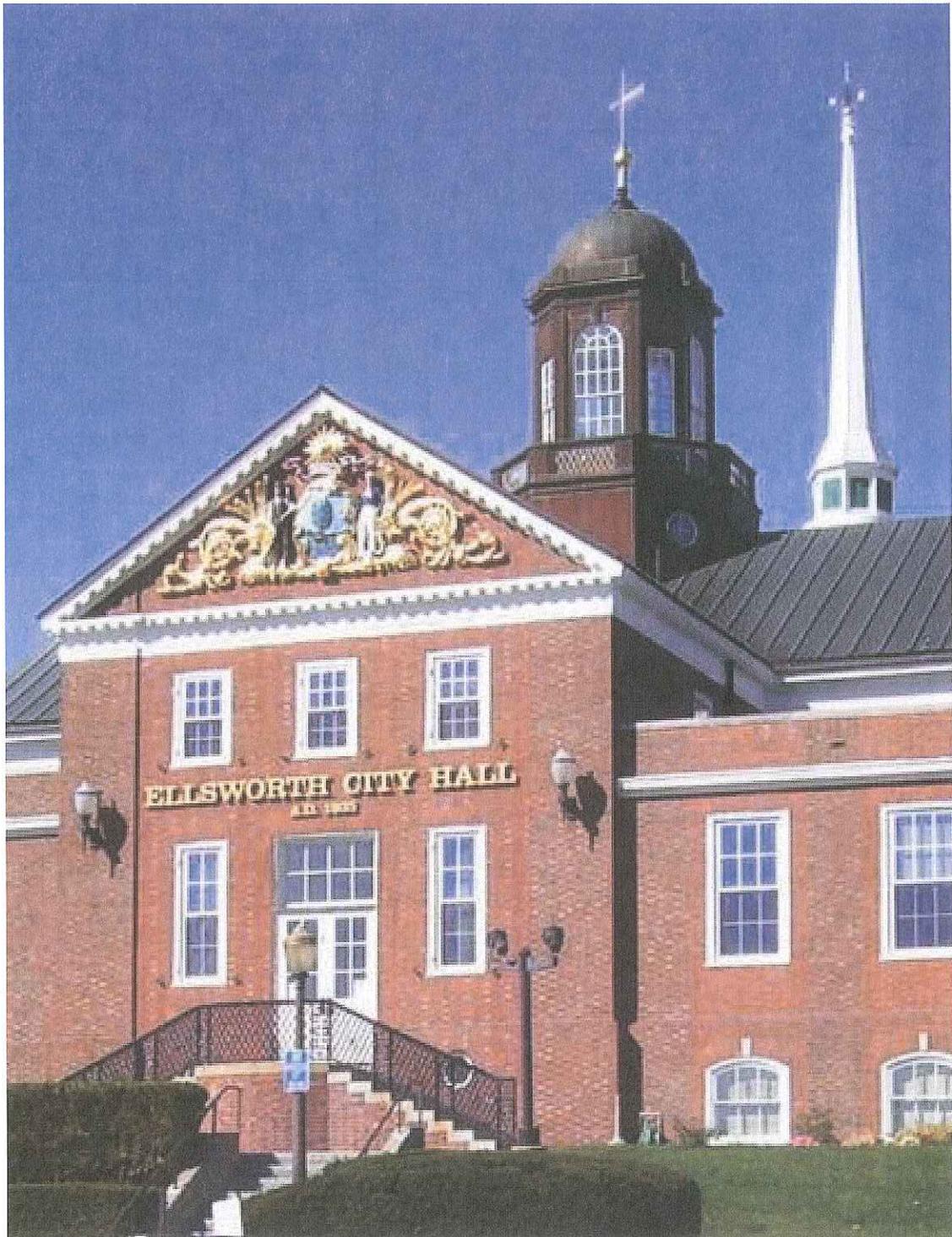


CITY OF ELLSWORTH, MAINE
COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year Ending
June 30, 2012

CITY OF ELLSWORTH, MAINE

**Comprehensive Annual
Financial Report**

For the Fiscal Year Ended June 30, 2012

Prepared by the Finance Department

CITY OF ELLSWORTH, MAINE
For the Fiscal Year Ended June 30, 2012
Comprehensive Annual Financial Report

