	-	-	562	-
283	DPW backhoe	330	-	-	-	-	330	-
288	Road paving	(81,715)	-	-	-	-	-	81,715 -
Subtotal		256,094	-	-	-	228,791	64,056	81,346 44,593
<b>Total Capital Projects</b>		<b>\$ 2,655,251</b>	<b>24,845</b>	<b>3,233,000</b>	<b>38,526</b>	<b>33,107</b>	<b>3,445,571</b>	<b>151,194 (369) 2,387,595</b>

## **OTHER GOVERNMENTAL FUNDS**

**TOWN OF YORK, MAINE**  
**Other Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2019**

	Special Revenue Funds				Clark	Total Other Governmental Funds
	Town Programs	School Lunch	Adult Education	School Special Revenues	Emerson Permanent Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	2,184	5,898	-	23,714	31,796
Accounts receivable	-	-	4,170	-	-	4,170
Intergovernmental	422,342	21,816	-	62,474	-	506,632
Inventory	-	20,903	-	-	-	20,903
Interfund loans receivable	-	-	-	42,414	-	42,414
<b>Total assets</b>	<b>\$ 422,342</b>	<b>44,903</b>	<b>10,068</b>	<b>104,888</b>	<b>23,714</b>	<b>605,915</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>						
Liabilities:						
Accounts payable	152,255	2,363	614	3,872	-	159,104
Accrued payroll	293	12,937	2,198	1,685	-	17,113
Unearned revenues	-	2,048	-	-	-	2,048
Interfund loans payable	441,433	336,699	91,820	-	3,155	873,107
<b>Total liabilities</b>	<b>593,981</b>	<b>354,047</b>	<b>94,632</b>	<b>5,557</b>	<b>3,155</b>	<b>1,051,372</b>
Fund balances (deficits):						
Nonspendable	-	-	-	-	20,529	20,529
Restricted	270,884	-	15,137	102,819	30	388,870
Committed	887,677	-	-	-	-	887,677
Unassigned	(1,330,200)	(309,144)	(99,701)	(3,488)	-	(1,742,533)
<b>Total fund balances (deficits)</b>	<b>(171,639)</b>	<b>(309,144)</b>	<b>(84,564)</b>	<b>99,331</b>	<b>20,559</b>	<b>(445,457)</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 422,342</b>	<b>44,903</b>	<b>10,068</b>	<b>104,888</b>	<b>23,714</b>	<b>605,915</b>

**TOWN OF YORK, MAINE**  
**Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2019**

	Special Revenue Funds				Clark	Total Other Governmental Funds
	Town Programs	School Lunch	Adult Education	School Special Revenues	Emerson Permanent Fund	
<b>Revenues:</b>						
Tax revenues	\$ -	-	149,823	-	-	149,823
Intergovernmental	468,501	156,582	73,760	517,995	-	1,216,838
Charges for services	88,912	533,470	46,467	13,541	-	682,390
Donations	-	-	-	59,161	-	59,161
Interest income	11,694	-	-	-	-	11,694
Other revenue	5,920	12,476	282	1,350	-	20,028
<b>Total revenues</b>	<b>575,027</b>	<b>702,528</b>	<b>270,332</b>	<b>592,047</b>	-	<b>2,139,934</b>
<b>Expenditures:</b>						
Current:						
Public safety	27,121	-	-	-	-	27,121
Public works	84,321	-	-	-	-	84,321
Other program expenditures	95,281	-	-	-	-	95,281
Education	-	895,188	271,565	596,617	-	1,763,370
Capital expenditures	1,501,358	-	-	-	-	1,501,358
<b>Total expenditures</b>	<b>1,708,081</b>	<b>895,188</b>	<b>271,565</b>	<b>596,617</b>	-	<b>3,471,451</b>
Excess (deficiency) of revenues over (under) expenditures	(1,133,054)	(192,660)	(1,233)	(4,570)	-	(1,331,517)
<b>Other financing sources (uses):</b>						
Transfers in	-	214,382	-	-	-	214,382
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>214,382</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214,382</b>
Net change in fund balances	(1,133,054)	21,722	(1,233)	(4,570)	-	(1,117,135)
Fund balances (deficits), beginning of year	961,415	(330,866)	(83,331)	103,901	20,559	671,678
<b>Fund balances (deficits), end of year</b>	<b>\$ (171,639)</b>	<b>(309,144)</b>	<b>(84,564)</b>	<b>99,331</b>	<b>20,559</b>	<b>(445,457)</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, 2019**

