

# CITY OF WESTBROOK, MAINE

## ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012

**CITY OF WESTBROOK, MAINE  
ANNUAL FINANCIAL REPORT  
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JUNE 30, 2012**

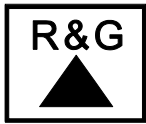
**TABLE OF CONTENTS**

|  | <u><b>PAGES</b></u> |
|--|---------------------|
| <b>INDEPENDENT AUDITOR'S REPORT</b>  | 1                   |
| <b>BASIC FINANCIAL STATEMENTS</b>  |                     |
| Government-wide Financial Statements:  |                     |
| Statement of Net Assets (Exhibit 1)  | 3                   |
| Statement of Activities (Exhibit 2)  | 4                   |
| Fund Financial Statements:   |                     |
| Balance Sheet – Governmental Funds (Exhibit 3)   | 6                   |
| Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Assets (Exhibit 4)   | 7                   |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit 5)  | 8                   |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of<br>Governmental Funds to the Statement of Activities (Exhibit 6) | 9                   |
| Balance Sheet – Proprietary Funds (Exhibit 7)  | 10                  |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Proprietary Funds (Exhibit 8)   | 11                  |
| Statement of Cash Flows – Proprietary Funds (Exhibit 9)  | 12                  |
| Statement of Fiduciary Net Assets – Fiduciary Funds (Exhibit 10)   | 13                  |
| Statement of Changes in Fiduciary Net Assets – Fiduciary Funds (Exhibit 11)  | 14                  |
| <b>NOTES TO THE FINANCIAL STATEMENTS</b>   | 15                  |
| <b>REQUIRED SUPPLEMENTARY INFORMATION</b>  |                     |
| General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual<br>(Non-GAAP Budgetary Basis) (Exhibit 12)               | 39                  |
| Note to the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances   | 40                  |
| Other Postemployment Benefits – Schedule of Funding Progress (Exhibit 13)  | 41                  |
| <b>COMBINING NONMAJOR FUND SCHEDULES – GOVERNMENTAL FUNDS</b>  |                     |
| Combining Balance Sheet – Tax Increment Financing Districts (Exhibit 14)   | 42                  |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances<br>Tax Increment Financing Districts (Exhibit 15)                               | 43                  |
| Combining Balance Sheet – Open Space Funds (Exhibit 16)  | 45                  |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Open Space Funds (Exhibit 17)   | 47                  |
| Combining Balance Sheet – Revolving Loan Funds (Exhibit 18)  | 49                  |
| Combining Balance Sheet – Reserves (Exhibit 19)  | 50                  |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Reserves (Exhibit 20)   | 55                  |
| Combining Balance Sheet – Miscellaneous Special Revenues (Exhibit 21)  | 60                  |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances<br>Miscellaneous Special Revenues (Exhibit 22)                                  | 66                  |
| Combining Balance Sheet – Capital Projects (Exhibit 23)  | 72                  |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects (Exhibit 24)   | 78                  |
| Combining Balance Sheet – Permanent Funds (Exhibit 25)   | 84                  |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Permanent Funds (Exhibit 26)  | 85                  |

**CITY OF WESTBROOK, MAINE  
ANNUAL FINANCIAL REPORT  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

**TABLE OF CONTENTS - CONTINUED**

|  | <b><u>PAGES</u></b> |
|--|---------------------|
| <b>COMBINING NONMAJOR FUND SCHEDULES – FIDUCIARY FUNDS</b>                                     |                     |
| Combining Statement of Fiduciary Net Assets – Private Purpose Trusts (Exhibit 27)              | 86                  |
| Combining Statement of Changes in Fiduciary Net Assets<br>Private Purpose Trusts (Exhibit 28)  | 88                  |
| <b>STATISTICAL SECTION</b>   |                     |
| Property Tax Levies and Collections (Table 1)  | 90                  |
| Computation of Statutory Debt Limit (Table 2)  | 91                  |
| <b>INDEPENDENT AUDITOR’S COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES</b> | 92                  |



# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of Westbrook  
Westbrook, Maine

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Westbrook, Maine as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Westbrook's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The City did not report its capital asset additions and disposals and the depreciation expense on those assets for the current year. The amounts by which this departure would affect the assets, liabilities, net assets, revenues and expenses of the City of Westbrook, Maine is not reasonably determinable. Also, the City did not report its liability or annual cost for postemployment benefits other than pensions (OPEB) in the discretely presented component unit.

In our opinion, because of the effects of the matters discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and the discretely presented component unit of the City of Westbrook, Maine as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information of the City of Westbrook, Maine as of June 30, 2012, and the respective changes in financial position thereof, and cash flows where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 41 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 and economic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The City of Westbrook has not presented a management's discussion and analysis. Accounting principles generally accepted in the United States of America have determined that the management's discussion and analysis is necessary to supplement, but is not required to be part of, the basic financial statements.

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CITY OF WESTBROOK  
INDEPENDENT AUDITOR'S REPORT

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westbrook's basic financial statements. The combining nonmajor fund schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. They are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 combining nonmajor fund schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical section has not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

March 21, 2013

*Roberts & Aum, PLLC*

## **BASIC FINANCIAL STATEMENTS**

**EXHIBIT 1**  
**CITY OF WESTBROOK, MAINE**  
**Statement of Net Assets**  
**June 30, 2012**

|  | Primary Government      |                          |                      | Component Unit    |
|--|-------------------------|--------------------------|----------------------|-------------------|
|  | Governmental Activities | Business-type Activities | Total                | School Department |
| <b>ASSETS</b>  |                         |                          |                      |                   |
| Cash and cash equivalents                              | \$ 16,966,582           | \$ 1,262,400             | \$ 18,228,982        | \$ 535,287        |
| Investments  | 1,946,557               | -                        | 1,946,557            | -                 |
| Receivable from primary government                     | -                       | -                        | -                    | 1,929,996         |
| Intergovernmental receivable                           | 185,824                 | 459,430                  | 645,254              | 2,170,177         |
| Other receivables, net of allowances for uncollectible | 2,496,780               | 396,907                  | 2,893,687            | 71,093            |
| Prepaid items  | 57,976                  | -                        | 57,976               | -                 |
| Inventory  | -                       | -                        | -                    | 34,531            |
| Loan forgiveness                                       | 169,344                 | -                        | 169,344              | -                 |
| Due from fiduciary funds                               | 31,764                  | -                        | 31,764               | -                 |
| Deferred interest expense - refunding                  | 696,164                 | -                        | 696,164              | -                 |
| Capital assets, not being depreciated:                 |                         |                          |                      |                   |
| Land   | 1,718,018               | 148,840                  | 1,866,858            | -                 |
| Construction in progress                               | -                       | 735                      | 735                  | -                 |
| Capital assets, net of accumulated depreciation:       |                         |                          |                      |                   |
| Buildings and building improvements                    | 8,497,166               | 9,123,665                | 17,620,831           | -                 |
| Machinery and equipment                                | 1,923,198               | -                        | 1,923,198            | -                 |
| Vehicles   | 1,885,607               | 29,838                   | 1,915,445            | -                 |
| Infrastructure   | 49,908,975              | 45,072,074               | 94,981,049           | -                 |
| Total assets   | <u>86,483,955</u>       | <u>56,493,889</u>        | <u>142,977,844</u>   | <u>4,741,084</u>  |
| <b>LIABILITIES</b>                                     |                         |                          |                      |                   |
| Accounts payable                                       | 661,216                 | (95)                     | 661,121              | 891,178           |
| Accrued payroll and benefits                           | 241,526                 | -                        | 241,526              | 1,657,182         |
| Contract payable                                       | 149                     | -                        | 149                  | -                 |
| Retainage payable                                      | -                       | 28,291                   | 28,291               | -                 |
| Accrued interest payable                               | 591,482                 | -                        | 591,482              | -                 |
| Intergovernmental payable                              | 959,472                 | -                        | 959,472              | -                 |
| Due to school department                               | 1,929,996               | -                        | 1,929,996            | -                 |
| Unearned revenue                                       | 144,007                 | -                        | 144,007              | 881,383           |
| Noncurrent obligations:                                |                         |                          |                      |                   |
| Due within one year:                                   |                         |                          |                      |                   |
| Bonds and notes payable                                | 4,712,449               | 220,031                  | 4,932,480            | -                 |
| Unamortized bond premium                               | 20,515                  | -                        | 20,515               | -                 |
| Capital leases payable                                 | 122,728                 | -                        | 122,728              | 62,584            |
| Compensated absences                                   | 100,522                 | -                        | 100,522              | -                 |
| Accrued landfill postclosure care costs                | 20,000                  | -                        | 20,000               | -                 |
| Due in more than one year:                             |                         |                          |                      |                   |
| Bonds and notes payable                                | 57,983,000              | 1,082,000                | 59,065,000           | -                 |
| Unamortized bond premium                               | 555,525                 | -                        | 555,525              | -                 |
| Capital leases payable                                 | 229,193                 | -                        | 229,193              | 60,169            |
| Compensated absences                                   | 1,208,448               | -                        | 1,208,448            | 612,878           |
| OPEB liability   | 104,300                 | -                        | 104,300              | -                 |
| Accrued landfill postclosure care costs                | 380,000                 | -                        | 380,000              | -                 |
| Total liabilities                                      | <u>69,964,528</u>       | <u>1,330,227</u>         | <u>71,294,755</u>    | <u>4,165,374</u>  |
| <b>NET ASSETS</b>                                      |                         |                          |                      |                   |
| Invested in capital assets, net of related debt        | 20,348,359              | 53,073,121               | 73,421,480           | -                 |
| Restricted:  |                         |                          |                      |                   |
| Perpetual care:  |                         |                          |                      |                   |
| Nonexpendable  | 273,344                 | -                        | 273,344              | -                 |
| Expendable   | 173,149                 | -                        | 173,149              | -                 |
| Library  | 593,304                 | -                        | 593,304              | 260,370           |
| Unrestricted   | (4,868,729)             | 2,090,541                | (2,778,188)          | 315,340           |
| Total net assets                                       | <u>\$ 16,519,427</u>    | <u>\$ 55,163,662</u>     | <u>\$ 71,683,089</u> | <u>\$ 575,710</u> |

The notes to the financial statements are an integral part of this statement

**EXHIBIT 2**  
**CITY OF WESTBROOK, MAINE**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2012**

|                                |               |                            |  |  | Net (Expense) Revenue and<br>Changes in Net Assets |                             |                |                      |
|--------------------------------|---------------|----------------------------|--|--|--|-----------------------------|----------------|----------------------|
|                                |               | Program Revenues           |  |  | Primary Government                                 |                             |                | Component<br>Unit    |
|                                |               | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                         | Business-type<br>Activities | Total          | School<br>Department |
|                                |               | Expenses                   |  |  |  |                             |                |                      |
| Primary government:            |               |                            |  |  |  |                             |                |                      |
| Governmental activities:       |               |                            |  |  |  |                             |                |                      |
| General government             | \$ 3,106,833  | \$ 210,510                 | \$ -                                     | \$ -                                   | \$ (2,896,323)                                     | \$ -                        | \$ (2,896,323) | \$ -                 |
| Public safety                  | 6,404,387     | 899,361                    | 410,493                                  | -                                      | (5,094,533)  | -                           | (5,094,533)    | -                    |
| Public works                   | 5,117,164     | 23,995                     | 218,422                                  | -                                      | (4,874,747)  | -                           | (4,874,747)    | -                    |
| Human services                 | 536,532       | -                          | 183,339                                  | -                                      | (353,193)  | -                           | (353,193)      | -                    |
| Culture and recreation         | 2,010,905     | 619,812                    | -  | 250,000                                | (1,141,093)  | -                           | (1,141,093)    | -                    |
| Employee benefits              | 3,048,119     | -                          | -  | -                                      | (3,048,119)  | -                           | (3,048,119)    | -                    |
| Unclassified                   | 1,593,545     | -                          | -  | -                                      | (1,593,545)  | -                           | (1,593,545)    | -                    |
| Interest on long-term debt     | 976,045       | -                          | -  | -                                      | (976,045)  | -                           | (976,045)      | -                    |
| Capital outlay                 | 1,409,587     | -                          | -  | -                                      | (1,409,587)  | -                           | (1,409,587)    | -                    |
| Total governmental activities  | 24,203,117    | 1,753,678                  | 812,254                                  | 250,000                                | (21,387,185)                                       | -                           | (21,387,185)   | -                    |
| Business-type activities:      |               |                            |  |  |  |                             |                |                      |
| Sewer department               | 5,035,615     | 4,468,171                  | -  | -                                      | -  | (567,444)                   | (567,444)      | -                    |
| Parking garage                 | 251,653       | 166,689                    | -  | -                                      | -  | (84,964)                    | (84,964)       | -                    |
| Total business-type activities | 5,287,268     | 4,634,860                  | -  | -                                      | -  | (652,408)                   | (652,408)      | -                    |
| Total primary government       | \$ 29,490,385 | \$ 6,388,538               | \$ 812,254                               | \$ 250,000                             | (21,387,185)                                       | (652,408)                   | (22,039,593)   | -                    |
| Component unit:                |               |                            |  |  |  |                             |                |                      |
| School department              | \$ 35,525,599 | \$ 3,276,665               | \$ 5,296,856                             | \$ 27,221                              |  |                             |                | (26,924,857)         |



|  | Primary Government         |                             |                      | Component                    |
|--|----------------------------|-----------------------------|----------------------|------------------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                | Unit<br>School<br>Department |
| Net expense  | (21,387,185)               | (652,408)                   | (22,039,593)         | (26,924,857)                 |
| General revenues:  |                            |                             |                      |                              |
| Taxes:   |                            |                             |                      |                              |
| Real estate  | 26,657,087                 | -                           | 26,657,087           | -                            |
| Excise   | 2,490,699                  | -                           | 2,490,699            | -                            |
| Personal property  | 5,155,577                  | -                           | 5,155,577            | -                            |
| Other taxes  | 132,259                    | -                           | 132,259              | -                            |
| Licenses and permits   | 535,268                    | -                           | 535,268              | -                            |
| Grants and contributions not restricted to specific programs | 2,676,005                  | -                           | 2,676,005            | 13,283,036                   |
| Miscellaneous  | 501,892                    | 428                         | 502,320              | 104,408                      |
| Transfers  | (13,914,060)               | -                           | (13,914,060)         | 13,914,060                   |
| Total general revenues and transfers                         | 24,234,727                 | 428                         | 24,235,155           | 27,301,504                   |
| Change in net assets   | 2,847,542                  | (651,980)                   | 2,195,562            | 376,647                      |
| Net assets, beginning, as restated, see Note III.D.          | 13,671,885                 | 55,815,642                  | 69,487,527           | 199,063                      |
| Net assets, ending   | <u>\$ 16,519,427</u>       | <u>\$ 55,163,662</u>        | <u>\$ 71,683,089</u> | <u>\$ 575,710</u>            |

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 3**  
**CITY OF WESTBROOK, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

|   | General              | William Clark<br>Drive | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                                     |                      |                        |                                |                                |
| Cash and cash equivalents                         | \$ 9,593,469         | \$ 959,472             | \$ 6,413,641                   | \$ 16,966,582                  |
| Investments                                       | 899,941              | -                      | 1,046,616                      | 1,946,557                      |
| Receivables, net of allowances for uncollectible: |                      |                        |                                |                                |
| Taxes   | 1,827,108            | -                      | -                              | 1,827,108                      |
| Accounts  | 366,093              | -                      | 120,851                        | 486,944                        |
| Intergovernmental                                 | -                    | -                      | 185,824                        | 185,824                        |
| Loans   | -                    | -                      | 182,728                        | 182,728                        |
| Interfund receivable                              | 2,037,469            | -                      | 661,610                        | 2,699,079                      |
| Prepaid items                                     | 57,976               | -                      | -                              | 57,976                         |
| Total assets                                      | <u>\$ 14,782,056</u> | <u>\$ 959,472</u>      | <u>\$ 8,611,270</u>            | <u>\$ 24,352,798</u>           |
| <b>LIABILITIES AND FUND BALANCES</b>              |                      |                        |                                |                                |
| Liabilities:                                      |                      |                        |                                |                                |
| Accounts payable                                  | \$ 658,632           | \$ -                   | \$ 2,584                       | \$ 661,216                     |
| Accrued salaries and benefits                     | 241,526              | -                      | -                              | 241,526                        |
| Contracts payable                                 | -                    | -                      | 149                            | 149                            |
| Intergovernmental payable                         | -                    | 959,472                | -                              | 959,472                        |
| Retainage payable                                 | -                    | -                      | -                              | -                              |
| Interfund payable                                 | -                    | -                      | 2,667,315                      | 2,667,315                      |
| Due to School Department                          | 1,929,996            | -                      | -                              | 1,929,996                      |
| Deferred revenue                                  | 1,595,188            | -                      | 116,558                        | 1,711,746                      |
| Total liabilities                                 | <u>4,425,342</u>     | <u>959,472</u>         | <u>2,786,606</u>               | <u>8,171,420</u>               |
| Fund balances:                                    |                      |                        |                                |                                |
| Nonspendable                                      | 57,976               | -                      | 866,648                        | 924,624                        |
| Restricted  | -                    | -                      | 173,149                        | 173,149                        |
| Committed   | 2,871,051            | -                      | 6,176,973                      | 9,048,024                      |
| Assigned  | 92,303               | -                      | -                              | 92,303                         |
| Unassigned  | 7,335,384            | -                      | (1,392,106)                    | 5,943,278                      |
| Total fund balances                               | <u>10,356,714</u>    | <u>-</u>               | <u>5,824,664</u>               | <u>16,181,378</u>              |
| Total liabilities and fund balances               | <u>\$ 14,782,056</u> | <u>\$ 959,472</u>      | <u>\$ 8,611,270</u>            | <u>\$ 24,352,798</u>           |

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 4**  
**CITY OF WESTBROOK, MAINE**  
**Reconciliation of Total Fund Balances of Governmental Funds to the Statement of Net Assets**  
**June 30, 2012**

|   |                     |                      |
|---|---------------------|----------------------|
| Total fund balances of governmental funds (Exhibit 3)   |                     | \$ 16,181,378        |
| 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.       |                     |                      |
| Cost  | \$ 103,039,624      |                      |
| Less accumulated depreciation   | <u>(39,106,660)</u> |                      |
|   |                     | 63,932,964           |
| Interfund receivables and payables between governmental funds are eliminated on the statement of net assets.                    |                     |                      |
| Receivables   | \$ (2,667,315)      |                      |
| Payables  | <u>2,667,315</u>    |                      |
|   |                     | -                    |
| Long-term revenues are not available to pay for current period expenditures, and therefore, are deferred in governmental funds. |                     |                      |
| Deferred tax revenue  |                     | 1,567,739            |
| Interest on long-term debt is not accrued in governmental funds.  |                     |                      |
| Accrued interest payable  |                     | (591,482)            |
| Long-term liabilities are not due and payable in the current period, and therefore, are not reported in governmental funds.     |                     |                      |
| Bonds and notes outstanding   | \$ 62,695,449       |                      |
| Deferred interest expense - refunding   | (696,164)           |                      |
| Loan forgiveness  | (169,344)           |                      |
| Bond premium  | 576,040             |                      |
| Capital leases outstanding  | 351,921             |                      |
| Compensated absences  | 1,308,970           |                      |
| OPEB liability  | 104,300             |                      |
| Accrued landfill postclosure care costs   | <u>400,000</u>      |                      |
|   |                     | <u>(64,571,172)</u>  |
| Total net assets of governmental activities (Exhibit 1)   |                     | <u>\$ 16,519,427</u> |

