

**TOWN OF OLD ORCHARD BEACH, MAINE**

**Annual Financial Report**

**For the year ended June 30, 2011**

**Prepared by:  
Jill M. Eastman  
Finance Director/Treasurer**

**TOWN OF OLD ORCHARD BEACH, MAINE**  
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**For the year ended June 30, 2011**

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**Table of Contents**

	<u>Statement</u>	<u>Page(s)</u>
Independent Auditor's Report		1-2
Management's Discussion and Analysis		3-14
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	1	15
Statement of Activities	2	16
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	6	20
Statement of Net Assets - Proprietary Fund	7	21
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Fund	8	22
Statement of Cash Flows - Proprietary Fund	9	23
Notes to Financial Statements		24-40
Required Supplementary Information		41
	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Statements:		
General Fund:		
Comparative Balance Sheet	A-1	45
Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	A-2	46-49
All Other Governmental Funds:		
Combining Balance Sheet	B-1	53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	54
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-2	58
Nonmajor Capital Projects Funds:		
Combining Balance Sheet	D-1	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	D-2	62
Cumulative Statement of Revenues and Expenditures	D-3	63

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Annual Financial Report**  
**For the year ended June 30, 2011**

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**Table of Contents, Continued**

	<u>Exhibit</u>	<u>Page</u>
Statement of Changes in Long-term Debt	E	67
Capital Assets Used in the Operation of Governmental Funds:		
By Source	F-1	71
By Function and Activity	F-2, F-3	72
	<u>Tables</u>	<u>Page</u>
Statistical Section:		
General Fund Revenues, Expenditures, and Changes in Fund Balances – GAAP Basis	1	75
Property Tax Levies and Collections	2	76
Assessed and Estimated Actual Value of Taxable Property	3	77
Property Tax Rates - All Overlapping Governments	4	78
Ratio of General Bonded Debt to Assessed Value and General Bonded Debt Per Capita	5	79
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures	6	80
Ten Largest Taxpayers	7	81



Certified Public Accountants and Business Consultants

### Independent Auditor's Report

Town Council  
Town of Old Orchard Beach, Maine

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Old Orchard Beach, Maine as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Town of Old Orchard Beach, Maine'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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

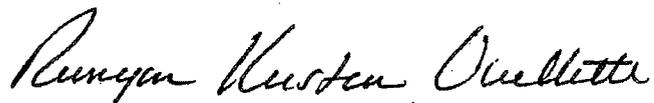
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Old Orchard Beach, Maine, as of June 30, 2011, and respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2011, on our consideration of the Town of Old Orchard Beach, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide 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 opinions on the financial statements that collectively comprise the Town of Old Orchard Beach, Maine's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting records 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



October 31, 2011  
South Portland, Maine

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2011**

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Our discussion and analysis of the Town of Old Orchard Beach's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the Town's financial statements and accompanying footnotes, which begin on page 15.

**FINANCIAL HIGHLIGHTS**

- Despite the nationwide financial downturn that has adversely affected the State of Maine and many municipalities in our area, the Town's financial results were strong and the outlook continues to be positive beyond the end of the fiscal year;
- General Fund Revenues and Transfers In were less than estimates by \$280,353;
- General Fund Expenditures and Transfers Out were more than budgeted by \$1,094,520;
- Changes to other items conforming to accounting principles generally accepted in the United States of America were positive;
- General Fund Surplus (Reduction) was (\$244,249) (budgetary basis).

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 15 and 16) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the Town as a Whole

*The Statement of Net Assets and the Statement of Activities*

Our analysis of the Town as a whole begins on page 15. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net 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 Town's net assets - the difference between assets and liabilities - as one way to measure the Town's financial position, or *financial health*. Over time, increases or decreases in the Town's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads and sewers, to assess the *overall health* of the Town. The most significant component of the reporting changes in these two statements is the inclusion of the value of the Town's capital assets (original cost less depreciation) along with the long-term debt that generally was used to purchase or construct these capital assets.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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Net Assets includes the effect of this and several other items while the more traditional approach (Statements 3 & 4) does not. The differences are explained at the bottom of Statement 3 and in the Reconciliation shown in Statement 5.

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

- **Governmental activities** – Most of the Town's basic services are reported here, including the police, fire/rescue, public works, sanitation, and recreation departments, planning and economic development, parks and recreation, and general administration. Property taxes, user fees, franchise fees, interest income, and state and federal grants finance most of these activities.
- **Business-type activities** – The Town owns the Ballpark facility, which is expected to be run like a business and to be self-supporting.

Reporting the Town's Most Significant Funds

*Fund Financial Statements*

Our analysis of the Town's major funds begins on page 17. The fund financial statements begin on page 45 and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State statute or by bond covenants. However, the Town establishes many other funds to help it control and manage money for particular purposes (like the Recreation programs) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the State Department of Education). 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 much 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 the reconciliation shown in Statement 5.
- **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. In fact, the Town's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provides more detail. The only proprietary fund the Town has is for the Ballpark facility.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**THE TOWN AS A WHOLE**

The Town is providing condensed financial information for fiscal year 2011 with comparative information for fiscal year 2010. The analysis below focuses on the net assets of the Town's Governmental and Business-type Activities.

	<b>Primary Government</b>	
	<b>2011 Total</b>	<b>2010 Total</b>
Current & other assets	\$ 9,791,063	13,385,640
Capital assets	17,597,910	14,808,058
Total assets	<u>27,388,973</u>	<u>28,193,698</u>
Long-term debt	12,446,553	14,184,488
Other liabilities	1,282,294	1,753,606
Total liabilities	<u>13,728,847</u>	<u>15,938,094</u>
Net assets:		
Invested in capital assets	8,378,369	7,646,351
Restricted	3,022,951	5,075,020
Unrestricted	2,258,808	(465,767)
Total net assets	<u>\$ 13,660,128</u>	<u>12,255,604</u>
Revenues		
Program revenues:		
Charges for services	\$ 1,804,415	1,858,208
Operating grants & contributions	102,996	99,811
Capital grants & contributions	120,819	102,059
General Revenues:		
Property taxes	19,961,399	19,341,270
Payments in lieu of taxes	25,016	26,155
Excise taxes	1,253,525	1,270,284
Interest and costs on taxes	122,642	100,720
Franchise fees	211,016	203,408
Homestead exemption	126,196	157,471
State revenue sharing	596,045	575,841
Other State & Federal aid	10,616	10,518
Investment earnings	20,662	104,417
Loss on disposal of assets	-	(8,421)
Miscellaneous revenues	50,654	38,687
Total revenues	<u>\$ 24,406,001</u>	<u>23,880,428</u>

**TOWN OF OLD ORCHARD BEACH, MAINE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

Program expenditures:		
General government	\$ 2,025,670	2,190,616
Public Safety	4,752,353	4,698,660
Public Works	1,986,440	2,108,662
Sanitation	1,972,926	1,885,014
Recreation, culture & agencies	776,253	799,999
Health & welfare	106,693	107,822
Education	9,399,388	9,555,828
County tax	777,785	753,529
Unclassified	81,483	486,401
Interest on debt	543,841	534,981
Capital outlays	561,512	891,949
Ballpark	17,134	20,805
Total expenditures	<u>23,001,478</u>	<u>24,034,266</u>
Change in net assets, positive or (negative)	<u>\$ 1,404,523</u>	<u>(153,838)</u>

**GOVERNMENTAL ACTIVITIES**

The cost of all Governmental Activities this year was \$23,001,478. Of that amount, those who directly benefited from the programs paid \$1,804,415 and subsidies for specific programs were received from other governments and organizations totaling \$102,996 in operating expenses and \$120,819 in capital expenses. General purpose grants, aid and earnings on investments brought in a further \$804,173. Taxpayers were asked to contribute \$21,573,598 through property and excise taxes, interest and costs on delinquent taxes, and franchise fees. The Town had total revenues of \$24,406,001 available to fund its Governmental Activities programs.

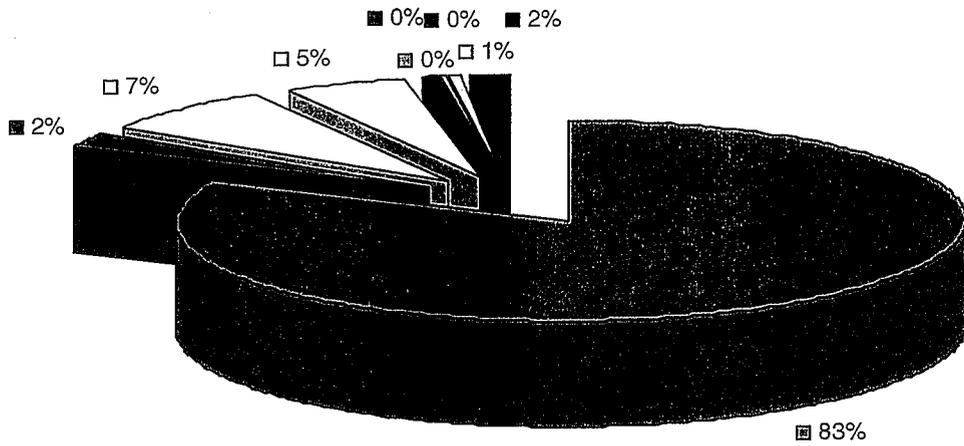
The Town's Governmental Activities programs are listed below with this year's net cost (total cost less revenues generated by the programs). Last year's net costs are shown for comparison purposes.

Governmental Activities:	<u>2011 Net (Expenses)</u>	<u>2010 Net (Expenses)</u>
General government	\$ (1,582,131)	(1,770,903)
Public safety	(3,935,017)	(4,006,158)
Public works	(1,915,453)	(2,037,332)
Sanitation	(1,812,446)	(1,482,599)
Recreation, culture & agencies	(355,383)	(455,468)
Health & welfare	(75,419)	(79341)
Education	(9,399,388)	(9,555,828)
County tax	(777,785)	(753,529)
Unclassified	(81,483)	(486,401)
Interest on debt	(543,841)	(534,981)
Capital outlays	(477,768)	(790,843)
Total governmental activities	<u>\$ (20,956,114)</u>	<u>(21,953,383)</u>

Total resources available during the year to finance governmental operations were \$36,340,159, consisting of Net Assets at July 1, 2010 of \$11,934,158, program revenues of \$2,028,230 and general revenues of \$22,377,771. The total cost of Governmental Activities and Business-type Activities during the year was \$23,025,861. Net Assets were increased by \$1,404,523 to \$13,660,127.

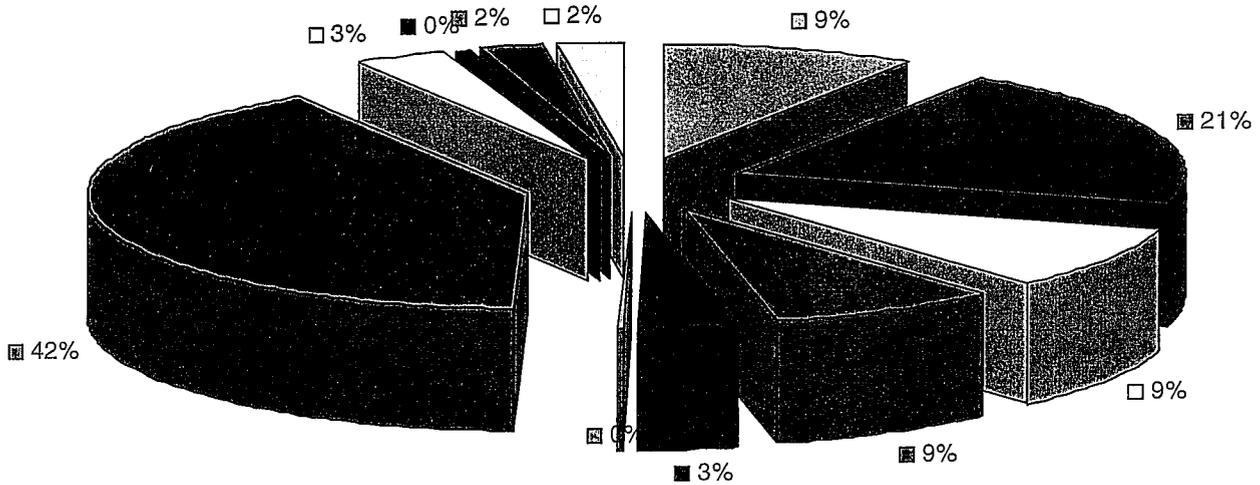
**TOWN OF OLD ORCHARD BEACH, MAINE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

**2011 Governmental Activities Revenue**



Property Taxes	State Revenue Sharing	Charges for Services
Excise Taxes	Operating grants & contributions	Capital grants & contributions
Investment Earnings	Homestead exemption	All other revenues

**2011 Governmental Program Expenditures**



General government	Public Safety	Public Works
Sanitation	Recreation, culture & agencies	Health & welfare
Education	County tax	Unclassified
Interest on debt	Capital outlays	

**TOWN OF OLD ORCHARD BEACH, MAINE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**BUSINESS-TYPE ACTIVITIES**

The only Proprietary (Business-type) Activity the Town has is the Ballpark Facility. The Facility was not leased during the fiscal year.

