

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

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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.

Roberts & Greene, PLLC

March 21, 2013

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
	School	Department			
ASSETS					
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>
LIABILITIES					
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>
NET ASSETS					
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	<u>(4,868,729)</u>		<u>2,090,541</u>	<u>(2,778,188)</u>	<u>315,340</u>
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 Changes in Net Assets			Component Unit			
	Program Revenues			Primary Government									
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	School Department						
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	<u>24,203,117</u>	<u>1,753,678</u>	<u>812,254</u>	<u>250,000</u>	<u>(21,387,185)</u>	<u>-</u>	<u>(21,387,185)</u>	<u>-</u>					
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	<u>5,287,268</u>	<u>4,634,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(652,408)</u>	<u>(652,408)</u>	<u>-</u>					
Total primary government	<u>\$ 29,490,385</u>	<u>\$ 6,388,538</u>	<u>\$ 812,254</u>	<u>\$ 250,000</u>	<u>(21,387,185)</u>	<u>(652,408)</u>	<u>(22,039,593)</u>	<u>-</u>					
Component unit:													
School department	<u>\$ 35,525,599</u>	<u>\$ 3,276,665</u>	<u>\$ 5,296,856</u>	<u>\$ 27,221</u>						<u>(26,924,857)</u>			

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit
			School	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>

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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 Drive	Other Governmental Funds	Total Governmental Funds
ASSETS				
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>
LIABILITIES AND FUND BALANCES				
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 Governmental Funds	Total Governmental 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	39,251,537	1,730,701	40,982,238
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	27,371,381	3,843,501	31,214,882
Excess (deficiency) of revenues over (under) expenditures	11,880,156	(2,112,800)	9,767,356
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	(10,509,151)	2,390,521	(8,118,630)
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	\$ 10,356,714	\$ 5,824,664	\$ 16,181,378

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>
	20,294
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 Department	Parking Garage	Total
ASSETS			
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	(38,052,767)	(1,159,822)	(39,212,589)
Total noncurrent assets, net	<u>48,391,065</u>	<u>5,984,087</u>	<u>54,375,152</u>
Total assets	<u><u>\$ 50,045,524</u></u>	<u><u>\$ 6,448,365</u></u>	<u><u>\$ 56,493,889</u></u>
LIABILITIES AND FUND BALANCES			
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	<u>1,082,000</u>	<u>-</u>	<u>1,082,000</u>
Total liabilities	<u><u>1,330,227</u></u>	<u><u>-</u></u>	<u><u>1,330,227</u></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><u>\$ 50,045,524</u></u>	<u><u>\$ 6,448,365</u></u>	<u><u>\$ 56,493,889</u></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 Department	Parking 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	1,530,790	144,557	1,675,347
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>(62,357)</u>
Net change in fund balances	(567,444)	(84,536)	(651,980)
Fund balances, beginning, as restated, see Note III.D.	49,282,741	6,532,901	55,815,642
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

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

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

	Private Purpose 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

	Private Purpose 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
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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
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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><u>\$ 2,031,444</u></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><u>\$ 2,031,444</u></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
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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
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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><u>\$ 1,829,854,000</u></u>

Total assessed valuation	\$ 1,829,854,000
Tax rate (per \$1,000)	17.40
Total tax commitment	<u><u>\$ 31,839,460</u></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><u>\$ 1,827,108</u></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 Funds	Enterprise Funds
Accounts	\$ 898,513	\$ 419,470
Intergovernmental	185,824	459,430
Loans	182,728	-
Less: allowance for uncollectible amounts	<u>(411,569)</u>	<u>(22,563)</u>
Net total receivables	<u><u>\$ 855,496</u></u>	<u><u>\$ 856,337</u></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:

	<u>Balance, beginning</u>	<u>Changes</u>	<u>Balance, ending</u>
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	<u>101,321,606</u>	<u>-</u>	<u>101,321,606</u>
Total all capital assets	<u>103,039,624</u>	<u>-</u>	<u>103,039,624</u>
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	<u>(36,852,790)</u>	<u>(2,253,870)</u>	<u>(39,106,660)</u>
Net book value, capital assets being depreciated	<u>64,468,816</u>	<u>(2,253,870)</u>	<u>62,214,946</u>
Net book value, total capital assets	<u>\$ 66,186,834</u>	<u>\$ (2,253,870)</u>	<u>\$ 63,932,964</u>