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 5**  
**CITY OF WESTBROOK, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

|  | General              | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|--------------------------------|--------------------------------|
| Revenues:  |                      |                                |                                |
| Taxes  | \$ 34,230,779        | \$ 219,446                     | \$ 34,450,225                  |
| Licenses, permits and fees                                   | 535,268              | -                              | 535,268                        |
| Intergovernmental  | 3,076,388            | 411,871                        | 3,488,259                      |
| Charges for services   | 1,092,614            | 661,064                        | 1,753,678                      |
| Miscellaneous  | 316,488              | 438,320                        | 754,808                        |
| Total revenues   | <u>39,251,537</u>    | <u>1,730,701</u>               | <u>40,982,238</u>              |
| Expenditures:  |                      |                                |                                |
| Current:   |                      |                                |                                |
| General government   | 2,476,283            | 589,437                        | 3,065,720                      |
| Public safety  | 5,785,606            | 386,719                        | 6,172,325                      |
| Public works   | 3,508,239            | 7,625                          | 3,515,864                      |
| Human services   | 536,532              | -                              | 536,532                        |
| Culture and recreation                                       | 991,108              | 872,889                        | 1,863,997                      |
| Employee benefits  | 2,943,819            | -                              | 2,943,819                      |
| Unclassified   | 1,593,545            | -                              | 1,593,545                      |
| Debt service   | 9,269,436            | 844,057                        | 10,113,493                     |
| Capital outlay   | 266,813              | 1,142,774                      | 1,409,587                      |
| Total expenditures   | <u>27,371,381</u>    | <u>3,843,501</u>               | <u>31,214,882</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>11,880,156</u>    | <u>(2,112,800)</u>             | <u>9,767,356</u>               |
| Other financing sources (uses):                              |                      |                                |                                |
| Transfers in   | 2,424,173            | 5,500,302                      | 7,924,475                      |
| Transfers out  | (4,814,694)          | (3,109,781)                    | (7,924,475)                    |
| Long-term debt issued  | 7,745,000            | -                              | 7,745,000                      |
| Premium on long-term debt                                    | 186,521              | -                              | 186,521                        |
| Inception of capital leases                                  | 266,813              | -                              | 266,813                        |
| Transfer to component unit                                   | (16,316,964)         | -                              | (16,316,964)                   |
| Total other financing sources and uses                       | <u>(10,509,151)</u>  | <u>2,390,521</u>               | <u>(8,118,630)</u>             |
| Net change in fund balances                                  | 1,371,005            | 277,721                        | 1,648,726                      |
| Fund balances, beginning, as restated, see Note III.D.       | 8,985,709            | 5,546,943                      | 14,532,652                     |
| Fund balances, ending  | <u>\$ 10,356,714</u> | <u>\$ 5,824,664</u>            | <u>\$ 16,181,378</u>           |

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 6**  
**CITY OF WESTBROOK, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2012**

|   |                    |                     |
|---|--------------------|---------------------|
| Net change in fund balances of governmental funds (Exhibit 5)   |                    | \$ 1,648,726        |
| Amounts reported for governmental activities in the statement of activities are different because:  |                    |                     |
| Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period. |                    |                     |
| Capitalized capital outlay  | \$ -               |                     |
| Depreciation expense  | <u>(2,253,870)</u> | (2,253,870)         |
| Transfers in and out between governmental funds are eliminated on the operating statement.  |                    |                     |
| Transfers in  | \$ (7,924,475)     |                     |
| Transfers out   | <u>7,924,475</u>   | -                   |
| Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in governmental funds.  |                    |                     |
| Change in deferred tax revenue  |                    | (14,603)            |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net assets.                            |                    |                     |
| Issuance/refunding of bonds   | \$ (7,745,000)     |                     |
| Deferred interest from refunding  | 696,164            |                     |
| Premium on bonds issued   | (189,437)          |                     |
| Inception of capital lease  | (266,813)          |                     |
| Repayment of bonds and notes principal  | 10,765,751         |                     |
| Amortization of bond premium  | 20,347             |                     |
| Repayment of capital lease principal  | <u>165,983</u>     | 3,446,995           |
| Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.   |                    |                     |
| Decrease in accrued interest expense  | \$ 58,090          |                     |
| Decrease in compensated absences payable  | 41,504             |                     |
| Increase in OPEB liability  | (104,300)          |                     |
| Decrease in accrued landfill postclosure care costs   | <u>25,000</u>      | <u>20,294</u>       |
| Change in net assets of governmental activities (Exhibit 2)   |                    | <u>\$ 2,847,542</u> |

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 7**  
**CITY OF WESTBROOK, MAINE**  
**Balance Sheet**  
**Proprietary Funds**  
**June 30, 2012**

|   | Business-type Activities - Enterprise Funds |                     |                      |
|---|---|---------------------|----------------------|
|   | Sewer<br>Department                         | Parking<br>Garage   | Total                |
| <b>ASSETS</b>   |   |                     |                      |
| Current assets:   |   |                     |                      |
| Cash and cash equivalents                               | \$ 798,122                                  | \$ 464,278          | \$ 1,262,400         |
| Accounts receivable, net of allowance for uncollectible | 396,907                                     | -                   | 396,907              |
| Intergovernmental receivable                            | 459,430                                     | -                   | 459,430              |
| Total current assets                                    | <u>1,654,459</u>                            | <u>464,278</u>      | <u>2,118,737</u>     |
| Noncurrent assets:                                      |   |                     |                      |
| Capital assets:   |   |                     |                      |
| Land  | 108,351                                     | 40,489              | 148,840              |
| Construction in progress                                | 735   | -                   | 735                  |
| Buildings and building improvements                     | 4,271,428                                   | 7,072,318           | 11,343,746           |
| Machinery and equipment                                 | 263,469                                     | 31,102              | 294,571              |
| Infrastructure  | 81,799,849                                  | -                   | 81,799,849           |
| Less accumulated depreciation                           | <u>(38,052,767)</u>                         | <u>(1,159,822)</u>  | <u>(39,212,589)</u>  |
| Total noncurrent assets, net                            | <u>48,391,065</u>                           | <u>5,984,087</u>    | <u>54,375,152</u>    |
| Total assets  | <u>\$ 50,045,524</u>                        | <u>\$ 6,448,365</u> | <u>\$ 56,493,889</u> |
| <b>LIABILITIES AND FUND BALANCES</b>                    |   |                     |                      |
| Liabilities:  |   |                     |                      |
| Current liabilities:                                    |   |                     |                      |
| Accounts payable  | \$ (95)                                     | \$ -                | \$ (95)              |
| Bonds payable, current                                  | 220,031                                     | -                   | 220,031              |
| Retainage payable                                       | 28,291                                      | -                   | 28,291               |
| Total current liabilities                               | <u>248,227</u>                              | <u>-</u>            | <u>248,227</u>       |
| Noncurrent liabilities:                                 |   |                     |                      |
| Bonds payable, noncurrent                               | 1,082,000                                   | -                   | 1,082,000            |
| Total liabilities                                       | <u>1,330,227</u>                            | <u>-</u>            | <u>1,330,227</u>     |
| Fund balances:  |   |                     |                      |
| Invested in capital assets, net of related debt         | 47,089,034                                  | 5,984,087           | 53,073,121           |
| Unrestricted  | 1,626,263                                   | 464,278             | 2,090,541            |
| Total fund balances                                     | <u>48,715,297</u>                           | <u>6,448,365</u>    | <u>55,163,662</u>    |
| Total liabilities and fund balances                     | <u>\$ 50,045,524</u>                        | <u>\$ 6,448,365</u> | <u>\$ 56,493,889</u> |

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 8**  
**CITY OF WESTBROOK, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**

|  | Business-type Activities - Enterprise Funds |                     |                      |
|--|---|---------------------|----------------------|
|  | Sewer<br>Department                         | Parking<br>Garage   | Total                |
| Operating revenues:                                    |   |                     |                      |
| Sewer assessments                                      | \$ 4,468,171                                | \$ -                | \$ 4,468,171         |
| Parking garage revenue                                 | -   | 166,689             | 166,689              |
| Miscellaneous  | -   | 428                 | 428                  |
| Total operating revenues                               | <u>4,468,171</u>                            | <u>167,117</u>      | <u>4,635,288</u>     |
| Operating expenses:                                    |   |                     |                      |
| PWD assessment   | 2,744,274                                   | -                   | 2,744,274            |
| Sewer operations                                       | 698,194                                     | -                   | 698,194              |
| Parking garage   | -   | 107,096             | 107,096              |
| Depreciation expense                                   | <u>1,530,790</u>                            | <u>144,557</u>      | <u>1,675,347</u>     |
| Total operating expenses                               | <u>4,973,258</u>                            | <u>251,653</u>      | <u>5,224,911</u>     |
| Operating loss   | (505,087)                                   | (84,536)            | (589,623)            |
| Nonoperating expense:                                  |   |                     |                      |
| Interest on bonds                                      | <u>(62,357)</u>                             | <u>-</u>            | <u>(62,357)</u>      |
| Net change in fund balances                            | (567,444)                                   | (84,536)            | (651,980)            |
| Fund balances, beginning, as restated, see Note III.D. | <u>49,282,741</u>                           | <u>6,532,901</u>    | <u>55,815,642</u>    |
| Fund balances, ending                                  | <u>\$ 48,715,297</u>                        | <u>\$ 6,448,365</u> | <u>\$ 55,163,662</u> |

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 9**  
**CITY OF WESTBROOK, MAINE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**

|  | Business-type Activities - Enterprise Funds |                   |              |
|--|---|-------------------|--------------|
|  | Sewer<br>Department                         | Parking<br>Garage | Total        |
| Cash flows from operating activities:  |   |                   |              |
| Receipts from customers and users  | \$ 4,047,512                                | \$ 153,320        | \$ 4,200,832 |
| Payments to suppliers and employees  | (3,970,650)                                 | (107,096)         | (4,077,746)  |
| Net cash provided by operating activities  | 76,862                                      | 46,224            | 123,086      |
| Cash flows from capital and related financing activities:                                |   |                   |              |
| Purchase of capital assets   | (212,288)                                   | -                 | (212,288)    |
| Principal paid on bonds  | (220,765)                                   | -                 | (220,765)    |
| Interest paid on bonds   | (62,357)                                    | -                 | (62,357)     |
| Net cash provided by capital and related financing activities                            | (495,410)                                   | -                 | (495,410)    |
| Increase (decrease) in cash  | (418,548)                                   | 46,224            | (372,324)    |
| Cash and cash equivalents, beginning   | 1,216,670                                   | 418,054           | 1,634,724    |
| Cash and cash equivalents, ending  | \$ 798,122                                  | \$ 464,278        | \$ 1,262,400 |
| Reconciliation of operating loss to net cash<br>provided by operating activities:        |   |                   |              |
| Operating loss   | \$ (505,087)                                | \$ (84,536)       | \$ (589,623) |
| Adjustments to reconcile operating loss to net cash<br>provided by operating activities: |   |                   |              |
| Depreciation expense   | 1,530,790                                   | 144,557           | 1,675,347    |
| Decrease in accounts receivable  | (420,659)                                   | -                 | (420,659)    |
| Decrease in accounts payable   | (528,182)                                   | -                 | (528,182)    |
| Decrease in deferred revenue   | -   | (13,797)          | (13,797)     |
| Total adjustments  | 581,949                                     | 130,760           | 712,709      |
| Net cash provided by operating activities  | \$ 76,862                                   | \$ 46,224         | \$ 123,086   |

The notes to the financial statements are an integral part of this statement.



**EXHIBIT 10**  
**CITY OF WESTBROOK, MAINE**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

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|                                     | Private<br>Purpose<br>Trust | Agency        |
|-------------------------------------|-----------------------------|---------------|
| Assets:                             |                             |               |
| Cash and cash equivalents           | \$ 114,643                  | \$ 26,709     |
| Investments                         | 84,887                      | -             |
| Accounts receivable                 | -                           | 3,589         |
| Total assets                        | <u>199,530</u>              | <u>30,298</u> |
| Liabilities:                        |                             |               |
| Accounts payable                    | -                           | 238           |
| Due to other funds                  | 28,175                      | 3,589         |
| Escrow and performance bonds        | -                           | 26,471        |
| Total liabilities                   | <u>28,175</u>               | <u>30,298</u> |
| Net assets:                         |                             |               |
| Held in trust for specific purposes | <u>\$ 171,355</u>           | <u>\$ -</u>   |

The notes to the financial statements are an integral part of this statement.

**EXHIBIT 11**  
**CITY OF WESTBROOK, MAINE**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2012**

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|   | Private<br>Purpose<br>Trust |
|---|-----------------------------|
| Additions:  |                             |
| Investment earnings:                                |                             |
| Interest  | \$ 394                      |
| Deductions:   |                             |
| Trust distributions                                 | <u>1,523</u>                |
| Change in net assets                                | (1,129)                     |
| Net assets, beginning, as restated, see Note III.D. | <u>172,484</u>              |
| Net assets, ending                                  | <u><u>\$ 171,355</u></u>    |

The notes to the financial statements are an integral part of this statement.

## **NOTES TO THE FINANCIAL STATEMENTS**

**CITY OF WESTBROOK, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

**I. Summary of Significant Accounting Principles**

**I.A. Introduction**

The accounting and reporting framework and the more significant accounting principles and practices of the City of Westbrook (the City) are discussed in subsequent sections of this note. The remainder of the notes is organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2012.

**I.B. Financial Reporting Entity – Basis of Presentation**

**I.B.1. Entity Defined**

The City of Westbrook is a municipal corporation governed by an elected Mayor and seven-member City Council consisting of five members elected by ward and two elected at-large. These financial statements present the financial position and activity of the primary government. Component units are organizations for which the primary government is financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description).

*Blended component unit* – The **Westbrook Environmental Improvement Corporation** is a nonprofit corporation organized by the City of Westbrook for the purpose of coordinating the implementation of tax increment financing districts and undertaking various environmental improvement projects. Westbrook Environmental Improvement Corporation (WEIC) activity has been reported as a blended component unit in the Special Revenue Funds.

*Discretely presented component unit* – The **Westbrook School Department** is responsible for elementary and secondary education within the City's jurisdiction. The School Department is governed by a seven-member School Committee elected by the voters. However, the City is financially accountable for the School Department because the City Council approves the overall budget, levies taxes, and must approve any debt issuances. Complete financial statements for the School Department may be obtained at the School Department's business office.

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

Related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. The City participates in the following related organization:

*Greater Portland Transit District* – The City, in conjunction with one other community, participates in the District. The District provides public transportation services to the residents of the participating communities. The District is managed by a Board of Directors selected by the elected municipal officers of each participating municipality. Except for members' proportional share of bonds payable, which are repaid through member assessments, no participant has any obligation or entitlement and the City's share of any residual interest has not been determined. Audited financial statements are available from the organization.

**I.B.2. Government-Wide and Fund Financial Statements**

*Government-Wide Financial Statements*

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole, excluding fiduciary activities. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and city general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges for the City's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and revenue from other sources not properly included with program revenues are reported as general revenues.

*Fund Financial Statements*

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual, governmental and proprietary funds are reported in separate columns with composite columns for the nonmajor governmental funds.

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

***I.B.3. Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except as described below. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Fiduciary fund financial statements also report using this same basis of accounting, although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax revenues are recognized in the year for which they are levied, while grants are recognized when grantor eligibility requirements are met. The agency funds are custodial in nature and do not measure results of operations.

The City has not determined its additions and deletions to capital assets in the government-wide statement of net assets, and the depreciation expense for those assets in the government-wide statement of activities for the last two fiscal years as required by U.S. GAAP.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation debt principal and interest which are reported as expenditures in the year due.

Major revenues susceptible to accrual are real estate and personal property taxes, intergovernmental amounts, charges for services, and investment income. In general, other revenues are recognized when cash is received.

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

**CITY OF WESTBROOK, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

**I.B.4. Fund Types and Major Funds**

*Governmental Funds*

The City reports the following major governmental fund:

*General Fund* – Reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

*William Clark Drive* – Reports as a Capital Project Fund. This fund is used to account for the reconstruction and expansion of William Clark Drive.

*Proprietary Funds*

The City reports the following major enterprise funds:

*Sewer Department Fund* – Accounts for the operating activities of the City's sewer system.

*Parking Garage Fund* – Accounts for the operating activities of the City's parking garage.

*Fiduciary Funds*

The City reports the following fiduciary funds:

*Private Purpose Trust Funds* – Account for financial resources of the City used only for the benefit of other entities or individuals.

*Agency Funds* – Account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others. The City's agency funds are used to account for various minor city employee funds.

**I.C. Assets, Liabilities, and Net Assets or Fund Equity**

**I.C.1. Cash and Investments**

The laws of the State of Maine require that the City's treasurer have custody of all monies belonging to the City and pay out the same only upon orders of the Mayor and City Council. The treasurer shall deposit all monies in accordance with Maine State Statute 30-A §5706. Investments are stated at fair value based on quoted market prices.

**CITY OF WESTBROOK, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

**I.C.2. Capital Assets and Depreciation**

Generally, the City's property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follow:

|                                     | <u>Years</u> |
|-------------------------------------|--------------|
| Buildings and building improvements | 25-120       |
| Machinery and equipment             | 5-50         |
| Vehicles                            | 4-25         |
| Infrastructure                      | 50           |

**I.C.3. Long-Term Debt**

In the government-wide and proprietary fund financial statements, outstanding debt is reported as liabilities. The balance of long-term debt is not reported in the governmental funds.

**I.C.4. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused, sick, vacation, and general leave time at various rates in accordance with union contracts and the City's personnel policy. Balances are accrued when incurred on the government-wide financial statements.

**I.C.4. Fund Equity**

The government-wide statement of net assets reports net assets in the following components:

- Invested in capital assets, net of related debt, which is computed as the total capital assets less accumulated depreciation, net of outstanding debt used to acquire those assets.
- Restricted for perpetual care, which represents the principal (nonexpendable) of endowments and interest (expendable) in the permanent funds that must be permanently invested and used for cemetery care.
- Restricted for other purposes, which represents the Gerald Fluett Trust, held to support the Library.
- Unrestricted, which consists of the remaining balance of net assets.



**CITY OF WESTBROOK, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

The governmental funds report the following components of fund balance:

- Nonspendable, representing resources that are not currently in spendable form or legally or contractually required to be maintained intact. Nonspendable balances at June 30, 2012 represent prepaid items in the General Fund and endowments in the Permanent Funds.
- Restricted, representing constraints on resources placed through external creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provision or by enabling legislation. Restricted balances at June 30, 2012 represent expendable balances of Permanent Funds.
- Committed, representing resources that are determined by the City's highest decision-making level of authority, the City Council. Committed fund balances at June 30, 2012 represent the balance of the City's Stabilization Reserve; an amount committed to reduce the School Department deficit; an amount committed for future capital improvements in accordance with the City's fund balance policy; the balance of bond proceeds in the Capital Projects Funds; and balances of the Tax Increment Financing Districts, Open Space Funds, and Miscellaneous Special Revenue Funds.
- Assigned, which consists of encumbrances for which the intended use is established by City management.
- Unassigned, which represents the remaining fund balance in the General Fund in excess of assigned fund balance, and the deficit fund balances of the Nonmajor Governmental Funds.

**I.C.5 *Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**II. Stewardship, Compliance and Accountability**

**II.A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Unless encumbered, all appropriations lapse at year-end. The City is allowed to use beginning fund balance to balance the budget. In the fiscal year ended June 30, 2012, none of the fund balance from fiscal year 2011 was used.

**CITY OF WESTBROOK, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

Each year the Mayor submits to the City Council a budget for the ensuing fiscal year. It provides a complete financial plan of the City's General Fund. It begins with a general summary of its contents and shows in detail all estimated income, indicating the proposed property tax levy affecting the General Fund, and all proposed expenditures, including debt service, for the ensuing fiscal year, arranged to show comparative figures for actual and estimated income and expenditures to the preceding fiscal year.

The Mayor, with City Council approval, may transfer budgeted amounts between departments. The City Council may, by resolution, appropriate additional amounts but only up to the amount of excess revenues and unencumbered budget surplus remaining after the purpose of the original appropriation has been satisfied. At the end of the fiscal year, all unencumbered appropriations lapse unless specifically continued by resolution of the City Council. No supplementary appropriations of the City's fund balance were made during the year ended June 30, 2012.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be added to the appropriations voted in the subsequent year.

Revenues are budgeted by source. Expenditures are budgeted by functions as follow: general government, public safety, public works, human services, culture and recreation, employee benefits, unclassified, debt service and capital outlay.

## **II.B. Deficit Fund Equity**

The Westbrook Power Tax Increment Financing (TIF) District and Downtown TIF District have deficits of \$3,376 and \$886,101, respectively, at June 30, 2012. This is the result of the amount of tax recovered in the districts being less than the annual debt payments. The City expects future tax amounts will be greater than the annual debt payments as the captured value increases with development.

The Summer Camp, Youth Activities, Adult Programs, and Westbrook Pool Recreation Funds have deficits of \$14,171, \$6,171, \$3,541, and \$8,399, respectively, at June 30, 2012. The City expects to fund these deficits through a transfer from the Recreation Fund.

The West Business Heights Capital Project Fund has a deficit of \$343,067 at June 30, 2012. This is the result of the City having not yet sold all development lots that were a part of the West Business Heights. The City expects that future sales of the lots will cover the deficit balance.

The Stroudwater Street Sidewalk, Public Services Facility, and Small Hardy Road Fields Capital Projects Funds have deficits of \$43,572, \$57,205, and \$10,840, respectively, at June 30, 2012. The City expects to fund the deficits through a future bond issuance.

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

**III. Detailed Notes on Funds and Government-Wide Statements**

**III.A. Assets**

**III.A.1. Cash and Investments**

*Custodial Credit Risk for Deposits*

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2012, \$5,159,536 of the City of Westbrook's bank balances of \$18,580,585 was exposed to custodial credit risk as uninsured and uncollateralized.

