

Town of Cape Elizabeth, Maine Annual Report for 2016





TOWN OF CAPE ELIZABETH

P.O. Box 6260
320 OCEAN HOUSE ROAD
CAPE ELIZABETH, MAINE 04107-0060

MICHAEL K. McGOVERN
Town Manager

799-5251
AREA CODE 207
FAX 799-7141
E-Mail: cetm@maine.rr.com
Website: www.capeelizabeth.com

To the Citizens of Cape Elizabeth:

Submitted herewith is the Annual Report for 2016:

This report provides an overview of the financial status of the town of the year ending June 30, 2016 and also contains headlines for the 2016 calendar year which show that it was another productive year for the community.

The year 2016 was highlighted with the opening of a new Thomas Memorial Library, a major renovation of the Donald Richards Pool, the opening of the Children's Garden at Fort Williams Park and the transition of community services to be a municipal department.

In late August, I announced my intent to retire as town manager of Cape Elizabeth effective December 31, 2016. It has been a true honor to work with so many dedicated citizens and staff members over the last 31 years as town manager and another 8 years from when I first began serving as an intern to then town manager Quentin B. Spector.

In closing, I wish to thank Council Chair Molly MacAuslan for her leadership during 2016, and also thank all the elected officials I have had the pleasure of working with as they have sought to advance our community. Cape Elizabeth also has tremendous staff members who serve all of us in so many capacities and volunteers who do so much for our community. We are indebted to all of them.

Respectfully submitted,

Michael K. McGovern, Town Manager

Town Appointed Officials- 2016

Town Manager

Michael K. McGovern

Assistant Town Manager

Debra M. Lane

Assessor

Matthew Sturgis

Auditor

Runyon Kersteen and Ouellette

Bond Counsel

James Saffian

Chief of Police

Neil R. Williams

Code Enforcement Officer

Benjamin McDougal

Community Services Director

Russell Packett

Director of Public Works

Robert C. Malley

Emergency Preparedness Director

A. Charles Kennedy

Fire Chief

Peter Gleeson

General Assistance Administrator

Michael McGovern

Contracted to Opportunity Alliance

Harbormaster

Ian Anderson(Scarborough Contract)

Library Director

Kyle Neugebauer

Museum at Portland Head Light Director

Jeanne Gross

Municipal Comptroller

Catherine Messmer

Town Attorney

Thomas G. Leahy

Town Clerk

Debra M. Lane

Town Engineer

Stephen D. Harding

Town Planner

Maureen O'Meara

Treasurer/Tax Collector

Michael K. McGovern

Tree Warden

Michael Duddy

Other Officials

CETV Coordinator- Wendy Derzawiec

Children's Librarian- Rachel Davis

Deputy Fire Chief Eric Wellman

Deputy Fire Chief- Stephen Young

Deputy Town Clerk- Victoria Gilman

Highway Supervisor-James Green

Police Captain-Brent Sinclair

Spurwink Church Greeter- Janet

Hannigan

Webmaster-Wendy Derzawiec

School Officials

Superintendent of Schools

Meredith Nadeau to June 30, 2016

Howard Colter from July 1, 2016

Business Manager

Catherine Messmer

Director of Special Services

Jessica Clark

Director of Teaching and Learning

Cathy Stankford

Technology Coordinator

Noel Harroff

Facilities and Transportation Manager

Gregory Marles

Food Services Manager

Peter Esposito

Athletic Administrator

Jeffrey Thoreck

Cape Elizabeth High School

Jeffrey Shedd, Principal

Nathan Carpenter, Assistant Principal

Cape Elizabeth Middle School

Michael Tracy, Principal

Douglas Perley, Assistant Principal

Pond Cove Elementary School

Kelly Hasson, Principal

Theresa Curran, Assistant Principal

BOARDS AND COMMITTEES

2016

Updated 8/10/2016

TOWN COUNCIL

		TERM EXPIRES	
Martha (Molly) MacAuslan, Chair	37 Park Circle	12/2016	799-2008
Caitlin R. Jordan	83 Old Ocean House Road	12/2016	799-7743
Patricia K. Grennon	8 Sea Barn Road	12/2017	799-8547
Katharine N. Ray	532 Spurwink Avenue	12/2017	799-0179
James M. (Jamie) Garvin	76 Oakhurst Road	12/2018	
Sara W. Lennon	54 Cranbrook Drive	12/2018	
Jessica L. Sullivan	P.O. Box 6238	12/2018	331-7199

SCHOOL BOARD

Susana Measelle Hubbs	18 Belfield Road	12/2016	
Michael C. Moore	10 Manor Way	12/2016	899-1678
Joanna L. Morrissey	20 Old Fort Road	12/2017	799-5237
Barbara S. Powers	5 Fox Hill Road	12/2017	799-7875
Heather W. Altenburg	31 Olde Colony Lane	12/2018	508-737-3750
Elizabeth K. Scifres, Chair	22 Longfellow Drive	12/2018	767-0967
John C. Voltz	33 Philip Road	12/2018	619-7800

BOARD/COMMISSION

TERM EXPIRES

ASSESSMENT REVIEW, BOARD OF

David B. Scheffler	12 Pheasant Hill Road	12/31/2016
Michael R. Connell*	6 Gladys Road	12/31/2017
John McAnuff*	65 Stonybrook Road	12/31/2018

COMMUNITY SERVICES COMMITTEE

Amy Lombardo	11 Leighton Farms Road	12/31/2016
Sarah MacColl, Chair	4 Avon Road	12/31/2016
Tara Simpoloulos	19 Salt Spray Lane	12/31/2017
Joseph Whalen	3 Wainwright Drive	12/31/2017
Trish Brigham	34 Rock Crest Drive	12/31/2018
Debbie Butterworth	21 McAuley Road	12/31/2018
Terri Patterson	15 Surf Road	12/31/2018

CONSERVATION COMMITTEE

Garvan D. Donegan	12 Cranbrook Drive	12/31/2016
Jim Tasse Chairman	30 Cliff Avenue	12/31/2016
Zach Matzkin	77 Scott Dyer Road	12/31/2016
Mark Fleming	54 Hunts Point Road	12/31/2017
Jeremy Gabrielson	5 Rocky Knoll Road	12/31/2017
Marti Blair* Secretary	3 Cedar Ledge Road	12/31/2018
Mitch Wacksman	9 Bayberry Lane	12/31/2018

Town Council Liaison – Molly MacAuslan

FORT WILLIAMS PARK COMMITTEE

Donald E. Clark	618 Shore Road	12/31/2016
Charles Wilson	337 Mitchell Road	12/31/2016
Joseph Kozlowski	31 Park Circle	12/31/2017
Suzanne McGinn	1180 Shore Road	12/31/2017
Chris Straw	597 Shore Road	12/31/2017
Stephen T. Lyons	52 Scott Dyer Road	12/31/2018
Mark D. Russell, Chair	8 Sweet Fern Road	12/31/2018

Town Council Liaison – Jessica L. Sullivan

PERSONNEL APPEALS BOARD

Leonard Cole	11 Fieldstone Road	12/31/2016
Patricia Rzeszutko	6 Waumbek Road	12/31/2017
Dawn M. Harmon	17 Fieldstone Road	12/31/2018

PLANNING BOARD

Elaine S. Falender	16 Mares Hollow Lane	12/31/2016
Henry Steinberg	13 Hunts Point Road	12/31/2016
Josef Chalot	12 Channel View Road	12/31/2017
Peter L. Curry, Chair	8 Stonybrook Road	12/31/2017
Carol Anne Jordan	21 Wells Road	12/31/2018
Jonathan Sahrbeck	60 Longfellow Drive	12/31/2018
Victoria Volent	58 Cottage Farms Road	12/31/2018

Town Council Liaison – Katharine N. Ray

RECYCLING COMMITTEE

Peter Frye , Chairman	28 Southwell Road	12/31/2016
Kara Lavender Law Secretary	31 McAuley Road	12/31/2016
William Schmitz	10 Sweet Fern Road	12/31/2016
Tracy Floyd	5 Fairway Drive	12/31/2017
Jennifer H. MacDonald	5 Olde Colony Lane	12/31/2017
Matthew Faulkner	61 Beach Bluff Terrace	12/31/2018

Aubrey Miller 2 Pine Ridge Road 12/31/2018

Town Council Liaison – Sara W. Lennon

RIVERSIDE CEMETERY COMMITTEE

Sharon Smarc 84 Oakhurst Road 12/31/2016
Gerald B. Sherry 19 Starboard Drive 12/31/2017
Jessie Timberlake, Chair 29 Oakhurst Road 12/31/2018

Town Council Liaison – Jamie Garvin

THOMAS MEMORIAL LIBRARY COMMITTEE

RuthAnne Haley , Chair 49 Brentwood Road 12/31/2016
Martha Palmer 7 Pilot Point Road 12/31/2016
VACANT 12/31/2016
Gil Brennan 4 Baker Road 12/31/2017
Julia Bassett Schwerin* 35 Trundy Road 12/31/2017
Becky Fernald 313 Mitchell Road 12/31/2018
Deborah Peck 21 Cottage Farms Road 12/31/2018

Town Council Liaison – Patricia K. Grennon

Representative to Library Foundation – James M. Garvin

BOARD OF ZONING APPEALS

John K. Craford 97 Stonybrook Road 12/31/2016
Michael Tadema-Wielandt 26 Woodcrest Road 12/31/2016
Michael F. Vaillancourt 55 Stonybrook Road 12/31/2016
Josh Carver, Chairman 40 Stonybrook Road 12/31/2017
Stanley Wisniewski 25 Littlejohn Road 12/31/2017
Matthew Caton 15 Hannaford Cove Road 12/31/2018
Aaron Mosher 6 Leighton Farm Road 12/31/2018

Town Council Liaison – Caitlin R. Jordan

FIRING RANGE COMMITTEE

Caitlin R. Jordan Town Council
Cathy Kline 66 Cross Hill Road Member at Large
Sara W. Lennon Town Council
Benjamin Macisso 17 Brentwood Road Member at Large, Certified Firearms Instructor

FAIR HEARING OFFICER - GENERAL ASSISTANCE

David S. Sherman, Jr. 876 Shore Road 12/31/2018

REGISTRAR OF VOTERS

Debra M. Lane

1/1/2017

REGISTRATION APPEALS BOARD

Anne E. Swift-Kayatta, Chairman	14 Stone Bridge Road	Term to expire April 14, 2018 Terms to expire May 9, 2019
Nolan L. Reichl	1 Rock Crest Drive	Democratic Town Committee Nomination
Karen M. Hessel (Alternate)	45 Wildwood Drive	Democratic Town Committee Nomination
Janet M. Corey	27 Trundy Road	Republican Town Committee Nomination
Timothy L. Thompson (Alternate)	6 Pine Ridge Road	Republican Town Committee Nomination

AD HOC COMMITTEES

FAMILY FUN DAY COMMITTEE Volunteers (Updated 3/2015)

Frank Butterworth, Co-Chairman	21 McAuley Road
Steve Culver	
Rich Daniels	
Rose Kennealy	16 High View Road
Sandra Levine	
John LoBosco	21 Fessenden Road
Jean Ginn Marvin	49 Cranbrook Drive
Ann Perrino	801 Shore Road
Karen Pride, Co-Chairman	515 Mitchell Road
Chuck Redman	58 Kettle Cove Road
Lauren Springer	4 Cottage Lane

ALTERNATIVE ENERGY COMMITTEE 2016

Established 1/4/2016

Term Expires 12/31/2016

Wes Doane	14 Eastman Road
James V. Masi	242 Spurwink Avenue
Laurenz Schmidt	3 Hunts Point Road
Julia Bassett Schwerin, Chairman	35 Trundy Road
Richard W. (Rick) Smith	17 Cross Hill Road

TENNIS-PICKELBALL ADHOC COMMITTEE

Donald Clark
Joe Kozlowski
Sarah MacColl
Tara Simopoulos

BOTTLE SHED COMMITTEE

Officer David Galvin

CEPD

Melanie Thomas
Adrienne Murphy

6 Starboard Drive
32 Philip Road

TOWN STATISTICS

FY 1	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
BIRTHS	63	61	50	45	49	43	46	56	64	60
DEATHS	44	63	76	66	62	46	47	62	83	70
MARRIAGES	65	43	65	43	51	55	62	101	75	67
TOWN COUNCIL MEETINGS	13	18	17	26	21	26	28	28	24	28
TOTAL VALUATION (MILLIONS)	\$ 1,296.3	\$ 1,311.7	\$ 1,323.2	\$ 1,334.8	\$ 1,349.5	\$ 1,653.0	\$ 1,652.7	\$ 1,659.3	\$ 1,668.7	\$ 1,682.9
TOTAL TAX RATE	\$ 16.16	\$ 16.46	\$ 17.44	\$ 17.54	\$ 17.86	\$ 15.18	\$ 15.84	\$ 16.28	\$ 16.80	\$ 16.88
TOWN TAX RATE	\$ 3.59	\$ 3.67	\$ 4.05	\$ 4.03	\$ 4.01	\$ 3.37	\$ 3.37	\$ 3.54	\$ 3.54	\$ 3.80
SCHOOL TAX RATE	\$ 11.58	\$ 11.79	\$ 12.34	\$ 12.54	\$ 12.89	\$ 10.98	\$ 11.50	\$ 11.70	\$ 12.19	\$ 11.94
SEWER MIN. MONTHLY CHARGE	\$ 34.50	\$ 34.50	\$ 34.84	\$ 36.25	\$ 37.70	\$ 40.00	\$ 43.00	\$ 46.00	\$ 48.00	\$ 49.50
MUNICIPAL SPENDING	\$ 9,964,594	\$ 10,471,759	\$ 9,885,784	\$ 9,288,023	\$ 9,863,490	\$ 10,360,816	\$ 11,295,379	\$ 9,978,370	\$ 10,839,595	\$ 11,305,945
SCHOOL SPENDING	\$ 18,035,452	\$ 18,624,631	\$ 18,858,306	\$ 18,833,280	\$ 19,339,877	\$ 20,184,134	\$ 21,247,797	\$ 24,269,794	\$ 24,363,115	\$ 24,485,518
STATE REVENUE SHARING	\$ 702,395	\$ 740,197	\$ 667,238	\$ 599,840	\$ 610,263	\$ 631,898	\$ 649,052	\$ 457,856	\$ 439,951	\$ 456,950
STATE EDUCATION FUNDING	\$ 2,655,082	\$ 2,836,183	\$ 2,654,038	\$ 1,250,711	\$ 1,953,465	\$ 2,297,953.0	\$ 1,828,806	\$ 2,620,194	\$ 2,482,137	\$ 3,403,682
EXCISE TAX INCOME	\$ 1,767,055	\$ 1,745,840	\$ 1,654,447	\$ 1,629,716	\$ 1,637,278	\$ 1,674,638	\$ 1,733,151	\$ 1,799,956	\$ 1,961,487	\$ 2,082,448
MOTOR VEHICLE REGISTRATIONS	8,913	8,764	8,509	8,749	8,825	8,849	8,924	9,045	9,138	9,158
ONLINE MOTOR VEHICLE REGS	1,085	1,159	1,283	1,322	1,428	1,494	1,622	1,626	1,716	1,782
% VEHICLES REGISTERED ONLINE	12.2%	13.2%	15.1%	15.1%	16.2%	16.9%	18.2%	18.0%	18.8%	19.4%
REGISTERED VOTERS		6,947	7,441	7,654	7,507	7,886	7,865	7,681	7,736	7,819
UNDESIGNATED FUND BALANCE	\$ 2,093,201	\$ 2,151,825	\$ 2,164,739	\$ 3,061,548	\$ 2,787,407	\$ 2,938,357	\$ 3,139,462	\$ 2,828,826	\$ 3,238,780	\$ 3,534,177
TOTAL DEBT OWED	\$ 25,939,635	\$ 26,297,164	\$ 24,093,100	\$ 22,067,420	\$ 19,998,958	\$ 18,122,786	\$ 16,053,815	\$ 13,807,003	\$ 17,247,295	\$ 15,569,641
COMM SVCS PROGRAMS	674		717	687	709	748	994	830	823	799
LIGHTHOUSE VOLUNTEER HRS.	2,824	2,884	2,860	2,836	2,853	2,820	2,880	2,898	2,925	2,994
PTLD HEAD LIGHT GIFT SALES	\$ 479,987	\$ 508,334	\$ 458,200	\$ 501,919	\$ 519,281	\$ 505,801	\$ 518,855	\$ 509,824	\$ 511,314	\$ 562,577
NEW SINGLE FAMILY HOMES	10	8	11	12	16	12	3	19	15	14
SINGLE FAMILY HOMES REPLACED	1	3	2	1	1	4	1	3	6	2
NEW CONDOMINIUMS	-	-	-	0	0	0	7	5	10	8
POLICE ARRESTS	106	96	64	95	98	74	87	66	68	68
POLICE COMPLAINTS INVESTIG.	675	535	488	534	477	491	546	529	474	559
SUMMONSES	636	492	438	787	830	614	592	526	535	455
PARKING TAGS	206	111	149	118	103	224	120	94	119	194
RESCUE CALLS	485	477	443	445	422	613	617	733	699	751
FIRE CALLS	570	270	357	305	248	252	261	253	309	298
VEHICLE CRASHES	106	118	94	69	77	96	83	92	92	87
WETEAM CALLS	27	20	20	15	8	11	13	20	10	17
PUBLIC SAFETY TRAINING HOURS	4,304	3,120	3,825	3,606	2,922	2,243	6,605	4,026	3,148	2,150
PUB. SAFETY VOLUNTEER HRS.	11,835	10,501	11,689	10,123	9,996	10,750	11,286	11,991	12,451	7,952
FIRE/ POLICE UNIT CALLS	95	95	108	115	144	137	130	135	153	131
REGISTERED MOORINGS	95	103	96	84	89	76	67	41	36	57
SILVER BULLET BIN RECYCLING	760	1,037	1,146	1,160	1,262	1,147	1,130	1,152	1,159	1,198
TONS OF SOLID WASTE	3,978	3,275	2,877	2,626	2,603	2,523	2,493	2,473	2,422	2,188
MILES OF TOWN ROADS	62.36	62.36	62.36	62.36	62.36	62.36	62.36	62.36	62.71	62.71
INCHES OF SNOW PLOWED	55	103	81.1	37	78.7	74.2	98	81.8	94.5	51.8
MILES OF ROADS RESURFACED	2.09	2.25	2.75	2.48	1.93	2.06	0.35	2.28	3.61	6.12
SCHOOL POPULATION	1,813	1,784	1,738	1,708	1,705	1,683	1,670	1,675	1,647	1,620
FULL TIME EQUIV. TEACHERS	160	160	161	159	159	158	160	162	163	162.5
FULL TIME MUNICIPAL EMPLOYEES	57	55	54	53	50	48	48	48	48	48
LIBRARY CIRCULATION	135,483	138,338	157,352	156,948	149,590	150,267	152,657	143,719	126,244	128,962
PLANNING BOARD AGENDA ITEMS	24	27	18	35	20	28	18	33	33	23
PB WORKSHOP AGENDA ITEMS	20	27	21	23	26	20	21	32	35	29
ZONING BOARD AGENDA ITEMS	6	3	4	3	2	3	12	26	13	23

Town Headlines for 2016

Thank you to Webmaster Wendy Derzawiec who wrote all these articles for www.capeelizabeth.com

Some have been edited for this report for brevity.

Town Council goals for 2016 incorporate citizen input

The Town Council on Jan. 4, 2016 adopted a list of 44 goals for the year, organized into five categories: Ordinances and Policies, Communications and Outreach, Budget and Finance, Sustainability, and Facilities and Property.

Each has a council member taking leadership for the goal, a staff leader and a projected date for a report to the council. [[download spreadsheet](#)]

Prior to adopting the goals, Town Council Chair Molly MacAuslan thanked fellow councilors, and the public, for their input on formulating the goals. Public input was a focus on the goal-setting process this year, including a public forum and a citizen survey.

Here are the council's goals for 2016:

Ordinances and Policies

- Develop a plan to update the Town's Comprehensive Plan
- Take action on recommendations of the Senior Citizens Advisory Committee
- Review with the Cape Elizabeth School Board the Community Services Program and its oversight.
- Review the boards and commissions ordinance reviewing the terms of reference for all committees
- Consider a plan for 100% cell coverage for the community.
- Review all policies relating to archery hunting in the community.
- Update the sign ordinance.
- Update the Harbors Report originally prepared in the late 1980s.
- Receive a report on the firing range permit for the Spurwink Rod and Gun Club
- Review obstacles that detract from businesses locating in the town center zone.

Communications and Outreach

- Conduct a citizen survey that benchmarks responses from other communities with Cape Elizabeth's responses.
- Provide regular updates to citizens via email.
- Continue and expand citizen roundtables to gather citizen input and to encourage a dialogue as part of these roundtables.
- Enhance communication with the school board with a meeting early in 2016.
- Clarify roles and responsibilities for council review of the school budget.
- Collaborate with local organizations seeking to enhance community livability including the CELT. CEEF,
- Fort Wms, Park Foundation, TML Foundation and Cape Farm Alliance
- Update the website for Portland Head Light.
- Engage with the State of Maine on issues relating to the state parks.
- Address the Ralph Gould Award early in 2016
- Enhance board training and board goal setting

Budget and Finance

- Utilize a business model to review goals including looking at their costs, direct and indirect and how costs will be paid for.
- Provide a hold harmless provision in the adopted annual budget if the state sch.subsidy should fall short of the budgeted amt.
- Review opportunities to provide additional revenue at Fort Williams Park.
- Review revenues from sources other than the property tax.
- Seek opportunities for personnel sharing with neighboring communities.

Facilities and Property

- Improve the pedestrian experience in the town center looking at speed limits, lighting and crosswalks.
- Develop a plan to improve pedestrian access on Scott Dyer Road and to Fowler Road.
- Develop a plan to beautify the town center including plantings, banners and other low cost initiatives.
- Approve a plan for reuse of the former library building.
- Review obstacles that detract from businesses locating in the town center zone.
- Develop a plan for the improvement of Hill Way.
- Approve a plan to improve humidity control and update the chlorination system at the Donald Richards Pool.
- Review and approve a conceptual plan for the bleacher area of Fort Williams Park.
- Schedule a citizen vote on the report of the Solid Waste and Recycling Long Range Planning Committee.

01/12/2016

School Board accepts resignation of superintendent headed for new job in New Hampshire

The School Board on Jan. 12, 2016 accepted the resignation of Superintendent Meredith Nadeau, effective June 30. Nadeau is slated to begin a new job July 1 as superintendent of the [Newmarket School District](#) in Newmarket, N.H.

"Certainly the board knows this has been a bittersweet decision for me as well," Nadeau said following School Board member Michael Moore's reluctant motion to accept her resignation. "The district in New Hampshire happens to be the district where my grandmother and great-grandmother graduated from high school, which is a unique opportunity for me," she said. Newmarket School Board Chairman Nathan Lunney announced Nadeau's appointment in a [news release](#) Jan. 12.