CITY OF WESTBROOK, MAINE
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
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	<u>Balance, beginning</u>	<u>Changes</u>	<u>Balance, ending</u>
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	54,478,072	(252,495)	54,225,577
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	<u>152,651</u>		
Total depreciation expense	<u><u>\$ 2,253,870</u></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
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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 Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at 6/30/2012	Current 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					104,300	-
Accrued landfill postclosure care costs					400,000	20,000
					<u>\$ 65,267,336</u>	<u>\$ 4,905,250</u>

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

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding		Current Portion
					at 6/30/2012		
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 Obligation Bonds and Notes, Net of Forgiveness	Unamortized			OPEB Liability	Postclosure Care Costs	Accrued Landfill Care Costs	Total
		Bond Premium	Capital Leases	Compensated Absences				
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>\$ -</u>	<u>\$ 1,302,031</u>

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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 June 30,	Governmental Activities			
	Principal		Interest	Total
	Principal	Forgiven		
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 June 30,	Business-type Activities		
	Principal		Total
	Principal	Interest	
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 June 30,	Governmental Activities		
	Principal		Total
	Principal	Interest	
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>

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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."

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

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

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

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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 Activities	Activities		Governmental Funds		Private Purpose Trust
		Sewer Department	General Fund	Nonmajor Funds		
Net asset/fund balances, 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 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.

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III.E. Fund Equity

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

	<u>General Fund</u>	<u>Nonmajor Funds</u>
Nonspendable:		
Endowments	\$ -	\$ 866,648
Prepays	<u>57,976</u>	<u>-</u>
Total nonspendable	<u>57,976</u>	<u>866,648</u>
Restricted:		
General government	<u>-</u>	<u>173,149</u>
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	<u>848,187</u>	<u>-</u>
Total committed	<u>2,871,051</u>	<u>6,176,973</u>
Assigned:		
General government	54,187	-
Public works	<u>38,116</u>	<u>-</u>
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.

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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

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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.

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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.

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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	-
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 Ended June 30, 2012	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
	\$ 154,485	32.49%	\$ 104,300

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	-
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.

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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 ration 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.

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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 Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
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>
EXPENDITURES				
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	\$ -	\$ -	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, see Note III.D.			<u>8,825,922</u>	
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
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Adjustment:

Basis difference:

Capital lease inception	266,813
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Per Exhibit 5 (GAAP basis)	<u>\$ 49,874,044</u>
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Expenditures and other financing uses:

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

Basis difference:

Encumbrances, beginning	14,787
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Encumbrances, ending	(92,303)
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Capital lease inception	<u>266,813</u>
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Per Exhibit 5 (GAAP basis)	<u>\$ 48,503,039</u>
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EXHIBIT 13
CITY OF WESTBROOK, MAINE
Other Postemployment Benefits
Schedule of Funding Progress
June 30, 2012

Valuation Date	Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered 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			
	Power	Downtown	IDEXX	Total
ASSETS				
Cash and cash equivalents	<u>\$ 64,876</u>	<u>\$ -</u>	<u>\$ 9,863</u>	<u>\$ 74,739</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Contracts payable	\$ -	\$ -	\$ 149	\$ 149
Interfund payable	<u>68,252</u>	<u>886,101</u>	<u>-</u>	<u>954,353</u>
Total liabilities	<u>68,252</u>	<u>886,101</u>	<u>149</u>	<u>954,502</u>
Fund balances:				
Committed	-	-	9,714	9,714
Unassigned	<u>(3,376)</u>	<u>(886,101)</u>	<u>-</u>	<u>(889,477)</u>
Total fund balances	<u>(3,376)</u>	<u>(886,101)</u>	<u>9,714</u>	<u>(879,763)</u>
Total liabilities and fund balances	<u>\$ 64,876</u>	<u>\$ -</u>	<u>\$ 9,863</u>	<u>\$ 74,739</u>

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 Power	Acadia	SYSCO	D&G
REVENUES				
Taxes	\$ 219,446	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
General government	-	-	68,025	44,924
Debt service	211,205	-	-	-
Total expenditures	211,205	-	68,025	44,924
Excess (deficiency) of revenues 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>\$</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
(21,282)	-	-	(54,145)	-	(2,742,676)
<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>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>(886,101)</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**

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

HW Land Co/ Victoria Drive	Hannaford Field Donation	Casella Donation	Unknown Origin	Parking 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 Lane	Fitzgerald Woods	Fox Knoll	Vance/ Homestead Village	Riverfront Lots
REVENUES					
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
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>

