

TOWN OF CAPE ELIZABETH, MAINE

Annual Financial Report

For the Year Ended June 30, 2015

TOWN OF CAPE ELIZABETH, MAINE
Annual Financial Report
Year ended June 30, 2015

Table of Contents

	<u>Statement</u>	<u>Page(s)</u>
Independent Auditor's Report		1-3
Management's Discussion and Analysis		4-12
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	15
Statement of Activities	2	16
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	17
Statement of Revenues, Expenditures and Changes in Fund		
Balances - Governmental Funds	4	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund		
Balances of Governmental Funds to the Statement of Activities	5	19
Statement of Revenues, Expenditures, and Changes in Fund Balance –		
Budget and Actual – General Fund	6	20
Statement of Fiduciary Net Position – Fiduciary Funds	7	21
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	8	22
Notes to Basic Financial Statements		23-42
Required Supplementary Information:		
Schedule of Funding Progress – Retiree Healthcare Plan		48
Schedule of Changes in the Town's Net Pension Liability and Related Ratios		49
Schedule of Town's Proportionate Share of the Net Pension Liability		50
Schedule of Town Contributions		51
Notes to Required Supplementary Information		52
	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Statements:		
General Fund:		
Comparative Balance Sheets	A-1	55
Statement of Revenues, Expenditures and Changes in Fund Balance –		
Budget and Actual – Budgetary Basis	A-2	56-59
All Other Governmental Funds:		
Combining Balance Sheet	B-1	63
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances	B-2	64
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	67
Combining Statement of Revenues, Expenditures and Changes in Fund		
Balances	C-2	68

TOWN OF CAPE ELIZABETH, MAINE
Annual Financial Report
Year ended June 30, 2015

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page(s)</u>
Nonmajor Capital Project Fund:		
Combining Balance Sheet	D-1	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	D-2	72
Private-purpose Trust Funds:		
Combining Statement of Fiduciary Net Position	E-1	75
Combining Statement of Changes in Fiduciary Net Position	E-2	76
Agency Funds:		
Statement of Changes in Balances	E-3	77
Statement of Changes in Long-term Debt	F	78
	<u>Schedules</u>	<u>Page</u>
School Department – General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary Basis	1	81
Community Services – Special Revenue Fund - Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual	2	82
School Department Special Revenue Funds – School Categorical Programs – Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	3	83
	<u>Tables</u>	<u>Page</u>
Statistical Section:		
Government-wide Expenses by Function	1	87
Government-wide Revenues	2	88
General Fund Expenditures by Function – Budgetary Basis	3	89
General Fund Revenues by Source – Budgetary Basis	4	90
Property Tax Rates – All Direct and Overlapping	5	91
Property Tax Levies and Collections	6	92
Assessed and Estimated Actual Value of Property	7	93
Principal Taxpayers	8	94
Computation of Legal Debt Margin	9	95
Ratio of Net General Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	10	96
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	11	97
Computation of Direct, Overlapping and Contingent Debt	12	98

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, 2015, and the related notes to the financial statements, which collectively comprise the Town'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, 2015, 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 22, 2015 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.

A handwritten signature in black ink, reading "Remya Kristen Ouellette". The signature is written in a cursive, flowing style.

September 22, 2015
South Portland, Maine

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

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 and deferred outflows of resources for all governmental activities equal \$57,686,563. The total net position is \$32,992,974. Net position includes a \$24,416,159 net investment in capital assets, \$1,257,341 in restricted net position and \$7,319,474 in unrestricted net position. For the reporting period, the Town had an increase in the fund balance for total governmental funds (from statement 4) of \$5,404,906. The fund balance for the General Fund increased \$485,741. The School General Fund balance increased from \$921,915 to \$1,188,133 due to the lower than anticipated expenditures. The Town General Fund unassigned fund balance increased from \$2,904,699 to \$3,238,780 primarily because of a \$240,000 advance to a planned library project, which was paid back in FY 2015. This was after the approval of a referendum issue in November 2014.

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 Safety, Public Works, Health, Sanitation and Welfare, Recreation, Education and Libraries. 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 one kind of fund - governmental, which uses 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.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

The Town as Trustee

Reporting the Town's Fiduciary Responsibilities

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.

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

	2015	2014 (restated)	Change
Current and other assets	\$ 18,252,106	12,684,586	5,567,520
Capital assets	38,703,257	36,520,859	2,182,398
Total assets	56,955,363	49,205,445	7,749,918
Deferred outflows related to pensions	731,200	483,112	248,088
Other liabilities	2,777,923	2,569,746	208,177
Long-term liabilities	21,328,728	18,069,681	3,259,047
Total liabilities	24,106,651	20,639,427	3,467,224
Deferred inflows related to pensions	586,938	-	586,938
Net investment in capital assets	24,416,159	22,167,055	2,249,104
Restricted	1,257,341	963,936	293,405
Unrestricted	7,319,474	5,918,139	1,401,335
Total net position	\$ 32,992,974	29,049,130	3,943,844

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

Changes in Net Position

	<u>2015</u>	<u>2014</u>	<u>Change</u>
<u>Sources of Revenues</u>			
Program Revenues:			
Charges for services	\$ 5,276,990	5,458,484	(181,494)
Operating grants and contributions	5,322,051	5,071,281	250,770
Capital grants and contributions	1,041,223	16,158	1,025,065
Total program revenues	11,640,264	10,545,923	1,094,341
General Revenues:			
Property and other taxes	30,029,072	28,888,688	1,140,384
Grants and contributions not restricted to specific programs	733,544	660,298	73,246
Unrestricted investment income	52,501	134,699	(82,198)
Other	248,206	228,934	19,272
Total general revenues	31,063,323	29,912,619	1,150,704
Total revenues	42,703,587	40,458,542	2,245,045
Functional Expenses:			
General government	2,994,466	4,986,752	(1,992,286)
Public works	2,328,806	2,296,460	32,346
Facilities	355,912	373,816	(17,904)
Public safety	2,377,070	2,474,491	(97,421)
Human services	61,511	63,705	(2,194)
Cultural and parks	1,602,266	1,558,690	43,576
Education	26,181,942	26,322,500	(140,558)
School lunch	620,153	640,813	(20,660)
Sewer	1,411,108	1,387,301	23,807
Capital maintenance expenses	515,136	151,479	363,657
Interest on debt	311,373	146,588	164,785
Total expenses	38,759,743	40,402,595	(1,642,852)
Change in net position	3,943,844	55,947	3,887,897
Net position – beginning of year, restated	29,049,130	28,993,183	55,947
Net position – end of year	\$ 32,992,974	29,049,130	3,943,844

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

Assets

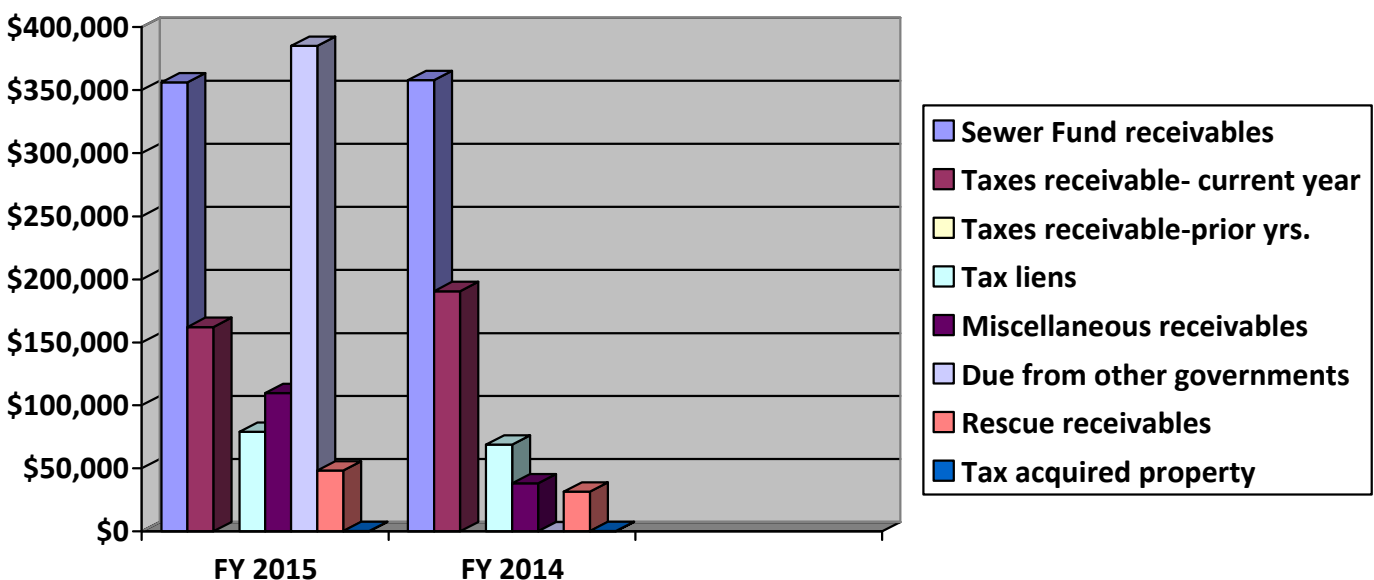
Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments increased \$5,137,936, from \$11,826,535 to \$16,964,471. The increase is attributable to improved balances in the General Fund, lower spending and improved revenues in some of the other governmental funds, and the receipt of bond proceeds that have not yet been spent.

Receivables

The Town continues to have an excellent record of tax receivables, maintaining the collection rate of the levy for the current year at 99.43%. 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 tax liens on uncollected sewer fees, so eventually the entire receivable is paid.