Nadeau came to Cape Elizabeth from the Oyster River Cooperative School District, Durham, N.H., in July 2011, a time when Common Core and proficiency based standards were being introduced to Maine schools.

During her five-year tenure, Nadeau oversaw development of a new [mission and vision statement](#) and accompanying statement of values for Cape Elizabeth schools, and a strategic plan to execute them. This work has included an implementation of full-day kindergarten, introduction of foreign-language instruction in first grade, development of project-based learning models, and long-term planning for capital improvements.

In 2015 she was among 27 superintendents to earn the first National Superintendent Certification from [AASA, the School Superintendent's Association](#).

Love, music in the air as library hosts a Saturday of live small-group performances Feb. 13

Love - and music - will be in the air as the the Thomas Memorial Library hosts a series of live musical performances throughout the day on Saturday, Feb. 13, 2016. The program is part of a monthlong celebration of the opening of the new library. [[download event schedule](#)]

On Feb. 13, the day before Valentine's Day, top area musicians will perform love ballads and romantic upbeat tunes on the lower level, while strolling thespians read aloud love sonnets throughout the day to show our love for our new library and get you in the mood. Come to the library Feb. 13 and really feel the love!

01/28/2016

Ribbon-cutting to mark opening of new Thomas Memorial Library Feb. 8

A ribbon-cutting ceremony will mark the opening of the new Thomas Memorial Library at 9 a.m. Monday, Feb. 8, 2016. The ceremony will be held at the library entrance. All are invited.

Normal library hours will resume at the new facility on Thursday, Feb. 4, four days before the ribbon-cutting. No ceremony is planned for the "quiet" reopening. A reception for library donors, sponsored by the Thomas Memorial Library Foundation, is scheduled for the evening of Feb. 2.

Cape farmer Norm Jordan recognized for outstanding citizenship

Norm Jordan - Cape Elizabeth farmer, local historian, archivist and activist - is the 2016 recipient of the Ralph Gould Award for Outstanding Citizenship.

The lifelong resident of Cape Elizabeth and proprietor of "[The Farm](#)" at Fowler and Ocean House roads has been a valuable resource to his fellow citizens, Town Councilor Jessica Sullivan said at the award presentation Feb. 8, 2016. "For those of us who have lived here for years, and those of us who have just arrived," Sullivan said.

Most recently Jordan served on the town's 250th Anniversary Committee and the Senior Citizens Advisory Commission. In 2008 he served on the first library study committee as a representative of the [Cape Elizabeth Historical Preservation Society](#), an organization he has belonged to for many years and has served as past president.

"He is well known for generously availing himself to many people wanting to learn more about the history of Cape Elizabeth, or, for example, the history of the old farmhouse they just bought," Sullivan said.

Jordan graduated from Cape Elizabeth High School in 1953, and served in the U.S. Army in the late 1950s before returning home to Cape Elizabeth. After his father died in 1985, he moved from Shore Road back to the farm where he grew up, Sullivan said.

"The Farm", as Jordan calls it, is locally famous for its flowers and has been for many generations, Sullivan said. Selling flowers, raspberries and even some Christmas trees by the honor system, the farm operates in the best of Cape Elizabeth's old-time traditions.

Jordan carries on traditions in other ways, active in the national organization named for his ancestor Robert Jordan, the original settler of Cape Elizabeth. Norm Jordan serves as the group's contact in Cape Elizabeth, and has nurtured a Jordan Family file for the Cape Elizabeth Historical Preservation Society for nearly 10 years, Sullivan said. And, when the town was considering parking fees for Fort Williams Park, Jordan campaigned to keep the park free.

In accepting the award, Jordan demonstrated his gift for story-telling, pointing to areas of the Town Hall chamber and remembering their uses as a stage, or as the corner for fourth-graders, when he attended school in the building.

His knowledge of Cape Elizabeth history is legendary, and members of the town committees he's served on agree: "Norm's stories of Cape's history always bring tremendous perspective - and fun - to the business at hand," Sullivan said.

Norm Jordan is the 27th recipient of the Ralph Gould award, established in 1986 to recognize the community service of Ralph Gould and those who continue to serve Cape Elizabeth.

03/15/2016

Five appointed to new, ad hoc Alternative Energy Committee

Five Cape Elizabeth residents have been appointed to a new, ad hoc Alternative Energy Committee, charged with exploring opportunities for providing alternative energy for municipal and school buildings and vehicles.

At their meeting March 14, 2016, town councilors approved the appointment of **Wes Doane, James V. Masi, Laurenz Schmidt, Julia Bassett Schwerin** and **Richard W. (Rick) Smith**.

Eighteen applied for a slot on the committee, said Councilor Patty Grennon, chair of the appointments subcommittee. "It was a very decision who to choose," said Grennon. "They were all passionate and incredibly smart and talented, with particular expertise in this field."

The committee's work product will be a report to the Town Council providing specific proposals and cost estimates for using alternative energy. This includes use of town and school buildings and land for solar energy.

Grennon and subcommittee members Kathy Ray and Jamie Garvin said they were impressed by the number and caliber of those who applied. "I've never been on a committee where we were looking for committee members and had so many," said Ray. Garvin said, "It could not have been a more impressive group of people who came forward for this, and the sheer number of them as well, it was really gratifying to see the number of people expressing interest."

03/29/2016

Scarborough official sworn in as new Cape harbormaster

Ian Anderson, marine resources officer and harbormaster for the Town of Scarborough, was sworn in as Cape Elizabeth harbormaster on March 29, 2016.

The Town Council on March 14 unanimously approved an [interlocal agreement](#) with Scarborough to share harbormaster services with that town.

The agreement provides for approximately 155 hours of service annually at a cost of \$5,500, up from the \$4,000 the town has spent for a part-time harbormaster.

Town Manager Michael McGovern called the agreement a move from a 1950s-style approach to a 2000s approach to providing harbor services. "We'll have a harbormaster that is a sworn police officer, has been also a marine patrol officer for the state of Maine ... he'll have not only one boat available to him but two boats," McGovern said. "I think its a real opportunity to improve the level of service that we're providing to both the commercial interests as well as to recreational interests," he said.

Mooring permit holders and others interested in the program had a chance to meet with Anderson and to learn more at a meeting March 23.

The swearing-in March 29 affirmed Anderson's appointment as harbormaster by Police Chief Neil Williams. Billing and administration of mooring permits will be handled in-house by public-safety staff.

The interlocal agreement supports one of the Town Council's goals this year to seek opportunities for personnel sharing with neighboring communities. The town already shares assessing services with Scarborough, as well as school food services, and police dispatching and animal control services are shared with Portland and South Portland.

04/08/2016

Bottle Shed committee awards proceeds to 15 organizations to benefit Cape youth

The Bottle Shed at the Recycling Center

All 15 organizations that applied are receiving some share of proceeds generated at the Recycling Center Bottle Shed. The town's [Bottle Shed committee](#) voted March 31 to distribute \$21,000 realized from donated returnable bottles and cans to 15 Cape Elizabeth organizations to benefit the town's young people.

Here is a list of distributions:

1. Boy Scouts of America Troop 30 \$2,000.00
2. CE Lions Club \$2,000.00
3. CE Ultimate Frisbee \$ 800.00
4. CEHS Boy Baseball Boosters \$1,000.00
5. CEHS Boys Basketball \$1,000.00
6. Joseph Doane Cross Country Running Awards \$ 400.00
7. CEHS Robotics Team \$1,300.00
8. CEHS Lacrosse Boosters \$2,000.00
9. CEHS Soccer Boosters \$1,000.00
10. CE Volleyball Boosters \$ 500.00
11. CE Softball Boosters \$2,000.00
12. CEHS Sailing \$1,000.00
13. CEHS Theatre \$2,000.00
14. CEHS Speech and Debate Team \$2,000.00
15. CEHS Swim and Dive Team \$2,000.00

The decision of the three-member committee, led by Chair Adrienne Murphy, was based on applications submitted in late February and March. Groups applying for funds were asked to request and amount, and to provide information on other sources of funding, how many children benefit from the organization, how long the organization has been established and whether representatives had worked the bottle shed in the past.

This is the first distribution of funds under a new model established by the town in 2014. Before then, volunteers from organizations took turns sorting returnable bottles and cans left at the shed, in exchange for the month's proceeds to benefit Cape youth. In recent years however the number of volunteers dwindled.

Under the new system returnables are sorted and processed by Boots Bounty Redemption of Portland. Through the Bottle Shed committee, proceeds are distributed to Cape Elizabeth non-profits that benefit the town's youth.

Plans are for the town to solicit applications for bottle-shed proceeds in the fall, but because no distributions were made in 2015, the committee arranged for an allocation this spring.



Town eyes Oakhurst Road area land purchase to improve access to open space



The town is considering purchasing this 0.89-acre lot, outlined in yellow, near the Loveitt Woods open space for \$75,000, to improve access to town and Cape Elizabeth Land Trust open spaces

The town is considering purchase of an "L"-shaped parcel that will improve access from the Oakhurst Road neighborhoods to more than 250 acres of open space behind Stonegate and extending to Robinson Woods.

The Conservation Commission and Town Council will review possible acquisition of the 0.89-acre lot owned by Karen Willens, behind a single-family home she owns at 8 Rock Wall Lane. The property already has a casual trail running

through it, connecting to the town's Loveitt Woods open space. The open space abuts other town-owned properties extending to Robinson Woods, which is owned by the Cape Elizabeth Land Trust. "This has been an area where we have worked cooperatively with the Cape Elizabeth Land Trust and other parties in seeking improved access," Town Manager Michael McGovern said in an [email](#) to the Town Council on April 25, 2016.

The property owner has agreed to sell the lot to the town of Cape Elizabeth for \$75,000, McGovern said. The funds would come from the town's land-acquisition fund, which has a current balance of \$144,384.

The Conservation Commission will review the proposed purchase at their meeting May 4, 2016 and the Town Council will review the proposal at their meeting May 9. Both meetings begin at 7 p.m. at Town Hall.

04/18/2016

Town Council sets Community Outreach Forum for June 8

The Town Council is inviting residents to a "community conversation" at 7 p.m. Wednesday, June 8, 2016, in the Community Room at the Thomas Memorial Library.

The meeting is an outgrowth of the community round table held last September, Town Councilor Patty Grennon said at the council's meeting April 11. "We had a really well attended citizen round table to solicit input into our annual goalsetting process," said Grennon. "In the wake of that, and because of that success, one of our [2016 goals](#) is to continue and expand citizen round tables to gather citizen input and to encourage dialogue as part of these round tables," she said.

The June 8 meeting comes just before a \$1.4 million referendum on proposed improvements to the Recycling Center [[news article](#)], but topics will not be limited to the bond question. "Of course anyone can ask us any questions but we also are open to people just coming and talking or sharing or whatever," said Councilor Sara Lennon, who with Grennon and Councilor Jamie Garvin served on a subcommittee to work on the council goal to gather community input.

"It may also be a 'mid-year review' of the council,' subcommittee members said in an April 6 memo to the full council. "How are we doing? What could we be doing better?"

05/05/2016

Public Works director honored for distinguished service by state recycling organization

Cape Elizabeth Public Works Director Robert Malley, right, accepts award from Ross Nason, left, president of the Maine Resource Recovery Association Board of Directors, and Victor Horton, executive director. Horton is holding a recycled glass award presented to Malley in recognition of distinguished service



Public Works Director Robert Malley was honored with a **Distinguished Service Award** by the Maine Resource Recovery Association at its annual conference in Rockport on May 3, 2016.

Town Manager Michael

McGovern [nominated](#) Malley for the award,

citing Malley's oversight and implementation of Cape Elizabeth's unique recycling programs including the swap shop, the bottle shed and the privatized composting operation.

"I'm not sure if they selected the best person and I'm sure there are talented individuals in the State that are more worthy of this award," Malley wrote to McGovern upon learning of the award. "Almost everything you have noted was done in a team environment and I was happy to be a part of the endeavor in a very small way. I told (Town Councilor) Sara Lennon yesterday that the real success of our recycling program lies with the efforts of past and present members of the Recycling Committee. They've been a tremendous help to me along the way."

Malley has been with the Public Works Department since 1979 and recently marked 30 years as director. In addition to overseeing recycling and solid waste activities, Malley is responsible for roads, sidewalks, school and municipal vehicle maintenance, stormwater, sewerage, parks, school grounds and cemeteries.

The [Maine Resource Recovery Association](#) fosters professional solid waste practices in Maine, as well as recycling and other forms of resource recovery.

05/19/2016

Council adopts \$37.9 million combined budget for 2016-17; school-budget validation set for June 14

The Town Council voted 4-2 on May 19 to adopt a \$24.3 million school budget, part of a \$37.8 million combined budget for 2016-17.

Overall taxes will rise 3.9 percent next year, from \$16.88 to \$17.54 per \$1,000 of assessed valuation. A home valued at \$300,000 would see a tax bill increase of \$198.

Finance committee chair Kathy Ray and Councilor Jessica Sullivan voted against the school budget, against the \$12 million town budget, and against adopting the combined budget that includes a \$1.2 million county assessment.

"I think we need to slow this train of increases," said Sullivan, who was the only supporter of Ray's proposals to trim both town and school spending by 1 percent.

Councilors debated the budget proposals for nearly an hour before the final vote. All said they were concerned that tax increases were outpacing rates of inflation and cost of living, but the majority also said they believe the spending plans reflected the priorities of the community.

Town Manager Michael McGovern acknowledged that last year's town budget increase of 4 percent, driven by the library renovation, and this year's 3.8 percent increase were "unsustainable," and pledged to develop a 2017-18 town budget with tax-rate and spending increases less than half of this year's. He also said he would communicate to county officials concern over the 5.8-percent increase in county assessment.

05/31/2016

School Board to appoint Mount Desert Island school chief as Cape interim superintendent for 2016-17

Howard Colter, currently superintendent of the [Mount Desert Island Regional School System](#), will be interim superintendent in Cape Elizabeth for 2016-17.

He will be officially appointed at a special meeting at 7 p.m. May 31, 2016, and his start date is July 1.

The School Board announced Colter's appointment in a news release May 31:

"Among other sterling qualities, the variety and depth of Mr. Colter's experience made him an ideal match for Cape Elizabeth," said School Board Chair Elizabeth Scifres in an [email](#) announcement.

"His professional history includes Superintendent positions in Barrington, NH, Oyster River, NH, Amherst/Mount Vernon, NH, Mount Greylock in Williamstown, MA, and Potter Valley, CA. He started his career in education as a high school teacher, then became Principal of Potter Valley Community High and Elementary Schools in Potter Valley, California. Mr. Colter also served his country in Vietnam.

"Mr. Colter has a Master of Arts Degree in Education from Tufts University and received his School Administration Credential from the University of San Francisco."

07/12/2016

Agreement clears way for \$75,000 town contribution toward Great Pond-area conservation purchase

The Town Council on July 11, 2016 narrowly approved an agreement with the Cape Elizabeth Land Trust for joint management of proposed conservation land near Great Pond.

The vote clears the way for a \$75,000 contribution from the town toward the land trust's purchase of a 23-acre parcel abutting other conservation land between Great Pond and Ocean House Road.

Last month the council agreed to contribute toward the purchase of what the land trust is calling Great Pond Preserve II, provided the land trust raises the rest of the money and that the town agrees to details for managing the property. [\[news article\]](#)

On July 11, councilors voted 4-3 to approve a [declaration](#) of covenants and restrictions for the use of the property, as well as a [public-access easement](#) naming both the town and the land trust as stewards.

Voting against the agreement were Chair Molly MacAuslan and councilors Kathy Ray and Jessica Sullivan, who said they objected to a clause in the easement giving the land trust final say in the event of disagreement with the town over public-access projects.

"When it was discussed that we would be jointly identifying and developing projects, this gave us a lot of rights," said Ray. However, "That sentence right there takes away all those perceived rights, because if there's a disagreement we're giving them the authority to make the final decision," she said.

A version of the easement drafted for the land trust by attorney Robert Danielson, and ultimately approved by the council, included the clause. An alternate [version](#) drafted by the town's attorney Thomas Leahy had the clause deleted.

"Considering that we are giving \$75,000 of taxpayer dollars to this project, I will be voting against this," Ray said of the approved version.

The land trust is slated to close on the \$315,000 purchase from current owner Barry Glew on Aug. 1.

The town's contribution, less than a quarter of the full purchase price, as well as the town's shared commitment to land preservation and public access, convinced other councilors to allow the clause.

"I think if you made a Venn diagram, our interests are about 90 percent overlap," said Councilor Sara Lennon, who with councilors Patty Grennon, Jamie Garvin and Caitlin Jordan voted to approve the agreement. Shared support for conservation and public access make disputes over access projects "highly unlikely", Lennon said, and she did not want the town to miss the chance for shared stewardship. "I just don't want to run the risk of losing our part of it entirely. I mean, we back out of this and then we would have no say at the table, I think that would be very unfortunate," she said. After the vote, Chair Molly MacAuslan said she hoped the agreement would serve as a template for future collaboration between the town and the Cape Elizabeth Land Trust.

Richards Pool to close for systems replacements during August, September

The Richards Pool will close at 10 a.m. Friday, Aug. 5, 2016 for replacement of the pool's dehumidification and chlorination systems. The closure is expected to last until late September. Bonding for the \$700,000 project was approved by the Town Council in February.

A [report](#) by Harriman Associates completed in 2015 showed the existing, 18-year-old dehumidification system was beyond its useful life and operating inefficiently. The report also recommended a replacement disinfection system that would save \$6,500 annually on chlorine use as well as provide a better environment for pool users.

Younger users will have something to look forward to when the pool reopens - a new 68-foot inflatable water slide is expected to be ready for use beginning with the open swim on Oct. 8.

Town establishes fund to address tree damage from winter moths

The Cape Elizabeth Garden Club will host a **discussion on the winter-moth infestation** with by Charlene Donohue, entomologist with the Maine Forest Service, at 7 p.m. Tuesday, Aug. 2, 2016 at the Thomas Memorial Library.

"She will explain how you can combat the negative effects of this infestation on your trees and gardens both this season and next," according to the [library website](#). Tree Warden Mike Duddy will also be there to answer questions from the town's perspective.

The town has set up a \$50,000 fund to combat damage to trees on town property caused by winter moths.

Winter moths, observed abundantly in the late fall the last few years, have taken a toll on trees across town, Town Manager Michael McGovern said at the July 11, 2016 meeting of the Town Council.

The fund would support removal and replacement, and possibly treatment, of stricken trees in public rights-of-way. Pesticide treatment would only be implemented with public support, McGovern said.

"The public may not want that," he said.

"This could be something that could cost us hundreds of thousands of dollars in the next few years, so what I'd like to do is at least start by having a fund that would enable the tree warden to address the immediate hazards of dead trees, and also replace trees," McGovern said.

08/19/2016



Town employees celebrate years of service

Debra Lane, town clerk and assistant town manager, was recognized for 30 years of service at the annual employee recognition luncheon Aug. 18, 2016.

Lane, a Cape Elizabeth native and graduate of Cape Elizabeth High School, led the list of eight employees recognized for years of service at the annual luncheon, held this year at Easy Day in South Portland.

Town Council Chair Molly MacAuslan presented the awards.

Councilors Kathy Ray and Jamie Garvin also attended.

Also presented with awards for years of service were:

Matthew Sturgis, tax assessor; and **Jeanne Gross**, Museum at Portland Head Light director, 15 years

Sean McCue, Public Works garage foreman; and **Frederick Schussler**, Fort Williams Park ranger, 10 years

Ben Davis, police officer; **Aiden Skiffington**, Recycling Center attendant; **Kathy Raftice**, Community Services adult program coordinator and office manager, 5 years

08/22/2016

Officials gearing for update of 2007 comprehensive plan

Just as the town is implementing the final recommendations of the 2007 comprehensive plan, officials are beginning to plan for the next comprehensive plan.

At their Aug. 29, 2016 workshop, the Town Council will review a [draft charge](#) for a new comprehensive planning committee.

The draft calls for a nine-member committee composed of two Town councilors, one School Board member, one Planning Board member and five citizens at large. The committee, appointed by the council in December, would begin meeting in January 2017 to update the current, 2007 plan. State law requires Maine municipalities to develop a comprehensive plan to guide local development. Planning for a comprehensive-plan update is a Town Council goal for 2016. The draft charge calls for developing a public participation plan to include a telephone survey, public forums, and the services of a consultant to implement a "multi-pronged" public information and participation process. Officials envision final hearings and adoption by August or September of 2019. The draft timeline assumes "a more robust public participation process than with the 2007 plan", according to a [memo](#) submitted by the town planning office. A \$55,000 budget is proposed, mostly for the telephone survey (\$25,000) and public participation consultant (\$15,000)

Michael McGovern, town manager since 1985, announces resignation effective Dec. 31



Michael K. McGovern, town manager for the last 31 years, has submitted his resignation effective Dec. 31, 2016.

In his resignation [announcement](#) to the Town Council, McGovern recounted the accomplishments the town has achieved during his tenure, first as an intern in 1977; administrative assistant beginning in 1978; and as manager beginning in 1985. These include a new library; good

police, fire and public-works facilities; pool and recycling-center facilities undergoing improvement; schools that are among the best in Maine; and prompt, courteous and professional service from all town departments.

"Thus, it is a good time to leave and to feel good about where we are," McGovern said. "It is also a good time for the town to have new leadership bringing new ideas and new approaches."

Molly MacAuslan, chair of the Town Council, said she was personally saddened by McGovern's decision, but knows he looks forward to pursuing his many personal and professional activities and commitments. "He's been a tremendous asset to the community and it's been a privilege to work with him as town council chair this year," MacAuslan said in a [statement](#). "While Mike has been instrumental in establishing strong governance, organizational and financial structures, systems and policies that will ease the transition to a new manager, it will be difficult to find someone with both his operational skills and his personal and professional integrity."

The council will discuss the process for hiring a new manager at a meeting Aug. 29.

08/22/2016

Town Council public hearing on paper streets Sept. 12

The Town Council will hold a public hearing on paper streets on Sept. 12, 2016.

All municipalities in Maine have until 2017 to declare their intention to retain or abandon their rights to accept paper streets - streets which are drawn on subdivisions plans but never accepted as public ways.

Over the last 18 months, Cape Elizabeth officials have been working to identify paper streets and how they are being used, and to develop recommendations for their future. A list of recommendations will be reviewed by the Town Council at a workshop on Aug. 29, the third workshop the council has had on paper streets, before presentation at the public hearing.

