

The University of Maine

DigitalCommons@UMaine

Maine Town Documents

Maine Government Documents

2011

Town of Standish Maine Financial Report 2011

Standish, Me.

Follow this and additional works at: <https://digitalcommons.library.umaine.edu/towndocs>

This Financial Report is brought to you for free and open access by DigitalCommons@UMaine. It has been accepted for inclusion in Maine Town Documents by an authorized administrator of DigitalCommons@UMaine. For more information, please contact um.library.technical.services@maine.edu.

**TOWN OF STANDISH
FINANCIAL REPORT**



JUNE 30, 2011

TOWN OF STANDISH, MAINE
JUNE 30, 2011

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL STATEMENTS

Statement of Net Assets	Statement 1
Statement of Activities	Statement 2
Balance Sheet - Governmental Funds	Statement 3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	Statement 4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	Statement 5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Statement 6
Statement of Revenues and Expenditures - Budget and Actual - Budgetary Basis - General Fund	Statement 7
Statement of Fiduciary Net Assets - Fiduciary Funds	Statement 8
Notes to Financial Statements	

SUPPLEMENTAL DATA

Combining and Individual Fund Exhibits:

General Fund:

Balance Sheets	Exhibit 1-1
Statement of Revenues and Expenditures - Budget and Actual - Budget Basis	Exhibit 1-2
Statement of Changes in Fund Balance	Exhibit 1-3

Other Governmental Funds:

Combining Balance Sheet	Exhibit 2-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	Exhibit 2-2

Other:

Combining Balance Sheet - NonMajor Special Revenue Funds	Schedule 1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	Schedule 1a
Combining Balance Sheet - Nonmajor Permanent Funds	Schedule 2
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds	Schedule 2a
Combining Statement of General Fund Reserves	Schedule 3
Valuation, Assessment and Collection of Taxes	Schedule 4
Statement of Taxes Receivable	Schedule 5
Statement of Departmental Operations	Schedule 6



INDEPENDENT AUDITORS' REPORT

Council and Manager
Town of Standish
Standish, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Standish, Maine as of June 30, 2011, and for the year then ended, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to in the first paragraph 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 Standish, Maine as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and 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.

Our audit was conducted for the purpose of forming opinion on the financial statements taken as a whole. The combining and individual fund statements presented as Exhibits 1-1 through 3 and the Schedules 1 through 6 are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Certified Public Accountants

November 3, 2011



Town of Standish

Management's Discussion and Analysis

Our discussion and analysis of the Town of Standish's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2011. Please read this in conjunction with the transmittal letter and the Town's financial statements both published and provided by our independent outside auditors, Berry Talbot Royer, Certified Public Accountants.

Financial Highlights

- ✓ The Town's property values increased in taxable valuation from \$1,022,587,099 to \$1,026,334,627, an overall increase of \$3,747,528 or less than 1%. Furthermore, the Town's mil-rate decreased from \$10.30 in Fiscal Year 2010 to \$10.21 in Fiscal Year 2011, a decrease of \$0.09 per thousand. This slight decrease can be attributable to the small increase in property valuation as well as a slight decrease in total appropriation due to the decrease in the Town of Standish's portion of the SAD #6 contract.
- ✓ The Town of Standish assets exceeded its liabilities at the close of Fiscal Year 2011 by \$34,897,045¹. This year's total net assets are comprised, in part, by "unrestricted net assets," \$4,118,261, which may be used to meet the Town's ongoing obligations to employees, citizens, and creditors (an increase from prior year of \$340,455).
- ✓ The Town's operations for this year resulted in a decrease of \$298,398 in "change in net assets" as presented in the Statement of Activities²; the Town's expenses were \$12,804,428 offset by revenues of \$12,506,030. This decrease in net assets is supported by changes in the Statement of Net Assets³.
- ✓ A comparison of Governmental Activities this year to last shows an increase of \$96,273 in expenditure and a decrease in revenue of \$90,794 increasing the change in net assets by \$187,067.
- ✓ With the implementation of GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, identifying and reporting the composition of fund balance has changed. The new model consists of Nonspendable, Restricted, Committed, Assigned and Unassigned. What has been undesignated fund balance in the past is now referred to as Unassigned. As of the close of the current fiscal year, the Town's General Fund reported an ending Unassigned fund balance of \$2,598,380 compared to what was unassigned fund balance of \$3,283,296 for prior year, a decrease of \$684,916 which is partly due to some of what was considered undesignated in past years has been reclassified as Nonspendable, Restricted, Committed or Assigned⁴. The Total fund balance of \$4,005,399 represents an increase of \$10,309 in comparison with the prior year and is attributable to a similar spending, revenue collecting, and carry forward policies from last year to this year.

¹ See "Total Net Assets" as listed in Table A of this MD&A; net assets are the level of the Town's total assets in excess of its total liabilities.

² See "Change in Net Assets" as listed in Table B of this MD&A; based on operating revenues in excess of expenses.

³ See "Total Net Assets" as listed in Table A of this MD&A; the total of the dollar change between current and prior fiscal year by balance sheet category.

⁴ Please see Exhibit 1-1, "Balance Sheet – General Fund, With Comparative Totals for the Year Ended June 30, 2011," of the financial statements. Primary factors are shown on Statement 6 "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, 2011"



- ✓ The Town has remained in compliance with an “Undesignated Fund Balance Policy” established in 2005, “to insure a stable cash flow and reduce short term borrowing costs while meeting the Town’s long term capital investment objectives and ensuring that year-to-year fluctuations do not allow accumulation of an excessive undesignated fund balance” until Fiscal Year 2011 where it has dropped \$344,889 below the target amount of \$2,943,269. This would be due to the new GASB 54 Fund Balance model explained above.
- ✓ At the close of the current fiscal year, the Town’s ratio of general fund unassigned fund balance to general fund expenses equaled 17.27% as compared to prior year’s 23.42% due to the reclassifications of fund balance due to the implementation of GASB 54 which caused a decrease in unassigned fund balance as opposed to undesignated fund balance in prior year.⁵
- ✓ The Town’s total bonded debt increased by \$636,424 (current year bond proceeds of \$1,210,000 received vs. bond repayments of \$573,576), during the current fiscal year.

Overview of the Financial Statements

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

The Statement of Net Assets and the Statement of Activities (Reporting the Town as a Whole)

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

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

⁵ The basis for this ratio is extracted from Exhibit 1-1, “Undesignated Fund Balance for 2011” or \$2,598,380 divided by “Total Actual Expenditures” from Exhibit 1-2, or \$15,048,542.

See Accompanying Independent Auditors’ Report and Notes to Financial Statements



In the Statement of Net Assets and the Statement of Activities we divide the Town into three kinds of activities:

- **Governmental activities**—Most of the Town's basic services are reported here, including the law enforcement, fire and EMS, public works and solid waste, parks and recreation departments, and general administration. Property taxes, franchise fees, and state and federal grants finance most of these activities.
- **Business-type activities**—If the Town of Standish charged a fee to customers to help it cover all or most of the cost certain services it provides, it would report them grouped separately from governmental activities. Water supply and sewer treatment/disposal systems are examples of activities that would be reported as business-type. The Town of Standish currently has no such operations. Where public water supply infrastructure exists within the Town of Standish it is the property of the Portland Water District.
- **Component units**— Examples of these are separate legal entities such as a Town School District or a Town Landfill Authority. Although legally separate, these "component units" are important because the Town would be financially accountable for them. The Town of Standish has no component units, being assessed annually by its participation in School Administrative District 6 (SAD#6) which is reported within "governmental activities."

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds—*governmental* and *proprietary*—use different accounting approaches.

- **Governmental funds**—Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities and governmental *funds* in reconciliation at the bottom of the fund financial statements).
- **Proprietary funds**—When the Town charges customers for the services it provides—whether to outside customers or to other units of the Town—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. If the Town of Standish had enterprise funds (a component of proprietary funds) which are the same as



Town of Standish

Management's Discussion and Analysis

business-type activities they would be reported in the government-wide statements but provide more detail. As stated previously, the Town of Standish currently has no proprietary funds.

- *Fiduciary funds*-The Town is the trustee, or *fiduciary*, for its employees' deferred benefit plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the Town's other financial statements because the municipality cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government – wide Financial Analysis (“The Town as a Whole”)

The Town's *combined* net assets decreased from a year ago by \$298,398 from \$35,195,443 to \$34,897,045 due to among other activities the increase in the town's liabilities, specifically its short term and long term debt. Our analysis focuses on the net assets (Table A, below) and changes in net assets (Table B, page 8) of the Town's governmental activities.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Standish, assets exceeded liabilities by \$34,897,045 at the close the 2011 fiscal year.

Town of Standish - Statement of Net Assets

Governmental Activities							
ASSETS	Fiscal 2011		Fiscal 2010		Change		
	Dollars	Percent	Dollars	Percent	Dollars	Percent	
Current and Other	\$5,116,281	13.02%	\$4,827,483	12.49%	\$288,798	6.0%	
Capital Assets (Net of Depreciation/Amort.)	\$34,184,262	86.98%	\$33,817,623	87.51%	\$366,639	1.1%	
Total Assets:	\$39,300,543	100.00%	\$38,645,106	100.00%	\$655,437	1.7%	
LIABILITIES							
Current and Other	1,338,739	30.40%	982,077	28.47%	\$356,662	36.3%	
Long-Term	3,064,759	69.60%	2,467,586	71.53%	\$597,173	24.2%	
Total Liabilities:	\$4,403,498	100.00%	\$3,449,663	100.00%	\$953,835	27.7%	
NET ASSETS							
Invested in capital assets, net of related debt	\$30,485,372	87.36%	\$30,756,793	87.39%	(\$271,421)	-0.9%	
Restricted:							
Subsequent Year's Expenditures		0.00%	\$239,132	0.68%	(\$239,132)	-100.0%	
Specific Purposes	\$273,455	0.78%	\$400,649	1.14%	(\$127,194)	-31.7%	
Other Purposes	19,957	0.06%	\$19,957	0.06%	\$0	0.0%	
Unrestricted:	4,118,261	11.80%	\$3,778,912	10.74%	\$339,349	9.0%	
Total Net Assets:	\$34,897,045	100.00%	\$35,195,443	100.00%	(\$298,398)	-0.8%	

Table A - Net Assets

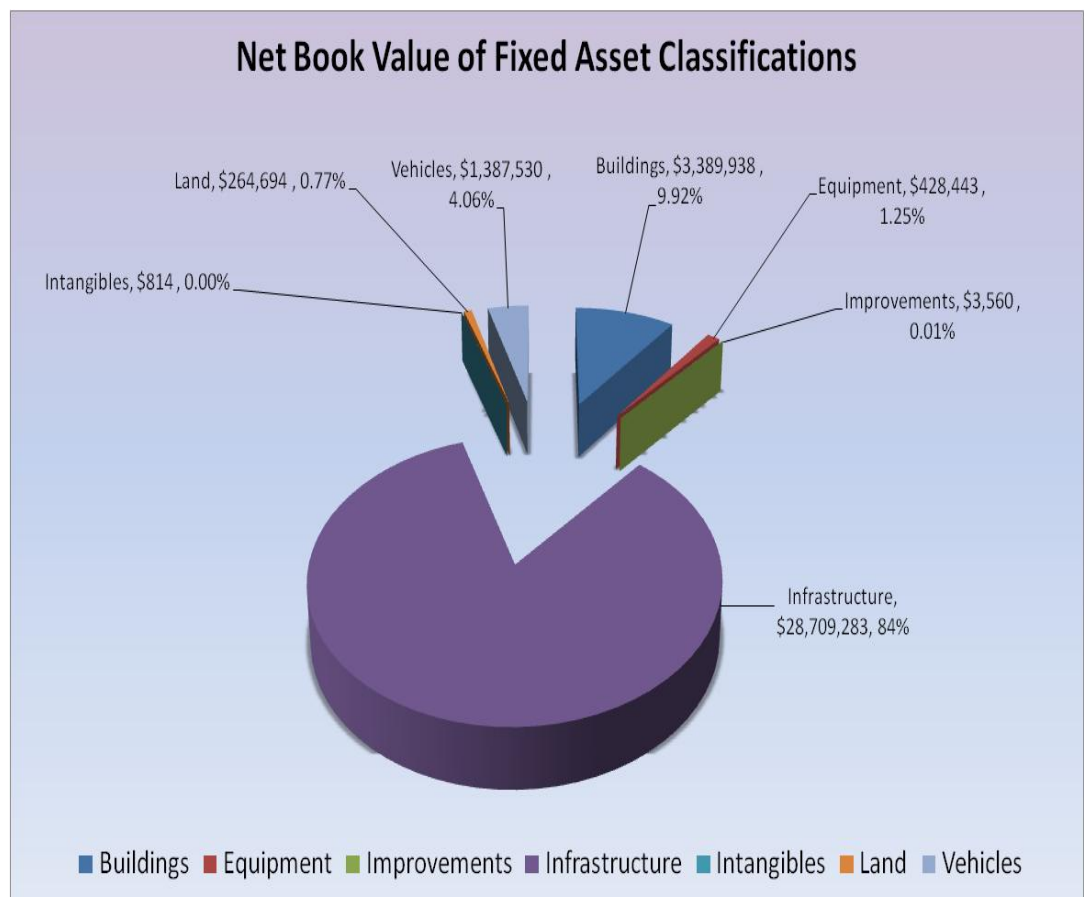
By far the largest portion of the Town of Standish's assets, 86.98 percent, or \$34,184,262 reflects its investment in capital assets net of depreciation and amortization, segregated into; vehicles, equipment, land, buildings, infrastructure (paved roads, gravel roads, sidewalks, culverts, bridges, erosion control systems, traffic light controllers and systems, fire tanks, dry hydrants, and wharfs and docks) and improvements, net of any accumulated amortization or depreciation and net of related debt (see Table A). The Town uses these capital assets to provide



services to citizens; consequently, these assets are *not* available for future spending. The Town's fixed assets can be reported by function of activity as well as attribution to fund, however, the Town of Standish's activities are all governmental. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town of Standish net assets represents resources that are not subject to external restrictions on how they may be used. The *unrestricted net assets* of \$4,118,261⁶ may be used to meet the Town's ongoing obligations to employees, citizens, and creditors. Table A, on the previous page, is an abbreviated version of the "Statement of Net Assets" which are found in Statement 1 of the government wide financial statements.