*Investments*

As of June 30, 2012, the City's reporting entity had the following investments:

|                         |                     |
|-------------------------|---------------------|
| Certificates of Deposit | \$ 1,408,765        |
| Mutual Funds            | 622,679             |
|                         | <u>\$ 2,031,444</u> |

The investments appear in the financial statements as follow:

|  |                     |
|--|---------------------|
| Fund reporting level:  |                     |
| Governmental funds - balance sheet (Exhibit 3)                   | \$ 1,946,557        |
| Fiduciary funds - statement of fiduciary net assets (Exhibit 10) | 84,887              |
| Total  | <u>\$ 2,031,444</u> |

*Investment Risks*

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy that places any restrictions on its investment choices.

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not have an investment policy that addresses limiting interest rate risk.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City does not have an investment policy that addresses concentration of credit risk.

**CITY OF WESTBROOK, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

As of June 30, 2012, the City had \$220,459 invested in the Russell Strategic Bond Fund, representing 10.85% of its total investments. With the exception of investments in certificates of deposit held by TD Bank, which are fully collateralized by an irrevocable letter of credit, there are no other investments representing more than 5% of the total investments.

**Custodial Credit Risk** is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Of the City's \$2,031,444 of investments, \$1,413,783 has exposure to custodial credit risk because the related securities are uninsured and uncollateralized.

**III.A.2. *Receivables, Uncollectible Accounts and Deferred Revenue***

*Property Taxes Receivable and Property Tax Calendar*

Property taxes for the current year were committed on July 15, 2011 on the assessed value listed as of the previous April 1 for all real and personal property located in the City. All real and personal property taxes were due in four installments, 25% on August 15, 2011, 25% on November 15, 2011, 25% on February 15, 2012, and 25% on May 15, 2012. 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 City's Assessor at 100% of assumed market value. The assessed value was 100% of the estimated market value and 100% of the 2012 state valuation of \$1,895,660,970.

The City 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 \$217,486 for the year ended June 30, 2012.

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

The property taxes levied and collected by the City include amounts for Cumberland County and the Westbrook School Department (a component unit of the City). The City is responsible for the collection of these taxes.

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

The tax rates and amounts assessed for the year ended June 30, 2012 were as follow:

|                          |                         |
|--------------------------|-------------------------|
| Valuation:               |                         |
| Real estate              | \$ 1,533,556,500        |
| Personal property        | 296,297,500             |
| Total assessed valuation | <u>\$ 1,829,854,000</u> |
| Total assessed valuation | \$ 1,829,854,000        |
| Tax rate (per \$1,000)   | 17.40                   |
| Total tax commitment     | <u>\$ 31,839,460</u>    |

The following details the taxes receivable at year-end:

|                          |                     |
|--------------------------|---------------------|
| Real estate:             |                     |
| Levy of 2012             | \$ 811,106          |
| Tax liens:               |                     |
| Levy of 2011             | 339,554             |
| Levy of 2010             | 164,627             |
| Levies of 2009 and prior | 272,702             |
| Personal property:       |                     |
| Levy of 2012             | 61,741              |
| Levy of 2011             | 26,515              |
| Levy of 2010             | 26,056              |
| Levies of 2009 and prior | 124,807             |
| Taxes receivable         | <u>\$ 1,827,108</u> |

*Other Receivables and Uncollectible Accounts*

Significant receivables include charges for rescue services, parking fees, sewer system usage, parking garage tickets, revolving loans to local businesses, fees collected on behalf of the State of Maine, shared revenue, and state welfare reimbursements. These funds report accounts receivable net of any allowance for uncollectible amounts and revenues net of uncollectibles. The allowance amounts consist of balances of parking fees that are expected to be written off as bad debt, and the balance of sewer user charges that have been turned over to the City for collection by the Portland Water District. Related amounts are shown in the following table:

|   | Governmental<br>Funds | Enterprise<br>Funds |
|---|-----------------------|---------------------|
| Accounts                                  | \$ 898,513            | \$ 419,470          |
| Intergovernmental                         | 185,824               | 459,430             |
| Loans                                     | 182,728               | -                   |
| Less: allowance for uncollectible amounts | (411,569)             | (22,563)            |
| Net total receivables                     | <u>\$ 855,496</u>     | <u>\$ 856,337</u>   |

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

*Deferred Revenue*

Deferred revenue in the General Fund of \$1,595,188 at June 30, 2012 represents \$1,567,739 of real estate and personal property taxes that are not expected to be collected within 60 days, and therefore, are deferred in accordance with generally accepted accounting principles, and \$27,449 of prepayments made on real estate taxes due in the next fiscal year. Deferred revenue in the nonmajor governmental funds of \$116,558 represents payments received for summer camp programs to occur in the fiscal year 2013.

**III.A.3. Capital Assets**

*Changes in Capital Assets*

The following table provides a summary of changes in capital assets:

|  | Balance,<br>beginning | Changes        | Balance,<br>ending |
|--|-----------------------|----------------|--------------------|
| Governmental activities:                         |                       |                |                    |
| At cost:   |                       |                |                    |
| Not being depreciated:                           |                       |                |                    |
| Land   | \$ 1,718,018          | \$ -           | \$ 1,718,018       |
| Being depreciated:                               |                       |                |                    |
| Buildings and building improvements              | 11,783,129            | -              | 11,783,129         |
| Machinery and equipment                          | 5,339,418             | -              | 5,339,418          |
| Vehicles   | 6,870,482             | -              | 6,870,482          |
| Infrastructure                                   | 77,328,577            | -              | 77,328,577         |
| Total capital assets being depreciated           | 101,321,606           | -              | 101,321,606        |
| Total all capital assets                         | 103,039,624           | -              | 103,039,624        |
| Less accumulated depreciation:                   |                       |                |                    |
| Buildings and building improvements              | (3,071,974)           | (213,989)      | (3,285,963)        |
| Machinery and equipment                          | (3,099,631)           | (316,589)      | (3,416,220)        |
| Vehicles   | (4,665,086)           | (319,789)      | (4,984,875)        |
| Infrastructure                                   | (26,016,099)          | (1,403,503)    | (27,419,602)       |
| Total accumulated depreciation                   | (36,852,790)          | (2,253,870)    | (39,106,660)       |
| Net book value, capital assets being depreciated | 64,468,816            | (2,253,870)    | 62,214,946         |
| Net book value, total capital assets             | \$ 66,186,834         | \$ (2,253,870) | \$ 63,932,964      |

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

|  | Balance,<br>beginning | Changes               | Balance,<br>ending   |
|--|-----------------------|-----------------------|----------------------|
| Business-type activities:                        |                       |                       |                      |
| At cost:   |                       |                       |                      |
| Not being depreciated:                           |                       |                       |                      |
| Land   | \$ 148,840            | \$ -                  | \$ 148,840           |
| Construction in progress                         | 1,211,299             | (1,210,564)           | 735                  |
| Total capital assets not being depreciated       | <u>1,360,139</u>      | <u>(1,210,564)</u>    | <u>149,575</u>       |
| Being depreciated:                               |                       |                       |                      |
| Buildings and building improvements              | 11,343,746            | -                     | 11,343,746           |
| Vehicles   | 294,571               | -                     | 294,571              |
| Infrastructure                                   | 80,376,997            | 1,422,852             | 81,799,849           |
| Total capital assets being depreciated           | <u>92,015,314</u>     | <u>1,422,852</u>      | <u>93,438,166</u>    |
| Total all capital assets                         | <u>93,375,453</u>     | <u>212,288</u>        | <u>93,587,741</u>    |
| Less accumulated depreciation:                   |                       |                       |                      |
| Buildings and building improvements              | (1,982,706)           | (237,375)             | (2,220,081)          |
| Vehicles   | (240,188)             | (24,545)              | (264,733)            |
| Infrastructure                                   | (35,314,348)          | (1,413,427)           | (36,727,775)         |
| Total accumulated depreciation                   | <u>(37,537,242)</u>   | <u>(1,675,347)</u>    | <u>(39,212,589)</u>  |
| Net book value, capital assets being depreciated | <u>54,478,072</u>     | <u>(252,495)</u>      | <u>54,225,577</u>    |
| Net book value, total capital assets             | <u>\$ 55,838,211</u>  | <u>\$ (1,463,059)</u> | <u>\$ 54,375,152</u> |

*Depreciation Expense*

Depreciation expense was charged to functions or activities of the City as follows:

|                            |                     |                            |                     |
|----------------------------|---------------------|----------------------------|---------------------|
| Governmental activities:   |                     | Business-type activities:  |                     |
| General government         | \$ 41,783           | Sewer department           | \$ 1,530,790        |
| Public safety              | 371,316             | Parking garage             | 144,557             |
| Public works               | 1,688,120           | Total depreciation expense | <u>\$ 1,675,347</u> |
| Culture and recreation     | 152,651             |                            |                     |
| Total depreciation expense | <u>\$ 2,253,870</u> |                            |                     |

**III.A.4. Restricted Net Assets**

The government-wide statement of net assets includes restricted net assets of \$446,493 for public trust funds reported as restricted to reflect restrictions contained in trust indentures limiting its use to cemetery care, and \$593,304 for public trust funds restricted for the support of the City's library.

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

**III.B. Long-Term Debt**

General obligation bonds and notes are approved by the voters and repaid with general revenues (taxes). These notes are backed by the full faith and credit of the City.

Long-term liabilities currently outstanding in the governmental activities are as follow:

|  | Original<br>Amount | Issue<br>Date | Maturity<br>Date | Interest<br>Rate % | Outstanding<br>at<br>6/30/2012 | Current<br>Portion  |
|--|--------------------|---------------|------------------|--------------------|--------------------------------|---------------------|
| General obligation bonds/notes payable:  |                    |               |                  |                    |                                |                     |
| 2002 SRRF  | \$ 524,796         | 2002          | 2013             | 0.00               | \$ 52,480                      | \$ 52,480           |
| 2002 SRRF Loan Forgiveness*  | \$ (217,738)       | 2002          | 2013             |                    | (21,774)                       | (21,774)            |
| 2002 General Obligation Bond   | \$ 1,856,966       | 2003          | 2022             | 2.50-4.50          | 91,469                         | 91,469              |
| 2002 General Obligation Bond   | \$ 450,000         | 2003          | 2013             | 4.85               | 60,000                         | 60,000              |
| 2003 General Obligation Bond   | \$ 9,730,000       | 2004          | 2023             | 4.21               | 7,950,000                      | 245,000             |
| 2004 General Obligation Bond   | \$ 11,745,000      | 2005          | 2024             | 2.50-3.75          | 2,340,000                      | 585,000             |
| 2004 General Obligation Bond   | \$ 500,000         | 2005          | 2014             | 4.50               | 180,000                        | 55,000              |
| 2005 SRRF  | \$ 1,650,000       | 2005          | 2015             | 0.00               | 495,000                        | 165,000             |
| 2005 SRRF Loan Forgiveness*  | \$ (491,900)       | 2005          | 2015             |                    | (147,570)                      | (49,190)            |
| 2006 General Obligation Bond   | \$ 1,400,000       | 2006          | 2016             | 3.54               | 560,000                        | 140,000             |
| 2009 General Obligation Bond   | \$ 38,276,000      | 2009          | 2029             | 4.99               | 32,025,000                     | 2,080,000           |
| 2011 General Obligation Bond   | \$ 12,350,000      | 2011          | 2031             | 3.24               | 11,196,500                     | 1,158,500           |
| 2012 General Obligation Bond   | \$ 7,745,000       | 2012          | 2028             | 1.00-3.50          | 7,745,000                      | 80,000              |
|  |                    |               |                  |                    | <u>62,526,105</u>              | <u>4,641,485</u>    |
| * These amounts (\$169,344) are shown as an asset on the Statement of Net Assets (Exhibit 1) |                    |               |                  |                    |                                |                     |
| Unamortized bond premium   |                    |               |                  |                    | <u>576,040</u>                 | <u>20,515</u>       |
| Capital leases payable:  |                    |               |                  |                    |                                |                     |
| Police Cruisers  | \$ 49,098          | 2011          | 2013             | 2.99               | 16,360                         | 16,360              |
| Police Cruisers  | \$ 25,098          | 2011          | 2013             | 3.45               | 8,363                          | 8,363               |
| Ambulance  | \$ 149,948         | 2009          | 2015             | 4.42               | 63,895                         | 31,257              |
| Tractor  | \$ 85,220          | 2010          | 2015             | 4.19               | 53,215                         | 17,016              |
| Fire Aerial Device   | \$ 81,692          | 2012          | 2016             | 3.65               | 64,692                         | 15,314              |
| Ambulance  | \$ 185,121         | 2012          | 2016             | 3.65               | 145,396                        | 34,418              |
|  |                    |               |                  |                    | <u>351,921</u>                 | <u>122,728</u>      |
| Compensated absences payable:  |                    |               |                  |                    |                                |                     |
| Vested Sick Leave  |                    |               |                  |                    | 319,788                        | 72,472              |
| Accrued Vacation Leave   |                    |               |                  |                    | 893,104                        | 24,653              |
| Vested Leave Benefits  |                    |               |                  |                    | 96,078                         | 3,397               |
|  |                    |               |                  |                    | <u>1,308,970</u>               | <u>100,522</u>      |
| OPEB liability   |                    |               |                  |                    | <u>104,300</u>                 | <u>-</u>            |
| Accrued landfill postclosure care costs  |                    |               |                  |                    | <u>400,000</u>                 | <u>20,000</u>       |
|  |                    |               |                  |                    | <u>\$ 65,267,336</u>           | <u>\$ 4,905,250</u> |



**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

Long-term liabilities currently outstanding in the business-type activities are as follow:

|                                   | Original<br>Amount | Issue<br>Date | Maturity<br>Date | Interest<br>Rate % | Outstanding<br>at<br>6/30/2012 | Current<br>Portion |
|-----------------------------------|--------------------|---------------|------------------|--------------------|--------------------------------|--------------------|
| General obligation bonds payable: |                    |               |                  |                    |                                |                    |
| 2002 General Obligation Bond      | \$ 1,546,034       | 2003          | 2013             | 2.50-4.50          | \$ 153,531                     | \$ 153,531         |
| 2011 General Obligation Bond      | \$ 1,215,000       | 2011          | 2031             | 3.24               | 1,148,500                      | 66,500             |
|                                   |                    |               |                  |                    | <u>\$ 1,302,031</u>            | <u>\$ 220,031</u>  |

*Changes in Long-Term Liabilities*

The following is a summary of changes in long-term liabilities for the year ended June 30, 2012:

|                           | General<br>Obligation<br>Bonds and Notes,<br>Net of Forgiveness | Unamortized<br>Bond<br>Premium | Capital<br>Leases | Compensated<br>Absences | OPEB<br>Liability | Accrued<br>Landfill<br>Postclosure<br>Care Costs | Total                |
|---------------------------|---|--------------------------------|-------------------|-------------------------|-------------------|--|----------------------|
| Governmental activities:  |   |                                |                   |                         |                   |  |                      |
| Balance, beginning        | \$ 65,546,856   | \$ 406,950                     | \$ 251,091        | \$ 1,350,474            | \$ -              | \$ 425,000                                       | \$ 67,980,371        |
| Additions                 | 7,745,000   | 189,437                        | 266,813           | -                       | 104,300           | -  | 8,305,550            |
| Reductions                | (10,765,751)  | (20,347)                       | (165,983)         | (41,504)                | -                 | (25,000)   | (11,018,585)         |
| Balance, ending           | <u>\$ 62,526,105</u>  | <u>\$ 576,040</u>              | <u>\$ 351,921</u> | <u>\$ 1,308,970</u>     | <u>\$ 104,300</u> | <u>\$ 400,000</u>                                | <u>\$ 65,267,336</u> |
| Business-type activities: |   |                                |                   |                         |                   |  |                      |
| Balance, beginning        | \$ 1,522,796  | \$ -                           | \$ -              | \$ -                    | \$ -              | \$ -   | \$ 1,522,796         |
| Reductions                | (220,765)   | -                              | -                 | -                       | -                 | -  | (220,765)            |
| Balance, ending           | <u>\$ 1,302,031</u>   | <u>\$ -</u>                    | <u>\$ -</u>       | <u>\$ -</u>             | <u>\$ -</u>       | <u>\$ -</u>                                      | <u>\$ 1,302,031</u>  |

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

*Debt Service Requirements to Maturity*

The annual debt service requirements to maturity for the bonds and notes outstanding as of year-end are as follow:

| Fiscal Year Ending<br>June 30, | Governmental Activities |                       |                      |                      |
|--------------------------------|-------------------------|-----------------------|----------------------|----------------------|
|                                | Principal               | Principal<br>Forgiven | Interest             | Total                |
| 2013                           | \$ 4,712,449            | \$ (70,964)           | \$ 2,667,647         | \$ 7,309,132         |
| 2014                           | 4,693,500               | (49,190)              | 2,536,262            | 7,180,572            |
| 2015                           | 4,803,500               | (49,190)              | 2,372,702            | 7,127,012            |
| 2016                           | 4,663,500               | -                     | 2,251,918            | 6,915,418            |
| 2017                           | 4,528,500               | -                     | 1,853,383            | 6,381,883            |
| 2018-2022                      | 20,804,000              | -                     | 6,618,349            | 27,422,349           |
| 2023-2027                      | 14,610,000              | -                     | 2,556,889            | 17,166,889           |
| 2028-2031                      | 3,880,000               | -                     | 225,964              | 4,105,964            |
| Totals                         | <u>\$ 62,695,449</u>    | <u>\$ (169,344)</u>   | <u>\$ 21,083,114</u> | <u>\$ 83,609,219</u> |

| Fiscal Year Ending<br>June 30, | Business-type Activities |                   |                     |
|--------------------------------|--------------------------|-------------------|---------------------|
|                                | Principal                | Interest          | Total               |
| 2013                           | \$ 220,031               | \$ 45,617         | \$ 265,648          |
| 2014                           | 66,500                   | 41,080            | 107,580             |
| 2015                           | 61,500                   | 39,160            | 100,660             |
| 2016                           | 61,500                   | 37,315            | 98,815              |
| 2017                           | 61,500                   | 35,470            | 96,970              |
| 2018-2022                      | 306,000                  | 144,094           | 450,094             |
| 2023-2027                      | 300,000                  | 83,470            | 383,470             |
| 2028-2031                      | 225,000                  | 20,070            | 245,070             |
| Totals                         | <u>\$ 1,302,031</u>      | <u>\$ 446,276</u> | <u>\$ 1,748,307</u> |

The future minimum lease obligations for the capital lease are as follow:

| Fiscal Year Ending<br>June 30, | Governmental Activities |                  |                   |
|--------------------------------|-------------------------|------------------|-------------------|
|                                | Principal               | Interest         | Total             |
| 2013                           | \$ 122,728              | \$ 13,502        | \$ 136,230        |
| 2014                           | 101,913                 | 8,813            | 110,726           |
| 2015                           | 71,900                  | 4,745            | 76,645            |
| 2016                           | 55,380                  | 2,021            | 57,401            |
| Totals                         | <u>\$ 351,921</u>       | <u>\$ 29,081</u> | <u>\$ 381,002</u> |

**CITY OF WESTBROOK, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

*Advance Refunding of Debt*

On April 26, 2012, the City issued general obligation bonds in the amount of \$6,934,437, including premium, with an average interest rate of 2.34 percent to advance refund \$950,000 of outstanding series 2002 bonds with an average interest rate of 4.14 percent and \$5,265,000 of outstanding series 2004 bonds with an average interest rate of 4.37 percent. The net proceeds of \$6,814,758 (after payment of \$119,679 in underwriting fees and issuance costs) were used to purchase U.S. Treasury Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2002 and 2004 Series bonds. As a result, the 2002 and 2004 Series bonds are considered to be defeased and the liability for those bonds has been removed from the City's financial statements.

This refunding resulted in an economic gain of \$261,581 and the savings resulting from the refunding was \$298,766

*Accrued Landfill Postclosure Care Costs*

The City presently has two landfills, both of which have been closed. Use of the Sandy Hill landfill ceased in 1987 and it has been covered with clay. The City ceased the use of the Rocky Hill Demolition Debris landfill in 1999. Federal and State laws and regulations require that the City continue to perform certain maintenance and monitoring functions at the landfill sites. A liability is being recognized based on the postclosure care costs that will be incurred. The estimated total current cost of the landfill postclosure care has a balance of \$400,000 as of June 30, 2012, which is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2012. However, the actual cost of postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations. The City annually appropriates an amount for postclosure care costs.

**III.C. Balances and Transfers – Payments Within the Reporting Entity**

**III.C.1. *Receivables and Payables***

Generally, outstanding balances between funds reported as "interfund receivables/payables" include outstanding charges by one fund to another for goods or services, subsidy commitments outstanding at year-end, or other miscellaneous amounts. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is also reported as "interfund receivables/payables."