CR Dev/ Wilson Drive	HW Land Co/ Victoria Drive	Hannaford Field Donation	Casella Donation	Unknown Origin	Parking 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	School	Maine	Affordable	Corey	JDK	
	Special	Dovetail	Business	Associates	Commercial	Total	
ASSETS							
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>	
LIABILITIES							
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 Donations	Fire Heart Safety Donations	Fire Donations	Triad Program	Fire Thermal Imaging Camera
ASSETS					
Cash and cash equivalents	\$ 2,296	\$ 821	\$ -	\$ 2,645	\$ 2,274
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund payable	\$ -	\$ -	\$ 1,773	\$ -	\$ -
Fund balances:					
Committed	2,296	821	-	2,645	2,274
Unassigned	-	-	(1,773)	-	-
Total fund balances	2,296	821	(1,773)	2,645	2,274
Total liabilities and fund balances	<u>\$ 2,296</u>	<u>\$ 821</u>	<u>\$ -</u>	<u>\$ 2,645</u>	<u>\$ 2,274</u>

Dog Fees	Police Donations	Juvenile Divisions	Police Forfeiture	Police Copier	Safety & Wellness Grant	PWD Donation
<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>
7,220	7,305	2,137	17,335	7,410	11,489	205
<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 Highland Lake Fence	PW Equipment	PWD Heating System	Fire Equipment	Library
ASSETS					
Cash and cash equivalents	\$ 6,944	\$ 143,566	\$ 7,471	\$ 1,365	\$ -
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ 383
Fund balances:					
Committed	6,944	143,566	7,471	1,365	-
Unassigned	-	-	-	-	(383)
Total fund balances	6,944	143,566	7,471	1,365	(383)
Total liabilities and fund balances	<u>\$ 6,944</u>	<u>\$ 143,566</u>	<u>\$ 7,471</u>	<u>\$ 1,365</u>	<u>\$ -</u>

Library Donations	Boat Launch	Davan Pool	Community Services	Employee Assistance	Community Dental	Building	City Hall
<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 Maintenance	Athletic Field	Planning For Offsite Improvements	Home Repair Network	Total
ASSETS					
Cash and cash equivalents	\$ 64,253	\$ 44,045	\$ 50,000	\$ 29,141	\$ 583,708
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ 2,156
Fund balances:					
Committed	64,253	44,045	50,000	29,141	583,708
Unassigned	-	-	-	-	(2,156)
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 Donations	Safety Donations	Fire Donations	Triad Program	Fire Thermal Imaging Camera
REVENUES					
Miscellaneous	\$ -	\$ -	\$ 350	\$ -	\$ -
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	638	-
Culture and recreation	-	-	-	-	-
Total expenditures	-	-	-	638	-
Excess (deficiency) of revenues 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	<u>\$ 2,296</u>	<u>\$ 821</u>	<u>\$ (1,773)</u>	<u>\$ 2,645</u>	<u>\$ 2,274</u>

<u>Dog Fees</u>	<u>Police Donations</u>	<u>Juvenile Divisions</u>	<u>Police Forfeiture</u>	<u>Police Copier</u>	<u>Safety & Wellness Grant</u>	<u>PWD 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>
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,670</u>	<u>-</u>	<u>400</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>	<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 Highland Lake Fence	PW Equipment	PWD Heating System	Fire Equipment	Library
REVENUES					
Miscellaneous	\$ -	\$ 5,850	\$ -	\$ -	\$ -
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues 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	<u>\$ 6,944</u>	<u>\$ 143,566</u>	<u>\$ 7,471</u>	<u>\$ 1,365</u>	<u>\$ (383)</u>

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

	Building Maintenance	Athletic Field	Planning for offsite Improvements	Home Repair Network	Total
REVENUES					
Miscellaneous	\$ -	\$ -	\$ 50,000	\$ -	\$ 79,399
EXPENDITURES					
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 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	<u>\$ 64,253</u>	<u>\$ 44,045</u>	<u>\$ 50,000</u>	<u>\$ 29,141</u>	<u>\$ 581,552</u>

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

	Westbrook Environmental Improvement Corporation	Riverwalk Fine Arts Festival	Arts & Culture Grant	Seatbelt Grant	Speed Enforcement
ASSETS					
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>
LIABILITIES AND FUND BALANCES					
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>

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

(continued)

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

	COPS Grant	Byrne Memorial/ JAG Grant	Holiday Enforcement	OUI Emphasis	Community Health Grant
ASSETS					
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>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	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>