The chart to the right provides a graphic depiction of the distribution of the net book value of fixed



assets (capital assets, net of depreciation and amortization) by asset class. This summary data is supported by individual fixed assets, individually catalogued and associated with every operational department within the Town of Standish.

The "Statement of Activities, (Statement 2)," reflects Governmental Activities consisting of revenues, special items and transfers of \$12,506,030 exceeded by expenses net of program revenues of \$12,804,428. These activities resulted in a decrease in net assets of \$298,398. A comparative summary of the Statement of Activities is depicted in Table B below.

⁶ The value reflected in the Statement of Net Assets for unrestricted net assets plus restricted net assets is the equivalent to all 5 categories of fund balance reflected in Statement 3, Balance Sheet – Governmental Funds with the variance of \$347,715 comprised of adjustments for the 60-day rule of taxes. This amount agrees with the "Other long term assets not available for current period expenditures" adjustment listed on Statement 4 of the Financial Statements.



Town of Standish

Management's Discussion and Analysis

Note: The data compares current year operations with a decrease in net assets of \$298,398 versus a prior year decrease in net assets of \$111,331 resulting in a net change of \$187,067.

Town of Standish - Statement of Activities

Governmental Activities						
REVENUES:	Fiscal 2011		Fiscal 2010		Change	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
General Revenues:						
Taxes, levied for general purposes	11,863,903	94.87%	\$11,979,159	95.10%	(\$115,256)	-1.0%
Intergovernmental revenues	626,163	5.00%	\$611,489	4.85%	\$14,674	2.4%
Investment earnings	7,290	0.06%	\$6,176	0.05%	\$1,114	18.0%
Miscellaneous revenues	8,674	0.07%	\$0	0.00%	\$8,674	0.0%
Total General Revenues:	\$12,506,030	100.00%	\$12,596,824	100.00%	(\$90,794)	-0.7%
EXPENSES:						
General Government	\$1,524,048	11.90%	\$1,355,948	10.67%	\$168,100	12.4%
Public Safety - Protection and Enforcement	\$750,848	5.86%	\$947,013	7.45%	(\$196,165)	-20.7%
Public Works	\$1,015,623	7.93%	\$2,055,831	16.18%	(\$1,040,208)	-50.6%
Capital Outlay	\$1,186,523	9.27%	(\$219,541)	-1.73%	\$1,406,064	-640.5%
Community Services and Health	(\$84,003)	-0.66%	\$53,114	0.42%	(\$137,117)	-258.2%
Education	\$7,637,208	59.65%	\$7,797,911	61.36%	(\$160,703)	-2.1%
Fixed Charges	\$763,443	5.96%	\$702,656	5.53%	\$60,787	8.7%
Capital Reserve Activity	\$10,738	0.08%	\$15,223	0.12%	(\$4,485)	-29.5%
Total Governmental Activities Expenditures:	\$12,804,428	100.00%	\$12,708,155	100.00%	\$96,273	0.8%
Change in Net Assets:	(\$298,398)		(\$111,331)		(\$187,067)	

Table B - Net Statement of Activities

Overall revenue collection declined very slightly with a 0.7% decrease in total revenues received in fiscal year 2011 over fiscal year 2010. Vehicle excise taxes decreased in Fiscal Year 2011 in comparison to last year where it's been a significant and stable contributor to the Town in prior years. Property taxes remain the primary source of overall revenues, particularly taxes on real estate. In FY 2010, the town received only 82.3% of state revenue sharing or \$433,888 out of a budgeted \$527,197. In FY2011 the town received 105% of its budgeted funding, or \$455,070, an unexpected surprise. Although FY2011 showed promise, the town anticipates about the same amount of revenue sharing in FY2012. The days of substantial investment income are well behind us. After a couple of years of higher yields on fixed and liquid investments, investment income has been down the past few fiscal years. In FY2010 the town received \$6,035 from investment interest and \$5,811 in FY2011. This is due to the continuing low rates on investment funds and reflective of the deteriorating economic condition which has continued throughout Fiscal Year 2011 as well as less cash on hand to invest, needing it for liquidity purposes.



Town of Standish

Management's Discussion and Analysis

Comparative expenses reflect an overall increase of 0.8% with the largest increase coming in capital outlay, a result of the town's decision to resume capital work due to the slow

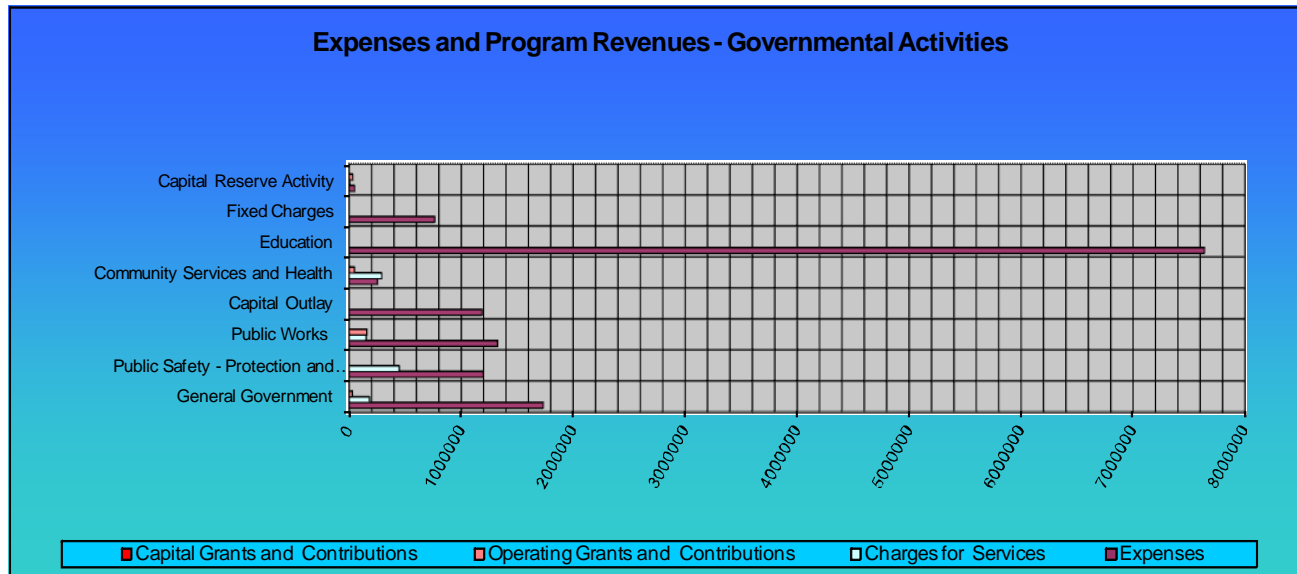


Chart B – Expenses and Program Revenues

The maroon bar depicts the level of Expense against appropriations. The other bars, Charges for Services in light green, Operating Grants and Contributions in pink, and Capital Grants and Contributions in red are all revenues that participate directly to offset expense wherever they appear. The Expenses are in the far left column on Statement 2, and the Revenues are in columns to the right of the Expense column. Expenses offset by Program Revenues yield a "Net Expense (Revenue) and Changes in Net Assets."

improving economic condition and need to maintain infrastructure and equipment after putting all capital projects on hold in FY2010. Another increase was in the general administration area where the town needed to address an unanticipated boiler expense/repair. The fixed charges category which includes debt service saw an increase due to the first payment of the 2010 bond coming due which was paid in the spring of 2011. All other categories saw decreases from prior year.

Governmental activities

Governmental activities decreased the Town of Standish's net assets by \$298,398, as described in the beginning paragraphs of this discussion and analysis report. Chart B, depicted above, shows expenses offset by program revenues in the areas of "capital grants and contributions, operating grants and contributions and charges for services," yielding a net expense as detailed in statement 2 of the financial statements.

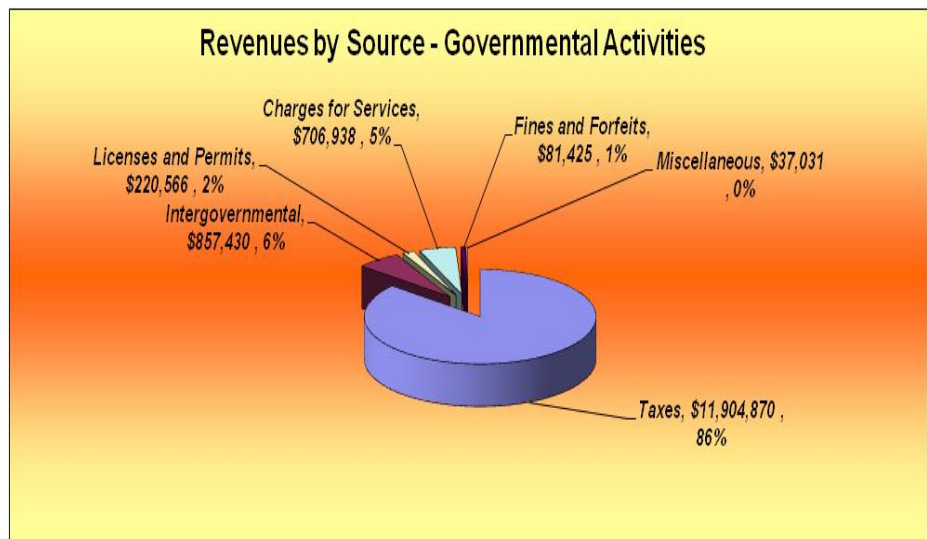


Chart C – Revenues by Source for Governmental Activities



Additional revenues not related directly to programs are reflected as “General Revenues” on the Statement of Activities report and are depicted in graphical format in Chart C on the prior page. Note the percentages of the overall general revenues are depicted with each category in the pie chart for “Revenues by Source – Governmental Activities,” as reported in Statement 7.

Financial Analysis of the Government's Funds

As noted earlier, the Town of Standish uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of the Town of Standish's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *expendable* resources. Such information is useful in assessing the Town's financing requirements. In past years, *unreserved fund balance* may have served as a useful measure of a government's net resources available for spending at the end of the fiscal year but with the implementation of GASB 54 the reader must look deeper.

GASB 54 As of June 15, 2010 all governments are required to implement GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for fiscal years starting after that effective date. GASB's reasoning for this pronouncement as per their website is “**Primary Objective:** The objectives of this project are to assess whether existing reporting requirements related to fund balance adequately meet the needs of financial statement users and to consider potential changes to improve the usefulness of fund balance information. Clarification of terms within governmental fund type definitions will also be addressed.” GASB explains the new categories as:

“Fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)
- *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation
- *Committed fund balance*—amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint
- *Assigned fund balance*—amounts a government *intends* to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund.”

(<http://www.gasb.org/cs/BlobServer?blobcol=urldata&blobtable=MungoBlobs&blobkey=id&blobwhere=1175820450998&blobheader=application%2Fpdf>)

As of the end of the current fiscal year, the Town of Standish governmental funds reported combined ending fund balances of \$4,063,958 with \$4,005,399 specific to the general fund (Governmental Fund Balance Sheet, Statement 3). Approximately 65 percent of this total



Town of Standish

Management's Discussion and Analysis

amount, \$2,598,380, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Other portions of fund balance are \$483,846, categorized as *assigned fund balance*, \$372,657 as *committed fund balance*, \$273,455 as *restricted fund balance* and \$277,061 as *nonspendable fund balance*. (See Exhibit 1-3, "Statement of Changes in Fund Balance").

