



Annual Financial Report

June 30, 2014

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Independent Auditors' Report

City Council
City of Westbrook
Westbrook, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westbrook, Maine (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westbrook, Maine, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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To the City Council
City of Westbrook, Maine

As described in Note 12 to the financial statements, in the year ended June 30, 2014, the City changed the presentation of the financial statements to include the Westbrook School Department as a department of the City rather than as a discretely presented component unit as had been presented in the prior year, and the City also recognized an asset (investments) in the amount of \$9.3 million, which are being held by the Maine Public Employees Retirement System. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of funding progress on page 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2015 on our consideration of the City of Westbrook's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Westbrook's internal control over financial reporting and compliance.

Macpage LLC

South Portland, Maine
February 25, 2015

BASIC FINANCIAL STATEMENTS

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Statement of Net Position

June 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and short-term investments	\$ 19,418,841	\$ 5,147,348	\$ 24,566,189
Investments	1,095,197		1,095,197
Investments held by Maine Public Employees Retirement System	10,403,619		10,403,619
Receivables, net of allowance for uncollectibles:			
Property taxes	1,558,818		1,558,818
Accounts receivable - services	788,413	500,395	1,288,808
Intergovernmental	689,241	40,861	730,102
Loans	272,536		272,536
Internal balances	(3,048,481)	3,048,481	
Inventory	40,686		40,686
Prepaid items	1,103,426	211,098	1,314,524
Capital assets:			
Capital assets not being depreciated	2,190,117	149,575	2,339,692
Capital assets, net of accumulated depreciation	107,150,671	49,832,747	156,983,418
Total Assets	141,663,084	58,930,505	200,593,589
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	603,342		603,342
Total Deferred Outflows of Resources	603,342	-	603,342
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	2,281,545		2,281,545
Accrued salaries and benefits	2,152,354		2,152,354
Contracts payable	496,094		496,094
Retainage payable	60,528	28,196	88,724
Accrued interest payable	546,483		546,483
Due to fiduciary funds	137,160		137,160
Unearned revenue	259,556		259,556
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	4,659,310	306,500	4,965,810
Unamortized bond premium	27,078		27,078
Capital leases payable	232,070		232,070
Accrued landfill postclosure care costs	20,000		20,000
Due in more than one year:			
Bonds and notes payable	48,871,000	5,549,000	54,420,000
Unamortized bond premium	505,060		505,060
Capital leases payable	211,711		211,711
Accrued landfill postclosure care costs	340,000		340,000
Accrued compensated absences	1,516,050		1,516,050
Other post-employment benefits liability	348,165		348,165
Total Liabilities	62,664,164	5,883,696	68,547,860
Net Position			
Net Investment in capital assets	55,366,697	48,966,822	104,333,519
Restricted for:			
Nonexpendable trust principal	622,909		622,909
Expendable trust principal	436,712		436,712
Restricted for endowments and grants	954,835		954,835
Unrestricted	22,221,109	4,079,987	26,301,096
Total Net Position	\$ 79,602,262	\$ 53,046,809	\$ 132,649,071

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Statement of Activities

For the Year Ended June 30, 2014

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position	
				Governmental Activities	Business-Type Activities
Governmental Activities:					
General government	\$ 4,110,020	\$ 44,057	\$ 272,032	\$ (3,793,931)	\$ (3,793,931)
Public safety	6,674,598	908,785	98,471	(5,667,342)	(5,667,342)
Public works	5,414,694	11,399	604,953	(4,798,342)	(4,798,342)
Human services	686,039		266,210	(419,829)	(419,829)
Culture and recreation	1,884,229	637,012	45,176	(1,202,041)	(1,202,041)
Employee benefits	2,630,878			(2,630,878)	(2,630,878)
Education	38,598,248	445,434	23,819,701	(14,330,113)	(14,330,113)
Unclassified	1,646,968			(1,646,968)	(1,646,968)
Interest on debt	718,032			(718,032)	(718,032)
Capital outlay	1,819,610			(1,819,610)	(1,819,610)
Total Governmental Activities	64,183,316	2,049,687	25,106,543	(37,027,086)	(37,027,086)
Business-Type Activities:					
Sever department	4,721,618	4,258,966		\$ (462,652)	\$ (462,652)
Parking garage	257,270	165,564		(91,706)	(91,706)
Total Business-Type Activities	4,978,888	4,424,530		(554,358)	(554,358)
Total	\$ 69,162,204	\$ 6,474,217	\$ 25,106,543	(37,027,086)	(37,581,444)
General Revenues:					
Taxes:					
Real estate			26,759,284		26,759,284
Excise			2,862,027		2,862,027
Personal property			4,848,253		4,848,253
Other			203,890		203,890
Licenses and permits			323,674		323,674
Grants and contributions not restricted to specific programs			2,249,293		2,249,293
Investment earnings from investments held by Maine					
Public Employees Retirement System			1,119,507		1,119,507
Miscellaneous			842,304		842,304
Total general revenues			39,208,232	188,152	39,396,384
Change in Net Position			2,181,146	(366,206)	1,814,940
Net Position:					
Beginning of year			77,421,116	53,413,015	130,834,131
End of year			\$ 79,602,262	\$ 53,046,809	\$ 132,649,071

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Governmental Funds**Balance Sheet**

June 30, 2014

	General	Downtown TIF	William Clark Drive	Other Governmental Funds	Total Governmental Funds
ASSETS					
Assets:					
Cash and short-term investments	\$ 18,801,905			\$ 616,936	\$ 19,418,841
Investments				1,095,197	1,095,197
Investments held by Maine Public Employees Retirement System	10,403,619				10,403,619
Receivables, net of allowance for uncollectibles:					
Taxes	1,558,818				1,558,818
Accounts receivable - services	436,622			351,791	788,413
Intergovernmental	70,863			618,378	689,241
Loans				272,536	272,536
Interfund receivable			\$ 959,472	5,514,474	6,473,946
Inventory				40,686	40,686
Prepaid items	1,103,426				1,103,426
Total Assets	\$ 32,375,253	\$ -	\$ 959,472	\$ 8,509,998	\$ 41,844,723
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 873,903		\$ 959,472	\$ 448,170	\$ 2,281,545
Accrued salaries and benefits	2,152,354				2,152,354
Contracts payable				496,094	496,094
Retainage payable				60,528	60,528
Interfund payable	7,487,062	\$ 849,647		1,322,878	9,659,587
Unearned revenue	33,719			225,837	259,556
Total Liabilities	10,547,038	849,647	959,472	2,553,507	14,909,664
Deferred Inflows of Resources:					
Unavailable resources - investments held by Maine Public Employees Retirement System	10,403,619				10,403,619
Unavailable revenue - property taxes	1,142,441				1,142,441
	11,546,060				11,546,060
Fund Balances:					
Nonspendable	1,103,426			663,595	1,767,021
Restricted				954,835	954,835
Committed	1,348,378			5,272,070	6,620,448
Assigned	90,425				90,425
Unassigned	7,739,926	(849,647)		(934,009)	5,956,270
Total Fund Balances (Deficit)	10,282,155	(849,647)		5,956,491	15,388,999
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 32,375,253	\$ -	\$ 959,472	\$ 8,509,998	\$ 41,844,723

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Assets

June 30, 2014

Total governmental fund balances	\$ 15,388,999
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	109,340,788
• Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	
Property taxes	1,142,441
Investments held by Maine Public Employees Retirement System	10,403,619
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(546,483)
• Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(53,530,310)
Unamortized bond premium	(532,138)
Deferred charge on refunding	603,342
Capital leases payable	(443,781)
Compensated absences	(1,516,050)
Liability for hazardous waste-site cleanup	(360,000)
Other Post-Employment Benefits (OPEB) liability	<u>(348,165)</u>
Net position of governmental activities	<u>\$ 79,602,262</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2014

	<u>General</u>	<u>Downtown TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 34,663,454		\$ 366,497	\$ 35,029,951
Licenses, permits and fees	297,630		25,601	323,231
Intergovernmental	20,541,428		6,387,093	26,928,521
Charges for services	956,301		1,139,031	2,095,332
Miscellaneous	332,109		525,811	857,920
Total Revenues	56,790,922		8,444,033	65,234,955
Expenditures:				
Current:				
General government	2,773,238		844,059	3,617,297
Public safety	6,209,103		382,168	6,591,271
Public works	3,795,567			3,795,567
Human services	686,039			686,039
Culture and recreation	816,248		844,390	1,660,638
Employee benefits	2,630,878			2,630,878
Unclassified	1,646,968			1,646,968
Cemeteries	39,026		18,192	57,218
Education	34,834,057		6,437,350	41,271,407
Debt service	2,204,336	\$ 397,100	270,777	2,872,213
Capital outlay			2,413,364	2,413,364
Total Expenditures	55,635,460	397,100	11,210,300	67,242,860
Revenues over (under) expenditures before other financing sources (uses)	1,155,462	(397,100)	(2,766,267)	(2,007,905)
Other Financing Sources (Uses):				
Transfers in	2,583,203	485,148	5,307,634	8,375,985
Transfers out	(4,757,485)		(3,618,500)	(8,375,985)
Proceeds from capital leases	298,390			298,390
Refunding bonds issued	7,745,000			7,745,000
Premium received from refunding bonds	60,744			60,744
Cost of issuance on refunding bonds	(107,673)			(107,673)
Payment to refunding bond escrow agent	(7,698,071)			(7,698,071)
Total Other Financing Sources (Uses)	(1,875,892)	485,148	1,689,134	298,390
Net change in fund balances	(720,430)	88,048	(1,077,133)	(1,709,515)
Fund Balances, at Beginning of Year (Deficit)	11,002,585	(937,695)	7,033,624	17,098,514
Fund Balances, at End of Year (Deficit)	\$ 10,282,155	\$ (849,647)	\$ 5,956,491	\$ 15,388,999

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2014

Net Changes in Fund Balances - Total Governmental Funds \$ (1,709,515)

- Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay purchases	1,545,080
Depreciation	(3,247,441)

Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. However, the capital leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net position.

(298,390)

- Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in deferred revenue.

Property taxes	10,000
Investment earnings from investments held by Maine Public Employers Retirement system	1,119,507

- 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 financial resources of governmental funds. Neither transaction, however, has any effect on net assets:

Portion of refunding bond proceeds that increased bonds payable	(290,000)
Repayments of debt	4,644,310
Repayments of capital leases	265,288

- In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due, this amount reflects the change in accrued interest.