	FY 2015	FY 2014
Sewer Fund receivables	\$ 356,263	\$ 358,021
Taxes receivable- current year	162,212	190,621
Tax liens	76,878	68,804
Miscellaneous receivables	109,459	37,519
Due from other governments	385,037	437
Rescue receivables	48,061	31,330
Tax acquired property	206	206
Total	\$ 1,138,116	\$ 686,938
% Sewer	31%	52%
% Taxes and other	69%	48%



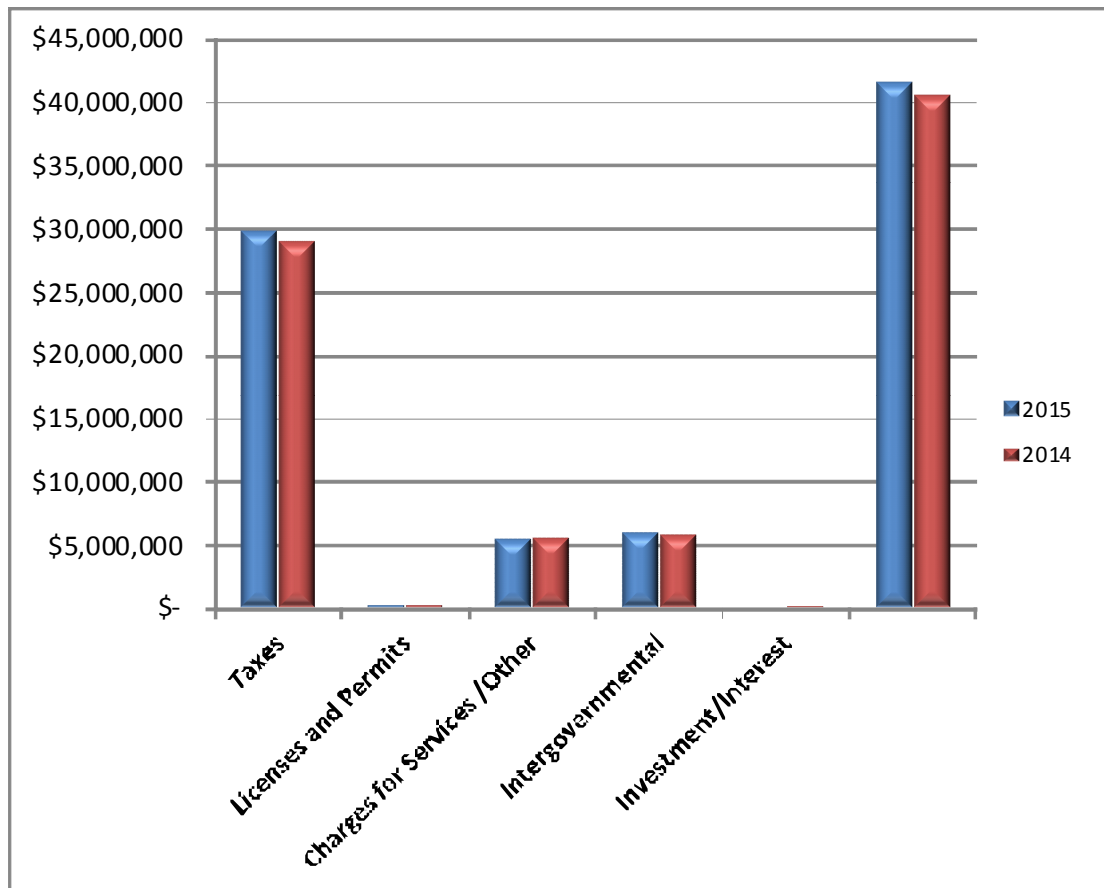
TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

Governmental Fund Revenues by Major Source

Property and other taxes amounted to 71.9% of revenue in FY 2015. This compares to 71.4% in FY 2014. Intergovernmental revenues increased \$235,419 due to an increase in federal grants for the Trout Brook project, public safety and education, and an increase in homestead reimbursements. Investment income decreased from \$134,699 to \$52,501. Overall, revenues were up \$1,209,086 or 3.0%. This compared to an increase the year before of 2.9%. The total increase in revenue from taxes this past year was \$1,064,384 or 3.7% compared with 3.5% the previous year.

Revenues Chart

	2015	2014	\$ Change	% Change
Taxes	\$ 29,994,072	\$ 28,929,688	1,064,384	3.7%
Licenses and Permits	201,491	192,108	9,383	4.9%
Charges for Services /Other	5,477,408	5,495,310	(17,902)	-0.3%
Intergovernmental	5,983,156	5,747,737	235,419	4.1%
Investment/Interest	52,501	134,699	(82,198)	-61.0%
	\$ 41,708,628	40,499,542	1,209,086	3.0%



Governmental Fund Expenditures

Total expenditures increased by \$2,748,783 or 6.8%. Education spending was up \$207,137 or 0.8%. Spending, excluding capital outlay, increased \$742,134 or 1.9%.

TOWN OF CAPE ELIZABETH, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

Expenditures changed as follows:

	2015	2014	\$ Change	% Change
General government	\$ 1,099,424	\$ 1,000,340	\$ 99,084	9.9%
Public works	1,678,117	1,696,555	(18,438)	-1.1%
Facilities	355,912	357,636	(1,724)	-0.5%
Public safety	2,081,178	1,820,458	260,720	14.3%
Cultural and parks	1,517,518	957,257	560,261	58.5%
Human services	61,511	61,539	(28)	0.0%
Education	26,677,562	26,470,425	207,137	0.8%
Intergovernmental assessments	1,130,272	1,082,835	47,437	4.4%
Unclassified	1,428,567	2,019,757	(591,190)	-29.3%
Sewer	1,411,108	1,387,301	23,807	1.7%
School lunch program	620,153	640,813	(20,660)	-3.2%
Capital outlay	3,722,267	1,715,618	2,006,649	117.0%
Non-school debt service	1,213,559	1,037,831	175,728	16.9%
Total expenditures	\$ 42,997,148	\$ 40,248,365	\$ 2,748,783	6.8%
Excluding capital outlay	\$ 39,274,881	\$ 38,532,747	\$ 742,134	1.9%

Transfers

In FY 2015, \$465,000 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 \$14,000 to the Turf Field Fund. \$57,000 was transferred from the School general fund balance to the school lunch balance to cover a year-end deficit. The Library Project Fund transferred \$100,000 to the Infrastructure Improvement Fund to pay back an advance from this fund prior to the library bond being approved. The General Fund provided a planned \$32,914 to the Land Acquisition Fund. The Sewer User Fund, Portland Head Light Fund, Fort Williams Park Capital Fund, the Riverside Perpetual Care Fund and the Spurwink Church Fund provided a total of \$66,879 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, 2015

Significant Changes in Individual Fund Balances

	6/30/2015	6/30/2014	\$ Change	% Change
General Fund	\$ 5,765,231	5,279,490	485,741	9.2%
School Categorical Funds	66,708	54,775	11,933	21.8%
School Lunch Program	286	(12,840)	13,126	-102.2%
Sewer User Fund	1,627,184	1,348,972	278,212	20.6%
Community Services Fund	2,782	20,491	(17,709)	-86.4%
Riverside Cemetery Capital Improvements	127,735	115,922	11,813	10.2%
Fort Williams Park Fund	252,178	132,927	119,251	89.7%
Portland Head Light Fund	708,070	617,233	90,837	14.7%
Rescue Fund	295,246	255,836	39,410	15.4%
Cemetery Perpetual Care	335,034	331,363	3,671	1.1%
Library Fund	245,533	194,779	50,754	26.1%
Land Acquisition Fund	111,470	81,315	30,155	37.1%
Spurwink Church Fund	29,088	31,620	(2,532)	-8.0%
Thomas Jordan Fund	1,035,811	1,040,127	(4,316)	-0.4%
Turf Field	174,915	160,513	14,402	9.0%
Infrastructure Improvement	263,875	113,130	150,745	133.2%
School Improvements	1,733,402	109,000	1,624,402	1490.3%
Library Project Fund	2,645,718	140,707	2,505,011	1780.3%

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. The Rescue Fund had a decrease in costs as there were fewer responders and 4.8% fewer calls. The Portland Head Light Fund increased as a result of sales at the gift shop, museum admissions and no capital projects undertaken. The Infrastructure Improvement Fund was established in FY 2007 and is receiving steady income. The increase is due to a temporary loan of \$100,000 repaid by the Library Project Fund. The Land Acquisition Fund benefited from a small contribution from the General Fund. The School Improvement 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.

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. On the expenditure side, school regular instruction costs were under budget and school administration costs were lower leading to the overall school budget being under spent by \$274,756. The school facilities cost center had lower than anticipated expenditures due to the timing of projects and a decrease in fuel costs. In the municipal budget, capital improvements were under spent by \$731,179, 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, 2015

Revenues:	Budgeted	Actual	Variance
Excise Taxes	\$ 1,816,000	1,961,487	145,487
Building Permit Income	120,000	161,626	41,626
Expenditures:			
School Regular Instruction	10,871,153	10,856,620	14,533
School Special Education	3,036,778	3,000,850	35,928
School Facilities	2,430,341	2,327,260	103,081
Capital Improvements	2,075,001	1,343,822	731,179

Capital Improvements

The Town undertook a number of improvements to capital assets during the year. \$445k was spent on roadway and drainage work. \$182,098 was spent relating to housing the library temporarily in the old Spurwink School. \$72,092 was spent on planning for modernizing the recycling center operations. \$68,266 was incurred as result of a mold flare-up in the Town hall basement. The library renovation project itself expended \$1,201,691.

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, 2015 stood at \$17,247,295. This equated to 1.03% of assessed value and to \$1,913 net bonded debt per capita. The ratio of debt service to general governmental expenditures was 6.16% on June 30, 2015, compared to 6.67% on June 30, 2014.

Existing Debt Service Requirements			
Year	Principal	Interest	Total
2016	\$ 1,677,654	511,865	2,189,519
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
2021-2025	5,543,998	1,036,703	6,580,701
2026-2030	2,119,552	364,231	2,483,783
2031-2035	1,350,000	124,200	1,474,200
Totals	\$ 17,247,295	3,629,742	20,877,037

The Overall Financial Position of the Town

The overall financial condition continued to be healthy in FY 2015. 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 \$3.2 million. The ratio of bonded debt to assessed value increased from .83% to 1.03 % as \$2.0 million was retired and \$5.45 million was borrowed for a library renovation and school improvements. The infrastructure is in good condition with police, fire, public works and community facilities having been built or substantially remodeled since 2000. All school buildings have been recently renovated. 79% 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, 2015

The Town's median household income was \$85,604, based on the 2009 – 2012 American Community Survey of the U.S. Census Bureau; the highest in Maine. Property values have moderated in the last three years after significant increases in previous years. Unemployment in the Portland MSA was at 4.4% in June 2014, compared to a state unemployment rate of 5.5% and a national rate of 6.1%.