[Recommendations](#) have been developed for all but five of the 57 paper streets listed. Of those, 23 are being recommended to have rights extended for 20 years; 21 are being recommended for acceptance for specific purposes such as pedestrian access, stormwater drainage or utility maintenance; and six are being recommended to have the town's rights vacated

09/20/2016

School year starts with \$2.2 million worth of capital and operational improvements

The 2016-17 school year began Sept. 6 with \$2.2 million worth of renovation projects either completed or nearly complete, representing a second year of work on [projects](#) funded in-part by a [bond](#) approved in 2014.

Greg Marles, director of facilities for the Town and the School Department, said his department completed 33 school projects during the eight weeks of summer, one of the busiest in recent years for capital and operational improvements.

Using a mix of contracted and in-house services, the department installed, converted and replaced items ranging from roofing (53,000 square feet) to windows (36) to flooring, carpeting and lockers. "It's a pretty substantial amount of work in a short period of time," Marles told School Board members at their business meeting Sept. 13, 2016.

Projects that enhance programs

Many of the renovations will enhance programming, Marles said, such as converting the former lecture/distance learning hall at the High School to a new lab for **robotics**, "which came out really really nice and should really be a great add to the program that's held in there," Marles said.

Work continued on transforming **school libraries** into "learning commons" spaces, Marles said, with new rooms for quiet or group study at the High School library, and lower bookshelves and creation of open areas at the Pond Cove library.

"That actually was kind of a change in the whole layout of the place," Marles said of the Pond Cove work. "We've created an area for the 3D printers to be housed, the computer lab is now open to the library and the 3D area, so that there's a flow of traffic." As for the bookshelves: "The high bookshelves that you can't see over are gone, so now you can get a full visibility it's really come into that learning commons idea where you're going to have some more open spaces but some flexible spaces ... the new shelving units are on wheels so that you can actually move them around to kind of create different uses or different ways to utilize the space," Marles said. The library upgrades were featured in the school's [Sept. 5 newsletter](#).

Similarly at the High School, "We also modified the main counter so it can be entered from either side so it can create a better flow," he said.

Marles credited and thanked the School Board for its support through its 10-year capital improvement plan. "That has made a huge difference in our ability to really start to take and improve our facilities and make them for a long run, without having to get into big bonding projects down the road."

Not-so-obvious upgrades include unit ventilator and HVAC replacements at the High School; and in the High School and Middle School/Pond Cove kitchens, replacement of ovens and dishwashers. "That may sound small but for those food service programs it's huge, Marles said. "We try to do that every year, we buy new equipment for the food service so that we're not dealing with a piece of equipment that's 25 years old and we're trying to band aid it to keep it running."

Building security

Projects yet to be completed include the installation and operation of secured vestibules at the entrances of all three schools. Marles said. "We've created those security measures to help meet the standards that are now being put out there for schools."

Visitors to the elementary and middle schools have been admitted by a buzzer system since 2013, but adding a secured vestibule will create a second layer of security. "You're going to get buzzed in the

first door but you can't go any further, you have to be either escorted with whomever you're meeting with or buzzed in to get to the office," Marles said. "What it does is it creates this security area where, if there is a situation or lockdown that becomes secured, people can't go any further, all they can do is exit the building."

A secured vestibule is also planned for the High School. Seniors will be issued ID cards allowing free access to the building, but underclassmen and visitors will need to check in at the front office. "It's going to be a change for the students," Marles said. Student representatives at the School Board meeting also reported on the planned security upgrades at the High School, but also that they are being met favorably by students.

09/29/2016

Police Sergeant among 230 graduates at FBI National Academy



Sgt. Paul Fenton ([bio](#))

Sgt. Paul Fenton, a 19-year employee of the Cape Elizabeth Police Department, graduated from the [FBI National Academy Program](#) 265th Session on Sept. 16, 2016.

Fenton was among 230 officers graduating from the FBI National Academy at Quantico, Va. The 265th session included members of law-enforcement agencies, three military organizations and four federal civilian organizations, from 47 states and 24 countries.

FBI Director James Comey was the principal speaker at the ceremony. Internationally known for its academic excellence, the National Academy Program offers 10 weeks of advanced communication, leadership, and fitness training for selected officer's having proven records as professionals within their agencies.

Training for the program is provided by the FBI Academy instructional staff, special agents, and other staff members holding advanced

degrees, many of whom are recognized internationally in their fields of expertise.

A total of 49,464 have graduated from the FBI National Academy since it began in 1935. Alumni from the Cape Elizabeth Police Department are the late Chief David W. Pickering, 121st Session; and Chief Neil R. Williams, 178th Session.

09/19/2016

Fort Williams Park Committee votes not to pursue amphitheater proposal at this time

The Fort Williams Park Committee will not pursue an amphitheater proposal for the park at this time. The committee voted 6-1 at its Sept. 15 meeting not to develop and submit a proposal to the Town Council for an amphitheater "at this time", according to [draft minutes](#) of the meeting.

They based their decision on increased use of the park, the recent opening of the adjacent Children's Garden, and on feedback from citizens attending a [public forum](#) in August.

The forum drew an estimated 30 people to the Town Hall chamber on Aug. 17 to hear about a [concept plan](#) for a 350-seat, grass-and-granite amphitheater overlooking the existing ballfield, replacing the concrete bleachers that were removed this past winter.

Robert Malley, Public Works director, said the committee would prepare an update for the Town Council on their decision.

An amphitheater is not part of the [2011 Master Plan](#) for Fort Williams Park, but the plan does call for review and evaluation of the concrete bleachers.

One of the Town Council's goals for 2016 is to review and approve a conceptual plan for the bleacher area of Fort Williams Park.

10/07/2016

Committee to review town harbors; service to fishing, recreation and aquaculture

A new committee will begin meeting after the first of the year to review Cape Elizabeth's coastal waters and how they are serving the fishing, aquaculture and recreational needs of the town. The Town Council on Oct. 5, 2015 approved a [charge](#) for the ad hoc committee, and appropriated \$15,000 from undesignated funds to complete its work. Updating the [Harbors Report](#), originally prepared in the late 1980s, is a 2016 goal for the Town Council.

"One of the reasons we need some money is because we don't have any internal expertise in some of the areas the committee is going to be looking at," Town Manager Michael McGovern said at the meeting. The town will likely advertise for technical as well as clerical assistance, he said. Ian Anderson, Scarborough's marine resource officer who also serves as [harbormaster](#) for Cape Elizabeth, may provide be able to provide some assistance, but the committee would still need more technical expertise.

According to the approved charge the committee will:

- Review the town's [Coastal Waters and Harbor Ordinance](#) and recommending any changes it deems desirable to the Town Council.
- Meet with state officials to determine options for boat access in the Kettle Cove/Crescent Beach State Park area and develop a long range plan for access.
- Update the maps utilized by the harbormaster showing potential locations for moorings.
- Inventory public water access.
- Consider such other related matters as the town council may request.

The Town Council will appoint two councilors to the committee, and three citizens recommended by the council's appointments subcommittee.

10/11/2016

Fall property taxes paid in record time

Cape Elizabeth taxpayers paid their fall taxes in record time.

The tax office took in almost \$3 million on Oct. 3, 2016, the first of two due dates for 2016-17 property taxes.

In his monthly report to the Town Council, Town Manager Michael McGovern commended the tax office staff for processing the payments in a short amount of time. "About 800 people paid their taxes all in one day," McGovern said at the council's meeting Oct. 5. "The staff worked until 7 o'clock that night to make sure that it all got entered and I want to thank them," he said. With election season and absentee balloting beginning, it's a busy time of year.

He also commended the taxpayers, saying it was probably the highest level of on-time, first-due-date tax payments in history. "Everyone sacrificed a lot to pay those taxes," McGovern said.

The report was part of the council's monthly check-in on town finances. McGovern said not all information was posted yet for the first quarter of the fiscal year, but that revenues and expenditures are in-line with the 2016-17 budget.

10/06/2016

Town extends 32 paper streets, asks committee to review greenbelt potential for some

The Town Council on Oct. 5, 2016 voted to [extend](#) 32 of the town's 58 paper streets; to [vacate](#) seven of them; and to [accept](#) 19 paper streets for specific purposes - mostly for pedestrian and bicycle access to open space.

The vote comes ahead of a September 2017 deadline for Maine municipalities to decide whether to extend their rights in paper streets - streets drawn on subdivision plans but never constructed or accepted as public ways. Extending a paper street allows a town to accept it for public use in the future.

Some of Cape Elizabeth's paper streets date back more than 100 years, including two in Shore Acres which the council narrowly voted to include among the 29 for which paper-street status will be extended for the next 20 years. By a 4-3 vote, councilors decided to extend the town's rights in Surf Side Avenue and Atlantic Place, two areas identified in the town's [greenbelt plan](#) as potential trails. At the same meeting, however, councilors unanimously voted to [direct](#) the Conservation Committee to review the suitability of greenbelt trails there and at Lighthouse Point Road, another paper street the council voted to extend. The committee will have six months to report back to the council.

11/08/2016

Cape Election Results Nov. 8, 2016

Cape Elizabeth voters favored Hillary Clinton, re-elected Kim Monaghan to the State House from District 30 and elected Caitlin Jordan and Penny Jordan to the Town Council in the Nov. 8, 2016 state, referendum and municipal election.

Cape voters also slightly favored a referendum to legalize adult use of marijuana in Maine, 3,327 votes in Cape Elizabeth to 3,166. They emphatically favored a referendum to require background checks for firearm sales, 5,105 votes in Cape Elizabeth to 1,424.

There were 6,598 state ballots cast, for an estimated turnout of 80 percent. More than 3,800 were absentee.

In local elections, State House District 30 Rep. Kim Monaghan defeated challenger George Van Syckel 4,096 votes to 1,955; and Cape Elizabeth voters favored incumbent Rebecca Millett over challenger Martha MacAuslan, also of Cape Elizabeth, in the race for state senator for District 29.

In the municipal election, Caitlin Jordan and Penelope Jordan were elected to the Town Council, and Kimberly Carr and Susana Measelle-Hubbs were elected to uncontested seats on the School Board. Here are unofficial election results as of 10:30 p.m. Tuesday, Nov. 8:

**United States
President/Vice President**
Vote for ONE (1)

**Clinton, Hillary Rodham
Kaine, Timothy Michael**
Democratic
..... 4480

**Johnson, Gary
Weld, Bill**
Libertarian
..... 229

**Stein, Jill
Baraka, Ajamu**
Green Independent
..... 70

**Trump, Donald J.
Pence, Michael R.**
Republican
..... 1593

**Write-in
David Evan
McMullin** 7

Question 1: Citizen Initiative

[Legislation](#)

Do you want to allow the possession and use of marijuana under state law by persons who are at least 21 years of age, and allow the cultivation, manufacture, distribution, testing, and sale of marijuana and marijuana products subject to state regulation, taxation and local ordinance?

Yes 3327
No 3166

Question 2: Citizen Initiative

[Legislation](#)

Do you want to add a 3% tax on individual Maine taxable income above \$200,000 to create a state fund that would provide direct support for student learning in kindergarten through 12th grade public education?

Yes 2931
No 3558

Question 3: Citizen Initiative

[Legislation](#)

Do you want to require background checks prior to the sale or transfer of firearms between individuals not licensed as firearms dealers, with failure to do so punishable by law, and with some exceptions for family members, hunting, self-defense, lawful competitions, and shooting range activity?

Yes 5105
 No 1424

Question 4: Citizen Initiative

[Legislation](#)

Do you want to raise the minimum hourly wage of \$7.50 to \$9 in 2017, with annual \$1 increases up to \$12 in 2020, and annual cost-of-living increases thereafter; and do you want to raise the direct wage for service workers who receive tips from half the minimum wage to \$5 in 2017, with annual \$1 increases until it reaches the adjusted minimum wage?

Yes 4257
 No 2247

Question 5: Citizen Initiative

[Legislation](#)

Do you want to allow voters to rank their choices of candidates in elections for U.S. Senate, Congress, Governor, State Senate, and State Representative, and to have ballots counted at the state level in multiple rounds in which last-place candidates are eliminated until a candidate wins by majority?

Yes 4072
 No 2342

Municipal Ballot Results

TOWN COUNCIL For three year term until December 9, 2019 Vote for up to TWO(2)	SCHOOL BOARD For three year term until December 9, 2019 Vote for up to TWO (2)
AURITT, SHANNON K. 1817 JORDAN, CAITLIN R. 4142 JORDAN, PENELOPE A. 3940 Write-in Write-in	CARR, KIMBERLY L. 4723 MEASELLE HUBBS, SUSANA 3967 Write-in Write-in

11/16/2016

Portland Head Light gift-shop sales make revenue budget ahead of schedule

The weather may have cooled, but sales at the gift shop at Portland Head Light haven't. On the second weekend of November, just over four months into the fiscal year, the gift shop made its revenue budget for 2016-17, Town Manager Michael McGovern reported this month. "The budget's \$505,000 this year and they went over the \$505,000 mark," McGovern said at the council's meeting Nov. 14, 2016. "If the projections hold out, they should be almost \$100,000 over budget by next June," he said. Pretty remarkable, especially considering that the sales totaled \$509,000 for all of 2014, just three years ago.

12/08/2016

Borrowing for pool, Recycling Center projects affirms high bond ratings

As the town moves to borrow \$2.1 million for work at the Richards Pool and the Recycling Center, two major public finance credit rating agencies have reaffirmed high ratings for Cape Elizabeth.

S&P Global Ratings, a division of Standard & Poor's Financial Services, [assigned](#) a AAA rating to the town's existing and new bonds, and Moody's Investment Services [continued](#) its rating of AA1.

"This is a pleasing outcome and these are the best ratings we could possibly obtain reflecting Moody's reluctance to give us a AAA rating due to our desire not to be a high growth community," Town Manager Michael McGovern said in an [email](#) to the Town Council Dec. 8, 2016.

The bonds will go out to bid Tuesday, Dec. 13, and officials are expected to finalize and receive the proceeds Dec. 29, before the end of the calendar year, McGovern said.

Upgrades to the pool's humidity-control and water-disinfectant systems were completed within \$3,000 of the \$700,000 budget, McGovern said, and bids for the Recycling Center improvements, focus of the \$1.4 million [referendum](#) approved by voters in June, are due to go out in late winter. Work is expected to begin in April.

Moody's Aa1 bond rating is the second-best rating in Maine, one step below Moody's highest rating of Aaa. Standard & Poor's AAA is its highest rating.

12/13/2016

Town enacts 90-day moratorium on retail marijuana businesses

Cape Elizabeth has enacted a [90-day moratorium](#) on non-medical marijuana businesses in town, joining surrounding communities that are looking to stay the sale of recreational pot following a statewide referendum legalizing the practice.

The legislation, approved by a slim margin statewide, authorizes municipalities to regulate retail marijuana businesses within their jurisdictions, or to prohibit them. Town Councilor Patty Grennon said the moratorium would give the town time to understand the law and to consider potential impacts of marijuana businesses in Cape Elizabeth.

"What we'd like to do is just kind of hit the pause button," said Grennon, chair of the council's ordinance subcommittee, on Dec. 12, 2016. The 90-day window will allow the committee to "really look at the larger issue and impact on citizens of Cape Elizabeth," Grennon said.

Cape Elizabeth voters in the Nov. 8 referendum narrowly favored the marijuana legislation, 3,327 votes to 3,166.

The moratorium was enacted as an emergency ordinance by the Town Council on Dec. 12, taking effect immediately. Grennon said all of Cape Elizabeth's surrounding communities have enacted similar stays, Portland being the largest. "Because of this, there could be significant impact to Cape Elizabeth if we become the area destination for what is permitted with the marijuana and retail marijuana businesses," Grennon said.

TOWN OF CAPE ELIZABETH, MAINE

Annual Financial Report

For the Year Ended June 30, 2016

TOWN OF CAPE ELIZABETH, MAINE
Annual Financial Report
Year ended June 30, 2016

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Independent Auditor's Report

To the Town Council
Town of Cape Elizabeth, Maine

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cape Elizabeth, Maine, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Cape Elizabeth, 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, each major fund, and the aggregate remaining fund information of the Town of Cape Elizabeth, Maine, as of June 30, 2016, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress for the Retiree Healthcare Plan, the Schedule of Changes in the Town's Net Pension Liability and Related Ratios, the Schedule of the Town's Proportionate Share of the Net Pension Liability, and the Schedule of the Town's Contributions, as listed in the table of contents, 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 Cape Elizabeth, Maine's basic financial statements. The combining and individual fund financial statements and statistical section 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2016 on our consideration of the Town of Cape Elizabeth, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Cape Elizabeth, Maine's internal control over financial reporting and compliance.



September 21, 2016
South Portland, Maine

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016

Introduction

As the Town Manager of the Town of Cape Elizabeth, Maine, I am pleased to provide a Management Discussion and Analysis as part of our annual financial statements.

The financial statements contained herein show all of the governmental and fiduciary funds of the Town of Cape Elizabeth, Maine. The total assets for all governmental activities equal \$58,061,900. The total net position is \$35,894,526. Net position includes a \$26,607,096 net investment in capital assets, \$2,979,620 in restricted net position and \$6,307,810 in unrestricted net position. For the reporting period, the Town had a decrease in fund balance for total governmental funds (from statement 4) of \$2,326,785. The fund balance for the General Fund increased \$620,745. The School General Fund balance increased from \$1,188,133 to \$1,488,649 due to lower than anticipated expenditures. The Town General Fund unassigned fund balance increased from \$3,238,780 to \$3,571,452 primarily because of revenues exceeding expenditures.

The Statement of Net Position and the Statement of Activities

These statements provide an overview of the government as a whole. All of the current year's revenues are taken into account, regardless of when cash is received.

The *Statement of Net Position* provides a picture of the difference between assets (including infrastructure) and deferred outflows of resources, and liabilities and deferred inflows of resources. This is called *Net Position*. The *Statement of Activities* provides a look at how the net position has changed from the prior year to the current year.

In most years, increases or decreases in net position can show whether the Town is improving or deteriorating. Other factors need to be considered, such as changes in the Town's property tax base and the condition of the roads, to assess the overall health of the Town.

In the *Statement of Net Position* and the *Statement of Activities*, only one type of activity is presented:

- Governmental Activities - All of the Town's basic services are reported here, including the General Government, Public Works, Facilities, Public Safety, Human Services, Culture and Parks, Education, Sewer, and Other Services. Property taxes, intergovernmental revenue (primarily revenues from the State of Maine), and user fees finance most of these activities.

Fund Financial Statements

The *Fund Financial Statements* provide details of the Town's most significant funds, not the Town as a whole. The Town has two kinds of funds – governmental and fiduciary, which use the following accounting methods:

- *Governmental Funds* - All 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.
- *Fiduciary Funds* - Fiduciary funds are used to account for resources held for the benefit of parties outside the Town and student groups. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is on a full-accrual basis. The Fiduciary Statement of Net Position is included in this report as Statement 7.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016

Comparison of Information from Current Year and Prior Year

The Town as a Whole

The following is a condensed version of the Statement of Net Position. The analysis below focuses on the net position of the Town's governmental activities.

Governmental Activities Net Position

	2016	2015	Change
Current and other assets	\$ 15,821,863	\$ 18,252,106	-2,430,243
Capital assets	42,240,037	38,703,257	3,536,780
Total assets	58,061,900	56,955,363	1,106,537
Deferred outflows related to pensions	751,851	731,200	20,651
Other liabilities	2,676,616	2,777,923	-101,307
Long-term liabilities	19,863,431	21,328,728	-1,465,297
Total liabilities	22,540,047	24,106,651	-1,566,604
Deferred inflows related to pensions	379,178	586,938	-207,760
Net investment in capital assets	26,607,096	24,416,159	2,190,937
Restricted	2,979,620	1,257,341	1,722,279
Unrestricted	6,307,810	7,319,474	-1,011,664
Total net position	\$ 35,894,526	\$ 32,992,974	2,901,552

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016

Change in Net Position

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Sources of Revenues			
Program Revenues:			
Charges for services	\$ 5,376,624	5,276,990	99,634
Operating grants and contributions	5,881,899	5,322,051	559,848
Capital grants and contributions	627,895	1,041,223	(413,328)
Total program revenues	11,886,418	11,640,264	246,154
General Revenues:			
Property and other taxes	30,532,097	30,029,072	503,025
Grants and contributions not restricted to specific programs	715,532	733,544	(18,012)
Unrestricted investment income	18,565	52,501	(33,936)
Other	329,841	248,206	81,635
Total general revenues	31,596,035	31,063,323	532,712
Total revenues	43,482,453	42,703,587	778,866
Functional Expenses:			
General government	3,704,929	2,994,466	710,463
Public works	2,246,236	2,328,806	(82,570)
Facilities	342,480	355,912	(13,432)
Public safety	2,435,989	2,377,070	58,919
Human services	83,591	61,511	22,080
Cultural and parks	1,668,963	1,602,266	66,697
Education	27,132,972	26,181,942	951,030
School lunch	702,672	620,153	82,519
Sewer	1,505,188	1,411,108	94,080
Capital maintenance expenses	459,621	515,136	(55,515)
Interest on debt	260,985	311,373	(50,388)
Total expenses	40,543,626	38,759,743	1,783,883
Change in net position	2,938,827	3,943,844	(1,005,017)
Net position – beginning of year, restated	32,955,699	29,049,130	3,906,569
Net position – end of year	\$ 35,894,526	32,992,974	2,901,552

Assets

Cash, Cash Equivalents and Investments

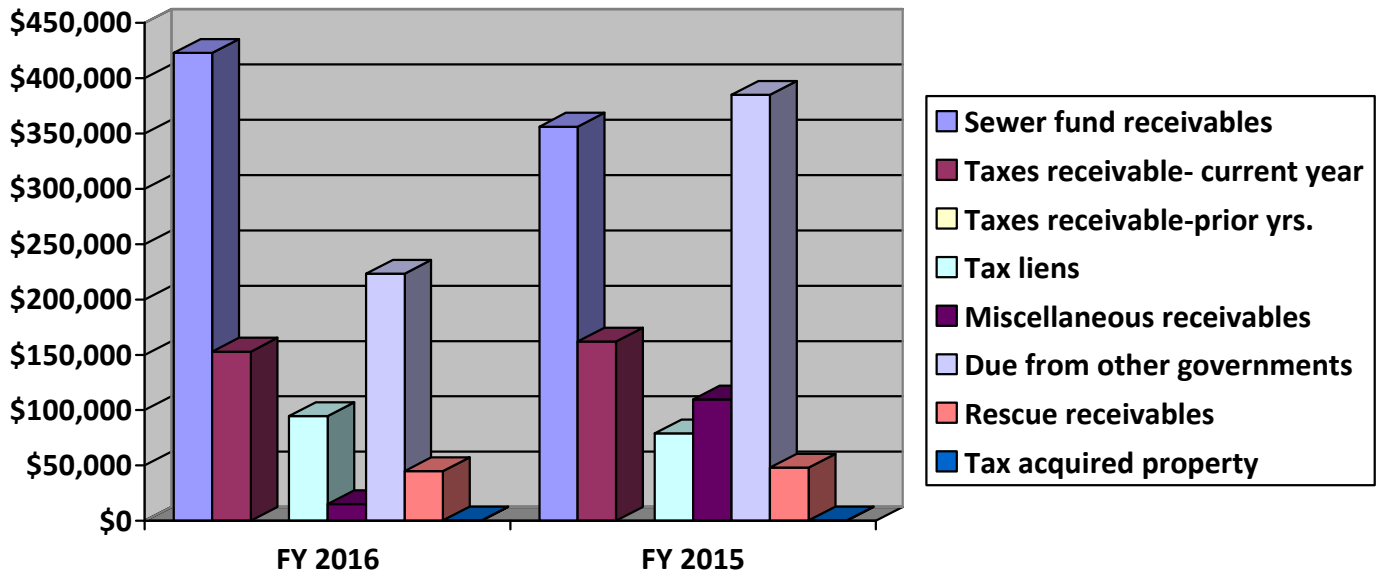
Cash, cash equivalents, and investments decreased \$2,254,856, from \$16,406,495 to \$14,151,639. The decrease is attributable to the expenditure of \$3.21 million of bond proceeds received in the prior year for a new public library but spent in the current year. Otherwise cash increased as expenditures were considerably below budget in the school department and revenues exceeded budget.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016

Receivables

The Town continues to have an excellent record of tax receivables, maintaining the collection rate of the levy for the current year at 99.41%. The taxes receivable amount stayed relatively the same from the prior year, due to continuing cooperation from taxpayers and an unemployment rate significantly below the national average. The sewer receivable decreased slightly. The Town places liens on uncollected sewer fees, so eventually the entire receivable is paid.