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

The following schedule reports receivables and payables within the reporting entity at fiscal year-end:

| <u>Receivable Fund</u> | <u>Payable Fund</u>   | <u>Amount</u>       |
|------------------------|-----------------------|---------------------|
| General                | Nonmajor              | \$ 2,005,705        |
| General                | Private purpose trust | 28,175              |
| General                | Agency                | 3,589               |
| Nonmajor               | Nonmajor              | 661,610             |
|                        |                       | <u>\$ 2,699,079</u> |

The amount due to the General Fund from the nonmajor funds represents debt service payments made on behalf of the WEIC Fund, overdrafts of pooled cash, and an interfund loan to the revolving loan funds to be paid back as loan payments are received. The amount due to the nonmajor funds from the nonmajor funds represents overdrafts of pooled cash. The amounts due to the General Fund from the Fiduciary Funds represents overdrafts of pooled cash.

### **III.C.2. Transfers**

Transfers within the reporting entity are substantially for the purposes of distributing taxes to the fund for which the appropriation was made, and distributing trust income to the applicable fund, and other voted amounts. The government-wide statement of activities eliminates transfers reported within the governmental activities columns.

The following schedule reports transfers within the reporting entity:

|                     | <u>Transfers In:</u> |                     |                     |
|---------------------|----------------------|---------------------|---------------------|
|                     | <u>General</u>       | <u>Nonmajor</u>     |                     |
|                     | <u>Fund</u>          | <u>Governmental</u> | <u>Total</u>        |
|                     |                      | <u>Funds</u>        |                     |
| Transfers out:      |                      |                     |                     |
| Governmental funds: |                      |                     |                     |
| General             | \$ -                 | \$ 4,814,694        | \$ 4,814,694        |
| Nonmajor            | 2,424,173            | 685,608             | 3,109,781           |
|                     | <u>\$ 2,424,173</u>  | <u>\$ 5,500,302</u> | <u>\$ 7,924,475</u> |

The amount transferred to the nonmajor funds from the General Fund represents the local share of various grants, the transfer of tax revenues to the tax increment finance (TIF) districts and WEIC in accordance with the various agreements, and voted amounts. The amount to the General Fund from the nonmajor funds represents transfers from the TIF districts in accordance with the agreements. The amounts from the nonmajor funds to other nonmajor funds represents transfers of the balances of

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

bond proceeds from completed capital projects to other ongoing capital projects, and transfers from the TIF districts in accordance with the agreements.

**III.D. Restatement of Beginning Equity**

Net assets and fund balances at July 1, 2011 were restated to reflect the following adjustments:

|  | Governmental<br>Activities | Activities<br>Sewer<br>Department | Governmental Funds<br>General<br>Fund | Governmental Funds<br>Nonmajor<br>Funds | Private<br>Purpose<br>Trust |
|--|----------------------------|-----------------------------------|---------------------------------------|---|-----------------------------|
| Net asset/fund balances,<br>as previously reported                           | \$ 13,186,847              | \$ 49,249,781                     | \$ 9,208,863                          | \$ 4,838,751                            | \$ 875,680                  |
| <u>Restatements</u>  |                            |                                   |                                       |   |                             |
| To remove receivable   | (79,450)                   | -                                 | (79,450)                              | -                                       | -                           |
| To report in separate funds  | -                          | -                                 | (4,996)                               | 4,996                                   | -                           |
| To record activity in proper year  | (138,708)                  | 32,960                            | (138,708)                             | -                                       | -                           |
| To reclassify permanent fund previously<br>reported as private purpose trust | 703,196                    | -                                 | -                                     | 703,196                                 | (703,196)                   |
| Net assets/fund balances, as restated  | <u>\$ 13,671,885</u>       | <u>\$ 49,282,741</u>              | <u>\$ 8,985,709</u>                   | <u>\$ 5,546,943</u>                     | <u>\$ 172,484</u>           |

*The notes continue on the following page.*

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

**III.E. Fund Equity**

The components of fund balance, as described in Note I.C.4, are reported for the following purposes:

|                        | General<br>Fund             | Nonmajor<br>Funds          |
|------------------------|-----------------------------|----------------------------|
| Nonspendable:          |                             |                            |
| Endowments             | \$ -                        | \$ 866,648                 |
| Prepays                | 57,976                      | -                          |
| Total nonspendable     | <u>57,976</u>               | <u>866,648</u>             |
| Restricted:            |                             |                            |
| General government     | -                           | 173,149                    |
| Committed:             |                             |                            |
| General government     | -                           | 1,573,482                  |
| Public safety          | -                           | 136,839                    |
| Public works           | -                           | 289,547                    |
| Human services         | -                           | 25,582                     |
| Culture and recreation | -                           | 535,256                    |
| Capital outlay         | 1,260,000                   | 3,616,267                  |
| School department      | 762,864                     | -                          |
| Stabilization          | 848,187                     | -                          |
| Total committed        | <u>2,871,051</u>            | <u>6,176,973</u>           |
| Assigned:              |                             |                            |
| General government     | 54,187                      | -                          |
| Public works           | 38,116                      | -                          |
| Total assigned         | <u>92,303</u>               | <u>-</u>                   |
| Unassigned             | <u>7,335,384</u>            | <u>(1,392,106)</u>         |
| Total fund balances    | <u><u>\$ 10,356,714</u></u> | <u><u>\$ 5,824,664</u></u> |

**III.F. Fund Balance Policies**

*Tax Rate Stabilization*

The City adopted a fund balance policy on December 12, 2011 that includes a stabilization arrangement. The arrangement allows for the City Council to set aside funds in the tax rate stabilization reserve to be used to reduce the needs from taxation for the coming years in periods of economic decline where valuation assessments are flat or decreasing, and/or periods of significant estimated revenue loss or periods of high increases in budgeted expenditures. Funding for the reserve will be committed by the City Council based upon recommendation of City Management. The balance of the tax rate stabilization reserve at June 30, 2012 is \$848,187.

**CITY OF WESTBROOK, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

*Fund Balance Policy*

City Council adopted a fund balance policy on December 12, 2011. The City will maintain a minimum unassigned fund balance in the General Fund of 14% to 20% of the annual tax commitment. In the event that the unassigned fund balance drops below this minimum level, the City will develop a plan, implemented through the annual budget process, to bring the balance back to the target level over a period of no more than three years. A super majority vote of five affirmative votes is required for the City Council to take action on an item that temporarily reduces the fund balance below this minimum target level.

Amounts in excess of the target maximum of 20% shall be transferred to Capital Reserve Funds designated for capital improvements, Tax Stabilization Reserve, or other one-time expenditures as identified by the City Council. At June 30, 2012, the City had unassigned fund balance in the General Fund in excess of 20%, as shown below.

|  |                          |
|--|--------------------------|
| Fiscal Year 2012 Commitment Amount       | 31,839,460               |
| 20% maximum threshold                    | 6,367,892                |
| Unassigned Fund Balance at June 30, 2012 | <u>7,335,384</u>         |
| Excess fund balance                      | <u><u>\$ 967,492</u></u> |

**IV. Other Information**

**IV.A. Risk Management**

The City is exposed to various risks from loss-related torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the City either carries commercial insurance or is self-insured.

As of the date of this report, there are no unpaid claims outstanding, nor is the City aware of any potential claims, which have been incurred yet remain unreported and which should be recorded at June 30, 2012.

**IV.B. Retirement Pensions**

The Maine Public Employees Retirement System (MainePERS) is a multiple-employer, cost-sharing, contributory public employee defined benefit plan qualified under section 401(a) of the Internal Revenue Code, and funded through a trust which is exempt from tax under Internal Revenue Code section 501(a). The MainePERS provides service, disability, death and vested retirement benefits for

**CITY OF WESTBROOK, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

the members and their beneficiaries. The Maine Legislature establishes the provisions for benefits and contributions.

Plan members are required to contribute 6.5% of their annual covered salary and the City of Westbrook is required to contribute an actuarially determined rate. The contribution rates of plan members and the City of Westbrook are established and may be amended by the MainePERS Board of Trustees.

Effective July 1, 2006, the City joined the MainePERS Consolidated Plan. Upon entry, the City ceased to be an individual sponsor of PLD #122 and PLD #70 and instead became a participant in the Consolidated Plan. As a participant of the plan, the City is required to amortize its remaining unfunded unpooled actuarial asset over a period of 15 years for PLD #122 and 11 years for PLD #70.

The MainePERS issues a separate financial report that is available by contacting the MainePERS at 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

#### **IV.C. 457 Retirement Plan**

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

Assets of the plan are placed in a trust held by a third party 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 City's financial statements.

#### **IV.D. Contingent Liabilities**

There are various legal claims and suits pending against the City which arose in the normal course of the City's activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect on the financial position of the City.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement from the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.



**CITY OF WESTBROOK, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

**IV.E. Other Postemployment Benefits**

*Plan Description*

The City is a member of the Maine Municipal Employees Health Trust (the "Health Trust"). In addition to providing pension benefits, the City provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirement as Maine PERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage. The City does not supplement the cost of this coverage directly, but recognizes the liability for the inclusion of implicit rate subsidies to the retirees. The subsidy occurs because when a blended rate is used for a group of individuals that includes younger and presumably healthier people along with older, retired people, implicitly, the active employees are subsidizing the retirees. As of January 1, 2011, the date of the most recent Actuarial Valuation Report, there were twenty-three retirees with ten spouses, and one hundred twenty one employees.

*Benefits Provided*

The City provides medical, dental and prescription drug coverage to retirees and their eligible spouses and dependents. Pre-Medicare retirees are offered the same plans that are available to the active employees. The plans are provided through the Health Trust, and include the Indemnity Choice Plan, the Traditional Point of Service Plan, the Comprehensive Point of Service Plan, and Comprehensive Point of Service Plan B, and the PPO Value Plan.

*Funding Policy*

Retirees contribute all of the premiums as determined by the City, but the remainder of the costs as derived from the implicit subsidy are paid by the City on a pay-as-you-go basis.

*Annual OPEB Costs and Net OPEB Obligation*

The City's annual OPEB expense for the fiscal year 2012 was calculated based on the annual required contribution of the City (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period not to exceed thirty years.

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

The City's annual OPEB cost for the fiscal year ended June 30, 2012 including the amount actually contributed to the plan and the change in the City's net OPEB obligation using the level funding amortization method is as follows:

|                                      |                          |
|--------------------------------------|--------------------------|
| Normal cost                          | \$ 50,185                |
| Amortization of unfunded liability   | 101,300                  |
| Interest                             | <u>3,000</u>             |
| Annual Required Contribution         | 154,485                  |
| Contribution made                    | (50,185)                 |
| Net OPEB Obligation (NOO), beginning | <u>-</u>                 |
| Net OPEB Obligation (NOO), ending    | <u><u>\$ 104,300</u></u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year 2012, which is the first year of recording, are as follow:

| Fiscal Year<br>Ended June 30, | Annual<br>OPEB<br>Cost | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation |
|-------------------------------|------------------------|--|------------------------|
| <u>2012</u>                   | <u>\$ 154,485</u>      | <u>32.49%</u>                                    | <u>\$ 104,300</u>      |

The funded status of the plan as of June 30, 2012, was as follows:

|   |                            |
|---|----------------------------|
| Actuarial Accrued Liability                       | \$ 1,821,745               |
| Actuarial Value of Plan Assets                    | <u>-</u>                   |
| Unfunded Actuarial Accrued Liability              | <u><u>\$ 1,821,745</u></u> |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.00%                      |
| Covered Payroll of Active Plan Members            | \$ 7,803,267               |
| UAAL as a Percentage of Covered Payroll           | 23.35%                     |

*Methods of Assumptions*

The projected unit credit (PUC) cost method was used for the valuation. The objective under PUC is to fund each participant's benefits under the plan as they would accrue. Thus, the total value of the benefit to which each participant is expected to become entitled, is broken down into units, each associated with a year of past or future credited service. The amount of benefit attributed to past service is determined based on service to the valuation date.

**CITY OF WESTBROOK, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED**  
**JUNE 30, 2012**

*Retiree medical benefits.* An individual's accrued benefit for valuation purposes is the projected benefit at assumed retirement date, or current age if later, multiplied by the ratio of service at the valuation date over service at the assumed retirement age. Service for this purpose is measured from date of hire. The benefit deemed to accrue for an individual during a plan year is the excess of the accrued benefit for valuation purposes at the end of the plan year over the accrued benefit for valuation purposes at the beginning of the plan year. Both accrued benefits are calculated from the same projections to the various anticipated separation dates.

An individual's accrued liability is the present value of the accrued benefit for valuation purposes at the beginning of the plan year, and the normal cost is the present value of the benefit deemed to accrue in the plan year. If multiple decrements are used, the accrued liability and the normal cost for an individual are the sum of the component accrued liabilities and normal costs associated with the various anticipated separation dates. Such accrued liabilities and normal costs reflect the accrued benefits as modified to obtain the benefits payable on those dates and the probability of the individual separating on those dates.

*Health care cost trend rates.* The trend assumptions are comprised of three elements: the initial trend rate, the ultimate trend rate, and the grade-down period. Trend rates exclude the expected impact of aging since this impact is explicitly reflected elsewhere in the valuation. As with any assumption, each trend rate assumption reflects a single scenario chosen from a wide range of possibilities. The Plan's actual experience will differ from these assumptions since the future is uncertain and nobody can predict with any measure of certainty how much health care costs will rise next year or in the future.

The initial trend rate is the expected increase in health care costs into the second year of the valuation (i.e., the first assumed annual increase in starting per capita rates). Initial rates are established separately for pre-Medicare medical claims, Medicare-eligible medical claims, prescription drug claims, and administrative expenses. These expected trend rates are based on market assessments and surveys and take into account actual historical experience, expected unit cost information, changes in utilization, plan design leveraging, cost shifting, and new technology. For valuation purposes, these trend rates are blended together based on a cost-weighted average basis.

The assumed ultimate trend rate and grade-down period are based on macroeconomic principles. These assumptions reflect assumed long term general information, nominal gross domestic product growth rates, and the excess of national health expenditures over other goods and services, and an adjustment for an assumed impact of population growth.

**CITY OF WESTBROOK, MAINE  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2012**

**REQUIRED SUPPLEMENTARY INFORMATION**

**EXHIBIT 12**  
**CITY OF WESTBROOK, MAINE**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2012**

|   | Original<br>Budget  | Final<br>Budget     | Actual              | Variance<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|------------------------------------|
| <b>REVENUES</b>   |                     |                     |                     |                                    |
| Taxes   | \$ 34,034,509       | \$ 34,034,509       | \$ 34,230,779       | \$ 196,270                         |
| Licenses, permits and fees  | 309,500             | 309,500             | 535,268             | 225,768                            |
| Intergovernmental   | 2,960,397           | 2,960,397           | 3,076,388           | 115,991                            |
| Charges for services  | 627,550             | 627,550             | 1,092,614           | 465,064                            |
| Miscellaneous   | 292,000             | 292,000             | 316,488             | 24,488                             |
| Total revenues  | <u>38,223,956</u>   | <u>38,223,956</u>   | <u>39,251,537</u>   | <u>1,027,581</u>                   |
| <b>EXPENDITURES</b>   |                     |                     |                     |                                    |
| Current:  |                     |                     |                     |                                    |
| General government  | 2,704,120           | 2,704,120           | 2,530,470           | 173,650                            |
| Public safety   | 5,678,491           | 5,678,491           | 5,770,819           | (92,328)                           |
| Public works  | 3,789,475           | 3,789,475           | 3,546,355           | 243,120                            |
| Human services  | 453,638             | 453,638             | 536,532             | (82,894)                           |
| Culture and recreation  | 1,091,971           | 1,053,939           | 991,108             | 62,831                             |
| Employee benefits   | 2,918,886           | 2,918,886           | 2,943,819           | (24,933)                           |
| Unclassified  | 1,532,314           | 1,532,314           | 1,536,244           | (3,930)                            |
| Cemeteries  | 57,042              | 57,042              | 57,301              | (259)                              |
| Debt service  | 2,328,566           | 9,073,566           | 9,269,436           | (195,870)                          |
| Total expenditures  | <u>20,554,503</u>   | <u>27,261,471</u>   | <u>27,182,084</u>   | <u>79,387</u>                      |
| Excess of revenues over expenditures                                | <u>17,669,453</u>   | <u>10,962,485</u>   | <u>12,069,453</u>   | <u>1,106,968</u>                   |
| Other financing sources (uses):                                     |                     |                     |                     |                                    |
| Transfers in  | 2,424,173           | 2,424,173           | 2,424,173           | -                                  |
| Transfers out   | (3,776,662)         | (4,814,694)         | (4,814,694)         | -                                  |
| Long-term debt issued   | -                   | 7,745,000           | 7,745,000           | -                                  |
| Premium received on long-term debt                                  | -                   | -                   | 186,521             | 186,521                            |
| Transfer to component unit  | (16,316,964)        | (16,316,964)        | (16,316,964)        | -                                  |
| Total other financing sources and uses                              | <u>(17,669,453)</u> | <u>(10,962,485)</u> | <u>(10,775,964)</u> | <u>186,521</u>                     |
| Net change in fund balance  | <u>\$ -</u>         | <u>\$ -</u>         | 1,293,489           | <u>\$ 1,293,489</u>                |
| Increase in nonspendable fund balance                               |                     |                     | (57,976)            |                                    |
| Increase in committed fund balance                                  |                     |                     | (2,871,051)         |                                    |
| Decrease in assigned fund balance                                   |                     |                     | 145,000             |                                    |
| Unassigned fund balance, beginning, as restated,<br>see Note III.D. |                     |                     | 8,825,922           |                                    |
| Unassigned fund balance, ending                                     |                     |                     | <u>\$ 7,335,384</u> |                                    |

The note to the required supplementary information is an integral part of this statement.

**CITY OF WESTBROOK, MAINE**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2012**

**Reconciliation of General Fund Budgetary Basis to GAAP**

**General Fund:**

Revenues and other financing sources:

Per Exhibit 12 (budgetary basis) \$ 49,607,231

Adjustment:

Basis difference:

Capital lease inception 266,813

Per Exhibit 5 (GAAP basis) \$ 49,874,044

Expenditures and other financing uses:

Per Exhibit 12 (budgetary basis) \$ 48,313,742

Adjustments:

Basis difference:

Encumbrances, beginning 14,787

Encumbrances, ending (92,303)

Capital lease inception 266,813

Per Exhibit 5 (GAAP basis) \$ 48,503,039

**EXHIBIT 13**  
**CITY OF WESTBROOK, MAINE**  
**Other Postemployment Benefits**  
**Schedule of Funding Progress**  
**June 30, 2012**

| Valuation<br>Date | Value<br>of<br>Assets | Accrued<br>Liability | Unfunded<br>Accrued<br>Liability | Funded<br>Ratio | Covered<br>Payroll | UAAL as a<br>Percentage<br>of Covered<br>Payroll |
|-------------------|-----------------------|----------------------|----------------------------------|-----------------|--------------------|--|
| January 1, 2011   | \$ -                  | \$ 1,821,745         | \$ 1,821,745                     | 0.00%           | \$ 7,803,267       | 23.35%   |

**COMBINING NONMAJOR FUND SCHEDULES – GOVERNMENTAL AND FIDUCIARY FUNDS**



**EXHIBIT 14**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Tax Increment Financing District Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

|                                      | Westbrook<br>Power | Downtown  | IDEXX    | Total     |
|--------------------------------------|--------------------|-----------|----------|-----------|
| <b>ASSETS</b>                        |                    |           |          |           |
| Cash and cash equivalents            | \$ 64,876          | \$ -      | \$ 9,863 | \$ 74,739 |
| <b>LIABILITIES AND FUND BALANCES</b> |                    |           |          |           |
| Liabilities:                         |                    |           |          |           |
| Contracts payable                    | \$ -               | \$ -      | \$ 149   | \$ 149    |
| Interfund payable                    | 68,252             | 886,101   | -        | 954,353   |
| Total liabilities                    | 68,252             | 886,101   | 149      | 954,502   |
| Fund balances:                       |                    |           |          |           |
| Committed                            | -                  | -         | 9,714    | 9,714     |
| Unassigned                           | (3,376)            | (886,101) | -        | (889,477) |
| Total fund balances                  | (3,376)            | (886,101) | 9,714    | (879,763) |
| Total liabilities and fund balances  | \$ 64,876          | \$ -      | \$ 9,863 | \$ 74,739 |