The expenses for the Facility were annual depreciation of capital assets of \$17,134. Compare this figure to \$20,805 for the same purpose in the prior fiscal year.

Net Assets for the Proprietary (Business-type) Activity decreased \$17,134, from \$321,446 to \$304,312.

**THE TOWN'S FUNDS**

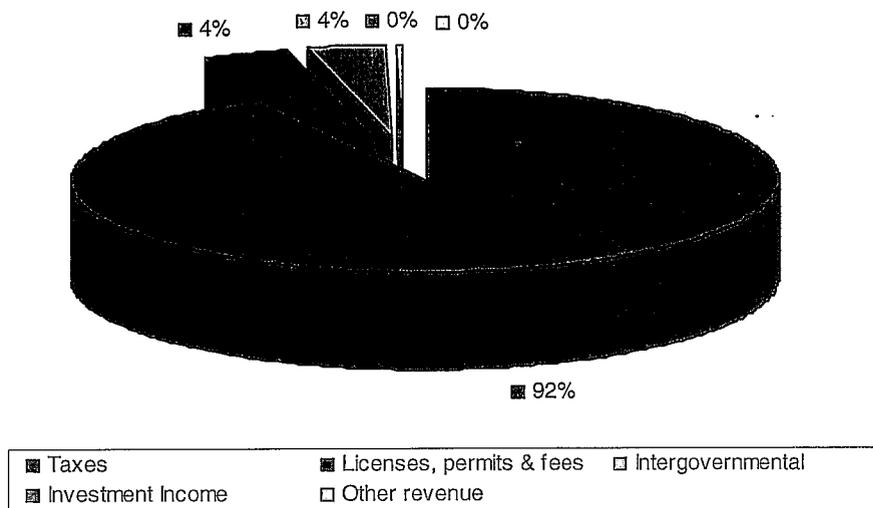
The following is an analysis of balances in the Town's major individual funds. Comparative information is provided for fiscal year 2011.

**GENERAL FUND**

Comparison of revenues of the General Fund for 2011 and 2010, respectively:

Revenues by source	2011	2010
Taxes	\$ 21,412,144	20,703,379
Licenses, permits & fees	920,275	1,165,597
Intergovernmental	835,118	843,641
Investment income	20,662	104,417
Other revenue	50,654	38,687
Total revenues	\$ 23,238,853	22,855,421

**2011 Revenues by Source**

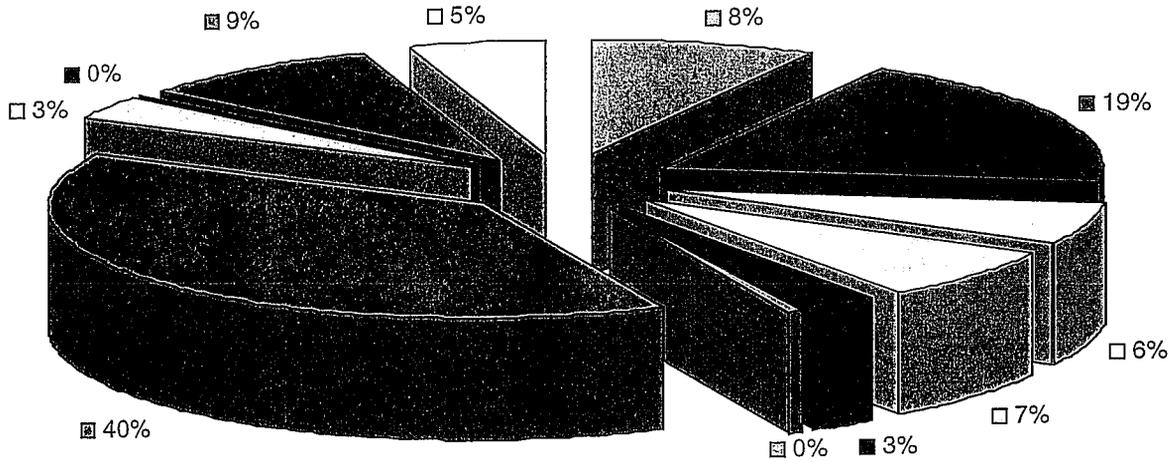


**TOWN OF OLD ORCHARD BEACH, MAINE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

Comparison of expenditures of the General Fund for 2011 and 2010, respectively:

Expenditures by function:	2011	2010
General government	\$ 1,964,273	2,023,867
Public safety	4,528,474	4,439,823
Public works	1,455,600	1,547,039
Sanitation	1,707,176	1,661,658
Recreation, culture & agencies	625,376	642,190
Health & welfare	106,693	107,822
Education	9,399,388	9,556,818
County tax	777,785	753,529
Unclassified	25,736	50,831
Debt service	2,154,389	2,127,481
Capital outlays	1,218,334	1,150,753
Total expenditures	<u>\$ 23,963,224</u>	<u>24,061,811</u>

**2011 Expenditures by Program**



■ General government	■ Public Safety	□ Public Works
□ Sanitation	■ Recreation, culture & agencies	■ Health & welfare
■ Education	□ County tax	■ Unclassified
■ Interest on debt	□ Capital outlays	

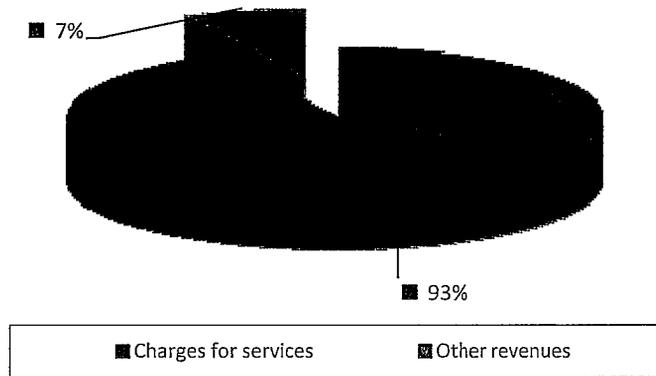
**TOWN OF OLD ORCHARD BEACH, MAINE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

RESCUE CALL FEES FUND

Comparison of revenues of the Rescue Call Fees Fund for 2011 and 2010, respectively:

Revenues by source:	<u>2011</u>	<u>2010</u>
Other revenues	\$ 34,556	-
Charges for services	<u>444,487</u>	<u>370,744</u>
Total revenues	<u>\$ 479,043</u>	<u>370,744</u>

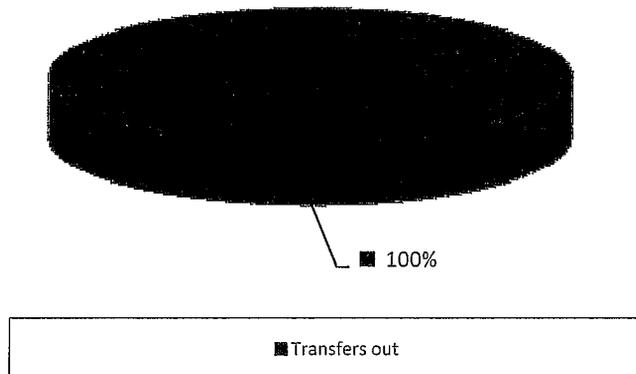
**2011 Revenues by Source**



Comparison of expenditures of the Rescue Call Fees Fund for 2011 and 2010, respectively:

Expenditures by function:	<u>2011</u>	<u>2010</u>
Public safety	\$ -	41,680
Transfers out	<u>519,000</u>	<u>325,000</u>
Total expenditures and transfers	<u>\$ 519,000</u>	<u>366,680</u>

**2011 Expenditures by Function**



**TOWN OF OLD ORCHARD BEACH, MAINE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**BALLPARK FUND**

The Town's only (and therefore major) Proprietary (Business-type) Fund is the Ballpark Fund. As its revenues, expenses, net assets and comparisons to the prior year were noted earlier, no further explanation is necessary.

**DEBT ADMINISTRATION**

Debt, considered a liability of Governmental Activities, decreased during fiscal year 2011 by \$1,595,000. Per capita debt decreased from \$1,500 to \$1,319 as a result of the payment of \$1,595,000 in annual General Obligation Bond principal.

The Governmental Activity debt summary for fiscal year 2011 is as follows:

Debt payable at June 30, 2010	\$	13,200,000
Less: debt retired		<u>1,595,000</u>
Debt payable at June 30, 2011	\$	11,605,000

The debt payable does not include capital leases of \$113,211, the long-term portion of compensated absences of \$620,342, the long-term accrual for landfill monitoring of \$108,000 or other post employment benefits of \$286,166.

**CAPITAL ASSETS**

The capital assets of the Town are those assets that are used in the performance of the Town's functions, including infrastructure assets (roads, sidewalks, sewers, etc.). At June 30, 2011, net capital assets of the Governmental Activities totaled \$17,272,359 and net capital assets of the Business-type Activities totaled \$325,549. Annual depreciation on capital assets is recognized in the Government-wide financial statements as an expense of the appropriate program in the Statement of Activities.

The Town has elected to use the Depreciation Method as defined by GASB Statement No. 34 for infrastructure reporting. Under this method, all capital assets except land are assigned an anticipated useful life and the initial cost of acquiring or constructing that asset is reduced each year by an amount equal to its cost divided by its years of useful life (depreciation). The depreciation is then treated as an expense in each year. Any capital improvements that renew the life of a capital asset are recorded in a similar fashion. For example, the replacement of a particular sewer line would trigger the following: (1) the historical cost of the replaced sewer line and its accumulated depreciation would be removed from the listing of capital assets, and (2) the cost of the new sewer line would be recorded in the listing of capital assets and assigned a useful life to begin its depreciation cycle. Capital improvement projects that significantly extend the useful life of a capital asset but fall short of a full replacement are recorded by adding the cost of the improvements to the remaining depreciated cost of the original asset and applying the revised useful life to depreciate from that point on.

Use of depreciation for capital assets forces the Town to recognize that there is still a cost associated with the aging of infrastructure even if no cash is spent on its improvement. The Town is continuously taking actions to arrest the deterioration of its infrastructure. These actions do not extend the useful life of the infrastructure, are considered to be maintenance, and are recorded as current year expenditures only.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**BUDGETS AND BUDGETARY ACCOUNTING**

Comparing the fiscal year 2011 original (adopted) General Fund budget to the final (amended) budget on Statement 6 shows that there was an increase in the adopted budget for capital outlays for the fiscal year.

The Town does not use "carry forward" or "encumbrance" budgeting to account for prior year items not spent by year-end. Instead, the Town Council is asked to appropriate these particular amounts as items in Capital Outlay for ease in tracking and recording. Therefore, other additions to adopted budget amounts are rare and occur generally for extraordinary items needing attention during the year.

Comparing the fiscal year 2011 actual results to the final budget shows that there was a negative variance for revenues and a positive variance for expenditures. Management's policy has been to estimate revenues conservatively but realistically, based on historical amounts and trends and on future economic forecasts. This approach has resulted in small amounts of extra revenue each year in the recent past. This year due to a reduction in interest rates and state revenues we had a negative variance in revenues.

Two areas of expenditure went beyond their amended budget amounts. Education exceeded their budget due to the inadvertent omission of the Adult Education subsidy in the Education budget and General Assistance due to the increased number of requests for financial help, due to the downturn in the economy. It is Management's practice not to make budget amendments simply to cover unavoidable shortfalls in Department allocations, but rather to let these negative variances show into the future in order to highlight items that deserve closer scrutiny during the budget process. The basic philosophy of managing budgeted expenditures is to require the Department Head to monitor spending levels, to inform Management of anticipated problems and to hold down discretionary spending as much as possible while maintaining public services at an acceptable level. Management reports anticipated problems to the Town Council as they are identified.

Under other financing sources and uses, actual amounts for transfers in and out are funds transferred from Rescue Billing and Special Dog Fund to help fund public safety equipment and operations. The utilization of prior year fund balance amount shown in the budget columns is an offset to the amounts shown as budgeted expenditures from assigned and unassigned fund balance within capital outlays. The budgetary figures for these expenditures are listed and then reversed as they are not part of the budget adoption process but rather are authorized by the Town Council as separate appropriations from either assigned or unassigned fund balance.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**THE CLIMATE, THE PAST AND THE FUTURE**

The Town is not dependent on an industrial tax base to fund its property tax levies. As a major summer vacation resort destination, the Town attracts businesses that are primarily seasonal. Management is exploring avenues to create more of a year-round appeal for tourism. Over the last two decades, there has been a marked increase in the number of seasonal residences being converted to year-round use by retirees and by commuters to the Portland area, New Hampshire and even to Massachusetts. New construction has emphasized more upscale properties, whether as primary or secondary residences.