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, 2015

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 16,406,495
Investments	557,976
Receivables:	
Accounts	109,459
Due from other governments	385,037
Taxes and liens	239,296
Rescue (net of allowance for uncollectible of \$25,000)	48,061
Sewer fees (net of allowance for uncollectible of \$4,000)	356,263
Prepaid expenses	8,079
Inventory	141,440
Capital assets, not being depreciated	2,904,257
Capital assets, being depreciated	35,799,000
Total assets	56,955,363
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	731,200
Total deferred outflows of resources	731,200
LIABILITIES	
Accounts payable and other current liabilities	333,465
Accrued payroll and benefits	2,159,428
Unearned revenues	125,335
Taxes collected in advance	18,612
Accrued interest	141,083
Noncurrent liabilities:	
Due within one year	1,983,041
Due in more than one year	19,345,687
Total liabilities	24,106,651
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	586,938
Total deferred inflows of resources	586,938
NET POSITION	
Net investment in capital assets	24,416,159
Restricted	1,257,341
Unrestricted	7,319,474
Total net position	\$ 32,992,974

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Activities
For the Year Ended June 30, 2015

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	\$ 2,994,466	201,491	-	-	(2,792,975)
Public works	2,328,806	87,574	77,300	1,041,223	(1,122,709)
Facilities	355,912	234,814	-	-	(121,098)
Public safety	2,377,070	268,433	81,983	-	(2,026,654)
Human services	61,511	-	-	-	(61,511)
Cultural and parks	1,602,266	628,129	53,125	-	(921,012)
Education	26,181,942	1,346,540	5,014,844	-	(19,820,558)
School lunch	620,153	481,480	94,799	-	(43,874)
Sewer	1,411,108	2,028,529	-	-	617,421
Capital maintenance expenses	515,136	-	-	-	(515,136)
Interest on debt	311,373	-	-	-	(311,373)
Total governmental activities	38,759,743	5,276,990	5,322,051	1,041,223	(27,119,479)
General revenues:					
Property taxes					28,034,747
Excise taxes					1,961,487
Interest and costs on taxes					32,838
Franchise fees					154,215
Grants and contributions not restricted to specific programs:					
State revenue sharing					439,951
Homestead exemption					239,136
Other intergovernmental revenues					54,457
Unrestricted investment earnings					52,501
Miscellaneous revenues					93,991
Total general revenues					31,063,323
Change in net position					3,943,844
Net position - beginning, restated					29,049,130
Net position - ending					\$ 32,992,974

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Balance Sheet
Governmental Funds
June 30, 2015

	General	Library Project	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 15,191,270	-	1,215,225	16,406,495
Investments	-	-	557,976	557,976
Receivables:				
Accounts	109,459	-	-	109,459
Due from other governments	-	-	385,037	385,037
Taxes receivable - current year	162,212	-	-	162,212
Tax liens	76,878	-	-	76,878
Tax acquired property	206	-	-	206
Rescue (net of allowance for uncollectible of \$25,000)	-	-	48,061	48,061
Sewer fees (net of allowance for uncollectible of \$4,000)	-	-	356,263	356,263
Prepaid expenditures	-	-	8,079	8,079
Inventory	-	-	141,440	141,440
Interfund loans receivable	-	2,645,718	4,746,146	7,391,864
Total assets	\$ 15,540,025	2,645,718	7,458,227	25,643,970
LIABILITIES				
Accounts payable and other current liabilities	330,375	-	3,090	333,465
Accrued payroll and benefits	2,159,428	-	-	2,159,428
Unearned revenue - other	-	-	125,335	125,335
Taxes collected in advance	18,612	-	-	18,612
Interfund loans payable	7,071,379	-	320,485	7,391,864
Total liabilities	9,579,794	-	448,910	10,028,704
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	195,000	-	-	195,000
Total deferred inflows of resources	195,000	-	-	195,000
FUND BALANCES				
Nonspendable	-	-	149,519	149,519
Restricted	1,190,633	2,645,718	1,800,110	5,636,461
Committed	-	-	4,446,713	4,446,713
Assigned	1,335,818	-	643,788	1,979,606
Unassigned	3,238,780	-	(30,813)	3,207,967
Total fund balances	5,765,231	2,645,718	7,009,317	15,420,266
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,540,025	2,645,718	7,458,227	

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.	38,703,257
Other long-term assets are not available to pay for current period expenditures and, therefore, are unearned revenues in the funds.	195,000
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	(1,003,907)
Accrued interest	(141,083)
Other postemployment benefits liability	(454,156)
Net pension liability and related deferred inflows and outflows of resources	(1,060,185)
Capital leases	(873,584)
Premium on bonds payable	(545,339)
Bonds payable	(17,247,295)

Net position of governmental activities **\$ 32,992,974**

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, 2015

	General	Library Project	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 29,994,072	-	-	29,994,072
Licenses and permits	201,491	-	-	201,491
Intergovernmental	5,288,382	-	694,774	5,983,156
Rental and fees income	-	-	234,814	234,814
Charges for services	103,112	-	4,530,811	4,633,923
Investment income	23,408	-	29,093	52,501
Local grants and contributions	-	-	153,703	153,703
Other	341,711	-	113,257	454,968
Total revenues	35,952,176	-	5,756,452	41,708,628
Expenditures:				
Current:				
General government	1,099,424	-	-	1,099,424
Public works	1,678,117	-	-	1,678,117
Facilities	349,120	-	6,792	355,912
Public safety	1,865,193	-	215,985	2,081,178
Cultural and parks	985,897	-	531,621	1,517,518
Human services	59,086	-	2,425	61,511
Education	24,363,115	-	2,314,447	26,677,562
Intergovernmental assessments	1,130,272	-	-	1,130,272
Insurance and benefits	1,208,523	-	-	1,208,523
School lunch	-	-	620,153	620,153
Unclassified	220,044	-	-	220,044
Sewer	-	-	1,411,108	1,411,108
Capital improvements	1,343,822	1,201,691	1,176,754	3,722,267
Debt service:				
Principal and interest	887,347	-	313,462	1,200,809
Bond issuance costs	12,750	-	-	12,750
Total expenditures	35,202,710	1,201,691	6,592,747	42,997,148
Excess (deficiency) of revenues over (under) expenditures	749,466	(1,201,691)	(836,295)	(1,288,520)
Other financing sources (uses):				
Lease proceeds	-	-	875,528	875,528
Premium on bond	-	256,208	111,690	367,898
Bond proceeds	-	3,791,304	1,658,696	5,450,000
Transfers from other funds	315,189	-	(87,879)	227,310
Transfers to other funds	(578,914)	(340,810)	692,414	(227,310)
Total other financing sources (uses)	(263,725)	3,706,702	3,250,449	6,693,426
Net change in fund balances	485,741	2,505,011	2,414,154	5,404,906
Fund balances, beginning of year	5,279,490	140,707	4,595,163	10,015,360
Fund balances, end of year	\$ 5,765,231	2,645,718	7,009,317	15,420,266

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, 2015

Net change in fund balances - total governmental funds (from Statement 4)	\$ 5,404,906
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$4,167,090) exceeded depreciation expense (\$1,982,232) and the loss on disposal of assets (\$2,460).	2,182,398
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.	35,000
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 (\$37,014); the change in accrued interest (\$80,563); the change in other postemployment benefits liability (\$80,530); and the change in the net pension liability, including changes in deferred inflows and outflows (\$832,061).	633,954
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 net effect of current year repayments (\$2,009,708), proceeds (\$5,450,000), premiums (\$367,898) and amortization on premiums (\$22,803).	(3,785,387)
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 proceeds (\$875,528) exceeded capital lease payments (\$348,501).	(527,027)
Change in net position of governmental activities (see Statement 2)	\$ 3,943,844

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, 2015

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 29,877,747	29,877,747	29,994,072	116,325
Licenses and permits	158,000	158,000	201,491	43,491
Intergovernmental	3,319,654	3,319,654	3,460,981	141,327
Investment income	45,000	45,000	23,408	(21,592)
Other	359,500	359,500	444,823	85,323
Total revenues	33,759,901	33,759,901	34,124,775	364,874
Expenditures:				
Current:				
General government	1,664,946	1,684,757	1,099,424	585,333
Public works	1,616,179	1,757,210	1,678,117	79,093
Facilities	363,481	382,045	349,120	32,925
Public safety	1,952,915	1,954,792	1,865,193	89,599
Cultural and parks	1,048,758	1,054,788	985,897	68,891
Human services	51,408	60,000	59,086	914
Education	23,176,174	23,176,174	22,901,418	274,756
Intergovernmental assessments	1,130,590	1,130,590	1,130,272	318
Insurance and benefits	1,199,717	1,199,717	1,208,523	(8,806)
Unclassified	15,500	43,822	220,044	(176,222)
Capital improvements	900,000	2,075,001	1,343,822	731,179
Debt service	888,319	906,144	900,097	6,047
Total expenditures	34,007,987	35,425,040	33,741,013	1,684,027
Excess (deficiency) of revenues over (under) expenditures	(248,086)	(1,665,139)	383,762	2,048,901
Other financing sources (uses):				
Transfer from special revenue funds	75,000	75,000	74,379	(621)
Transfer from capital projects	-	-	240,810	240,810
Transfer to special revenue funds	(532,000)	(532,000)	(532,000)	-
Transfer to capital projects funds	(46,914)	(46,914)	(46,914)	-
Carryforward balances and subsequent authorizations	-	1,417,053	-	(1,417,053)
Utilization of prior year surplus - School	400,000	400,000	-	(400,000)
Utilization of prior year surplus - Town	352,000	352,000	-	(352,000)
Total other financing sources (uses)	248,086	1,665,139	(263,725)	(1,928,864)
Net change in fund balance	-	-	120,037	120,037
Reconciliation to GAAP:				
Change in encumbrances			49,040	
Accrued teacher summer salary benefits			316,664	
Fund balance, beginning of year			5,279,490	
Fund balance, end of year	\$		5,765,231	

See accompanying notes to basic financial statements.

TOWN OF CAPE ELIZABETH, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

		Private- purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$	77,889	215,384
Total assets		77,889	215,384
LIABILITIES			
Due to student groups		-	215,384
Total liabilities		-	215,384
NET POSITION			
Held in trust	\$	77,889	-

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, 2015

	Private- purpose Trust Funds
Additions:	
Donations	\$ 2,644
Interest earned	893
Total additions	3,537
Deductions:	
Other deductions	2,425
School scholarships	2,360
Total deductions	4,785
Change in net position	(1,248)
Net position, beginning of year	79,137
Net position, end of year	\$ 77,889

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 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.

The Library Project Fund is a capital project fund that accounts for the bond proceeds and other revenues used to pay for the library renovations.

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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

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, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The deferred outflows 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 the Town's 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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In addition to liabilities, the Statement of Net Position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has a deferred inflow that arises under the modified accrual basis of accounting that qualifies for reporting in this category; unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows also include amounts related to the net pension liability, which include the difference between expected and actual experience, and changes in the proportion and differences between the Town's contributions and proportionate share of contributions. The deferred inflows related to pensions 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 the projected and actual investment earnings on pension plan investments, which is deferred and amortized over a five-year period.

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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

E. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town's net investment in capital assets was calculated as follows at June 30, 2015:

Capital assets	\$ 70,447,661
Accumulated depreciation	(31,744,404)
General obligation bonds and premiums	(17,792,634)
Capital leases	(873,584)
Unspent bond proceeds	4,379,120
Net investment in capital assets	<u>\$ 24,416,159</u>

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, accrued teacher summer benefits, 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 \$1,872,401. 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.

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

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

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.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2015, expenditures exceeded appropriations in the following areas:

Insurance and benefits	\$ 8,806
Unclassified	176,222

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, 2015, the Town reported deposits of \$16,699,768 with a bank balance of \$17,393,684.

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	\$ 16,406,495
Reported in fiduciary funds	293,273
Total deposits	<u>\$ 16,699,768</u>

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

DEPOSITS AND INVESTMENTS, CONTINUED

B. Investments

At June 30, 2015, the Town had the following investments reported in governmental funds:

	<u>Fair value</u>
Mutual funds (1)	\$ 557,976

(1) Mutual funds are not considered securities and are exempt from credit risk disclosure.

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

PROPERTY TAXES

Property taxes for the current year were committed on August 8, 2014 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 2, 2014 and April 2, 2015. 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 \$346,780 for the year ended June 30, 2015.

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.