**EXHIBIT 15****CITY OF WESTBROOK, MAINE****Nonmajor Governmental Funds****Tax Increment Financing District Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances****For the Fiscal Year Ended June 30, 2012**

|  | Westbrook<br>Power | Acadia    | SYSKO    | D&G      |
|--|--------------------|-----------|----------|----------|
| <b>REVENUES</b>  |                    |           |          |          |
| Taxes  | \$ 219,446         | \$ -      | \$ -     | \$ -     |
| <b>EXPENDITURES</b>  |                    |           |          |          |
| Current:   |                    |           |          |          |
| General government   | -                  | -         | 68,025   | 44,924   |
| Debt service   | 211,205            | -         | -        | -        |
| Total expenditures   | 211,205            | -         | 68,025   | 44,924   |
| Excess (deficiency) of revenues<br>over (under) expenditures | 8,241              | -         | (68,025) | (44,924) |
| Other financing sources (uses):                              |                    |           |          |          |
| Transfers in   | 2,404,191          | 180,128   | 136,049  | 89,848   |
| Transfers out  | (2,374,173)        | (180,128) | (68,024) | (44,924) |
| Total other financing sources and uses                       | 30,018             | -         | 68,025   | 44,924   |
| Net change in fund balances                                  | 38,259             | -         | -        | -        |
| Fund balances, beginning                                     | (41,635)           | -         | -        | -        |
| Fund balances, ending  | \$ (3,376)         | \$ -      | \$ -     | \$ -     |

**Exhibit 15**

| <u>Lanco</u>    | <u>Downtown</u>     | <u>TAF Office</u> | <u>Olympia</u>  | <u>IDEXX</u>    | <u>Total</u>        |
|-----------------|---------------------|-------------------|-----------------|-----------------|---------------------|
| <u>\$ -</u>     | <u>\$ -</u>         | <u>\$ -</u>       | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ 219,446</u>   |
| 21,282          | -                   | 300,000           | 54,146          | -               | 488,377             |
| -               | 550,787             | -                 | -               | -               | 761,992             |
| <u>21,282</u>   | <u>550,787</u>      | <u>300,000</u>    | <u>54,146</u>   | <u>-</u>        | <u>1,250,369</u>    |
| <u>(21,282)</u> | <u>(550,787)</u>    | <u>(300,000)</u>  | <u>(54,146)</u> | <u>-</u>        | <u>(1,030,923)</u>  |
| 42,564          | 503,591             | 300,000           | 108,291         | -               | 3,764,662           |
| <u>(21,282)</u> | <u>-</u>            | <u>-</u>          | <u>(54,145)</u> | <u>-</u>        | <u>(2,742,676)</u>  |
| <u>21,282</u>   | <u>503,591</u>      | <u>300,000</u>    | <u>54,146</u>   | <u>-</u>        | <u>1,021,986</u>    |
| -               | (47,196)            | -                 | -               | -               | (8,937)             |
| -               | (838,905)           | -                 | -               | 9,714           | (870,826)           |
| <u>\$ -</u>     | <u>\$ (886,101)</u> | <u>\$ -</u>       | <u>\$ -</u>     | <u>\$ 9,714</u> | <u>\$ (879,763)</u> |

**EXHIBIT 16**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Open Space Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

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|                           | Hawthorne<br>Lane | Fitzgerald<br>Woods | Vance/<br>Fox<br>Knoll | Homestead<br>Village | Riverfront<br>Lots | CR Dev/<br>Wilson<br>Drive |
|---------------------------|-------------------|---------------------|------------------------|----------------------|--------------------|----------------------------|
| <b>ASSETS</b>             |                   |                     |                        |                      |                    |                            |
| Cash and cash equivalents | <u>\$ 4,653</u>   | <u>\$ 7,250</u>     | <u>\$ 3,958</u>        | <u>\$ 1,306</u>      | <u>\$ 140</u>      | <u>\$ 4,267</u>            |
| <b>FUND BALANCES</b>      |                   |                     |                        |                      |                    |                            |
| Committed                 | <u>\$ 4,653</u>   | <u>\$ 7,250</u>     | <u>\$ 3,958</u>        | <u>\$ 1,306</u>      | <u>\$ 140</u>      | <u>\$ 4,267</u>            |

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| HW Land Co/<br>Victoria<br>Drive | Hannaford<br>Field<br>Donation | Casella<br>Donation | Unknown<br>Origin | Parking<br>Study | Essex           | Longfellow      | Total             |
|----------------------------------|--------------------------------|---------------------|-------------------|------------------|-----------------|-----------------|-------------------|
| <u>\$ 4,400</u>                  | <u>\$ 39,999</u>               | <u>\$ 15,000</u>    | <u>\$ 160,166</u> | <u>\$ 7,757</u>  | <u>\$ 5,340</u> | <u>\$ 3,845</u> | <u>\$ 258,081</u> |
| <u>\$ 4,400</u>                  | <u>\$ 39,999</u>               | <u>\$ 15,000</u>    | <u>\$ 160,166</u> | <u>\$ 7,757</u>  | <u>\$ 5,340</u> | <u>\$ 3,845</u> | <u>\$ 258,081</u> |

**EXHIBIT 17****CITY OF WESTBROOK, MAINE****Nonmajor Governmental Funds****Open Space Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances****For the Fiscal Year Ended June 30, 2012**

|                             | Hawthorne<br>Lane | Fitzgerald<br>Woods | Vance/<br>Fox<br>Knoll | Homestead<br>Village | Riverfront<br>Lots |
|-----------------------------|-------------------|---------------------|------------------------|----------------------|--------------------|
| <b>REVENUES</b>             |                   |                     |                        |                      |                    |
| Miscellaneous               | \$ -              | \$ -                | \$ -                   | \$ -                 | \$ -               |
| <b>EXPENDITURES</b>         |                   |                     |                        |                      |                    |
| Current:                    |                   |                     |                        |                      |                    |
| Culture and recreation      | -                 | -                   | -                      | -                    | -                  |
| Net change in fund balances | -                 | -                   | -                      | -                    | -                  |
| Fund balances, beginning    | 4,653             | 7,250               | 3,958                  | 1,306                | 140                |
| Fund balances, ending       | <u>\$ 4,653</u>   | <u>\$ 7,250</u>     | <u>\$ 3,958</u>        | <u>\$ 1,306</u>      | <u>\$ 140</u>      |

**Exhibit 17**

| CR Dev/<br>Wilson<br>Drive | HW Land Co/<br>Victoria<br>Drive | Hannaford<br>Field<br>Donation | Casella<br>Donation | Unknown<br>Origin | Parking<br>Study | Essex           | Longfellow      | Total             |
|----------------------------|----------------------------------|--------------------------------|---------------------|-------------------|------------------|-----------------|-----------------|-------------------|
| \$ -                       | \$ -                             | \$ -                           | \$ -                | \$ -              | \$ -             | \$ 5,340        | \$ 3,845        | \$ 9,185          |
| 6,500                      | -                                | -                              | -                   | -                 | -                | -               | -               | 6,500             |
| (6,500)                    | -                                | -                              | -                   | -                 | -                | 5,340           | 3,845           | 2,685             |
| 10,767                     | 4,400                            | 39,999                         | 15,000              | 160,166           | 7,757            | -               | -               | 255,396           |
| <u>\$ 4,267</u>            | <u>\$ 4,400</u>                  | <u>\$ 39,999</u>               | <u>\$ 15,000</u>    | <u>\$ 160,166</u> | <u>\$ 7,757</u>  | <u>\$ 5,340</u> | <u>\$ 3,845</u> | <u>\$ 258,081</u> |

**EXHIBIT 18**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Revolving Loan Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

|                    | After<br>School<br>Special | Maine<br>Dovetail | Affordable<br>Business | Corey<br>Associates | JDK<br>Commercial | Total             |
|--------------------|----------------------------|-------------------|------------------------|---------------------|-------------------|-------------------|
| <b>ASSETS</b>      |                            |                   |                        |                     |                   |                   |
| Loans receivable   | <u>\$ 14,398</u>           | <u>\$ 47,427</u>  | <u>\$ 5,054</u>        | <u>\$ 45,768</u>    | <u>\$ 70,081</u>  | <u>\$ 182,728</u> |
| <b>LIABILITIES</b> |                            |                   |                        |                     |                   |                   |
| Interfund payable  | <u>\$ 14,398</u>           | <u>\$ 47,427</u>  | <u>\$ 5,054</u>        | <u>\$ 45,768</u>    | <u>\$ 70,081</u>  | <u>\$ 182,728</u> |



**EXHIBIT 19**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Capital Projects - Reserve Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

|                                      | Rescue<br>Donations | Fire Heart<br>Safety<br>Donations | Fire<br>Donations | Triad<br>Program | Fire Thermal<br>Imaging<br>Camera |
|--------------------------------------|---------------------|-----------------------------------|-------------------|------------------|-----------------------------------|
| <b>ASSETS</b>                        |                     |                                   |                   |                  |                                   |
| Cash and cash equivalents            | <u>\$ 2,296</u>     | <u>\$ 821</u>                     | <u>\$ -</u>       | <u>\$ 2,645</u>  | <u>\$ 2,274</u>                   |
| <b>LIABILITIES AND FUND BALANCES</b> |                     |                                   |                   |                  |                                   |
| Liabilities:                         |                     |                                   |                   |                  |                                   |
| Interfund payable                    | <u>\$ -</u>         | <u>\$ -</u>                       | <u>\$ 1,773</u>   | <u>\$ -</u>      | <u>\$ -</u>                       |
| Fund balances:                       |                     |                                   |                   |                  |                                   |
| Committed                            | 2,296               | 821                               | -                 | 2,645            | 2,274                             |
| Unassigned                           | <u>-</u>            | <u>-</u>                          | <u>(1,773)</u>    | <u>-</u>         | <u>-</u>                          |
| Total fund balances                  | <u>2,296</u>        | <u>821</u>                        | <u>(1,773)</u>    | <u>2,645</u>     | <u>2,274</u>                      |
| Total liabilities and fund balances  | <u>\$ 2,296</u>     | <u>\$ 821</u>                     | <u>\$ -</u>       | <u>\$ 2,645</u>  | <u>\$ 2,274</u>                   |

**Exhibit 19**

| <u>Dog<br/>Fees</u> | <u>Police<br/>Donations</u> | <u>Juvenile<br/>Divisions</u> | <u>Police<br/>Forfeiture</u> | <u>Police<br/>Copier</u> | <u>Safety &amp;<br/>Wellness<br/>Grant</u> | <u>PWD<br/>Donation</u> |
|---------------------|-----------------------------|-------------------------------|------------------------------|--------------------------|--|-------------------------|
| <u>\$ 7,220</u>     | <u>\$ 7,305</u>             | <u>\$ 2,137</u>               | <u>\$ 17,335</u>             | <u>\$ 7,410</u>          | <u>\$ 11,489</u>                           | <u>\$ 205</u>           |
| <u>\$ -</u>         | <u>\$ -</u>                 | <u>\$ -</u>                   | <u>\$ -</u>                  | <u>\$ -</u>              | <u>-</u>                                   | <u>\$ -</u>             |
| <u>7,220</u>        | <u>7,305</u>                | <u>2,137</u>                  | <u>17,335</u>                | <u>7,410</u>             | <u>11,489</u>                              | <u>205</u>              |
| <u>-</u>            | <u>-</u>                    | <u>-</u>                      | <u>-</u>                     | <u>-</u>                 | <u>-</u>                                   | <u>-</u>                |
| <u>7,220</u>        | <u>7,305</u>                | <u>2,137</u>                  | <u>17,335</u>                | <u>7,410</u>             | <u>11,489</u>                              | <u>205</u>              |
| <u>\$ 7,220</u>     | <u>\$ 7,305</u>             | <u>\$ 2,137</u>               | <u>\$ 17,335</u>             | <u>\$ 7,410</u>          | <u>\$ 11,489</u>                           | <u>\$ 205</u>           |

(continued)

**EXHIBIT 19 (continued)**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Capital Projects - Reserve Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

|                                      | PW<br>Highland Lake<br>Fence | PW<br>Equipment   | PWD<br>Heating<br>System | Fire<br>Equipment | Library       |
|--------------------------------------|------------------------------|-------------------|--------------------------|-------------------|---------------|
| <b>ASSETS</b>                        |                              |                   |                          |                   |               |
| Cash and cash equivalents            | <u>\$ 6,944</u>              | <u>\$ 143,566</u> | <u>\$ 7,471</u>          | <u>\$ 1,365</u>   | <u>\$ -</u>   |
| <b>LIABILITIES AND FUND BALANCES</b> |                              |                   |                          |                   |               |
| Liabilities:                         |                              |                   |                          |                   |               |
| Interfund payable                    | <u>\$ -</u>                  | <u>\$ -</u>       | <u>\$ -</u>              | <u>\$ -</u>       | <u>\$ 383</u> |
| Fund balances:                       |                              |                   |                          |                   |               |
| Committed                            | 6,944                        | 143,566           | 7,471                    | 1,365             | -             |
| Unassigned                           | <u>-</u>                     | <u>-</u>          | <u>-</u>                 | <u>-</u>          | <u>(383)</u>  |
| Total fund balances                  | <u>6,944</u>                 | <u>143,566</u>    | <u>7,471</u>             | <u>1,365</u>      | <u>(383)</u>  |
| Total liabilities and fund balances  | <u>\$ 6,944</u>              | <u>\$ 143,566</u> | <u>\$ 7,471</u>          | <u>\$ 1,365</u>   | <u>\$ -</u>   |

**Exhibit 19**

| <u>Library<br/>Donations</u> | <u>Boat<br/>Launch</u> | <u>Davan<br/>Pool</u> | <u>Community<br/>Services</u> | <u>Employee<br/>Assistance</u> | <u>Community<br/>Dental</u> | <u>Building</u>  | <u>City<br/>Hall</u> |
|------------------------------|------------------------|-----------------------|-------------------------------|--------------------------------|-----------------------------|------------------|----------------------|
| <u>\$ 23,394</u>             | <u>\$ 3,060</u>        | <u>\$ 25,679</u>      | <u>\$ 10,324</u>              | <u>\$ 10,619</u>               | <u>\$ 1,831</u>             | <u>\$ 82,494</u> | <u>\$18,385</u>      |
| <u>\$ -</u>                  | <u>\$ -</u>            | <u>\$ -</u>           | <u>\$ -</u>                   | <u>\$ -</u>                    | <u>\$ -</u>                 | <u>\$ -</u>      | <u>\$ -</u>          |
| 23,394                       | 3,060                  | 25,679                | 10,324                        | 10,619                         | 1,831                       | 82,494           | 18,385               |
| -                            | -                      | -                     | -                             | -                              | -                           | -                | -                    |
| <u>23,394</u>                | <u>3,060</u>           | <u>25,679</u>         | <u>10,324</u>                 | <u>10,619</u>                  | <u>1,831</u>                | <u>82,494</u>    | <u>18,385</u>        |
| <u>\$ 23,394</u>             | <u>\$ 3,060</u>        | <u>\$ 25,679</u>      | <u>\$ 10,324</u>              | <u>\$ 10,619</u>               | <u>\$ 1,831</u>             | <u>\$ 82,494</u> | <u>\$18,385</u>      |

*(continued)*

**EXHIBIT 19 (continued)**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Capital Projects - Reserve Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

|                                      | Building<br>Maintenance | Athletic<br>Field | Planning<br>For Offsite<br>Improvements | Home<br>Repair<br>Network | Total             |
|--------------------------------------|-------------------------|-------------------|---|---------------------------|-------------------|
| <b>ASSETS</b>                        |                         |                   |   |                           |                   |
| Cash and cash equivalents            | <u>\$ 64,253</u>        | <u>\$ 44,045</u>  | <u>\$ 50,000</u>                        | <u>\$ 29,141</u>          | <u>\$ 583,708</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                         |                   |   |                           |                   |
| Liabilities:                         |                         |                   |   |                           |                   |
| Interfund payable                    | <u>\$ -</u>             | <u>\$ -</u>       | <u>\$ -</u>                             | <u>\$ -</u>               | <u>\$ 2,156</u>   |
| Fund balances:                       |                         |                   |   |                           |                   |
| Committed                            | 64,253                  | 44,045            | 50,000                                  | 29,141                    | 583,708           |
| Unassigned                           | <u>-</u>                | <u>-</u>          | <u>-</u>                                | <u>-</u>                  | <u>(2,156)</u>    |
| Total fund balances                  | <u>64,253</u>           | <u>44,045</u>     | <u>50,000</u>                           | <u>29,141</u>             | <u>581,552</u>    |
| Total liabilities and fund balances  | <u>\$ 64,253</u>        | <u>\$ 44,045</u>  | <u>\$ 50,000</u>                        | <u>\$ 29,141</u>          | <u>\$ 583,708</u> |

**EXHIBIT 20****CITY OF WESTBROOK, MAINE****Nonmajor Governmental Funds****Capital Projects - Reserve Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances****For the Fiscal Year Ended June 30, 2012**

|  | Rescue<br>Donations | Fire Heart<br>Safety<br>Donations | Fire<br>Donations | Triad<br>Program | Fire Thermal<br>Imaging<br>Camera |
|--|---------------------|-----------------------------------|-------------------|------------------|-----------------------------------|
| <b>REVENUES</b>  |                     |                                   |                   |                  |                                   |
| Miscellaneous  | \$ -                | \$ -                              | \$ 350            | \$ -             | \$ -                              |
| <b>EXPENDITURES</b>  |                     |                                   |                   |                  |                                   |
| Current:   |                     |                                   |                   |                  |                                   |
| General government   | -                   | -                                 | -                 | -                | -                                 |
| Public safety  | -                   | -                                 | -                 | 638              | -                                 |
| Culture and recreation                                       | -                   | -                                 | -                 | -                | -                                 |
| Total expenditures   | -                   | -                                 | -                 | 638              | -                                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                   | -                                 | 350               | (638)            | -                                 |
| Other financing sources (uses):                              |                     |                                   |                   |                  |                                   |
| Transfers in   | -                   | -                                 | -                 | -                | -                                 |
| Transfers out  | -                   | -                                 | -                 | -                | -                                 |
| Total other financing sources and uses                       | -                   | -                                 | -                 | -                | -                                 |
| Net change in fund balances                                  | -                   | -                                 | 350               | (638)            | -                                 |
| Fund balances, beginning                                     | 2,296               | 821                               | (2,123)           | 3,283            | 2,274                             |
| Fund balances, ending  | \$ 2,296            | \$ 821                            | \$ (1,773)        | \$ 2,645         | \$ 2,274                          |

| <u>Dog<br/>Fees</u>    | <u>Police<br/>Donations</u> | <u>Juvenile<br/>Divisions</u> | <u>Police<br/>Forfeiture</u> | <u>Police<br/>Copier</u> | <u>Safety &amp;<br/>Wellness<br/>Grant</u> | <u>PWD<br/>Donation</u> |
|------------------------|-----------------------------|-------------------------------|------------------------------|--------------------------|--|-------------------------|
| <u>\$ -</u>            | <u>\$ -</u>                 | <u>\$ -</u>                   | <u>\$ 14,580</u>             | <u>\$ -</u>              | <u>\$ 1,000</u>                            | <u>\$ -</u>             |
| -                      | -                           | -                             | -                            | -                        | 600  | -                       |
| -                      | -                           | -                             | 3,910                        | -                        | -  | -                       |
| -                      | -                           | -                             | -                            | -                        | -  | -                       |
| <u>-</u>               | <u>-</u>                    | <u>-</u>                      | <u>3,910</u>                 | <u>-</u>                 | <u>600</u>                                 | <u>-</u>                |
| -                      | -                           | -                             | 10,670                       | -                        | 400  | -                       |
| -                      | -                           | -                             | -                            | -                        | -  | -                       |
| <u>-</u>               | <u>-</u>                    | <u>-</u>                      | <u>-</u>                     | <u>-</u>                 | <u>-</u>                                   | <u>-</u>                |
| -                      | -                           | -                             | -                            | -                        | -  | -                       |
| -                      | -                           | -                             | 10,670                       | -                        | 400  | -                       |
| <u>7,220</u>           | <u>7,305</u>                | <u>2,137</u>                  | <u>6,665</u>                 | <u>7,410</u>             | <u>11,089</u>                              | <u>205</u>              |
| <u><u>\$ 7,220</u></u> | <u><u>\$ 7,305</u></u>      | <u><u>\$ 2,137</u></u>        | <u><u>\$ 17,335</u></u>      | <u><u>\$ 7,410</u></u>   | <u><u>\$ 11,489</u></u>                    | <u><u>\$ 205</u></u>    |

(continued)

**EXHIBIT 20 (continued)**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Capital Projects - Reserve Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2012**

|  | PW<br>Highland Lake<br>Fence | PW<br>Equipment | PWD<br>Heating<br>System | Fire<br>Equipment | Library  |
|--|------------------------------|-----------------|--------------------------|-------------------|----------|
| <b>REVENUES</b>  |                              |                 |                          |                   |          |
| Miscellaneous  | \$ -                         | \$ 5,850        | \$ -                     | \$ -              | \$ -     |
| <b>EXPENDITURES</b>  |                              |                 |                          |                   |          |
| Current:   |                              |                 |                          |                   |          |
| General government   | -                            | -               | -                        | -                 | -        |
| Public safety  | -                            | -               | -                        | -                 | -        |
| Culture and recreation                                       | -                            | -               | -                        | -                 | -        |
| Total expenditures   | -                            | -               | -                        | -                 | -        |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                            | 5,850           | -                        | -                 | -        |
| Other financing sources:                                     |                              |                 |                          |                   |          |
| Transfers in   | -                            | -               | -                        | -                 | -        |
| Transfers out  | -                            | -               | -                        | -                 | -        |
| Total other financing sources and uses                       | -                            | -               | -                        | -                 | -        |
| Net change in fund balances                                  | -                            | 5,850           | -                        | -                 | -        |
| Fund balances, beginning                                     | 6,944                        | 137,716         | 7,471                    | 1,365             | (383)    |
| Fund balances, ending  | \$ 6,944                     | \$ 143,566      | \$ 7,471                 | \$ 1,365          | \$ (383) |