While all of the states and many of the major municipalities in the nation have been experiencing economic conditions that have severely affected their revenue streams, the Town has seen that same strain. Several years of good financial management, conservative budgeting and watchful spending have brought increasing fund balances. In November 2006, Standard & Poor's upgraded its rating of the Town's outstanding bonded debt from A- to A, stating "The rating upgrade reflects strong reserves supported by well-thought-out fiscal policies, evidence of continued economic growth and a moderate debt burden with limited capital needs." This event is a significant achievement for Management.

*Fund Balance*

Town Council policy requires an Unassigned Fund Balance level at least equal to 12% of the current year's General Fund operating budget. This represents approximately one and a half months' worth of expenditures. Historically, available amounts above the 12% level have been used to fund capital projects or to hold when indications of economic downturn are seen, as a safeguard against falling revenues. The amounts of Unassigned Fund Balance and the excess above the 12% level for the last ten years are as follows:

<u>Year</u>	<u>Unassigned F.B.</u>	<u>Excess Amt.</u>
2002	2,621,161	320,489
2003	2,891,132	545,716
2004	4,355,690	1,826,671
2005	4,954,874	2,277,667
2006	4,988,706	2,259,878
2007	4,949,578	2,097,414
2008	4,964,498	2,057,162
2009	5,379,907	2,368,530
2010	4,611,394	1,600,017
2011	4,358,693	1,346,738

*Next Year Budget*

The Town Council approved a budget for fiscal year 2012 of \$23,990,795 a 2.2% decrease over 2011's budget. Total property tax revenue to be raised was \$19,987,195, a 0.003% increase from the previous year. The tax rate remained the same at 13.40 mils. This allowed the Town to reduce the use of the available excess Fund Balance to \$400,000 as compared to \$1,058,416 for FY 2011.

**TOWN OF OLD ORCHARD BEACH, MAINE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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*Further Historical Comparisons*

The reader is strongly encouraged to study Tables 1-7 at the end of the Financial Statements to view 10-year comparisons of relevant data.

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Town's citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need any additional financial information, contact the Finance Office at 1 Portland Avenue, Old Orchard Beach, ME 04064, phone 207-934-5714 ext. 222, or email [finance@oobmaine.com](mailto:finance@oobmaine.com).

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Statement of Net Assets**  
**June 30, 2011**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,392,844	-	4,392,844
Investments	3,383,517	-	3,383,517
Receivables:			
Taxes receivable	997,925	-	997,925
Tax liens	630,347	-	630,347
Accounts receivable	337,096	-	337,096
Prepaid items	3,891	-	3,891
Inventory	45,443	-	45,443
Internal balances	21,237	(21,237)	-
Nondepreciable capital assets	635,404	-	635,404
Capital assets, net	16,636,957	325,549	16,962,506
Total assets	27,084,661	304,312	27,388,973
<b>LIABILITIES</b>			
Accounts payable and payroll withholdings	343,842	-	343,842
Accrued expenses	211,091	-	211,091
Refundable deposits	142,328	-	142,328
Due to Regional School Unit #23	357,806	-	357,806
Other postemployment benefits liability	227,227	-	227,227
Noncurrent liabilities:			
Due within one year	1,810,390	-	1,810,390
Due in more than one year	10,636,163	-	10,636,163
Total liabilities	13,728,847	-	13,728,847
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	8,052,820	325,549	8,378,369
Restricted	3,022,951	-	3,022,951
Unrestricted	2,280,044	(21,237)	2,258,808
Total net assets	\$ 13,355,815	304,312	13,660,128

*See accompanying notes to financial statements.*

TOWN OF OLD ORCHARD BEACH, MAINE  
Statement of Activities  
For the Year Ended June 30, 2011

Functions/programs	Net (expense) revenue and changes in net assets					
	Expenses	Program Revenues		Primary Government		Total
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	
<b>Primary government:</b>						
<b>Governmental activities:</b>						
General government	\$ 2,025,670	443,539	-	-	(1,582,131)	(1,582,131)
Public safety	4,752,353	782,780	-	34,556	(3,935,017)	(3,935,017)
Public works	1,986,440	-	70,987	-	(1,915,453)	(1,915,453)
Sanitation	1,972,926	160,480	-	-	(1,812,446)	(1,812,446)
Recreation, culture and agencies	776,253	417,616	735	2,519	(355,383)	(355,383)
Health and welfare	106,693	-	31,274	-	(75,419)	(75,419)
Education	9,399,388	-	-	-	(9,399,388)	(9,399,388)
County tax	777,785	-	-	-	(777,785)	(777,785)
Unclassified	81,483	-	-	-	(81,483)	(81,483)
Interest on debt	543,841	-	-	-	(543,841)	(543,841)
Capital outlays	561,512	-	-	83,744	(477,768)	(477,768)
<b>Total governmental activities</b>	<b>22,984,344</b>	<b>1,804,415</b>	<b>102,996</b>	<b>120,819</b>	<b>(20,956,114)</b>	<b>(20,956,114)</b>
<b>Business-type activities:</b>						
Ballpark	17,134	-	-	-	(17,134)	(17,134)
<b>Total business-type activities</b>	<b>17,134</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,134)</b>	<b>(17,134)</b>
<b>Total primary government</b>	<b>\$ 23,001,478</b>	<b>1,804,415</b>	<b>102,996</b>	<b>120,819</b>	<b>(20,956,114)</b>	<b>(20,973,248)</b>
General revenues:						
Property taxes, levied for general purposes					\$ 19,961,399	19,961,399
Payment in lieu of taxes					25,016	25,016
Excise taxes					1,253,525	1,253,525
Interest and costs on taxes					122,642	122,642
Franchise fees					211,016	211,016
Grants and contributions not restricted to specific programs:						
Homestead exemption					126,196	126,196
Other State and Federal aid					10,616	10,616
State Revenue Sharing					596,045	596,045
Unrestricted investment earnings					20,662	20,662
Miscellaneous revenues					50,654	50,654
<b>Total general revenues</b>					<b>22,377,771</b>	<b>22,377,771</b>
Change in net assets					1,421,657	1,404,523
Net assets - beginning					11,934,158	12,255,604
<b>Net assets - ending</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>13,355,815</b>	<b>13,660,127</b>

See accompanying notes to financial statements.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

	General	Rescue Call Fees	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Assets:				
Cash and cash equivalents	\$ 4,392,844	-	-	4,392,844
Investments	3,383,517	-	-	3,383,517
Receivables:				
Taxes receivable	997,925	-	-	997,925
Tax liens	630,347	-	-	630,347
Accounts receivable	184,886	152,210	-	337,096
Prepaid items	3,891	-	-	3,891
Inventory	45,443	-	-	45,443
Interfund loans receivable	-	51,590	3,380,236	3,431,826
<b>Total assets</b>	<b>\$ 9,638,853</b>	<b>203,800</b>	<b>3,380,236</b>	<b>13,222,889</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and payroll withholdings	300,171	176	43,495	343,842
Accrued wages	100,284	-	-	100,284
Interfund loans payable	2,912,757	-	497,831	3,410,588
Due to RSU #23	357,806	-	-	357,806
Deferred tax revenue	1,398,377	-	-	1,398,377
Refundable deposits	142,328	-	-	142,328
<b>Total liabilities</b>	<b>5,211,723</b>	<b>176</b>	<b>541,326</b>	<b>5,753,225</b>
Fund balances:				
Nonspendable	45,443	-	-	45,443
Restricted	-	-	3,022,951	3,022,951
Assigned	22,994	203,624	319,977	546,595
Unassigned	4,358,693	-	(504,018)	3,854,675
<b>Total fund balances</b>	<b>4,427,130</b>	<b>203,624</b>	<b>2,838,910</b>	<b>7,469,664</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,638,853</b>	<b>203,800</b>	<b>3,380,236</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	17,272,361
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,398,377
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	
General obligation bonds	11,605,000
Capital leases	113,211
Landfill closure	108,000
Other postemployment benefits liability	227,227
Accrued vacation and sick leave	620,342
Accrued interest	110,807
	(12,784,587)

**Net assets of governmental activities** **\$ 13,355,815**

*See accompanying notes to financial statements.*

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2011**

	General	Rescue Call Fees	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 21,412,144	-	-	21,412,144
Licenses, permits and fees	920,275	-	127,267	1,047,542
Intergovernmental	835,118	-	83,744	918,862
Charges for services	-	444,487	-	444,487
Program income	-	-	228,646	228,646
Investment income	20,662	-	-	20,662
Other revenues	50,654	34,556	86,994	172,204
Total revenues	23,238,853	479,043	526,651	24,244,547
Expenditures:				
Current:				
General government	1,964,273	-	-	1,964,273
Public safety	4,528,474	-	-	4,528,474
Public works	1,455,600	-	-	1,455,600
Sanitation	1,707,176	-	-	1,707,176
Recreation, culture and agencies	625,376	-	162,077	787,453
Health and welfare	106,693	-	-	106,693
Education	9,399,388	-	-	9,399,388
Intergovernmental - County tax	777,785	-	-	777,785
Unclassified	25,736	-	143,835	169,571
Debt service	2,154,389	-	-	2,154,389
Capital outlays	1,218,334	-	3,278,902	4,497,236
Total expenditures	23,963,224	-	3,584,814	27,548,038
Excess (deficiency) of revenues over (under) expenditures	(724,371)	479,043	(3,058,163)	(3,303,491)
Other financing sources (uses):				
Transfers - in	522,000	-	25,000	547,000
Transfers - out	(25,000)	(519,000)	(3,000)	(547,000)
Proceeds from general obligation bonds	-	-	1,200,000	1,200,000
Total other financing sources (uses)	497,000	(519,000)	1,222,000	1,200,000
Net change in fund balances	(227,371)	(39,957)	(1,836,163)	(2,103,491)
Fund balances, beginning of year	4,654,501	243,581	4,675,073	9,573,155
<b>Fund balances, end of year</b>	<b>\$ 4,427,130</b>	<b>203,624</b>	<b>2,838,910</b>	<b>7,469,664</b>

*See accompanying notes to financial statements.*

**TOWN OF OLD ORCHARD BEACH, 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 4) \$ (2,103,491)

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. More specifically, this is the amount by which capital outlays exceeded depreciation expense in the current period. 2,806,986

Statement 4 Capital outlays	4,497,236	
Statement 2 Capital outlays	561,512	
Variance	3,935,724	
Less: depreciation	1,128,738	
To reconciliation	2,806,986	

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. More specifically, this amount represents the change in deferred property taxes. 161,454

Bond and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. More specifically, this represents the net amount of principal increases (decreases) in debt service during the year. 443,847

New debt incurred	-	
Change in cash held in escrow	1,200,000	
Lease payments	(48,847)	
Retired debt	(1,595,000)	
Net debt service	(443,847)	

Long-term debt accrues interest between payments that is a liability in the statement of net assets. However, this accrual is not recorded in the governmental funds as a current liability. More specifically, this represents the change in the amount of accrued interest on long-term debt. 15,548

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. More specifically, this represents the change in all non-debt long-term liabilities. 97,313

Change in landfill reserve	6,000	
Other postemployment benefits	3,225	
Change in long-term accrued vacation and sick	88,088	
To reconciliation	97,313	

**Change in net assets of governmental activities (see Statement 2) \$ 1,421,657**

*See accompanying notes to financial statements.*

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2011**

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 21,554,106	21,554,106	21,412,144	(141,962)
Licenses, permits and fees	909,100	909,100	920,275	11,175
Intergovernmental	936,000	936,000	835,118	(100,882)
Investment income	100,000	100,000	20,662	(79,338)
Other revenue:				
Municipal	20,000	20,000	50,654	30,654
Total revenues	23,519,206	23,519,206	23,238,853	(280,353)
Expenditures:				
Current:				
General government	2,051,095	2,068,205	1,961,463	106,742
Public works	1,546,329	1,546,329	1,460,841	85,488
Sanitation	1,739,670	1,739,670	1,708,383	31,287
Public safety	4,537,640	4,538,001	4,530,704	7,297
Recreation, culture and agencies	629,849	629,849	626,326	3,523
Health and welfare	102,990	102,990	106,693	(3,703)
Education	9,303,600	9,303,600	9,399,388	(95,788)
Intergovernmental	777,785	777,785	777,785	-
Other expenditures	100,000	100,000	25,736	74,264
Debt service	2,314,495	2,314,495	2,154,389	160,106
Capital outlays	1,437,753	1,978,698	1,228,394	750,304
Total expenditures	24,541,206	25,099,622	23,980,102	1,119,520
Excess (deficiency) of revenues over (under) expenditures	(1,022,000)	(1,580,416)	(741,249)	839,167
Other financing sources (uses):				
Transfers - in	522,000	522,000	522,000	-
Transfers - out	-	-	(25,000)	(25,000)
Utilization of prior year fund balance	500,000	1,058,416	-	(1,058,416)
Total other financing sources (uses)	1,022,000	1,580,416	497,000	(1,083,416)
Net change in fund balance - budgetary basis	-	-	(244,249)	(244,249)
Reconciliation to GAAP:				
Less: Prior year encumbrances			(6,116)	
Add: Current year encumbrances			22,994	
Fund balance, beginning of year			4,654,501	
<b>Fund balance, end of year</b>	<b>\$</b>		<b>4,427,130</b>	