PROPERTY TAXES

The following summarizes the 2015 and 2014 levy:

	<u>2015</u>	<u>2014</u>
Assessed valuation:		
Land	\$ 710,394,000	709,511,400
Buildings	951,422,800	942,765,800
Personal property	6,918,100	6,755,800
Total assessed valuation	\$ 1,668,734,900	1,659,033,000

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

PROPERTY TAXES, CONTINUED

	<u>2015</u>	<u>2014</u>
Assessed valuation	\$ 1,668,734,900	1,659,033,000
Tax rate (per \$1,000)	16.80	16.28
Commitment	28,034,747	27,009,057
Supplemental taxes assessed	-	29,144
Total tax levy	28,034,747	27,038,201
Change in unavailable tax revenues	(35,000)	41,000
Total property tax revenues	27,999,747	27,079,201
Less:		
Collections and abatements	27,837,535	26,888,580
Current year receivables at June 30,		
2015 and 2014	\$ 162,212	190,621
Due date(s)	10/2/2014 4/2/2015	10/1/2013 4/1/2014
Interest rate on delinquent taxes	7.00%	7.00%
Collection rate	99.43%	99.30%

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance July 1, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2015</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,124,913	-	-	1,124,913
Construction in progress	426,311	2,225,327	872,294	1,779,344
Total capital assets, not being depreciated	1,551,224	2,225,327	872,294	2,904,257
Capital assets, being depreciated:				
Land improvements	835,109	6,594	-	841,703
Buildings and building improvements	39,848,216	773,406	-	40,621,622
Furniture and equipment	1,901,416	131,618	-	2,033,034
Vehicles	4,480,323	436,634	77,670	4,839,287
Infrastructure	17,741,953	1,465,805	-	19,207,758
Total capital assets being depreciated:	64,807,017	2,814,057	77,670	67,543,404
Less accumulated depreciation for:				
Land improvements	316,067	55,839	-	371,906
Buildings and building improvements	17,503,685	1,170,808	-	18,674,493
Furniture and equipment	1,037,072	90,145	-	1,127,217
Vehicles	2,990,434	288,691	75,210	3,203,915
Infrastructure	7,990,124	376,749	-	8,366,873
Total accumulated depreciation	29,837,382	1,982,232	75,210	31,744,404
Total capital assets being depreciated, net	34,969,635	831,825	2,460	35,799,000
Governmental activities capital assets, net	\$ 36,520,859	3,057,152	874,754	38,703,257

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

CAPITAL ASSETS, CONTINUED

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

Governmental activities:

General government	\$ 905
Public safety	220,973
Public works, including depreciation of general infrastructure assets	650,689
Education	1,067,719
Culture and parks	41,946

Total depreciation expense – governmental activities	\$ 1,982,232
---	---------------------

INTERFUND BALANCES

Individual interfund receivables and payables at June 30, 2015 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
<u>General Fund</u>	\$ -	7,071,379
<u>Library Project</u>	2,645,718	-
Nonmajor special revenue funds:		
School Categorical Programs	-	302,855
School Lunch Program	-	17,630
Sewer User Fund	1,270,921	-
Community Services Fund	99,768	-
Portland Head Light	592,432	-
Rescue Fund	247,185	-
Total nonmajor special revenue funds	2,210,306	320,485
Nonmajor capital project funds:		
School Bonded Projects	1,733,402	-
Land Acquisition	111,470	-
Infrastructure Improvement	263,875	-
Turf Field	174,915	-
Fort Williams Park	252,178	-
Total nonmajor capital project funds	2,535,840	-
Totals	\$ 7,391,864	7,391,864

With the exception of certain trust funds and permanent 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 Financial Statements, Continued

INTERFUND BALANCES, CONTINUED

Individual fund transfers for the year ended June 30, 2015 were as follows:

	Transfers <u>in</u>	Transfers <u>out</u>
General Fund	\$ 315,189	578,914
Library Project	-	340,810
Nonmajor special revenue funds:		
School Lunch Program	57,000	-
Sewer User Fund	-	53,983
Portland Head Light	-	7,200
Community Services Fund	486,000	-
Rescue Fund	2,500	-
Riverside Perpetual Care	-	1,588
Thomas Jordan Fund	-	22,035
Spurwink Church Fund	-	268
Total nonmajor special revenue funds	545,500	85,074
Nonmajor capital project funds:		
Land Acquisition	32,914	-
Infrastructure Improvement	100,000	-
Turf Field	14,000	-
Fort Williams Park	-	2,805
Total nonmajor capital project funds	146,914	2,805
Totals	\$ 1,007,603	1,007,603

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, 2015 was as follows:

	Beginning <u>balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>balance</u>	Due within <u>one year</u>
Governmental activities:					
General obligation bonds	\$ 13,807,003	5,450,000	2,009,708	17,247,295	1,677,654
Premium	200,244	367,898	22,803	545,339	36,599
Total bonds payable	14,007,247	5,817,898	2,032,511	17,792,634	1,714,253
Capital leases	346,557	875,528	348,501	873,584	268,788
Net pension liability	2,375,358	-	1,170,911	1,204,447	-
Other post employment benefits	373,626	86,813	6,283	454,156	-
Accrued compensated absences	966,893	37,014	-	1,003,907	-
Governmental activity					
long-term liabilities	\$ 18,069,681	6,817,253	3,558,206	21,328,728	1,983,041

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

LONG-TERM DEBT

Long-term debt payable at June 30, 2015 is comprised of the following:

	<u>Amount of</u> <u>Original issue</u>	<u>Interest</u> <u>rate</u>	<u>Final</u> <u>maturity</u> <u>date</u>	<u>Balance</u> <u>end of</u> <u>year</u>
General obligation bonds:				
2006 Clean Water Revolving Fund	\$ 3,510,000	1.73%	2026	2,078,295
2006 Sewer bond	1,890,000	1.90%-5.50%	2027	1,134,000
2008 Capital improvements	2,550,000	3.25%-4.13%	2028	1,640,000
2009 Refunding bond	5,850,000	2.00%-2.75%	2020	1,450,000
2011 Refunding bond	2,110,000	2.00%-2.70%	2021	1,220,000
2012 Refunding bond	780,000	2.00%-2.50%	2022	540,000
2014 Refunding bond	4,190,000	2.00%-4.00%	2025	3,735,000
2015 General obligation bond	5,450,000	3.00%-3.25%	2035	5,450,000
Total				<u>\$ 17,247,295</u>

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, 2015 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>
2016	\$ 1,677,654	511,865	2,189,519
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
2021-2025	5,543,998	1,036,703	6,580,701
2026-2030	2,119,552	364,231	2,483,783
2031-2035	1,350,000	124,200	1,474,200
Totals	<u>\$ 17,247,295</u>	<u>\$ 3,629,742</u>	<u>20,877,037</u>

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, 2015, \$3,960,000 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, 2015, the Town complied with these limitations.

TOWN OF CAPE ELIZABETH, MAINE
Notes to 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, 2015:

Boilers	\$ 730,000
Buses	358,141
Copiers	201,551
Computers and technology equipment	278,708

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, 2015:

Fiscal year ending	
<u>June 30,</u>	
2016	291,812
2017	210,084
2018	65,632
2019	65,632
2020	65,631
2021-2024	<u>262,527</u>
Total minimum lease payments	961,318
Less amounts representing interest	<u>(87,734)</u>
Present value of future minimum	
lease payments	<u>\$ 873,584</u>

OPERATING LEASES

The Town has twelve operating lease agreements for rental of Town-owned buildings and land. Rental income from these operating leases for the year ended June 30, 2015 was \$84,208.

The following is a schedule of the future minimum rentals on operating leases as of June 30, 2015:

Fiscal year ending	
<u>June 30,</u>	
2016	\$ 75,676
2017	35,210
2018	2,500
2019	2,500
2020	2,500
2021-2025	<u>12,500</u>
Total of future rental income	<u>\$ 130,886</u>

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

COMMITMENTS

As of June 30, 2015, the Town had ongoing commitments for the High School improvements, Library improvements and architecture work related to Spurwink School improvements. The contracts had remaining balances of \$710,654, \$2,546,953, and \$17,687, respectively, 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, 2015, the Town's share is \$1,624,589 (4.38%) of Cumberland County's outstanding debt of \$37,125,000.

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. 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, 2015, the Town was responsible for \$2,516,000 of its portion of PWD's Wastewater Fund Debt (or 9.19% of PWD's \$27,383,321 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, 2015, the Town was contingently responsible for approximately 6.64%, or \$3,032,645, of the PWD's \$45,698,839 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.

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

OVERLAPPING DEBT AND OTHER CONTINGENCIES, CONTINUED

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.

Recently, 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.

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, 2014 based on the most recent information available, includes total assets of \$64,568,980 total liabilities of \$18,893,073 and unrestricted net position of \$16,593,731. The liabilities include an accrual for landfill closure and postclosure care amounting to \$16,191,575. 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, 2015.

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

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.

FUND BALANCES

At June 30, 2015, portions of the Governmental Funds fund balances were assigned, committed or restricted for future periods or classified as nonspendable for specific amounts as follows:

	General Fund	Library Project Fund	Other Governmental Funds	Total
Nonspendable:				
School Lunch Program – inventory	\$ -	-	25,802	25,802
Community Services Fund – prepaid expenditures	-	-	8,079	8,079
Portland Head Light – inventory	-	-	115,638	115,638
Total nonspendable	-	-	149,519	149,519
Restricted:				
Library project	-	2,645,718	-	2,645,718
School bonded projects	-	-	1,733,402	1,733,402
School Categorical Programs	-	-	66,708	66,708
School Department General Fund	1,188,133	-	-	1,188,133
Town grants and donations	2,500	-	-	2,500
Total restricted	1,190,633	2,645,718	1,800,110	5,636,461
Committed:				
Town capital projects:				
Land acquisition fund	-	-	111,470	111,470
Turf Field fund	-	-	174,915	174,915
Town special revenue funds:				
Sewer User Fund	-	-	1,627,184	1,627,184
Portland Head Light	-	-	592,432	592,432
Rescue Fund	-	-	295,246	295,246
Riverside Perpetual Care	-	-	335,034	335,034
Library Fund	-	-	245,533	245,533
Thomas Jordan Fund	-	-	1,035,811	1,035,811
Spurwink Church Fund	-	-	29,088	29,088
Total committed	-	-	4,446,713	4,446,713
Assigned:				
Town capital projects:				
Roadway and drainage repairs	400,748	-	-	400,748
Library projects	74,238	-	-	74,238
Fort Williams stone wall repairs	30,986	-	-	30,986
Athletic field electrical	8,900	-	-	8,900
Police cruiser replacement	16,178	-	-	16,178
Records preservation	4,845	-	-	4,845

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

FUND BALANCES, CONTINUED

	General <u>Fund</u>	Library Project <u>Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
Family fun day	\$ 9,000	-	-	9,000
Town hall meetings spaces/office spaces	75,000	-	-	75,000
Recycling center study	25,000	-	-	25,000
APP Geo Implementation	15,335	-	-	15,335
Fuel donations	2,968	-	-	2,968
Sidewalk Improvements	48,620	-	-	48,620
250th Anniversary Committee	15,000	-	-	15,000
Extrication Tool	25,000	-	-	25,000
Library generator transfer switch	15,000	-	-	15,000
Former library planning and renovation	150,000	-	-	150,000
Front-end loader replacement	50,000	-	-	50,000
Richards pool study	17,000	-	-	17,000
Town - re-appropriation of fund balance	352,000	-	-	352,000
Town capital project funds:				
Riverside Cemetery Capital Improvements	-	-	127,735	127,735
Infrastructure Improvement	-	-	263,875	263,875
Fort Williams Park	-	-	252,178	252,178
Total assigned	\$ 1,335,818	-	643,788	1,979,606

RELATED PARTY TRANSACTION

The Town currently leases office space to an individual who is on the Town Council. The annual lease payments are \$3,300 annually through October 30, 2015, with an optional on year renewal at \$3,300 annually.