The Town of Standish's general fund unassigned fund balance experienced more of a decrease than normal of \$684,916 as depicted in Exhibit 1-1, "Balance Sheet - General Fund" (difference between \$3,283,296 in fiscal 2010 and \$2,598,380 this fiscal year end). The key contributing factors in this balance of revenues and expenditures are as follows:

- **Revenues:** Overall below target by \$45,832, with the following notable contributing segments:
 - Deferred Tax Revenue decreased \$40,967 as less real estate taxes were paid after the end of the Fiscal Year than in the prior year.
 - State Municipal Revenue Sharing was higher than budget expectations, increasing by \$22,326 from budget to actual in FY11.
 - General Assistance from the State was lacking projections by \$15,089.
 - Tree Growth Reimbursement from the state exceeded budget projections by \$16,512.
 - The Town received roughly \$27,864 from state and federal FEMA for reimbursement of storm related expenses incurred during FY 2011.
 - Unexpectedly after the previous year showed increasing Building Permits / Code Enforcement fees the economy reverted to 2009 levels only not as severe ending under budget by \$10,661.
 - Emergency Medical Service revenues fell well below budget by \$54,696. An explanation for this from our collections agent, Medical Reimbursement Services of Windham, is due to the economy where many who were recipients of service had private insurance now have medicare at a lower rate or no insurance at all.
 - All Fines and Forfeits were above budget in total \$16,925 where older real estate taxes have been collected with associated fees.
 - Investment Interest was down again versus budget projections by \$9,189.
 - Sale of property was down by \$42,533 from budget projections due to an anticipated sale of Tax Acquired property that never materialized.
- **Expenditures:** Overall expenses were within appropriations by \$544,782 of which \$338,718 is carried forward to 2012, with the following significant variances by governmental category:
 - General government expended \$122,867 less than appropriated against a total budget of \$1,800,457.
 - Public Safety – Protection and Enforcement was within its budget of 1,347,148 by \$9,105.
 - Capital Outlays expended \$224,753 less than appropriated against a total budget of \$1,411,274.
 - Public Works expended \$102,581 less than appropriated against a total budget of \$1,604,171.



Town of Standish

Management's Discussion and Analysis

- Community Services and Health expended \$67,337 less than appropriated against a total budget of \$439,543.
- Fixed Charges, net of overlay, expended \$18,139 less than appropriated against a combined total budget of \$1,353,523.
- The overlay, a provision for tax abatements, provided for at the time of tax commitment, was placed at \$31,577 by the Town Assessor, in anticipation of abatement activity after the Town's 2011 commitment.

General Fund Budgetary Highlights

In FY2011 the town held (1) special town meeting(s) to appropriate more funds for anticipated budget overruns. The overall revised fiscal year 2011 budget incorporated anticipated revenues of \$13,854,092, total budgeted expenditures of \$15,593,324, sources (uses) of other surplus (undesignated fund balance) at (\$1,739,232) including use of surplus of \$266,500, prior year carry-over (designated fund balances) of \$239,132, and \$1,233,600 of projected bond proceeds. Actual revenues were below budget levels by (\$45,832) and expenditures were below appropriation by \$544,782. Without considering the authorization to draw \$266,500 from surplus, use of carry forward amounts of \$239,132 or the difference of \$23,600 between the authorized projected bond proceeds and the actual bond proceeds, overall revenues over expenditures on the general fund were \$498,950 compared to FY2010 of \$525,024.

Capital Asset and Debt Administration

Capital assets: The Town of Standish's investment in capital assets for its governmental activities as of June 30, 2011, amounts to \$34,184,262 (net of debt and accumulated depreciation/amortization) compared to \$33,817,622 as of June 30, 2010. The total increase in the Town of Standish's investment in capital assets for FY 2011 was 1.0%.

In preparation for the Town's efforts to bring on its fixed asset group, the Standish Town Council adopted, on March 13, 2002, council order 144-02 and attached fixed asset policy, a document for implementation of GASB 34. The document is detailed in Table D on page 13 and establishes definitions, methods, thresholds and controls for assets that meet the criteria. The Town of Standish chose the depreciation approach as its preferred method of recording its infrastructure and other assets.

Please refer to Table C, found on the next page which compares the net values by asset class and reflects the change by class.



Town of Standish

Management's Discussion and Analysis

Town of Standish's Comparison of Capital Assets by Class

Asset Class	Fiscal 2011		Fiscal 2010		Change	
	Dollars	% of Total	Dollars	% of Total	Dollars	% of Total
Buildings	\$3,389,938	9.92%	\$3,466,826	10.25%	(\$76,888)	-2.2%
Equipment	\$428,443	1.25%	\$496,980	1.47%	(\$68,537)	-13.8%
Improvements	\$3,560	0.01%	\$4,167	0.01%	(\$607)	-14.6%
Infrastructure	\$28,709,283	83.98%	\$28,407,825	84.00%	\$301,458	1.1%
Intangibles	\$814	0.00%	\$884	0.00%	(\$70)	-7.9%
Land	\$264,694	0.77%	\$264,694	0.78%	\$0	0.0%
Vehicles	\$1,387,530	4.06%	\$1,176,245	3.48%	\$211,286	18.0%
Grand Total	\$34,184,263	100.00%	\$33,817,622	100.00%	\$366,641	1.1%

Table C- Change in Net Book Value of Capital Assets

The above table provides a statistical presentation of the same data presented graphically on page 6 of this management discussion and analysis along with comparisons to the prior year. A definition of terms may be helpful in understanding the assets that fall within each of these classes as well as the sub categories which have their own distinct useful lives.

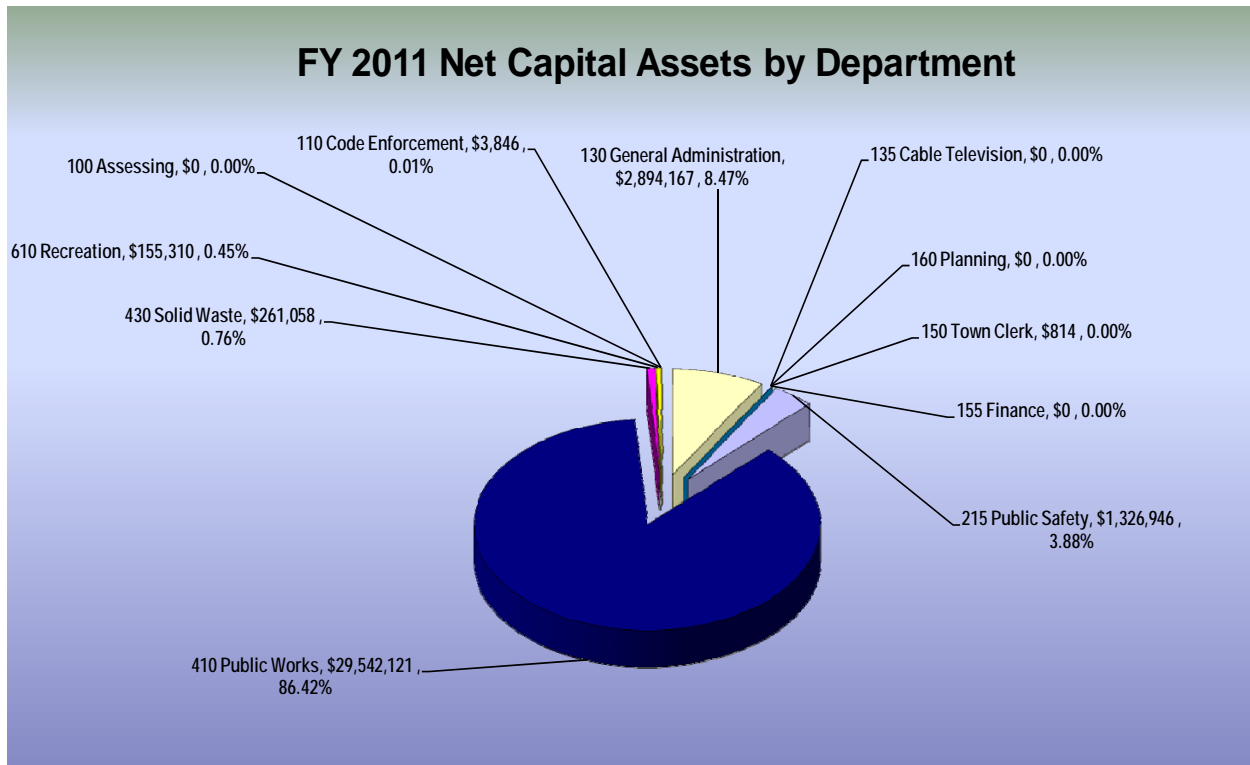


Chart D - FY 2011 Net Capital Assets by Department

Chart D, shown above, presents the Town of Standish Capital Assets in conjunction with the Town's departments and associated areas of accountability. Annually each department head

See Accompanying Independent Auditors' Report and Notes to Financial Statements



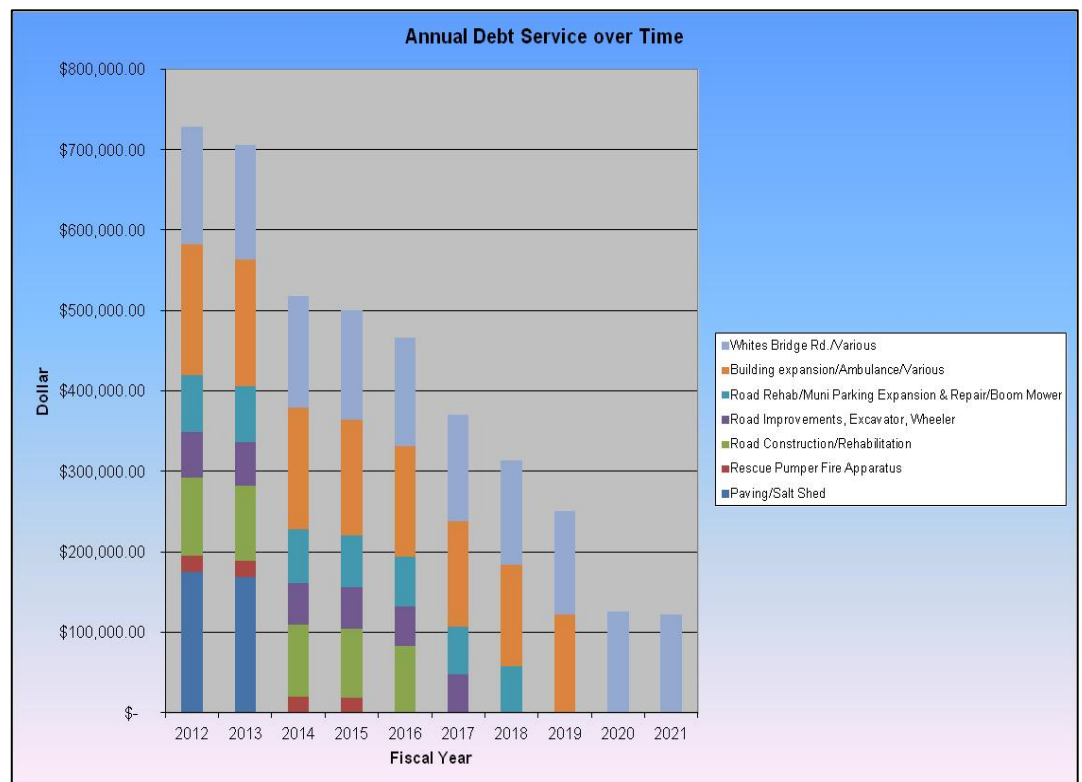
Town of Standish

Management's Discussion and Analysis

participates in a comprehensive planning and analysis, physical inventorying, processing to catalog, assessing condition as well as determining dates of acquisition of new capital items greater than \$5,000 individually and any capital item retirements. The Town records serial numbers or VIN numbers along with fixed asset descriptions according to asset class.

- **Road and Paving projects** completed this year included the paving of Whites Bridge Rd. (3.18 miles), Pequawket Trail (1.33 miles), Heath Lane (.08 miles) and Chadbourne Rd. (.35 miles). These projects were discussed and approved through the town's capital improvements committee and the 10 year capital plan established by this committee.
- **Road and Subdivision Acceptances** by the Town Council included Quail Ridge (.15 miles) and Cardinal Circle (.18 miles). You may be looking for depreciation expense and you will not find any reference to it in any of the financial statement other than "Capital Assets net of depreciation/amortization." This non cash expense is carefully computed according to the town's "fixed asset policy" and it is noteworthy to review Statement 6, "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, 2011." Depreciation/Amortization expense, in aggregate, reflects a system that recognizes age and obsolescence to the Town's capital assets over time. A value of \$407,966 found on Statement 6, "is the amount by which capital outlay for Fiscal 2011, in the amount of \$2,206,076 exceeded depreciation for the year, in the amount of (\$1,798,110)." The change to the Town's Capital Assets by Class (as depicted in Table C of this report) of \$366,641 (\$407,966 - \$50,000 sale of asset reported as revenue + \$8,674 gain on sale of assets), reflects that in aggregate the Town's contribution to and acceptance of capital assets outpaced depreciation in fiscal year 2011.