	FY 2016	FY 2015
Sewer fund receivables	\$ 422,916	356,263
Taxes receivable- current year	153,003	162,212
Tax liens	94,440	76,878
Miscellaneous receivables	12,188	109,459
Due from other governments	223,446	385,037
Rescue receivables	44,654	48,061
Tax acquired property	206	206
Total	\$ 950,853	1,138,116
% Sewer	44%	31%
% Taxes and other	56%	69%



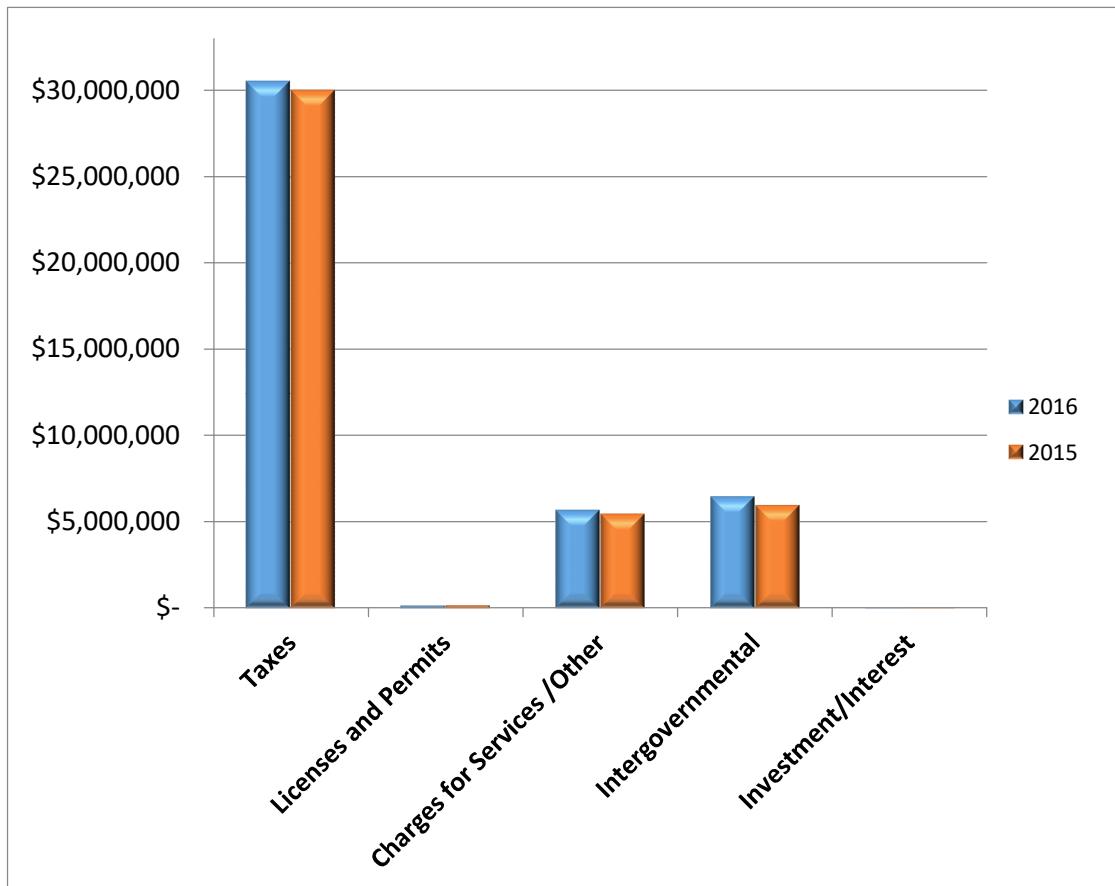
TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016

Governmental Fund Revenues by Major Source

Property and other taxes amounted to 71.1% of revenue in FY 2016. This compares to 71.9% in FY 2015. Intergovernmental revenues increased \$497,150 due to an increase in state school subsidy. Investment income decreased from \$52,501 to \$18,565. Overall, revenues were up \$1,186,755 or 2.8%. This compared to an increase the year before of 3.0%. The total increase in revenue from taxes this past year was \$516,025 or 1.7% compared with 3.7% the previous year.

Revenues Chart

	2016	2015	\$ Change	% Change
Taxes	\$ 30,510,097	\$ 29,994,072	516,025	1.7%
Licenses and Permits	182,400	201,491	(19,091)	-9.5%
Charges for Services /Other	5,704,015	5,477,408	226,607	4.1%
Intergovernmental	6,480,306	5,983,156	497,150	8.3%
Investment/Interest	18,565	52,501	(33,936)	-64.6%
	\$ 42,895,383	41,708,628	1,186,755	2.8%



Governmental Fund Expenditures

Total expenditures increased by \$2,882,479 or 6.7%. Education spending was up \$138,585 or 0.5%. Spending, excluding capital outlay, increased \$685,100 or 1.7%.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016

Expenditures changed as follows:

	2016	2015	\$ Change	% Change
General government	\$ 1,162,182	1,099,424	62,758	5.7%
Public works	1,548,041	1,678,117	(130,076)	-7.8%
Facilities	342,480	355,912	(13,432)	-3.8%
Public safety	2,207,623	2,081,178	126,445	6.1%
Cultural and parks	1,586,437	1,517,518	68,919	4.5%
Human services	83,591	61,511	22,080	35.9%
Education	26,816,147	26,677,562	138,585	0.5%
Intergovernmental assessments	1,203,042	1,130,272	72,770	6.4%
Unclassified	1,309,651	1,428,567	(118,916)	-8.3%
Sewer	1,505,188	1,411,108	94,080	6.7%
School lunch program	702,672	620,153	82,519	13.3%
Capital outlay	5,919,646	3,722,267	2,197,379	59.0%
Non-school debt service	1,492,927	1,213,559	279,368	23.0%
Total expenditures	\$ 45,879,627	42,997,148	2,882,479	6.7%
Excluding capital outlay	\$ 39,959,981	39,274,881	685,100	1.7%

Transfers

In FY 2016, \$533,790 was transferred from the General Fund to the Community Services Fund as a planned contribution and the Community Services Fund received a \$21,000 grant from the Thomas Jordan Fund. The General Fund transferred a budgeted \$20,000 to the Turf Field Fund. \$115,193 was transferred from the School general fund balance to the school lunch balance to cover a year-end deficit. The General Fund provided a planned \$32,914 to the Land Acquisition Fund. The general fund transferred \$11,520 in taxes raised for the purpose of the Tax Incremental Fund (TIF) to that fund. The Sewer User Fund, Portland Head Light Fund, Fort Williams Park Capital Fund, the Riverside Perpetual Care Fund, the Rescue Fund, the Thomas Jordan Fund, and the Spurwink Church Fund provided a total of \$75,863 to the General Fund to pay for services such as payroll and accounting provided by the General Fund.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016

Significant Changes in Individual Fund Balances

	6/30/2016	6/30/2015 (restated)	\$ Change	% Change
General Fund	\$ 6,348,701	5,727,956	620,745	10.8%
School Categorical Funds	87,877	66,708	21,169	31.7%
School Lunch Program	-	286	(286)	-100.0%
Sewer User Fund	1,654,969	1,627,184	27,785	1.7%
Community Services Fund	(32,485)	2,782	(35,267)	-1267.7%
Riverside Cemetery Capital Improvements	138,098	127,735	10,363	8.1%
Fort Williams Park Fund	355,982	252,178	103,804	41.2%
Portland Head Light Fund	802,369	708,070	94,299	13.3%
Rescue Fund	242,767	295,246	(52,479)	-17.8%
Cemetery Perpetual Care	339,518	335,034	4,484	1.3%
Library Fund	273,749	245,533	28,216	11.5%
Land Acquisition Fund	142,984	111,470	31,514	28.3%
Spurwink Church Fund	27,421	29,088	(1,667)	-5.7%
Thomas Jordan Fund	997,662	1,035,811	(38,149)	-3.7%
Turf Field	194,915	174,915	20,000	11.4%
Infrastructure Improvement	306,788	263,875	42,913	16.3%
School Bonded Projects	1,111,143	1,733,402	(622,259)	-35.9%
Library Project Fund	52,228	2,645,718	(2,593,490)	-98.0%
TIF Town Center Fund	11,520	-	11,520	100%

The School Lunch Program finances will need to be addressed by the School Board as the fund needed a year-end transfer. The Sewer User Fund increase is the result of a fee increase and funds are being planned to be spent to address a combined sewer overflow. The Thomas Jordan Fund decreased due to a significant decrease in investment income as the fund had unrealized losses on its investment portfolio. The Rescue Fund had fewer calls and higher expenditures due to the expansion of the 24/7 per diem coverage. The Portland Head Light Fund increased as a result of sales at the gift shop and museum admissions. The Infrastructure Improvement Fund was established in FY 2007 and is receiving steady income. The Land Acquisition Fund benefited from a small contribution from the General Fund. The School Bonded Projects Fund and Library Project Fund amounts are being spent down as the projects are now underway and the balances will be at or near zero one year from the issuance of this report. The Community Services fund will be absorbed into the General Fund in FY 2017. The TIF Fund was established in FY 2016.

Significant Budget Variances

The annual budget had few significant budget variances this past year. Due to the improving economy, excise tax income and building permit income exceeded estimates. State revenue sharing also unexpectedly was above the amount projected by the state. Refuse disposal income was down due to less use of our facilities by commercial haulers. On the expenditure side, school regular and special education instruction costs were under budget leading to the overall school budget being under spent by \$524,233. In the municipal budget, capital improvements were under spent by \$419,179, but this amount was part of the assigned fund balance increase per the carry forward provision in the Town charter.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016

Revenues:	Budgeted	Actual	Variance
Excise Taxes	\$1,916,000	2,082,448	166,448
Building And Other Permits	125,000	144,299	19,299
State Revenue Sharing	416,000	456,950	40,950
Expenditures:			
School Regular Instruction	10,991,828	10,796,862	194,966
School Special Education Instruction	3,104,307	2,992,055	112,252
Capital Improvements	1,935,934	1,516,755	419,179

Capital Improvements

The Town undertook a number of improvements to capital assets during the year. \$666k was spent on roadway and drainage work. \$179,966 was spent to replace a loader/backhoe. \$85,000 was spent on modernizing the air handling and water purification system at the community pool. The library renovation project itself expended \$3,158,560.

Long-term Debt Activity

In the early part of the past decade, the Town completed a new police station, a new public works garage, a new community center, new Town center fire station, a new kindergarten wing of the elementary school and renovations to the high school. Net bonded debt as of June 30, 2016 stood at \$15,569,641. This equated to 0.93% of assessed value and to \$1,727 net bonded debt per capita. The ratio of debt service to general governmental expenditures was 5.59% on June 30, 2016, compared to 6.16% on June 30, 2015. The Town Council authorized additional debt to be incurred in FY 2017 with \$700,000 for pool improvements. A citizen referendum in June 2016 approved \$1,400,000 for recycling center improvements.

Existing Debt Service Requirements			
Year	Principal	Interest	Total
2017	\$ 1,650,648	474,257	2,124,905
2018	1,643,697	386,794	2,030,491
2019	1,636,796	389,312	2,026,108
2020	1,624,950	342,380	1,967,330
2021	1,343,158	285,356	1,628,514
2022-2026	4,895,892	854,324	5,750,216
2027-2031	1,694,500	302,428	1,996,928
2032-2035	1,080,000	83,025	1,163,025
Totals	\$15,569,641	\$3,117,876	\$18,687,517

The Overall Financial Position of the Town

The overall financial condition continued to be healthy in FY 2016. With an improving economy nationally, the tax collection rate stayed above 99% of the current levy. The unassigned General Fund balance increased to a healthy \$3.5 million. The ratio of bonded debt to assessed value decreased from 1.03% to 0.93% as \$1.678 million was retired. The infrastructure is in good condition with police, fire, public works, library and community facilities having been built or substantially remodeled since 2000. All school buildings have been recently renovated. 85% of all debt is to be retired in the next ten years with 100% of the debt to be retired in the next 20 years.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016

The Town's median household income was \$85,604, based on the 2009 – 2012 American Community Survey of the U.S. Census Bureau. Property values have moderated in the last four years after significant increases in previous years. Unemployment in the Portland MSA was at 3.0% in June 2015, compared to a state unemployment rate of 3.7% and a national rate of 4.9%.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors 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 Michael McGovern, Town Manager at the Town of Cape Elizabeth, 320 Ocean House Rd., Cape Elizabeth, Maine 04107, or by phone at 207-619-6716 or by e-mail at michael.mcgovern@capeelizabeth.org.

BASIC FINANCIAL STATEMENTS

TOWN OF CAPE ELIZABETH, MAINE
Statement of Net Position
June 30, 2016

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 14,151,639
Investments	550,295
Receivables:	
Accounts	15,108
Due from other governments	223,446
Taxes and liens	247,649
Rescue (net of allowance for uncollectible of \$9,000)	44,654
Sewer fees (net of allowance for uncollectible of \$4,000)	422,916
Prepaid expenses	6,729
Inventory	159,427
Capital assets, not being depreciated	6,735,617
Capital assets, being depreciated	35,504,420
Total assets	58,061,900
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	751,851
Total deferred outflows of resources	751,851
LIABILITIES	
Accounts payable and other current liabilities	202,878
Accrued payroll and benefits	2,199,766
Unearned revenues	135,992
Taxes collected in advance	10,021
Accrued interest	127,959
Noncurrent liabilities:	
Due within one year	1,911,089
Due in more than one year	17,952,342
Total liabilities	22,540,047
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	379,178
Total deferred inflows of resources	379,178
NET POSITION	
Net investment in capital assets	26,607,096
Restricted	2,979,620
Unrestricted	6,307,810
Total net position	\$ 35,894,526

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Activities
For the Year Ended June 30, 2016

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
Governmental activities:					
General government	\$ 3,704,929	182,400	-	-	(3,522,529)
Public works	2,246,236	70,724	78,096	62,825	(2,034,591)
Facilities	342,480	240,432	-	-	(102,048)
Public safety	2,435,989	282,415	5,598	-	(2,147,976)
Human services	83,591	-	-	-	(83,591)
Cultural and parks	1,668,963	695,019	25,716	565,070	(383,158)
Education	27,132,972	1,223,400	5,669,676	-	(20,239,896)
School lunch	702,672	484,380	102,813	-	(115,479)
Sewer	1,505,188	2,197,854	-	-	692,666
Capital maintenance expenses	459,621	-	-	-	(459,621)
Interest on debt	260,985	-	-	-	(260,985)
Total governmental activities	40,543,626	5,376,624	5,881,899	627,895	(28,657,208)
General revenues:					
					28,421,890
					2,082,448
					27,759
					150,433
Grants and contributions not restricted to specific programs:					
					456,950
					189,309
					69,273
					18,565
					179,408
					31,596,035
					2,938,827
					32,955,699
					\$ 35,894,526

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Balance Sheet
Governmental Funds
June 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 12,930,395	1,221,244	14,151,639
Investments	-	550,295	550,295
Receivables:			
Accounts	12,188	-	12,188
Due from other governments	48,417	175,029	223,446
Taxes receivable - current year	153,003	-	153,003
Tax liens	94,440	-	94,440
Tax acquired property	206	-	206
Rescue (net of allowance for uncollectible of \$9,000)	-	44,654	44,654
Sewer fees (net of allowance for uncollectible of \$4,000)	-	422,916	422,916
Prepaid expenditures	-	6,729	6,729
Inventory	-	159,427	159,427
Interfund loans receivable	-	4,381,916	4,381,916
Total assets	\$ 13,238,649	6,962,210	20,200,859
LIABILITIES			
Accounts payable and other current liabilities	202,878	-	202,878
Accrued payroll and benefits	2,199,766	-	2,199,766
Unearned revenue - other	-	135,992	135,992
Taxes collected in advance	10,021	-	10,021
Interfund loans payable	4,260,283	118,713	4,378,996
Total liabilities	6,672,948	254,705	6,927,653
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	217,000	-	217,000
Total deferred inflows of resources	217,000	-	217,000
FUND BALANCES			
Nonspendable	-	138,591	138,591
Restricted	1,491,149	1,488,471	2,979,620
Committed	-	4,316,242	4,316,242
Assigned	1,286,100	800,868	2,086,968
Unassigned	3,571,452	(36,667)	3,534,785
Total fund balances	6,348,701	6,707,505	13,056,206
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,238,649	6,962,210	
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.			42,240,037
Other long-term assets are not available to pay for current period expenditures and, therefore, are unearned revenues in the funds.			217,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:			
Compensated absences payable			(1,063,211)
Accrued interest			(127,959)
Other postemployment benefits liability			(532,685)
Net pension liability and related deferred inflows and outflows of resources			(1,150,778)
Capital leases			(665,703)
Premium on bonds payable			(508,740)
Bonds payable			(15,569,641)
Net position of governmental activities			\$ 35,894,526

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 30,510,097	-	30,510,097
Licenses and permits	182,400	-	182,400
Intergovernmental	5,829,938	650,368	6,480,306
Rental and fees income	-	240,432	240,432
Charges for services	89,587	4,770,623	4,860,210
Investment income (loss)	20,225	(1,660)	18,565
Local grants and contributions	-	179,950	179,950
Other	400,989	22,434	423,423
Total revenues	37,033,236	5,862,147	42,895,383
Expenditures:			
Current:			
General government	1,162,182	-	1,162,182
Public works	1,548,041	-	1,548,041
Facilities	336,258	6,222	342,480
Public safety	1,891,592	316,031	2,207,623
Cultural and parks	998,939	587,498	1,586,437
Human services	72,977	10,614	83,591
Education	24,485,518	2,330,629	26,816,147
Intergovernmental assessments	1,203,042	-	1,203,042
Insurance and benefits	1,246,828	-	1,246,828
School lunch	-	702,672	702,672
Unclassified	55,879	6,944	62,823
Sewer	-	1,505,188	1,505,188
Capital outlay	1,609,144	4,310,502	5,919,646
Debt service:			
Principal and interest	1,181,063	311,864	1,492,927
Total expenditures	35,791,463	10,088,164	45,879,627
Excess (deficiency) of revenues over (under) expenditures	1,241,773	(4,226,017)	(2,984,244)
Other financing sources (uses):			
Lease proceeds	92,389	-	92,389
Capital contributions	-	565,070	565,070
Transfers to other funds	(713,417)	713,417	-
Total other financing sources (uses)	(621,028)	1,278,487	657,459
Net change in fund balances	620,745	(2,947,530)	(2,326,785)
Fund balances, beginning of year, restated	5,727,956	9,655,035	15,382,991
Fund balances, end of year	\$ 6,348,701	6,707,505	13,056,206

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, 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, 2016

Net change in fund balances - total governmental funds (from Statement 4)	\$	(2,326,785)
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$5,460,025) exceeded depreciation expense (\$1,917,482) and the loss on disposal of assets (\$5,763).</p>		
		3,536,780
<p>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 revenues - property taxes.</p>		
		22,000
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This is the change in accrued compensated absences (\$59,304); the change in accrued interest (\$13,124); the change in other postemployment benefits liability (\$78,529); and the change in the net pension liability, including changes in deferred inflows and outflows (\$90,593).</p>		
		(215,302)
<p>The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of current year repayments (\$1,677,654) and amortization on premiums (\$36,599).</p>		
		1,714,253
<p>Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which capital lease payments (\$300,270) exceeded capital lease proceeds (\$92,389).</p>		
		207,881
Change in net position of governmental activities (see Statement 2)		\$ 2,938,827

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2016

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 30,350,589	30,350,589	30,510,097	159,508
Licenses and permits	164,000	164,000	182,400	18,400
Intergovernmental	4,151,529	4,151,529	4,272,996	121,467
Investment income	45,000	45,000	20,225	(24,775)
Other	502,501	502,501	490,576	(11,925)
Total revenues	35,213,619	35,213,619	35,476,294	262,675
Expenditures:				
Current:				
General government	1,823,115	1,843,295	1,162,182	681,113
Public works	1,658,317	1,658,317	1,548,041	110,276
Facilities	362,089	374,744	336,258	38,486
Public safety	2,012,659	2,012,859	1,891,592	121,267
Cultural and parks	1,045,469	1,076,455	998,939	77,516
Human services	52,607	80,000	72,977	7,023
Education	23,526,649	23,411,456	22,887,223	524,233
Intergovernmental assessments	1,203,210	1,203,210	1,203,042	168
Insurance and benefits	1,282,000	1,282,000	1,246,828	35,172
Unclassified	15,500	42,468	55,879	(13,411)
Capital improvements	950,000	1,935,934	1,516,755	419,179
Debt service	1,185,780	1,185,780	1,181,063	4,717
Total expenditures	35,117,395	36,106,518	34,100,779	2,005,739
Excess (deficiency) of revenues over (under) expenditures	96,224	(892,899)	1,375,515	2,268,414
Other financing sources (uses):				
Transfer to special revenue funds	(533,790)	(648,983)	(648,983)	-
Transfer to capital projects funds	(64,434)	(64,434)	(64,434)	-
Carryforward balances and subsequent authorizations	-	1,104,316	-	(1,104,316)
Utilization of prior year surplus - School	150,000	150,000	-	(150,000)
Utilization of prior year surplus - Town	352,000	352,000	-	(352,000)
Total other financing sources (uses)	(96,224)	892,899	(713,417)	(1,606,316)
Net change in fund balance	-	-	662,098	662,098
Reconciliation to GAAP:				
Change in encumbrances			(41,353)	
Fund balance, beginning of year, restated			5,727,956	
Fund balance, end of year	\$		6,348,701	

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

		Private- purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$	77,358	224,400
Interfund loans receivable		40	-
Total assets		77,398	224,400
LIABILITIES			
Interfund loans payable		2,960	-
Due to student groups		-	224,400
Total liabilities		2,960	224,400
NET POSITION			
Held in trust	\$	74,438	-

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

		Private- purpose Trust Funds
<hr/>		
Additions:		
Donations	\$	910
Interest earned		529
Total additions		<hr/> 1,439
<hr/>		
Deductions:		
Other deductions		3,330
School scholarships		1,560
Total deductions		<hr/> 4,890
<hr/>		
Change in net position		(3,451)
<hr/>		
Net position, beginning of year		77,889
<hr/>		
Net position, end of year	\$	74,438

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Cape Elizabeth, Maine was incorporated in 1765 and operates under a Council-Manager form of government, adopted by charter in 1967. Cape Elizabeth is located approximately five miles southeast of Portland along the southern Maine coast. The Council is comprised of seven members elected at-large for staggered three-year terms.