8,688

- Some expenses reported in the Statement of Activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Decrease in liability for compensated absences	257,479
Increase in OPEB liability	(120,836)
Decrease in liability for hazardous waste-site cleanup	20,000
Amortization of bond premiums	(46,411)
Amortization of deferred charge	<u>23,387</u>

Changes in Net Position of Governmental Activities

\$ 2,181,146

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

**Statement of Revenues and Other Financing Sources,
and Expenditures and Other Financing Uses -
Budget and Actual - General Fund**

For the Year Ended June 30, 2014

	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 34,049,085	\$ 34,049,085	\$ 34,663,454	\$ 614,369
Licenses, permits and fees	157,500	157,500	297,630	140,130
Intergovernmental	17,459,590	17,459,590	18,198,428	738,838
Charges for services	1,172,008	1,172,008	956,301	(215,707)
Miscellaneous	75,000	75,000	332,109	257,109
Total Revenues	52,913,183	52,913,183	54,447,922	1,534,739
Expenditures:				
Current:				
General government	2,718,582	2,718,582	2,773,238	(54,656)
Public safety	5,843,596	5,843,596	6,209,103	(365,507)
Public works	3,756,883	3,756,883	3,795,567	(38,684)
Human services	526,677	526,677	686,039	(159,362)
Culture and recreation	819,886	819,886	816,248	3,638
Employee benefits	2,837,936	2,837,936	2,630,878	207,058
Cemeteries	59,927	59,927	39,026	20,901
Unclassified	1,663,502	1,663,502	1,646,968	16,534
Education	32,148,833	32,148,833	31,871,614	277,219
Debt service:				
Principle	1,718,517	1,718,517	1,718,517	
Interest	505,264	505,264	485,819	19,445
Total Expenditures	52,599,603	52,599,603	52,673,017	(73,414)
Excess of Revenues Over Expenditures Before Other Financing Sources (Uses)				
	313,580	313,580	1,774,905	1,461,325
Other financing sources (uses):				
Transfers in	2,997,191	2,997,191	2,583,203	(413,988)
Transfer out	(3,819,781)	(3,819,781)	(4,757,485)	(937,704)
Refunding bonds issued			7,745,000	7,745,000
Premium received from refunding bonds			60,744	60,744
Cost of issuance on refunding bonds			(107,673)	(107,673)
Payment to refunding bond escrow agent			(7,698,071)	(7,698,071)
Total other financing sources and uses	(822,590)	(822,590)	(2,174,282)	(1,351,692)
Net change in fund balance	(509,010)	(509,010)	(399,377)	109,633
Beginning fund balance utilized	509,010	509,010	10,659,154	10,150,144
Fund balance, end of year	\$ -	\$ -	10,259,777	\$ 10,259,777
Add encumbrances			22,378	
Fund balance, end of year, per fund financial statements			\$ 10,282,155	

Proprietary Funds

Statement of Net Position

June 30, 2014

	Business-Type Activities Enterprise Funds		
	Sewer Department	Parking Garage	Total
ASSETS			
Current:			
Cash and cash equivalents	\$ 5,147,348		\$ 5,147,348
Accounts receivable, net of allowance for uncollectible	500,395		500,395
Intergovernmental receivable	40,861		40,861
Interfund receivable	2,495,428	\$ 553,053	3,048,481
Prepaid items	211,098		211,098
Total current assets	<u>8,395,130</u>	<u>553,053</u>	<u>8,948,183</u>
Noncurrent:			
Capital assets:			
Land	108,351	40,489	148,840
Construction in progress	735		735
Buildings and building improvements	2,789,000	7,072,318	9,861,318
Machinery and equipment	356,173	31,102	387,275
Infrastructure	81,799,849		81,799,849
Less accumulated depreciation	(40,770,131)	(1,445,564)	(42,215,695)
Total noncurrent assets	<u>44,283,977</u>	<u>5,698,345</u>	<u>49,982,322</u>
Total Assets	<u>52,679,107</u>	<u>6,251,398</u>	<u>58,930,505</u>
LIABILITIES			
Current:			
Accounts payable	28,196		28,196
Current portion of long-term liabilities:			
Bonds payable	306,500		306,500
Total current liabilities	<u>334,696</u>		<u>334,696</u>
Noncurrent:			
Bonds payable, noncurrent	5,549,000		5,549,000
Total noncurrent liabilities	<u>5,549,000</u>		<u>5,549,000</u>
Total Liabilities	<u>5,883,696</u>		<u>5,883,696</u>
NET POSITION			
Net investment in capital assets	43,268,477	5,698,345	48,966,822
Unrestricted	<u>3,526,934</u>	<u>553,053</u>	<u>4,079,987</u>
Total Net Position	<u>\$ 46,795,411</u>	<u>\$ 6,251,398</u>	<u>\$ 53,046,809</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

For the Year Ended June 30, 2014

	Business-Type Activities Enterprise Funds		
	Sewer Department	Parking Garage	Total
Operating Revenues:			
Sewer assessments	\$ 4,258,966		\$ 4,258,966
Parking garage revenue		\$ 165,564	165,564
Total Operating Revenues	<u>4,258,966</u>	<u>165,564</u>	<u>4,424,530</u>
Operating Expenses:			
PWD assessment	2,322,078		2,322,078
Sewer operations	843,396		843,396
Parking garage		115,824	115,824
Depreciation expense	1,516,231	141,446	1,657,677
Total Operating Expenses	<u>4,681,705</u>	<u>257,270</u>	<u>4,938,975</u>
Operating Income (Loss)	<u>(422,739)</u>	<u>(91,706)</u>	<u>(514,445)</u>
Nonoperating Revenues (Expenses):			
Bond premium revenue, net of issuance costs	188,152		188,152
Interest on bonds	<u>(39,913)</u>		<u>(39,913)</u>
Total Nonoperating Revenues (Expenses), Net	<u>148,239</u>		<u>148,239</u>
Change in Net Position	(274,500)	(91,706)	(366,206)
Net Position at Beginning of Year	<u>47,069,911</u>	<u>6,343,104</u>	<u>53,413,015</u>
Net Position at End of Year	<u>\$ 46,795,411</u>	<u>\$ 6,251,398</u>	<u>\$ 53,046,809</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2014

	Business-Type Activities Enterprise Funds		
	Sewer Department	Parking Garage	Total
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 3,275,395	\$ 115,824	\$ 3,391,219
Payments to suppliers and employees	(3,165,474)	(115,824)	(3,281,298)
Net cash provided by operating activities	<u>109,921</u>	<u> </u>	<u>109,921</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from bonds	4,840,000	4,840,000	4,840,000
Principal payments on bonds and notes	(66,500)	(66,500)	(66,500)
Premium on bond revenue, net of issuance costs	188,152	188,152	188,152
Interest paid on bonds and notes	(39,913)	(39,913)	(39,913)
Net cash used for capital and related financing activities	<u>4,921,739</u>	<u> </u>	<u>4,921,739</u>
Net Change in Cash and cash equivalents	5,031,660	5,031,660	5,031,660
Cash and cash equivalents, beginning of year	<u>115,688</u>	<u> </u>	<u>115,688</u>
Cash and cash equivalents, end of year	<u>\$ 5,147,348</u>	<u>\$ -</u>	<u>\$ 5,147,348</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ (422,739)	\$ (91,706)	\$ (514,445)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,516,231	141,446	1,657,677
(Increase) decrease in operating assets and liabilities:			
Accounts receivable	(18,804)	(18,804)	(18,804)
Interfund receivables	<u>(964,767)</u>	<u>(49,740)</u>	<u>(1,014,507)</u>
Net cash provided by operating activities	<u>\$ 109,921</u>	<u>\$ -</u>	<u>\$ 109,921</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2014

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and short term investments	\$ 429,106	\$ 258,217
Accounts receivable		11,212
Due from other funds	111,311	32,574
Total Assets	<u>540,417</u>	<u>302,003</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Due to other funds		6,725
Due to student groups		208,170
Escrow and performance deposits		87,108
Total Liabilities	<u>-</u>	<u>302,003</u>
NET POSITION		
Total Net Position Held in Trust	<u>\$ 540,417</u>	<u>\$ -</u>

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2014

	Private Purpose Trust Funds
Additions:	
Investment earnings	\$ 1,281
Contributions	<u>89,757</u>
Total	<u>91,038</u>
Deductions:	
Disbursements by agent	<u>65,718</u>
Total deductions	<u>65,718</u>
Net increase	25,320
Net Position:	
Beginning of year	<u>515,097</u>
End of year	<u>\$ 540,417</u>

NOTES TO THE FINANCIAL STATEMENTS

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Notes to Financial Statements

June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Westbrook, Maine (the City/Government) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (standards and interpretations), constitute GAAP for governmental units. GAAP also includes guidance from the American Institute of Certified Public Accountants in the publication entitled State and Local Governments. The more significant of the City's accounting policies are described below.

Reporting Entity

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. In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may be financially accountable and, as such, should be included within the City's financial statements. In accordance with GASB Statement No. 14 as amended by GASB Statement No. 61, the City is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading. The City identified one organization as a blended component unit, although legally separate, is, in substance, part of the government's operations.

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.

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.

Government-Wide and Fund Financial Statements

Government Wide Financial Statements

The government-wide financial statements include the statement of net position 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.

Notes to Financial Statements

June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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; and (2) operating grants and contributions, which finance annual operating activities including restricted investment income. 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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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.

Fund Financial Statements

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.

The City reports the following major governmental funds:

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.

Downtown TIF — This fund reports as a Special Revenue Fund and is used to account for the Downtown Tax Increment Financing District of the City.

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

Notes to Financial Statements

June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 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.

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.

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:

	Years
Buildings and building improvements	25 – 120
Machinery and equipment	5 – 50
Vehicles	4 – 25
Infrastructure	50

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.

Notes to Financial Statements

June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs if material to the basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances

The governmental funds financial statements fund balance is reported in five classifications.

Nonspendable fund balance represent fund balance amounts that are not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance represents resources with constraints placed through external creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provision or by enabling legislation.

Committed fund balance represents resources that are determined by the City's highest decision-making level of authority, and remain binding unless removed in the same manner. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the fiscal year, commit a fund balance.

Assigned fund balance is the portion of fund balance that has been approved by formal action of the City Council for appropriation in future budgets. The amounts are not for a highly specified purpose and their use has some discretion by the administration.

Unassigned fund balance is fund balance that has not been reported in any other classification. Note that in all governmental funds other than the general fund, amounts expended in excess of resources that do not meet the above categories are classified here – i.e. residual deficits.

The City has no formal revenue spending policy for programs with multiple revenue sources. The Comptroller uses resources in the following hierarchy unless otherwise directed by Statute or the City Council: bond proceeds, federal funds and state funds, local non-City funds, City funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Notes to Financial Statements

June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of 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.

Recent Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement improves accounting and financial reporting by state and local governments for pensions. The new statement is effective for periods beginning after June 15, 2014. The City is currently assessing the impact of this statement on its financial statements.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

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, 2014.

Encumbrance accounting is employed by the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assignments of fund balances and do not constitute expenditures or liabilities because they 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.

For the year ended June 30, 2014, expenditures exceeded appropriations in the general fund by \$73,414.

Deficit Fund Equity

The Downtown TIF District has a deficit of \$849,647 at June 30, 2014. 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.