Additional information on the Town of Standish's capital assets can be found in the "Notes to the Financial Statements" located in this report.





Town of Standish

Management's Discussion and Analysis

Long-term debt. At the end of the 2011 fiscal year, the Town of Standish had total bonded debt outstanding of \$3,677,586, 100% being general obligation bonds, backed by the full faith and credit of the Town. All of the Town's outstanding debt is associated with governmental activities. For more detailed information refer to Note 5 of the "Notes to the Financial Statements." In Fiscal Year 2011, \$1,210,000 of bonded indebtedness was approved in the budget. The Town of Standish participated with the Maine Municipal Bond Bank in their fall offering. Debt service for the FY2011 Bond included funds for Road Improvements, a fire engine, plow truck and various other projects. The town was required to make an interest only payment amount of \$14,731 in FY2011 and it is reflected in the stacked bar chart on the prior page. A total of \$573,576 of principle payments were made against all long term debt in 2011. The difference of (\$636,424) between bond principals received and paid in 2011 is shown on Statement 6. The level of debt at the end of Fiscal Year 2011 is still well within appropriate limits set by the state and accepted limits of the industry as described in the following paragraph.

State statutes limit the amount of general obligation debt a municipality may issue which can be up to 15 percent of its total state assessed valuation. The current debt limitation for the Town of Standish, based on a State valuation of \$1,104,900,000, is \$165,735,000, which is significantly higher than that of the Town of Standish's outstanding general obligation principal balance of \$3,677,586; in fact, Standish's general obligation bonded indebtedness calculates at about 2.27% of its statutory limit. If Standish's population is 9,874, the Town's debt allocates to about \$368 per resident.

Economic Factors and Next Year's Budgets and Rates

Fiscal year 2005 marked the first time in over 20 years that the Town of Standish had been through a completed town-wide revaluation. The revaluation was required by State Law as our Assessment ratio had fallen below 70 %. Assessing records are audited annual by the State of Maine Tax Assessors Office to determine assessment ratios and analyze whether the tax burden is applied equally among all classes of property. The fiscal 2003-2004 audit disclosed that the Town was at 58.89% of market value overall. Residential properties away from the water were at 62% of market value and waterfront homes were at 39%. This disparity resulted in those away from the water shouldering an inequitable amount of the tax burden.

As a result of the 2005 revaluation, the town's total assessed value went from \$414,928,721 to \$871,715, 316. With the intent of minimizing the rate at which this taxable value to market value discrepancy would occur in the future, in Fiscal Year 2011, the Assessor, upon reviewing current market sales data, adjusted residential and commercial building values down by a factor of 3% and 5% respectively. He also raised land values on the water by approximately 2% based on upon the sales market data

With the passage of LD 1 in January 2005, spending limitation systems were applied to the spending decisions for county, school and municipal budgets. The Town's budget process for Fiscal 2011 was premised upon a modest new growth and property valuation increase and with consideration of the parameters of a calculated 2.71% growth limitation factor as defined within LD 1. The Town's calculated property tax levy limit was calculated at \$2,424,012. The proposed "Net Fiscal 2011 Municipal Budget," calculated at \$2,226,027, fell beneath LD1 cap limits. The adopted budget for Fiscal 2011 had a property tax rate of \$10.21 per thousand.



Town of Standish

Management's Discussion and Analysis

A review of Planning Board activity and approvals can be an indicator of Standish's economic momentum. During Fiscal Year 2011, July 1, 2010 through to June 30, 2011, the Planning Department for the Town of Standish was busy with its usual mix of approvals.

Site Plan Amendment:

BabyBack Shack/David Van Dine- Map 10, Lot 64, Parking lot in back of Century 21 Bldg.
Johnson Field (Municipal Use Recreation)/Town of Standish, Map 14, Lot 44, 89 Chadbourne Road

Site Plan Review:

Sunrise Smiles Childcare/Patricia Austin-Map 6, Lot 83-3, Sunrise Street
Mechanical Repair Garage/Robert Higgins- Map 36, Lot 1A, 4 Ossipee Trl W
Daycare Center and Preschool/Adrienne Paul, Map 10, Lot 47, 190 Northeast Rd.
1 Northeast Road- Map 36, Lot 26/27-Change of use to include Commercial Recreation

Amendment to Subdivision :

Stoneridge Subdivision/Thomas Jalbert - Map 79, Lot 20, 29 Stoneridge Drive
Stonecrest Elderly Housing, Phase II/Avesta Housing Dev. Corp., Map 10, Lot 31C, 15 Oakridge Drive
Cold Brook Estates- Map 8, Lot 94

Shoreland Zoning :

Peter Fitzpatrick- Map 47, Lot 36LS, 110, Sandy Cove Rd.
Roxanne Moore- Map 58, Lot 5, 640 White's Bridge Road
John and Priscilla Kotyk, Map 27, Lot 2, 56 Dorothy Drive
Last Mile Properties, LLC 75 Whites Point Road- Map 57, Lot 41

Gravel Extraction, 5 Year Review :

Grondin Aggregates, LLC, 295 Middle Road- Map 9, Lot 15

Private Way Reviews :

Vladimir Kasyanov- Map 19, Lot 30-A, 881 Chadbourne Road

Public Hearing :

Amendment to Standish Town Code, Chapt. 181-3 terms defined (Disabled Person) and 181-28 Elderly Housing
Amendment to Standish Code, add Standish Corner District with changes to Chapter 142
Amendment to Standish Town Code, Chapt. 181 Land Use (Collision Repair Garage/Heavy Duty Garage)



Town of Standish

Management's Discussion and Analysis

Pertinent to local economics is a discussion of population and population trends. Standish's population growth in the past can be attributed to many factors. First, the community encompasses some prime lakefront property. The town is also within commuting distance of Portland and the surrounding urban area. "Urban workers are willing to drive further out to rural areas to find an affordable home with desirable amenities."⁷ Although in the past housing prices have increased by double digits every year since 1998, the housing market has declined in recent years by almost 40% of 2008 prices. A review of building permits issued by the Town of Standish Code Enforcement Office provides the following statistics:

Building Permit by Type	Fiscal '06	Fiscal '07	Fiscal '08	Fiscal '09	Fiscal '10	Fiscal '11
Man/Mob Homes:	18	7	8	8	6	7
Single Family Residences:	43	31	30	16	20	14
Duplexes:	0	0	0	0	0	0
Multi-Family Residences:	0	0	0	0	1	0
Commercial Combined:	1	2	3	6	3	1

Building permit statistics provide a forward indicator of proposed construction activity within the Town of Standish; however, actual occupancy permits and/or final inspections can serve as a basis for the municipality's actual property growth. A review of the past 6 years shows a disturbing trend of decreasing amount of permits granted. This can be attributable to among other things the decline in the housing market due to the economy and housing crash of 2008 and a recent change to the international builders code adopted by the State of Maine where more restrictions and requirements have increase the cost for builders in a time of recession in the economy.

The State of Maine has changed the prior years' Homestead Exemption program from prior to fiscal 2006 it had funded been funded in full, to allowing a total exemption for property owners' homestead (primary residence) at \$13,000, funded only 50% through the homestead exemption reimbursement to currently funding 50% of \$10,000. Municipalities are therein required to increase the tax commitment to its residents to either fund the 50% portion that the municipality needed to refund of \$5,000 or to keep consistent with prior years fund an extra \$1,500 to achieve the \$6,500 of FY 2010. The net effect of the municipal portion of the program is to shift some burden to taxpayers who did not qualify for homestead exemption (vacation homeowners, businesses, and commercial taxpayers).

Incorporating overlay, the net municipal budget for the fiscal 2012 year will increase by \$13,725 from \$2,257,604 to \$2,271,329. The SAD #6 educational assessment will increase by \$133,516 (up from \$7,637,208 to \$7,770,724) as a result of educational costs increasing district wide even though the town's district % will decrease 1%. The Town of Standish's valuation

⁷ As presented in 10/18/04 draft of Comprehensive Plan.



percentage will decrease in FY 2012 per SAD #6 to 38.4% as the total amount charged by the district increased to \$20,196,552. Cumberland County's assessment will increase by \$28,375 (up from \$584,064 to \$612,439). In short, the 2012 budget is created with the intent of not increasing but hoping to lower governmental spending in light of the economic landscape although some items. Most aspects of the 2012 budget appropriations stayed close to the same with capital items being bonded with Maine Municipal Bond Bank in the upcoming fiscal year as has taken place in past years.

*The presence of the **Portland Water District** lands has an economic impact upon development within the Town of Standish. PWD owns 2,500 acres of what is now generally undeveloped land along the shores of Sebago Lake to include some off shore islands. These holdings comprise approximately 15 miles of shorefront on the third largest lake in New England. A portion of this shorefront had been previously developed for its recreational and economic importance, but has now been set aside for its watershed-protection value. During fiscal 2005 PWD received approvals to install additional fencing to protect its watershed holdings. The town and the district continued litigation in fiscal year 2006 and 2007 over ownership and rights to a portion of Northeast Road Extension; In FY 2008 judgment was rendered in favor of PWD giving rights of the property in question to them. The Town maintains its prescriptive rights to area range ways of 99 feet. In FY 2009 the Town used dedicated bond funding to pave and rehabilitate the boat launch located at Northeast Road Extension. It also began charging fees for usage. The revamped boat launch has been an overall success and is managed 7 days a week from dawn until dusk.*

*The Town of Standish is host to **Saint Joseph's College of Maine** campus on the shores of Sebago Lake. The College is a strong economic driver upon the local economy and the Town has benefited from Saint Joseph's contributions to defray the cost of a ladder fire truck and a bike path on White's Bridge Road, as well as other Town capital acquisitions in years past. The campus covers approximately 350 acres of land on the shores of beautiful Sebago Lake. With a student body enrollment of over 1,000, the College is serviced by administrators, educators, support staff and grounds and facilities management personnel representing over \$10 million in annual salaries.*

All of the above factors were considered in preparing the Town of Standish's budget for the 2012 fiscal year. The primary budgetary objective was to provide basic Town services to its citizens while attempting to keep the property tax rate stable, reasonable, and provide for property tax relief in conjunction with state participation and regionalization initiatives that can increase economies of scale for all who participate. Upon recommendation of independent outside auditors and the finance director, the council deliberated and adopted an "Undesignated Fund Balance Policy," council order 37-05, on March 8, 2005, with the specific purpose of, "creating a guideline to ensure the well being of the Town's financial administration in a manner that assists in providing for a stable cash flow, reducing short term borrowing costs and meeting the Town's long term capital investment objectives while ensuring that year-to-year fluctuations do not allow accumulation of an excessive undesignated fund balance." The policy establishes a "target level" equal to two and one half twelfths (20.83%) of the approved appropriation for the municipal budget, the Town's portion of the SAD #6 assessment, county assessment, and overlay.



The “Undesignated Fund Balance Policy” directs that any excess beyond the “target level” be identified in the Town’s audited financial statements and may be used to adjust the mill rate upon the recommendation of the Town Manager and the Town Council with the approval of the Town Meeting. A review of the financial statements, Exhibit 1-2, shows that the actual expenditures were \$15,048,542 compared to an unassigned fund balance of \$2,598,380 displayed in Exhibit 1-1, yields a ratio of 17.3% (\$2,598,380 divided by \$15,048,542). With the implementation of GASB 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” identifying and reporting what consists of fund balance has changed. The new model consists of Nonspendable, Restricted, Committed, Assigned and Unassigned. What has been undesignated fund balance in the past is now referred to as Unassigned. What may have been listed as undesignated fund balance in the past may not necessarily be considered unassigned fund balance.

As of the close of the current fiscal year, the Town’s General Fund reported an ending Unassigned fund balance of \$2,598,380 compared to what was unassigned fund balance of \$3,283,296 for prior year, a decrease of \$684,916 which is partly due to some of what was considered undesignated in past years have been reclassified as Nonspendable, Restricted, Committed or Assigned⁸.

Application of the “target level” at the actual level of spending would have yielded an unassigned fund balance of \$2,943,269, a difference of \$340,027. It should be noted that once into the FY 2012 year, the “target level” becomes \$3,010,331 due to the new FY 2012 proposed budget used to compute the “target level.” The Town Manager has indicated that he intends to submit a budget for fiscal year 2012 that calls for the use of \$250,000 from undesignated fund balance.

During the upcoming fiscal year the Town’s management will continue to monitor and evaluate local economic conditions. In the forefront of our revenue and expenditure concerns are:

- Additional changes in State education funding due to recent deterioration of economic conditions at the state and federal level.
- Reductions in the amount of State municipal revenue sharing funds from the portion of sales and income taxes that Standish receives from the statewide collection pool.
- Bankruptcy and tax delinquency resulting from the sub-prime mortgage meltdown and subsequent economic and financial crash and any possible recovery.
- The possibility of decreasing excise tax revenue and other non intergovernmental revenue sources due to economic conditions.
- Possible increasing energy costs and other expenditures this year.