A. Reporting Entity

This report includes all funds of the Town. An analysis of certain criteria was made to determine if other governmental units should be included in this report. In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. 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. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended component unit. The Museum at the Portland Head Light is a nonprofit 501 (c)(3), which is governed by a board of directors made up of Town Councilors. The Museum is reported as a special revenue fund and does not issue separate financial statements.

The accounting policies of the Town of Cape Elizabeth, Maine conform to accounting principles generally accepted in the United States of America as applicable to government entities. The following is a summary of the more significant of such policies:

B. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Major individual governmental funds are reported as separate columns in the fund financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. 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.

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 for property taxes and one year for all others. 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 fund:

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.

Additionally, the Town reports the following fund type:

Fiduciary funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. The Town's fiduciary funds include the following fund types:

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. The funds are used to account for assets that the Town holds for others in an agency capacity.

Private-purpose trust funds are used to account for resources legally held in trust for the benefit of others.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are special revenue funds overhead reimbursements and charges between the Town's sewer fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources and Equity

Cash and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value.

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).

Inventory - Inventory in the Portland Head Light Fund and the School Lunch Program consists of gift shop merchandise, food and supplies and is valued at the lower of cost (first-in, first-out basis) or market, and is offset with a non-spendable fund balance for inventories. Inventories of the School Lunch Program include the value of the U. S. Department of Agriculture commodities donated to the program.

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 activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of one year and with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs 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 assets' estimated useful lives ranging from three to 60 years.

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

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Compensated Absences - Under the terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service. All vacation and sick time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, are deferred 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), Maine Public Employees Retirement System Participating Local District (Withdrawn PLD) Plan, and 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 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.

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

The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources that 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 that have not been assigned to other funds and that have 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.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Town Council has 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 Town Council approves the assigned amounts either before or after year-end.

Currently, the Town has a fund balance policy under which the Town will seek to have an unassigned General Fund fund balance of 8.33% of annual General Fund operating revenues. If the unassigned municipal (excluding schools) fund balance target is exceeded, excess fund balance between 100%-115% of the target shall be used to reduce the tax commitment in the next budget.

Any amount over 115% of the target may be committed or assigned for any capital need or unanticipated expenditures or may be placed in an assigned fund for future property tax relief. In addition, in those years in which the General Fund fund balance is less than the targeted percentage, the balance may not be used to support the annual budget or for capital needs if unassigned fund balance as a percentage of operating revenues would be lower than prior year's unassigned fund balance as a percentage of the prior year's operating revenues.

Should there be multiple sources of funding available for a particular purpose, it is the Town's policy to expend currently budgeted resources first, and then use other sources in the order of restricted, then committed, then assigned amounts.

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses in the reimbursing fund as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

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/Reclassifications - 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.

Net Position - Net position represents the difference between assets, deferred outflows of resources, and liabilities and deferred inflows of resources. 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.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Town's net investment in capital assets was calculated as follows at June 30, 2016:

Capital assets	\$ 75,703,899
Accumulated depreciation	(33,463,862)
General obligation bonds and premiums	(16,078,381)
Capital leases	(665,703)
Unspent bond proceeds	1,111,143
Net investment in capital assets	\$ 26,607,096

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

Budgets are adopted for the General Fund and several of the special revenue funds, and are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for encumbrances and Maine Public Employees Retirement on-behalf payments. Maine Public Employees Retirement contributions are made by the State of Maine on behalf of the Cape Elizabeth School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$1,556,942. These amounts have been included as inter-governmental revenue and education expenditures in the General Fund on Statement 4 (GAAP basis) and on the statement of activities. There is no effect on the fund balance or net position at the end of the year.

Each year, the Town Manager submits to the Town Council a budget for the ensuing fiscal year and an accompanying message. The Manager's message explains the budget both in fiscal terms and in terms of the work programs. It outlines the proposed financial policies of the Town for the coming fiscal year, describes the important features of the budget, indicates any major changes from the current year in financial policies, expenditures, and revenues, together with the reasons for such changes, summarizes the Town's debt position, and includes such other material as the Manager deems desirable. It also describes the tax impact of the proposed budget.

The School Department prepares a budget based on the 11 budget categories required by the Maine Department of Education. The budget goes to a public referendum and is passed either in part or in whole; and those parts that do not pass are resubmitted to public vote. Once all categories of the School Department budget pass the public vote, it is adopted by School Board vote and incorporated in the Town's budget. Hearings are held to obtain public comments on the Town's budget. The budget is legally enacted by a council order for the total Town and the total School appropriation.

In addition, separate orders are adopted for the Community Services Fund, Sewer Fund, Portland Head Light Fund, Spurwink Church Fund, Riverside Cemetery Fund, Rescue Fund, and the Thomas Jordan Fund. The level of control (level at which expenditures may not exceed budget) is the Department. Once adopted, only the Town Council can amend the budget.

At the end of the fiscal year, every General Fund appropriation that has not been expended or encumbered will lapse, except for appropriations for capital expenditures, which do not lapse until the purposes for which they were appropriated have been accomplished or abandoned.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2016, expenditures exceeded appropriations in the following areas:

Unclassified	\$ 13,411
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C. Deficit Fund Balances

At June 30, 2016, the following fund had a deficit fund balance:

Community Services	\$ 32,485
iPad Maintenance	4,182

These deficits will be funded by future revenues.

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does have a deposit policy for custodial credit risk that requires that the FDIC insure the deposit of funds in institutions. Any funds deposited above the \$250,000 insurance limit must be collateralized by the financial institution, or the excess funds be placed with other financial institutions. As of June 30, 2016, the Town reported deposits of \$14,453,397 with a bank balance of \$15,381,679. 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	\$ 14,151,639
Reported in fiduciary funds	301,758
<u>Total deposits</u>	<u>\$ 14,453,397</u>

B. Investments

Interest Rate Risk: The Town, in accordance with its investment policy, strives to maximize its return on investments while avoiding assuming unreasonable investment risks.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2016:

- (1) Mutual funds of \$550,295 are valued using quoted prices (Level 1 input)

- (1) Mutual funds are not considered securities and therefore, are exempt from credit risk disclosures.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

PROPERTY TAXES

Property taxes for the current year were committed on August 10, 2015 on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Interest was charged at 7% on all taxes unpaid as of October 1, 2015 and April 1, 2016. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value.

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 \$447,967 for the year ended June 30, 2016.

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 the tax liens and associated costs remained unpaid.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year 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 unavailable revenues – property taxes.

The following summarizes the 2016 and 2015 levy:

	<u>2016</u>	<u>2015</u>
Assessed valuation:		
Land	\$ 713,981,000	710,394,000
Buildings	962,067,700	951,422,800
Personal property	6,806,100	6,918,100
	<hr/>	<hr/>
Total assessed valuation	\$ 1,682,854,800	1,668,734,900
	<hr/>	<hr/>
Assessed valuation	\$ 1,682,854,800	1,668,734,900
Tax rate (per \$1,000)	16.88	16.80
Commitment	28,406,589	28,034,747
Supplemental taxes assessed	15,301	-
Total tax levy	28,421,890	28,034,747
Change in unavailable tax revenues	(22,000)	(35,000)
Total property tax revenues	28,399,890	27,999,747
Less:		
Collections and abatements	28,246,887	27,837,535
Current year receivables at June 30,		
2016 and 2015	\$ 153,003	162,212
	<hr/>	<hr/>
Due date(s)	10/1/2015 4/1/2016	10/2/2014 4/2/2015
Interest rate on delinquent taxes	7.00%	7.00%
Collection rate	99.41%	99.43%

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance July 1, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2016</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,124,913	-	-	1,124,913
Construction in progress	1,779,344	4,269,529	438,169	5,610,704
Total capital assets, not being depreciated	2,904,257	4,269,529	438,169	6,735,617
Capital assets, being depreciated:				
Land improvements	841,703	132,595	-	974,298
Buildings and building improvements	40,621,622	450,123	-	41,071,745
Furniture and equipment	2,033,034	106,059	-	2,139,093
Vehicles	4,839,287	395,353	203,787	5,030,853
Infrastructure	19,207,758	544,535	-	19,752,293
Total capital assets being depreciated:	67,543,404	1,628,665	203,787	68,968,282
Less accumulated depreciation for:				
Land improvements	371,906	60,272	-	432,178
Buildings and building improvements	18,674,493	1,073,747	-	19,748,240
Furniture and equipment	1,127,217	92,090	-	1,219,307
Vehicles	3,203,915	295,510	198,024	3,301,401
Infrastructure	8,366,873	395,863	-	8,762,736
Total accumulated depreciation	31,744,404	1,917,482	198,024	33,463,862
Total capital assets being depreciated, net	35,799,000	(288,817)	5,763	35,504,420
Governmental activities capital assets, net	\$ 38,703,257	3,980,712	443,932	42,240,037

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

Governmental activities:	
General government	\$ 8,068
Public safety	226,211
Public works, including depreciation of general infrastructure assets	692,432
Education	946,529
Cultural and parks	44,242
Total depreciation expense – governmental activities	\$ 1,917,482

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND BALANCES

Individual interfund receivables and payables at June 30, 2016 were as follows:

	<u>Interfund loans receivables</u>	<u>Interfund loans payables</u>
General Fund	\$ -	4,260,283
Nonmajor special revenue funds:		
School Categorical Programs	-	67,532
School Lunch Program	-	17,702
Sewer User Fund	1,232,053	-
Community Services Fund	74,024	-
Portland Head Light	663,778	-
Rescue Fund	198,113	-
Riverside Perpetual Care	2,237	-
Library Fund	26,626	-
Thomas Jordan Fund	-	31,613
Spurwink Church Fund	-	1,866
Total nonmajor special revenue funds	2,196,831	118,713
Nonmajor capital project funds:		
Riverside Cemetery Capital Improvements	9,525	-
Tax Increment Financing	11,520	-
School Bonded Projects	1,111,143	-
Library Project	52,228	-
Land Acquisition	142,984	-
Infrastructure Improvement	306,788	-
Turf Field	194,915	-
Fort Williams Park	355,982	-
Total nonmajor capital project funds	2,185,085	-
Fiduciary funds:		
School Scholarship Trust	40	-
Zimpritch Library Trust	-	2,960
Total fiduciary funds	40	2,960
 Totals	 \$ 4,381,956	 4,381,956

With the exception of certain trust funds, all cash of the Town is co-mingled in centralized cash accounts maintained within the General Fund, the practice of which results in the interfund balances listed above.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND BALANCES, CONTINUED

Individual fund transfers for the year ended June 30, 2016 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	713,417
Nonmajor special revenue funds:		
School Lunch Program	115,193	-
Community Services Fund	554,790	-
Thomas Jordan Fund	-	21,000
<u>Total nonmajor special revenue funds</u>	<u>669,983</u>	<u>21,000</u>
Nonmajor capital project funds:		
Tax Increment Financing	11,520	-
Land Acquisition	32,914	-
Turf Field	20,000	-
<u>Total nonmajor capital project funds</u>	<u>64,434</u>	<u>-</u>
Totals	\$ 734,417	734,417

These transfers were budgeted transfers to fund certain activities, except for the transfer to the School Lunch Fund, in which case a transfer was done to cover the year-end deficit.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 17,247,295	-	1,677,654	15,569,641	1,650,648
Premium	545,339	-	36,599	508,740	36,599
<u>Total bonds payable</u>	<u>17,792,634</u>	<u>-</u>	<u>1,714,253</u>	<u>16,078,381</u>	<u>1,687,247</u>
Capital leases	873,584	92,389	300,270	665,703	223,842
Net pension liability	1,204,447	319,004	-	1,523,451	-
Other postemployment benefits	454,156	85,377	6,848	532,685	-
Accrued compensated absences	1,003,907	59,304	-	1,063,211	-
Governmental activity long-term liabilities	\$ 21,328,728	556,074	2,021,371	19,863,431	1,911,089

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT

Long-term debt payable at June 30, 2016 is comprised of the following:

	<u>Amount of Original issue</u>	<u>Interest rate</u>	<u>Final maturity date</u>	<u>Balance end of year</u>
General obligation bonds:				
2006 Clean Water Revolving Fund	\$ 3,510,000	1.73%	2026	1,905,141
2006 Sewer bond	1,890,000	1.90%-5.50%	2027	1,039,500
2008 Capital improvements	2,550,000	3.25%-4.13%	2028	1,510,000
2009 Refunding bond	5,850,000	2.00%-2.75%	2020	1,155,000
2011 Refunding bond	2,110,000	2.00%-2.70%	2021	1,000,000
2012 Refunding bond	780,000	2.00%-2.50%	2022	460,000
2014 Refunding bond	4,190,000	2.00%-4.00%	2025	3,325,000
2015 General obligation bond	5,450,000	3.00%-3.25%	2035	5,175,000
Total				\$ 15,569,641

The Town is in compliance with all significant limitations and restrictions contained in the various bond indentures.

The annual requirements to amortize all debt outstanding at June 30, 2016 are as follows. Such amounts exclude overlapping debt requirements, but include School debt requirements to be reimbursed by the State of Maine.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,650,648	474,257	2,124,905
2018	1,643,697	386,794	2,030,491
2019	1,636,796	389,312	2,026,108
2020	1,624,950	342,380	1,967,330
2021	1,343,158	285,356	1,628,514
2022-2026	4,895,892	854,324	5,750,216
2027-2031	1,694,500	302,428	1,996,928
2032-2035	1,080,000	83,025	1,163,025
Totals	\$ 15,569,641	3,117,876	18,687,517

The State of Maine currently reimburses the Town for a portion of financing costs of school building and school bus purchases. Continuation of such reimbursements is dependent upon continued appropriations by the State Legislature.

In prior years, the Town defeased school renovation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At June 30, 2016, \$3,545,000 of defeased bonds remain outstanding.

STATUTORY DEBT LIMIT

In accordance with Maine law, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. At June 30, 2016, the Town complied with these limitations.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL LEASES

The Town has entered into nine lease agreements as lessee for financing of computers and technology equipment, copiers, boilers and buses. The lease agreements contain fiscal funding clauses that permit the Town to terminate the agreements on an annual basis if funds are not appropriated. However, these lease agreements qualify as capital leases, and therefore, have been recorded in the Town's statement of net position at the present value of the future minimum lease payments as of the date of their inception.

The following is a summary of equipment leased under capital lease agreements by the Town as of June 30, 2016:

Boilers	\$ 730,000
Buses	362,973
Copiers	201,551
Computers and technology equipment	171,014

The computer and technology equipment and copiers were not capitalized as they are below the Town's capitalization threshold.

The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2016:

Fiscal year ending	
<u>June 30,</u>	
2017	\$ 241,565
2018	97,112
2019	65,632
2020	65,632
2021	65,632
2022-2024	<u>196,895</u>
Total minimum lease payments	732,468
Less amounts representing interest	<u>(66,765)</u>
Present value of future minimum	
 lease payments	<u>\$ 665,703</u>

COMMITMENTS

As of June 30, 2016, the Town had ongoing commitments for the Library improvements. The contracts had remaining balances of \$95,000 as of year-end.

OVERLAPPING DEBT AND OTHER CONTINGENCIES

Overlapping Debt

Cumberland County - The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's state valuation to the County's state valuation. At June 30, 2016, the Town's share is \$1,612,010 (4.51%) of Cumberland County's outstanding debt of \$35,735,000.

Portland Water District - The Town is served by the Wastewater Division of the Portland Water District (PWD), a wholly separate quasi-municipal entity whose operations are not part of the Town, for treatment of its wastewater. The Town owns and maintains the collector sewer lines and is responsible for the cost of their maintenance, improvements, and expansion.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OVERLAPPING DEBT AND OTHER CONTINGENCIES, CONTINUED

The PWD owns and operates a sewer interceptor system, all pumping stations within the Town and a treatment plant in the Town for sewage delivered to the plant by the Town, for which the Town pays a monthly fee.

The Town is responsible for the entire debt service required to finance the PWD's treatment plant at the Spurwink Avenue Treatment Plant (Wastewater Fund Debt). All Town users of the wastewater system pay monthly fees, based upon water volume, to support expenditures from the Sewer Fund, which are paid for these services. At June 30, 2016, the Town was responsible for \$2,381,750 of its portion of PWD's Wastewater Fund Debt (or 5.89% of PWD's \$40,247,101 total Wastewater Fund Debt).

Other Contingencies

Portland Water District Debt - The Water Division of the PWD also provides water to the inhabitants of ten cities and towns within the Greater Portland Area (PWD Municipalities), including the Town. The Water Division's debt is not a debt or obligation of the Town. However, under Title 35-A, Section 6103 of the Maine Revised Statutes, as amended (Act), and pursuant to an agreement with nine of the ten PWD municipalities, the exception being the Town of Standish (Section 6103 Members), in compliance with subsection 6 of the Act, the PWD possesses authority for taxation in the event of default in the payment of the indebtedness of the PWD incurred for water purposes (Water Fund Debt).

In the event of a default by PWD in the payment of the principal of, in interest on, its Water Fund Debt, the Trustees of the PWD have the authority to issue a warrant for payment of amounts necessary to cure the default to the assessors in each section 6103 Member municipality within the PWD, including the Town.

Such assessment is allocated pro-rata, to each Section 6103 Member municipality based upon 100% of its respective equalized State Valuation. On this basis, at June 30, 2016, the Town was contingently responsible for approximately 6.81%, or \$3,227,347, of the PWD's \$47,391,288 Water Fund Debt.

Portland Water District Combined Sewer Overflows - The Portland Water District currently owns and operates the Ottawa Road Pump Station, which processes sanitary waste for both the Town of Cape Elizabeth and the City of South Portland. In 2009, the State of Maine Department of Environmental Protection (DEP) contacted the three entities about combined sewer outflows (CSOs) associated with the pump station.

Combined sewer overflows occur during storm events when a mixture of wastewater and storm water runoff overflows the combined sewer collection system before receiving treatment at a licensed wastewater treatment facility. These discharges of diluted untreated wastewater violate both State and Federal water pollution laws. Municipalities or Sewer Districts that have CSOs are required to license them with the DEP. License requirements direct these communities to evaluate their CSO problems and determine cost effective solutions to abate them.

The three entities submitted a master plan for the CSOs from the pump station to the DEP, which the DEP approved in July 2013 and authorized the three entities to begin working on the abatement of CSOs. The plan is to be implemented over five years, beginning in fiscal year 2014 and ending in fiscal year 2018. The costs will be split 33% for the City of South Portland and 67% between the Town of Cape Elizabeth and the Water District.

At this time, the costs are not estimable and therefore, the Town has not recorded a liability for the estimated project costs.

In July 2015, the Town Council voted to allocate \$350,000 of the Sewer User Fund to mitigate the combined sewer overflow at Ottawa Road.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OVERLAPPING DEBT AND OTHER CONTINGENCIES, CONTINUED

ecomaine - ecomaine is a solid waste management corporation service 40 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 21 member communities, ecomaine creates electricity through its processing of waste and operates an extensive recycling program.

The Town is a member community in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore; has not reported an asset in these financial statements in connection with its participation in ecomaine.

Selected balance sheet information for ecomaine for the year ended June 30, 2015 based on the most recent information available, includes total assets of \$62,510,802 total liabilities of \$18,994,187 and unrestricted net position of \$14,477,555. The liabilities include an accrual for landfill closure and postclosure care amounting to \$16,746,994. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained from the Town's finance office.

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Town carries commercial insurance, either participates in a public entity risk pool, or is effectively self-insured. Currently, the Town participates in a public entity and self-insured risk pool sponsored by the Maine Municipal Association.

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2016.

POSTCLOSURE CARE COSTS

Under existing state law, Maine communities have to close existing landfills under a state approved plan and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The Town closed its existing landfill during 1998 and the transfer station was modified to handle and transport future materials. The Town has estimated that there will be no significant postclosure care costs.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCES

At June 30, 2016, portions of the Governmental Funds fund balances were assigned, committed or restricted for future periods or classified as nonspendable for specific amounts as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:			
Portland Head Light – inventory	\$ -	138,591	138,591
<u>Total nonspendable</u>	<u>-</u>	<u>138,591</u>	<u>138,591</u>
Restricted:			
Tax increment financing	-	11,520	11,520
School bonded projects	-	1,111,143	1,111,143
School categorical programs	-	92,059	92,059
School Department general fund	1,488,649	-	1,488,649
Library fund	-	273,749	273,749
Town grants and donations	2,500	-	2,500
<u>Total restricted</u>	<u>1,491,149</u>	<u>1,488,471</u>	<u>2,979,620</u>
Committed:			
Capital projects:			
Library project	-	52,228	52,228
Land acquisition fund	-	142,984	142,984
Turf Field fund	-	194,915	194,915
Town special revenue funds:			
Sewer user fund	-	1,654,969	1,654,969
Portland Head Light	-	663,778	663,778
Rescue fund	-	242,767	242,767
Riverside perpetual care	-	339,518	339,518
Thomas Jordan fund	-	997,662	997,662
Spurwink church fund	-	27,421	27,421
<u>Total committed</u>	<u>-</u>	<u>4,316,242</u>	<u>4,316,242</u>
Assigned:			
Capital projects:			
Roadway and drainage repairs	325,000	-	325,000
Library building	150,000	-	150,000
Fort Williams stone wall repairs	12,000	-	12,000
Police cruiser replacement	20,000	-	20,000
Records preservation	4,000	-	4,000
Family fun day	9,500	-	9,500
Town hall meetings spaces/office spaces	125,000	-	125,000
APP Geo Implementation	23,000	-	23,000
Code enforcement software	12,500	-	12,500
Fuel donations	4,300	-	4,300
Community services supplies	15,000	-	15,000
Sidewalk improvements	72,000	-	72,000

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCES, CONTINUED

	<u>General</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
Assigned, continued:			
250th Anniversary Committee	\$ 10,000	-	10,000
Greenbelt trails maintenance	1,800	-	1,800
Preschool playground equipment	50,000	-	50,000
Pool rust and mold stainless steel changeover	50,000	-	50,000
Winter moth tree removal and replacement	50,000	-	50,000
Town - re-appropriation of fund balance	352,000	-	352,000
Town capital project funds:			
Riverside Cemetery capital improvements	-	138,098	138,098
Infrastructure improvement	-	306,788	306,788
Fort Williams Park	-	355,982	355,982
Total assigned	\$ 1,286,100	800,868	2,086,968

TAX INCREMENT FINANCING DISTRICT

Under Maine law, the Town has established a Tax Increment Financing District (TIF) to finance improvements within the Town of Cape Elizabeth. The District specifically encompasses the Town center and surrounding areas. The purpose of the District is to fund certain improvements to the Town center, including improved sidewalk connections, a study and plan for storm water improvements, open space, improved visual appeal, and infrastructure improvements. TIF improvements are to be funded through a combination of funds previously set aside for infrastructure improvements, grants, and the incremental value multiplied by the tax rate. The incremental value is defined as the increase of the current valuation over the original assessed value of \$11,729,600. For the year ended June 30, 2016, taxes raised are \$11,520 and there were no TIF related expenditures.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS)

General Information about the Pension Plan

Plan Description - The Town's police officers and sergeants are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Participating Local 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). In addition, all Town employees who were previously in the Town's District Group (prior to the Town opting out of the Maine Public Employees Retirement System) are eligible to participate in the system as part of a withdrawn Participating Local District, a single employer agent defined benefit pension plan. Benefit terms are established in Maine statute. MEPERS issues a publicly available financial report that can be obtained at www.maineopers.org for the PLD and SET plans.