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. As this is the first year of the TIF and the valuation of the District area, no current year taxes have been allocated to the District. Expenditures related to the District's purpose totaled \$0 as of June 30, 2015.

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

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. MEPRS issues a publicly available financial report that can be obtained at www.maineprs.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. 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 6.5% of their annual pay. The Town’s contractually required contribution rate for the year ended June 30, 2015 was 7.9% of annual pay for the Special Plan 2-C. Contributions to the pension plan from the Town were \$67,035 for the year ended June 30, 2015.

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, 2015, was 15.68% of annual payroll of which 2.65% of payroll was required from the Town and 13.03% was required from the State. Contributions to the pension plan from the Town were \$318,802 for the year ended June 30, 2015.

Withdrawn Plan - Employees are required to contribute 6.5% of their annual pay. The Town’s contractually required contribution rate for the year ended June 30, 2015 was 174% of annual pay for the Withdrawn PLD.

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

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

The amounts paid include “catch up” amounts to fully fund the IUUAL. Contributions to the pension plan from the Town were \$181,236 for the year ended June 30, 2015.

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, 2014, 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, 2015, the Town reported a liability of \$275,173 for its proportionate share of the net pension liability. At June 30, 2014, the Town’s proportion of the PLD Plan was 0.1788%.

SET Plan - At June 30, 2015, 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	\$ 33,912
State’s proportionate share of the net pension liability associated with the Town	<u>11,196,388</u>
Total	<u>\$ 11,230,300</u>

At June 30, 2014, the Town’s proportion of the SET Plan was 0.0031%.

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

	<u>Increase (Decrease)</u>		
	<u>Total</u>	<u>Plan</u>	<u>Net</u>
	<u>Pension</u>	<u>Fiduciary</u>	<u>Pension</u>
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
Balance at June 30, 2013	\$ 6,826,415	5,157,099	1,669,316
Changes for the year:			
Service cost	18,040	-	18,040
Interest	476,464	-	476,464
Differences between expected and actual experience	(312,353)	-	(312,353)
Contributions – employer	-	114,468	(114,468)
Contributions – employee	-	9,199	(9,199)
Net investment income	-	836,690	(836,690)
Benefit payments, including refunds of employee contributions	(545,068)	(545,068)	-
Administrative expense	-	(4,252)	4,252
Net changes	(362,917)	411,037	(773,954)
Balance at June 30, 2014	\$ 6,463,498	5,568,136	895,362

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

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

For the year ended June 30, 2015, the Town recognized pension expense (gain) of \$(102,324) for the Consolidated PLD Plan, \$(555,669) for the withdrawn PLD plan, and \$(174,069) for the SET plan, with revenue of \$1,567,547 for support provided by the State.

At June 30, 2015, 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	\$ 25,916	287,052
Changes of assumptions	1,556	-
Net difference between projected and actual earnings on pension plan investments	-	245,411
Changes in proportion and differences between Town contributions and proportionate share of contributions	136,655	54,475
Town contributions subsequent to the measurement date	567,073	-
Total	\$ 731,200	\$ 586,938

An amount of \$567,073 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, 2016. 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>	
2016	\$ (100,312)
2017	(100,312)
2018	(160,833)
2019	(61,354)

Actuarial Assumptions - The total pension liability in the June 30, 2014 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	7.25%	7.125%	7.25%
Cost of living benefit increases, per annum	3.12%	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, 2014 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 Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 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%	2.5%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.25% for the PLD Plan and withdrawn PLD, and 7.125% for the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

Sensitivity of the Town's proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25% for the PLD Plan and withdrawn PLD, and 7.125% for 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 (6.25% for PLD Plan and withdrawn PLD; and 6.125% for SET Plan) or 1 percentage-point higher (8.25% for PLD Plan and withdrawn PLD; and 8.125% for SET Plan) than the current rate:

<u>Consolidated PLD Plan</u>	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Town's proportionate share of the net pension liability	\$ 858,460	\$ 275,173	\$ (212,382)
<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	\$ 64,955	\$ 33,912	\$ 7,936

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

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS), continued

<u>Withdrawn PLD Plan</u>	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Net pension liability	1,413,845	\$ 895,362	416,578

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, 2015.

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	48
Active employees	<u>2</u>
<u>Total employees</u>	<u>50</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, 2015, the Town and School's contributions to the plan totaled \$238,813.

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.

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.

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

RETIREMENT PLANS, CONTINUED

Other

Additionally, the Town participates in the Social Security Retirement Program. The Town's contribution to Social Security (including Medicare) was approximately \$694,775 for the year ended June 30, 2015.

OTHER POST EMPLOYMENT 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:

	FY 2015	FY 2014	FY 2013
Normal Cost	\$ 30,907	30,907	25,717
Amortization of Unfunded	60,753	60,753	47,976
Interest	16,760	13,468	10,662
Adjustment to ARC	(21,607)	(16,848)	(13,306)
Annual Required Contribution	86,813	88,280	71,049
Contributions made	(6,283)	(5,993)	(9,792)
Increase in Net OPEB	80,530	82,287	61,257
Net OPEB Obligation – beginning of year	373,626	291,339	230,082
Net OPEB Obligation – end of year	\$ 454,156	373,626	291,339

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

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

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, 2015 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, 2013	\$ 71,049	13.78%	291,339
June 30, 2014	88,280	6.79%	373,626
June 30, 2015	86,813	7.24%	454,156

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 year ending June 30, 2015 and three preceding years are as follows:

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Actuarial accrued liability	\$ 1,092,569	1,092,569	862,794
Plan assets	-	-	-
Unfunded actuarial accrued liability	\$ 1,092,569	1,092,569	862,794
Funded ratio	0%	0%	0%
Covered payroll	\$ 3,030,023	2,759,172	2,640,991
Unfunded actuarial accrued liability as a percentage of covered payroll	36.06%	39.60%	32.67%

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

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

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

Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/14
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%

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

NEW PRONOUNCEMENTS AND RESTATEMENT OF NET POSITION

For the fiscal year ended June 30, 2015, the Town has elected to implement Statement No. 68 of the Governmental Accounting Standards Board – *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. As a result of implementing GASB Statement No. 68, the Town has restated beginning net position in the government-wide statement of net position to account for the addition of the Town's proportionate share of the net pension liability of \$2,375,358 and deferred outflows for the Town's contributions subsequent to the measurement date of \$483,112, which effectively decreased the District's net position as of July 1, 2014 by \$1,892,246.

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

Retiree Healthcare Plan							
<u>Fiscal</u> <u>Year</u>	<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability (AAL) –</u> <u>Entry Age</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u> <u>[(b-a) /c]</u>
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%

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

	<u>2015</u>
Total Pension Liability	
Service cost	\$ 18,040
Interest	476,464
Differences between expected and actual experience	(312,353)
Benefit payments, including refunds of employee contributions	(545,068)
Net change in total pension liability	(362,917)
Total pension liability – beginning	6,826,415
Total pension liability – ending (a)	<u>6,463,498</u>
Plan Fiduciary Net Position	
Contributions – employer	114,468
Contributions – employee	9,199
Net investment income	836,690
Benefit payments, including refunds of employee contributions	(545,068)
Administrative expense	(4,252)
Net change in plan fiduciary net position	411,037
Plan fiduciary net position – beginning	5,157,099
Plan fiduciary net position – ending (b)	<u>\$ 5,568,136</u>
Town's net pension liability – ending (a) – (b)	<u>\$ 895,362</u>
Plan fiduciary net position as a percentage of the total pension liability	86.15%
Covered payroll	\$104,158
Town's net pension liability as a percentage of covered-employee payroll	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**

2015*

PLD Plan

Town's proportion of the net pension liability	0.1788%
Town's proportionate share of the net pension liability	\$ 275,173
Town's covered-employee payroll	807,643
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	34.07%
Plan fiduciary net position as a percentage of of the total pension liability	94.10%

SET Plan

Town's proportion of the net pension liability	0.0031%
Town's proportionate share of the net pension liability	33,912
State's proportionate share of the net pension liability associated with the Town	11,196,388

Total	<u>\$ 11,230,300</u>
--------------	-----------------------------

Town's covered-employee payroll	\$ 12,030,288
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	0.28%
Plan fiduciary net position as a percentage of of the total pension liability	83.91%

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

***Only one year 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**

2015

Consolidated PLD Plan

Contractually required contribution	\$ 67,035
Contributions in relation to the	
<u>contractually required contribution</u>	<u>(67,035)</u>

Contribution deficiency (excess) -

Town's covered-employee payroll	\$807,643
Contributions as a percentage of covered-	
Employee payroll	34.07%

SET Plan

Contractually required contribution	\$ 318,802
Contributions in relation to the	
<u>contractually required contribution</u>	<u>(318,802)</u>

Contribution deficiency (excess) \$ -

Town's covered-employee payroll	\$12,030,288
Contributions as a percentage of covered-	
Employee payroll	2.65%

Withdrawn PLD Plan

Actuarially determined contribution*	\$ 181,236
Contributions in relation to the	
<u>Actuarially determined contribution</u>	<u>(181,236)</u>

Contribution deficiency (excess) \$ -

Town's covered-employee payroll	\$104,158
Contributions as a percentage of covered-	
Employee payroll	174%

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

**Only one year of information available.

TOWN OF CAPE ELIZABETH, MAINE
Notes to Required Supplementary Information

Changes of benefit terms - None

Changes of assumptions - The SET changed the discount rate from 7.25% in the 2013 valuation to 7.125% in the 2014 valuation.