	Balance (deficit) beginning of year	Revenues				Expenditures	Balance (deficit) end of year
		Grants	Charges for Services	Other Revenues	Interest Income		
<b>Public Safety Grants:</b>							
413	ATV grants	\$ -	3,000	-	-	3,000	-
423	Seat belt	-	3,562	-	-	3,562	-
425	Speed grant	-	3,495	-	-	3,495	-
441	ATV spring grant	-	2,572	-	-	2,572	-
445	Drive sober Maine	-	6,477	-	-	6,477	-
447	Distracted driving grant	-	5,246	-	-	5,246	-
463	Ride team grant	-	2,769	-	-	2,769	-
406	Beach reserve	142,484	-	-	1,931	126,141	18,274
416	Maine partners initiative	152,859	-	-	-	23,278	129,581
440	Harbor dredge	252,953	-	24,133	-	1,268	279,975
442	Harbor/wharf	344,212	-	42,555	5,920	59,775	338,518
456	MMA wellness	521	2,250	-	-	2,514	257
471	York Beach TIF	134,391	-	-	-	-	134,391
476	DEP Cider Hill grant	-	95,000	-	-	95,000	-
477	Nature conservation grant	20,000	-	-	-	20,000	-
488	Long sands MPI grant	214,714	17,239	-	-	95,717	136,236
490	Performance accounts	191,872	-	22,224	-	92,767	121,329
492	Cape Neddick watershed grant	-	10,117	-	-	10,117	-
493	FEMA 4354 fall grant	(152,018)	-	-	-	56,955	(208,973)
494	FEMA 4367 spring grant	(340,573)	186,559	-	-	967,213	(1,121,227)
496	Causeway MPI grant	-	100,120	-	-	100,120	-
497	Rt. 1 and York Beach	-	30,095	-	-	30,095	-
<b>Total</b>		<b>\$ 961,415</b>	<b>468,501</b>	<b>88,912</b>	<b>5,920</b>	<b>11,694</b>	<b>1,708,081</b>
							<b>(171,639)</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, 2019**

	Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Center for Active Living	Totals
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 1,250	300	600	-	-	550	2,700
Accounts receivable	-	-	-	16,329	-	-	16,329
Inventory	-	-	85,373	-	-	-	85,373
Prepaid expenses	334	-	-	-	-	319	653
Interfund loan receivable	297,792	70,916	151,147	28,315	12,942	89,065	650,177
<b>Total current assets</b>	<b>299,376</b>	<b>71,216</b>	<b>237,120</b>	<b>44,644</b>	<b>12,942</b>	<b>89,934</b>	<b>755,232</b>
Noncurrent assets:							
Capital assets, net of depreciation	-	-	174,900	-	-	8,248	183,148
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>174,900</b>	<b>-</b>	<b>-</b>	<b>8,248</b>	<b>183,148</b>
<b>Total assets</b>	<b>299,376</b>	<b>71,216</b>	<b>412,020</b>	<b>44,644</b>	<b>12,942</b>	<b>98,182</b>	<b>938,380</b>
<b>LIABILITIES</b>							
Accounts payable	18,565	8,205	16,706	-	-	10,605	54,081
Accrued payroll	18,484	1,762	2,822	437	-	248	23,753
<b>Total liabilities</b>	<b>37,049</b>	<b>9,967</b>	<b>19,528</b>	<b>437</b>	<b>-</b>	<b>10,853</b>	<b>77,834</b>
<b>NET POSITION</b>							
Net investment in capital assets	-	-	174,900	-	-	8,248	183,148
Unrestricted	262,327	61,249	217,592	44,207	12,942	79,081	677,398
<b>Total net position</b>	<b>\$ 262,327</b>	<b>61,249</b>	<b>392,492</b>	<b>44,207</b>	<b>12,942</b>	<b>87,329</b>	<b>860,546</b>

**TOWN OF YORK, MAINE**  
**Nonmajor Proprietary Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the year ended June 30, 2019**