Notes to Financial Statements

June 30, 2014

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – CONTINUED

Deficit Fund Equity – Continued

The individual projects within the following funds had deficits as of June 30, 2014:

Nonmajor Governmental funds	
Special Revenue Funds:	
CDBG	\$ (1,376)
Library CPHC	(815)
Library gates grant	(650)
Byrne Memorial/JAG grant	(3,506)
Community health grant	(37)
Homeland security	(4,777)
Winter west festival	(10,000)
Assistance to firefighters grant	(666)
School vacation grant	(4,056)
Summer camp	(36,194)
Adult programs	(3,541)
Westbrook pool	(118,945)
Adult education	(10,777)
Capital Project Funds:	
Fire donations	(1,668)
Police grants	(14,026)
Library	(383)
City Hall	(1,005)
Athletic field	(2,535)

The deficits in these funds will be eliminated through the future grant reimbursements, departmental revenues and transfers from other funds.

NOTE 3 – CASH AND INVESTMENTS

Custodial Credit Risk - 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, 2014, the City reported deposits of \$25,253,512 with a bank balance of \$25,305,531. None of the City's bank balances of \$25,305,531 was exposed to custodial credit risk as uninsured and uncollateralized because it was covered by the F.D.I.C. or is secured by additional collateral pledged on behalf of the City by the respective banking institutions.

Investments

Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, commercial paper, repurchase agreements and certain corporate stocks and bonds.

Notes to Financial Statements

June 30, 2014

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Investments

As of June 30, 2014, the City's reporting entity had the following investments:

Certificates of Deposit	\$ 443,733
Mutual Funds	651,464
	<u>\$ 1,095,197</u>

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. As of June 30, 2014, there are no 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. The City has no investments with material exposure to custodial credit risk.

Investments held by Maine Public Employees Retirement System (MPERS) are part of a pooled account held and invested by MPERS but is accounted for separately for each municipality. The City anticipates receiving these funds subsequent to June 30, 2015.

NOTE 4 – PROPERTY TAX

Property taxes for the current year were committed on July 15, 2013 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, 2013, 25% on November 15, 2013, 25% on February 18, 2014, and 25% on May 15, 2015. 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 2013 state valuation of \$1,841,750,800.

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 \$442,641 for the year ended June 30, 2014.

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.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first 60 days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as a different inflow of resources, unavailable revenue - property taxes.

Notes to Financial Statements

June 30, 2014

NOTE 4 – PROPERTY TAX – CONTINUED

The tax rates and amounts assessed for the year ended June 30, 2014 were as follows:

Valuation:	
Real estate	\$ 1,560,341,400
Personal property	281,409,400
Total assessed valuation	<u>\$ 1,841,750,800</u>
 Total assessed valuation	 \$ 1,841,750,800
Tax rate (per \$1,000)	17.20
Total tax commitment	<u>\$ 31,678,114</u>

The following details the taxes receivable at year-end:

Taxes receivable - current year	\$ 931,200
Taxes receivable - prior year	627,618
Taxes receivable	<u>\$ 1,558,818</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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."

As of June 30, 2014, the balances of interfund loans receivable/payable were as follows:

	Interfund Loans Receivable	Interfund Loans Payable	Due to Agency Funds
General fund		\$7,343,177	\$143,885
Downtown TIF		849,647	
William Clark Drive	\$ 959,472		
Other governmental funds	5,514,474	1,322,878	
Sewer department	2,495,428		
Parking garage	553,053		
Agency funds	143,885	6,725	
Totals	<u>\$9,666,312</u>	<u>\$9,522,427</u>	<u>\$143,885</u>

Notes to Financial Statements

June 30, 2014

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – CONTINUED

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				Total	
	General Fund	Downtown TIF Fund	Nonmajor Governmental Funds			
Transfers out:						
Governmental funds:						
General		\$ 485,148	\$ 2,098,055		\$ 2,583,203	
Nonmajor	\$ 2,583,203		3,209,579		5,792,782	
	<u>\$ 2,583,203</u>	<u>\$ 485,148</u>	<u>\$ 5,307,634</u>		<u>\$ 8,375,985</u>	

The amount transferred to the Downtown TIF Fund represents the transfer of tax revenues. The amount transferred to the nonmajor funds from the General Fund represents 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 bond proceeds from completed capital projects to other ongoing capital projects, and transfers from the TIF districts in accordance with the agreements.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Changes	Ending Balance
Governmental activities:			
At cost:			
Not being depreciated:			
Land	\$ 1,718,018	\$ 472,099	\$ 2,190,117
Being depreciated:			
Buildings and improvements	74,417,527	143,809	74,561,336
Machinery and equipment	5,127,188	362,206	5,499,394
Vehicles	8,592,645	456,651	9,049,296
Infrastructure	79,683,477		79,683,477
Total capital assets being depreciated	<u>167,820,837</u>	<u>972,666</u>	<u>168,793,503</u>
Total all capital assets	<u>169,538,855</u>	<u>1,444,765</u>	<u>170,983,620</u>
Less accumulated depreciation:			
Buildings and improvements	(13,472,932)	(1,094,372)	(14,567,304)
Machinery and equipment	(3,111,449)	(239,677)	(3,351,126)
Vehicles	(5,048,817)	(470,607)	(5,519,424)
Infrastructure	(36,862,508)	(1,342,470)	(38,204,978)
Total accumulated depreciation	<u>(58,495,706)</u>	<u>(3,147,126)</u>	<u>(61,642,832)</u>
Net book value, capital assets being depreciated	<u>109,325,131</u>	<u>(2,174,460)</u>	<u>107,150,671</u>
Net book value, total capital assets	<u>\$ 111,043,149</u>	<u>\$ (1,702,361)</u>	<u>\$ 109,340,788</u>

Notes to Financial Statements

June 30, 2014

NOTE 6 – CAPITAL ASSETS – CONTINUED

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
At cost:				
Not being depreciated				
Land	\$ 148,840			\$ 148,840
Construction in progress	735			735
Total capital assets not being depreciated	<u>149,575</u>			<u>149,575</u>
Being depreciated:				
Buildings and building improvements	9,861,318			9,861,318
Vehicles	387,275			387,275
Infrastructure	<u>81,799,849</u>			<u>81,799,849</u>
Total capital assets being depreciated	<u>92,048,442</u>			<u>92,048,442</u>
Total all capital assets	<u>92,198,017</u>			<u>92,198,017</u>
Less accumulated depreciation:				
Buildings and building improvements	(2,257,156)	\$ (207,726)		(2,464,882)
Vehicles	(82,849)	(43,010)		(125,859)
Infrastructure	<u>(38,218,013)</u>	<u>(1,406,941)</u>		<u>(39,624,954)</u>
Total accumulated depreciation	<u>(40,558,018)</u>	<u>(1,657,677)</u>		<u>(42,215,695)</u>
Net book value, capital assets being depreciated	<u>51,490,424</u>	<u>(1,657,677)</u>		<u>49,832,747</u>
Net book value, total capital assets	<u>\$ 51,639,999</u>	<u>\$ (1,657,677)</u>	<u>\$ -</u>	<u>\$ 49,982,322</u>

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

Governmental Activities		Business-type activities:	
General government	\$ 24,669	Sewer department	\$ 1,516,231
Public safety	384,851	Parking garage	141,446
Public works	<u>1,664,442</u>	Total depreciation expense	<u>\$ 1,657,677</u>
Culture and recreation	223,591		
Education	<u>949,888</u>		
Total depreciation expense	<u>\$ 3,247,441</u>		

Notes to Financial Statements

June 30, 2014

NOTE 7 – 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 follows:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding At 6/30/2014	Current Portion
General obligation bonds/notes payable:						
2004 General Obligation Bond	11,745,000	2005	2024	2.5-3.75	\$1,170,000	\$585,000
2004 General Obligation Bond	500,000	2005	2014	4.5	65,000	65,000
2005 SRRF	1,650,000	2005	2015	4.5	165,000	165,000
2005 SRRF Loan Forgiveness	(491,900)	2005	2015	4.5	(49,190)	(49,190)
2006 General Obligation Bond	1,400,000	2006	2016	3.54	280,000	140,000
2009 General Obligation Bond	38,276,000	2009	2029	4.99	27,865,000	2,080,000
2011 General Obligation Bond	12,350,000	2011	2031	3.24	8,869,500	1,173,500
2012 General Obligation Bond	7,745,000	2012	2028	1.00-3.5	7,420,000	240,000
2014 General Obligation Bond	1,760,000	2014	2039	2-4.25	1,760,000	59,083
2014 GOB Refunding	5,985,000	2014	2039	.35-5.1	5,985,000	200,917
					<u>\$53,530,310</u>	<u>\$4,659,310</u>
Capital leases payable:						
Tractor	85,220	2010	2015	4.19	\$ 18,471	\$ 18,471
Fire Aerial Device	81,692	2012	2016	3.65	33,505	16,452
Ambulance	185,121	2012	2016	3.65	75,303	36,977
Police Cruisers	51,030	2013	2015	2.50	17,023	17,023
Copiers	213,406	2014	2018	3.18	168,040	40,059
School buses	328,882	2012-2014	2015-2016	2.60-3.25	131,439	103,088
					<u>\$ 443,781</u>	<u>\$ 232,070</u>

Long-term liabilities current outstanding in the business-type activities are as follows:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding At 6/30/2014	Current Portion
General obligation bonds payable:						
2011 General Obligation Bond	\$ 1,215,000	2011	2031	3.24	\$ 1,015,500	\$ 61,500
2014 General Obligation Bond	\$4,840,000	2014	2034	2-4.25	4,840,000	245,000
Total					<u>\$ 5,855,500</u>	<u>\$ 306,500</u>

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

	General Obligation Bonds and Notes, Net of Forgiveness	Unamortized Bond Premium	Capital Leases	Compensated Absences	OPEB Liability	Accrued Landfill Postclosure Care Costs	Total
Governmental Activities:							
Balance, beginning	\$57,884,620	\$ 555,525	\$410,679	\$1,773,529	\$227,329	\$380,000	\$61,231,682
Additions	7,745,000		298,390		120,836		8,164,226
Reductions	(12,099,310)	(23,387)	(265,288)	(257,479)		(20,000)	(12,665,464)
Balance, ending	<u>\$53,530,310</u>	<u>\$ 532,138</u>	<u>\$443,781</u>	<u>\$1,516,050</u>	<u>\$348,165</u>	<u>\$360,000</u>	<u>\$56,730,444</u>
Business-Type Activities:							
Balance, beginning	\$1,082,000						\$1,082,000
Additions	4,840,000						4,840,000
Reductions	(66,500)						(66,500)
Balance, ending	<u>\$5,855,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,855,500</u>