New employees not eligible to participate in the Maine Public Employees Retirement System participate in the Town's ICMA Plan.

Benefits Provided - The PLD, Withdrawn 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.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

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, 2014). 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). Under the withdrawn PLD, employees are eligible for normal retirement upon attaining age 60 with ten or more years of service or after completing 25 or more years of creditable service prior to age 60.

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.

Consolidated PLD Plan - Employees are required to contribute 7.50% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2016 was 8.90% of annual pay for the Special Plan 2-C. Contributions to the pension plan from the Town were \$77,326 for the year ended June 30, 2016.

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, 2016, was 13.38% of annual payroll of which 3.36% of payroll was required from the Town and 10.02% was required from the State. Contributions to the pension plan from the Town were \$416,839 for the year ended June 30, 2016.

Withdrawn Plan - Employees are required to contribute 6.50% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2016 was 278% of annual pay for the Withdrawn PLD. The amounts paid include "catch up" amounts to fully fund the IUUAL. Contributions to the pension plan from the Town were \$123,252 for the year ended June 30, 2016.

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, 2015, 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 for the consolidated PLD and SET plans 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.

Consolidated PLD Plan - At June 30, 2016, the Town reported a liability of \$523,211 for its proportionate share of the net pension liability. At June 30, 2015, the Town's proportion of the PLD Plan was 0.16%.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

SET Plan - At June 30, 2016, 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	\$ 127,262
State's proportionate share of the net pension liability associated with the Town	14,033,346
Total	\$ 14,160,608

At June 30, 2015, the Town's proportion of the SET Plan was 0.0094%.

Changes in the Withdrawn PLD net pension liability are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2014	\$ 6,463,498	5,568,136	895,362
Changes for the year:			
Service cost	12,215	-	12,215
Interest	446,047	-	446,047
Differences between expected and actual experience	(258,728)	-	(258,728)
Change in assumption	59,714	-	59,714
Contributions – employer	-	181,126	(181,126)
Contributions – employee	-	6,770	(6,770)
Net investment income	-	98,648	(98,648)
Benefit payments, including refunds of employee contributions	(552,867)	(552,867)	-
Administrative expense	-	(4,912)	4,912
Net changes	(293,619)	(271,235)	(22,384)
Balance at June 30, 2015	\$ 6,169,879	5,296,901	872,978

For the year ended June 30, 2016, the Town recognized pension expense of \$175,536 for the Consolidated PLD Plan, \$274,586 for the withdrawn PLD plan, and \$1,616,693 for the SET plan, with revenue of \$1,243,072 for support provided by the State.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS), CONTINUED

At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	333,894
Changes of assumptions	49,744	-
Net difference between projected and actual earnings on pension plan investments	-	45,284
Changes in proportion and differences between Town contributions and proportionate share of contributions	84,690	-
Town contributions subsequent to the measurement date	617,417	-
Total	\$ 751,851	\$ 379,178

An amount of \$617,417 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, 2017.

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

<u>Year ended June 30:</u>	
2017	\$ (77,808)
2018	(77,808)
2019	(77,807)
2020	(11,321)

Actuarial Assumptions - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Consolidated PLD Plan</u>	<u>SET Plan</u>	<u>Withdrawn PLD Plan</u>
Inflation	3.5%	3.5%	3.5%
Salary Increases, per year	3.5% to 9.5%	3.5% to 13.5%	3.5%
Investment return, per annum, compounded annually	7.125%	7.125%	7.125%
Cost of living benefit increases, per annum	2.55%	2.55%	3.12%

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

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS), CONTINUED

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	5.2%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real assets:		
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.7%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.125% for the PLD Plan, the SET Plan, and the withdrawn PLD.

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 7.125% for the PLD Plan, the withdrawn PLD, 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 (6.125% for PLD Plan and withdrawn PLD; and 6.125% for SET Plan) or 1 percentage-point higher (8.125% for PLD Plan, the withdrawn PLD; and the SET Plan) than the current rate:

<u>Consolidated PLD Plan</u>	1% Decrease <u>(6.125%)</u>	Current Discount Rate <u>(7.125%)</u>	1% Increase <u>(8.125%)</u>
Town's proportionate share of the net pension liability	\$ 1,042,391	\$ 523,211	\$ 30,996

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS), CONTINUED

<u>SET Plan</u>	1% Decrease <u>(6.125%)</u>	Current Discount Rate <u>(7.125%)</u>	1% Increase <u>(8.125%)</u>
Town's proportionate share of the net pension liability	\$222,806	\$ 127,262	\$ 47,685
<u>Withdrawn PLD Plan</u>	1% Decrease <u>(6.125%)</u>	Current Discount Rate <u>(7.125%)</u>	1% Increase <u>(8.125%)</u>
Net pension liability	\$ 1,373,030	\$ 872,978	\$ 411,689

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, 2016.

Maine Public Employees Retirement System - District Group (Withdrawn PLD)

At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	44
Active employees	<u>2</u>
<u>Total employees</u>	<u>46</u>

This plan is not available to any non-participating current employees or new hires. Vested participants are entitled to a retirement benefit equal to a fraction (2%) of the average final compensation multiplied by the years of membership service (discounted for early retirement).

RETIREMENT PLANS

Defined Contribution Plan

The Town offers its regular employees and certain school employees not participating in the Maine Public Employees Retirement System a defined contribution money purchase plan created in accordance with Internal Revenue Code Section 401(a). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate and are vested from the date of employment.

The Town matches the employees' contribution to the plan up to 7% of compensation for the plan year. For the year ended June 30, 2016, the Town and School's contributions to the plan totaled \$248,869.

Deferred Compensation Plan

The Town of Cape Elizabeth offers all its employees not participating in Maine Public Employees Retirement System a deferred compensation plan created in accordance with Internal Revenue Code (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.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

RETIREMENT PLANS, CONTINUED

Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets are not included in the Town's financial statements.

Other

Additionally, the Town participates in the Social Security Retirement Program. The Town's contribution to Social Security (including Medicare) was approximately \$724,833 for the year ended June 30, 2016.

OTHER POSTEMPLOYMENT BENEFITS

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

The Town of Cape Elizabeth is a member of the Maine Municipal Employees Health Trust. The Trust is a multiple employer Voluntary Employee's Beneficiary Association. The Town is an individually rated member within the Association. The Trust issues a publicly available financial report. That report may be obtained by writing to the Maine Municipal Association at 60 Community Drive, Augusta, ME 04332.

The Health Trust contracted with an outside consultant to assist in the determination and valuation of the District's OPEB liability under GASB Statement 45. The consultants completed the latest OPEB liability actuarial valuation in August 2014.

Plan Descriptions - In addition to providing pension benefits, the Town provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage. The Town of Cape Elizabeth has the authority to establish and amend the participation requirements. The MMEHT has the authority to establish and amend the benefits provided and the contribution requirements.

Funding Policy and Annual OPEB Cost - GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The Town currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

The following table represents the OPEB costs for the year and the annual required contribution:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Normal Cost	\$ 30,907	30,907	30,907
Amortization of Unfunded	60,753	60,753	60,753
Adjustment to ARC	(26,264)	(21,607)	(16,848)
Interest	19,981	16,760	13,468
Annual Required Contribution	\$ 85,377	86,813	88,280

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Net OPEB Obligation – The Town’s net OPEB obligation was calculated as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
OPEB liability, July 1, 2015	\$ 454,156	373,626	291,339
Annual required contributions	85,377	86,813	88,280
Less: Actual contributions	(6,848)	(6,283)	(5,993)
OPEB liability, June 30, 2016	\$ 532,685	454,156	373,626

The following table represents the OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2016 and the two preceding years.

<u>Fiscal Year End</u>	<u>Annual OPEB Costs</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2014	\$ 88,280	6.79%	373,626
June 30, 2015	86,813	7.24%	454,156
June 30, 2016	85,377	8.02%	532,685

Funding Status and Funding Progress - The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ending June 30th are as follows:

	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Actuarial accrued liability	\$ 1,092,569	1,092,569	1,092,569
Plan assets	-	-	-
Unfunded actuarial accrued liability	\$ 1,092,569	1,092,569	1,092,569
Funded ratio	0%	0%	0%
Covered payroll	\$ 3,339,287	\$ 3,030,023	2,759,172
Unfunded actuarial accrued liability as a percentage of covered payroll	32.72%	36.06%	39.60%

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

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

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

TOWN OF CAPE ELIZABETH, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/14
Actuarial cost method	Projected unit credit cost method
Amortization method	Level dollar open
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	N/A
Healthcare cost trend rate	4.60%

SUBSEQUENT EVENT

In February 2016, the Town council approved the issuance of bonds of \$1,400,000 for improvements and upgrades at the Town recycling center and \$700,000 in bonds for improvements to the Donald Richards community pool. As of June 30, 2016, these bonds had not yet been issued. In addition, on September 13, 2016, the School Board authorized a lease purchase agreement for the purchase of a school bus for \$90,782.

PRIOR PERIOD ADJUSTMENT

In FY 2015, the School Department recorded a receivable and related revenue in its Local Entitlement special revenue fund for expenditures incurred under the grant but not yet reimbursed by the Department of Education. In FY 2016, the School Department determined that the Department of Education disallowed those expenditures as they were incurred prior to the approval of the FY 2015 Local Entitlement application. As these costs were not allowed under the Local Entitlement grant, the expenditures should have been reclassified from the School Categorical Programs special revenue fund to the General Fund. The School Department has decided to restate the beginning fund balance in the General Fund by the amount of the disallowed costs.

The following is a summary of the effect of the restatements:

	General Fund Fund Balance (Ex. A-2 and Stmt. 4)	Governmental Activities Net Position (Stmt. 2)
Fund balance/net position as previously reported	\$ 5,765,231	32,992,974
Local Entitlement expenditures disallowed	(37,275)	(37,275)
Fund balance, net position as restated	\$ 5,727,956	32,955,699

TOWN OF CAPE ELIZABETH, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Retiree Healthcare Plan

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll [(b-a) / c]
2009	1/1/09	\$ -	921,348	921,348	0.00%	3,079,336	29.92%
2010	1/1/09	-	921,348	921,348	0.00%	2,864,373	34.80%
2011	1/1/11	-	862,794	862,794	0.00%	2,647,373	32.59%
2012	1/1/11	-	862,794	862,794	0.00%	2,792,351	30.90%
2013	1/1/11	-	862,794	862,794	0.00%	2,640,991	32.67%
2014	1/1/14	-	1,092,569	1,092,569	0.00%	2,759,172	39.60%
2015	1/1/14	-	1,092,569	1,092,569	0.00%	3,030,023	36.06%
2016	1/1/14	-	1,092,569	1,092,569	0.00%	3,339,287	32.72%

TOWN OF CAPE ELIZABETH, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the Town's Net Pension Liability and Related Ratios

	<u>2016</u>	<u>2015</u>
Total Pension Liability		
Service cost	\$ 12,215	18,040
Interest	446,047	476,464
Differences between expected and actual experience	(258,728)	(312,353)
Changes in assumption	59,714	-
Benefit payments, including refunds of employee contributions	(552,867)	(545,068)
Net change in total pension liability	(293,619)	(362,917)
Total pension liability – beginning	6,463,498	6,826,415
Total pension liability – ending (a)	\$ 6,169,879	6,463,498
Plan Fiduciary Net Position		
Contributions – employer	\$ 181,126	114,468
Contributions – employee	6,770	9,199
Net investment income	98,648	836,690
Benefit payments, including refunds of employee contributions	(552,867)	(545,068)
Administrative expense	(4,912)	(4,252)
Net change in plan fiduciary net position	(271,235)	411,037
Plan fiduciary net position – beginning	5,568,136	5,157,099
Plan fiduciary net position – ending (b)	\$ 5,296,901	5,568,136
Town's net pension liability – ending (a) – (b)	\$ 872,978	895,362
Plan fiduciary net position as a percentage of the total pension liability	85.85%	86.15%
Covered payroll	\$ 44,264	104,158
Town's net pension liability as a percentage of covered-employee payroll	1,972%	860%

TOWN OF CAPE ELIZABETH, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
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>2016*</u>	<u>2015*</u>
<u>PLD Plan</u>		
Town's proportion of the net pension liability	0.1640%	0.1788%
Town's proportionate share of the net pension liability \$	523,211	275,173
Town's covered-employee payroll	868,832	807,643
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	60.22%	34.07%
Plan fiduciary net position as a percentage of of the total pension liability	88.27%	94.10%
<u>SET Plan</u>		
Town's proportion of the net pension liability	0.0094%	0.0031%
Town's proportionate share of the net pension liability	127,262	33,912
State's proportionate share of the net pension liability associated with the Town	14,033,346	11,196,388
Total	<u>\$ 14,160,608</u>	<u>11,230,300</u>
Town's covered-employee payroll	\$ 12,405,910	12,030,288
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	1.03%	0.28%
Plan fiduciary net position as a percentage of of the total pension liability	81.18%	83.91%

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

**Only two years of information available.

TOWN OF CAPE ELIZABETH, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Town Contributions

**Maine Public Employees Retirement System Consolidated Plan (PLD), Withdrawn PLD Plan
and State Employee and Teacher Plan (SET)**

Last 10 Fiscal Years**

	<u>2016</u>	<u>2015</u>
<u>Consolidated PLD Plan</u>		
Contractually required contribution	\$ 77,326	67,035
Contributions in relation to the contractually required contribution	(77,326)	(67,035)
<u>Contribution deficiency (excess)</u>	<u>-</u>	<u>-</u>
Town's covered-employee payroll	\$868,832	807,643
Contributions as a percentage of covered- Employee payroll	8.97%	8.32%
<u>SET Plan</u>		
Contractually required contribution	\$ 416,839	318,802
Contributions in relation to the contractually required contribution	(416,839)	(318,802)
<u>Contribution deficiency (excess)</u>	<u>-</u>	<u>-</u>
Town's covered-employee payroll	\$12,405,910	12,030,288
Contributions as a percentage of covered- Employee payroll	3.36%	2.65%
<u>Withdrawn PLD Plan</u>		
Actuarially determined contribution*	\$ 123,252	181,236
Contributions in relation to the Actuarially determined contribution	(123,252)	(181,236)
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>	<u>-</u>
Town's covered-employee payroll	\$ 44,264	104,158
Contributions as a percentage of covered- Employee payroll	278%	174%

*Amount includes a "catch up" monthly amount to fully fund the IUUAL.

**Only two years of information available.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Required Supplementary Information

Changes of benefit terms - None

Changes of assumptions - For the PLD Plan, the discount rate was decreased from 7.25% to 7.125% and the cost of living benefit increase assumption was changed from 3.12% to 2.55%.

Notes to the Schedule of Changes in the Town's Net Pension Liability and Related Ratios

Valuation date: Actuarially determined contribution rates are calculated as of June 30 2014, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal/Term Cost Method
Amortization method	Level Percentage of Payroll
Remaining amortization period	Open basis over 15 years
Asset valuation method	Actuarial value
Inflation	3.5%
Salary increases	3.5%
Investment rate of return	7.125%
Retirement age	Age 60 for employees in regular plans; earliest age eligible for unreduced benefits for employees in special plans.
Mortality	For non-disabled retirees of the participating local districts, the RP 2000 Tables projected forward to 2015 using Scale AA are used; for active members the ages are set back two years; for all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.

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. Most governmental services are provided by the General Fund including general government, public works, public safety, education, recreation, health and welfare, and assessments from other governmental agencies.

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Comparative Balance Sheets
June 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 12,930,395	15,191,270
Taxes and liens receivable - current year	153,003	162,212
Tax liens	94,440	76,878
Tax acquired property	206	206
Accounts receivable	60,605	109,459
Total assets	\$ 13,238,649	15,540,025
LIABILITIES		
Accounts payable and other current liabilities	202,878	330,375
Accrued payroll and benefits	2,199,766	2,159,428
Taxes collected in advance	10,021	18,612
Interfund loans payable	4,260,283	7,071,379
Total liabilities	6,672,948	9,579,794
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	217,000	195,000
Total deferred inflows of resources	217,000	195,000
FUND BALANCE		
Restricted:		
Town grants and donations	2,500	2,500
School Department General Fund	1,488,649	1,188,133
Assigned	1,286,100	1,335,818
Unassigned	3,571,452	3,238,780
Total fund balance	6,348,701	5,765,231
Total liabilities, deferred inflows of resources, and fund balance	\$ 13,238,649	15,540,025

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016
(with comparative actual amounts for the year ended June 30, 2015)

	2016		Variance positive (negative)	2015 Actual
	Revised budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 28,406,589	28,406,589	-	28,034,747
Supplemental taxes	-	15,301	15,301	-
Change in deferred taxes	-	(22,000)	(22,000)	(35,000)
Excise taxes	1,916,000	2,082,448	166,448	1,961,487
Interest and costs on taxes	28,000	27,759	(241)	32,838
Total taxes	30,350,589	30,510,097	159,508	29,994,072
Licenses and permits:				
Auto registration fees	24,000	24,681	681	24,846
Building, electrical and plumbing fees	125,000	144,299	19,299	161,626
Town clerk fees	15,000	13,420	(1,580)	15,019
Total licenses and permits	164,000	182,400	18,400	201,491
Intergovernmental:				
State revenue sharing	416,000	456,950	40,950	439,951
Education - State subsidies	3,403,682	3,403,683	1	2,482,137
State agency clients	7,000	7,262	262	4,753
D.O.T. block grant	77,300	78,096	796	77,300
BETE reimbursement	8,138	8,139	1	4,385
Homestead revenue	189,309	189,309	-	239,136
Federal grants-capital contributions	-	62,825	62,825	81,264
Federal grants-public safety	100	5,598	5,498	81,983
Other miscellaneous - State and Federal	50,000	61,134	11,134	50,072
Total intergovernmental	4,151,529	4,272,996	121,467	3,460,981
Investment income:				
Investment earnings	45,000	20,225	(24,775)	23,408
Total investment income	45,000	20,225	(24,775)	23,408
Other revenues:				
Cable television franchise	150,000	150,433	433	154,215
Refuse disposal	95,000	70,724	(24,276)	87,574
School department activity fees	64,500	63,425	(1,075)	66,920
School department miscellaneous	2,000	7,723	5,723	26,585
Police specials and fees	11,000	18,863	7,863	15,538
Miscellaneous donations	-	200	200	-
Miscellaneous	180,001	179,208	(793)	93,991
Total other revenues	502,501	490,576	(11,925)	444,823
Total revenues	35,213,619	35,476,294	262,675	34,124,775

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2016		Variance positive (negative)	2015 Actual
	Revised budget	Actual		
Expenditures:				
Current:				
General government:				
Administration	\$ 581,188	578,158	3,030	553,014
Assessing, codes and planning	435,823	397,801	38,022	387,249
Town council	500	320	180	77
Legal and audit	77,000	76,998	2	71,300
Elections	29,790	14,800	14,990	16,716
Boards and commissions	15,006	9,895	5,111	10,380
Public information	56,821	50,321	6,500	45,726
Abatements/overlay	647,167	33,889	613,278	14,962
Total general government	1,843,295	1,162,182	681,113	1,099,424
Public works:				
General public works	1,171,046	1,098,723	72,323	1,225,027
Refuse disposal/recycling	487,271	449,318	37,953	453,090
Total public works	1,658,317	1,548,041	110,276	1,678,117
Facilities:				
Facilities and property management	225,000	224,181	819	203,935
Town hall maintenance	26,016	19,124	6,892	27,297
Library building	26,433	23,211	3,222	22,534
Town center fire station	26,306	19,275	7,031	30,013
Cape cottage fire station	6,640	4,871	1,769	6,695
Police station	64,349	45,596	18,753	58,646
Total facilities	374,744	336,258	38,486	349,120
Public safety:				
Fire department	321,871	264,640	57,231	276,458
Police department	1,294,108	1,251,067	43,041	1,224,398
Animal control	24,500	24,499	1	23,696
Public safety communications	177,548	172,547	5,001	167,499
WETeam	24,267	15,312	8,955	10,874
Miscellaneous public protection	165,913	159,475	6,438	158,990
Emergency preparedness	4,652	4,052	600	3,278
Total public safety	2,012,859	1,891,592	121,267	1,865,193
Cultural and parks:				
Library	535,005	532,470	2,535	522,629
Parks and grounds	517,125	441,293	75,832	442,388
Trees	24,325	25,176	(851)	20,880
Total cultural and parks	1,076,455	998,939	77,516	985,897
Human services	80,000	72,977	7,023	59,086
Education:				
Regular instruction	10,991,828	10,796,862	194,966	10,856,620
Special education instruction	3,104,307	2,992,055	112,252	3,000,850
Career and technical education	55,153	54,641	512	40,626
Other instruction	832,408	827,743	4,665	772,030
Student and staff support	2,287,397	2,232,158	55,239	2,143,060
System administration	719,162	704,678	14,484	772,774
School administration	1,175,259	1,131,337	43,922	1,121,631
Transportation	754,046	730,273	23,773	732,792
Facilities maintenance	2,816,590	2,742,172	74,418	2,327,260
Other	3,287	3,286	1	-
Debt service	672,019	672,018	1	1,133,775
Total education	23,411,456	22,887,223	524,233	22,901,418
Intergovernmental assessments	1,203,210	1,203,042	168	1,130,272