*See accompanying notes to financial statements.*

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Proprietary Fund - Ballpark Facility**  
**Statement of Net Assets**  
**June 30, 2011**

**Business-type Activities - Enterprise Funds**

**ASSETS**

Noncurrent assets:

Capital assets	\$	993,250
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Accumulated depreciation		(667,701)
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Total noncurrent assets		325,549
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Total assets		325,549
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**LIABILITIES**

Interfund loans payable		21,237
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Total liabilities		21,237
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**NET ASSETS**

Invested in capital assets, net of related debt		325,549
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Unrestricted		(21,237)
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Total net assets	\$	<b>304,312</b>
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*See accompanying notes to financial statements.*

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Proprietary Fund - Ballpark Facility**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Year Ended June 30, 2011**

<b>Business-type Activities - Enterprise Funds</b>		
Operating revenues:		
Other revenues	\$	-
Total operating revenues		-
Operating expenses:		
Maintenance		-
Depreciation		17,134
Total operating expenses		17,134
Operating loss		(17,134)
Nonoperating revenues (expenses):		
Interest expense		-
Total nonoperating expense		-
Change in net assets		(17,134)
Net assets, beginning of year		321,446
<b>Net assets, end of year</b>	<b>\$</b>	<b>304,312</b>

*See accompanying notes to financial statements.*

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Proprietary Fund - Ballpark Facility**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2011**

**Business-type Activities - Enterprise Funds**

Cash flows from operating activities:		
Cash received from donation	\$	-
Net cash provided by (used in) operating activities		-
Cash flows from noncapital financing activities:		
Interfund transactions with General Fund		-
Net cash used in noncapital financing activities		-
Cash flows from capital and related financing activities:		
Principal paid on capital debt		-
Interest paid on capital debt		-
Net cash used in capital and related financing activities		-
Net decrease in cash		-
Cash, beginning of year		-
<b>Cash, end of year</b>	<b>\$</b>	<b>-</b>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss		(17,134)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense		17,134
Changes in operating assets and liabilities:		
Accounts payable		-
Net cash provided by (used in) operating activities	\$	-

*See accompanying notes to financial statements.*

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements**

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**THE REPORTING ENTITY AND ITS SERVICES**

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The Town of Old Orchard Beach, Maine was incorporated in 1883 and is located in southeastern Maine, 12 miles south of Portland. A popular summer resort with 7 miles of sandy beaches, the Town encompasses 7.8 square miles. It's year round population of approximately 8,800 expands to 100,000 during the summer. The Town has operated under a Council-Manager form of government since 1950.

The Town provides the full range of municipal services contemplated by State statutes. These include public safety, public works, sanitation, health and welfare services, parks and recreation, education, planning, zoning and general administrative services.

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by accounting principles generally accepted in the United States of America. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based on the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

**Libby Memorial Library** - The Library provides library services and is not considered to be a component unit because it is a separate legal organization whose board is not controlled by officials of the Town. The only activity that flows through the Town's financial records is the Town's yearly appropriation to the Library. All other financial activity of the Libby Memorial Library has not been reported in the Town's financial statements.

**Biddeford-Saco-Old Orchard Beach Transit Committee** - The Town is a member of the Biddeford-Saco-Old Orchard Beach Transit Committee, which is a jointly governed organization. The Committee operates a public mass transit passenger bus service within and between the three municipalities under a voluntary interlocal agreement. The Town of Old Orchard Beach's contribution to the committee for the year ended June 30, 2011 was \$80,000. The Transit Committee does not meet the definition of a component unit or a joint venture because there is no ongoing financial interest or responsibility by the participating governments.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**A. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town.

For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property taxes and one year for all other revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Rescue Call Fees Fund is established to account for revenues derived from the billings of fees for rescue calls, which are earmarked by Council action to provide for the purchase of Public Safety vehicles.

The Town reports the following major proprietary fund:

The Ballpark Fund accounts for the ownership and expenses of a leased sports facility.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Town has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Town's proprietary fund is lease payments by the lessee of the facility, however, the facility is not currently rented; operating expenses consist solely of depreciation and maintenance on capital assets at this time. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Investments**

Investments are stated at fair value, unless otherwise indicated.

**D. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of three years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government is depreciated using the straight-line method over the assets' estimated useful lives ranging from 3 to 60 years.

For the business-type fund, an estimated useful life of 40 years is used to compute depreciation.

The Town performed an inventory of all other capital assets and conducted a survey of all infrastructure assets for fiscal year 2003 and completes an internal update annually. This process determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways: 1) historical records; 2) standard unit costs appropriate for the construction/acquisition date; or 3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each capital asset. The book value was then computed by deducting the accumulated depreciation from the original cost.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**E. Vacation and Sick Leave**

Under the terms of personnel policies and a union contract, vacation and sick leave are granted in varying amounts according to length of service. In some cases, employees are entitled to payment for unused vacation and a percentage of sick leave upon termination or retirement. The Town accrues accumulated vacation leave and vested sick leave. In the fund financial statements, no amount is recorded unless the amount is to be paid out shortly after year-end. The full liability is recorded in the government-wide statements.

**F. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as bond issuance costs if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. 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 sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**G. Inventory**

Inventory consists of vehicle fuel and trash bags and is recorded at the lower of cost or market on the first-in, first-out basis.

**H. Interfund Transactions**

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets and service debt. These transactions are reported as transfers.

**I. Fund Balances**

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

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

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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- *Unassigned* – resources which have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is used during the year by the Town. All encumbrances lapse at year end except those authorized to be carried forward. These amounts are reported as assigned fund balance. The voters at the Town budget meeting have the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments.

When both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the government's practice to use committed or assigned resources first, and then unassigned resources as they are needed.

**J. Use of Estimates**

Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**K. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriations, is employed in the governmental funds. Encumbrances do not constitute expenditures or liabilities, except that they are included as expenditures for budgetary purposes (Statement 6).

**L. Comparative Data/Reclassifications**

Comparative data for the prior year have been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

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**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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**A. Budgetary Information**

A budget is formally adopted for the General Fund each year through the passage of the Town budget and is prepared on a basis consistent with generally accepted accounting principles with the exception of encumbrances which are treated as expenditures for budgetary purposes. The Town's other funds do not have legally adopted budgets but have adopted budgets through formal authorizations by the Town Council or School Committee and through grant agreements.

In the General Fund, the level of control (level at which expenditures may not exceed budget) is the Department. The gross appropriation for each department shall not be exceeded except by consent of the Town Council. The Town Council may, by resolution, transfer an unencumbered appropriation balance or portion thereof including surplus between the general accounts.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED**

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**B. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2011, expenditures exceeded appropriations in the following department/categories:

Legal	\$ 3,218
Tax collector	269
Code enforcement	15,393
Miscellaneous	100
Insurances	4,790
Solid waste	26,100
Parking enforcement	5,165
Communications	82,893
Lifeguards	6,573
Fire/rescue	41,193
Conservation	945
General assistance	3,703

**C. Deficit Fund Balance**

The Recreation Fund deficit of \$15,192 is due to the timing of purchases for the Summer Playground Program and will be repaid from program revenues collected next year. The CDBG Grant Fund has a deficit of \$4,156 and will be funded by future grants or a transfer from the General Fund. The Ocean/Seaview Sewer has a deficit of \$484,670 that will be repaid with future bond proceeds. These obligations are accounted for as an interfund liability in the Recreation Fund, the CDBG Grant Fund, and the Ocean/Seaview Sewer, and an interfund asset in the General Fund.

**D. Ballpark Update**

On April 15, 2001, the Town entered into a lease with Seacoast Sports, LLC for the Ballpark. The lease was renewed in 2002 and 2003. In 2006, a master plan was developed for the development of the ballpark. A volunteer group known as the Ballpark Committee has begun work on the ballpark. New sod has been laid and repairs and improvements to some of the buildings have been made. They have also done fund raising to help pay for these improvements. Beginning in June 2011, the Lowell All American franchise of the New England Collegiate Baseball League relocated its league to the Ballpark. Under the agreement, the league paid the Ballpark a payment of \$10,000 in exchange for 25 scheduled games.

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**DEPOSITS AND INVESTMENTS**

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The Town's policy is to invest all available funds at the highest possible rates, in conformance with legal and administrative guidelines, while avoiding unreasonable risk. The funds are invested in liquid investments with maturities planned to coincide with the Town's cash needs during the year.

**A. Deposits**

*Custodial Credit Risk-Town Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. Town policy is that deposits can only be made in financial institutions insured by the FDIC and that funds over the \$250,000 insurance limit be collateralized or placed in other financial institutions.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

**DEPOSITS AND INVESTMENTS, CONTINUED**

At year end, the carrying amount of the Town's deposits was \$4,392,844 and the bank balance was \$4,610,880, of which \$361,052 was covered by Federal Depository Insurance or collateral securities.

Deposits have been reported as follows:

<u>Reported in governmental funds</u>	<u>\$ 4,392,844</u>
<b><u>Total deposits</u></b>	<b><u>\$ 4,392,844</u></b>

**B. Investments**

*Credit Risk:* Maine statutes authorize the Town to invest in obligations of the U. S. Treasury and U. S. agencies, repurchase agreements and certain corporate stocks and bonds. Generally, the Town invests such excess funds in a government money market mutual fund accounts and certificates of deposits.

At June 30, 2011, the Town reported investments with the following maturities:

	Fair <u>value</u>	Less than <u>1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	More than <u>10 years</u>
Money funds/sweep options	\$ 2,663,517	2,663,517	-	-	-
Certificate of deposits	720,000	720,000	-	-	-
<b><u>Total investments</u></b>	<b><u>\$ 3,383,517</u></b>	<b><u>3,383,517</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

Investments have been reported as follows:

<u>Reported in the general fund</u>	<u>\$ 3,383,517</u>
<b><u>Total deposits</u></b>	<b><u>\$ 3,383,517</u></b>

*Custodial credit risk- investments* – For investments, this is the risk that in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town currently does not have an investment policy for custodial credit risk. Of the Town's \$2,663,517 investment in money funds/sweep options, \$2,319,336 was exposed to custodial credit risk because it was uninsured and uncollateralized. Of the Town's \$720,000 in certificates of deposits, \$720,000 was insured by the FDIC.

*Interest rate risk* – The Town does not have a deposit policy for interest rate risk.

**PROPERTY TAX**

Property taxes for the current year were committed on July 20, 2010 on the assessed value listed as of April 1, 2010 for all real and personal property located in the Town. All real property taxes were due in two installments, 50% on September 7, 2010 and 50% on March 4, 2011. All personal property taxes were due in full on September 7, 2010. Interest at the rate of 7% per annum was charged on any amounts remaining unpaid after these respective due dates. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value. The assessed value was 100% of the estimated market value and 97.4% of the 2011 state valuation of \$1,531,150,000.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

**PROPERTY TAX, CONTINUED**

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$182,977 for the year ended June 30, 2011.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

The following summarizes the 2011 and 2010 levies:

	<u>2011</u>	<u>2010</u>
Valuation:		
Land	\$ 533,116,200	533,580,400
Buildings	988,168,600	976,917,540
Personal property	26,354,500	25,890,720
Less - Exemptions and tax-exempt property	(56,229,800)	(57,869,400)
<b>Total assessed valuation</b>	<b>\$ 1,491,409,500</b>	<b>1,478,519,260</b>
Total assessed valuation	1,491,409,500	1,478,519,260
<u>Tax rate (per \$1,000)</u>	<u>13.40</u>	<u>12.94</u>
Commitment	19,984,887	19,132,039
<u>Supplemental taxes assessed</u>	<u>2,688</u>	<u>19,861</u>
	19,987,575	19,151,900
<u>Less - collections and abatements</u>	<u>19,277,170</u>	<u>18,452,763</u>
<b>Receivable at end of year</b>	<b>\$ 710,405</b>	<b>699,137</b>
Consisting of:		
Taxes	\$ 710,405	699,137
Liens	-	-
<b>Receivable at end of year</b>	<b>\$ 710,405</b>	<b>699,137</b>
Collection rate	96.45%	96.35%

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

**CAPITAL ASSETS**

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

	Balance June 30, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2011</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,604,547	-	1,604,547	-
Land	635,404	-	-	635,404
Total capital assets, not being depreciated	2,239,951	-	1,604,547	635,404
Capital assets, being depreciated:				
Buildings and improvements	5,887,074	2,226,985	-	8,114,059
Equipment, furniture and fixtures	3,318,270	255,871	-	3,574,141
Vehicles	4,867,554	202,244	12,221	5,057,577
Infrastructure	18,188,372	2,855,169	-	21,043,541
Total capital assets being depreciated	32,261,270	5,540,269	12,221	37,789,318
Less accumulated depreciation for:				
Buildings and improvements	2,777,496	145,025	-	2,922,521
Equipment, furniture and fixtures	2,123,091	172,027	-	2,295,118
Vehicles	2,984,453	353,062	12,221	3,325,294
Infrastructure	12,150,807	458,624	-	12,609,431
Total accumulated depreciation	20,035,846	1,128,738	12,221	21,152,363
Total capital assets being depreciated, net	12,225,424	4,411,531	-	16,636,955
<b>Governmental activities capital assets, net</b>	<b>\$ 14,465,375</b>	<b>4,411,531</b>	<b>1,604,547</b>	<b>17,272,359</b>

**Business-type activities:**

Capital assets, being depreciated:				
Buildings and improvements	\$ 993,250	-	-	993,250
Less accumulated depreciation for:				
Buildings and improvements	650,567	17,134	-	667,701
Total capital assets being depreciated, net	342,683	(17,134)	-	325,549
<b>Business-type activities capital assets, net</b>	<b>\$ 342,683</b>	<b>(17,134)</b>	<b>-</b>	<b>325,549</b>

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

<b>Governmental activities:</b>	
General government	\$ 64,622
Public safety	223,879
Public works, including depreciation of general infrastructure assets	568,487
Sanitation	271,750
<b>Total depreciation expense – governmental activities</b>	<b>\$ 1,128,738</b>
<b>Business-type activities:</b>	
Ballpark Fund	17,134
<b>Total depreciation expense - business activities</b>	<b>\$ 17,134</b>

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

**PENSION PLANS**

**Maine Public Employees Retirement System (Maine PERS) - Consolidated Plan**

**Description of the Plan** - The Town contributes to the Maine Public Employees Retirement System Consolidated Plan, a cost sharing multiple-employer retirement system established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits rests with the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800. The Town Council has authorized the Town to rejoin the Maine Public Employees Retirement System as a full member effective July 1, 2003.