Exhibit 20

| Library<br>Donations | Boat<br>Launch | Davan<br>Pool | Community<br>Services | Employee<br>Assistance | Community<br>Dental | Building  | City<br>Hall |
|----------------------|----------------|---------------|-----------------------|------------------------|---------------------|-----------|--------------|
| \$ 6,380             | \$ -           | \$ -          | \$ -                  | \$ -                   | \$ -                | \$ 1,239  | \$ -         |
| -                    | -              | -             | -                     | -                      | -                   | -         | -            |
| -                    | -              | -             | -                     | -                      | -                   | -         | -            |
| 609                  | -              | -             | -                     | -                      | -                   | -         | -            |
| 609                  | -              | -             | -                     | -                      | -                   | -         | -            |
| 5,771                | -              | -             | -                     | -                      | -                   | 1,239     | -            |
| -                    | -              | 7,500         | -                     | -                      | -                   | 4,500     | -            |
| -                    | -              | (50,000)      | -                     | -                      | -                   | -         | -            |
| -                    | -              | (42,500)      | -                     | -                      | -                   | 4,500     | -            |
| 5,771                | -              | (42,500)      | -                     | -                      | -                   | 5,739     | -            |
| 17,623               | 3,060          | 68,179        | 10,324                | 10,619                 | 1,831               | 76,755    | 18,385       |
| \$ 23,394            | \$ 3,060       | \$ 25,679     | \$ 10,324             | \$ 10,619              | \$ 1,831            | \$ 82,494 | \$ 18,385    |

(continued)

**EXHIBIT 20 (continued)**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Capital Projects - Reserve Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2012**

|  | Building<br>Maintenance | Athletic<br>Field | Planning<br>for offsite<br>Improvements | Home<br>Repair<br>Network | Total      |
|--|-------------------------|-------------------|---|---------------------------|------------|
| <b>REVENUES</b>  |                         |                   |   |                           |            |
| Miscellaneous  | \$ -                    | \$ -              | \$ 50,000                               | \$ -                      | \$ 79,399  |
| <b>EXPENDITURES</b>  |                         |                   |   |                           |            |
| Current:   |                         |                   |   |                           |            |
| General government   | -                       | -                 | -                                       | -                         | 600        |
| Public safety  | -                       | -                 | -                                       | -                         | 4,548      |
| Culture and recreation                                       | -                       | 2,535             | -                                       | -                         | 3,144      |
| Total expenditures   | -                       | 2,535             | -                                       | -                         | 8,292      |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                       | (2,535)           | 50,000                                  | -                         | 71,107     |
| Other financing sources (uses):                              |                         |                   |   |                           |            |
| Transfers in   | -                       | -                 | -                                       | -                         | 12,000     |
| Transfers out  | -                       | -                 | -                                       | -                         | (50,000)   |
| Total other financing sources and uses                       | -                       | -                 | -                                       | -                         | (38,000)   |
| Net change in fund balances                                  | -                       | (2,535)           | 50,000                                  | -                         | 33,107     |
| Fund balances, beginning                                     | 64,253                  | 46,580            | -                                       | 29,141                    | 548,445    |
| Fund balances, ending  | \$ 64,253               | \$ 44,045         | \$ 50,000                               | \$ 29,141                 | \$ 581,552 |

**EXHIBIT 21**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Miscellaneous Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

|                                      | Westbrook<br>Environmental<br>Improvement<br>Corporation | Riverwalk<br>Fine Arts<br>Festival | Arts &<br>Culture<br>Grant | Seatbelt<br>Grant | Speed<br>Enforcement |
|--------------------------------------|--|------------------------------------|----------------------------|-------------------|----------------------|
| <b>ASSETS</b>                        |  |                                    |                            |                   |                      |
| Cash and cash equivalents            | \$ 283,331   | \$ 2,356                           | \$ -                       | \$ 1,769          | \$ 1,795             |
| Investments                          | 415,931  | -                                  | -                          | -                 | -                    |
| Receivables:                         |  |                                    |                            |                   |                      |
| Accounts                             | -  | -                                  | -                          | -                 | -                    |
| Intergovernmental                    | -  | -                                  | -                          | -                 | -                    |
| Interfund receivable                 | 362,152  | -                                  | -                          | -                 | -                    |
| Total assets                         | <u>\$ 1,061,414</u>                                      | <u>\$ 2,356</u>                    | <u>\$ -</u>                | <u>\$ 1,769</u>   | <u>\$ 1,795</u>      |
| <b>LIABILITIES AND FUND BALANCES</b> |  |                                    |                            |                   |                      |
| Liabilities:                         |  |                                    |                            |                   |                      |
| Accounts payable                     | \$ -   | \$ -                               | \$ -                       | \$ -              | \$ -                 |
| Interfund payable                    | -  | -                                  | 1,376                      | -                 | -                    |
| Deferred revenue                     | -  | -                                  | -                          | -                 | -                    |
| Total liabilities                    | <u>-</u>   | <u>-</u>                           | <u>1,376</u>               | <u>-</u>          | <u>-</u>             |
| Fund balances:                       |  |                                    |                            |                   |                      |
| Committed                            | 1,061,414  | 2,356                              | -                          | 1,769             | 1,795                |
| Unassigned                           | -  | -                                  | (1,376)                    | -                 | -                    |
| Total fund balances                  | <u>1,061,414</u>   | <u>2,356</u>                       | <u>(1,376)</u>             | <u>1,769</u>      | <u>1,795</u>         |
| Total liabilities and fund balances  | <u>\$ 1,061,414</u>                                      | <u>\$ 2,356</u>                    | <u>\$ -</u>                | <u>\$ 1,769</u>   | <u>\$ 1,795</u>      |

**Exhibit 21**

| Drinking<br>Enforcement | Library<br>CPHC | Capital<br>Maintenance<br>Library<br>Renovations | Capital<br>Maintenance<br>JR<br>Re-Use | Capital<br>Maintenance<br>PW<br>Facility | Library<br>Gates<br>Grant | Summer HV<br>Enforcement<br>Camp | PROP<br>Underage<br>Drinking |
|-------------------------|-----------------|--|--|--|---------------------------|----------------------------------|------------------------------|
| \$ 1,750                | \$ -            | \$ 45,516  | \$ 12,058                              | \$ 24,006                                | \$ -                      | \$ 3,000                         | \$ -                         |
| -                       | -               | -  | -                                      | -  | -                         | -                                | -                            |
| -                       | -               | -  | -                                      | -  | -                         | -                                | 2,107                        |
| -                       | -               | -  | -                                      | -  | -                         | 1,947                            | -                            |
| -                       | -               | -  | -                                      | -  | -                         | -                                | -                            |
| <u>\$ 1,750</u>         | <u>\$ -</u>     | <u>\$ 45,516</u>                                 | <u>\$ 12,058</u>                       | <u>\$ 24,006</u>                         | <u>\$ -</u>               | <u>\$ 4,947</u>                  | <u>\$ 2,107</u>              |
| \$ -                    | \$ -            | \$ -   | \$ -                                   | \$ -                                     | \$ -                      | \$ -                             | \$ -                         |
| -                       | 815             | -  | -                                      | -  | 650                       | 1,947                            | 2,107                        |
| -                       | -               | -  | -                                      | -  | -                         | -                                | -                            |
| -                       | 815             | -  | -                                      | -  | 650                       | 1,947                            | 2,107                        |
| 1,750                   | -               | 45,516   | 12,058                                 | 24,006                                   | -                         | 3,000                            | -                            |
| -                       | (815)           | -  | -                                      | -  | (650)                     | -                                | -                            |
| <u>1,750</u>            | <u>(815)</u>    | <u>45,516</u>                                    | <u>12,058</u>                          | <u>24,006</u>                            | <u>(650)</u>              | <u>3,000</u>                     | <u>-</u>                     |
| <u>\$ 1,750</u>         | <u>\$ -</u>     | <u>\$ 45,516</u>                                 | <u>\$ 12,058</u>                       | <u>\$ 24,006</u>                         | <u>\$ -</u>               | <u>\$ 4,947</u>                  | <u>\$ 2,107</u>              |

(continued)

**EXHIBIT 21 (continued)**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Miscellaneous Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

|                                      | COPS<br>Grant    | Byrne<br>Memorial/<br>JAG Grant | Holiday<br>Enforcement | OUI<br>Emphasis | Community<br>Health<br>Grant |
|--------------------------------------|------------------|---------------------------------|------------------------|-----------------|------------------------------|
| <b>ASSETS</b>                        |                  |                                 |                        |                 |                              |
| Cash and cash equivalents            | \$ -             | \$ -                            | \$ -                   | \$ 3,744        | \$ 1,643                     |
| Investments                          | -                | -                               | -                      | -               | -                            |
| Receivables:                         |                  |                                 |                        |                 |                              |
| Accounts                             | -                | -                               | -                      | -               | -                            |
| Intergovernmental                    | 97,534           | 33,721                          | 2,827                  | -               | -                            |
| Interfund receivable                 | -                | -                               | -                      | -               | -                            |
| Total assets                         | <u>\$ 97,534</u> | <u>\$ 33,721</u>                | <u>\$ 2,827</u>        | <u>\$ 3,744</u> | <u>\$ 1,643</u>              |
| <b>LIABILITIES AND FUND BALANCES</b> |                  |                                 |                        |                 |                              |
| Liabilities:                         |                  |                                 |                        |                 |                              |
| Accounts payable                     | \$ -             | \$ -                            | \$ -                   | \$ -            | \$ -                         |
| Interfund payable                    | 97,534           | 33,484                          | -                      | -               | -                            |
| Deferred revenue                     | -                | -                               | -                      | -               | -                            |
| Total liabilities                    | <u>97,534</u>    | <u>33,484</u>                   | <u>-</u>               | <u>-</u>        | <u>-</u>                     |
| Fund balances:                       |                  |                                 |                        |                 |                              |
| Committed                            | -                | 237                             | 2,827                  | 3,744           | 1,643                        |
| Unassigned                           | -                | -                               | -                      | -               | -                            |
| Total fund balances                  | <u>-</u>         | <u>237</u>                      | <u>2,827</u>           | <u>3,744</u>    | <u>1,643</u>                 |
| Total liabilities and fund balances  | <u>\$ 97,534</u> | <u>\$ 33,721</u>                | <u>\$ 2,827</u>        | <u>\$ 3,744</u> | <u>\$ 1,643</u>              |

**Exhibit 21**

| <u>Police<br/>Details</u> | <u>Police<br/>Outside<br/>Details</u> | <u>Homeland<br/>Security - PD</u> | <u>ATV<br/>Grant</u> | <u>Westbrook<br/>Trail<br/>Blazes</u> | <u>FD<br/>Outside<br/>Details</u> | <u>FD Misc<br/>Awards &amp;<br/>Decorations</u> |
|---------------------------|---------------------------------------|-----------------------------------|----------------------|---------------------------------------|-----------------------------------|---|
| \$ 2,760                  | \$ 34,000                             | \$ 9,009                          | \$ 4,500             | \$ -                                  | \$ 8,271                          | \$ 132  |
| -                         | -                                     | -                                 | -                    | -                                     | -                                 | -   |
| -                         | 1,942                                 | -                                 | -                    | -                                     | -                                 | -   |
| -                         | -                                     | -                                 | -                    | -                                     | -                                 | -   |
| -                         | -                                     | -                                 | -                    | -                                     | -                                 | -   |
| <u>\$ 2,760</u>           | <u>\$ 35,942</u>                      | <u>\$ 9,009</u>                   | <u>\$ 4,500</u>      | <u>\$ -</u>                           | <u>\$ 8,271</u>                   | <u>\$ 132</u>                                   |
| \$ -                      | \$ -                                  | \$ -                              | \$ -                 | \$ -                                  | \$ -                              | \$ -  |
| -                         | -                                     | -                                 | -                    | 10,000                                | 363                               | -   |
| -                         | -                                     | -                                 | -                    | -                                     | -                                 | -   |
| -                         | -                                     | -                                 | -                    | 10,000                                | 363                               | -   |
| 2,760                     | 35,942                                | 9,009                             | 4,500                | -                                     | 7,908                             | 132   |
| -                         | -                                     | -                                 | -                    | (10,000)                              | -                                 | -   |
| <u>2,760</u>              | <u>35,942</u>                         | <u>9,009</u>                      | <u>4,500</u>         | <u>(10,000)</u>                       | <u>7,908</u>                      | <u>132</u>                                      |
| <u>\$ 2,760</u>           | <u>\$ 35,942</u>                      | <u>\$ 9,009</u>                   | <u>\$ 4,500</u>      | <u>\$ -</u>                           | <u>\$ 8,271</u>                   | <u>\$ 132</u>                                   |

(continued)

**EXHIBIT 21 (continued)**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Miscellaneous Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

|                                      | Fire<br>Sprinkler<br>Grant | Assist to<br>Firefighters<br>Grant | Street<br>Openings | Recreation          |
|--------------------------------------|----------------------------|------------------------------------|--------------------|---------------------|
| <b>ASSETS</b>                        |                            |                                    |                    |                     |
| Cash and cash equivalents            | \$ 10,658                  | \$ -                               | \$ 68,566          | \$ 1,008,709        |
| Investments                          | -                          | -                                  | -                  | -                   |
| Receivables:                         |                            |                                    |                    |                     |
| Accounts                             | -                          | -                                  | 62,795             | -                   |
| Intergovernmental                    | -                          | 49,795                             | -                  | -                   |
| Interfund receivable                 | -                          | -                                  | -                  | -                   |
| Total assets                         | <u>\$ 10,658</u>           | <u>\$ 49,795</u>                   | <u>\$ 131,361</u>  | <u>\$ 1,008,709</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                            |                                    |                    |                     |
| Liabilities:                         |                            |                                    |                    |                     |
| Accounts payable                     | \$ -                       | \$ -                               | \$ -               | \$ 2,584            |
| Interfund payable                    | -                          | 50,461                             | -                  | 753,039             |
| Deferred revenue                     | -                          | -                                  | -                  | -                   |
| Total liabilities                    | <u>-</u>                   | <u>50,461</u>                      | <u>-</u>           | <u>755,623</u>      |
| Fund balances:                       |                            |                                    |                    |                     |
| Committed                            | 10,658                     | -                                  | 131,361            | 253,086             |
| Unassigned                           | -                          | (666)                              | -                  | -                   |
| Total fund balances                  | <u>10,658</u>              | <u>(666)</u>                       | <u>131,361</u>     | <u>253,086</u>      |
| Total liabilities and fund balances  | <u>\$ 10,658</u>           | <u>\$ 49,795</u>                   | <u>\$ 131,361</u>  | <u>\$ 1,008,709</u> |

**Exhibit 21**

| Before<br>Care    | Summer<br>Camp    | Youth<br>Activities | Adult<br>Programs | Westbrook<br>Pool | Field<br>Maintenance | Total               |
|-------------------|-------------------|---------------------|-------------------|-------------------|----------------------|---------------------|
| \$ 90,221         | \$ 106,402        | \$ -                | \$ -              | \$ 27,136         | \$ 38,032            | \$ 1,789,364        |
| -                 | -                 | -                   | -                 | -                 | -                    | 415,931             |
| 45,059            | 7,748             | -                   | -                 | -                 | -                    | 119,651             |
| -                 | -                 | -                   | -                 | -                 | -                    | 185,824             |
| -                 | -                 | -                   | -                 | -                 | -                    | 362,152             |
| <u>\$ 135,280</u> | <u>\$ 114,150</u> | <u>\$ -</u>         | <u>\$ -</u>       | <u>\$ 27,136</u>  | <u>\$ 38,032</u>     | <u>\$ 2,872,922</u> |
| \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                 | \$ 2,584            |
| -                 | 11,763            | 6,171               | 3,541             | 35,535            | -                    | 1,008,786           |
| -                 | 116,558           | -                   | -                 | -                 | -                    | 116,558             |
| -                 | 128,321           | 6,171               | 3,541             | 35,535            | -                    | 1,127,928           |
| 135,280           | -                 | -                   | -                 | -                 | 38,032               | 1,790,783           |
| -                 | (14,171)          | (6,171)             | (3,541)           | (8,399)           | -                    | (45,789)            |
| 135,280           | (14,171)          | (6,171)             | (3,541)           | (8,399)           | 38,032               | 1,744,994           |
| <u>\$ 135,280</u> | <u>\$ 114,150</u> | <u>\$ -</u>         | <u>\$ -</u>       | <u>\$ 27,136</u>  | <u>\$ 38,032</u>     | <u>\$ 2,872,922</u> |



**EXHIBIT 22****CITY OF WESTBROOK, MAINE****Nonmajor Governmental Funds****Miscellaneous Special Revenue Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances****For the Fiscal Year Ended June 30, 2012**

|  | Westbrook<br>Environmental<br>Improvement<br>Corporation | Riverwalk<br>Fine Arts<br>Festival | Arts &<br>Culture<br>Grant | Seatbelt<br>Grant |
|--|--|------------------------------------|----------------------------|-------------------|
| <b>REVENUES</b>  |  |                                    |                            |                   |
| Intergovernmental  | \$ -   | \$ -                               | \$ -                       | \$ 1,769          |
| Charges for services   | -  | -                                  | 6,757                      | -                 |
| Miscellaneous  | 3,908  | -                                  | -                          | -                 |
| Total revenues   | <u>3,908</u>   | <u>-</u>                           | <u>6,757</u>               | <u>1,769</u>      |
| <b>EXPENDITURES</b>  |  |                                    |                            |                   |
| Current:   |  |                                    |                            |                   |
| General government   | 95,720   | -                                  | -                          | -                 |
| Public safety  | -  | -                                  | -                          | -                 |
| Highways and streets   | -  | -                                  | -                          | -                 |
| Culture and recreation                                       | -  | -                                  | 6,757                      | -                 |
| Debt service   | 82,065   | -                                  | -                          | -                 |
| Total expenditures   | <u>177,785</u>   | <u>-</u>                           | <u>6,757</u>               | <u>-</u>          |
| Excess (deficiency) of revenues<br>over (under) expenditures | (173,877)  | -                                  | -                          | 1,769             |
| Other financing sources:                                     |  |                                    |                            |                   |
| Transfers in   | <u>368,503</u>   | <u>-</u>                           | <u>-</u>                   | <u>-</u>          |
| Net change in fund balances                                  | 194,626  | -                                  | -                          | 1,769             |
| Fund balances, beginning                                     | <u>866,788</u>   | <u>2,356</u>                       | <u>(1,376)</u>             | <u>-</u>          |
| Fund balances, ending  | <u>\$ 1,061,414</u>                                      | <u>\$ 2,356</u>                    | <u>\$ (1,376)</u>          | <u>\$ 1,769</u>   |

[illegible]

(continued)

**EXHIBIT 22 (continued)**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Miscellaneous Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2012**

|  | COPS<br>Grant  | Byrne<br>Memorial/<br>JAG Grant | Holiday<br>Enforcement | OUI<br>Emphasis |
|--|----------------|---------------------------------|------------------------|-----------------|
| <b>REVENUES</b>  |                |                                 |                        |                 |
| Intergovernmental  | \$ 128,456     | \$ 33,721                       | \$ -                   | \$ 10,000       |
| Charges for services   | -              | -                               | -                      | -               |
| Miscellaneous  | -              | -                               | -                      | -               |
| Total revenues   | <u>128,456</u> | <u>33,721</u>                   | <u>-</u>               | <u>10,000</u>   |
| <b>EXPENDITURES</b>  |                |                                 |                        |                 |
| Current:   |                |                                 |                        |                 |
| General government   | -              | -                               | -                      | -               |
| Public safety  | 128,456        | 10,761                          | -                      | 6,256           |
| Highways and streets   | -              | -                               | -                      | -               |
| Culture and recreation                                       | -              | -                               | -                      | -               |
| Principal  | -              | -                               | -                      | -               |
| Total expenditures   | <u>128,456</u> | <u>10,761</u>                   | <u>-</u>               | <u>6,256</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | -              | 22,960                          | -                      | 3,744           |
| Other financing sources:                                     |                |                                 |                        |                 |
| Transfers in   | -              | -                               | -                      | -               |
| Net change in fund balances                                  | -              | 22,960                          | -                      | 3,744           |
| Fund balances, beginning                                     | -              | (22,723)                        | 2,827                  | -               |
| Fund balances, ending  | <u>\$ -</u>    | <u>\$ 237</u>                   | <u>\$ 2,827</u>        | <u>\$ 3,744</u> |