Police Details	Police Outside Details	Homeland Security - PD	ATV Grant	Westbrook Trail Blazes	FD Outside Details	FD Misc Awards & Decorations
\$ 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	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>363</u>	<u>-</u>
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 Sprinkler Grant	Assist to Firefighters Grant	Street Openings	Recreation
ASSETS				
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>
LIABILITIES AND FUND BALANCES				
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>

Before Care	Summer Camp	Youth Activities	Adult Programs	Westbrook Pool	Field 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
-	<u>116,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,558</u>
<u>-</u>	<u>128,321</u>	<u>6,171</u>	<u>3,541</u>	<u>35,535</u>	<u>-</u>	<u>1,127,928</u>
135,280	-	-	-	-	38,032	1,790,783
-	(14,171)	(6,171)	(3,541)	(8,399)	-	(45,789)
<u>135,280</u>	<u>(14,171)</u>	<u>(6,171)</u>	<u>(3,541)</u>	<u>(8,399)</u>	<u>38,032</u>	<u>1,744,994</u>
<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			
	Environmental	Riverwalk	Arts &	
	Improvement	Fine Arts	Culture	
	Corporation	Festival	Grant	Seatbelt
				Grant
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,769
Charges for services	-	-	6,757	-
Miscellaneous	3,908	-	-	-
Total revenues	3,908	-	6,757	1,769
EXPENDITURES				
Current:				
General government	95,720	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	6,757	-
Debt service	82,065	-	-	-
Total expenditures	177,785	-	6,757	-
Excess (deficiency) of revenues over (under) expenditures	(173,877)	-	-	1,769
Other financing sources:				
Transfers in	368,503	-	-	-
Net change in fund balances	194,626	-	-	1,769
Fund balances, beginning	866,788	2,356	(1,376)	-
Fund balances, ending	\$ 1,061,414	\$ 2,356	\$ (1,376)	\$ 1,769

(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 Grant	Byrne Memorial/ JAG Grant	Holiday Enforcement	OUI Emphasis
REVENUES				
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>
EXPENDITURES				
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 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 Health Grant	Police Details	Police Outside Details	Homeland Security - PD	ATV Grant	Westbrook Trail Blazes	FD Outside Details
\$ 1,378	\$ 119,644	\$ -	\$ -	\$ 4,500	\$ -	\$ -
-	-	32,938	-	-	-	8,578
2,387	-	-	-	-	-	-
3,765	119,644	32,938	-	4,500	-	8,578
2,450	119,644	1,228	-	-	-	307
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,450	119,644	1,228	-	-	-	307
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)
\$ 1,643	\$ 2,760	\$ 35,942	\$ 9,009	\$ 4,500	\$ (10,000)	\$ 7,908

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

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

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

	Equipment Lift	Riverfront	Redundant Power	Power Plant Access Road	Equipment Bond
ASSETS					
Cash and cash equivalents	<u>\$ 16,679</u>	<u>\$ 40,419</u>	<u>\$ 49,883</u>	<u>\$ 176,795</u>	<u>\$ 291,335</u>
LIABILITIES AND FUND BALANCES					
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>

<u>Paving</u>	<u>Joint Dispatch</u>	<u>Public Services Facility</u>	<u>HVAC Library</u>	<u>Squad Vehicle</u>	<u>West Business 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	-
-	-	(57,205)	-	-	(343,067)
<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 Pantry	Spring & County Roads	City Hall Wiring	Marylin & Carlson Streets	Two Message Boards
ASSETS					
Cash and cash equivalents	<u>\$ 39,541</u>	<u>\$ 214,617</u>	<u>\$ 20,157</u>	<u>\$ 50,100</u>	<u>\$ 14,630</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund payable	-	\$ -	\$ -	\$ -	\$ -
Fund balances:					
Committed	39,541	214,617	20,157	50,100	14,630
Unassigned	-	-	-	-	-
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>

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

	<u>Athletic Equipment</u>	<u>Landfill Bond</u>	<u>PW Equipment</u>	<u>Small Hardy Rd Fields</u>
ASSETS				
Cash and cash equivalents	<u>\$ 46,580</u>	<u>\$ 63,095</u>	<u>\$ 503,529</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
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

School CIP	Engineering CIP	Recreation CIP	Public Safety CIP	Interest	Total
<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
-	-	-	-	-	(454,684)
<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		Redundant	Power Plant
	Lift	Riverfront	Power	Access
				Road
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues 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	<u>\$ 16,679</u>	<u>\$ 40,419</u>	<u>\$ 49,883</u>	<u>\$ 176,795</u>