**Funding Policy** - All plan members are required to contribute 6.5% of their annual covered salary and the Town is required to contribute an actuarially determined rate. The rate for the year ended June 30, 2011 and 2010 was 3.5% and 2.8% respectively, of covered payroll for the regular plan, 5% and 4% of covered payroll for the 2C special plan which covers firefighters, 8.1% and 6.5% of covered payroll for the 1C special plan which covers police officers hired before October 12, 1992 and 8.1% and 6.8% for the 3C special plan which covers police officers hired on or after October 12, 1992. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employees Retirement System Board of Trustees. The Town's contributions to the Maine Public Employees Retirement System Consolidated Plan for the year ended June 30, 2011 and 2010 were \$165,041 and \$129,616, respectively.

**Deferred Compensation Plan**

The Town offers all its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

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

**LONG-TERM DEBT**

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

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

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$ 12,060,000	-	1,535,000	10,525,000	1,705,000
Sewer Revolving Loan	1,140,000	-	60,000	1,080,000	60,000
Capital leases	162,058	-	48,847	113,211	39,390
Landfill closure	114,000	-	6,000	108,000	6,000
Accrued vacation and sick	708,430	-	88,088	620,342	-
<u>Other post employment benefits</u>	<u>230,452</u>	<u>60,513</u>	<u>63,738</u>	<u>227,227</u>	<u>-</u>
<b>Governmental activities long-term liabilities</b>	<b>\$ 14,414,940</b>	<b>60,513</b>	<b>1,801,673</b>	<b>12,673,780</b>	<b>1,810,390</b>

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

**LONG-TERM DEBT, CONTINUED**

Long-term debt payable at June 30, 2011 is comprised of the following:

	Original amount <u>issued</u>	Interest <u>rate</u>	Final maturity <u>date</u>	Balance end of <u>year</u>
Governmental activities:				
1998 General obligation refunding bond	5,975,000	4.15 – 5.20%	2018	1,500,000
2003 General obligation refund bond	7,520,000	2.00 – 4.5%	2023	2,835,000
2009 General obligation bond	4,100,000	4.965%	2028	3,690,000
2009 Sewer Revolving Loan Fund (1)	1,200,000	1.9%	2028	1,080,000
<u>2010 General obligation bond</u>	<u>2,500,000</u>	<u>3.405%</u>	<u>2030</u>	<u>2,500,000</u>
<b><u>Total governmental activities</u></b>				<b><u>\$ 11,605,000</u></b>

(1) This bond is being drawn down as construction work is being completed. As of June 30, 2011, the Town has drawn down \$1,200,000.

The annual requirements to amortize all debt outstanding as of June 30, 2011 are as follows. Such amounts exclude overlapping debt requirements but include school debt requirements to be reimbursed by the State of Maine (currently there are none). The general fund pays all governmental activities long-term debt service requirements.

Year ended <u>June 30,</u>	Governmental activities		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 1,765,000	427,240	2,192,240
2013	1,145,000	368,390	1,513,390
2014	615,000	333,645	948,645
2015	625,000	311,479	936,479
2016	635,000	285,903	920,903
2017-2021	3,170,000	1,061,413	4,231,413
2022-2026	2,405,000	486,215	2,891,215
<u>2027-2031</u>	<u>1,245,000</u>	<u>107,218</u>	<u>1,352,218</u>
<b><u>Totals</u></b>	<b><u>\$ 11,605,000</u></b>	<b><u>3,381,503</u></b>	<b><u>14,986,503</u></b>

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OBLIGATIONS UNDER CAPITAL LEASES**

The Town has entered into three lease agreements. These leases qualify as capital leases for accounting purposes, and therefore have been recorded in the government-wide financial statements at the present value of future minimum lease payments as of the date of inception. These assets are recorded as capital assets in the government-wide financial statements. The amount of assets capitalized as equipment and vehicles under capital leases for the year ended June 30, 2011 and 2010, was \$300,432 with accumulated depreciation of \$119,648 and \$51,638, respectively, for a net book value of \$180,784 and \$248,794, respectively.

Minimum future lease payments under capital leases are:

<u>Year ended June 30,</u>	
2012	\$ 44,757
2013	44,757
2014	34,235
Thereafter	-
Total minimum lease payments	123,749
<u>Less amount representing interest</u>	<u>10,538</u>
<b>Present value of future</b>	
<b>minimum lease payments</b>	<b><u>\$ 113,211</u></b>

**STATUTORY DEBT LIMIT**

In accordance with Maine law, no municipality shall incur debt for specified purposes in excess of certain percentages of State valuation of such municipality. At June 30, 2011, the Town was in compliance with these limitations.

**OVERLAPPING DEBT**

The Town is subject to an annual assessment of its proportional share of York County expenses, including debt repayment, as determined by the percentage of the Town's State valuation to the County's State valuation. At June 30, 2011, the Town's State valuation of \$1,531,150,000 was 4.88% of the County's State valuation of \$30,462,150,000. The Town's share is 4.88% or \$530,828 of York County's \$10,877,627 long-term debt outstanding as of June 30, 2011.

The Biddeford-Saco Old Orchard Beach Transit Committee had long-term debt of \$473,206 outstanding on June 30, 2011. Under the Interlocal Agreement that governs this entity, the communities of Biddeford, Saco and Old Orchard Beach would become jointly responsible for this debt should the Transit Committee be dissolved. The Town's share is 33.33%, or \$157,735.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**FUND BALANCE**

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The General Fund unassigned fund balance total of \$4,358,693 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. Unassigned fund balance totaling (\$504,018) are also reported for several special revenue and capital project funds that have negative fund balances as of June 30, 2011 as shown on Statement 3.

As of June 30, 2011 other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
<b>General Fund:</b>				
Inventory	\$ 45,443	-	-	-
Encumbrances	-	-	22,994	-
Unassigned	-	-	-	4,358,693
<b>Special Revenue Funds:</b>				
Rescue Call Fees	-	-	203,624	-
Recreation Fund	-	-	-	(15,192)
Special Dog Fund	-	-	6,755	-
Police Grant Fund	-	5,750	-	-
Sewer Fund	-	-	286,013	-
Community Garden Fund	-	-	266	-
Memorial Bench Fund	-	1,942	-	-
Conservation Tree Grant	-	3,283	-	-
Ballpark Restoration Fund	-	21,625	-	-
Memorial Day Parade Fund	-	7,008	-	-
CDBG Grant Fund	-	-	-	(4,156)
Smithwheel Impact Fees	-	-	26,138	-
<b>Capital Project Funds:</b>				
Landfill Closure	-	-	805	-
New Police Station	-	273,013	-	-
West Grand Stormwater	-	1,783,687	-	-
Summit St. Sewer	-	751,770	-	-
Ross Rd. Culvert	-	81,526	-	-
Ocean/Seaview Sewer	-	-	-	(484,670)
Halfway Roundabout	-	93,347	-	-
<b>Total</b>	<b>\$ 45,443</b>	<b>3,022,951</b>	<b>546,595</b>	<b>3,854,675</b>

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

**NET ASSETS**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Town's net assets invested in capital assets, net of related debt was calculated as follows at June 30, 2011:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 38,424,724	993,250
Accumulated depreciation	(21,152,363)	(667,701)
Bonds payable	(11,605,000)	-
Capital leases	(113,211)	-
Add back unspent bond proceeds	2,498,670	-
<b><u>Total invested in capital assets net of related debt</u></b>	<b><u>\$ 8,052,820</u></b>	<b><u>325,549</u></b>

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Individual interfund receivables, payables (due from/to other funds) and transfers at June 30, 2011, were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Net Transfers In (Out)</u>
<b>General Fund</b>	<b>\$ -</b>	<b>2,912,757</b>	<b>497,000</b>
<b>Special revenue funds:</b>			
Rescue call fees fund	51,590	-	(519,000)
Sewer special revenue fund	286,013	-	-
Police grants fund	5,750	-	-
Recreation fund	-	13,161	-
Community garden fund	375	-	-
CDBG grant fund	11,996	-	-
Conservation tree grant fund	3,317	-	-
Special dog fund	6,818	-	(3,000)
Memorial bench fund	1,942	-	-
Memorial day parade fund	7,008	-	-
Ballpark restoration fund	28,609	-	25,000
Smithwheel impact fees fund	26,138	-	-
<b>Total special revenue funds</b>	<b>429,556</b>	<b>13,161</b>	<b>(497,000)</b>

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, CONTINUED**

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Capital project funds:			
FY 09 Bond Projects	\$ 2,726,731	484,671	-
New Police Station	273,013	-	-
Landfill closure fund	2,526	-	-
<b>Total capital project funds</b>	<b>3,002,270</b>	<b>484,671</b>	<b>-</b>
Enterprise funds:			
Ballpark facility	-	21,237	-
<b>Totals</b>	<b>\$ 3,431,826</b>	<b>3,431,826</b>	<b>-</b>

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when the activity is accounted for through the centralized checking account.

Transfers were budgeted transfers to and from the General Fund.

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**RISK MANAGEMENT**

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

Based on the coverage provided by the pools, 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.

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**LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

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Under existing state law, Maine communities are required to close existing landfills under a state approved plan and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The Town presently has two landfills that have been closed under an approved plan and one additional landfill whose closure was completed during fiscal year 1998. The only additional costs that remain are postclosure care costs on all three of the landfills. The estimated remaining postclosure care costs at June 30, 2011 are \$108,000, which would include two mowings of each site during the year and well monitoring. This amount has been accrued in the entity-wide financial statements and is being amortized over 30 years at \$6,000 per year, as it is not expected that any of these costs will be funded with current financial resources. The actual cost of postclosure care may be higher due to inflation, changes in technology, engineering estimates, or changes in landfill laws and regulations.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OTHER POST EMPLOYMENT BENEFITS**

GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the Town of Old Orchard Beach, Maine for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The Town of Old Orchard Beach is a member of the Maine Municipal Employees Health Trust. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the Town's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in October 2011.