Exhibit 22

| Community<br>Health<br>Grant | Police<br>Details | Police<br>Outside<br>Details | Homeland<br>Security - PD | ATV<br>Grant    | Westbrook<br>Trail<br>Blazes | FD<br>Outside<br>Details |
|------------------------------|-------------------|------------------------------|---------------------------|-----------------|------------------------------|--------------------------|
| \$ 1,378                     | \$ 119,644        | \$ -                         | \$ -                      | \$ 4,500        | \$ -                         | \$ -                     |
| -                            | -                 | 32,938                       | -                         | -               | -                            | 8,578                    |
| 2,387                        | -                 | -                            | -                         | -               | -                            | -                        |
| <u>3,765</u>                 | <u>119,644</u>    | <u>32,938</u>                | <u>-</u>                  | <u>4,500</u>    | <u>-</u>                     | <u>8,578</u>             |
| -                            | -                 | -                            | -                         | -               | -                            | -                        |
| 2,450                        | 119,644           | 1,228                        | -                         | -               | -                            | 307                      |
| -                            | -                 | -                            | -                         | -               | -                            | -                        |
| -                            | -                 | -                            | -                         | -               | -                            | -                        |
| -                            | -                 | -                            | -                         | -               | -                            | -                        |
| <u>2,450</u>                 | <u>119,644</u>    | <u>1,228</u>                 | <u>-</u>                  | <u>-</u>        | <u>-</u>                     | <u>307</u>               |
| 1,315                        | -                 | 31,710                       | -                         | 4,500           | -                            | 8,271                    |
| -                            | -                 | -                            | -                         | -               | -                            | -                        |
| 1,315                        | -                 | 31,710                       | -                         | 4,500           | -                            | 8,271                    |
| 328                          | 2,760             | 4,232                        | 9,009                     | -               | (10,000)                     | (363)                    |
| <u>\$ 1,643</u>              | <u>\$ 2,760</u>   | <u>\$ 35,942</u>             | <u>\$ 9,009</u>           | <u>\$ 4,500</u> | <u>\$ (10,000)</u>           | <u>\$ 7,908</u>          |

(continued)

**EXHIBIT 22 (continued)**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Miscellaneous Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2012**

|  | FD Misc<br>Awards &<br>Decorations | Fire<br>Sprinkler<br>Grant | Assist to<br>Firefighters<br>Grant | Street<br>Openings |
|--|------------------------------------|----------------------------|------------------------------------|--------------------|
| <b>REVENUES</b>  |                                    |                            |                                    |                    |
| Intergovernmental  | \$ -                               | \$ -                       | \$ 112,403                         | \$ -               |
| Charges for services   | -                                  | -                          | -                                  | -                  |
| Miscellaneous  | -                                  | -                          | -                                  | 82,857             |
| Total revenues   | -                                  | -                          | 112,403                            | 82,857             |
| <b>EXPENDITURES</b>  |                                    |                            |                                    |                    |
| Current:   |                                    |                            |                                    |                    |
| General government   | -                                  | -                          | -                                  | -                  |
| Public safety  | -                                  | -                          | 113,069                            | -                  |
| Highways and streets   | -                                  | -                          | -                                  | 7,625              |
| Culture and recreation                                       | -                                  | -                          | -                                  | -                  |
| Principal  | -                                  | -                          | -                                  | -                  |
| Total expenditures   | -                                  | -                          | 113,069                            | 7,625              |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                                  | -                          | (666)                              | 75,232             |
| Other financing sources:                                     |                                    |                            |                                    |                    |
| Transfers in   | -                                  | -                          | -                                  | -                  |
| Net change in fund balances                                  | -                                  | -                          | (666)                              | 75,232             |
| Fund balances, beginning                                     | 132                                | 10,658                     | -                                  | 56,129             |
| Fund balances, ending  | \$ 132                             | \$ 10,658                  | \$ (666)                           | \$ 131,361         |

| Recreation | Before<br>Care | Summer<br>Camp | Youth<br>Activities | Adult<br>Programs | Westbrook<br>Pool | Field<br>Maintenance | Total        |
|------------|----------------|----------------|---------------------|-------------------|-------------------|----------------------|--------------|
| \$ -       | \$ -           | \$ -           | \$ -                | \$ -              | \$ -              | \$ -                 | \$ 411,871   |
| 53,875     | 271,160        | 124,625        | 28,100              | -                 | 79,644            | -                    | 661,064      |
| 5,600      | -              | -              | -                   | -                 | -                 | -                    | 94,752       |
| 59,475     | 271,160        | 124,625        | 28,100              | -                 | 79,644            | -                    | 1,167,687    |
| -          | -              | -              | -                   | -                 | -                 | -                    | 95,720       |
| -          | -              | -              | -                   | -                 | -                 | -                    | 382,171      |
| -          | -              | -              | -                   | -                 | -                 | -                    | 7,625        |
| 83,822     | 226,636        | 126,138        | 35,904              | -                 | 114,537           | -                    | 593,794      |
| -          | -              | -              | -                   | -                 | -                 | -                    | 82,065       |
| 83,822     | 226,636        | 126,138        | 35,904              | -                 | 114,537           | -                    | 1,161,375    |
| (24,347)   | 44,524         | (1,513)        | (7,804)             | -                 | (34,893)          | -                    | 6,312        |
| -          | -              | -              | -                   | -                 | -                 | 38,032               | 406,535      |
| (24,347)   | 44,524         | (1,513)        | (7,804)             | -                 | (34,893)          | 38,032               | 412,847      |
| 277,433    | 90,756         | (12,658)       | 1,633               | (3,541)           | 26,494            | -                    | 1,332,147    |
| \$ 253,086 | \$ 135,280     | \$ (14,171)    | \$ (6,171)          | \$ (3,541)        | \$ (8,399)        | \$ 38,032            | \$ 1,744,994 |

**EXHIBIT 23**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Capital Projects**  
**Combining Balance Sheet**  
**June 30, 2012**

|                                      | Equipment<br>Lift | Riverfront       | Redundant<br>Power | Power Plant<br>Access<br>Road | Equipment<br>Bond |
|--------------------------------------|-------------------|------------------|--------------------|-------------------------------|-------------------|
| <b>ASSETS</b>                        |                   |                  |                    |                               |                   |
| Cash and cash equivalents            | <u>\$ 16,679</u>  | <u>\$ 40,419</u> | <u>\$ 49,883</u>   | <u>\$ 176,795</u>             | <u>\$ 291,335</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                   |                  |                    |                               |                   |
| Liabilities:                         |                   |                  |                    |                               |                   |
| Interfund payable                    | <u>\$ -</u>       | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ -</u>                   | <u>\$ -</u>       |
| Fund balances:                       |                   |                  |                    |                               |                   |
| Committed                            | 16,679            | 40,419           | 49,883             | 176,795                       | 291,335           |
| Unassigned                           | <u>-</u>          | <u>-</u>         | <u>-</u>           | <u>-</u>                      | <u>-</u>          |
| Total fund balances                  | <u>16,679</u>     | <u>40,419</u>    | <u>49,883</u>      | <u>176,795</u>                | <u>291,335</u>    |
| Total liabilities and fund balances  | <u>\$ 16,679</u>  | <u>\$ 40,419</u> | <u>\$ 49,883</u>   | <u>\$ 176,795</u>             | <u>\$ 291,335</u> |

**Exhibit 23**

| <u>Paving</u>     | <u>Joint<br/>Dispatch</u> | <u>Public<br/>Services<br/>Facility</u> | <u>HVAC<br/>Library</u> | <u>Squad<br/>Vehicle</u> | <u>West<br/>Business<br/>Heights</u> |
|-------------------|---------------------------|---|-------------------------|--------------------------|--------------------------------------|
| <u>\$ 321,078</u> | <u>\$ 54,830</u>          | <u>\$ 22,899</u>                        | <u>\$ 12,177</u>        | <u>\$ 588</u>            | <u>\$ -</u>                          |
| <u>\$ -</u>       | <u>\$ -</u>               | <u>\$ 80,104</u>                        | <u>\$ -</u>             | <u>\$ -</u>              | <u>\$ 343,067</u>                    |
| 321,078           | 54,830                    | -                                       | 12,177                  | 588                      | -                                    |
| <u>-</u>          | <u>-</u>                  | <u>(57,205)</u>                         | <u>-</u>                | <u>-</u>                 | <u>(343,067)</u>                     |
| <u>321,078</u>    | <u>54,830</u>             | <u>(57,205)</u>                         | <u>12,177</u>           | <u>588</u>               | <u>(343,067)</u>                     |
| <u>\$ 321,078</u> | <u>\$ 54,830</u>          | <u>\$ 22,899</u>                        | <u>\$ 12,177</u>        | <u>\$ 588</u>            | <u>\$ -</u>                          |
|                   |                           |   |                         |                          | (continued)                          |



**EXHIBIT 23 (continued)**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Capital Projects**  
**Combining Balance Sheet**  
**June 30, 2012**

|                                      | Food<br>Pantry   | Spring &<br>County<br>Roads | City<br>Hall<br>Wiring | Marylin &<br>Carlson<br>Streets | Two<br>Message<br>Boards |
|--------------------------------------|------------------|-----------------------------|------------------------|---------------------------------|--------------------------|
| <b>ASSETS</b>                        |                  |                             |                        |                                 |                          |
| Cash and cash equivalents            | <u>\$ 39,541</u> | <u>\$ 214,617</u>           | <u>\$ 20,157</u>       | <u>\$ 50,100</u>                | <u>\$ 14,630</u>         |
| <b>LIABILITIES AND FUND BALANCES</b> |                  |                             |                        |                                 |                          |
| Liabilities:                         |                  |                             |                        |                                 |                          |
| Interfund payable                    | -                | \$ -                        | \$ -                   | \$ -                            | \$ -                     |
| Fund balances:                       |                  |                             |                        |                                 |                          |
| Committed                            | 39,541           | 214,617                     | 20,157                 | 50,100                          | 14,630                   |
| Unassigned                           | <u>-</u>         | <u>-</u>                    | <u>-</u>               | <u>-</u>                        | <u>-</u>                 |
| Total fund balances                  | <u>39,541</u>    | <u>214,617</u>              | <u>20,157</u>          | <u>50,100</u>                   | <u>14,630</u>            |
| Total liabilities and fund balances  | <u>\$ 39,541</u> | <u>\$ 214,617</u>           | <u>\$ 20,157</u>       | <u>\$ 50,100</u>                | <u>\$ 14,630</u>         |

**Exhibit 23**

| <u>Voew<br/>Drainage</u> | <u>Stroudwater<br/>Street<br/>Sidewalk</u> | <u>Salt<br/>Shed</u> | <u>Walker<br/>Building<br/>Repair</u> | <u>Community<br/>Center</u> | <u>Playground<br/>Equipment</u> |
|--------------------------|--|----------------------|---------------------------------------|-----------------------------|---------------------------------|
| <u>\$ 40,000</u>         | <u>\$ -</u>                                | <u>\$ 521</u>        | <u>\$ 208,352</u>                     | <u>\$ 487,984</u>           | <u>\$ 34,206</u>                |
| <u>\$ -</u>              | <u>\$ 43,572</u>                           | <u>\$ -</u>          | <u>\$ -</u>                           | <u>\$ -</u>                 | <u>\$ -</u>                     |
| 40,000                   | -  | 521                  | 208,352                               | 487,984                     | 34,206                          |
| <u>-</u>                 | <u>(43,572)</u>                            | <u>-</u>             | <u>-</u>                              | <u>-</u>                    | <u>-</u>                        |
| 40,000                   | (43,572)                                   | 521                  | 208,352                               | 487,984                     | 34,206                          |
| <u>\$ 40,000</u>         | <u>\$ -</u>                                | <u>\$ 521</u>        | <u>\$ 208,352</u>                     | <u>\$ 487,984</u>           | <u>\$ 34,206</u>                |
|                          |  |                      |                                       |                             | (continued)                     |

**EXHIBIT 23 (continued)**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Capital Projects**  
**Combining Balance Sheet**  
**June 30, 2012**

|                                      | Athletic<br>Equipment | Landfill<br>Bond | PW<br>Equipment   | Small<br>Hardy Rd<br>Fields |
|--------------------------------------|-----------------------|------------------|-------------------|-----------------------------|
| <b>ASSETS</b>                        |                       |                  |                   |                             |
| Cash and cash equivalents            | <u>\$ 46,580</u>      | <u>\$ 63,095</u> | <u>\$ 503,529</u> | <u>\$ -</u>                 |
| <b>LIABILITIES AND FUND BALANCES</b> |                       |                  |                   |                             |
| Liabilities:                         |                       |                  |                   |                             |
| Interfund payable                    | <u>\$ -</u>           | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ 10,840</u>            |
| Fund balances:                       |                       |                  |                   |                             |
| Committed                            | 46,580                | 63,095           | 503,529           | -                           |
| Unassigned                           | <u>-</u>              | <u>-</u>         | <u>-</u>          | <u>(10,840)</u>             |
| Total fund balances                  | <u>46,580</u>         | <u>63,095</u>    | <u>503,529</u>    | <u>(10,840)</u>             |
| Total liabilities and fund balances  | <u>\$ 46,580</u>      | <u>\$ 63,095</u> | <u>\$ 503,529</u> | <u>\$ -</u>                 |

**Exhibit 23**

| <u>School<br/>CIP</u> | <u>Engineering<br/>CIP</u> | <u>Recreation<br/>CIP</u> | <u>Public<br/>Safety<br/>CIP</u> | <u>Interest</u>   | <u>Total</u>        |
|-----------------------|----------------------------|---------------------------|----------------------------------|-------------------|---------------------|
| <u>\$ 6,076</u>       | <u>\$ 32,842</u>           | <u>\$ 125,000</u>         | <u>\$ 97,640</u>                 | <u>\$ 586,033</u> | <u>\$ 3,557,586</u> |
| <u>\$ -</u>           | <u>\$ -</u>                | <u>\$ -</u>               | <u>\$ -</u>                      | <u>\$ -</u>       | <u>\$ 477,583</u>   |
| 6,076                 | 32,842                     | 125,000                   | 97,640                           | 586,033           | 3,534,687           |
| <u>-</u>              | <u>-</u>                   | <u>-</u>                  | <u>-</u>                         | <u>-</u>          | <u>(454,684)</u>    |
| <u>6,076</u>          | <u>32,842</u>              | <u>125,000</u>            | <u>97,640</u>                    | <u>586,033</u>    | <u>3,080,003</u>    |
| <u>\$ 6,076</u>       | <u>\$ 32,842</u>           | <u>\$ 125,000</u>         | <u>\$ 97,640</u>                 | <u>\$ 586,033</u> | <u>\$ 3,557,586</u> |

**EXHIBIT 24****CITY OF WESTBROOK, MAINE****Nonmajor Governmental Funds****Capital Projects****Combining Statement of Revenues, Expenditures and Changes in Fund Balances****For the Fiscal Year Ended June 30, 2012**

|  | Equipment<br>Lift | Riverfront | Redundant<br>Power | Power Plant<br>Access<br>Road |
|--|-------------------|------------|--------------------|-------------------------------|
| <b>REVENUES</b>  |                   |            |                    |                               |
| Miscellaneous  | \$ -              | \$ -       | \$ -               | \$ -                          |
| <b>EXPENDITURES</b>  |                   |            |                    |                               |
| Current:   |                   |            |                    |                               |
| Culture and recreation                                       | -                 | -          | -                  | -                             |
| Capital outlay   | -                 | -          | -                  | -                             |
| Total expenditures   | -                 | -          | -                  | -                             |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                 | -          | -                  | -                             |
| Other financing sources (uses):                              |                   |            |                    |                               |
| Transfers in   | -                 | -          | -                  | -                             |
| Transfers out  | -                 | -          | -                  | -                             |
| Total other financing sources and uses                       | -                 | -          | -                  | -                             |
| Net change in fund balances                                  | -                 | -          | -                  | -                             |
| Fund balances, beginning                                     | 16,679            | 40,419     | 49,883             | 176,795                       |
| Fund balances, ending  | \$ 16,679         | \$ 40,419  | \$ 49,883          | \$ 176,795                    |

| Equipment<br>Bond | Dump<br>Trucks | Paving     | Joint<br>Dispatch | Public<br>Services<br>Facility | Excavator | HVAC<br>Library | Squad<br>Vehicle |
|-------------------|----------------|------------|-------------------|--------------------------------|-----------|-----------------|------------------|
| \$ -              | \$ -           | \$ -       | \$ -              | \$ -                           | \$ -      | \$ -            | \$ -             |
| -                 | -              | -          | -                 | -                              | -         | -               | -                |
| -                 | -              | 491,452    | -                 | 49,620                         | -         | 87              | -                |
| -                 | -              | 491,452    | -                 | 49,620                         | -         | 87              | -                |
| -                 | -              | (491,452)  | -                 | (49,620)                       | -         | (87)            | -                |
| 35,597            | -              | 300,000    | -                 | -                              | -         | -               | -                |
| -                 | (192,003)      | -          | -                 | -                              | (39,505)  | -               | -                |
| 35,597            | (192,003)      | 300,000    | -                 | -                              | (39,505)  | -               | -                |
| 35,597            | (192,003)      | (191,452)  | -                 | (49,620)                       | (39,505)  | (87)            | -                |
| 255,738           | 192,003        | 512,530    | 54,830            | (7,585)                        | 39,505    | 12,264          | 588              |
| \$ 291,335        | \$ -           | \$ 321,078 | \$ 54,830         | \$ (57,205)                    | \$ -      | \$ 12,177       | \$ 588           |

(continued)

**EXHIBIT 24 (continued)****CITY OF WESTBROOK, MAINE****Nonmajor Governmental Funds****Capital Projects****Combining Statement of Revenues, Expenditures and Changes in Fund Balances****For the Fiscal Year Ended June 30, 2012**

|  | West<br>Business<br>Heights | Food<br>Pantry   | Spring &<br>County<br>Roads | City<br>Hall<br>Wiring |
|--|-----------------------------|------------------|-----------------------------|------------------------|
| <b>REVENUES</b>  |                             |                  |                             |                        |
| Miscellaneous  | \$ -                        | \$ -             | \$ -                        | \$ -                   |
| <b>EXPENDITURES</b>  |                             |                  |                             |                        |
| Current:   |                             |                  |                             |                        |
| Culture and recreation                                       | -                           | -                | -                           | -                      |
| Capital outlay   | -                           | -                | -                           | -                      |
| Total expenditures   | -                           | -                | -                           | -                      |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                           | -                | -                           | -                      |
| Other financing sources (uses):                              |                             |                  |                             |                        |
| Transfers in   | -                           | -                | -                           | -                      |
| Transfers out  | -                           | -                | -                           | -                      |
| Total other financing sources and uses                       | -                           | -                | -                           | -                      |
| Net change in fund balances                                  | -                           | -                | -                           | -                      |
| Fund balances, beginning                                     | (343,067)                   | 39,541           | 214,617                     | 20,157                 |
| Fund balances, ending  | <u>\$ (343,067)</u>         | <u>\$ 39,541</u> | <u>\$ 214,617</u>           | <u>\$ 20,157</u>       |

**Exhibit 24**

| <u>Marylin &amp;<br/>Carlson<br/>Streets</u> | <u>Two<br/>Message<br/>Boards</u> | <u>Voew<br/>Drainage</u> | <u>Stroudwater<br/>Street<br/>Sidewalk</u> | <u>Salt<br/>Shed</u> | <u>Walker<br/>Building<br/>Repair</u> | <u>Community<br/>Center</u> |
|--|-----------------------------------|--------------------------|--|----------------------|---------------------------------------|-----------------------------|
| <u>\$ -</u>                                  | <u>\$ -</u>                       | <u>\$ -</u>              | <u>\$ -</u>                                | <u>\$ -</u>          | <u>\$ -</u>                           | <u>\$ 250,000</u>           |
| -  | -                                 | -                        | -  | -                    | 264,493                               | -                           |
| <u>4,000</u>                                 | <u>-</u>                          | <u>-</u>                 | <u>-</u>                                   | <u>-</u>             | <u>-</u>                              | <u>254,242</u>              |
| <u>4,000</u>                                 | <u>-</u>                          | <u>-</u>                 | <u>-</u>                                   | <u>-</u>             | <u>264,493</u>                        | <u>254,242</u>              |
| <u>(4,000)</u>                               | <u>-</u>                          | <u>-</u>                 | <u>-</u>                                   | <u>-</u>             | <u>(264,493)</u>                      | <u>(4,242)</u>              |
| -  | -                                 | -                        | -  | -                    | -                                     | 50,000                      |
| <u>-</u>                                     | <u>-</u>                          | <u>-</u>                 | <u>-</u>                                   | <u>-</u>             | <u>-</u>                              | <u>-</u>                    |
| <u>-</u>                                     | <u>-</u>                          | <u>-</u>                 | <u>-</u>                                   | <u>-</u>             | <u>-</u>                              | <u>50,000</u>               |
| (4,000)                                      | -                                 | -                        | -  | -                    | (264,493)                             | 45,758                      |
| <u>54,100</u>                                | <u>14,630</u>                     | <u>40,000</u>            | <u>(43,572)</u>                            | <u>521</u>           | <u>472,845</u>                        | <u>442,226</u>              |
| <u>\$ 50,100</u>                             | <u>\$ 14,630</u>                  | <u>\$ 40,000</u>         | <u>\$ (43,572)</u>                         | <u>\$ 521</u>        | <u>\$ 208,352</u>                     | <u>\$ 487,984</u>           |