Notes to Financial Statements

June 30, 2014

NOTE 7 – LONG-TERM DEBT – CONTINUED

Debt Service Requirements to Maturity

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

For Year Ending June 30,	Governmental Activities			
	Principal	Principal Forgiven	Interest	Total
2015	\$ 4,708,500	\$ (49,190)	\$ 2,414,084	\$ 7,073,394
2016	4,578,500		2,240,852	6,819,352
2017	4,443,500		1,853,791	6,297,291
2018	4,453,500		1,690,202	6,143,702
2019	4,453,500		1,519,637	5,973,137
2020-2024	16,597,000		5,356,188	21,953,188
2025-2029	10,965,000		2,233,300	13,198,300
2030-2034	1,595,000		639,820	2,234,820
2035-2039	1,785,000		237,022	2,022,022
Totals	\$ 53,579,500	\$ (49,190)	\$ 18,184,896	\$ 71,715,206

For Year Ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2015	\$ 306,500	\$ 201,455	\$ 507,955
2016	306,500	186,865	493,365
2017	306,500	180,120	486,620
2018	306,500	173,298	479,798
2019	306,500	166,169	472,669
2020-2024	1,518,000	701,415	2,219,415
2025-2029	1,500,000	429,968	1,929,968
2030-2034	1,305,000	132,034	1,437,034
Totals	\$ 5,855,500	\$ 2,171,324	\$ 8,026,824

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

For Year Ending June 30,	Principal	Interest	Total
2015	\$ 232,070	\$ 15,138	\$ 247,208
2016	125,064	6,942	132,006
2017	42,648	2,755	45,403
2018	43,999	1,403	45,402
Totals	\$ 443,781	\$ 26,238	\$ 470,019

Notes to Financial Statements

June 30, 2014

NOTE 7 – LONG-TERM DEBT – CONTINUED

During the year ended June 30, 2014, the Town issued \$7,745,000 in general obligation bonds to advance refund general obligation bonds that were issued in 2004. The net proceeds of \$7,698,071 including \$60,744 of premium and net of \$107,673 of expenses were deposited in an irrevocable trust with an escrow agent and are invested in U.S. governmental securities to provide all future debt service payments on the 2004 general obligation bonds. As a result, the \$7,455,000 of general obligation bonds have been defeased and the liability for these bonds has been removed from the governmental activities liabilities. The result of the advance refunding is to increase total future debt service by \$2,389,084 and an economic loss of \$795,943 based on the net present value.

The City is subject to a statutory limitation by the State of Maine of its general long-term debt equal to 15% of the State's valuation of the City. Based on a valuation of \$1,841,750,800, the City's debt limit is \$276,262,620. The City's outstanding long-term debt of \$53,579,500 at June 30, 2014 was within the statutory limit.

Conduit debt

The City has from time to time, assisted third parties in financing capital activities by participating in conduit debt transactions. The City is not obligated in any manner for this debt, and as a result has not reported these liabilities or any related assets in the basic financial statements. The outstanding principal balance of conduit debt as of June 30, 2014 was approximately \$5,280,000.

NOTE 8 – LANDFILL CLOSURE AND 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 \$340,000 as of June 30, 2014, 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, 2014. 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.

NOTE 9 – POST-EMPLOYMENT HEALTH CARE

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, 2013, the date of the most recent Actuarial Valuation Report, there were twenty retirees with four spouses, and one hundred twenty employees.

Notes to Financial Statements

June 30, 2014

NOTE 9 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

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 2014 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.

The City's annual OPEB cost for the fiscal year ended June 30, 2014 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	\$ 50,493
Amortization of unfunded liability	80,796
Interest	<u>2,600</u>
Annual required contribution	133,889
Interest on net OPEB contribution	9,093
Adjustment to annual required contribution	<u>(13,146)</u>
Annual OPEB cost	129,836
Contributions made	<u>(9,000)</u>
2014 OPEB liability expense	120,836
Net OPEB Obligation (NOO), beginning	227,329
Net OPEB Obligation (NOO), ending	<u>\$ 348,165</u>

Notes to Financial Statements

June 30, 2014

NOTE 9 – POST-EMPLOYMENT HEALTH CARE - CONTINUED

The City annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 129,836	6.93%	\$ 348,165
2013	\$ 132,029	6.82%	\$ 227,329
2012	\$ 154,485	32.49%	\$ 104,300

The funded status of the plan as of June 30, 2014 was as follows:

Actuarial Accrued Liability	\$ 1,453,010
Actuarial Value of Plan Assets	
Unfunded Actuarial Accrued Liability	<u>\$ 1,453,010</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll of Active Plan Members	\$8,037,365
UAAL as a Percentage of Covered Payroll	18.08%

Methods of Assumptions

The projected unit credit (PUC) cost method was used for the valuation. The amortization method is the level dollar open, amortized over 30 years. Under the PUC method, benefits are projected for life, and their present value is determined. The present value is divided into equal parts, which are earned from date of hire to each decrement age. An open 30 year amortization period was used. The amortization method is a level dollar amortization method. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows.

Valuation Date	January 1, 2013
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar Open
Amortization Period	30 Years
Asset Valuation Method	N/A
Actuarial Assumptions	
Discount Rate	4.00%
Rate of Salary Increases	3.00%
Ultimate Rate of Medical Inflation	4.25%

Notes to Financial Statements

June 30, 2014

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS

Maine Public Employees Retirement - City Employees

The Maine Public Employees Retirement System (MPERS) 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 MPERS provides service, disability, death and vested retirement benefits for 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 MPERS Board of Trustees.

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 MPERS Board of Trustees.

Effective July 1, 2006, the City joined the MPERS 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 MPERS issues a separate financial report that is available by contacting the MPERS at 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

City 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.

Maine Public Employees Retirement – Teachers Group

Description of Plan

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's teacher group. The teacher's group is a cost-sharing plan with a special funding situation, established by the Maine State Legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Maine State Legislature establishes and amends benefit provisions. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the teacher's group.

That report may be obtained by writing to Maine State Retirement System, 46 State House Station, Augusta, ME 04333-0046 or by calling 1-800-451-9800.

Notes to Financial Statements

June 30, 2014

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS - CONTINUED

Funding Policy

Plan members are required to contribute 7.65% of their compensation to the retirement system. The State of Maine Department of Education is required, by the same statute, to contribute the employer contribution which amounts to approximately \$2,343,000 (15.36%) for the fiscal year 2014. This amount has been reported as an intergovernmental revenue and retirement expenditure in the GAAP basis financial statements (page 4). There is no contribution required by the School except for federally funded teachers, for which the School contributed 15.83% of their compensation. This amounted to approximately \$134,000 during the fiscal year 2014. This cost is charged to the applicable grant.

The School Department also makes a contribution to the Maine Public Employees Retirement System Teachers Fund for the teachers of the School Department. The payment is determined by an actuary and is approximately 2.65% of the qualified teachers' salaries for the entire teachers' fund. For the year ended June 30, 2014, the amount of this contribution was approximately \$431,000.

Consolidated Retirement Pension Plan

Description of the Plan

School Department custodians, school lunch personnel and other non-teacher personnel participate in the Maine Public Employees Retirement System Consolidated Plan, a cost sharing multiple-employer public employee retirement system established by the Maine State Legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Maine State Legislature establishes and amends benefit provisions. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046 or by calling 1-800-451-9800.

Funding Policy

The contribution rates of plan members and the School Department and the City are established and may be amended by the Maine Public Employees Retirement System Board of Trustees. The School Department's contribution to the Maine Public Employees Retirement System Consolidated Plan for the year ended June 30, 2014 was approximately \$44,000.

NOTE 11 – OTHER INFORMATION

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, 2014.

Notes to Financial Statements

June 30, 2014

NOTE 11 – OTHER INFORMATION - CONTINUED

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.

NOTE 12 – FUND BALANCE AND NET POSITION

Restatement of Beginning Equity

There were two significant items that management evaluated and determined a restatement of net position and fund balances were necessary. Upon further analysis it was determined that the Westbrook School Department should no longer be presented as a discretely presented component unit and accordingly the presentation for the year ended June 30, 2014 now reflects the Westbrook School Department as a department of the City. The City was also notified during the year that the Maine Public Employees Retirement System (MPERS) has been a custodian of investments on behalf of the City. The investments are a result of excess funds when the City opted into the Consolidated PLD plan. The amount held by MPERS will be returned to the City subsequent to June 30, 2015.

Net position and fund balances at July 1, 2013 were restated to reflect the following adjustments:

	Governmental Activities	General Fund	Other Governmental Funds
Net position/fund balance as previously reported	\$ 20,827,301	\$10,305,308	\$6,522,259
Inclusion of school department	47,537,537	815,897	620,579
Inclusion of investments held by MPERS	9,284,112		
Other restatements	(227,834)	(118,620)	(109,214)
Net position/fund balance, as restated	<u>\$ 77,421,116</u>	<u>\$11,002,585</u>	<u>\$7,033,624</u>

Notes to Financial Statements

June 30, 2014

NOTE 12 – FUND BALANCE AND NET POSITION - CONTINUED

With respect to the sewer department, management identified that a receivable was recorded improperly as of June 30, 2013. The receivable was recorded as a receivable in both the Sewer Department and the Sewer Pleasant Street Fund when in fact the receivable should have only been recorded in the Pleasant Street Fund.

Net position at July 1, 2013 was restated to reflect the following adjustments:

	Sewer Department
Net position as previously reported	\$ 47,506,911
Incorrect accounting for Pleasant Street Fund receivable	(437,000)
Net position/fund balance, as restated	<u>\$ 47,069,911</u>

The following is a schedule of fund balance classifications for the governmental funds as of June 30, 2014

	General Fund	Downtown TIF	Nonmajor Funds
Nonspendable:			
Endowments			\$ 622,909
Prepaid items and inventory	\$ 1,103,426		40,686
Total nonspendable	<u>1,103,426</u>		<u>663,595</u>
Restricted:			
Endowments			436,712
School grants			518,123
Total restricted			<u>954,835</u>
Committed:			
Tax increment financing district funds			108,216
Open space funds			247,830
Capital project reserve funds			501,171
Miscellaneous special revenue funds			2,217,214
Capital projects funds			2,197,639
Capital outlay	1,348,378		
Total committed	<u>1,348,378</u>		<u>5,272,070</u>
Assigned:			
Encumbrances	90,425		
Total assigned	<u>90,425</u>		
Unassigned			
Capital project reserve funds			(19,617)
Miscellaneous special revenue funds			(195,340)
Capital projects funds			(719,052)
City	7,739,926		
School department	(30,759)		
Downtown TIF		\$(849,647)	
Total unassigned	<u>8,121,304</u>		<u>(934,009)</u>
Total fund balance	<u>\$10,282,155</u>	<u>\$(849,647)</u>	<u>\$5,956,491</u>

Notes to Financial Statements

June 30, 2014

NOTE 12 – FUND BALANCE AND NET POSITION – CONTINUED

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable adding back any unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net position invested in capital assets, net of related debt was calculated as follows at June 30, 2014:

	Governmental Activities	Business-Type Activities
Capital assets	\$170,824,820	\$ 92,198,017
Accumulated depreciation	(61,642,832)	(42,215,695)
Bonds payable, total	(53,530,310)	(5,855,500)
Unspent bond proceeds		4,840,000
Capital leases payable, total	<u>(443,781)</u>	
Total invested in capital assets, net of related debt	<u>\$55,207,897</u>	<u>\$ 48,966,822</u>

REQUIRED SUPPLMENTARY INFORMATION

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Required Supplementary Information - Schedule of Funding Progress

June 30, 2014

		Other Post-Employment Benefits					
Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	Unfunded AAL as a % of Covered Payroll
2014	January 1, 2013	\$0	\$ 1,453,010	\$ 1,453,010	0%	\$ 8,037,365	18.0%
2013	January 1, 2013	\$0	\$ 1,453,010	\$ 1,453,010	0%	\$ 8,037,365	18.0%
2012	January 1, 2011	\$0	\$ 1,821,745	\$ 1,821,745	0%	\$ 7,803,267	23.3%
2011	January 1, 2011	\$0	\$ 1,821,745	\$ 1,821,745	0%	\$ 7,803,267	23.3%

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COMBINING NONMAJOR FUND SCHEDULES - GOVERNMENTAL AND FIDUCIARY FUND

Non-Major Governmental Funds**Combining Balance Sheet****Tax Increment Financing District Funds**

For Fiscal Year Ended June 30, 2014

	Westbrook Power Fund	Olympia Fund	IDEXX Fund	Total
ASSETS				
Receivables, net of allowance for uncollectibles:				
Accounts				
Interfund receivable	\$ 80,638	\$ 55,899	\$ 27,727	\$ 164,264
TOTAL ASSETS	\$ 80,638	\$ 55,899	\$ 27,727	\$ 164,264
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable		\$ 55,899		\$ 55,899
Contracts payable			\$ 149	149
Total liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>55,899</u>	<u> </u>	<u> </u>	<u>56,048</u>
Fund balances:				
Committed	\$ 80,638		27,578	108,216
TOTAL LIABILITIES AND FUND BALANCES	\$ 80,638	\$ 55,899	\$ 27,727	\$ 164,264

Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances****Tax Increment Financing District Funds**

For Fiscal Year Ended June 30, 2014

	Westbrook Power Fund	Acadia Fund	SYSCO Fund	D&G Fund	Lanco Fund	TAF Office Fund	Olympia Fund	IDEXX Fund	Total
Revenues:									
Taxes	\$ 366,497								\$ 366,497
Total Revenues	366,497								366,497
Expenditures:									
Current:									
General government			\$ 63,575	\$ 35,867	\$ 20,553	\$300,000	\$ 51,625	\$ 35,759	507,379
Debt service	210,588								210,588
Total Expenditures	210,588		63,575	35,867	20,553	300,000	51,625	35,759	717,967
Excess (Deficiency) of Revenues Over Expenditures	155,909		(63,575)	(35,867)	(20,553)	(300,000)	(51,625)	(35,759)	(351,470)
Other Financing Sources (Uses)									
Transfers in	2,390,525	\$ 170,949	127,151	71,734	41,105	300,000	103,250	53,623	3,258,337
Transfers out	(2,507,022)	(170,949)	(63,576)	(35,867)	(20,552)		(51,625)		(2,849,591)
Total Other Financing Sources (Uses)	(116,497)		63,575	35,867	20,553	300,000	51,625	53,623	408,746
Net Change in Fund Balances	39,412								17,864
Fund Balances, Beginning	41,226								57,276
Fund Balances, Ending	\$ 80,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,578
									\$ 108,216

Non-Major Governmental Funds

Combining Balance Sheet

Open Space Funds

For Fiscal Year Ended June 30, 2014

	Open Space Funds
ASSETS	
Interfund receivable	<u>\$ 247,830</u>
TOTAL ASSETS	<u>\$ 247,830</u>
 LIABILITIES AND FUND BALANCES	
Fund balances:	
Committed	<u>\$ 247,830</u>
Total fund balances	<u>247,830</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 247,830</u>

Non-Major Governmental Funds

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**

Open Space Funds

For Fiscal Year Ended June 30, 2014

	Open Space Funds
Revenues:	
Miscellaneous	\$ 50,459
Total Revenues	<u>50,459</u>
Expenditures:	
Current:	
General government	84,315
Culture and recreation	3,000
Total expenditures	<u>87,315</u>
Excess (Deficiency) of Revenues Over Expenditures	(36,856)
Other financing sources (uses):	
Transfers in	25,763
Transfers out	<u>(49,163)</u>
Total other financing sources (uses)	<u>(23,400)</u>
Net Change in Fund Balances	(60,256)
Fund Balances, Beginning	<u>308,086</u>
Fund Balances, Ending	\$ 247,830

Non-Major Governmental Funds**Combining Balance Sheet****Revolving Loan Funds**

For Fiscal Year Ended June 30, 2014

	After School Special	Maine Dovetail	Affordable Business	Corey Associates	JDK Commercial	Profeno's Pizzeria	Big Papou's Pizzeria	Total
ASSETS								
Loans receivable	\$ 14,398	\$ 43,763	\$ 5,055	\$ 30,981	\$ 68,608	\$ 89,903	\$ 19,828	\$ 272,536
TOTAL ASSETS	\$ 14,398	\$ 43,763	\$ 5,055	\$ 30,981	\$ 68,608	\$ 89,903	\$ 19,828	\$ 272,536
LIABILITIES								
Liabilities:								
Interfund payable	\$ 14,398	\$ 43,763	\$ 5,055	\$ 30,981	\$ 68,608	\$ 89,903	\$ 19,828	\$ 272,536
TOTAL LIABILITIES	\$ 14,398	\$ 43,763	\$ 5,055	\$ 30,981	\$ 68,608	\$ 89,903	\$ 19,828	\$ 272,536

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Non-Major Governmental Funds**Combining Balance Sheet****Capital Projects - Reserve Funds**

For Fiscal Year Ended June 30, 2014

	Rescue Donations	Fire Heart Safety Donations	Fire Donations	Triad Program	Fire Thermal Imaging Camera	Dog Fees
ASSETS						
Interfund receivable	\$ 907	\$ 821		\$ 2,645	\$ 2,274	\$ 7,220
TOTAL ASSETS	\$ 907	\$ 821	\$ -	\$ 2,645	\$ 2,274	\$ 7,220
LIABILITIES AND FUND BALANCES						
Liabilities:						
Interfund payable			\$ 1,668			
Total liabilities			1,668			
Fund balances:						
Committed	\$ 907	\$ 821		\$ 2,645	\$ 2,274	\$ 7,220
Unassigned			(1,668)			
Total fund balances (deficit)	907	821	(1,668)	2,645	2,274	7,220
TOTAL LIABILITIES AND FUND BALANCES	\$ 907	\$ 821	\$ -	\$ 2,645	\$ 2,274	\$ 7,220

Police Donations	Juvenile Divisions	Police Forfeiture	Police Copier	Safety & Wellness Grant	PWD Donation	Police Grants	PW Highland Lake Fence
\$ 3,442	\$ 2,137	\$ 39,989	\$ 7,410	\$ 7,387	\$ 205		\$ 6,944
\$ 3,442	\$ 2,137	\$ 39,989	\$ 7,410	\$ 7,387	\$ 205	\$ -	\$ 6,944
							\$ 14,026
							14,026
\$ 3,442	\$ 2,137	\$ 39,989	\$ 7,410	\$ 7,387	\$ 205		\$ 6,944
3,442	2,137	39,989	7,410	7,387	205	(14,026)	6,944
\$ 3,442	\$ 2,137	\$ 39,989	\$ 7,410	\$ 7,387	\$ 205	\$ -	\$ 6,944

Non-Major Governmental Funds**Combining Balance Sheet****Capital Projects - Reserve Funds - Continued**

For Fiscal Year Ended June 30, 2014

	PWD Heating System	Fire Equipment	Library	Library Donations	Boat Launch
ASSETS					
Interfund receivable	\$ 7,471	\$ 1,365		\$ 27,052	\$ 3,060
TOTAL ASSETS	\$ 7,471	\$ 1,365	\$ -	\$ 27,052	\$ 3,060
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund payable			\$ 383		
Total liabilities			<u>383</u>		
Fund balances:					
Committed	\$ 7,471	\$ 1,365		\$ 27,052	\$ 3,060
Unassigned			(383)		
Total fund balances (Deficit)	<u>7,471</u>	<u>1,365</u>	<u>(383)</u>	<u>27,052</u>	<u>3,060</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,471	\$ 1,365	\$ -	\$ 27,052	\$ 3,060

Davan Pool	Community Services	Employee Assistance	Community Dental	Building	Building Maintenance	City Hall
\$ 40,679	\$ 10,324	\$ 10,619	\$ 1,831	\$ 91,494	\$ 64,253	
<u>\$ 40,679</u>	<u>\$ 10,324</u>	<u>\$ 10,619</u>	<u>\$ 1,831</u>	<u>\$ 91,494</u>	<u>\$ 64,253</u>	<u>\$ -</u>
						\$ 1,005
						<u>1,005</u>
\$ 40,679	\$ 10,324	\$ 10,619	\$ 1,831	\$ 91,494	\$ 64,253	
<u>40,679</u>	<u>10,324</u>	<u>10,619</u>	<u>1,831</u>	<u>91,494</u>	<u>64,253</u>	<u>(1,005)</u>
<u>\$ 40,679</u>	<u>\$ 10,324</u>	<u>\$ 10,619</u>	<u>\$ 1,831</u>	<u>\$ 91,494</u>	<u>\$ 64,253</u>	<u>\$ -</u>

Non-Major Governmental Funds**Combining Balance Sheet****Capital Projects - Reserve Funds - Continued**

For Fiscal Year Ended June 30, 2014

	Athletic Field	Planning For Offsite Improvements	PSB Parking	Home Repair Network	Total
ASSETS					
Interfund receivable		\$ 50,000	\$ 82,501	\$ 29,141	\$ 501,171
TOTAL ASSETS	\$ -	\$ 50,000	\$ 82,501	\$ 29,141	\$ 501,171
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund payable	\$ 2,535				\$ 19,617
Total liabilities	<u>2,535</u>				<u>19,617</u>
Fund balances:					
Committed		\$ 50,000	\$ 82,501	\$ 29,141	501,171
Unassigned	(2,535)	50,000	82,501	29,141	(19,617)
Total fund balances (deficit)	<u>(2,535)</u>	<u>50,000</u>	<u>82,501</u>	<u>29,141</u>	<u>481,554</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 50,000	\$ 82,501	\$ 29,141	\$ 501,171

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Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances****Capital Projects - Reserve Funds**