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2016			2015 Actual
	Revised budget	Actual	Variance positive (negative)	
Expenditures, continued				
Current, continued:				
Insurance and benefits				
Insurance	\$ 103,000	99,105	3,895	90,973
Employee benefits	1,179,000	1,147,723	31,277	1,117,550
Total insurance and benefits	1,282,000	1,246,828	35,172	1,208,523
Unclassified:				
Contributions	39,500	24,663	14,837	36,161
Grants	2,968	24,539	(21,571)	177,242
Other	-	6,677	(6,677)	6,641
Total unclassified	42,468	55,879	(13,411)	220,044
Capital improvements:				
4004 Cruiser replacement	82,178	62,164	20,014	41,471
4009 Roadway & drainage	835,748	666,095	169,653	445,921
4013 Sidewalk improvements	73,620	975	72,645	298
4021 Computer hardware and software	25,000	23,960	1,040	20,663
4023 Loader/backhoe replacement	180,000	179,996	4	-
4024 Town Hall roof and external repairs	25,000	19,800	5,200	6,181
4052 Library improvements	239,238	87,554	151,684	182,098
4107 Dump/plow replacement	-	245	(245)	161,458
4111 Town Hall building	75,000	-	75,000	6,010
4131 Town center building replacement	-	-	-	5,400
4136 Grounds equipment	20,000	15,058	4,942	23,323
4147 Police ext. door replacement	-	-	-	2,499
4269 Police space separation	-	-	-	5,121
5236 Police radios	20,000	15,048	4,952	-
5249 Athletic field fencing replacement	-	-	-	5,994
5263 Extrication tool replacement	25,000	17,187	7,813	-
5265 Town Hall electrical system	-	-	-	72,837
5270 Replace fire chief's vehicle	-	-	-	38,061
5271 Town Hall roof replacement	-	-	-	24,980
5272 Public works utility cart	-	-	-	19,693
5273 Town Hall card access system	-	-	-	16,508
5274 Front end loader overhaul	-	-	-	11,405
5276 Athletic fields electrical upgrades	8,900	8,349	551	-
5277 Town Hall exterior lighting upgrades	-	-	-	7,558
5278 Oil tank code upgrades	-	-	-	2,918
5279 Traffic signal equipment replacement	-	-	-	4,535
5280 Transfer trailer replacement	-	-	-	64,068
5281 Town Hall mold remediation	-	-	-	68,266
5282 Tech location	-	-	-	34,464
5283 Recycling center study & modification	25,000	42,834	(17,834)	72,092
5284 Engine 3 bodywork	30,000	18,400	11,600	-
5285 FWP firehouse window replacement	7,000	6,650	350	-
5286 FW firehouse brickwork	4,500	4,300	200	-
5287 PD computer replacement	11,000	10,929	71	-
5288 PD bullet-proof vests	5,000	5,000	-	-
5289 PW ext. lighting upgrades	12,500	11,955	545	-
5290 PW pick-up truck replacement	40,000	29,053	10,947	-
5291 PW front end artic overhaul	15,000	14,992	8	-
5292 PW parks trailer replacement	4,000	3,509	491	-
5293 HS tennis court repairs	32,000	28,918	3,082	-
5294 Plaisted Field backstop	16,000	15,535	465	-
5295 TC Fire St. brickwork	10,000	7,539	2,461	-
5296 T.H. ext. lighting upgrade	7,000	4,950	2,050	-
5297 Generator pad relocation	10,000	3,295	6,705	-
5299 Richards pool study	17,000	12,470	4,530	-
5300 Spurwink rod and gun licensing	-	14,624	(14,624)	-
5301 T.C. fire station renovation	25,000	25,593	(593)	-
5302 PW truck replacement	55,250	32,695	22,555	-
5303 Spurwink accident	-	42,083	(42,083)	-
5305 Pool dectrow project	-	85,000	(85,000)	-
Total capital improvements	1,935,934	1,516,755	419,179	1,343,822

TOWN OF CAPE ELIZABETH, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2016			2015 Actual
	Revised budget	Actual	Variance positive (negative)	
Debt service (excluding School Department)				
Principal and interest payments	\$ 1,185,780	1,181,063	4,717	887,347
Bond issuance costs	-	-	-	12,750
Total debt service	1,185,780	1,181,063	4,717	900,097
Total expenditures	36,106,518	34,100,779	2,005,739	33,741,013
Excess (deficiency) of revenues over (under) expenditures	(892,899)	1,375,515	2,268,414	383,762
Other financing sources (uses):				
Transfer from special revenue funds	-	-	-	74,379
Transfer from capital projects	-	-	-	240,810
Transfer to special revenue funds	(648,983)	(648,983)	-	(532,000)
Transfer to capital projects funds	(64,434)	(64,434)	-	(46,914)
Carryforward balances and subsequent authorizations	1,104,316	-	(1,104,316)	-
Utilization of prior year surplus - School	150,000	-	(150,000)	-
Utilization of prior year surplus - Town	352,000	-	(352,000)	-
Total other financing sources (uses)	892,899	(713,417)	(1,606,316)	(263,725)
Net change in fund balance	-	662,098	662,098	120,037
Reconciliation to GAAP:				
Change in encumbrances		(41,353)		49,040
Accrued teacher summer salary benefits		-		316,664
Fund balance, beginning of year, restated		5,727,956		5,279,490
Fund balance, ending of year	\$	6,348,701		5,765,231

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF CAPE ELIZABETH, MAINE
Combining Balance Sheet
All Other Governmental Funds
June 30, 2016

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,092,671	128,573	1,221,244
Investments	550,295	-	550,295
Receivables:			
Due from other governments	175,029	-	175,029
Rescue (net of allowance for uncollectible of \$9,000)	44,654	-	44,654
Sewer fees (net of allowance for uncollectible of \$4,000)	422,916	-	422,916
Prepaid expenditures	6,729	-	6,729
Inventory	159,427	-	159,427
Interfund loans receivable	2,196,831	2,185,085	4,381,916
Total assets	\$ 4,648,552	2,313,658	6,962,210
LIABILITIES AND FUND BALANCES			
Liabilities:			
Unearned revenue - prepaid services	135,992	-	135,992
Interfund loans payable	118,713	-	118,713
Total liabilities	254,705	-	254,705
Fund balances:			
Nonspendable	138,591	-	138,591
Restricted	365,808	1,122,663	1,488,471
Committed	3,926,115	390,127	4,316,242
Assigned	-	800,868	800,868
Unassigned	(36,667)	-	(36,667)
Total fund balances	4,393,847	2,313,658	6,707,505
Total liabilities and fund balances	\$ 4,648,552	2,313,658	6,962,210

TOWN OF CAPE ELIZABETH, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Other Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental:			
Federal and State subsidies	\$ 630,677	-	630,677
Federal commodities	19,691	-	19,691
Investment income (loss)	(2,498)	838	(1,660)
Other:			
Building and park rentals and fees	4,355	236,077	240,432
Sewer assessments	2,197,854	-	2,197,854
Lot sales and fees	49,509	9,525	59,034
School lunch	484,380	-	484,380
Community services	1,144,052	-	1,144,052
Lighthouse admissions	59,174	-	59,174
Lighthouse gift shop sales	562,577	-	562,577
Rescue charges	263,552	-	263,552
Local grants and contributions	179,950	-	179,950
Miscellaneous	22,434	-	22,434
Total revenues	5,615,707	246,440	5,862,147
Expenditures:			
Current:			
Educational/recreation program	2,330,629	-	2,330,629
School lunch	702,672	-	702,672
Cultural and parks:			
Library	8,199	-	8,199
Portland Head Light - operations and staff	298,618	-	298,618
Portland Head Light - gift shop costs	233,959	-	233,959
Cemetery maintenance	46,722	-	46,722
Facilities	6,222	-	6,222
Human services	10,614	-	10,614
Public safety	316,031	-	316,031
Sewer	1,505,188	-	1,505,188
Unclassified	-	6,944	6,944
Capital improvements	445,867	3,864,635	4,310,502
Debt service	311,864	-	311,864
Total expenditures	6,216,585	3,871,579	10,088,164
Deficiency of revenues under expenditures	(600,878)	(3,625,139)	(4,226,017)
Other financing sources:			
Capital contributions	-	565,070	565,070
Transfer from other funds	648,983	64,434	713,417
Total other financing sources	648,983	629,504	1,278,487
Net change in fund balances	48,105	(2,995,635)	(2,947,530)
Fund balances, beginning of year	4,345,742	5,309,293	9,655,035
Fund balances, end of year	\$ 4,393,847	2,313,658	6,707,505

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for resources obtained and expended for specific purposes that are restricted by law or administrative actions.

Special revenue funds are established for the following purposes:

School Categorical Programs

This fund accounts for various federal and state programs administered by the School Department.

School Lunch Program

This fund accounts for revenues and expenditures for school lunch purposes.

Sewer User Fund

This fund accounts for monies received from sewer user fees, sewer connection fees and contributions from the General Fund to this fund pursuant to the Town sewer ordinance. The fund also accounts for all sewer related expenditures.

Community Services Fund

This fund accounts for revenues and expenditures of the Community Services Program.

Portland Head Light

The Portland Head Light Fund accounts for the museum at Portland Head Light (a nonprofit 501(c)(3) organization), and the collection of donations and other funds for the Portland Head Light.

Rescue Fund

This fund accounts for revenues from ambulance billings and expenditures related to the ambulance service.

Riverside Perpetual Care

The Riverside Memorial Park Trust Fund was established in 1945. The Treasurer of the Town receives and accounts for all funds collected. Disbursements are made in accordance with a budget approved by the Town Council each year.

Library Fund

The Library Fund accounts for various donations to the Thomas Memorial Library. Funds are disbursed to cover various library needs.

Thomas Jordan Fund

The Thomas Jordan Trust accounts for funds received from the Thomas Jordan investment, which is available to benefit the poor of the Town of Cape Elizabeth.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS, CONTINUED

Spurwink Church Fund

The Spurwink Church Trust was established on February 14, 1983 by action of the Cape Elizabeth Town Council. The purposes of the Trust are to provide funds for the upkeep, maintenance and general repair of the Spurwink Church, and the premises upon which it is located, to provide funds for approved programs which may be held at the church, and for such other purposes which are not inconsistent with the above purposes and applicable law. Revenues are primarily derived from rental charges for use of the Church. Disbursements may be made only upon authorization of the Cape Elizabeth Town Council.

TOWN OF CAPE ELIZABETH, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2016

	School Categorical Programs	School Lunch Program	Sewer User Fund	Community Services Fund	Portland Head Light	Rescue Fund	Riverside Perpetual Care	Library Fund	Thomas Jordan Fund	Spurwink Church Fund	Totals
ASSETS											
Cash and cash equivalents	\$ -	-	-	-	-	-	337,281	247,123	478,980	29,287	1,092,671
Investments	-	-	-	-	-	-	-	-	550,295	-	550,295
Due from other governments	155,409	19,620	-	-	-	-	-	-	-	-	175,029
Rescue receivable (net of allowance for uncollectible of \$9,000)	-	-	-	-	-	44,654	-	-	-	-	44,654
Sewer fees receivable (net of allowance for uncollectible of \$4,000)	-	-	422,916	-	-	-	-	-	-	-	422,916
Prepaid expenditures	-	-	-	6,729	-	-	-	-	-	-	6,729
Inventory	-	20,836	-	-	138,591	-	-	-	-	-	159,427
Interfund loans receivable	-	-	1,232,053	74,024	663,778	198,113	2,237	26,626	-	-	2,196,831
Total assets	\$ 155,409	40,456	1,654,969	80,753	802,369	242,767	339,518	273,749	1,029,275	29,287	4,648,552
LIABILITIES AND FUND BALANCES											
Liabilities:											
Unearned revenue - prepaid services	-	22,754	-	113,238	-	-	-	-	-	-	135,992
Interfund loans payable	67,532	17,702	-	-	-	-	-	-	31,613	1,866	118,713
Total liabilities	67,532	40,456	-	113,238	-	-	-	-	31,613	1,866	254,705
Fund balances (deficit):											
Nonspendable	-	-	-	-	138,591	-	-	-	-	-	138,591
Restricted	92,059	-	-	-	-	-	-	273,749	-	-	365,808
Committed	-	-	1,654,969	-	663,778	242,767	339,518	-	997,662	27,421	3,926,115
Unassigned	(4,182)	-	-	(32,485)	-	-	-	-	-	-	(36,667)
Total fund balances (deficit)	87,877	-	1,654,969	(32,485)	802,369	242,767	339,518	273,749	997,662	27,421	4,393,847
Total liabilities and fund balances	\$ 155,409	40,456	1,654,969	80,753	802,369	242,767	339,518	273,749	1,029,275	29,287	4,648,552

TOWN OF CAPE ELIZABETH, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2016

	School Categorical Programs	School Lunch Program	Sewer User Fund	Community Services Fund	Portland Head Light	Rescue Fund	Riverside Perpetual Care	Library Fund	Thomas Jordan Fund	Spurwink Church Fund	Totals
Revenues:											
Intergovernmental:											
Federal and state subsidies	\$ 547,555	83,122	-	-	-	-	-	-	-	-	630,677
Federal commodities	-	19,691	-	-	-	-	-	-	-	-	19,691
Investment income (loss)	-	-	-	-	-	-	2,247	1,590	(6,535)	200	(2,498)
Other revenues:											
Building and park rentals and fees	-	-	-	-	-	-	-	-	-	4,355	4,355
Sewer assessments	-	-	2,197,854	-	-	-	-	-	-	-	2,197,854
Lot sales and fees	-	-	-	-	-	-	49,509	-	-	-	49,509
School lunch	-	484,380	-	-	-	-	-	-	-	-	484,380
Community services	-	-	-	1,144,052	-	-	-	-	-	-	1,144,052
Lighthouse admissions	-	-	-	-	59,174	-	-	-	-	-	59,174
Lighthouse gift shop sales	-	-	-	-	562,577	-	-	-	-	-	562,577
Rescue charges	-	-	-	-	-	263,552	-	-	-	-	263,552
Local grants and contributions	154,234	-	-	-	-	-	-	25,716	-	-	179,950
Miscellaneous	8,200	-	-	-	5,125	-	-	9,109	-	-	22,434
Total revenues	709,989	587,193	2,197,854	1,144,052	626,876	263,552	51,756	36,415	(6,535)	4,555	5,615,707
Expenditures:											
Current:											
Educational/recreation program	688,820	-	-	1,641,809	-	-	-	-	-	-	2,330,629
School lunch	-	702,672	-	-	-	-	-	-	-	-	702,672
Culture and parks:											
Library	-	-	-	-	-	-	-	8,199	-	-	8,199
Portland Head Light - operations and staff	-	-	-	-	298,618	-	-	-	-	-	298,618
Portland Head Light - gift shop costs	-	-	-	-	233,959	-	-	-	-	-	233,959
Cemetery maintenance	-	-	-	-	-	-	46,722	-	-	-	46,722
Facilities:											
Spurwink church	-	-	-	-	-	-	-	-	-	6,222	6,222
Human services	-	-	-	-	-	-	-	-	10,614	-	10,614
Public safety:											
Rescue expenditures	-	-	-	-	-	316,031	-	-	-	-	316,031
Sewer:											
Sewer - operations and maintenance	-	-	77,428	-	-	-	-	-	-	-	77,428
Sewer - Portland Water District assessments	-	-	1,427,760	-	-	-	-	-	-	-	1,427,760
Capital outlay	-	-	445,317	-	-	-	550	-	-	-	445,867
Debt service	-	-	219,564	92,300	-	-	-	-	-	-	311,864
Total expenditures	688,820	702,672	2,170,069	1,734,109	532,577	316,031	47,272	8,199	10,614	6,222	6,216,585
Other financing sources (uses):											
Transfers (to) from other funds	-	115,193	-	554,790	-	-	-	-	(21,000)	-	648,983
Total other sources (uses)	-	115,193	-	554,790	-	-	-	-	(21,000)	-	648,983
Net change in fund balances	21,169	(286)	27,785	(35,267)	94,299	(52,479)	4,484	28,216	(38,149)	(1,667)	48,105
Fund balances, beginning of year	66,708	286	1,627,184	2,782	708,070	295,246	335,034	245,533	1,035,811	29,088	4,345,742
Fund balances (deficit), end of year	\$ 87,877	-	1,654,969	(32,485)	802,369	242,767	339,518	273,749	997,662	27,421	4,393,847

NONMAJOR GOVERNMENTAL FUND

CAPITAL PROJECT FUNDS

Capital project funds are established to account for resources obtained and expended for the acquisition of major capital facilities other than those employed in the delivery of services accounted for in enterprise funds.

The Town's capital project fund was established for the following purpose:

Riverside Cemetery Capital Improvements

The Riverside Capital Improvement Fund is used to account for monies received for the purpose of cemetery expansion and improvement. Fifty percent of funds received for lot sales are recognized as revenues of this fund. Funds are used for capital improvements and equipment purchases.

Tax Increment Financing

The Tax Increment Financing Fund is used to account for taxes raised for the TIF fund and the approved capital improvement expenditures for Town Center improvements.

School Bonded Projects

The School Bonded Projects Fund was established to account for bond proceeds and expenditures of those proceeds for approved school capital projects.

Library Project

The Library Project Fund is used to account for bond proceeds, donations and other funds raised for improvements at the Thomas Memorial Library, as well as related expenditures.

Land Acquisition

The Land Acquisition Fund receives donations, appropriations and the proceeds from the sale of Town property. In 1988, the Town Council voted to establish a policy that the account should recognize interest income on the fund principal, allocated to the account on an annual basis. Funds may be expended only with the authorization of the Town Council and are used for land purchases.

Infrastructure Improvement

This fund accounts for revenue from 30% of the building permits in excess of \$2,500 in estimated building value is placed in this account. Expenditures from the fund are made for improvements to the municipal infrastructure.

Turf Field

This fund is for the replacement of the monofilament surface of Hannaford Field. The Town Council and School Board each budget \$7,000 annually as a contribution to this interest-bearing fund.

Fort Williams Park

This fund accounts for revenues from Fort Williams Park, which are used for the maintenance of the park.

TOWN OF CAPE ELIZABETH, MAINE
Nonmajor Capital Project Fund
Combining Balance Sheet
June 30, 2016

	Riverside Cemetery Capital Improvements	Tax Increment Financing	School Bonded Projects	Library Project	Land Acquisition	Infrastructure Improvement	Turf Field	Fort Williams Park	Total
ASSETS									
Cash and cash equivalents	\$ 128,573	-	-	-	-	-	-	-	128,573
Interfund loans receivable	9,525	11,520	1,111,143	52,228	142,984	306,788	194,915	355,982	2,185,085
Total assets	\$ 138,098	11,520	1,111,143	52,228	142,984	306,788	194,915	355,982	2,313,658
LIABILITIES AND FUND BALANCES									
Liabilities:									
Interfund loans payable	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-
Fund balances:									
Restricted	-	11,520	1,111,143	-	-	-	-	-	1,122,663
Committed	-	-	-	52,228	142,984	-	194,915	-	390,127
Assigned	138,098	-	-	-	-	306,788	-	355,982	800,868
Total fund balances	138,098	11,520	1,111,143	52,228	142,984	306,788	194,915	355,982	2,313,658
Total liabilities and fund balances	\$ 138,098	11,520	1,111,143	52,228	142,984	306,788	194,915	355,982	2,313,658

TOWN OF CAPE ELIZABETH, MAINE
Nonmajor Capital Project Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2016

	Riverside Cemetery Capital Improvements	Tax Increment Financing	School Bonded Projects	Library Project	Land Acquisition	Infrastructure Improvement	Turf Field	Fort Williams Park	Total
Revenues:									
Building and other fees	\$ -	-	-	-	-	42,913	-	193,164	236,077
Investment income	838	-	-	-	-	-	-	-	838
Cemetery lot sales	9,525	-	-	-	-	-	-	-	9,525
Total revenues	10,363	-	-	-	-	42,913	-	193,164	246,440
Expenditures:									
Current:									
Unclassified	-	-	-	6,944	-	-	-	-	6,944
Capital improvements	-	-	622,259	3,151,616	1,400	-	-	89,360	3,864,635
Total expenditures	-	-	622,259	3,158,560	1,400	-	-	89,360	3,871,579
Other financing sources:									
Capital contributions	-	-	-	565,070	-	-	-	-	565,070
Transfer from other funds	-	11,520	-	-	32,914	-	20,000	-	64,434
Total other financing sources	-	11,520	-	565,070	32,914	-	20,000	-	629,504
Net change in fund balances	10,363	11,520	(622,259)	(2,593,490)	31,514	42,913	20,000	103,804	(2,995,635)
Fund balances, beginning of year	127,735	-	1,733,402	2,645,718	111,470	263,875	174,915	252,178	5,309,293
Fund balances, end of year	\$ 138,098	11,520	1,111,143	52,228	142,984	306,788	194,915	355,982	2,313,658

FIDUCIARY FUNDS

PRIVATE-PURPOSE TRUST FUNDS

AGENCY FUNDS

TOWN OF CAPE ELIZABETH, MAINE
Combining Statement of Fiduciary Net Position
Private-purpose Trust Funds
June 30, 2016

	School Scholarship Trust	Zimpritch Library Trust	Total
ASSETS			
Cash and cash equivalents	\$ 58,926	18,432	77,358
Interfund loans receivable	40	-	40
Total assets	\$ 58,966	18,432	77,398
LIABILITIES			
Interfund loans payable	-	2,960	2,960
Total liabilities	-	2,960	2,960
NET POSITION			
Held in trust	58,966	15,472	74,438
Total net position	\$ 58,966	15,472	74,438

TOWN OF CAPE ELIZABETH, MAINE
Combining Statement of Changes in Fiduciary Net Position
Private-purpose Trust Funds
For the Year Ended June 30, 2016

	School Scholarship Trust	Zimpritch Library Trust	Total
Additions:			
Donations	\$ 540	370	910
Interest earned	399	130	529
Total additions	939	500	1,439
Deductions:			
Other deductions	-	3,330	3,330
School scholarships	1,560	-	1,560
Total deductions	1,560	3,330	4,890
Change in net position	(621)	(2,830)	(3,451)
Net position, beginning of year	59,587	18,302	77,889
Net position, end of year	\$ 58,966	15,472	74,438

TOWN OF CAPE ELIZABETH, MAINE
Agency Funds
Statement of Changes in Balances
For the Year Ended June 30, 2016