**Plan Descriptions** – The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees. Town employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

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

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Normal cost	\$ 24,729	51,815	51,815
Amortization of unfunded	37,662	40,831	40,831
Adjustment to ARC	(10,099)	(5,466)	-
<u>Interest</u>	<u>8,221</u>	<u>5,656</u>	<u>1,875</u>
Annual required contribution	\$ 60,513	92,836	94,521

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**OTHER POST EMPLOYMENT BENEFITS, CONTINUED**

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
OPEB liability, July 1, 2010	\$ 174,627	94,521	-
Annual required contribution	60,513	92,836	94,521
<u>Less: Actual contributions</u>	<u>(7,913)</u>	<u>(12,730)</u>	<u>-</u>
OPEB liability, June 30, 2011	\$ 227,227	174,627	94,521

**Funding Status and Funding Progress** – The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2011 were as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 60,513	92,836	94,521
Actual contribution	7,913	12,730	-
Percent contributed	13.1%	13.71%	0%
Actuarial accrued liability	677,300	734,823	734,823
<u>Plan assets</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	677,300	734,823	734,823
Covered payroll	4,704,377	4,340,177	4,409,525
Unfunded actuarial accrued liability as a percentage of covered payroll	14.4%	16.9%	16.7%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information (only one year available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

Actuarial valuation date	1/1/11
Actuarial cost method	Projected unit credit cost method
Amortization method	Level dollar
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	N/A
Healthcare inflation rate	4.0% - 8.7%

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Required Supplementary Information**

**SCHEDULE OF FUNDING PROGRESS**

**Retiree Healthcare Plan**

<u>Fiscal Year End</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) – Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a) / c]</u>
2009	1/1/09	\$ -	734,823	734,823	0.00%	4,409,525	16.7%
2010	1/1/09	-	734,823	734,823	0.00%	4,340,177	16.9%
2011	1/1/11	-	677,300	677,300	0.00%	4,704,377	14.4%

**GENERAL FUND**

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**General Fund**  
**Comparative Balance Sheet**  
**June 30, 2011 and 2010**

	2011	2010
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,392,844	4,900,618
Investments	3,383,517	5,365,948
Receivables:		
Taxes receivable	997,925	978,805
Tax liens	630,347	532,889
Accounts receivable	184,886	242,460
Prepaid items	3,891	3,302
Inventory	45,443	36,991
<b>Total assets</b>	<b>\$ 9,638,853</b>	<b>12,061,013</b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and payroll withholdings	300,171	228,934
Accrued wages	100,284	214,842
Interfund loans payable	2,912,757	5,003,928
Due to RSU #23	357,806	595,388
Deferred tax revenue	1,398,377	1,236,923
Refundable deposits	142,328	126,497
<b>Total liabilities</b>	<b>5,211,723</b>	<b>7,406,512</b>
Fund balance:		
Nonspendable	45,443	36,991
Assigned	22,994	6,116
Unassigned	4,358,693	4,611,394
<b>Total fund balance</b>	<b>4,427,130</b>	<b>4,654,501</b>
<b>Total liabilities and fund balance</b>	<b>\$ 9,638,853</b>	<b>12,061,013</b>

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**For the Year Ended June 30, 2011**  
**(with comparative actual amounts for the year ended June 30, 2010)**

	2011		Variance positive (negative)	2010 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 19,928,106	19,961,399	33,293	19,341,270
Change in deferred property tax revenue	-	(161,454)	(161,454)	(238,758)
Excise taxes	1,300,000	1,253,525	(46,475)	1,270,284
Interest and costs on taxes	100,000	122,642	22,642	100,720
Cable television franchise taxes	200,000	211,016	11,016	203,408
Contributions in lieu of taxes	26,000	25,016	(984)	26,155
Total taxes	21,554,106	21,412,144	(141,962)	20,703,079
Licenses, permits and fees:				
Business licenses	120,000	201,159	81,159	143,281
Building, plumbing and electrical permits	70,000	77,328	7,328	80,943
Town Clerk fees	12,800	17,368	4,568	15,708
Town Agent fees	31,500	28,251	(3,249)	28,845
Parking fees	136,000	111,778	(24,222)	91,757
Parking meters and fines	350,000	327,428	(22,572)	317,127
Sewer impact fees	31,500	31,500	-	331,500
Sewer user and dumping fees	4,000	6,030	2,030	5,500
Other permits and fees	153,300	119,433	(33,867)	150,936
Total licenses, permits and fees	909,100	920,275	11,175	1,165,597
Intergovernmental:				
State Revenue Sharing	675,000	596,045	(78,955)	575,841
Homestead exemption	155,000	126,196	(28,804)	157,471
M.D.O.T. block grant	75,000	70,987	(4,013)	71,330
Human services reimbursement	22,000	31,274	9,274	28,481
Other state revenue	9,000	10,616	1,616	10,518
Total intergovernmental	936,000	835,118	(100,882)	843,641
Investment income	100,000	20,662	(79,338)	104,417
Other revenues:				
Miscellaneous	20,000	50,654	30,654	38,687
Total other revenues	20,000	50,654	30,654	38,687
Total revenues	23,519,206	23,238,853	(280,353)	22,855,421

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis, Continued**

	2011		Variance positive (negative)	2010 Actual
	Budget	Actual		
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Town Council	\$ 62,017	56,543	5,474	46,024
Administration	262,351	248,899	13,452	368,282
Legal	100,000	103,218	(3,218)	158,634
Tax collector	79,154	79,423	(269)	96,091
Finance Director/Treasurer	160,058	157,628	2,430	169,520
Assessor	189,494	183,162	6,332	182,278
Town Clerk	155,635	154,841	794	152,674
Elections	16,250	12,425	3,825	15,467
Planning	150,992	88,888	62,104	144,422
Code enforcement	185,850	201,243	(15,393)	190,262
Building maintenance	112,577	107,782	4,795	101,444
Planning, Zoning and Registration Boards	11,685	4,963	6,722	6,663
Miscellaneous	10,000	10,100	(100)	4,877
Contingency	25,000	14,242	10,758	13,567
Insurances	385,600	390,390	(4,790)	373,662
Information Technology	161,542	147,716	13,826	-
<b>Total general government</b>	<b>2,068,205</b>	<b>1,961,463</b>	<b>106,742</b>	<b>2,023,867</b>
<b>Public works:</b>				
General	1,546,329	1,460,841	85,488	1,547,039
<b>Total public works</b>	<b>1,546,329</b>	<b>1,460,841</b>	<b>85,488</b>	<b>1,547,039</b>
<b>Sanitation:</b>				
Treatment plant	1,074,670	1,017,283	57,387	1,019,434
Solid waste	665,000	691,100	(26,100)	637,530
Comfort station	-	-	-	4,694
<b>Total sanitation</b>	<b>1,739,670</b>	<b>1,708,383</b>	<b>31,287</b>	<b>1,661,658</b>
<b>Public safety:</b>				
Police department	2,102,960	2,032,617	70,343	1,952,280
New Police Building	32,500	20,717	11,783	-
Parking enforcement	59,548	64,713	(5,165)	63,072
Communication center	295,674	378,567	(82,893)	450,355
Emergency management	1,215	-	1,215	778
Animal control	24,415	14,863	9,552	7,400
Public safety complex	93,000	82,942	10,058	69,033
Lifeguards	129,600	136,173	(6,573)	129,298
Fire/rescue department	1,438,089	1,479,282	(41,193)	1,443,375
Hydrants	133,000	126,591	6,409	125,251
Street lights	228,000	194,239	33,761	198,981
<b>Total public safety</b>	<b>4,538,001</b>	<b>4,530,704</b>	<b>7,297</b>	<b>4,439,823</b>

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis, Continued**

	2011		Variance positive (negative)	2010 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Recreation, culture and agencies:				
Recreation	\$ 251,924	247,975	3,949	243,961
Conservation Commission	30,000	30,945	(945)	42,821
Donations to provider agencies	28,575	28,575	-	38,495
Memorial Library	224,780	224,780	-	227,773
Historical Society	14,570	14,051	519	13,140
Transit Committee subsidy	80,000	80,000	-	76,000
Total recreation, culture and agencies	629,849	626,326	3,523	642,190
Health and welfare:				
General assistance	102,990	106,693	(3,703)	107,822
Total health and welfare	102,990	106,693	(3,703)	107,822
Education	9,303,600	9,399,388	(95,788)	9,556,818
Intergovernmental - county tax	777,785	777,785	-	753,529
Abatements, overlay and write offs	100,000	25,736	74,264	50,831
Debt service:				
Principal	1,768,850	1,653,860	114,990	1,636,683
Interest	545,645	500,529	45,116	490,798
Total debt service	2,314,495	2,154,389	160,106	2,127,481
Capital outlays:				
Comprehensive plan update	52,600	121	52,479	-
Computer system upgrade	2,945	-	2,945	59,059
Historical Society Roof	8,500	7,700	800	4,174
Town Clerk records archive	6,000	-	6,000	15,614
Town Hall improvements	74,000	2,570	71,430	12,252
Train Station Boiler	20,000	-	20,000	-
Ballpark Improvements	-	-	-	32,453
Police equipment and vehicles	52,000	51,260	740	-
Police cell block improvements	-	-	-	23,440
Cardiac Monitor	-	-	-	20,000
Dispatch Consolidation	-	112,525	(112,525)	16,108
Fire Rescue Vehicle	160,000	157,083	2,917	41,842
Road maint./improvements	508,653	331,820	176,833	295,558
Sidewalk maint./improvements	145,000	55,695	89,305	20,060
Public works Vehicles	180,000	156,566	23,434	96,669
Public works building Improvement	50,000	44,905	5,095	46,956
Public works stormwater maintenance	143,000	64,568	78,432	29,090
Sewer maintenance/improvement	106,000	29,726	76,274	43,788
Treatment plant equipment	440,000	183,855	256,145	376,190
Recreation building improvements	-	-	-	5,000
Skate Park	30,000	30,000	-	-
Expenditures from undesignated fund balance	-	-	-	12,500
Total capital outlays	1,978,698	1,228,394	750,304	1,150,753
Total expenditures	25,099,622	23,980,102	1,119,520	24,061,811

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis, Continued**

	2011			2010 Actual
	Budget	Actual	Variance positive (negative)	
Excess (deficiency) of revenues over (under) expenditures	\$ (1,580,416)	(741,249)	839,167	(1,206,390)
Other financing sources (uses):				
Transfers - in	522,000	522,000	-	328,000
Transfers - out	-	(25,000)	(25,000)	-
Utilization of prior year fund balance	1,058,416	-	(1,058,416)	-
Total other financing sources (uses)	1,580,416	497,000	(1,083,416)	328,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(244,249)	(244,249)	(878,390)
Reconciliation to GAAP (Statement 4):				
Less: Prior year encumbrances		(6,116)		(5,126)
Add: Current year encumbrances		22,994		6,116
Net change in fund balance before special item		(227,371)		(877,400)
Special Item:				
Transfer of funds to Regional School Unit #23		-		110,720
Net change in fund balance		-		(766,680)
Fund balance, beginning of year		4,654,501		5,421,181
<b>Fund balance, end of year</b>	<b>\$</b>	<b>4,427,130</b>		<b>4,654,501</b>

**ALL OTHER GOVERNMENTAL FUNDS**

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Combining Balance Sheet**  
**All Other Governmental Funds**  
**June 30, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Other Governmental Funds
<b>ASSETS</b>			
Accounts receivable	\$ -	-	-
Interfund loans receivable	377,966	3,002,270	3,380,236
<b>Total assets</b>	<b>\$ 377,966</b>	<b>3,002,270</b>	<b>3,380,236</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and payroll withholdings	25,373	18,122	43,495
Interfund loans payable	13,161	484,670	497,831
<b>Total liabilities</b>	<b>38,534</b>	<b>502,792</b>	<b>541,326</b>
Fund balances:			
Restricted	39,608	2,983,343	3,022,951
Assigned	319,172	805	319,977
Unassigned	(19,348)	(484,670)	(504,018)
<b>Total fund balances</b>	<b>339,432</b>	<b>2,499,478</b>	<b>2,838,910</b>
<b>Total liabilities and fund balances</b>	<b>\$ 377,966</b>	<b>3,002,270</b>	<b>3,380,236</b>

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Other Governmental Funds**  
**For the Year Ended June 30, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Other Governmental Funds
<b>Revenues:</b>			
Taxes	\$ -	-	-
Licenses, permits and fees	127,267	-	127,267
Intergovernmental	83,744	-	83,744
Program income	228,646	-	228,646
Other revenues	86,994	-	86,994
Total revenues	526,651	-	526,651
<b>Expenditures:</b>			
<b>Current:</b>			
Recreation, culture and agencies	162,077	-	162,077
Unclassified	143,835	-	143,835
Capital outlays	90,392	3,188,510	3,278,902
Total expenditures	396,304	3,188,510	3,584,814
Excess (deficiency) of revenues over (under) expenditures	130,347	(3,188,510)	(3,058,163)
<b>Other financing sources (uses):</b>			
Transfers - in	25,000	-	25,000
Transfers - out	(3,000)	-	(3,000)
Proceeds from general obligation bonds	-	1,200,000	1,200,000
Total other financing sources (uses)	22,000	1,200,000	1,222,000
Net change in fund balances	152,347	(1,988,510)	(1,836,163)
Fund balances, beginning of year	187,085	4,487,988	4,675,073
<b>Fund balances, end of year</b>	<b>\$ 339,432</b>	<b>2,499,478</b>	<b>2,838,910</b>

**NONMAJOR SPECIAL REVENUE FUNDS**

TOWN OF OLD ORCHARD BEACH, MAINE  
 Normajor Special Revenue Funds  
 Combining Balance Sheet  
 June 30, 2011

(with comparative totals for June 30, 2010)