For Fiscal Year Ended June 30, 2014

	Rescue Donations	Fire Heart Safety Donations	Fire Donations	Triad Program	Fire Thermal Imaging Camera	Dog Fees
Revenues:						
Intergovernmental						
Charges for services						
Miscellaneous						
Total Revenues			<u>\$ 60</u>			
Expenditures:						
Current:						
General government	\$ 1,529					
Public safety						
Culture and recreation						
Total Expenditures	<u>1,529</u>					
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,529)</u>		<u>60</u>			
Other Financing Sources (Uses):						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
Net Change in Fund Balances	<u>(1,529)</u>		<u>60</u>			
Fund Balances, Beginning (Deficit)	<u>2,436</u>	<u>\$ 821</u>	<u>(1,728)</u>	<u>\$ 2,645</u>	<u>\$ 2,274</u>	<u>\$ 7,220</u>
Fund Balances, Ending (Deficit)	<u>\$ 907</u>	<u>\$ 821</u>	<u>\$ (1,668)</u>	<u>\$ 2,645</u>	<u>\$ 2,274</u>	<u>\$ 7,220</u>

Police Donations	Juvenile Divisions	Police Forfeiture	Police Copier	Safety and Wellness Grant	PWD Donation	Police Grants	PW Highland Lake Fence
		\$ 587				\$ 9,660	
		51,621					
		52,208				9,660	
\$ 3,863		48,196		\$ 3,693		23,686	
3,863		48,196		3,693		23,686	
(3,863)		4,012		(3,693)		(14,026)	
		(15,000)					
		(15,000)					
(3,863)		(10,988)		(3,693)		(14,026)	
7,305	\$ 2,137	50,977	\$ 7,410	11,080	\$ 205		\$ 6,944
\$ 3,442	\$ 2,137	\$ 39,989	\$ 7,410	\$ 7,387	\$ 205	\$ (14,026)	\$ 6,944

Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances****Capital Projects - Reserve Funds - Continued**

For Fiscal Year Ended June 30, 2014

	PW Equipment	PWD Heating System	Fire Equipment	Library	Library Donations
Revenues:					
Intergovernmental					
Charges for services					
Miscellaneous					
Total Revenues					<u>\$ 6,716</u>
					<u>6,716</u>
Expenditures:					
Current:					
General government					
Public safety					
Culture and recreation					
Total Expenditures					<u>8,203</u>
					<u>8,203</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures					<u>(1,487)</u>
					<u>(1,487)</u>
Other Financing Sources (Uses):					
Transfers in	<u>\$ (161,446)</u>				
Transfers out					
Total Other Financing Sources and Uses	<u>(161,446)</u>				
Net Change in Fund Balances					<u>(1,487)</u>
					<u>(1,487)</u>
Fund Balances, Beginning (Deficit)	<u>161,446</u>	<u>\$ 7,471</u>	<u>\$ 1,365</u>	<u>\$ (383)</u>	<u>28,539</u>
Fund Balances, Ending (Deficit)	<u>\$ -</u>	<u>\$ 7,471</u>	<u>\$ 1,365</u>	<u>\$ (383)</u>	<u>\$ 27,052</u>

Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances****Capital Projects - Reserve Funds - Continued**

For Fiscal Year Ended June 30, 2014

	Athletic Field	Planning for Offsite Improvement	PSB Parking	Home Repair Network	Total
Revenues:					
Intergovernmental					\$ 10,247
Charges for services					51,621
Miscellaneous					6,776
Total Revenues	<hr/>	<hr/>	<hr/>	<hr/>	<hr/> 68,644
Expenditures:					
Current:					
General government					25,670
Public safety					71,882
Culture and recreation					8,203
Total Expenditures	<hr/>	<hr/>	<hr/>	<hr/>	<hr/> 105,755
Excess (Deficiency) of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>	<hr/> (37,111)
Other Financing Sources (Uses):					
Transfers in					12,000
Transfers out	\$ (46,580)				(223,026)
Total Other Financing Sources and Uses	<hr/> (\$ 46,580)	<hr/>	<hr/>	<hr/>	<hr/> (211,026)
Net Change in Fund Balances	<hr/> (\$ 46,580)				<hr/> (248,137)
Fund Balances, Beginning (Deficit)	<hr/> 44,045	\$ 50,000	\$ 82,501	\$ 29,141	<hr/> 729,691
Fund Balances, Ending (Deficit)	<hr/> \$ (2,535)	<hr/> \$ 50,000	<hr/> \$ 82,501	<hr/> \$ 29,141	<hr/> \$ 481,554

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Non-Major Governmental Funds**Combining Balance Sheet****Miscellaneous Special Revenue Funds**

For Fiscal Year Ended June 30, 2014

	Westbrook Environment Improvement Corporation	Riverwalk Fine Arts Festival	CDBG	Library CPHC	Capital Maintenance Library Renovations	Capital Maintenance JR Re-Use
ASSETS						
Cash and short-term investments	\$ 283,331					
Investments	418,833					
Receivables, net of allowance for uncollectibles:						
Accounts						
Intergovernmental						
Interfund receivable	473,432	\$ 2,356			\$ 91,868	\$ 19,853
Inventory						
TOTAL ASSETS	\$ 1,175,596	\$ 2,356	\$ -	\$ -	\$ 91,868	\$ 19,853
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						
Intergovernmental						
Unearned revenue						
Total liabilities					\$ 1,376	\$ 815
Fund balances:						
Nonspendable						
Restricted						
Committed						
Unassigned						
Total fund balances (deficit)	\$ 1,175,596	\$ 2,356			\$ 91,868	\$ 19,853
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,175,596	\$ 2,356	\$ -	\$ -	\$ 91,868	\$ 19,853

Capital Maintenance PW Facility	Library Gates Grant	Summer HV Enforcement Camp	PROP Underage Drinking	Byrne Memorial/ JAG Grant	Holiday Enforcement	Community Health Grant
			\$ 2,107		\$ 2,827	
\$ 39,456		\$ 1,947 1,053				
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 39,456	\$ -	\$ 3,000	\$ 2,107	\$ -	\$ 2,827	\$ -
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 650		\$ 1,107	\$ 3,506	\$ 2,827	\$ 37
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 39,456	(650)	\$ 3,000	1,000	(3,506)		(37)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 39,456	\$ -	\$ 3,000	\$ 2,107	\$ -	\$ 2,827	\$ -
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Non-Major Governmental Funds**Combining Balance Sheet****Miscellaneous Special Revenue Funds - Continued**

For Fiscal Year Ended June 30, 2014

	MDEA	Police Outside Details	Homeland Security - PD	ATV Grant	Winter West Festival	FD Outside Details
ASSETS						
Cash and short-term investments						
Investments						
Receivables, net of allowance for uncollectibles:						
Accounts		\$ 21,875			\$ 50	
Intergovernmental						
Interfund receivable	\$ 2,760	15,448		\$ 4,500		\$ 7,497
Inventory						
TOTAL ASSETS	\$ 2,760	\$ 37,323	\$ -	\$ 4,500	\$ 50	\$ 7,497
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						
Intergovernmental		\$ 4,777			\$ 10,050	
Unearned revenue						
Total liabilities		4,777			10,050	
Fund balances:						
Nonspendable						
Restricted						
Committed	\$ 2,760	\$ 37,323	\$ (4,777)	\$ 4,500	\$ (10,000)	\$ 7,497
Unassigned						
Total fund balances (deficit)	<u>2,760</u>	<u>37,323</u>	<u>(4,777)</u>	<u>4,500</u>	<u>(10,000)</u>	<u>7,497</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,760	\$ 37,323	\$ -	\$ 4,500	\$ 50	\$ 7,497

FD Misc Awards & Decorations	Fire Sprinkler Grant	Assist to Firefighters Grant	Street Openings	Recreation	Before Care	School Vacation Camp
				\$ 320,410		
\$ 132	\$ 10,658		\$ 7,217		\$ 45,059	
			367,299		131,758	
<u>\$ 132</u>	<u>\$ 10,658</u>	<u>\$ -</u>	<u>\$ 374,516</u>	<u>\$ 320,410</u>	<u>\$ 176,817</u>	<u>\$ -</u>
		\$ 666		\$ 2,584		
		666		106,833		\$ 4,056
				109,417		<u>4,056</u>
<u>\$ 132</u>	<u>\$ 10,658</u>	<u>\$ (666)</u>	<u>\$ 374,516</u>	<u>\$ 210,993</u>	<u>\$ 176,817</u>	<u>\$ (4,056)</u>
<u>\$ 132</u>	<u>\$ 10,658</u>	<u>\$ -</u>	<u>\$ 374,516</u>	<u>\$ 210,993</u>	<u>\$ 176,817</u>	<u>\$ (4,056)</u>
<u>\$ 132</u>	<u>\$ 10,658</u>	<u>\$ -</u>	<u>\$ 374,516</u>	<u>\$ 320,410</u>	<u>\$ 176,817</u>	<u>\$ -</u>

Non-Major Governmental Funds**Combining Balance Sheet****Miscellaneous Special Revenue Funds - Continued**

For Fiscal Year Ended June 30, 2014

	Summer Camp	Youth Activities	Adult Programs	Westbrook Pool	Field Maintenance	Adult Education	School Grants	Totals
ASSETS								
Cash and short-term investments							\$ 40	\$ 603,781
Investments								418,833
Receivables, net of allowance for uncollectibles:								
Accounts	\$ 7,748							84,056
Intergovernmental								613,604
Interfund receivable	123,425	\$ 3,876			\$ 55,013			352,636
Inventory								40,686
TOTAL ASSETS	\$ 131,173	\$ 3,876	\$ -	\$ -	\$ 55,013	\$ -	\$ 1,006,966	\$ 3,468,754
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 25,969						363,718	\$ 392,271
Interfund payable		\$ 3,541		\$ 118,945		\$ 10,777		269,963
Unearned revenue	141,398						84,439	225,837
Total Liabilities	167,367		3,541	118,945		10,777	448,157	888,071
Fund balances:								
Nonspendable							40,686	40,686
Restricted							518,123	518,123
Committed								2,217,214
Unassigned	(36,194)	\$ 3,876	(3,541)	(118,945)	\$ 55,013	(10,777)		(195,340)
Total fund balances (deficit)	(36,194)	3,876	(3,541)	(118,945)	55,013	(10,777)	558,809	2,580,683
TOTAL LIABILITIES AND FUND BALANCES	\$ 131,173	\$ 3,876	\$ -	\$ -	\$ 55,013	\$ -	\$ 1,006,966	\$ 3,468,754

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Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances****Miscellaneous Special Revenue Funds**

For Fiscal Year Ended June 30, 2014

	Westbrook Environment Improvement Corporation	Riverwalk Fine Arts Festival	CDBG	Library CPHC	Capital Maintenance Library Renovations	Capital Maintenance JR Re-Use
Revenues:						
Licenses, permits and fees					\$ 15,978	\$ 2,687
Intergovernmental						
Charges for services						
Miscellaneous						
Total Revenues					15,978	2,687
Expenditures:						
Current:						
General government	\$ 226,495					
Public safety						
Culture and recreation						
Education						
Debt service						
Total expenditures	60,189					
Excess (Deficiency) of Revenues Over Expenditures	(286,684)				15,978	2,687
Other Financing Sources (Uses):						
Transfers in	359,569					
Transfers out	(20,000)					
Total Other Financing Sources (Uses)	339,569					
Net Change in Fund Balances	52,885				15,978	2,687
Fund Balances, Beginning (Deficit)	1,122,711	\$ 2,356	\$ (1,376)	\$ (815)	75,890	17,166
Fund Balances, Ending (Deficit)	\$ 1,175,506	\$ 2,356	\$ (1,376)	\$ (815)	\$ 91,888	\$ 19,853