Equipment Bond	Dump Trucks	Paving	Joint Dispatch	Public Services Facility	Excavator	HVAC Library	Squad 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 Business Heights	Food Pantry	Spring & County Roads	City Hall Wiring
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues 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>

Marylin & Carlson Streets	Two Message Boards	Voew Drainage	Stroudwater Street Sidewalk	Salt Shed	Walker Building Repair	Community Center
\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	250,000
4,000	-	-	-	-	-	254,242
4,000	-	-	-	-	264,493	254,242
(4,000)	-	-	-	-	(264,493)	(4,242)
-	-	-	-	-	-	50,000
-	-	-	-	-	-	-
-	-	-	-	-	-	50,000
(4,000)	-	-	-	-	(264,493)	45,758
54,100	14,630	40,000	(43,572)	521	472,845	442,226
<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 Equipment	Athletic Equipment	Landfill Bond	PW Equipment	Small Hardy Rd Fields
REVENUES					
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Current:					
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	232,382	10,840
Total expenditures	-	-	-	232,382	10,840
Excess (deficiency) of revenues 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	<u>\$ 34,206</u>	<u>\$ 46,580</u>	<u>\$ 63,095</u>	<u>\$ 503,529</u>	<u>\$ (10,840)</u>

School CIP	Engineering CIP	Recreation CIP	Public Safety 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
 <u>(43,924)</u>	 <u>(12,158)</u>	 <u>-</u>	 <u>(2,360)</u>	 <u>7,959</u>	 <u>(1,107,599)</u>
 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
 <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>

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

	Woodlawn Cemetery	Saccarappa Cemetery	Highland Cemetery	Larabee Cemetery	Gerald Fluett Trust	Total
ASSETS						
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	\$ 428,402	\$ 2,821	\$ 7,264	\$ 8,006	\$ 635,013	\$1,081,506
LIABILITIES AND FUND BALANCES						
Liabilities:						
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ 41,709	\$ 41,709
Fund balances:						
Nonspendable	273,344	-	-	-	593,304	866,648
Restricted	155,058	2,821	7,264	8,006	-	173,149
Total fund balances	428,402	2,821	7,264	8,006	593,304	1,039,797
Total liabilities and fund balances	\$ 428,402	\$ 2,821	\$ 7,264	\$ 8,006	\$ 635,013	\$1,081,506

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 Cemetery	Saccarappa Cemetery	Lake Cemetery	Highland Cemetery	Larabee Cemetery	Gerald Fluett Trust	Total
REVENUES							
Miscellaneous	\$ 10,198	\$ -	\$ -	\$ 52	\$ (13,225)	\$ (2,975)	
EXPENDITURES							
Current:							
General government	4,740	-	-	-	-	-	4,740
Culture and recreation	-	-	-	-	-	4,958	4,958
Capital outlay	-	-	-	-	-	41,709	41,709
Total expenditures	<u>4,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,667</u>	<u>51,407</u>
Excess (deficiency) of revenues 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	<u>422,944</u>	<u>2,821</u>	<u>7,264</u>	<u>7,954</u>	<u>703,196</u>	<u>1,144,179</u>	
Fund balances, ending	<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>	

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

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

Exhibit 27

Pierre Hanois	Service Chest	Cemetery 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**

	<u>Wescott</u>	<u>Valentine Hose Co.</u>	<u>Saccarappa School</u>	<u>Community Dental</u>
ADDITIONS				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
DEDUCTIONS				
Current:				
Trust distributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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 Hanois</u>	<u>Service Chest</u>	<u>Cemetery Flowers</u>	<u>Total</u>
\$ -	\$ 394	\$ -	\$ 394
<hr/>	<hr/>	<hr/>	<hr/>
-	-	1,523	1,523
<hr/>	<hr/>	<hr/>	<hr/>
-	394	(1,523)	(1,129)
<u>34,614</u>	<u>57,979</u>	<u>59,114</u>	<u>172,484</u>
<u><u>\$ 34,614</u></u>	<u><u>\$ 58,373</u></u>	<u><u>\$ 57,591</u></u>	<u><u>\$ 171,355</u></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 bonds and notes	Percent of State assessed value of \$1,895,660,970	Amount	Margin
For school purposes	\$ 35,904,088	10.00%	\$ 189,566,097	\$ 153,662,009
For storm or sanitary sewer purposes	1,302,031	7.50%	142,174,573	140,872,542
For municipal airport, water, and special 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><u>\$ 63,997,480</u></u>		<u><u>\$ 530,785,072</u></u>	<u><u>\$ 466,787,592</u></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.

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

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