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 2013, 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 Normal
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	7.25%
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, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 15,191,270	10,099,413
Taxes and liens receivable - current year	162,212	190,621
Tax liens	76,878	68,804
Tax acquired property	206	206
Accounts receivable	109,459	437
Total assets	\$ 15,540,025	10,359,481
LIABILITIES		
Accounts payable and other current liabilities	330,375	321,183
Accrued payroll and benefits	2,159,428	2,030,959
Taxes collected in advance	18,612	10,374
Interfund loans payable	7,071,379	2,557,475
Total liabilities	9,579,794	4,919,991
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	195,000	160,000
Total deferred inflows of resources	195,000	160,000
FUND BALANCE		
Nonspendable - interfund advances	-	240,810
Restricted:		
Town grants and donations	2,500	2,500
School Department General Fund	1,188,133	921,915
Assigned	1,335,818	1,209,566
Unassigned	3,238,780	2,904,699
Total fund balance	5,765,231	5,279,490
Total liabilities, deferred inflows of resources, and fund balance	\$ 15,540,025	10,359,481

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, 2015
(with comparative actual amounts for the year ended June 30, 2014)

	2015		Variance	2014
	Revised budget	Actual	positive (negative)	Actual
Revenues:				
Taxes:				
Property taxes	\$ 28,034,747	28,034,747	-	27,009,057
Supplemental taxes	-	-	-	29,114
Change in deferred taxes	-	(35,000)	(35,000)	41,000
Excise taxes	1,816,000	1,961,487	145,487	1,816,674
Interest and costs on taxes	27,000	32,838	5,838	33,843
Total taxes	29,877,747	29,994,072	116,325	28,929,688
Licenses and permits:				
Auto registration fees	24,000	24,846	846	24,554
Building, electrical and plumbing fees	120,000	161,626	41,626	151,944
Town clerk fees	14,000	15,019	1,019	15,610
Total licenses and permits	158,000	201,491	43,491	192,108
Intergovernmental:				
State revenue sharing	451,764	439,951	(11,813)	457,856
Education - State subsidies	2,533,079	2,482,137	(50,942)	2,620,194
State agency clients	7,000	4,753	(2,247)	6,305
D.O.T. block grant	84,400	77,300	(7,100)	84,288
BETE reimbursement	4,385	4,385	-	-
Homestead revenue	193,956	239,136	45,180	146,680
Federal grants-capital contributions	-	81,264	81,264	16,158
Federal grants-public safety	-	81,983	81,983	55,393
Other miscellaneous - State and Federal	45,070	50,072	5,002	55,762
Total intergovernmental	3,319,654	3,460,981	141,327	3,442,636
Investment income:				
Investment earnings	45,000	23,408	(21,592)	13,418
Total investment income	45,000	23,408	(21,592)	13,418
Other revenues:				
Cable television franchise	150,000	154,215	4,215	152,868
Refuse disposal	90,000	87,574	(2,426)	104,296
School department activity fees	63,500	66,920	3,420	82,896
School department miscellaneous	2,000	26,585	24,585	11,731
Police specials and fees	11,000	15,538	4,538	-
Miscellaneous donations	-	-	-	6,500
Miscellaneous	43,000	93,991	50,991	69,566
Total other revenues	359,500	444,823	85,323	427,857
Total revenues	33,759,901	34,124,775	364,874	33,005,707

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

	2015			2014 Actual
	Revised budget	Actual	Variance positive (negative)	
Expenditures:				
Current:				
General government:				
Administration	\$ 575,301	553,014	22,287	507,791
Assessing, codes and planning	390,706	387,249	3,457	345,709
Town council	500	77	423	356
Legal and audit	71,300	71,300	-	76,325
Elections	34,074	16,716	17,358	11,201
Boards and commissions	13,714	10,380	3,334	13,083
Public information	53,182	45,726	7,456	45,875
Abatements/overlay	545,980	14,962	531,018	58,191
Total general government	1,684,757	1,099,424	585,333	1,058,531
Public works:				
General public works	1,270,000	1,225,027	44,973	1,088,445
Refuse disposal/recycling	487,210	453,090	34,120	608,110
Total public works	1,757,210	1,678,117	79,093	1,696,555
Facilities:				
Facilities and property management	210,000	203,935	6,065	210,571
Town hall maintenance	31,880	27,297	4,583	29,010
Library building	31,001	22,534	8,467	28,405
Town center fire station	32,000	30,013	1,987	23,178
Cape cottage fire station	8,316	6,695	1,621	6,703
Police station	68,848	58,646	10,202	59,769
Total facilities	382,045	349,120	32,925	357,636
Public safety:				
Fire department	309,301	276,458	32,843	272,308
Police department	1,261,608	1,224,398	37,210	1,190,424
Animal control	23,696	23,696	-	23,248
Public safety communications	172,499	167,499	5,000	162,540
WETeam	25,817	10,874	14,943	15,741
Miscellaneous public protection	158,117	158,990	(873)	152,600
Emergency preparedness	3,754	3,278	476	3,597
Total public safety	1,954,792	1,865,193	89,599	1,820,458
Cultural and parks:				
Library	524,075	522,629	1,446	509,408
Parks and grounds	508,469	442,388	66,081	428,022
Trees	22,244	20,880	1,364	19,827
Total cultural and parks	1,054,788	985,897	68,891	957,257
Human services	60,000	59,086	914	61,539
Education:				
Regular instruction	10,871,153	10,856,620	14,533	9,999,910
Special education instruction	3,036,778	3,000,850	35,928	3,090,418
Career and technical education	40,626	40,626	-	46,604
Other instruction	788,169	772,030	16,139	721,642
Student and staff support	2,183,123	2,143,060	40,063	2,090,409
System administration	773,316	772,774	542	711,506
School administration	1,138,135	1,121,631	16,504	1,066,883
Transportation	746,268	732,792	13,476	679,058
Facilities maintenance	2,430,341	2,327,260	103,081	2,457,466
Debt service	1,168,265	1,133,775	34,490	1,288,591
Total education	23,176,174	22,901,418	274,756	22,152,487
Intergovernmental assessments	1,130,590	1,130,272	318	1,082,835

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

		2015			
		Revised budget	Actual	Variance positive (negative)	2014 Actual
Expenditures, continued					
Current, continued:					
Insurance and benefits					
Insurance	\$	95,000	90,973	4,027	87,962
Employee benefits		1,104,717	1,117,550	(12,833)	1,005,076
Total insurance and benefits		1,199,717	1,208,523	(8,806)	1,093,038
Unclassified:					
Contributions		40,135	36,161	3,974	19,243
Grants		3,687	177,242	(173,555)	59,611
Other		-	6,641	(6,641)	11,115
Total unclassified		43,822	220,044	(176,222)	89,969
Capital improvements:					
4004	Cruiser replacement	57,650	41,471	16,179	70,774
4009	Roadway & drainage	813,005	445,921	367,084	413,994
4013	Sidewalk improvements	48,919	298	48,621	1,598
4021	Computer hardware and software	25,000	20,663	4,337	36,578
4023	Loader/backhoe replacement	-	-	-	107,182
4024	Town Hall roof and external repairs	-	6,181	(6,181)	42,496
4052	Library improvements	456,337	182,098	274,239	37,191
4107	Dump/plow replacement	176,000	161,458	14,542	-
4111	Town Hall building	60,000	6,010	53,990	27,265
4131	Town center building replacement	-	5,400	(5,400)	34,350
4136	Grounds equipment	33,600	23,323	10,277	-
4147	Police ext. door replacement	22,095	2,499	19,596	3,104
4269	Police space separation	-	5,121	(5,121)	4,872
5236	Police radios	-	-	-	4,241
5249	Athletic field fencing replacement	10,000	5,994	4,006	-
5259	Holman BB Infield	-	-	-	14,255
5260	HS running track	-	-	-	21,643
5263	Extrication tool replacement	25,000	-	25,000	-
5264	Library folding table	-	-	-	-
5265	Town Hall electrical system	97,095	72,837	24,258	12,905
5266	Police card access system	-	-	-	12,500
5267	Gull CR/RC buildings	-	-	-	8,500
5268	Library lot improvements	-	-	-	86
5270	Replace fire chief's vehicle	40,000	38,061	1,939	-
5271	Townhall roof replacement	25,000	24,980	20	-
5272	Public works utility cart	20,000	19,693	307	-
5273	Town hallcard access system	16,500	16,508	(8)	-
5274	Front end loader overhaul	15,000	11,405	3,595	-
5275	Non ADA entrance upgrades	10,800	-	10,800	-
5276	Athletic fields electrical upgrades	8,900	-	8,900	-
5277	Town hall exterior lighting upgrades	7,800	7,558	242	-
5278	Oil tank code upgrades	5,800	2,918	2,882	-
5279	Traffic signal equipment replacement	5,500	4,535	965	-
5280	Transfer trailer replacement	60,000	64,068	(4,068)	-
5281	Town hall mold remediation	-	68,266	(68,266)	-
5282	Tech location	35,000	34,464	536	-
5283	Recycling center study & modification	-	72,092	(72,092)	-
Total capital improvements		2,075,001	1,343,822	731,179	853,534

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

	2015			2014 Actual
	Revised budget	Actual	Variance positive (negative)	
Debt service (excluding School Department)				
Principal and interest payments	\$ 888,319	887,347	972	905,703
Bond issuance costs	17,825	12,750	5,075	22,175
Total debt service	906,144	900,097	6,047	927,878
Total expenditures	35,425,040	33,741,013	1,684,027	32,151,717
Excess (deficiency) of revenues over (under) expenditures	(1,665,139)	383,762	2,048,901	853,990
Other financing sources (uses):				
Transfer from special revenue funds	75,000	74,379	(621)	274,736
Transfer from capital projects	-	240,810	240,810	-
Transfer to special revenue funds	(532,000)	(532,000)	-	(480,400)
Transfer to capital projects funds	(46,914)	(46,914)	-	(254,810)
Carryforward balances and subsequent authorizations	1,417,053	-	(1,417,053)	-
Utilization of prior year surplus - School	400,000	-	(400,000)	-
Utilization of prior year surplus - Town	352,000	-	(352,000)	-
Total other financing sources (uses)	1,665,139	(263,725)	(1,928,864)	(460,474)
Net change in fund balance	-	120,037	120,037	393,516
Reconciliation to GAAP:				
Change in encumbrances		49,040		(12,290)
Accrued teacher summer salary benefits		316,664		(316,664)
Fund balance, beginning of year		5,279,490		5,214,928
Fund balance, ending of year	\$	5,765,231		5,279,490

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF CAPE ELIZABETH, MAINE
Combining Balance Sheet
All Other Governmental Funds
June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,087,490	127,735	1,215,225
Investments	557,976	-	557,976
Receivables:			
Due from other governments	385,037	-	385,037
Rescue (net of allowance for uncollectible of \$25,000)	48,061	-	48,061
Sewer fees (net of allowance for uncollectible of \$4,000)	356,263	-	356,263
Prepaid expenditures	8,079	-	8,079
Inventory	141,440	-	141,440
Interfund loans receivable	2,210,306	2,535,840	4,746,146
Total assets	\$ 4,794,652	2,663,575	7,458,227
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	3,090	-	3,090
Unearned revenue - prepaid services	125,335	-	125,335
Interfund loans payable	320,485	-	320,485
Total liabilities	448,910	-	448,910
Fund balances:			
Nonspendable	149,519	-	149,519
Restricted	66,708	1,733,402	1,800,110
Committed	4,160,328	286,385	4,446,713
Assigned	-	643,788	643,788
Unassigned	(30,813)	-	(30,813)
Total fund balances	4,345,742	2,663,575	7,009,317
Total liabilities and fund balances	\$ 4,794,652	2,663,575	7,458,227