Capital Maintenance PW Facility	Library Gates Grant	Summer HV Enforcement Camp	PROP Underage Drinking	Bryne Memorial/ JAG Grant	Community Health Grant	MDEA	Police Outside Details	Homeland Security - PD
\$ 5,326				\$ 22,480		\$ 64,684		\$ 115,568
5,326	_____	_____	\$ 1,000	22,480	_____	64,684	115,568	_____
			22,390	\$ 200		59,480	183,412	
			22,390	506	706	59,480	183,412	_____
5,326	_____	_____	1,000	90	(706)	5,204	(67,844)	_____
5,326			1,000	90	(706)	5,204	(67,844)	
34,130	\$ (650)	\$ 3,000		(3,596)	669	(2,444)	105,167	\$ (4,777)
\$ 39,456	\$ (650)	\$ 3,000	\$ 1,000	\$ (3,506)	\$ (37)	\$ 2,760	\$ 37,323	\$ (4,777)

Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances****Miscellaneous Special Revenue Funds**

For Fiscal Year Ended June 30, 2014

	ATV Grant	Winter West Festival	FD Outside Details	FD Misc Awards & Decorations	Fire Sprinkler Grant	Assist to Firefighters Grant	Street Openings	Recreation
Revenues:								
Licenses, permits and fees								
Intergovernmental								
Charges for services								
Miscellaneous								
Total Revenues		<u>\$ 800</u>					<u>\$ 216,404</u>	<u>\$ 22,315</u>
							<u>216,404</u>	<u>102,833</u>
Expenditures:								
Current:								
General government								
Public safety								
Culture and recreation								
Debt service								
Total expenditures							<u>45,004</u>	<u>140,744</u>
							<u>45,004</u>	<u>140,744</u>
Excess (Deficiency) of Revenues Over Expenditures								
		<u>800</u>					<u>171,400</u>	<u>(37,911)</u>
Other Financing Sources (Uses):								
Transfers in								
Transfers out								
Total Other Financing Sources (Uses)								
Net Change in Fund Balances		<u>800</u>					<u>171,400</u>	<u>(37,911)</u>
Fund Balances, Beginning (Deficit)	<u>\$ 4,500</u>	<u>(10,800)</u>	<u>\$ 7,497</u>	<u>\$ 132</u>	<u>\$ 10,658</u>	<u>\$ (666)</u>	<u>203,116</u>	<u>248,904</u>
Fund Balances, Ending (Deficit)	<u>\$ 4,500</u>	<u>\$ (10,000)</u>	<u>\$ 7,497</u>	<u>\$ 132</u>	<u>\$ 10,658</u>	<u>\$ (666)</u>	<u>\$ 374,516</u>	<u>\$ 210,993</u>

Before Care	School Vacation Camp	Summer Camp	Youth Activities	Adult Programs	Westbrook Pool	Field Maintenance	Adult Education	School Grants	Total
\$ 252,430	\$ 275	\$ 170,156 221	\$ 65,166		\$ 48,768 28,601	\$ 480	\$ 1,610	\$ 6,032,232 354,529	\$ 25,601 6,119,396 1,087,410 269,821
<u>252,430</u>	<u>275</u>	<u>170,377</u>	<u>65,166</u>		<u>77,369</u>	<u>480</u>	<u>1,610</u>	<u>6,386,761</u>	<u>7,502,228</u>
									226,695 310,286 833,187 6,437,350 60,189
228,500	2,972	191,186	57,334		140,031	59,527	12,387	6,437,350	7,867,707
<u>228,500</u>	<u>2,972</u>	<u>191,186</u>	<u>57,334</u>		<u>140,031</u>	<u>59,527</u>	<u>12,387</u>	<u>6,437,350</u>	<u>7,867,707</u>
23,930	(2,697)	(20,809)	7,832		(62,662)	(59,047)	(10,777)	(50,589)	(365,479)
						35,000			394,569
						<u>35,000</u>		<u>(11,181)</u>	<u>(31,181)</u>
								<u>(11,181)</u>	<u>363,388</u>
23,930	(2,697)	(20,809)	7,832		(62,662)	(24,047)	(10,777)	(61,770)	(2,091)
<u>152,887</u>	<u>(1,359)</u>	<u>(15,385)</u>	<u>(3,956)</u>	<u>\$ (3,541)</u>	<u>(56,283)</u>	<u>79,060</u>		<u>620,579</u>	<u>2,582,774</u>
<u>\$ 176,817</u>	<u>\$ (4,056)</u>	<u>\$ (36,194)</u>	<u>\$ 3,876</u>	<u>\$ (3,541)</u>	<u>\$ (118,945)</u>	<u>\$ 55,013</u>	<u>\$ (10,777)</u>	<u>\$ 558,809</u>	<u>\$ 2,580,683</u>

Non-Major Governmental Funds**Combining Balance Sheet****Capital Projects Funds**

For Fiscal Year Ended June 30, 2014

	Interest	Riverfront	Redundant Power	Eisenhower Drive Sidewalk	Paving	Public Services Facility
ASSETS						
Accounts receivable						
Interfund receivable	\$ 378,620			\$ 44,428	\$ 277,472	\$ 222,254
TOTAL ASSETS	\$ 378,620	\$ -	\$ -	\$ 44,428	\$ 277,472	\$ 222,254
LIABILITIES AND FUND BALANCES						
Liabilities:						
Contracts payable						
Retainage payable						
Interfund payable						
Total liabilities		\$ 24,478	\$ 2,662			
		<u>24,478</u>	<u>2,662</u>			
Fund balances:						
Committed	\$ 378,620			\$ 44,428	\$ 277,472	\$ 222,254
Unassigned		(24,478)	(2,662)			
Total fund balances (deficit)	<u>378,620</u>	<u>(24,478)</u>	<u>(2,662)</u>	<u>44,428</u>	<u>277,472</u>	<u>222,254</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 378,620	\$ -	\$ -	\$ 44,428	\$ 277,472	\$ 222,254

HVAC Library	Squad Vehicle	West Business Heights	Food Pantry	Spring and County Roads	City Hall Wiring	Marylin and Carlson Streets	View Drainage	Stoudwater Street Sidewalk
\$ 12,177	\$ 588		\$ 11,906	\$ 114,617	\$ 157	\$ 50,100	\$ 40,000	
\$ 12,177	\$ 588	\$ -	\$ 11,906	\$ 114,617	\$ 157	\$ 50,100	\$ 40,000	\$ -
			\$ 348,152					\$ 43,572
			348,152					43,572
\$ 12,177	\$ 588		\$ 11,906	\$ 114,617	\$ 157	\$ 50,100	\$ 40,000	
12,177	588	(348,152)	11,906	114,617	157	50,100	40,000	(43,572)
\$ 12,177	\$ 588	\$ -	\$ 11,906	\$ 114,617	\$ 157	\$ 50,100	\$ 40,000	\$ -

Non-Major Governmental Funds**Combining Balance Sheet****Capital Projects Funds - Continued**

For Fiscal Year Ended June 30, 2014

	Salt Shed	Walker Building Repair	Community Center	Pleasant Street Construction	Playground Equipment	Athletic Equipment
ASSETS						
Accounts receivable						
Interfund receivable	\$ 521		\$ 194,547		\$ 10,462	\$ 32,558
TOTAL ASSETS	\$ 521	\$ -	\$ 194,547	\$ -	\$ 10,462	\$ 32,558
LIABILITIES AND FUND BALANCES						
Liabilities:						
Contracts payable						
Retainage payable						
Interfund payable						
Total liabilities		\$ 85,196		\$ 118,693		
		85,196		118,693		
Fund balances:						
Committed	\$ 521		\$ 194,547		\$ 10,462	\$ 32,558
Unassigned		(85,196)		(118,693)		
Total fund balances (deficit)	521	(85,196)	194,547	(118,693)	10,462	32,558
TOTAL LIABILITIES AND FUND BALANCES	\$ 521	\$ -	\$ 194,547	\$ -	\$ 10,462	\$ 32,558

PW Equipment	Small Hardy Road Fields	School CIP	Engineering CIP	Recreation CIP	Public Safety CIP	Public Services CIP	Bridge Street Bridge	School CIP
\$ 344,924		\$ 6,076	\$ 15,083	\$ 181,419	\$ 73,572	\$ 29,648	\$ 29,914	
\$ 344,924	\$ -	\$ 6,076	\$ 15,083	\$ 181,419	\$ 73,572	\$ 29,648	\$ 29,914	\$ -
	\$ 81,519							\$ 8,565
	81,519							8,565
\$ 344,924		\$ 6,076	\$ 15,083	\$ 181,419	\$ 73,572	\$ 29,648	\$ 29,914	
(81,519)								(8,565)
344,924	(81,519)	6,076	15,083	181,419	73,572	29,648	29,914	(8,565)
\$ 344,924	\$ -	\$ 6,076	\$ 15,083	\$ 181,419	\$ 73,572	\$ 29,648	\$ 29,914	\$ -

Non-Major Governmental Funds

Combining Balance Sheet

Capital Projects Funds - Continued

For Fiscal Year Ended June 30, 2014

	Administration CIP	St. Anthony's Parking Lot	Melcher Ct Pump Station	Saco Street Sewer Project	Sewer Pleasant Street	Totals
ASSETS						
Accounts receivable						
Interfund receivable	\$ 91,900		\$ 5,000	\$ 50	\$ 267,735	\$ 267,735
TOTAL ASSETS	\$ 91,900	\$ -	\$ 5,000	\$ 50	\$ 586,119	\$ 2,754,112
LIABILITIES AND FUND BALANCES						
Liabilities:						
Contracts payable					\$ 495,945	\$ 495,945
Retainage payable					60,528	60,528
Interfund payable						719,052
Total liabilities	\$ -	\$ 6,215	\$ -	\$ -	\$ 556,473	\$ 1,275,525
Fund balances:						
Committed	\$ 91,900		\$ 5,000	\$ 50	29,646	2,197,639
Unassigned		(\$ 6,215)				(719,052)
Total fund balances (deficit)	\$ 91,900	(\$ 6,215)	\$ 5,000	\$ 50	\$ 29,646	\$ 1,478,587
TOTAL LIABILITIES AND FUND BALANCES	\$ 91,900	\$ -	\$ 5,000	\$ 50	\$ 586,119	\$ 2,754,112

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Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances****Capital Projects Funds**