⁸ Please see Exhibit 1-1, “Balance Sheet – General Fund, With Comparative Totals for the Year Ended June 30, 2011,” of the financial statements. Primary factors are shown on Statement 6 “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, 2011”



Town of Standish

Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview of the Town of Standish's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

- ☐ **Via U S Mails:**
Finance Director, Town of Standish, 175 Northeast Road, Standish, ME 04084.
- ☐ **Via E-Mail:**
standishfinancedirector@roadrunner.com

These Fiscal 2011 Audited Financial Reports are available for review and printing in "PDF-file format" from our municipal website, www.standish.org. Simply navigate from the home page as follows:

- 1) Select "Treasurer" on the left side selection bar.
- 2) Select "FY 2011 Audited Financial Statement" under the Additional Links section on the left hand side of the Finance Department page.

TOWN OF STANDISH, MAINE
JUNE 30, 2011

BASIC FINANCIAL INFORMATION

TOWN OF STANDISH, MAINE
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental Activities</u>
ASSETS:	
Cash/Investments	\$ 3,923,205
Receivables (Net of Allowance for Uncollectibles):	
Taxes	517,385
Liens	180,901
Accounts	217,729
Inventory and Prepaid Expense	277,061
Capital Assets:	
Land	264,694
Other Capital Assets, Net of Depreciation	33,919,568
Total Capital Assets	<u>34,184,262</u>
TOTAL ASSETS	<u>39,300,543</u>
LIABILITIES:	
Accounts Payable	442,963
Accrued Liabilities	26,924
Accrued Wages and Compensated Absences	166,869
Accrued Interest Payable	21,304
Deferred Revenues	67,852
Long-Term Liabilities:	
Due Within One Year	612,827
Due in More Than One Year	3,064,759
Total Liabilities	<u>4,403,498</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	30,485,372
Restricted for:	
Specific Purposes	273,455
Special Revenues	10,177
Nonexpendable Trust Principal	19,957
Expendable Trust Funds	18,883
Unrestricted	4,089,201
	<u>\$ 34,897,045</u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWN OF STANDISH, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

		Program Revenues		Net (Expense) Revenue and Changes In Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS				
Primary Government				
Governmental Activities				
General Government	\$ 1,732,324	\$ 180,412	\$ 27,864	\$ (1,524,048)
Public Safety - Protection and Enforcement	1,197,917	447,069	-	(750,848)
Public Works	1,324,162	151,099	157,440	(1,015,623)
Capital Outlay	1,186,523	-	-	(1,186,523)
Community Services and Health	252,457	290,497	45,963	84,003
Education	7,637,208	-	-	(7,637,208)
Fixed Charges	763,443	-	-	(763,443)
Capital Reserve Activity	47,370	5,299	31,333	(10,738)
Total Governmental Activities	<u>14,141,404</u>	<u>1,074,376</u>	<u>262,600</u>	<u>(12,804,428)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 14,141,404</u>	<u>\$ 1,074,376</u>	<u>\$ 262,600</u>	<u>\$ (12,804,428)</u>
General Revenues:				
Taxes-Property				\$ 10,482,798
Taxes-Excise				1,381,105
Intergovernmental				626,163
Investment Earnings				7,290
Gain on Asset Disposal				8,674
Total General Revenues and Special Items				<u>12,506,030</u>
Change in Net Assets				(298,398)
Net Assets - July 1, 2010				<u>35,195,443</u>
Net Assets - June 30, 2011				<u>\$ 34,897,045</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

TOWN OF STANDISH, MAINE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Cash/Investments	\$ 3,875,067	\$ 48,138	\$ 3,923,205
Receivables:			
Taxes	517,385	-	517,385
Liens	180,901	-	180,901
Accounts	217,729	-	217,729
Prepaid Expense	277,061	-	277,061
Due from Other Funds	579	13,591	14,170
TOTAL ASSETS	<u>5,068,722</u>	<u>61,729</u>	<u>5,130,451</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	441,901	1,062	442,963
Accrued Liabilities	26,924	-	26,924
Accrued Wages and Compensated Absences	166,869	-	166,869
Deferred Revenues	415,567	-	415,567
Due to Other Funds	12,062	2,108	14,170
Total Liabilities	<u>1,063,323</u>	<u>3,170</u>	<u>1,066,493</u>
Fund Balances:			
Nonspendable	277,061	19,957	297,018
Restricted For:			
Special Revenues	-	10,177	10,177
Permanent Funds	-	18,883	18,883
Impact Fees and Capital Bond Funds	273,455	-	273,455
Committed For:			
Special Revenues	-	9,542	9,542
Reserves	372,657	-	372,657
Assigned For:			
Subsequent Years' Expenditures,			
Ongoing Engineering and Equipment Purchases	483,846	-	483,846
Unassigned	2,598,380	-	2,598,380
	<u>4,005,399</u>	<u>58,559</u>	<u>4,063,958</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,068,722</u>	<u>\$ 61,729</u>	<u>\$ 5,130,451</u>

The reconciliation of the governmental balance sheet to the statement of net assets is presented on a separate schedule on the next page.

The Accompanying Notes are an Integral Part of these Financial Statements.

TOWN OF STANDISH, MAINE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Amounts reported for governmental activities in the Statement of
Net Assets (Statement 1) are different because:

Total Fund Balance (From Statement 3)		\$	4,063,958
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			34,184,262
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.			347,715
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Long-Term Debt	\$	(3,677,586)	
Accrued Interest Payable		<u>(21,304)</u>	<u>(3,698,890)</u>
Net Assets of Governmental Activities		\$	<u><u>34,897,045</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements.

TOWN OF STANDISH, MAINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes	\$ 11,904,870	\$ -	\$11,904,870
Intergovernmental	857,430	-	857,430
Charges for Services	706,938	-	706,938
Licenses, Permits and Fees	220,566	-	220,566
Fines and Forfeits	81,425	-	81,425
Miscellaneous	37,031	29,079	66,110
Total Revenues	<u>13,808,260</u>	<u>29,079</u>	<u>13,837,339</u>
EXPENDITURES:			
General Government	1,677,590	-	1,677,590
Public Safety - Protection and Enforcement	1,338,043	25,398	1,363,441
Public Works	1,501,590	-	1,501,590
Capital Outlay	1,186,521	-	1,186,521
Community Services and Health	372,206	-	372,206
Education	7,637,208	-	7,637,208
Fixed Charges	1,335,384	-	1,335,384
Capital Reserve Activity - Net	(40,591)	-	(40,591)
Total Expenditures	<u>15,007,951</u>	<u>25,398</u>	<u>15,033,349</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,199,691)	3,681	(1,196,010)
OTHER FINANCING SOURCES			
Bond Proceeds	<u>1,210,000</u>	<u>-</u>	<u>1,210,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	10,309	3,681	13,990
FUND BALANCES - JULY 1, 2010	<u>3,995,090</u>	<u>54,878</u>	<u>4,049,968</u>
FUND BALANCES - JUNE 30, 2011	<u>\$ 4,005,399</u>	<u>\$ 58,559</u>	<u>\$ 4,063,958</u>

The reconciliation of the net change in fund balances of governmental funds to the change in net assets in the statement of activities is presented on a separate schedule on the next page.

The Accompanying Notes are an Integral Part of these Financial Statements.

TOWN OF STANDISH, 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, 2011

Net change in fund balances - total governmental funds (from Statement 5) **\$ 13,990**

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 and reported as depreciation expense. The amount by which capital outlay exceeded depreciation in the current period is as follows:

Capital Outlay	\$ 2,206,076	
Depreciation	<u>(1,798,110)</u>	407,966

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. The amount by which bond proceeds exceeded bond repayments is as follows:

Bond Repayments	573,576	
Bond Proceeds	<u>(1,210,000)</u>	(636,424)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statement.	(40,967)
---	----------

Proceeds from sale of assets reported as revenues in the fund financial statement	(50,000)
---	----------

Gain on Sale of Assets	8,674
------------------------	-------

Expenditures reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	<u>(1,637)</u>
---	----------------

Change in net assets of governmental activities (see Statement 2) **\$ (298,398)**

The Accompanying Notes are an Integral Part of these Financial Statements.

TOWN OF STANDISH, MAINE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Initial and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES:			
Taxes	\$ 11,875,877	\$ 11,904,870	\$ 28,993
Intergovernmental	799,787	857,430	57,643
Charges for Services	767,620	706,938	(60,682)
Licenses and Permits	249,500	220,566	(28,934)
Fines and Forfeits	64,500	81,425	16,925
Miscellaneous	96,808	37,031	(59,777)
TOTAL REVENUES	13,854,092	13,808,260	(45,832)
EXPENDITURES:			
General Government	1,800,457	1,677,590	122,867
Public Safety - Protection and Enforcement	1,347,148	1,338,043	9,105
Public Works	1,604,171	1,501,590	102,581
Capital Outlay	1,411,274	1,186,521	224,753
Community Services and Health	439,543	372,206	67,337
Educational	7,637,208	7,637,208	-
Fixed Charges	1,353,523	1,335,384	18,139
TOTAL EXPENDITURES	15,593,324	15,048,542	544,782
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,739,232)	(1,240,282)	498,950
OTHER FINANCING SOURCES:			
Bond Proceeds	1,233,600	1,210,000	(23,600)
Use of Surplus	266,500	-	(266,500)
Prior Year Carryover	239,132	-	(239,132)
TOTAL OTHER FINANCING SOURCES (USES)	1,739,232	1,210,000	(529,232)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ (30,282)	\$ (30,282)

The Accompanying Notes are an Integral Part of these Financial Statements.

TOWN OF STANDISH, MAINE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>Agency</u> Developer Bonds
ASSETS:	
Cash	<u>\$ 481,099</u>
 LIABILITIES:	
Accounts Payable	<u>\$ 481,099</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES

The Reporting Entity

The Town of Standish, Maine, incorporated in 1785, operates under a Council-Manager form of government adopted by charter in 1987. The Council consists of seven members elected by the registered voters for overlapping terms of three years. The financial statements of the Town of Standish conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Town are discussed below.

Principles Determining Scope of Reporting Entity

In evaluating the Town as a reporting entity, management has addressed all potential component units for which the Town may or may not be financially accountable and, as such, be includable within the Town's financial statements. In accordance with GASB Codification Section 2100, the Town (the primary government) is financially accountable if it appoints a voting majority of the organizations governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Town. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of these criteria, there are no potential component units within the Town that should be included as part of these basic financial statements.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements, comprised of the statement of net assets and the statement of activities, report information on all of the non-fiduciary activities of the Town. Governmental activities are normally supported by taxes and intergovernmental revenues. The effect of interfund activity has been removed from the statements.

The statement of activities points out the extent to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function, service, program, or department. 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 requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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 and major individual enterprise funds (if any) are reported as separate columns in the fund financial statements.

Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Governmental Activities

Governmental funds are identified as either general, special revenue, capital projects, or permanent funds based upon the following guidelines.

The *General Fund* is the operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Permanent Funds are used to account for assets held by the Town pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

Agency Funds by definition are assets being held for the benefit of a third party and cannot be used to address activities or obligations of the Town. These funds are not incorporated into the Government-wide statements.

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flow. Property taxes are recognized as revenue 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.

Modified Accrual

Governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or 60 days thereafter to be used to pay liabilities of the current period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including accrued interest on general long term debt, as well as certain compensated absences, claims and judgments, are recorded only when the obligations are due and payable.

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 revenues at that time.

The Town's only major governmental fund is the General Fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund. The non major funds are combined in the "Other Governmental Funds" column (if any) in the fund financial statements.

Budgetary Accounting

Budgets are adopted for the general fund only. Formal budgetary integration is employed as a management control device during the year for the general fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. A comparison of budget to actual is presented in these financial statements.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Maine statutes authorize investments in obligations of the U. S. Treasury and U. S. Agencies, and repurchase agreements. In addition, the Town invests its excess funds in certificates of deposit to coincide with its cash needs during the year. The Town invests its funds in an effort to ensure preservation of capital, remain sufficiently liquid and attain a reasonable market rate of return. Investments are reported at fair value.

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Inventories

Inventories are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

Interfund Transactions

During the course of normal operations, the Town has transactions between funds including expenditures and transfers of resources to provide resources, construct assets and service debt. These transactions, if any, are reported as operating transfers. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" on the combined balance sheet.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Capital outlays, which significantly extend the useful life of an asset, 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. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed.

Straight line depreciation is used based on the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Building Improvements	25 to 50
Vehicles and Equipment	5 to 20
Infrastructure	10 to 40

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Compensated Absences

Pursuant to the terms of the personnel policies, vacation time is granted in varying amounts according to length of service. At June 30, 2011, the accrual for compensated absences was determined to be \$94,431(\$63,260 at June 30, 2010).