	Recreation Fund	Special Dog Fund	Police Grants Fund	Sewer Special Revenue	Community Garden Fund	Canopy Grant Fund	Memorial Bench Fund	Conservation Tree Grant	Ballpark Restoration Fund	Memorial Day Parade Fund	CDBG Grant Fund	Smithwheel Impact Fees	Totals		
													2011	2010	
ASSETS															
Assets:															
Interfund loans receivable	\$ -	6,818	5,750	286,013	375	-	1,942	3,317	28,609	7,008	11,996	26,138	377,966	274,024	
Total assets	\$ -	6,818	5,750	286,013	375	-	1,942	3,317	28,609	7,008	11,996	26,138	377,966	274,024	
LIABILITIES AND FUND BALANCES															
Liabilities:															
Accounts payable and payroll withholdings	2,031	63	-	-	109	-	-	34	6,984	-	16,152	-	25,373	8,640	
Interfund loans payable	13,161	-	-	-	-	-	-	-	-	-	-	-	13,161	78,299	
Total liabilities	15,192	63	-	-	109	-	-	34	6,984	-	16,152	-	38,534	86,939	
Fund balances:															
Restricted	-	-	5,750	-	-	-	1,942	3,288	21,625	7,008	-	-	39,608	30,237	
Assigned	-	6,755	-	286,013	266	-	-	-	-	-	-	26,138	319,172	238,609	
Unassigned	(15,192)	-	-	-	-	-	-	-	-	-	(4,156)	-	(19,348)	(81,761)	
Total fund balances (deficit)	(15,192)	6,755	5,750	286,013	266	-	1,942	3,288	21,625	7,008	(4,156)	26,138	339,432	187,085	
Total liabilities and fund balances	\$ -	6,818	5,750	286,013	375	-	1,942	3,317	28,609	7,008	11,996	26,138	377,966	274,024	

TOWN OF OLD ORCHARD BEACH, MAINE  
 Nonmajor Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Year Ended June 30, 2011  
 (with comparative totals for the year ended June 30, 2010)

	Recreation Fund	Special Dog Fund		Police Grants Fund	Sewer Special Revenue	Community Garden Fund		Memorial Bench Fund		Conservation Tree Grant	Ballpark Restoration Fund		Memorial Day Parade Fund	CDBG Grant Fund	Smithwheel Impact Fees		Totals		
		Fund	Fund			Fund	Fund	Fund	Fund		Fund	Fund			2011	2010			
<b>Revenues:</b>																			
Licenses and permits:																			
Dog fees			4,317														4,317	4,349	
Ordinance fees and assessments					122,950												122,950	65,415	
Total licenses and permits			4,317		122,950												127,267	69,764	
<b>Intergovernmental:</b>																			
Federal grants and commodities				8,086										75,658			83,744	74,246	
Total intergovernmental				8,086										75,658			83,744	74,246	
<b>Other revenues:</b>																			
Recreation programs	228,646																	228,646	160,183
Other				6,548		735		(2,612)		2,519	76,804		3,000				86,994	92,873	
Total other revenues	228,646			6,548		735		(2,612)		2,519	76,804		3,000				315,640	253,056	
Total revenues	228,646	4,317	14,634	14,634	122,950	735		(2,612)		2,519	76,804		3,000	75,658			526,651	397,066	
<b>Expenditures:</b>																			
Recreation	162,077																	162,077	166,968
Unclassified				21,454	33,500	469		108			82,758		2,470	76			143,835	368,193	
Capital outlay														79,922	10,470		90,392	144,280	
Total expenditures	162,077			21,454	33,500	469		108			82,758		2,470	79,998	10,470		396,304	679,441	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	66,569	4,317	(6,820)	(6,820)	89,450	266		(3,000)	(2,720)	2,519	(5,954)		530	(4,340)	(10,470)	130,347	(282,375)		
<b>Other financing sources (uses):</b>																			
Transfers - in											25,000						25,000		
Transfers - out			(3,000)														(3,000)		
Total other financing sources (uses)			(3,000)								25,000						22,000		
<b>Net change in fund balances</b>	66,569	1,317	(6,820)	(6,820)	89,450	266		(3,000)	(2,720)	2,519	19,046		530	(4,340)	(10,470)	152,347	(285,375)		
<b>Fund balances (deficit), beginning of year</b>	(81,761)	5,438	12,570	196,563				3,000	4,662	764	2,579		6,478	184	36,608	187,085	472,460		
<b>Fund balances (deficit), end of year</b>	(15,192)	6,755	5,750	286,013	266			1,942	3,283	21,625	7,008		(4,156)	26,138	339,432	187,085			

**NONMAJOR CAPITAL PROJECT FUNDS**

TOWN OF OLD ORCHARD BEACH, MAINE  
 Nonmajor Capital Project Funds  
 Combining Balance Sheet  
 June 30, 2011  
 (with comparative totals for June 30, 2010)

	Landfill Closure	New Police Station	West Grand Stormwater	Summit St Sewer	Ross Rd Culvert	Ocean/Seaview Sewer	Halfway Roundabout	West Grand Pump Station	Totals
									2011
									2010
<b>ASSETS</b>									
Accounts receivable	\$ -	-	-	-	-	-	-	-	-
Interfund loans receivable	2,526	273,013	1,783,687	768,171	81,526	-	93,347	-	3,002,270
<b>Total assets</b>	\$ 2,526	273,013	1,783,687	768,171	81,526	-	93,347	-	3,002,270
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable and payroll withholdings	1,721	-	-	16,401	-	-	-	-	18,122
Interfund loans payable	-	-	-	-	-	484,670	-	-	484,670
<b>Total liabilities</b>	1,721	-	-	16,401	-	484,670	-	-	502,792
<b>Fund balances:</b>									
Restricted	-	273,013	1,783,687	751,770	81,526	-	93,347	-	2,983,343
Assigned	805	-	-	-	-	-	-	-	805
Unassigned	-	-	-	-	-	(484,670)	-	-	(484,670)
<b>Total fund balances (deficit)</b>	805	273,013	1,783,687	751,770	81,526	(484,670)	93,347	-	2,499,478
<b>Total liabilities and fund balances</b>	\$ 2,526	273,013	1,783,687	768,171	81,526	-	93,347	-	3,002,270
									5,181,224

TOWN OF OLD ORCHARD BEACH, MAINE  
 Nonmajor Capital Project Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Year Ended June 30, 2011  
 (with comparative totals for the year ended June 30, 2010)

	Landfill Closure	New Police Station	West Grand Stormwater	Summit St Sewer	Ross Rd Culvert	Ocean/Seaview Sewer	Halfway Roundabout	West Grand Pump Station	Totals
									2011
									2010
Revenues:									
Intergovernmental	\$ -	-	-	-	-	-	-	-	26,860
Total revenues									26,860
Expenditures:									
Capital improvements:									
Engineering costs	-	2,467	1,390	-	1,774	2,772	-	27,282	35,685
Construction costs	-	1,590,006	-	111,330	16,387	166,652	-	930,364	2,814,739
Equipment and associated expenses	-	338,086	-	-	-	-	-	-	338,086
Miscellaneous	-	-	-	-	-	-	-	-	106,018
Total expenditures	-	1,930,559	1,390	111,330	18,161	169,424	-	957,646	3,188,510
Excess (deficiency) of revenues over (under) expenditures	-	(1,930,559)	(1,390)	(111,330)	(18,161)	(169,424)	-	(957,646)	(1,962,079)
Other financing sources (uses):									
Transfers - in	-	-	-	-	-	-	-	-	-
Transfers - out	-	-	-	-	-	-	-	-	-
Proceeds from general obligation bonds	-	-	-	-	-	-	-	1,200,000	1,200,000
Total other financing sources (uses)	-	-	-	-	-	-	-	1,200,000	2,500,000
Net change in fund balances	-	(1,930,559)	(1,390)	(111,330)	(18,161)	(169,424)	-	242,354	(1,988,510)
Fund balances (deficit), beginning of year	805	2,203,572	1,785,077	863,100	99,687	(315,246)	93,347	(242,354)	4,487,988
Fund balances (deficit), end of year	\$ 805	273,013	1,783,687	751,770	81,526	(484,670)	93,347	-	2,499,478

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Capital Project Funds**  
**Cumulative Statement of Revenues and Expenditures**  
**Beginning of project to June 30, 2011**

	Landfill Closure	New Police Station	West Grand Stormwater	Summit St Sewer	Ross Rd Culvert	Ocean/Seaview Sewer	Halfway Roundabout	West Grand Pump Station
<b>Revenues:</b>								
Grant proceeds	\$ 186,681	-	-	-	-	44,432	-	-
Investment income	3,624	-	-	-	-	-	-	-
Other revenues	150	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>190,455</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,432</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>								
<b>Capital improvements:</b>								
Engineering costs	2,282	7,342	62,313	35,579	38,113	166,150	-	162,194
Consultant costs	18,900	-	-	440	230,069	-	-	-
Construction costs	122,513	1,881,559	-	111,331	-	1,162,660	-	1,015,202
Equipment and associated expenses	41,631	338,086	-	-	-	-	-	22,513
Town labor and equipment	61,231	-	-	-	-	-	-	-
Miscellaneous	4,746	-	4,000	880	292	-	106,653	91
<b>Total expenditures</b>	<b>251,303</b>	<b>2,226,987</b>	<b>66,313</b>	<b>148,230</b>	<b>268,474</b>	<b>1,329,102</b>	<b>106,653</b>	<b>1,200,000</b>
<b>Deficiency of revenues under expenditures</b>	<b>(60,848)</b>	<b>(2,226,987)</b>	<b>(66,313)</b>	<b>(148,230)</b>	<b>(268,474)</b>	<b>(1,284,670)</b>	<b>(106,653)</b>	<b>(1,200,000)</b>
<b>Other financing sources:</b>								
Transfers - in	61,653	-	-	-	-	-	-	-
Proceeds of general obligation bonds	-	2,500,000	1,850,000	900,000	350,000	800,000	200,000	1,200,000
<b>Total other financing sources</b>	<b>61,653</b>	<b>2,500,000</b>	<b>1,850,000</b>	<b>900,000</b>	<b>350,000</b>	<b>800,000</b>	<b>200,000</b>	<b>1,200,000</b>
<b>Cumulative excess (deficiency) of revenues and other sources over (under) expenditures</b>	<b>\$ 805</b>	<b>273,013</b>	<b>1,783,687</b>	<b>751,770</b>	<b>81,526</b>	<b>(484,670)</b>	<b>93,347</b>	<b>-</b>

**LONG-TERM DEBT**

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Statement of Changes in Long-term Debt**  
**For the Year Ended June 30, 2011**

	Interest rate	Final maturity date	Annual principal payments	Amounts authorized	Issued previous years	Retired previous years	Balance beginning of year	Current Period		Balance end of year
								Issued	Retired	
<u>General Obligation Bonds</u>										
Town issues:										
1998 General obligation - refunding bond	4.15 - 5.2%	2018	Various	5,975,000	5,975,000	3,940,000	2,035,000	-	535,000	1,500,000
2003 General obligation - refunding bond	2.0 - 4.5%	2023	Various	7,520,000	7,520,000	3,890,000	3,630,000	-	795,000	2,835,000
2009 General obligation bond	4.965%	2028	Various	4,100,000	4,100,000	205,000	3,895,000	-	205,000	3,690,000
2009 Sewer revolving loan fund	1.900%	2028	60,000	1,200,000	1,200,000	60,000	1,140,000	-	60,000	1,080,000
2010 General obligation bond	3.405%	2030	125,000	2,500,000	2,500,000	-	2,500,000	-	-	2,500,000
Total general obligation bonds				21,295,000	21,295,000	8,095,000	13,200,000	-	1,595,000	11,605,000
<b>Total long-term debt</b>				<b>\$ 21,295,000</b>	<b>21,295,000</b>	<b>8,095,000</b>	<b>13,200,000</b>	<b>-</b>	<b>1,595,000</b>	<b>11,605,000</b>

**CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS**

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Capital Assets Used in the Operation of Governmental Funds - By Source**  
**June 30, 2011**

Capital assets:		
Land and buildings	\$	8,749,465
Equipment		3,574,141
Vehicles		5,057,577
Infrastructure		21,043,541
<b>Total governmental fund capital assets</b>		<b>\$ 38,424,724</b>
Investments in capital assets by source:		
General Fund		38,424,724
Capital Project Funds		-
<b>Total governmental fund capital assets by source</b>		<b>\$ 38,424,724</b>

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Schedule of Capital Assets used in the Operation of Governmental Funds - By Function and Activity**  
**June 30, 2011**

Function and Activity	Land and Buildings	Construction in Progress	Equipment	Vehicles	Infrastructure	Total
Town Hall	\$ 1,011,923	-	289,566	102,964	-	1,404,453
Public Works	1,312,100	-	423,564	2,207,355	14,142,207	18,085,226
Waste Water	2,925,331	-	2,154,718	289,370	6,901,334	12,270,753
Compost/Transfer Facility	304,550	-	-	-	-	304,550
Comfort Station	167,277	-	-	-	-	167,277
Police Department	2,316,025	-	414,023	540,712	-	3,270,760
Fire and Rescue	350,186	-	292,270	1,917,176	-	2,559,632
Tidal Gates	54,394	-	-	-	-	54,394
Animal Facility	826	-	-	-	-	826
Train Platform	306,853	-	-	-	-	306,853
<b>Total governmental fund capital assets</b>	<b>\$ 8,749,465</b>	<b>-</b>	<b>3,574,141</b>	<b>5,057,577</b>	<b>21,043,541</b>	<b>38,424,724</b>