For Fiscal Year Ended June 30, 2014

	Interest	Riverfront	Redundant Power	Eisenhower Drive Sidewalk
Revenues:				
Intergovernmental				\$ 252,059
Miscellaneous				
Total revenues	<u>\$ 9,201</u>	<u> </u>	<u> </u>	<u>252,059</u>
Expenditures:				
Capital outlay				384,426
Total Expenditures	<u> </u>	<u> </u>	<u> </u>	<u>384,426</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>9,201</u>	<u> </u>	<u> </u>	<u>(132,367)</u>
Other Financing Sources (Uses):				
Transfers in				
Transfers out	<u>(225,000)</u>	<u>\$ (33,617)</u>	<u>\$ (49,883)</u>	<u> </u>
Total Other Financing Sources (Uses)	<u>(225,000)</u>	<u>(33,617)</u>	<u>(49,883)</u>	<u> </u>
Net Change in Fund Balances	<u>(215,799)</u>	<u>(33,617)</u>	<u>(49,883)</u>	<u>(132,367)</u>
Fund Balances, Beginning (Deficit)	<u>594,419</u>	<u>9,139</u>	<u>47,221</u>	<u>176,795</u>
Fund Balances, Ending (Deficit)	<u>\$ 378,620</u>	<u>\$ (24,478)</u>	<u>\$ (2,662)</u>	<u>\$ 44,428</u>

Paving	Public Services Facility	HVAC Library	Squad Vehicle	West Business Heights	Food Pantry	Spring and County Roads	City Hall Wiring
_____	_____	_____	_____	_____	_____	_____	_____
\$ 471,971	\$ 7,856	_____	_____	\$ 5,085	\$ 27,635	_____	_____
471,971	7,856	_____	_____	5,085	27,635	_____	_____
(471,971)	(7,856)	_____	_____	(5,085)	(27,635)	_____	_____
500,000							\$ (20,000)
500,000	_____	_____	_____	_____	_____	_____	(20,000)
28,029	(7,856)			(5,085)	(27,635)		(20,000)
249,443	230,110	\$ 12,177	\$ 588	(343,067)	39,541	\$ 114,617	20,157
\$ 277,472	\$ 222,254	\$ 12,177	\$ 588	\$ (348,152)	\$ 11,906	\$ 114,617	\$ 157

Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances****Capital Projects Funds - Continued**

For Fiscal Year Ended June 30, 2014

	Marylin & Carlson Streets	View Drainage	Stoudwater Street Sidewalk	Salt Shed	Walker Building Repair
Revenues:					
Intergovernmental					
Miscellaneous					
Total revenues					
Expenditures:					
Capital outlay					\$ 222,557
Total Expenditures					<u>222,557</u>
Excess (Deficiency) of Revenues Over Expenditures					<u>(222,557)</u>
Other Financing Sources (Uses):					
Transfers in					110,000
Transfers out					
Total Other Financing Sources (Uses)					<u>110,000</u>
Net Change in Fund Balances					<u>(112,557)</u>
Fund Balances, Beginning (Deficit)	\$ 50,100	\$ 40,000	\$ (43,572)	\$ 521	<u>27,361</u>
Fund Balances, Ending (Deficit)	<u>\$ 50,100</u>	<u>\$ 40,000</u>	<u>\$ (43,572)</u>	<u>\$ 521</u>	<u>\$ (85,196)</u>

Community Center	Pleasant Street Construction	Playground Equipment	Athletic Equipment	Landfill Bond	PW Equipment	Small Hardy Road Fields
\$ 5,391						
58,202						
<u>63,593</u>						
104,308					\$ 163,300	\$ 66,314
104,308					<u>163,300</u>	<u>66,314</u>
(40,715)					(163,300)	(66,314)
145,000					316,446	6,400
<u>145,000</u>				\$ (63,095)	<u>316,446</u>	<u>6,400</u>
				(63,095)		
104,285				(63,095)	153,146	(59,914)
90,262	\$ (118,693)	\$ 10,462	\$ 32,558	63,095	191,778	(21,605)
<u>\$ 194,547</u>	<u>\$ (118,693)</u>	<u>\$ 10,462</u>	<u>\$ 32,558</u>	<u>\$ -</u>	<u>\$ 344,924</u>	<u>\$ (81,519)</u>

Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances****Capital Projects Funds - Continued**

For Fiscal Year Ended June 30, 2014

	School CIP	Engineering CIP	Recreation CIP	Public Safety CIP	Public Services CIP
Revenues:					
Intergovernmental			\$ 16,597		
Miscellaneous					
Total revenues			<u>16,597</u>		
Expenditures:					
Capital outlay		\$ 200,000	10,178	\$ 485,475	
Total Expenditures		<u>200,000</u>	<u>10,178</u>	<u>485,475</u>	
Excess (Deficiency) of Revenues Over Expenditures		<u>(200,000)</u>	<u>6,419</u>	<u>(485,475)</u>	
Other Financing Sources (Uses):					
Transfers in				137,000	\$ 8,944
Transfers out				<u>(5,000)</u>	
Total Other Financing Sources (Uses)				<u>132,000</u>	<u>8,944</u>
Net Change in Fund Balances		<u>(200,000)</u>	<u>6,419</u>	<u>(353,475)</u>	<u>8,944</u>
Fund Balances, Beginning (Deficit)	<u>\$ 6,076</u>	<u>215,083</u>	<u>175,000</u>	<u>427,047</u>	<u>20,704</u>
Fund Balances, Ending (Deficit)	<u>\$ 6,076</u>	<u>\$ 15,083</u>	<u>\$ 181,419</u>	<u>\$ 73,572</u>	<u>\$ 29,648</u>

Bridge Street Bridge	School CIP	Administration CIP	St. Anthony's Parking Lot	Melcher Ct Pump Station	Saco Street Sewer Project	Sewer Pleasant Street	Total
	\$ 19,700			\$ 735			\$ 257,450
	19,700			735			104,435
							361,885
\$ 83,219	94,845	\$ 86,195					2,413,364
83,219	94,845	86,195					2,413,364
(83,219)	(75,145)	(86,195)		735			(2,051,479)
148,500	66,580	178,095					1,616,965
148,500	66,580	178,095			\$ (8,944)		(405,539)
					(8,944)		1,211,426
65,281	(8,565)	91,900		735	(8,944)		(840,053)
(35,367)			\$ (6,215)	4,265	8,994	\$ 29,646	2,318,640
\$ 29,914	\$ (8,565)	\$ 91,900	\$ (6,215)	\$ 5,000	\$ 50	\$ 29,646	\$ 1,478,587

Non-Major Governmental Funds**Combining Balance Sheet****Permanent Funds**

For Fiscal Year Ended June 30, 2014

	Woodlawn Cemetery	Saccarappa Cemetery	Highland Lake Cemetery	Larabee Cemetery	Gerald Fluett Trust	Total
ASSETS						
Cash and cash equivalents					\$ 13,155	\$ 13,155
Investments	\$ 24,900				651,464	676,364
Interfund receivable	393,658	\$ 2,821	\$ 7,264	\$ 8,069		411,812
TOTAL ASSETS	\$ 418,558	\$ 2,821	\$ 7,264	\$ 8,069	\$ 664,619	\$ 1,101,331
LIABILITIES AND FUND BALANCES						
Liabilities:						
Interfund payable					\$ 41,710	\$ 41,710
Total liabilities					41,710	41,710
Fund balances:						
Nonspendable					622,909	622,909
Restricted						436,712
Total fund balances	\$ 418,558	\$ 2,821	\$ 7,264	\$ 8,069	622,909	1,059,621
TOTAL LIABILITIES AND FUND BALANCES	\$ 418,558	\$ 2,821	\$ 7,264	\$ 8,069	\$ 664,619	\$ 1,101,331

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Permanent Funds

For Fiscal Year Ended June 30, 2014

	Woodlawn Cemetery	Saccarappa Cemetery	Highland Lake Cemetery	Larabee Cemetery	Gerald Fluett Trust	Total
Revenues:						
Miscellaneous	\$ 6,060				\$ 88,260	\$ 94,320
Total revenues	<u>6,060</u>	<u> </u>	<u> </u>	<u> </u>	<u>88,260</u>	<u>94,320</u>
Expenditures:						
Current:						
Cemeteries	18,192					18,192
Total expenditures	<u>18,192</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>18,192</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,132)</u>	<u> </u>	<u> </u>	<u> </u>	<u>88,260</u>	<u>76,128</u>
Other Financing Sources (Uses)						
Transfers out					<u>(60,000)</u>	<u>(60,000)</u>
Total Other Financing Sources (Uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>(60,000)</u>	<u>(60,000)</u>
Net Change in Fund Balances	<u>(12,132)</u>				<u>28,260</u>	<u>16,128</u>
Fund Balances, Beginning	<u>430,690</u>	<u>\$ 2,821</u>	<u>\$ 7,264</u>	<u>\$ 8,069</u>	<u>594,649</u>	<u>1,043,493</u>
Fund Balances, Ending	<u>\$ 418,558</u>	<u>\$ 2,821</u>	<u>\$ 7,264</u>	<u>\$ 8,069</u>	<u>\$ 622,909</u>	<u>\$ 1,059,621</u>

Combining Statement of Fiduciary Net Position

Private Purpose Trust Funds

June 30, 2014

	Wescott	Valentine Hose Co.	Saccarappa School	Community Dental	Pierre Hanois	Service Chest	Cemetery Flowers	School Trusts	Total
ASSETS									
Cash and cash equivalents						\$ 57,488			\$ 429,106
Due from other funds	\$ 531	\$ 116	\$ 917	\$ 19,213	\$ 34,614	20	\$ 55,900		111,311
Total Assets	\$ 531	\$ 116	\$ 917	\$ 19,213	\$ 34,614	\$ 57,508	\$ 55,900	\$ 371,618	\$ 540,417
NET POSITION									
Total Net Position Held in Trust	\$ 531	\$ 116	\$ 917	\$ 19,213	\$ 34,614	\$ 57,508	\$ 55,900	\$ 371,618	\$ 540,417

Combining Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds

For Fiscal Year Ended June 30, 2014

	Wescott	Valentine Hose Co.	Scarappa School	Community Dental	Pierre Hanois	Service Chest	Cemetery Flowers	School Trusts	Total
Additions:									
Investment earnings						\$ 43		\$ 1,238	\$ 1,281
Contributions								89,757	\$ 89,757
Total Additions						43		90,995	91,038
Deductions:									
Disbursements by agent						1,000	\$ 220	64,498	65,718
Total Deductions						1,000	220	64,498	65,718
Net Increase (Decrease)						(957)	(220)	26,497	25,320
Net Position:									
Beginning of Year	\$ 531	\$ 116	\$ 917	\$ 19,213	\$ 34,614	58,465	56,120	345,121	515,097
End of Year	\$ 531	\$ 116	\$ 917	\$ 19,213	\$ 34,614	\$ 57,508	\$ 55,900	\$ 371,618	\$ 540,417