	Balances beginning of year	Net additions/ (deductions)	Balances end of year
Activity funds:			
High School Student Activities	\$ 169,161	10,742	179,903
Middle School Student Activities	36,132	(3,627)	32,505
Pond Cove Student Activities	10,091	1,901	11,992
Total	\$ 215,384	9,016	224,400

TOWN OF CAPE ELIZABETH, MAINE
Statement of Changes in Long-term Debt
For the Year Ended June 30, 2016

	Interest rate	Final maturity date	Annual principal payments	Amounts authorized	Amount issued	Retired previous years	Balance beginning of year	Current Year		Balance end of year	
								Issued	Retired		
General obligation bonds:											
2006 Clean Water Revolving Loan Fund	1.73%	2026	Var.	\$ 3,510,000	3,510,000	1,431,705	2,078,295	-	173,154	1,905,141	
2006 Sewer bond	1.90% - 5.50%	2027	Var.	1,890,000	1,890,000	756,000	1,134,000	-	94,500	1,039,500	
2008 Capital Improvement	3.25% - 4.13%	2028	Var.	2,550,000	2,550,000	910,000	1,640,000	-	130,000	1,510,000	
2009 Refunding bond	2.00% - 2.75%	2020	Var.	5,850,000	5,850,000	4,400,000	1,450,000	-	295,000	1,155,000	
2011 Refunding bond	2.00% - 2.70%	2021	Var.	2,110,000	2,110,000	890,000	1,220,000	-	220,000	1,000,000	
2012 Refunding bond	2.00% - 2.50%	2022	Var.	780,000	780,000	240,000	540,000	-	80,000	460,000	
2014 Refunding bond	2.00% - 4.00%	2025	Var.	4,190,000	4,190,000	455,000	3,735,000	-	410,000	3,325,000	
2015 General obligation bond	3.00%-3.25%	2035	Var.	5,750,000	5,450,000	-	5,450,000	-	275,000	5,175,000	
Total general obligation bonds					26,630,000	26,330,000	9,082,705	17,247,295	-	1,677,654	15,569,641
				\$	26,630,000	26,330,000	9,082,705	17,247,295	-	1,677,654	15,569,641

SCHEDULES

TOWN OF CAPE ELIZABETH, MAINE
School Department - General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the Year Ended June 30, 2016
(with comparative actual amount for the year ended June 30, 2015)

	2016			Variance positive (negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Town appropriation	\$ 19,909,467	19,909,467	19,909,467	-	20,234,595
State education subsidy--school	3,403,682	3,403,682	3,403,683	1	2,482,137
State agency clients	7,000	7,000	7,262	262	4,753
Activity fees	64,500	64,500	63,425	(1,075)	66,920
Miscellaneous	2,000	2,000	7,723	5,723	26,585
Total revenues	23,386,649	23,386,649	23,391,560	4,911	22,814,990
Expenditures:					
Current:					
Regular instruction	11,087,797	10,991,828	10,796,862	194,966	10,856,620
Special education instruction	3,126,818	3,104,307	2,992,055	112,252	3,000,850
Career and technical education	55,153	55,153	54,641	512	40,626
Other instruction	832,408	832,408	827,743	4,665	772,030
Student and staff support	2,287,397	2,287,397	2,232,158	55,239	2,143,060
System administration	719,162	719,162	704,678	14,484	772,774
School administration	1,175,259	1,175,259	1,131,337	43,922	1,121,631
Transportation	754,046	754,046	730,273	23,773	732,792
Facilities maintenance	2,806,590	2,816,590	2,742,172	74,418	2,327,260
Other	10,000	3,287	3,286	1	-
Debt service	672,019	672,019	672,018	1	1,133,775
Total expenditures	23,526,649	23,411,456	22,887,223	524,233	22,901,418
Other financing sources (uses):					
Transfer from Town unassigned fund balance	-	-	-	-	50,942
Transfer to Turf Field Fund (budgeted in facilities maintenance)	(10,000)	(10,000)	(10,000)	-	(7,000)
Transfer to School Lunch Fund (budgeted in other)	-	(115,193)	(115,193)	-	(57,000)
Budgeted use of surplus	150,000	150,000	-	(150,000)	-
Total other financing sources (uses)	140,000	24,807	(125,193)	(150,000)	(13,058)
Net change in fund balance - budgetary basis	-	-	379,144	379,144	(99,486)
Fund balance, beginning of year - budgetary basis, restated			831,923		968,684
Fund balance, end of year - budgetary basis			1,211,067		869,198
Reconciliation to GAAP basis:					
Accrued teacher summer benefits			-		316,664
Less: prior year encumbrances			(318,935)		(269,895)
Add: current year encumbrances			277,582		318,935
Net change in fund balance - GAAP basis			337,791		266,218
Fund balance, beginning of year - GAAP basis, restated			1,150,858		921,915
Fund balance, end of year - GAAP basis	\$		1,488,649		1,188,133

TOWN OF CAPE ELIZABETH, MAINE
Community Services - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2016
(with comparative actual amount for the year ended June 30, 2015)

	2016		Variance positive (negative)	2015 Actual
	Budget	Actual		
Revenues:				
Adult programs	\$ 155,000	126,431	(28,569)	134,066
Youth programs	549,599	490,795	(58,804)	501,061
Cape care	240,000	250,921	10,921	231,596
Rental of facilities	31,000	35,891	4,891	34,914
Fitness center	48,500	44,562	(3,938)	42,256
Pool	204,250	194,244	(10,006)	193,066
Other	-	1,208	1,208	2,819
Total revenues	1,228,349	1,144,052	(84,297)	1,139,778
Expenditures:				
Administration	343,278	323,213	20,065	200,509
Adult programs	110,828	96,925	13,903	145,049
Youth programs	393,468	392,618	850	400,908
Cape care	193,370	141,440	51,930	207,520
Community center facility	78,551	83,206	(4,655)	70,474
Debt service	92,300	92,300	-	93,900
Fitness center	56,140	59,710	(3,570)	55,918
Pool	530,204	544,697	(14,493)	469,209
Total expenditures	1,798,139	1,734,109	64,030	1,643,487
Other financing sources:				
Use of surplus	15,000	-	(15,000)	-
Transfer from Thomas Jordan Fund	21,000	21,000	-	21,000
Town appropriation	533,790	533,790	-	465,000
Total other financing sources	569,790	554,790	(15,000)	486,000
Net change in fund balance	-	(35,267)	(35,267)	(17,709)
Fund balance, beginning of year		2,782		20,491
Fund balance (deficit), end of year	\$	(32,485)		2,782

TOWN OF CAPE ELIZABETH, MAINE
School Department Special Revenue Funds
School Categorical Programs
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2016

	Fund balances beginning of year, restated	Program revenues	Program expenditures	Fund balances (deficit) end of year
State and Federal Programs:				
Title IA	\$ 53	39,199	39,199	53
Title IIA	-	35,865	35,865	-
Local entitlement	-	449,590	449,590	-
Preschool grant	-	3,823	3,823	-
Transition grant	16,729	19,078	6,487	29,320
Total state and federal programs	16,782	547,555	534,964	29,373
Other Programs:				
Authorfest	-	147	50	97
Athletic equipment replacement	-	8,000	-	8,000
C.E. education foundation	10,259	25,185	33,953	1,491
Cape coalition	830	-	-	830
Cape olympians	747	1,165	1,209	703
Easement funds	2,274	-	-	2,274
Escapade program	629	-	-	629
H1N1 grant	4,887	-	-	4,887
iPad maintenance	-	61,560	65,742	(4,182)
Kate Libby fund	210	-	-	210
Kids culinary grant	-	583	583	-
PC office donation	2,933	-	-	2,933
PCPA donations	5,465	8,200	8,840	4,825
PEPG development grant	-	4,600	4,600	-
School gate receipts-athletics	6,782	25,022	24,962	6,842
School gate receipts-drama	296	11,642	10,430	1,508
Special ed workshop	3,704	-	-	3,704
TEDx program	1,509	5,233	161	6,581
Turf field rental	8,679	10,497	2,661	16,515
Wellness grant	722	600	665	657
Total other programs	49,926	162,434	153,856	58,504
Total	\$ 66,708	709,989	688,820	87,877

STATISTICAL INFORMATION

The following statistical tables are provided to give a historical perspective and to assist in assessing the current financial status of the Town. The tables do not provide full financial information for prior years and are provided for supplementary analysis purposes only.

TOWN OF CAPE ELIZABETH, MAINE
Government-wide Expenses by Function
Last Ten Fiscal Years

Fiscal year	General government	Public works	Facilities (1)	Public safety	Human services	Cultural and parks	Education	School lunch	Inter-governmental assessments (2)	Unclassified (2)	Sewer	Capital maintenance expenses	Interest on debt	Total
2016	\$ 3,704,929	2,246,236	342,480	2,435,989	83,591	1,668,963	27,132,972	702,672	-	-	1,505,188	459,621	260,985	40,543,626
2015	2,994,466	2,328,806	355,912	2,377,070	61,511	1,602,266	26,181,942	620,153	-	-	1,411,108	515,136	311,373	38,759,743
2014	2,203,480	2,296,460	357,636	2,085,617	61,539	957,257	26,172,500	640,813	1,082,835	966,844	1,387,301	151,479	146,588	38,510,349
2013	1,319,985	2,294,612	334,992	2,039,980	58,466	943,137	24,169,179	630,350	1,019,311	2,195,830	1,495,047	932,659	176,221	37,609,769
2012	1,174,591	2,196,861	291,201	1,984,056	46,245	1,281,201	23,643,004	596,544	1,013,039	2,210,612	1,251,089	954,434	277,245	36,920,122
2011	1,257,993	2,237,584	241,459	2,059,682	52,482	1,130,800	23,709,591	571,477	968,416	1,937,776	1,204,064	787,528	396,145	36,554,997
2010	1,294,806	2,246,229	-	1,962,717	47,837	1,105,290	22,926,211	508,626	987,445	1,796,294	1,126,602	769,543	350,919	35,122,519
2009	1,429,466	2,315,932	-	1,894,280	38,715	1,099,461	22,172,897	503,904	1,030,500	1,848,362	1,083,662	1,798,901	456,013	35,672,093
2008	977,400	2,049,562	-	1,948,994	25,532	1,178,081	21,568,634	539,780	956,430	1,969,705	1,072,510	2,105,450	521,619	34,913,697
2007	1,285,025	1,577,438	-	1,836,578	37,184	1,104,212	20,586,488	509,629	907,928	1,859,966	1,046,395	708,414	574,772	32,034,029

(1) The Town started budgeting facilities separately from other functions in 2011.

(2) Intergovernmental assessments and unclassified expenses were reclassified to other functions in 2015

TOWN OF CAPE ELIZABETH, MAINE
Government-wide Revenues
Last Ten Fiscal Years

Fiscal year	Program Revenues			General Revenues				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions not Restricted to Specific Programs	Unrestricted Investment Earnings	Miscellaneous	Total
2016	\$ 5,376,624	5,881,899	627,895	30,532,097	715,532	18,565	329,841	43,482,453
2015	5,276,990	5,322,051	1,041,223	30,029,072	733,544	52,501	248,206	42,703,587
2014	5,458,484	5,071,281	16,158	28,888,688	660,298	134,699	228,934	40,458,542
2013	5,079,106	4,235,013	756,290	27,968,929	902,984	122,110	292,863	39,357,295
2012	4,911,542	5,264,981	-	26,819,699	973,187	58,320	379,976	38,407,705
2011	4,820,801	5,693,378	-	25,807,288	934,917	156,228	260,597	37,673,209
2010	5,322,750	4,633,577	-	25,119,671	914,220	158,548	305,294	36,454,060
2009	4,677,204	5,659,716	-	24,788,910	1,044,489	127,421	240,034	36,537,774
2008	4,539,555	5,390,062	202,912	23,380,071	1,148,096	296,566	102,276	35,059,538
2007	4,329,199	5,251,083	1,320,882	22,762,308	1,089,740	468,693	182,433	35,404,338

TOWN OF CAPE ELIZABETH, MAINE
General Fund Expenditures by Function
Budgetary Basis
Last Ten Fiscal Years

Fiscal year	General government	Public works	Facilities (2)	Public safety	Cultural and Parks	Human services	Education	Intergovernmental assessments	Insurance and benefits	Debt service (1)	Capital improvements	Other expenditures and transfers	Total
2016	\$ 1,162,182	1,548,041	336,258	1,891,592	998,939	72,977	22,887,223	1,203,042	1,246,828	1,181,063	1,516,755	769,296	34,814,196
2015	1,099,424	1,678,117	349,120	1,865,193	985,897	59,086	22,901,418	1,130,272	1,208,523	900,097	1,343,822	798,958	34,319,927
2014	1,000,340	1,696,555	357,636	1,820,458	957,257	61,539	22,152,487	1,082,835	1,093,038	927,878	853,534	883,370	32,886,927
2013	1,055,123	1,723,157	334,992	1,782,052	943,137	58,466	21,247,797	1,019,311	1,078,004	930,007	2,196,596	625,540	32,994,182
2012	965,257	1,643,224	291,201	1,725,819	1,281,201	46,245	20,184,134	1,013,039	1,049,777	1,023,515	1,414,189	396,160	31,033,761
2011	963,702	1,681,078	241,459	1,674,776	1,130,800	52,482	19,332,876	968,416	993,573	1,011,252	926,646	620,299	29,597,359
2010	1,018,929	1,680,662	-	1,702,665	1,105,290	47,837	18,833,280	987,445	932,450	1,158,985	524,960	6,124,200	34,116,703
2009	1,116,039	1,761,263	-	1,742,865	1,192,979	38,715	18,858,306	1,030,500	964,481	1,234,894	674,850	339,720	28,954,612
2008	1,101,715	1,764,844	-	1,763,795	1,180,642	25,532	18,624,631	956,430	941,345	1,141,552	1,407,879	415,025	29,323,390
2007	1,044,204	1,708,817	-	1,634,144	1,104,212	37,184	18,019,154	907,928	860,511	1,069,754	1,276,419	539,742	28,202,069

(1) Debt service does not include debt service expenditures for Education related issues, which are included in education.

(2) The Town started budgeting facilities separately from other functions in 2011.

TOWN OF CAPE ELIZABETH, MAINE
General Fund Revenues by Source
Budgetary Basis
Last Ten Fiscal Years

Fiscal year	Property Taxes	Other taxes	Licenses and permits	Intergovernmental	Investment income	Other Revenues	Transfers and other financing sources	Total
2016	\$ 28,399,890	2,110,207	182,400	4,272,996	20,225	490,576	-	35,476,294
2015	27,999,747	1,994,325	201,491	3,460,981	23,408	444,823	315,189	34,439,964
2014	27,079,171	1,850,517	192,108	3,442,636	13,418	427,857	274,736	33,280,443
2013	26,168,607	1,783,322	154,583	3,648,824	24,632	488,805	480,000	32,748,773
2012	25,003,996	1,717,703	140,616	3,364,205	49,116	769,024	3,177,818	34,222,478
2011	24,164,104	1,683,184	128,899	2,998,682	33,343	610,951	136,161	29,755,324
2010	23,415,310	1,704,361	148,480	2,290,148	88,070	702,968	6,179,270	34,528,607
2009	23,051,800	1,710,410	140,388	3,829,825	157,421	632,510	77,202	29,599,556
2008	21,592,164	1,787,907	209,615	4,146,634	215,040	842,871	232,803	29,027,034
2007	20,907,345	1,810,663	177,603	3,875,650	281,058	1,208,468	65,480	28,326,267

Table 5

TOWN OF CAPE ELIZABETH, MAINE
Property Tax Rates - All Direct and Overlapping
Last Ten Fiscal Years

Fiscal year end	Direct		Overlapping	Total tax rate	
	Town	Education and Community Services	County		
2016	\$	3.92	12.26	0.70	16.88
2015		3.66	12.47	0.67	16.80
2014		3.66	11.97	0.65	16.28
2013		3.46	11.77	0.61	15.84
2012		3.48	11.10	0.60	15.18
2011		4.13	13.03	0.70	17.86
2010		4.19	12.63	0.72	17.54
2009		4.22	12.46	0.76	17.44
2008		3.84	11.91	0.71	16.46
2007		3.78	11.70	0.68	16.16

Table 6

TOWN OF CAPE ELIZABETH, MAINE
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal year	Current year's tax levy	Current year's collections	Percent of current levy collected	Current year collections of prior year taxes	Total collections	Tax collections as percent of each year's levy
2016	\$ 28,406,589	28,234,999	99.41%	144,676	28,379,675	99.91%
2015	28,034,747	27,872,535	99.43%	182,548	28,055,083	100.07%
2014	27,009,057	26,818,436	99.30%	178,712	26,997,148	99.96%
2013	26,179,228	26,012,826	99.36%	204,471	26,217,297	100.15%
2012	25,093,125	24,869,100	99.11%	145,460	25,014,560	99.69%
2011	24,102,111	23,941,795	99.33%	161,370	24,103,165	100.00%
2010	23,412,446	23,256,304	99.33%	274,301	23,530,605	100.50%
2009	23,076,498	22,813,083	98.86%	152,550	22,965,633	99.52%
2008	21,592,439	21,435,863	99.27%	223,569	21,659,432	100.31%
2007	20,907,615	20,700,615	99.01%	102,547	20,803,162	99.50%

Note: excludes supplemental taxes and the change in unavailable taxes.

TOWN OF CAPE ELIZABETH, MAINE
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years

Fiscal year	Real estate assessed value	Personal property assessed value	Total		Ratio of total assessed value to total estimated actual value
			Assessed value	Estimated actual value (1)	
2016	\$ 1,676,048,700	6,806,100	1,682,854,800	1,840,800,000	91.42%
2015	1,661,816,800	6,918,100	1,668,734,900	1,723,250,000	96.84%
2014	1,652,277,200	6,755,800	1,659,033,000	1,685,300,000	98.44%
2013	1,646,537,200	6,191,800	1,652,729,000	1,685,400,000	98.06%
2012	1,647,128,000	5,910,500	1,653,038,500	1,710,750,000	96.63%
2011	1,343,498,400	6,003,900	1,349,502,300	1,789,750,000	75.40%
2010	1,328,858,200	5,944,900	1,334,803,100	1,784,100,000	74.82%
2009	1,319,023,300	4,170,400	1,323,193,700	1,828,400,000	72.37%
2008	1,306,507,000	5,176,600	1,311,683,600	1,942,000,000	67.54%
2007	1,291,025,600	5,320,414	1,296,346,014	1,756,550,000	73.80%

(1) Estimated actual valuation amounts are the state equalized values published by the Maine Bureau of Property Taxation.

Table 8

TOWN OF CAPE ELIZABETH, MAINE
Principal Taxpayers
For the Year Ended June 30, 2016

Name	Assessed valuation	% of total tax commitment
Sprague Corporation	\$ 13,937,200	0.84%
Inn By the Sea	13,474,600	0.81%
Health Care Property Investors Inc.	5,830,700	0.35%
Brewer, NC Rev. Trust	5,582,200	0.33%
McGinn, Suzanne	5,470,900	0.33%
Rams Head Partners LLC	5,337,600	0.32%
Central Maine Power	5,174,300	0.31%
Purpoodock Club	4,937,700	0.30%
1172 LLC	4,789,800	0.29%
Miller, Jo Trust	4,055,600	0.24%

TOWN OF CAPE ELIZABETH, MAINE
Computation of Legal Debt Margin
For the Year Ended June 30, 2016

Total estimated actual valuation by State		\$	<u>1,840,800,000</u>
Legal debt margin:			
Debt limitation - 15% of estimated actual valuation			276,120,000
Debt applicable to debt limitation:			
Municipal	7.5%	138,060,000	7,453,655
School	10.0%	184,080,000	5,171,345
Storm and sanitary sewers	7.5%	138,060,000	2,944,641
Airport, water and special districts	3.0%	55,224,000	-
Total	28.0%	515,424,000	15,569,641
Total bonded debt applicable to debt limit			15,569,641
Legal debt margin			\$ 260,550,359

NOTE: Statutory debt limit is in accordance with MRS 30-A, § 5701.

TOWN OF CAPE ELIZABETH, MAINE
Ratio of Net General Obligation Bonded Debt
to Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal year	Population (1)	Assessed value (2)	Net bonded debt (3)	Ratio of net bonded debt to assessed value	Net bonded debt per capita
2016	9,015	\$ 1,682,854,800	15,569,641	0.93%	1,727
2015	9,015	1,668,734,900	17,247,295	1.03%	1,913
2014	9,015	1,659,033,000	13,807,003	0.83%	1,532
2013	9,015	1,652,729,000	16,053,817	0.97%	1,781
2012	9,015	1,653,038,500	18,122,786	1.10%	2,010
2011	9,015	1,349,502,300	19,998,958	1.48%	2,218
2010	9,068	1,334,803,100	22,067,420	1.65%	2,434
2009	9,068	1,323,193,700	24,093,100	1.82%	2,657
2008	9,068	1,311,683,600	26,297,891	2.00%	2,900
2007	9,068	1,296,346,014	25,939,635	2.00%	2,861

(1) U. S. Bureau of the Census

(2) Amount from Table 7

(3) Excludes capital leases

TOWN OF CAPE ELIZABETH, MAINE
Ratio of Annual Debt Service Expenditures
for General Obligation Bonded Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal year	Municipal debt service(1)	School debt service	Total debt service - bonded debt	Total general governmental expenditures and transfers out	Ratio of debt service to general governmental expenditures and transfers out
2016	\$ 1,181,063	764,318	1,945,381	34,814,196	5.59%
2015	887,347	1,227,675	2,115,022	34,319,927	6.16%
2014	905,703	1,288,591	2,194,294	32,886,927	6.67%
2013	930,007	1,323,403	2,253,410	32,994,182	6.83%
2012	1,023,515	1,357,916	2,381,431	30,731,943	7.75%
2011	1,011,252	1,391,680	2,402,932	29,383,359	8.18%
2010	1,158,985	1,468,285	2,627,270	28,351,703	9.27%
2009	1,234,894	1,565,811	2,800,705	28,954,612	9.67%
2008	1,141,552	1,620,233	2,761,785	29,323,390	9.42%
2007	1,069,754	1,670,233	2,739,987	28,202,069	9.72%

(1) Excludes sewer user debt paid in special revenue funds and school debt service budgeted in facilities maintenance.

TOWN OF CAPE ELIZABETH, MAINE
Computation of Direct, Overlapping and Contingent Debt
For the Year Ended June 30, 2016

Jurisdiction	Net general obligation bonded debt outstanding	Percentage applicable to government	Amount applicable to government
Direct:			
Town of Cape Elizabeth bonds and notes	\$ 15,569,641	100.00%	15,569,641
Overlapping debt:			
Cumberland County	35,735,000	4.51%	1,612,010
Portland Water District -- sewer debt	40,427,101	5.89%	2,381,750
Contingent debt:			
Portland Water District -- water debt	47,391,288	6.81%	3,227,347