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 statement of assets. Bond premiums and discounts (if any), as well as issuance costs, if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 resources. 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.

Net Assets and Fund Equity Classifications

Net assets are required to be classified into the following three components:

Invested in capital assets, net of related debt - This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Capital assets	\$ 52,345,881
Accumulated Depreciation	(18,161,619)
Bonds and notes payable	<u>(3,698,890)</u>
Total invested in capital assets	
Net of related debt	<u>\$ 30,485,372</u>

Restricted - This component consists of constraints placed on the use of net assets which are either externally imposed by debt covenants, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Fund Balance

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions* (required implementation date of June 2011). The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. Classifications are hierarchical and are based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this Standard, the fund balance classifications of reserved, designated, and undesignated were replaced with the following classifications:

Nonspendable - includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted - represent those portions of fund equity that have externally enforceable legal restrictions.

Committed - describes the portion of the fund balance that represents resources whose use is constrained by limitations that the government imposes upon itself at its highest level of decision making and that remain binding unless removed in the same manner.

Assigned - This classification reflects the amounts constrained by the town's "intent" to be used for specific purposes, but are neither restricted nor committed. The town council and town manager have the authority to assign amounts to be used for specific purposes.

Unassigned - represents amounts that are available for any purpose.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets, liabilities, the disclosure of contingent liabilities, and the reported revenues and expenses.

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 2 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's will not be able to recover the value of its deposits and investments that are in the possession of an outside party.

Deposits

The Town has a deposit policy for custodial credit risk. As of June 30, 2011, none of the Town's bank balance of \$867,936 was exposed to custodial credit risk.

Investments

At June 30, 2011, investments consisted of the following:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Repurchase Agreements	\$ 440,375	\$ 440,375
External Investment Pool	<u>2,656,721</u>	<u>2,656,721</u>
	<u>\$ 3,097,096</u>	<u>\$ 3,097,096</u>

Credit Risk

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies and repurchase agreements. Generally, the Town invests such excess funds in repurchase agreements and external investment pools backed by governmental securities.

All of the Town's investments are in external investment pools that are fully collateralized with U.S. Government securities held by a third party, but not in the Town's name.

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer.

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 3 - PROPERTY TAX

The Town's property taxes for the July 1, 2010 - June 30, 2011 fiscal year were committed on September 14, 2010. Taxes were due semi-annually on November 15, 2010 and May 16, 2011. Unpaid taxes are charged interest of 7% per annum. The tax commitment was based on the April 1, 2010 assessed real estate and personal property values totaling \$1,026,334,627.

The following summarizes the levy:

VALUATION AND ASSESSMENT

VALUATION:

Real Estate	\$ 1,022,011,328
Personal Property	<u>4,323,299</u>
Total Valuation	1,026,334,627

TAX RATE PER THOUSAND	<u>10.21</u>
------------------------------	--------------

TAX COMMITMENT	<u><u>\$ 10,478,877</u></u>
-----------------------	-----------------------------

COLLECTION OF 2010/2011 TAXES

ORIGINAL COMMITMENT	\$ 10,478,877
----------------------------	---------------

SUPPLEMENTAL COMMITMENT	<u>3,919</u>
	10,482,796

Less: Collection in Current Year		
(Net of Adjustments and Refunds)	\$ 9,986,660	
Abatements	<u>16,696</u>	<u>10,003,356</u>

TAXES RECEIVABLE-JUNE 30, 2011	<u><u>\$ 479,440</u></u>
---------------------------------------	--------------------------

Taxes receivable at June 30, 2011 are as follows:

Taxes - Current Year	\$ 479,440
Taxes - Prior Years	<u>37,945</u>
	<u><u>\$ 517,385</u></u>

The Town is permitted by the laws of the State of Maine to levy taxes 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 \$31,577 for the year ended June 30, 2011.

Property taxes levied for the fiscal year are recorded as receivables at the time the levy is made. The receivables collected during the year and during the first sixty (60) days after June 30, 2011 are recognized as revenues. The remaining receivables estimated to be collectible subsequent to the sixty (60) day period are recorded as deferred revenues. The variance between actual property tax revenues and budgeted property tax revenues of \$3,921(Exhibit 1-2) represents supplemental taxes.

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 3 - PROPERTY TAX (Continued)

The tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid. Property acquired by foreclosure for non-payment of taxes is recorded at the amount of expired tax liens plus the cost involved in foreclosure. Liens and any current taxes on the same parcel are not included as part of the tax acquired property account until expiration of statutory time limits.

Note 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was:

	Balance July 1, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2011</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 264,694	\$ -	\$ -	\$ 264,694
Capital assets, being depreciated:				
Buildings	4,153,318	-	-	4,153,318
Improvements other than Buildings	46,124	-	-	46,124
Machinery and equipment	3,714,006	516,380	(637,715)	3,592,671
Infrastructure	<u>42,599,378</u>	<u>1,689,696</u>	<u>-</u>	<u>44,289,074</u>
Total capital assets, being depreciated:	<u>50,512,826</u>	<u>2,206,076</u>	<u>(637,715)</u>	<u>52,081,187</u>
Less accumulated depreciation:				
Buildings	686,491	76,888	-	763,379
Improvements other than Buildings	41,957	607	-	42,564
Machinery and equipment	2,039,898	332,375	(596,389)	1,775,884
Infrastructure	<u>14,191,552</u>	<u>1,388,240</u>	<u>-</u>	<u>15,579,792</u>
Total	<u>16,959,898</u>	<u>1,798,110</u>	<u>(596,389)</u>	<u>18,161,619</u>
Governmental activities Capital assets, net	<u>\$ 33,817,622</u>	<u>\$ 407,966</u>	<u>\$ (41,326)</u>	<u>\$ 34,184,262</u>

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 4 - CAPITAL ASSETS (Continued)

Depreciation was charged to Governmental functions as follows:

General Government	\$ 61,504
Public Safety	193,227
Public Works	1,538,334
Community Services and Health	<u>5,045</u>
Total Depreciation	<u>\$ 1,798,110</u>

Note 5 - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2011:

	General Long-Term Debt
Long-Term Debt Payable at June 30, 2010	\$ 3,041,162
New Debt Issued	<u>1,210,000</u>
	4,251,162
Debt Retired	<u>(573,576)</u>
Long-Term Debt Payable at June 30, 2011	<u>\$ 3,677,586</u>
Principal amount Due within One Year	<u>\$ 612,828</u>

General long-term debt consists of the following:

2007 General Obligation Bonds (series D) dated October 25, 2007; annual principal payment in November of \$57,425. Semi-annual interest payable in May and November, variable interest rate from 2% to 5.8% per annum. Final installment due November 2017. Authorized and issued \$574,250.	\$ 401,975
2002 General Obligation Bonds (series A) dated October 30, 2002; annual principal payment in November of \$166,000. Semi-annual interest payable in May and November, variable interest rate from 2.5% to 3.45% per annum. Final installment due November 2012. Authorized and issued \$1,660,000.	332,000

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 5 - LONG-TERM DEBT (Continued)

2004 General Obligation Bonds, dated October 28, 2004; annual principal payment in November of \$18,500. Semi-annual interest payable in November and May, variable interest rate from 3.019% to 3.644% per annum. Final installment due November 2014. Authorized and issued \$185,000. 74,000

2005 General Obligation Bonds, dated October 27, 2005; annual principal payment in November of \$81,961. Semi-annual interest payable in November and May, variable interest rate from 3.000% to 5.000% per annum. Final installment due November 2015. Authorized and issued \$819,615. 409,810

2006 General Obligation Bonds, dated October 26, 2006; annual principal payment in November of \$46,866. Semi-annual interest payable in November and May, variable interest rate from 2.000% to 5.350% per annum. Final installment due November 2016. Authorized and issued \$468,665. 281,201

2008 General Obligation Bonds, dated October 30, 2008; annual principal payment in November of \$121,075. Semi-annual interest payable in November and May, variable interest rate from 2.075% to 5.575% per annum. Final installment due November 2017. Authorized and issued \$1,210,750. 968,600

2010 General Obligation Bonds, dated October 28, 2010; annual principal payment in November of \$121,000. Semi-annual interest payable in November and May, variable interest rate from 2.124% to 5.50% per annum. Final installment due November 2020. Authorized and issued \$1,210,000. 1,210,000

\$ 3,677,586

The annual requirement to amortize debt outstanding as of June 30, 2011 is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 612,828	\$ 116,006	\$ 728,834
2013	612,829	92,467	705,296
2014	446,829	71,695	518,524
2015	446,829	54,059	500,888
2016	428,329	38,033	466,362
2017 - 2021	<u>1,129,942</u>	<u>53,058</u>	<u>1,183,000</u>
	<u>\$ 3,677,586</u>	<u>\$ 425,318</u>	<u>\$ 4,102,904</u>

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 5 - LONG-TERM DEBT (Continued)

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. The Town's outstanding debt at June 30, 2011, of \$3,677,586 was \$162,057,416 below the Town's statutory debt limit.

A summary of the Town's legal debt margin is as follows:

	<u>Outstanding Bonds & Notes</u>	<u>State Assessed Value of \$1,104,900,000</u>	<u>Debt Limit</u>	<u>Margin</u>
Municipal Purposes	<u>\$ 3,677,586</u>	<u>15%</u>	<u>\$ 165,735,000</u>	<u>\$ 162,057,414</u>

Total interest expense on long-term debt was \$124,774 for the year.

Note 6 - OVERLAPPING DEBT

The Town's proportionate share of Cumberland County's and Maine School Administrative District No. 6's bonded debt are not reported in the Town's financial statements. Debt service is included in the annual County and School assessments to the Town. The Town's share is 2.71% (\$39,199) of Cumberland County's outstanding debt of \$1,445,000, and 39.53% (\$10,849,115) of Maine School Administrative District No. 6's outstanding bonded debt of \$27,448,325.

Note 7 - CONTINGENT LIABILITY

The Town of Standish and twenty-six other municipalities have entered into an agreement with Ecomaine for a material recycling facility. At June 30, 2011, pertinent outstanding material recycling facility bonds of Ecomaine totaled \$1,900,000 of which the Town of Standish's share, based on estimated tonnage to be delivered, amounts to \$115,520 (6.08%). This amount has not been recorded in these financial statements.

Litigation

The Town is subject to certain legal proceedings and claims which arise in the ordinary course of conducting its activities. In the opinion of management, the Town has defensible positions and any ultimate liabilities are covered by insurance or will not materially affect the financial position of the Town.

State and Federal Grants

The Town participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 8 - RISK MANAGEMENT

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

Based on coverage provided by the pool, 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, 2011.

Note 9 - OUTSIDE COMPENSATION FUNDS

The Town maintains a worker's compensation fund and an unemployment compensation fund as part of a pool with Maine Municipal Association (MMA). Contributions are made by the Town during the year and are invested by MMA to administer workers compensation and unemployment benefits for the Town, if any. The Town has a positive experience, that is, contributions and income exceed payment of benefits. These plans do not allow for retroactive premium adjustment by the pool and the pool retains the risk of loss. Therefore, these amounts are not part of the Town's financial statements.

Note 10 - RESERVES

At June 30, 2011, reserve funds designated to future periods are to help fund the following:

Multi-purpose Skateboard Park	\$ 2,157
Impact Fees	68,583
Community Center	23,169
Bond Levelization	186,714
Conservation	47,643
Athletic Fields Improvement	5,852
Government Access	35,560
New Fire Engine #4	<u>71,562</u>
	<u>\$ 441,240</u>

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11 - FUNDS DESIGNATED FOR SUBSEQUENT YEARS' EXPENDITURES

Appropriation for continuing projects, not fully expended at the fiscal year end, are carried forward as continued appropriations to the new fiscal year to supplement the appropriations of that year. At fiscal year end, they consisted of the following:

General Fund:	
General Government	
General Administration	\$ 3,854
Town Council	7,000
Finance	4,354
Planning Board	29,899
Public Safety – Protection and Enforcement	
Public Safety	5,925
Capital Outlay	
Parks and Recreation	7,620
General Administration	13,694
Public Works	65,785
Highway – Roads	133,773
Public Works	
Highway	48,619
Solid Waste Services	15,000
Community Services and Health	
Recreation	<u>3,195</u>
Total	<u>\$ 338,718</u>

Of the total, \$204,872 is classified in restricted fund balance and \$133,846 is classified in assigned fund balance.

Note 12 - RETIREMENT PLAN

The Town participates in a 401(a), money purchase retirement plan, on behalf of each full-time non union employee. This money purchase retirement plan is administered by the ICMA Retirement Corporation. The funds are invested in the ICMA Retirement Trust, a trust established by public employers for the collective investment of funds held under their retirement and deferred compensation plan. The Town contributes 6% of each qualified employees' earnings for the plan year on condition that each qualified participant contributes 2% of their earnings to the plan. For the fiscal year ending June 30, 2011, the Town's share of the retirement contributions on behalf of the qualified employees amounted to \$76,190. Participants are not fully vested until the fifth year of participation.