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, 2015

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
Revenues:			
Intergovernmental:			
Federal and State subsidies	\$ 676,927	-	676,927
Federal commodities	17,847	-	17,847
Investment income	27,372	1,721	29,093
Other:			
Building and park rentals and fees	4,175	230,639	234,814
Sewer assessments	2,028,529	-	2,028,529
Lot sales and fees	47,835	10,725	58,560
School lunch	481,480	-	481,480
Community services	1,139,778	-	1,139,778
Lighthouse admissions	58,255	-	58,255
Lighthouse gift shop sales	511,314	-	511,314
Rescue charges	252,895	-	252,895
Local grants and contributions	153,703		153,703
Miscellaneous	84,507	28,750	113,257
Total revenues	5,484,617	271,835	5,756,452
Expenditures:			
Current:			
Educational/recreation program	2,314,447	-	2,314,447
School lunch	620,153	-	620,153
Culture and parks:			
Library	5,362	-	5,362
Portland Head Light - operations and staff	224,776	-	224,776
Portland Head Light - gift shop costs	255,473	-	255,473
Cemetery maintenance	46,010	-	46,010
Facilities	6,792	-	6,792
Human services	2,425	-	2,425
Public safety	215,985	-	215,985
Sewer	1,411,108	-	1,411,108
Capital improvements	65,664	1,111,090	1,176,754
Debt service	313,462	-	313,462
Total expenditures	5,481,657	1,111,090	6,592,747
Excess (deficiency) of revenues over (under) expenditures	2,960	(839,255)	(836,295)
Other financing sources (uses):			
Lease proceeds	-	875,528	875,528
Premium on bond	-	111,690	111,690
Bond proceeds	-	1,658,696	1,658,696
Transfer from other funds	545,500	146,914	692,414
Transfer to other funds	(85,074)	(2,805)	(87,879)
Total other financing sources	460,426	2,790,023	3,250,449
Net change in fund balances	463,386	1,950,768	2,414,154
Fund balances, beginning of year	3,882,356	712,807	4,595,163
Fund balances, end of year	\$ 4,345,742	2,663,575	7,009,317

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, 2015

	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	\$ -	-	-	-	-	-	335,034	245,533	477,835	29,088	1,087,490
Investments	-	-	-	-	-	-	-	-	557,976	-	557,976
Due from other governments	369,563	15,474	-	-	-	-	-	-	-	-	385,037
Rescue receivable (net of allowance for uncollectible of \$25,000)	-	-	-	-	-	48,061	-	-	-	-	48,061
Sewer fees receivable (net of allowance for uncollectible of \$4,000)	-	-	356,263	-	-	-	-	-	-	-	356,263
Prepaid expenditures	-	-	-	8,079	-	-	-	-	-	-	8,079
Inventory	-	25,802	-	-	115,638	-	-	-	-	-	141,440
Interfund loans receivable	-	-	1,270,921	99,768	592,432	247,185	-	-	-	-	2,210,306
Total assets	\$ 369,563	41,276	1,627,184	107,847	708,070	295,246	335,034	245,533	1,035,811	29,088	4,794,652
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	-	-	-	3,090	-	-	-	-	-	-	3,090
Unearned revenue - prepaid services	-	23,360	-	101,975	-	-	-	-	-	-	125,335
Interfund loans payable	302,855	17,630	-	-	-	-	-	-	-	-	320,485
Total liabilities	302,855	40,990	-	105,065	-	-	-	-	-	-	448,910
Fund balances:											
Nonspendable	-	25,802	-	8,079	115,638	-	-	-	-	-	149,519
Restricted	66,708	-	-	-	-	-	-	-	-	-	66,708
Committed	-	-	1,627,184	-	592,432	295,246	335,034	245,533	1,035,811	29,088	4,160,328
Unassigned	-	(25,516)	-	(5,297)	-	-	-	-	-	-	(30,813)
Total fund balances	66,708	286	1,627,184	2,782	708,070	295,246	335,034	245,533	1,035,811	29,088	4,345,742
Total liabilities and fund balances	\$ 369,563	41,276	1,627,184	107,847	708,070	295,246	335,034	245,533	1,035,811	29,088	4,794,652

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, 2015

	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	\$ 599,975	76,952	-	-	-	-	-	-	-	-	676,927
Federal commodities	-	17,847	-	-	-	-	-	-	-	-	17,847
Investment income	-	-	-	-	1,589	-	3,434	1,852	20,144	353	27,372
Other revenues:											
Building and park rentals and fees	-	-	-	-	-	-	-	-	-	4,175	4,175
Sewer assessments	-	-	2,028,529	-	-	-	-	-	-	-	2,028,529
Lot sales and fees	-	-	-	-	-	-	47,835	-	-	-	47,835
School lunch	-	481,480	-	-	-	-	-	-	-	-	481,480
Community services	-	-	-	1,139,778	-	-	-	-	-	-	1,139,778
Lighthouse admissions	-	-	-	-	58,255	-	-	-	-	-	58,255
Lighthouse gift shop sales	-	-	-	-	511,314	-	-	-	-	-	511,314
Rescue charges	-	-	-	-	-	252,895	-	-	-	-	252,895
Local grants and contributions	100,578	-	-	-	2,382	-	-	50,743	-	-	153,703
Miscellaneous	76,240	-	-	-	4,746	-	-	3,521	-	-	84,507
Total revenues	776,793	576,279	2,028,529	1,139,778	578,286	252,895	51,269	56,116	20,144	4,528	5,484,617
Expenditures:											
Current:											
Educational/recreation program	764,860	-	-	1,549,587	-	-	-	-	-	-	2,314,447
School lunch	-	620,153	-	-	-	-	-	-	-	-	620,153
Culture and parks:											
Library	-	-	-	-	-	-	-	5,362	-	-	5,362
Portland Head Light - operations and staff	-	-	-	-	224,776	-	-	-	-	-	224,776
Portland Head Light - gift shop costs	-	-	-	-	255,473	-	-	-	-	-	255,473
Cemetery maintenance	-	-	-	-	-	-	46,010	-	-	-	46,010
Facilities:											
Spurwink church	-	-	-	-	-	-	-	-	-	6,792	6,792
Human services	-	-	-	-	-	-	-	-	2,425	-	2,425
Public safety:											
Rescue expenditures	-	-	-	-	-	215,985	-	-	-	-	215,985
Sewer:											
Sewer - operations and maintenance	-	-	16,426	-	-	-	-	-	-	-	16,426
Sewer - Portland Water District assessments	-	-	1,394,682	-	-	-	-	-	-	-	1,394,682
Capital improvements	-	-	65,664	-	-	-	-	-	-	-	65,664
Debt service	-	-	219,562	93,900	-	-	-	-	-	-	313,462
Total expenditures	764,860	620,153	1,696,334	1,643,487	480,249	215,985	46,010	5,362	2,425	6,792	5,481,657
Other financing sources (uses):											
Transfer from other funds	-	57,000	-	486,000	-	2,500	-	-	-	-	545,500
Transfer to other funds	-	-	(53,983)	-	(7,200)	-	(1,588)	-	(22,035)	(268)	(85,074)
Total other sources (uses)	-	57,000	(53,983)	486,000	(7,200)	2,500	(1,588)	-	(22,035)	(268)	460,426
Net change in fund balances	11,933	13,126	278,212	(17,709)	90,837	39,410	3,671	50,754	(4,316)	(2,532)	463,386
Fund balances (deficit), beginning of year	54,775	(12,840)	1,348,972	20,491	617,233	255,836	331,363	194,779	1,040,127	31,620	3,882,356
Fund balances, end 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

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.

School Improvements

The School Improvements Fund was established to account for monies received and spent in relation to various school building projects.

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.

School Boiler Project

The School Boiler Project Fund was established to account for the lease proceeds and expenditures of those proceeds for approved boiler upgrades.

School Technology and Bus Leases

This fund is used to account for the lease proceeds and subsequent expenditures for school technology and buses.

Land Acquisition Fund

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, 2015

	Riverside Cemetery Capital Improvements	School Improvements	School Bonded Projects	School Boiler Project	School Technology and Bus Leases	Land Acquisition	Infrastructure Improvement	Turf Field	Fort Williams Park	Total
ASSETS										
Cash and cash equivalents	\$ 127,735	-	-	-	-	-	-	-	-	127,735
Interfund loans receivable	-	-	1,733,402	-	-	111,470	263,875	174,915	252,178	2,535,840
Total assets	\$ 127,735	-	1,733,402	-	-	111,470	263,875	174,915	252,178	2,663,575
LIABILITIES AND FUND BALANCES										
Liabilities:										
Interfund loans payable	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-
Fund balances:										
Restricted	-	-	1,733,402	-	-	-	-	-	-	1,733,402
Committed	-	-	-	-	-	111,470	-	174,915	-	286,385
Assigned	127,735	-	-	-	-	-	263,875	-	252,178	643,788
Total fund balances	127,735	-	1,733,402	-	-	111,470	263,875	174,915	252,178	2,663,575
Total liabilities and fund balances	\$ 127,735	-	1,733,402	-	-	111,470	263,875	174,915	252,178	2,663,575

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, 2015

	Riverside Cemetery Capital Improvements	School Improvements	School Bonded Projects	School Boiler Project	School Technology and Bus Leases	Land Acquisition	Infrastructure Improvement	Turf Field	Fort Williams Park	Total
Revenues:										
Building and other fees	\$ -	-	-	-	-	-	50,745	-	179,894	230,639
Investment income	1,088	-	-	-	-	231	-	402	-	1,721
Cemetery lot sales	10,725	-	-	-	-	-	-	-	-	10,725
Other revenues	-	28,750	-	-	-	-	-	-	-	28,750
Total revenues	11,813	28,750	-	-	-	231	50,745	402	179,894	271,835
Expenditures:										
Capital improvements	-	137,750	36,984	580,000	295,528	2,990	-	-	57,838	1,111,090
Total expenditures	-	137,750	36,984	580,000	295,528	2,990	-	-	57,838	1,111,090
Other financing sources (uses):										
Lease proceeds	-	-	-	580,000	295,528	-	-	-	-	875,528
Premium on bond	-	-	111,690	-	-	-	-	-	-	111,690
Bond proceeds	-	-	1,658,696	-	-	-	-	-	-	1,658,696
Transfer from other funds	-	-	-	-	-	32,914	100,000	14,000	-	146,914
Transfer to other funds	-	-	-	-	-	-	-	-	(2,805)	(2,805)
Total other financing sources (uses)	-	-	1,770,386	580,000	295,528	32,914	100,000	14,000	(2,805)	2,790,023
Net change in fund balances	11,813	(109,000)	1,733,402	-	-	30,155	150,745	14,402	119,251	1,950,768
Fund balances, beginning of year	115,922	109,000	-	-	-	81,315	113,130	160,513	132,927	712,807
Fund balances, end of year	\$ 127,735	-	1,733,402	-	-	111,470	263,875	174,915	252,178	2,663,575