Exhibit F-3

**Schedule of Changes in Governmental Funds Capital Assets - By Function and Activity**  
**For the Year Ended June 30, 2011**

Function and Activity	Balance 2010	Additions	Deletions	Balance 2011
Town Hall	\$ 1,404,453	-	-	1,404,453
Public Works	17,688,908	396,318	-	18,085,226
Waste Water	10,964,053	2,615,417	1,308,717	12,270,753
Compost/Transfer Facility	304,550	-	-	304,550
Comfort Station	167,277	-	-	167,277
Police Department	1,292,825	2,273,765	295,830	3,270,760
Fire and Rescue	2,317,083	254,769	12,220	2,559,632
Tidal Gates	54,394	-	-	54,394
Animal Facility	826	-	-	826
Train Platform	306,853	-	-	306,853
<b>Totals</b>	<b>\$ 34,501,222</b>	<b>5,540,269</b>	<b>1,616,767</b>	<b>38,424,724</b>

**TABLES**

Table 1

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Revenues, Expenditures, and Changes in Fund Balances -**  
**General Fund - GAAP Basis**  
**Last Ten Fiscal Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
Property taxes	\$ 13,199,080	14,676,830	15,043,333	15,535,851	16,265,640	17,208,689	17,749,257	18,682,705	19,102,512	19,799,945
Other taxes	1,481,602	1,535,620	1,658,127	1,787,674	1,649,581	1,684,326	1,691,863	1,687,245	1,600,567	1,612,199
Licenses and permits	575,411	657,588	787,862	1,120,948	1,164,742	1,132,286	940,062	963,141	1,165,597	920,275
Intergovernmental revenues	3,420,726	3,104,603	2,744,653	2,378,948	2,470,827	2,174,858	2,210,043	1,486,209	843,641	835,118
Investment income	160,005	89,177	97,957	134,125	224,977	343,844	352,740	150,912	104,417	20,662
Other revenues	51,589	37,752	183,408	232,794	92,151	195,742	134,061	354,015	38,687	50,654
<b>Total revenues</b>	<b>18,888,413</b>	<b>20,101,570</b>	<b>20,515,340</b>	<b>21,190,340</b>	<b>21,867,918</b>	<b>22,739,745</b>	<b>23,078,026</b>	<b>23,324,227</b>	<b>22,855,421</b>	<b>23,238,853</b>
<b>Expenditures:</b>										
General government	2,242,861	1,523,897	1,842,364	1,855,934	1,797,347	1,761,598	1,913,524	1,851,871	2,021,057	1,964,273
Public works	714,867	941,985	1,005,234	1,059,881	1,127,144	1,482,509	1,618,224	1,696,363	1,547,039	1,455,600
Sanitation	1,400,267	1,684,667	1,576,873	1,455,194	1,677,526	1,496,170	1,542,780	1,644,676	1,661,658	1,707,176
Public safety	2,662,228	3,383,987	3,543,140	3,670,572	3,844,767	4,044,087	4,178,862	4,429,964	4,439,462	4,528,474
Recreation, culture and agencies	274,752	287,190	332,191	386,875	443,249	471,937	505,462	686,550	642,190	625,376
Health and welfare	55,649	56,515	62,202	80,503	70,732	76,463	74,298	101,475	107,822	106,693
Education	8,717,626	8,821,298	8,614,579	8,965,400	9,032,509	9,212,617	9,632,841	9,973,975	9,561,944	9,399,388
Debt service (excluding education)	1,635,917	1,621,046	1,561,729	1,238,346	1,616,746	1,543,678	1,521,034	1,726,929	2,127,481	2,154,389
Capital outlays	533,291	778,051	1,149,814	1,937,383	2,710,375	2,242,068	1,914,839	1,228,471	1,147,808	1,218,334
Other	444,627	494,758	367,993	527,990	599,307	621,893	646,342	789,444	804,360	803,521
<b>Total expenditures</b>	<b>18,682,085</b>	<b>19,593,394</b>	<b>20,056,119</b>	<b>21,178,078</b>	<b>22,919,702</b>	<b>22,953,020</b>	<b>23,548,206</b>	<b>24,129,718</b>	<b>24,060,821</b>	<b>23,963,224</b>
Other financing sources	304,869	299,374	7,826,334	309,334	434,334	434,334	459,334	434,334	328,000	522,000
Other financing uses	(356,000)	(75,638)	(7,342,491)	(56,180)	(59,680)	(65,680)	(74,180)	(88,620)	-	(25,000)
<b>Net change in fund balances</b>	<b>155,197</b>	<b>731,912</b>	<b>943,064</b>	<b>265,416</b>	<b>(677,130)</b>	<b>155,379</b>	<b>(85,026)</b>	<b>(459,777)</b>	<b>(877,400)</b>	<b>(227,371)</b>
<b>Special item:</b>										
Transfer of funds to RSU #23	-	-	-	-	-	-	-	-	110,720	-
<b>Fund balances, beginning</b>	<b>4,249,071</b>	<b>4,404,268</b>	<b>5,136,180</b>	<b>6,222,319</b>	<b>6,487,735</b>	<b>5,810,605</b>	<b>5,965,984</b>	<b>5,880,958</b>	<b>5,421,181</b>	<b>4,654,501</b>
<b>Fund balances, ending</b>	<b>\$ 4,404,268</b>	<b>5,136,180</b>	<b>6,079,244</b>	<b>6,487,735</b>	<b>5,810,605</b>	<b>5,965,984</b>	<b>5,880,958</b>	<b>5,421,181</b>	<b>4,654,501</b>	<b>4,427,130</b>

++ Includes a prior period adjustment.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Year	Current tax levy	Collection		Total	Total current		Total collections as a percent of total tax levy	Total outstanding June 30,	Percent of delinquent taxes and liens to tax levy
		Current tax levy	Delinquent tax		year collections as a percent of total tax levy	as a percent of total tax levy			
2002	\$ 13,296,446	12,876,295	504,220	13,380,515	96.84%	100.63%	898,153	6.75%	
2003	14,955,562	14,335,676	484,339	14,820,015	95.86%	99.09%	1,050,437	7.02%	
2004	15,356,300	14,975,298	681,477	15,656,775	97.52%	101.96%	833,776	5.43%	
2005	15,707,863	15,320,115	429,348	15,749,463	97.53%	100.26%	842,318	5.36%	
2006	16,606,072	16,183,713	455,240	16,638,953	97.46%	100.20%	905,428	5.45%	
2007	17,503,035	16,997,147	455,329	17,452,476	97.11%	99.71%	1,016,033	5.80%	
2008	18,118,387	17,505,853	391,071	17,896,924	96.62%	98.78%	1,237,496	6.83%	
2009	18,959,656	18,453,482	338,884	18,792,366	97.33%	99.12%	1,188,126	6.27%	
2010	19,151,900	18,452,763	375,569	18,828,332	96.35%	98.31%	1,511,694	7.89%	
2011	19,987,575	19,277,170	593,827	19,870,997	96.45%	99.42%	1,628,272	8.15%	

Table 3

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Year	Assessed Value		Total	Estimated actual value	Ratio of total assessed value to total estimated actual value		State equalized valuation	Ratio of total assessed value to state equalized value
	Real	Personal			assessed value to total estimated actual value	State equalized valuation		
2002	\$ 560,259,200	18,432,350	578,691,550	609,149,000	95.00%	623,600,000	92.80%	
2003	776,373,600	19,692,966	796,066,566	796,066,566	100.00%	697,300,000	114.16%	
2004	779,156,600	20,500,743	799,657,343	799,657,343	100.00%	786,450,000	101.68%	
2005	812,166,500	20,816,750	832,983,250	832,983,250	100.00%	969,950,000	85.88%	
2006*	1,206,181,200	21,605,000	1,227,786,200	1,227,786,200	100.00%	1,150,850,000	106.69%	
2007	1,289,869,400	23,392,100	1,313,261,500	1,313,261,500	100.00%	1,368,350,000	95.97%	
2008	1,418,164,600	23,691,240	1,441,855,840	1,441,855,840	100.00%	1,565,250,000	92.12%	
2009	1,439,858,170	25,294,968	1,465,153,138	1,465,153,138	100.00%	1,575,350,000	93.00%	
2010	1,452,628,540	25,890,720	1,478,519,260	1,478,519,260	100.00%	1,533,750,000	96.40%	
2011	1,465,055,000	26,354,500	1,491,409,500	1,491,409,500	100.00%	1,531,150,000	97.40%	

\* The Town did a revaluation that became effective in 2006.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Property Tax Rates - All Overlapping Governments**  
**(Per \$1,000 of Assessed Value)**  
**Last Ten Fiscal Years**

Year		Total	Town	School	County	Water quality control
2002*	\$	24.40	8.68	11.87	0.68	3.17
2003		20.10	7.65	9.33	0.65	2.47
2004		20.10	6.67	9.64	0.59	3.20
2005		20.10	7.57	9.71	0.59	2.23
2006**		13.50	5.10	6.26	0.44	1.70
2007		13.32	5.20	6.09	0.44	1.59
2008		12.56	4.73	5.94	0.43	1.46
2009		12.94	4.85	6.40	0.40	1.29
2010		12.94	4.45	6.76	0.51	1.22
2011		13.40	5.10	6.24	0.52	1.54

\* Beginning in 2002, the rate for Water Quality Control is calculated on all expenses related to Wastewater Treatment, including related debt service.

\*\* The Town did a revaluation that became effective in 2006.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Ratio of General Bonded Debt to Assessed Value**  
**and General Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

	Estimated population	Assessed value (in thousands)	Gross bonded debt (1)	Ratio of		Gross bonded debt per capita	Estimated average population (2)	Gross bonded debt per estimated average population
				gross bonded debt to assessed value	gross bonded debt per capita			
2002	8,800	\$ 578,692	13,904,562	2.40%	1,580	25,467	546	
2003	8,800	796,067	13,034,440	1.64%	1,481	25,467	512	
2004	8,800	799,657	12,420,000	1.55%	1,411	25,467	488	
2005	8,800	832,983	11,740,000	1.41%	1,334	25,467	461	
2006	8,800	1,227,786	10,565,000	0.86%	1,201	25,467	415	
2007	8,800	1,313,262	9,430,000	0.72%	1,072	25,467	370	
2008	8,800	1,441,856	8,280,000	0.57%	941	25,467	325	
2009	8,800	1,465,153	12,290,000	0.84%	1,397	25,467	483	
2010	8,800	1,478,519	13,200,000	0.89%	1,500	25,467	518	
2011	8,624	1,491,410	11,605,000	0.78%	1,346	25,291	459	

(1) Includes all long-term general obligation debt excluding accrued vacation and sick leave. Certain school debt is reimbursed by the State of Maine.

(2) Includes estimated population for twelve months plus 100,000 seasonal population for two months.

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Ratio of Annual Debt Service Expenditures for**  
**General Bonded Debt to Total General Fund Expenditures**  
**Last Ten Years**

Year	Principal	Interest	Total debt service	Total General Fund expenditures	Ratio of debt service to total General Fund expenditures
2002	\$ 836,630	799,287	1,635,917	18,509,600	8.84%
2003	870,122	750,924	1,621,046	19,596,364	8.27%
2004	880,000	681,729	1,561,729	20,153,706	7.75%
2005	680,000	558,346	1,238,346	21,154,646	5.85%
2006	1,175,000	441,746	1,616,746	22,807,881	7.09%
2007	1,135,000	408,678	1,543,678	22,850,277	6.76%
2008	1,150,000	371,034	1,521,034	23,512,985	6.47%
2009	1,299,946	426,983	1,726,929	24,106,607	7.16%
2010	1,636,683	490,798	2,127,481	24,066,937	8.84%
2011	1,653,861	500,529	2,154,390	23,986,218	8.98%

**TOWN OF OLD ORCHARD BEACH, MAINE**  
**Ten Largest Taxpayers**  
**For the year ended June 30, 2011**

Name	Type of Operation	Taxes	% of Net Tax Levy
Palace Playland Association	Amusements	\$ 95,604	0.48%
Lafayette Old Orchard LLC	Resort	90,291	0.45%
Seagate Limited Partnership	Mobile Home Park	81,637	0.41%
Central Maine Power	Utility	77,629	0.39%
MHC Pinehurst LLC	Resort	71,883	0.36%
Wild Acres LLC	Resort	71,559	0.36%
Birch Ridge Limited	Apartments	66,944	0.33%
Powderhorn Family Camping Resort	Resort	66,914	0.33%
Alouette Atlantic Resorts LLC	Resort	59,969	0.30%
Portland Ave Associates	Hotel	58,449	0.29%