TOWN OF STANDISH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 - RETIREMENT PLAN (Continued)

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

In addition, the Town participates in the Social Security Retirement Program. The Town's contribution to Social Security was \$124,977, for the year ended June 30, 2011.

Note 13 - INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivable and payable balances at June 30, 2011 per Statement 3 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 579	\$ 12,062
Special revenues		
Homeland Security Grant	953	-
Fire Prevention Education Grant	225	-
Comp Plan Upgrade Planning Grant	6,379	-
Public Safety Fair Funds	823	-
Steep Falls Library Grant	5,211	-
Bottles 4 Fuel	-	579
Mill Street Park Grant	<u>-</u>	<u>1,529</u>
	<u>\$ 14,170</u>	<u>\$ 14,170</u>

Note 14 - DEFICIT FUND BALANCE

In the Town's nonmajor special revenue funds, Mill Street Park Grant fund is carrying a fund deficit as of June 30, 2011. This deficit will be funded by future operations.

Note 15 - SUBSEQUENT EVENTS

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through November 3, 2011, the date the financial statements were available to be issued.

TOWN OF STANDISH, MAINE
JUNE 30, 2011

SUPPLEMENTAL DATA

GENERAL FUND

The General Fund accounts for all revenues and expenditures of the Town which are not accounted for in other funds. Most governmental services are provided by the General Fund including public works, public safety, education, recreation, health and welfare, and general administrative services.

TOWN OF STANDISH, MAINE
BALANCE SHEETS - GENERAL FUND
JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Temporary Investments	\$ 3,875,067	\$ 3,736,562
Accounts Receivable	217,729	161,129
Taxes Receivable	517,385	659,581
Tax Liens	180,901	149,984
Inventory and Prepaid Expense	277,061	70,044
Due from Other Fund	579	2,502
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$ 5,068,722</u></u>	<u><u>\$ 4,779,802</u></u>
 LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	\$ 441,901	\$ 147,562
Accrued Liabilities	26,924	34,315
Accrued Wages and Compensated Absences	166,869	137,050
Deferred Revenues	415,567	458,588
Due to Other Fund	12,062	7,197
	<hr/>	<hr/>
	<u>1,063,323</u>	<u>784,712</u>
 Fund Balances:		
Nonspendable	277,061	70,044
Restricted For:		
Impact Fees and Capital Bond Funds	273,455	249,265
Committed For:		
Reserves	372,657	334,127
Assigned For:		
Subsequent Years' Expenditures,		
Ongoing Engineering and Equipment Purchases	483,846	56,391
Unassigned	2,598,380	3,285,263
	<hr/>	<hr/>
	<u>4,005,399</u>	<u>3,995,090</u>
	<hr/>	<hr/>
	<u><u>\$ 5,068,722</u></u>	<u><u>\$ 4,779,802</u></u>

TOWN OF STANDISH, MAINE
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS
YEAR ENDED JUNE 30, 2011

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
TAXES:			
Real Estate	\$ 10,478,877	\$ 10,482,798	\$ 3,921
Change in Deferred Tax Revenue	-	40,967	40,967
Excise:			
Vehicle	1,375,000	1,360,923	(14,077)
Boat	22,000	20,182	(1,818)
	<u>11,875,877</u>	<u>11,904,870</u>	<u>28,993</u>
INTERGOVERNMENTAL:			
State Municipal Revenue Sharing	432,744	455,070	22,326
Homestead Exemption Reimbursement	109,189	109,189	-
Local Road Assistance	151,000	157,440	6,440
General Assistance	57,404	42,315	(15,089)
Tree Growth	39,500	56,012	16,512
Veterans Tax Loss Reimbursement	5,600	5,892	292
Snowmobile Reimbursement	4,350	3,648	(702)
FEMA Reimbursement	-	27,864	27,864
	<u>799,787</u>	<u>857,430</u>	<u>57,643</u>
LICENSES AND PERMITS:			
Transfer Station Sticker Fees	82,000	82,905	905
Building Permits/Code Enforcement	60,000	49,339	(10,661)
Transfer Station User Fees	53,000	32,770	(20,230)
Plumbing	7,500	6,306	(1,194)
Sport Licenses/RV Agent Fees	5,000	3,721	(1,279)
Marriage Licenses	1,600	1,988	388
Municipal Licenses	6,000	5,488	(512)
Recycling Revenue	26,500	35,384	8,884
CEO Consultant Fees	5,000	-	(5,000)
Dog Licenses	2,100	2,345	245
Septage Permits	200	40	(160)
Recording/Advertising Fees	600	280	(320)
	<u>249,500</u>	<u>220,566</u>	<u>(28,934)</u>
CHARGES FOR SERVICES:			
Motor Vehicle Agent Fee	41,000	29,287	(11,713)
Planning Board	8,000	9,860	1,860
Animal Control	1,800	1,230	(570)
Boat Launch Fees	20,500	20,036	(464)
Cable TV Franchise Fees	120,000	126,241	6,241
EMS Revenues	380,000	325,304	(54,696)
Dispatch Services	8,000	8,000	-
Subscription Fees	5,000	6,100	1,100
Recreation	162,770	164,256	1,486
Passport Services	8,000	6,562	(1,438)
Vital Statistics	4,400	3,900	(500)
Appeals Board	600	200	(400)
Other	7,550	5,962	(1,588)
	<u>767,620</u>	<u>706,938</u>	<u>(60,682)</u>

TOWN OF STANDISH, MAINE
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS
YEAR ENDED JUNE 30, 2011

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
FINES AND FORFEITS:			
Lien Notice Filing Charges	\$ 9,500	\$ 12,569	\$ 3,069
Tax Lien Interest	50,000	57,936	7,936
Ordinance Fines	5,000	10,920	5,920
	<u>64,500</u>	<u>81,425</u>	<u>16,925</u>
OTHER REVENUES:			
Investment Interest	15,000	5,811	(9,189)
Leases/Rentals	13,800	16,165	2,365
Sale of Property	50,000	7,467	(42,533)
Other	18,008	7,588	(10,420)
	<u>96,808</u>	<u>37,031</u>	<u>(59,777)</u>
TOTAL REVENUES	<u>13,854,092</u>	<u>13,808,260</u>	<u>(45,832)</u>
EXPENDITURES:			
General Government	1,800,457	1,677,590	122,867
Public Safety - Protection and Enforcement	1,347,148	1,338,043	9,105
Public Works	1,604,171	1,501,590	102,581
Capital Outlay	1,411,274	1,186,521	224,753
Community Services and Health	439,543	372,206	67,337
Education	7,637,208	7,637,208	-
Fixed Charges	1,353,523	1,335,384	18,139
	<u>15,593,324</u>	<u>15,048,542</u>	<u>544,782</u>
TOTAL EXPENDITURES	<u>15,593,324</u>	<u>15,048,542</u>	<u>544,782</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,739,232)</u>	<u>(1,240,282)</u>	<u>498,950</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	1,233,600	1,210,000	(23,600)
Use of Surplus	266,500	-	(266,500)
Prior Year Carryover	239,132	-	(239,132)
	<u>1,739,232</u>	<u>1,210,000</u>	<u>(529,232)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,739,232</u>	<u>1,210,000</u>	<u>(529,232)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>(30,282)</u>	<u>\$ (30,282)</u>
RECONCILIATION TO GAAP BASIS:			
Interest and Other Income to Reserves		87,961	
Expenditures by Reserve		<u>(47,370)</u>	
		<u>40,591</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		<u>\$ 10,309</u>	

TOWN OF STANDISH, MAINE
STATEMENT OF CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED JUNE 30, 2011

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	
				Designated for Subsequent Years' Expenditures, Ongoing Engineering, and Equipment Purchases		
	<u>Prepaid Expenses</u>	<u>Impact Fees</u>	<u>Reserves</u>			<u>Total</u>
	<u>Inventories</u>	<u>Capital Bond Funds</u>				
FUND BALANCE - JULY 1, 2010	\$ 70,044	\$ 249,265	\$ 334,127	\$ 56,391	\$ 3,285,263	\$ 3,995,090
EXCESS OF ACTUAL REVENUES AND OTHER SOURCES OVER (UNDER) ACTUAL EXPENDITURES AND OTHER USES	<u>207,017</u>	<u>24,190</u>	<u>38,530</u>	<u>427,455</u>	<u>(686,883)</u>	<u>10,309</u>
FUND BALANCE - JUNE 30, 2011	<u><u>\$ 277,061</u></u>	<u><u>\$ 273,455</u></u>	<u><u>\$ 372,657</u></u>	<u><u>\$ 483,846</u></u>	<u><u>\$ 2,598,380</u></u>	<u><u>\$ 4,005,399</u></u>

OTHER GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted by the contributor to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.

TOWN OF STANDISH, MAINE
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

			<u>Totals</u>	
	<u>Special</u> <u>Revenues</u> <u>(Schedule 1)</u>	<u>Permanent</u> <u>Funds</u> <u>(Schedule 2)</u>	<u>(Memorandum Only)</u> <u>2011</u>	<u>2010</u>
ASSETS:				
Cash/Investments	\$ 9,298	\$ 38,840	\$ 48,138	\$ 50,183
Due from Other Funds	13,591	-	13,591	12,791
TOTAL ASSETS	<u>\$ 22,889</u>	<u>\$ 38,840</u>	<u>\$ 61,729</u>	<u>\$ 62,974</u>
LIABILITIES AND FUND BALANCE:				
Liabilities				
Accounts Payable	\$ 1,062	\$ -	\$ 1,062	\$ -
Due to Other Funds	2,108	-	2,108	8,096
	<u>3,170</u>	<u>-</u>	<u>3,170</u>	<u>8,096</u>
Fund Balance				
Principal	-	19,957	19,957	19,957
Income	19,719	18,883	38,602	34,921
	<u>19,719</u>	<u>38,840</u>	<u>58,559</u>	<u>54,878</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 22,889</u>	<u>\$ 38,840</u>	<u>\$ 61,729</u>	<u>\$ 62,974</u>

TOWN OF STANDISH, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

			Totals	
	Special Revenues	Permanent Funds	(Memorandum Only)	
	(Schedule 1a)	(Schedule 2a)	<u>2011</u>	<u>2010</u>
REVENUES:				
Interest	\$ -	\$ 150	\$ 150	\$ 141
Other	28,929	-	28,929	53,103
	<u>28,929</u>	<u>150</u>	<u>29,079</u>	<u>53,244</u>
EXPENDITURES:	<u>25,398</u>	<u>-</u>	<u>25,398</u>	<u>56,380</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,531	150	3,681	(3,136)
FUND BALANCE - JULY 1	<u>16,188</u>	<u>38,690</u>	<u>54,878</u>	<u>58,014</u>
FUND BALANCE - JUNE 30	<u><u>\$ 19,719</u></u>	<u><u>\$ 38,840</u></u>	<u><u>\$ 58,559</u></u>	<u><u>\$ 54,878</u></u>

The following schedules are presented for purposes of additional analysis and are also not a required part of the basic financial statements of the Town of Standish, Maine. Such information in these schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

TOWN OF STANDISH, MAINE
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Committed		Restricted						
	Bottles 4 Fuel	Public Safety Fair Funds	Homeland Security Grant	Fire Prevention/ Education Grant	Comp Plan Upgrade Planning Grant	SMCC Fire Training Education	Steep Falls Library Grant	Mill Street Park Grant	Total
ASSETS:									
Cash	\$ 9,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,298
Due from Other Funds	-	823	953	225	6,379	-	5,211	-	13,591
TOTAL ASSETS	<u>\$ 9,298</u>	<u>\$ 823</u>	<u>\$ 953</u>	<u>\$ 225</u>	<u>\$ 6,379</u>	<u>\$ -</u>	<u>\$ 5,211</u>	<u>\$ -</u>	<u>\$ 22,889</u>
LIABILITIES AND FUND BALANCE:									
Liabilities:									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,062	\$ 1,062
Due to Other Funds	579	-	-	-	-	-	-	1,529	2,108
	579	-	-	-	-	-	-	2,591	3,170
Fund Balance (Deficit)	8,719	823	953	225	6,379	-	5,211	(2,591)	19,719
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 9,877</u>	<u>\$ 823</u>	<u>\$ 953</u>	<u>\$ 225</u>	<u>\$ 6,379</u>	<u>\$ -</u>	<u>\$ 5,211</u>	<u>\$ -</u>	<u>\$ 22,889</u>