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, 2015

	School Scholarship Trust	Zimpritch Library Trust	Total
ASSETS			
Cash and cash equivalents	\$ 59,587	18,302	77,889
Total assets	\$ 59,587	18,302	77,889
LIABILITIES			
Interfund loans payable	-	-	-
Total liabilities	-	-	-
NET POSITION			
Held in trust	59,587	18,302	77,889
Total net position	\$ 59,587	18,302	77,889

TOWN OF CAPE ELIZABETH, MAINE
Combining Statement of Changes in Fiduciary Net Position
Private-purpose Trust Funds
For the Year Ended June 30, 2015

		School Scholarship Trust	Zimpritch Library Trust	Total
Additions:				
Donations	\$	-	2,644	2,644
Interest earned		621	272	893
Total additions		621	2,916	3,537
Deductions:				
Other deductions		-	2,425	2,425
School scholarships		2,360	-	2,360
Total deductions		2,360	2,425	4,785
Change in net position		(1,739)	491	(1,248)
Net position, beginning of year		61,326	17,811	79,137
Net position, end of year	\$	59,587	18,302	77,889

TOWN OF CAPE ELIZABETH, MAINE
Agency Funds
Statement of Changes in Balances
For the Year Ended June 30, 2015

		Balances beginning of year	Net additions/ (deductions)	Balances end of year
Activity funds:				
High School Student Activities	\$	150,590	18,571	169,161
Middle School Student Activities		30,719	5,413	36,132
Pond Cove Student Activities		10,876	(785)	10,091
Total	\$	192,185	23,199	215,384

TOWN OF CAPE ELIZABETH, MAINE
Statement of Changes in Long-term Debt
For the Year Ended June 30, 2015

	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	1,261,497	2,248,503	-	170,208	2,078,295
2006 Sewer bond	1.90% - 5.50%	2027	Var.	1,890,000	1,890,000	661,500	1,228,500	-	94,500	1,134,000
2008 Capital Improvement	3.25% - 4.13%	2028	Var.	2,550,000	2,550,000	780,000	1,770,000	-	130,000	1,640,000
2009 Refunding bond	2.00% - 2.75%	2020	Var.	5,850,000	5,850,000	3,540,000	2,310,000	-	860,000	1,450,000
2011 Refunding bond	2.00% - 2.70%	2021	Var.	2,110,000	2,110,000	670,000	1,440,000	-	220,000	1,220,000
2012 Refunding bond	2.00% - 2.50%	2022	Var.	780,000	780,000	160,000	620,000	-	80,000	540,000
2014 Refunding bond	2.00% - 4.00%	2025	Var.	4,190,000	4,190,000	-	4,190,000	-	455,000	3,735,000
2015 General obligation bond	3.00%-3.25%	2035	Var.	5,750,000	5,450,000	-	-	5,450,000	-	5,450,000
Total general obligation bonds				26,630,000	26,330,000	7,072,997	13,807,003	5,450,000	2,009,708	17,247,295
				\$ 26,630,000	26,330,000	7,072,997	13,807,003	5,450,000	2,009,708	17,247,295

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, 2015
(with comparative actual amount for the year ended June 30, 2014)

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Revenues:				
State education subsidy--school	\$ 2,533,079	2,482,137	(50,942)	2,620,194
State agency clients	7,000	4,753	(2,247)	6,305
Activity fees	63,500	66,920	3,420	67,619
Miscellaneous	2,000	26,585	24,585	15,277
Total revenues	2,605,579	2,580,395	(25,184)	2,709,395
Expenditures:				
Current:				
Regular instruction	10,871,153	10,856,620	14,533	9,999,910
Special education instruction	3,036,778	3,000,850	35,928	3,090,418
Career and technical education	40,626	40,626	-	46,604
Other instruction	788,169	772,030	16,139	721,642
Student and staff support	2,183,123	2,143,060	40,063	2,090,409
System administration	773,316	772,774	542	711,506
School administration	1,138,135	1,121,631	16,504	1,066,883
Transportation	746,268	732,792	13,476	679,058
Facilities maintenance	2,430,341	2,327,260	103,081	2,457,466
Debt service	1,168,265	1,133,775	34,490	1,288,591
Total expenditures	23,176,174	22,901,418	274,756	22,152,487
Other financing sources (uses):				
Town appropriation	20,234,595	20,234,595	-	19,279,884
Transfer from Town unassigned fund balance	-	50,942	50,942	-
Transfer from Medicaid	-	-	-	198,863
Transfer to Turf Field Fund (budgeted in facilities maintenance)	(7,000)	(7,000)	-	(7,000)
Transfer to School Lunch Fund (budgeted in other)	(57,000)	(57,000)	-	-
Budgeted use of surplus	400,000	-	(400,000)	-
Total other financing sources (uses)	20,570,595	20,221,537	(349,058)	19,471,747
Net change in fund balance - budgetary basis	-	(99,486)	(99,486)	28,655
Fund balance, beginning of year - budgetary basis		968,684		940,029
Fund balance, end of year - budgetary basis		869,198		968,684
Reconciliation to GAAP basis:				
Accrued teacher summer benefits		316,664		(316,664)
Less: prior year encumbrances		(269,895)		(282,185)
Add: current year encumbrances		318,935		269,895
Net change in fund balance - GAAP basis		266,218		(300,299)
Fund balance, beginning of year - GAAP basis		921,915		1,222,214
Fund balance, end of year - GAAP basis	\$	1,188,133		921,915

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, 2015
(with comparative actual amount for the year ended June 30, 2014)

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Revenues:				
Adult and community education	\$ 150,000	134,066	(15,934)	144,383
Prepaid summer program	541,800	501,061	(40,739)	512,324
Extended school care	230,000	231,596	1,596	255,574
Rental of facilities	31,000	34,914	3,914	33,468
Fitness center	46,000	42,256	(3,744)	45,288
Pool	196,000	193,066	(2,934)	198,851
Other	-	2,819	2,819	-
Total revenues	1,194,800	1,139,778	(55,022)	1,189,888
Expenditures:				
Administration	235,510	225,992	9,518	222,139
Adult education	147,220	145,049	2,171	155,036
Youth programs	453,096	400,908	52,188	447,685
Extended school care	204,648	207,520	(2,872)	206,173
Facilities rental and maintenance	40,200	13,246	26,954	11,593
Debt service	93,900	93,900	-	95,500
Fitness center	56,140	55,918	222	54,654
Pool	465,086	469,209	(4,123)	441,824
Miscellaneous	-	31,745	(31,745)	27,575
Total expenditures	1,695,800	1,643,487	52,313	1,662,179
Other financing sources:				
Use of surplus	15,000	-	(15,000)	-
Transfer from Thomas Jordan Fund	21,000	21,000	-	21,000
Town appropriation	465,000	465,000	-	447,000
Total other financing sources	501,000	486,000	(15,000)	468,000
Net change in fund balance	-	(17,709)	(17,709)	(4,291)
Fund balance, beginning of year		20,491		24,778
Fund balance, end of year	\$	2,782		20,487

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, 2015

	Fund balances (deficits) beginning of year	Program revenues	Program expenditures	Fund balances end of year
State and Federal Programs:				
Title IA	\$ 53	41,142	41,142	53
Title IIA	-	30,774	30,774	-
Local Entitlement	(3,656)	511,822	508,166	-
Transition Grant	14,184	16,237	13,692	16,729
State MaineCare	2	-	2	-
Total state and federal programs	10,583	599,975	593,776	16,782
Other Programs:				
C.E. Education Foundation	13,776	63,808	67,325	10,259
Cape Coalition	830	-	-	830
Cape Olympians	926	1,282	1,461	747
Easement Funds	5,000	-	2,726	2,274
Escapade Program	629	-	-	629
H1N1 Grant	4,887	-	-	4,887
iPad maintenance	(1,255)	55,454	54,199	-
PCPA donations	4,025	9,229	7,789	5,465
PC Office donation	4,380	-	1,447	2,933
School gate receipts-Athletics	772	17,863	11,853	6,782
School gate receipts-Drama	51	2,923	2,678	296
TEDx program	1,508	1,180	1,179	1,509
Turf field rental	7,441	7,875	6,637	8,679
Special Ed Workshop	500	10,320	7,116	3,704
Authorfest	-	3,884	3,884	-
Kate Libby Fund	-	3,000	2,790	210
Wellness Grant	722	-	-	722
Total other programs	44,192	176,818	171,084	49,926
Total	\$ 54,775	776,793	764,860	66,708

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.

Table 1

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
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
2006		1,215,395	1,198,183	-	1,413,509	25,833	1,005,198	19,921,496	540,263	908,923	1,609,494	1,044,147	526,803	712,276	30,121,520

(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

Table 2

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

Fiscal year	Program Revenues			General Revenues				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Grants and Contributions not Restricted to Specific Programs	Unrestricted Investment Earnings	Miscellaneous	
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
2006	4,320,831	4,682,643	41,684	22,168,265	1,170,205	219,501	322,800	32,925,929

Table 3

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
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
2006	1,001,864	1,617,744	-	1,555,527	1,007,748	25,833	17,384,139	908,923	773,787	1,041,047	565,427	277,430	26,159,469

(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.

Table 4

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
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
2006		20,325,648	1,842,617	200,246	3,506,598	178,700	605,493	66,224	26,725,526

Table 5

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

Last Four Fiscal Years					
Fiscal year end	Direct			Overlapping	Total tax rate
	Town	Education and Community Services	County		
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
2006		3.59	11.65	0.68	15.92

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
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%
2006		20,325,647	20,203,369	99.40%	93,925	20,297,294	99.86%

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

Table 7

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)	
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%
2006		1,270,558,500	6,097,800	1,276,656,300	1,580,600,000	80.77%

(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, 2015

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	0.34%
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%

Table 9

TOWN OF CAPE ELIZABETH, MAINE
Computation of Legal Debt Margin
For the Year Ended June 30, 2015

Total estimated actual valuation by State				\$	<u>1,723,250,000</u>
Legal debt margin:					
Debt limitation - 15% of estimated actual valuation					258,487,500
Debt applicable to debt limitation:					
	Municipal	7.5%	129,243,750	8,344,708	
	School	10.0%	172,325,000	5,690,292	
	Storm and sanitary sewers	7.5%	129,243,750	3,212,295	
	Airport, water and special districts	3.0%	51,697,500	-	
	Total	28.0%	482,510,000	17,247,295	
Total bonded debt applicable to debt limit					17,247,295
Legal debt margin				\$	241,240,205

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
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
2006	9,068	1,276,656,300	28,139,873	2.20%	3,103

(1) U. S. Bureau of the Census

(2) Amount from Table 7

(3) Excludes capital leases

Table 11

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
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%
2006		1,041,047	1,659,191	2,700,238	26,159,469	10.32%

(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, 2015

Jurisdiction		Net general obligation bonded debt outstanding	Percentage applicable to government	Amount applicable to government
Direct:				
Town of Cape Elizabeth bonds and notes	\$	17,247,295	100.00%	17,247,295
Overlapping debt:				
Cumberland County		37,125,000	4.38%	1,624,589
Portland Water District -- sewer debt		27,383,321	9.19%	2,516,000
Contingent debt:				
Portland Water District -- water debt		45,698,839	6.64%	3,032,645