	Recreation	Mt. Agamenticus	Sohier Park	Outside Duty	Goodrich Park	Center for Active Living	Totals
<b>Operating revenues:</b>							
User fees	\$ 554,922	5,926	330	91,987	-	305,546	958,711
Sponsorships/memberships	59,800	-	-	-	-	7,735	67,535
Gift shop sales	-	2,799	585,630	-	-	-	588,429
Rental income	-	82,465	-	-	7,200	-	89,665
Donations	-	36,815	11,960	-	-	3,831	52,606
Miscellaneous	-	-	800	-	-	-	800
<b>Total operating revenues</b>	<b>614,722</b>	<b>128,005</b>	<b>598,720</b>	<b>91,987</b>	<b>7,200</b>	<b>317,112</b>	<b>1,757,746</b>
<b>Operating expenses:</b>							
Cost of goods	16,178	11,280	269,521	-	-	35,859	332,838
Salaries and benefits	294,573	74,132	107,446	84,741	-	8,371	569,263
Training, meetings, and travel	3,318	557	2,994	-	-	143	7,012
Maintenance	594	5,734	-	-	-	5,376	11,704
Office expenses	22,788	4,013	3,618	-	-	5,640	36,059
Supplies	51,359	13,618	12,326	-	981	12,396	90,680
Contracts	154,610	16,942	20,145	-	1,775	249,272	442,744
Utilities	-	2,657	198	-	2,182	-	5,037
Fuel	-	-	-	-	-	2,680	2,680
Depreciation	-	-	5,070	-	-	16,495	21,565
<b>Total operating expenses</b>	<b>543,420</b>	<b>128,933</b>	<b>421,318</b>	<b>84,741</b>	<b>4,938</b>	<b>336,232</b>	<b>1,519,582</b>
<b>Operating income (loss)</b>	<b>71,302</b>	<b>(928)</b>	<b>177,402</b>	<b>7,246</b>	<b>2,262</b>	<b>(19,120)</b>	<b>238,164</b>
Transfers in	-	-	-	536	-	-	536
Transfers out	-	-	(165,528)	-	-	-	(165,528)
<b>Change in net position</b>	<b>71,302</b>	<b>(928)</b>	<b>11,874</b>	<b>7,782</b>	<b>2,262</b>	<b>(19,120)</b>	<b>73,172</b>
<b>Total net position, beginning of year</b>	<b>191,025</b>	<b>62,177</b>	<b>380,618</b>	<b>36,425</b>	<b>10,680</b>	<b>106,449</b>	<b>787,374</b>
<b>Total net position, end of year</b>	<b>\$ 262,327</b>	<b>61,249</b>	<b>392,492</b>	<b>44,207</b>	<b>12,942</b>	<b>87,329</b>	<b>860,546</b>

## **SCHEDULE**

**TOWN OF YORK, MAINE**  
**General Fund Reserves**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For year ended June 30, 2019**

		Balance beginning of year			Charges for Services	Appropriations	Expenditures	Transfers in	Transfers out	Balance end of year
131	Lawns to lobsters	\$ 5	-	-	-	-	5	-	-	-
133/483	Iron/Metal Recycling	33,148	-	-	10,236	-	-	-	-	43,384
134	Fire Equipment	268	-	-	-	-	-	-	(536)	(268)
400	Munis implementation	-	-	-	-	-	36,289	98,308	-	62,019
401	350th	5,384	85	-	-	-	-	-	-	5,469
403	Academic reimbursement	8,021	127	-	-	-	-	-	-	8,148
404	Animal welfare	22,916	-	-	-	-	-	-	-	22,916
408	Building	5,180	385	-	-	-	-	-	-	5,565
412	Capital equipment	155,013	1,423	-	-	-	-	-	(85,000)	71,436
414	CEO	569,361	-	-	114,892	-	-	-	-	684,253
422	Earned time	129,763	2,690	-	-	40,000	9,378	-	-	163,075
426	York Beach fire truck	2,026	32	-	-	-	-	-	-	2,058
428	Fishermen's Fund	1,034	16	-	-	-	-	-	-	1,050
430	Fishermen's Memorial	999	16	-	-	-	-	-	-	1,015
438	LS bathhouse fundraising	250	-	73,064	-	-	44,217	-	-	29,097
450	Hoist repair	10,644	-	-	950	-	-	-	-	11,594
460	Sohier Park building	45,397	656	9,483	-	-	143,800	110,000	-	21,736
470	Sohier Park maintenance	-	-	-	-	-	55,528	55,528	-	-
478	Unemployment	6,704	210	-	-	7,500	1,562	-	-	12,852
479	Village lights	2,384	-	855	-	-	1,533	-	-	1,706
480	Wheeler trust	1,874	-	-	-	-	1,874	-	-	-
486	Construction settlement	30,962	-	-	-	-	4,429	-	-	26,533
495	Park director retirement	535	-	-	-	-	535	-	-	-
<b>Total</b>		<b>\$ 1,031,868</b>	<b>5,640</b>	<b>83,402</b>	<b>126,078</b>	<b>47,500</b>	<b>299,150</b>	<b>263,836</b>	<b>(85,536)</b>	<b>1,173,638</b>