TOWN OF STANDISH, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011

	<u>Committed</u>		<u>Restricted</u>						
	<u>Bottles 4 Fuel</u>	<u>Public Safety Fair Funds</u>	<u>Homeland Security Grant</u>	<u>Fire Prevention/ Education Grant</u>	<u>Comp Plan Upgrade Planning Grant</u>	<u>SMCC Fire Training Education</u>	<u>Steep Falls Library Grant</u>	<u>Mill Street Park Grant</u>	<u>Total</u>
REVENUES:									
Other	\$ 14,890	\$ 3,578	\$ -	\$ -	\$ -	\$ 1,746	\$ -	\$ 8,715	\$ 28,929
EXPENDITURES:									
For Designated Purposes	<u>15,162</u>	<u>2,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,458</u>	<u>25,398</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(272)	800	-	-	-	1,746	-	1,257	3,531
FUND BALANCES (DEFICIT) - JULY 1	<u>8,991</u>	<u>23</u>	<u>953</u>	<u>225</u>	<u>6,379</u>	<u>(1,746)</u>	<u>5,211</u>	<u>(3,848)</u>	<u>16,188</u>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 8,719</u>	<u>\$ 823</u>	<u>\$ 953</u>	<u>\$ 225</u>	<u>\$ 6,379</u>	<u>\$ -</u>	<u>\$ 5,211</u>	<u>\$ (2,591)</u>	<u>\$ 19,719</u>

TOWN OF STANDISH, MAINE
COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

	<u>NonExpendable</u>		<u>Totals</u>	
	Hasty <u>Fund</u>	Wescott <u>Fund</u>	(Memorandum Only) <u>2011</u> <u>2010</u>	
ASSETS:				
Cash	<u>\$ 29,462</u>	<u>\$ 9,378</u>	<u>\$ 38,840</u>	<u>\$ 38,690</u>
 FUND BALANCE:				
Principal	\$ 14,911	\$ 5,046	\$ 19,957	\$ 19,957
Income	<u>14,551</u>	<u>4,332</u>	<u>18,883</u>	<u>18,733</u>
	<u><u>\$ 29,462</u></u>	<u><u>\$ 9,378</u></u>	<u><u>\$ 38,840</u></u>	<u><u>\$ 38,690</u></u>

TOWN OF STANDISH, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR PERMANENT FUNDS
YEAR ENDED JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

	<u>NonExpendable</u>		<u>Totals</u>	
	Hasty <u>Fund</u>	Wescott <u>Fund</u>	(Memorandum Only)	
			<u>2011</u>	<u>2010</u>
REVENUES:				
Interest	\$ 114	\$ 36	\$ 150	\$ 141
EXPENDITURES:				
Management Fee	<u>-</u>	<u>-</u>	<u>-</u>	<u>89</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	114	36	150	52
FUND BALANCE - JULY 1	<u>29,348</u>	<u>9,342</u>	<u>38,690</u>	<u>38,638</u>
FUND BALANCE - JUNE 30	<u><u>\$ 29,462</u></u>	<u><u>\$ 9,378</u></u>	<u><u>\$ 38,840</u></u>	<u><u>\$ 38,690</u></u>

TOWN OF STANDISH, MAINE
COMBINING STATEMENT OF GENERAL FUND RESERVES
YEAR ENDED JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

	Reserves				
	<u>Multi-Purpose Skate Park</u>	<u>Impact Fees</u>	<u>Community Center</u>	<u>Bond Levelization</u>	<u>Conservation</u>
REVENUES:					
Fees	\$ -	\$ 1,800	\$ -	\$ -	\$ -
Interest	41	261	113	489	184
Transfer from Operations	-	-	-	31,333	-
Other	-	-	-	-	-
	<u>41</u>	<u>2,061</u>	<u>113</u>	<u>31,822</u>	<u>184</u>
EXPENDITURES:					
Designated Purposes	<u>39,566</u>	<u>-</u>	<u>7,587</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(39,525)	2,061	(7,474)	31,822	184
BALANCE - JULY 1	<u>41,682</u>	<u>66,522</u>	<u>30,643</u>	<u>154,892</u>	<u>47,459</u>
BALANCE - JUNE 30	<u>\$ 2,157</u>	<u>\$ 68,583</u>	<u>\$ 23,169</u>	<u>\$ 186,714</u>	<u>\$ 47,643</u>

TOWN OF STANDISH, MAINE
COMBINING STATEMENT OF GENERAL FUND RESERVES
YEAR ENDED JUNE 30, 2011
 (With Comparative Totals for the Year ended June 30, 2010)

	Reserves			Totals	
	Athletic Fields Improvement	Government Access	New Fire Engine 4	(Memorandum Only)	
				2011	2010
REVENUES:					
Fees	\$ 3,499	\$ -	\$ -	\$ 5,299	\$ 48,700
Interest	20	137	84	1,329	1,474
Transfer from Operations	-	-	-	31,333	-
Other	-	-	50,000	50,000	-
	<u>3,519</u>	<u>137</u>	<u>50,084</u>	<u>87,961</u>	<u>50,174</u>
EXPENDITURES:					
Designated Purposes	<u>217</u>	<u>-</u>	<u>-</u>	<u>47,370</u>	<u>65,397</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,302	137	50,084	40,591	(15,223)
BALANCE - JULY 1	<u>2,550</u>	<u>35,423</u>	<u>21,478</u>	<u>400,649</u>	<u>415,872</u>
BALANCE - JUNE 30	<u>\$ 5,852</u>	<u>\$ 35,560</u>	<u>\$ 71,562</u>	<u>\$ 441,240</u>	<u>\$ 400,649</u>

TOWN OF STANDISH, MAINE
VALUATION, ASSESSMENT AND COLLECTION OF TAXES
YEAR ENDED JUNE 30, 2011

VALUATION AND ASSESSMENT

VALUATION:

Real Estate	\$ 1,022,011,328
Personal Property	4,323,299
Total Valuation	<u>1,026,334,627</u>

TAX RATE PER THOUSAND

10.21

TAX COMMITMENT

\$ 10,478,877

APPROPRIATIONS

COUNTY TAX	\$ 584,064
MUNICIPAL FUNCTIONS	7,084,843
EDUCATION	7,637,209
OVERLAY	31,577
	<u>15,337,693</u>
Less: Estimated Revenues	<u>4,858,816</u>

TAX COMMITMENT

\$ 10,478,877

COLLECTION OF TAXES FOR 2010/2011

ORIGINAL COMMITMENT	\$ 10,478,877
SUPPLEMENTAL TAX	3,919
	<u>10,482,796</u>

Less: Collection in Current Year (Net of Adjustments and Refunds)	\$ 9,986,660	
Abatements	<u>16,696</u>	<u>10,003,356</u>

TAXES RECEIVABLE - JUNE 30, 2011

\$ 479,440

TOWN OF STANDISH, MAINE
STATEMENT OF TAXES RECEIVABLE
YEAR ENDED JUNE 30, 2011

<u>Year</u>	<u>Balance 7/1/10</u>	<u>Original Commitment</u>	<u>Supplemental</u>	<u>Collections</u>	<u>Transferred to Tax Liens</u>	<u>Abatements and Adjustments</u>	<u>Balance 6/30/11</u>
1999	\$ 948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 948
2000	957	-	-	-	-	-	957
2001	957	-	-	-	-	-	957
2002	1,370	-	-	-	-	-	1,370
2003	4,229	-	-	-	-	-	4,229
2004	4,098	-	-	-	-	-	4,098
2005	3,015	-	-	-	-	-	3,015
2006	3,440	-	-	-	-	-	3,440
2007	8,136	-	-	737	-	-	7,399
2008	2,795	-	-	211	-	-	2,584
2009	5,039	-	-	584	-	-	4,455
2010	624,597	-	-	318,543	300,293	1,268	4,493
2011	<u>-</u>	<u>10,478,877</u>	<u>3,919</u>	<u>9,986,660</u>	<u>-</u>	<u>16,696</u>	<u>479,440</u>
TOTAL	<u><u>\$ 659,581</u></u>	<u><u>\$ 10,478,877</u></u>	<u><u>\$ 3,919</u></u>	<u><u>\$ 10,306,735</u></u>	<u><u>\$ 300,293</u></u>	<u><u>\$ 17,964</u></u>	<u><u>\$ 517,385</u></u>

TOWN OF STANDISH, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS
YEAR ENDED JUNE 30, 2011

	<u>Appropriation Balances</u>							
	<u>Appropriation Balances Forward</u>	<u>Appropriations</u>	<u>Transfers and Other Credits</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Overdrawn</u>	<u>Lapsed Unexpended</u>	<u>Carried Forward</u>
GENERAL GOVERNMENT:								
Assessor	\$ 1,330	\$ 74,739	\$ -	\$ 76,069	\$ 74,059	\$ -	\$ 2,010	\$ -
Code Enforcement	-	75,827	-	75,827	70,424	-	5,403	-
Employee Benefits	-	616,765	-	616,765	615,273	-	1,492	-
General Administration	2,415	250,847	-	253,262	228,899	-	20,509	3,854
Town Council	1,500	45,040	-	46,540	37,630	-	1,910	7,000
Town Clerk/Collector/Treasurer	2,599	159,104	-	161,703	144,956	-	16,747	-
Finance	2,693	156,022	-	158,715	154,026	-	335	4,354
Planning Board	37,819	88,593	-	126,412	91,513	-	5,000	29,899
Building Maintenance and Utilities	2,810	198,624	-	201,434	196,415	-	5,019	-
Board of Appeals	-	730	-	730	145	-	585	-
Insurance	-	83,000	-	83,000	64,250	-	18,750	-
	<u>51,166</u>	<u>1,749,291</u>	<u>-</u>	<u>1,800,457</u>	<u>1,677,590</u>	<u>-</u>	<u>77,760</u>	<u>45,107</u>
PUBLIC SAFETY - PROTECTION AND ENFORCEMENT:								
Public Safety	13,817	905,338	-	919,155	910,050	-	3,180	5,925
Law Enforcement	-	427,993	-	427,993	427,993	-	-	-
	<u>13,817</u>	<u>1,333,331</u>	<u>-</u>	<u>1,347,148</u>	<u>1,338,043</u>	<u>-</u>	<u>3,180</u>	<u>5,925</u>
CAPITAL OUTLAY								
Public Safety Equipment	-	367,200	-	367,200	367,200	-	-	-
Parks and Recreation	1,220	9,001	-	10,221	2,601	-	-	7,620
Highway - Roads	64,189	729,999	-	794,188	660,415	-	-	133,773
General Administration	13,694	15,600	-	29,294	11,719	-	3,881	13,694
Public Works	57,371	153,000	-	210,371	144,586	-	-	65,785
	<u>136,474</u>	<u>1,274,800</u>	<u>-</u>	<u>1,411,274</u>	<u>1,186,521</u>	<u>-</u>	<u>3,881</u>	<u>220,872</u>

TOWN OF STANDISH, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS (Continued)
YEAR ENDED JUNE 30, 2011

	<u>Appropriation Balances Forward</u>	<u>Appropriations</u>	<u>Transfers and Other Credits</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Appropriation Balances</u>		<u>Carried Forward</u>
						<u>Overdrawn</u>	<u>Lapsed Unexpended</u>	
PUBLIC WORKS:								
Highway	\$ 32,700	\$ 1,021,570	\$ -	\$ 1,054,270	\$ 1,005,651	\$ -	\$ -	\$ 48,619
Solid Waste Services	1,255	548,646	-	549,901	495,939	-	38,962	15,000
	<u>33,955</u>	<u>1,570,216</u>	<u>-</u>	<u>1,604,171</u>	<u>1,501,590</u>	<u>-</u>	<u>38,962</u>	<u>63,619</u>
COMMUNITY SERVICES AND HEALTH:								
General Assistance	-	131,599	-	131,599	97,040	-	34,559	-
Cable Television	870	52,805	-	53,675	49,359	-	4,316	-
Recreation	2,850	228,549	-	231,399	203,559	-	24,645	3,195
Libraries and Associations	-	15,420	-	15,420	14,798	-	622	-
Provider Agencies	-	7,450	-	7,450	7,450	-	-	-
	<u>3,720</u>	<u>435,823</u>	<u>-</u>	<u>439,543</u>	<u>372,206</u>	<u>-</u>	<u>64,142</u>	<u>3,195</u>
EDUCATION	<u>-</u>	<u>7,637,208</u>	<u>-</u>	<u>7,637,208</u>	<u>7,637,208</u>	<u>-</u>	<u>-</u>	<u>-</u>
FIXED CHARGES:								
Debt Service	-	737,882	-	737,882	733,356	-	4,526	-
County Tax	-	584,064	-	584,064	584,064	-	-	-
Overlay	-	31,577	-	31,577	17,964	-	13,613	-
	<u>-</u>	<u>1,353,523</u>	<u>-</u>	<u>1,353,523</u>	<u>1,335,384</u>	<u>-</u>	<u>18,139</u>	<u>-</u>
TOTAL	<u>\$ 239,132</u>	<u>\$ 15,354,192</u>	<u>\$ -</u>	<u>\$ 15,593,324</u>	<u>\$ 15,048,542</u>	<u>\$ 0</u>	<u>\$ 206,064</u>	<u>\$ 338,718</u>