(continued)



**EXHIBIT 24 (continued)**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Capital Projects**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2012**

|  | Playground<br>Equipment | Athletic<br>Equipment | Landfill<br>Bond | PW<br>Equipment | Small<br>Hardy Rd<br>Fields |
|--|-------------------------|-----------------------|------------------|-----------------|-----------------------------|
| <b>REVENUES</b>  |                         |                       |                  |                 |                             |
| Miscellaneous  | \$ -                    | \$ -                  | \$ -             | \$ -            | \$ -                        |
| <b>EXPENDITURES</b>  |                         |                       |                  |                 |                             |
| Current:   |                         |                       |                  |                 |                             |
| Culture and recreation                                       | -                       | -                     | -                | -               | -                           |
| Capital outlay   | -                       | -                     | -                | 232,382         | 10,840                      |
| Total expenditures   | -                       | -                     | -                | 232,382         | 10,840                      |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                       | -                     | -                | (232,382)       | (10,840)                    |
| Other financing sources (uses):                              |                         |                       |                  |                 |                             |
| Transfers in   | -                       | -                     | -                | 611,508         | -                           |
| Transfers out  | -                       | -                     | -                | (35,597)        | -                           |
| Total other financing sources and uses                       | -                       | -                     | -                | 575,911         | -                           |
| Net change in fund balances                                  | -                       | -                     | -                | 343,529         | (10,840)                    |
| Fund balances, beginning                                     | 34,206                  | 46,580                | 63,095           | 160,000         | -                           |
| Fund balances, ending  | \$ 34,206               | \$ 46,580             | \$ 63,095        | \$ 503,529      | \$ (10,840)                 |

**Exhibit 24**

| School<br>CIP | Engineering<br>CIP | Recreation<br>CIP | Public<br>Safety<br>CIP | Interest   | Total        |
|---------------|--------------------|-------------------|-------------------------|------------|--------------|
| \$ -          | \$ -               | \$ -              | \$ -                    | \$ 7,959   | \$ 257,959   |
| -             | -                  | -                 | -                       | -          | 264,493      |
| 43,924        | 12,158             | -                 | 2,360                   | -          | 1,101,065    |
| 43,924        | 12,158             | -                 | 2,360                   | -          | 1,365,558    |
| (43,924)      | (12,158)           | -                 | (2,360)                 | 7,959      | (1,107,599)  |
| 50,000        | 45,000             | 125,000           | 100,000                 | -          | 1,317,105    |
| -             | -                  | -                 | -                       | -          | (267,105)    |
| 50,000        | 45,000             | 125,000           | 100,000                 | -          | 1,050,000    |
| 6,076         | 32,842             | 125,000           | 97,640                  | 7,959      | (57,599)     |
| -             | -                  | -                 | -                       | 578,074    | 3,137,602    |
| \$ 6,076      | \$ 32,842          | \$ 125,000        | \$ 97,640               | \$ 586,033 | \$ 3,080,003 |

**EXHIBIT 25**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Permanent Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

|                                      | Woodlawn<br>Cemetery | Saccarappa<br>Cemetery | Highland<br>Lake<br>Cemetery | Larabee<br>Cemetery | Gerald<br>Fluett<br>Trust | Total              |
|--------------------------------------|----------------------|------------------------|------------------------------|---------------------|---------------------------|--------------------|
| <b>ASSETS</b>                        |                      |                        |                              |                     |                           |                    |
| Cash and cash equivalents            | \$ 127,744           | \$ 2,821               | \$ 7,264                     | \$ -                | \$ 12,334                 | \$ 150,163         |
| Investments                          | -                    | -                      | -                            | 8,006               | 622,679                   | 630,685            |
| Accounts receivable                  | 1,200                | -                      | -                            | -                   | -                         | 1,200              |
| Interfund receivable                 | 299,458              | -                      | -                            | -                   | -                         | 299,458            |
| Total assets                         | <u>\$ 428,402</u>    | <u>\$ 2,821</u>        | <u>\$ 7,264</u>              | <u>\$ 8,006</u>     | <u>\$ 635,013</u>         | <u>\$1,081,506</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                      |                        |                              |                     |                           |                    |
| Liabilities:                         |                      |                        |                              |                     |                           |                    |
| Interfund payable                    | <u>\$ -</u>          | <u>\$ -</u>            | <u>\$ -</u>                  | <u>\$ -</u>         | <u>\$ 41,709</u>          | <u>\$ 41,709</u>   |
| Fund balances:                       |                      |                        |                              |                     |                           |                    |
| Nonspendable                         | 273,344              | -                      | -                            | -                   | 593,304                   | 866,648            |
| Restricted                           | 155,058              | 2,821                  | 7,264                        | 8,006               | -                         | 173,149            |
| Total fund balances                  | <u>428,402</u>       | <u>2,821</u>           | <u>7,264</u>                 | <u>8,006</u>        | <u>593,304</u>            | <u>1,039,797</u>   |
| Total liabilities and fund balances  | <u>\$ 428,402</u>    | <u>\$ 2,821</u>        | <u>\$ 7,264</u>              | <u>\$ 8,006</u>     | <u>\$ 635,013</u>         | <u>\$1,081,506</u> |

**EXHIBIT 26**  
**CITY OF WESTBROOK, MAINE**  
**Nonmajor Governmental Funds**  
**Permanent Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2012**

|  | Woodlawn<br>Cemetery | Saccarappa<br>Cemetery | Highland<br>Lake<br>Cemetery | Larabee<br>Cemetery | Gerald<br>Fluett<br>Trust | Total        |
|--|----------------------|------------------------|------------------------------|---------------------|---------------------------|--------------|
| <b>REVENUES</b>  |                      |                        |                              |                     |                           |              |
| Miscellaneous  | \$ 10,198            | \$ -                   | \$ -                         | \$ 52               | \$ (13,225)               | \$ (2,975)   |
| <b>EXPENDITURES</b>  |                      |                        |                              |                     |                           |              |
| Current:   |                      |                        |                              |                     |                           |              |
| General government   | 4,740                | -                      | -                            | -                   | -                         | 4,740        |
| Culture and recreation                                       | -                    | -                      | -                            | -                   | 4,958                     | 4,958        |
| Capital outlay   | -                    | -                      | -                            | -                   | 41,709                    | 41,709       |
| Total expenditures   | 4,740                | -                      | -                            | -                   | 46,667                    | 51,407       |
| Excess (deficiency) of revenues<br>over (under) expenditures | 5,458                | -                      | -                            | 52                  | (59,892)                  | (54,382)     |
| Other financing uses:  |                      |                        |                              |                     |                           |              |
| Transfers out  | -                    | -                      | -                            | -                   | (50,000)                  | (50,000)     |
| Net change in fund balances                                  | 5,458                | -                      | -                            | 52                  | (109,892)                 | (104,382)    |
| Fund balances, beginning                                     | 422,944              | 2,821                  | 7,264                        | 7,954               | 703,196                   | 1,144,179    |
| Fund balances, ending  | \$ 428,402           | \$ 2,821               | \$ 7,264                     | \$ 8,006            | \$ 593,304                | \$ 1,039,797 |

**EXHIBIT 27**  
**CITY OF WESTBROOK, MAINE**  
**Fiduciary Funds**  
**Private Purpose Trusts**  
**Combining Statement of Fiduciary Net Assets**  
**June 30, 2012**

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|                           | <u>Wescott</u> | <u>Valentine<br/>Hose Co.</u> | <u>Saccarappa<br/>School</u> | <u>Community<br/>Dental</u> |
|---------------------------|----------------|-------------------------------|------------------------------|-----------------------------|
| <b>ASSETS</b>             |                |                               |                              |                             |
| Cash and cash equivalents | \$ 531         | \$ 116                        | \$ 917                       | \$ 19,213                   |
| Investments               | <u>-</u>       | <u>-</u>                      | <u>-</u>                     | <u>-</u>                    |
| Total assets              | 531            | 116                           | 917                          | 19,213                      |
| <b>LIABILITIES</b>        |                |                               |                              |                             |
| Liabilities:              |                |                               |                              |                             |
| Interfund payable         | <u>-</u>       | <u>-</u>                      | <u>-</u>                     | <u>-</u>                    |
| <b>NET ASSETS</b>         |                |                               |                              |                             |
| Restricted                | <u>\$ 531</u>  | <u>\$ 116</u>                 | <u>\$ 917</u>                | <u>\$ 19,213</u>            |

**Exhibit 27**

| Pierre<br>Hanois | Service<br>Chest | Cemetery<br>Flowers | Total      |
|------------------|------------------|---------------------|------------|
| \$ 34,614        | \$ -             | \$ 59,252           | \$ 114,643 |
| -                | 84,887           | -                   | 84,887     |
| 34,614           | 84,887           | 59,252              | 199,530    |
|                  |                  |                     |            |
| -                | 26,514           | 1,661               | 28,175     |
|                  |                  |                     |            |
| \$ 34,614        | \$ 58,373        | \$ 57,591           | \$ 171,355 |

**EXHIBIT 28**  
**CITY OF WESTBROOK, MAINE**  
**Fiduciary Funds**  
**Private Purpose Trust**  
**Combining Statement of Changes in Net Assets**  
**For the Fiscal Year Ended June 30, 2012**

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|                             | <u>Wescott</u>       | <u>Valentine<br/>Hose Co.</u> | <u>Saccarappa<br/>School</u> | <u>Community<br/>Dental</u> |
|-----------------------------|----------------------|-------------------------------|------------------------------|-----------------------------|
| <b>ADDITIONS</b>            |                      |                               |                              |                             |
| Miscellaneous               | \$ -                 | \$ -                          | \$ -                         | \$ -                        |
| <b>DEDUCTIONS</b>           |                      |                               |                              |                             |
| Current:                    |                      |                               |                              |                             |
| Trust distributions         | <u>-</u>             | <u>-</u>                      | <u>-</u>                     | <u>-</u>                    |
| Net change in fund balances | -                    | -                             | -                            | -                           |
| Net assets, beginning       | <u>531</u>           | <u>116</u>                    | <u>917</u>                   | <u>19,213</u>               |
| Net assets, ending          | <u><u>\$ 531</u></u> | <u><u>\$ 116</u></u>          | <u><u>\$ 917</u></u>         | <u><u>\$ 19,213</u></u>     |

**Exhibit 28**

| <u>Pierre<br/>Hanois</u> | <u>Service<br/>Chest</u> | <u>Cemetery<br/>Flowers</u> | <u>Total</u>      |
|--------------------------|--------------------------|-----------------------------|-------------------|
| \$ -                     | \$ 394                   | \$ -                        | \$ 394            |
|                          |                          |                             |                   |
| <u>-</u>                 | <u>-</u>                 | <u>1,523</u>                | <u>1,523</u>      |
|                          |                          |                             |                   |
| -                        | 394                      | (1,523)                     | (1,129)           |
| <u>34,614</u>            | <u>57,979</u>            | <u>59,114</u>               | <u>172,484</u>    |
| <u>\$ 34,614</u>         | <u>\$ 58,373</u>         | <u>\$ 57,591</u>            | <u>\$ 171,355</u> |



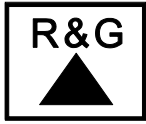
## **STATISTICAL SECTION**

**TABLE 1**  
**CITY OF WESTBROOK, MAINE**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

| Fiscal year | Total levy    | Current taxes collected or abated | Current taxes outstanding at end of fiscal year | Percent of current year levy collected | Outstanding at June 30, 2012 | Percent of levy collected as of June 30, 2012 |
|-------------|---------------|-----------------------------------|---|--|------------------------------|---|
| 2003        | \$ 25,084,020 | \$ 24,581,870                     | \$ 502,150                                      | 98.00%                                 | \$ 6,261                     | 99.98%  |
| 2004        | \$ 26,376,774 | \$ 25,843,336                     | \$ 533,438                                      | 97.98%                                 | \$ 13,199                    | 99.95%  |
| 2005        | \$ 28,083,287 | \$ 27,509,808                     | \$ 573,479                                      | 97.96%                                 | \$ 18,242                    | 99.94%  |
| 2006        | \$ 27,984,811 | \$ 27,350,819                     | \$ 633,992                                      | 97.73%                                 | \$ 19,027                    | 99.93%  |
| 2007        | \$ 29,436,977 | \$ 28,752,498                     | \$ 684,479                                      | 97.67%                                 | \$ 34,567                    | 99.88%  |
| 2008        | \$ 29,301,947 | \$ 28,535,366                     | \$ 766,581                                      | 97.38%                                 | \$ 80,346                    | 99.73%  |
| 2009        | \$ 29,555,275 | \$ 28,809,521                     | \$ 745,754                                      | 97.48%                                 | \$ 110,956                   | 99.62%  |
| 2010        | \$ 30,792,981 | \$ 30,099,284                     | \$ 693,697                                      | 97.75%                                 | \$ 164,627                   | 99.47%  |
| 2011        | \$ 30,890,124 | \$ 29,730,369                     | \$ 1,129,755                                    | 96.25%                                 | \$ 339,554                   | 98.90%  |
| 2012        | \$ 31,839,460 | \$ 30,789,235                     | \$ 1,050,225                                    | 96.70%                                 | \$ 1,050,225                 | 96.70%  |

**TABLE 2**  
**CITY OF WESTBROOK, MAINE**  
**Computation of Statutory Debt Limit**  
**as of June 30, 2012**  
**In Accordance with 30-A MRSA, Section 5702**

|   | Outstanding<br>bonds and<br>notes | Percent of State<br>assessed value of<br>\$1,895,660,970 | Amount                | Margin                |
|---|-----------------------------------|--|-----------------------|-----------------------|
| For school purposes   | \$ 35,904,088                     | 10.00%   | \$ 189,566,097        | \$ 153,662,009        |
| For storm or sanitary<br>sewer purposes                           | 1,302,031                         | 7.50%  | 142,174,573           | 140,872,542           |
| For municipal airport,<br>water, and special<br>district purposes | -                                 | 3.00%  | 56,869,829            | 56,869,829            |
| For all other purposes  | <u>26,791,361</u>                 | 7.50%  | <u>142,174,573</u>    | <u>115,383,212</u>    |
| Total   | <u>\$ 63,997,480</u>              |  | <u>\$ 530,785,072</u> | <u>\$ 466,787,592</u> |



# Roberts & Greene, PLLC

## INDEPENDENT AUDITOR'S COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

To the Honorable Mayor and Members of the City Council  
City of Westbrook  
Westbrook, Maine

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Westbrook as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency. For the material weaknesses of the discretely presented component unit, see the separately presented schedule of findings and questioned costs of the Westbrook School Department.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the City of Westbrook's internal control to be material weaknesses:

### Taxes and Rescue Fees Receivable-Repeat Finding

Significant adjustments were made by management at year-end to record the correct balances for real estate and personal property taxes, and rescue fees receivable. There was no reconciliation between aging balances and the general ledger. Also, there was no reconciliation of commitments and collections for the fiscal year. It was noted that the City has taken steps to correct these issues within the aging balance reports by transitioning to a well known tax collecting software system.

We recommend that a reconciliation of commitments, cash receipts, and receivable balances be performed monthly. The reconciliation should include tying cash receipts to deposits. We also recommend that rescue fees be recorded on a modified accrual basis throughout the fiscal year by monthly adjustments based on billing and collection reports received from the Town of Gorham.

### **Management's Response:**

The city of Westbrook moved to a new tax billing software (TRIO) in May 2012. At this time, it required significant adjustment to balance our taxes receivable. However, moving forward, the reporting features in TRIO are much more accurate and we are able to print reports that we are then able to tie to our general ledger. We also have staff that are knowledgeable and are able to reconcile the taxes receivable during the year. We do not believe this will be a finding in FY2013.

Our rescue billing contact at the Town of Gorham now sends monthly receivable reports. We will use these reports moving forward to adjust our revenue monthly, as well as adjust our rescue receivable.

Recording Capital Assets-Repeat Finding

The City did not determine its additions to, and disposals of, capital assets for its governmental activities for the current fiscal year. Also, the City does not maintain accessible and separate supporting documentation for capital assets recorded in prior years.

We recommend that the City utilize its capital asset software capabilities to record and maintain additions and disposals of capital assets. In addition, we recommend that separate files be kept for historical records of capital assets that include documentation that supports the acquisition cost of each asset.

**Management's response:**

The city has allocated most of our finance staff to the school department during fiscal years 2010 through 2012 and has had inadequate staffing to update the city's capital assets records. The city has hired a consultant to perform this inventory and record at historical cost. We anticipate that these records will be current through FY2013 for our next annual audit.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City of Westbrook's internal control to be significant deficiencies:

Reconciliation of Accounts Payable

A considerable amount of time was required to reconcile accounts payable, and a significant adjustment by management at year-end was necessary.

We recommend that as part of the City's year-end reconciliation process, all liabilities be reconciled to open invoice listings or other supporting ledgers. Any discrepancies should be investigated and corrected in a timely manner.

**Management's Response:**

The city processes accounts payable weekly and therefore should not have had significant payables at year end from normal operations. We allow new invoices for services and goods delivered prior to July 1 to be charged back to the preceding fiscal year through the end of August. Although we were able to physically identify these invoices, we were unable to tie that balance to the general ledger. We had considerable difficulties producing the appropriate reports to validate the general ledger balance and will work with our software vendor to eliminate this problem moving forward.

Adjusting Journal Entries-Repeat Finding

The City routinely makes journal entries for corrections, to record non-cash transactions, and for other common reasons. However, proper tracking of adjusting journal entries is not being made. Many journal entries did not have documentation to support the reason for the entry. Also, the accounting system automatically assigns a sequential number to adjusting journal entries, and there were many missing entries during the fiscal year. This occurs when a journal entry is deleted, however, there was no documentation or listing of why and/or when entries were deleted. Journal entries are made by multiple personnel within the finance department.

We recommend that the process for adjusting journal entries be improved by the implementation of controls including an approval process, documentation of all adjusting entries, and, if feasible, a segregation between approval and entry.

**Management's Response:**

The city hired an accountant in April of 2012 who became responsible for posting and keeping back-up of all entries. We believe this process improved greatly towards the end of the fiscal year. However, not only are actual entries numbered sequentially but closing entries and budget entries are as well. Should a budget entry be duplicated, it is easier to delete than add a reversing entry. Management does agree that actual entries should not have the ability to be deleted and recognize it is a poor internal control within our software. We have made efforts going forward to reduce this practice and to note which entries have been removed and for what purpose.

CITY OF WESTBROOK  
INDEPENDENT AUDITOR'S COMMUNICATION OF  
SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

We also identified the following other matters that we wish to communicate:

*Fund Reporting-Repeat Finding*

The City currently maintains 145 separate funds, many of which had little or no activity during the year. An excessive number of funds creates increased opportunities for errors or fraud.

We recommend that the City work to limit the number of funds to as few as possible. Items such as police and fire grants, library activity, recreation programs, escrows and other agency funds could be combined within funds, with individual accounts used to track the various types of revenues and expenditures.

**Management's Response:**

Management agrees with this finding but decided to make the capital project fund cleanup our priority for FY2012 and FY2013. The city has only the comptroller and a 50% FTE accountant for technical accounting staff which makes allocating resources for this type of project difficult. The city is proposing a 100% FTE accountant in addition to a 100% FTE tax collector for FY2014 to provide adequate staffing going forward.

*Capital Projects-Repeat Finding*

There are a number of capital projects funds with no activity. Some of these were for the purchase of equipment, which has been completed. Completed or inactive projects that are funded through bonding have not been closed and transferred. We did note that during the fiscal year 2012, some of the inactive funds were closed and balances were transferred to ongoing projects.

We recommend that the City continue to evaluate capital projects funds and close them as soon as completed, with any funds remaining to be transferred appropriately, or used to pay back the corresponding bond issue, in accordance with City policies.

**Management's Response:**

Management agrees with this finding and is making an effort to reduce the number of funds created moving forward. For example, for each new capital improvement plan, one fund is created for each department, who may have multiple projects, rather than one new fund for each project. We are making efforts to close out old funds and combine with existing funds when possible, as noted above. We will continue with this practice.

This communication is intended solely for the information and use of the city council, management, and other within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

March 21, 2013

*Roberts & Greene, PLLC*