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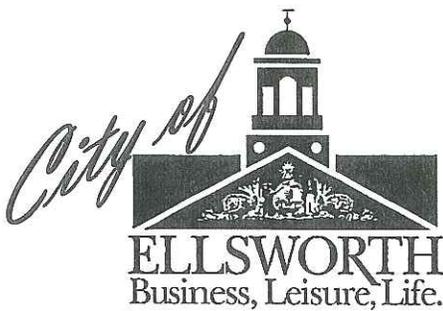
CITY OF ELLSWORTH, MAINE
For the Fiscal Year Ended June 30, 2012
Comprehensive Annual Financial Report

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INTRODUCTORY SECTION

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Office of the City Treasurer

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Phone (207) 669-6602 • Fax (207) 667-4908
www.ellsworthmaine.gov

To the Honorable Chairman,
Members of the Ellsworth City Council, and
Citizens of Ellsworth

The City of Ellsworth's comprehensive annual financial report for the fiscal year ended June 30, 2012 is hereby submitted in accordance with the requirements of both our City Charter and State Statutes. The Charter and statutes require that the City of Ellsworth issue annually a report of its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all the disclosures, rests with the City of Ellsworth. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City of Ellsworth on a government wide and fund basis.

The City is responsible for establishing and maintaining an internal control framework designed to ensure that the assets of the City are protected from loss, theft, and misuse and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The City's financial statements have been audited by Runyon, Kersteen, Ouellette. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's unqualified opinion is presented as the first component of the financial section of this report.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budgets Circular A-133, Audits of States, Local Government and Non-Profit Organizations. The "Single Audit" is designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of expenditures of federal awards, findings, questioned costs, recommendations, and the independent auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in a separately issued single audit report.

GASB requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

The City of Ellsworth, incorporated in 1869, is located in the center of the County of Hancock in the southeastern coastal region of the State of Maine, also referred to as "Down East". Ellsworth is the only city in Hancock County and has served as its county seat since 1837. Ellsworth is situated at the head of the Union River Bay with the Union River passing southward through the center of the City.

The City of Ellsworth is an urban, commercial, industrial and residential community with some rural characteristics. The City's area includes tracts of forest and farm lands, open space and river front areas. The City is comprised of Rural Residential, Urban Residential, Commercial or Industrial zones, and has the distinction of being the "largest" city in Maine with its 93.37 square miles of area.

The City operates under a charter adopted in 1869, as amended (the "Charter"), providing for a Council-Manager form of government with a seven member City Council elected from the registered voters of the City, at-large, for three year staggered terms. The Charter grants to the Council all powers to enact, amend, or repeal rules, ordinances, orders or resolutions relating to the City's property, affairs and government, to preserve the public peace, health and safety, to establish personnel policies, give effect to any vote of the City authorizing the issuance of debt, and provide for an annual audit of the City's accounts. The City Manager is the chief administrative officer of the City and appointed by the Council, as are the Assessor, City Clerk, Tax Collector, and Treasurer.

The City provides general governmental services for the territory within its boundaries, including police and fire protection, a library, highways, streets and sidewalks, parks and recreational areas, business and economic development, planning, code enforcement, health and welfare, and general administrative services. Public education is provided for grade Kindergarten ("K") through 12 through the City's affiliation with Regional School Unit 24 (RSU). The City operates its own water system and wastewater treatment system and is accounted for in the City's Proprietary Funds.

The City's budgeting process is structured around its fiscal year, which begins on July 1st and ends on the following June 30th. The City annually adopts budgets for its general fund and two proprietary funds. All departments of the City are required to submit requests for appropriation to the Finance Director in January of each year. The City's Finance Director uses these requests as the starting point for developing a proposed budget. It is then forwarded to the City Manager for any necessary changes and recommendations. The City Charter requires that the City Manager submit a recommended budget to the Council by the second Monday in April. The budget, which must be in balance, contains estimates of all non-tax revenues and receipts expected to be received during the next fiscal year, the expenditures necessary to support City operations, debt service requirements, and the tax levy required to achieve balance between revenues and expenditures. The Council may modify recommended expenditures and the recommended tax levy. If the Appropriation Resolve increases the property tax levy from the prior

year by more than a specified Growth Limitation factor then the excess of the appropriation must be approved by a majority of the entire City Council. The school budget is subject to referendum by the voters of the RSU through a Budget Validation process. If the Council fails to adopt a budget by July 1st, the Council may make appropriations by a continuing resolution to the various departments and accounts in the amounts sufficient to finance the necessary expenses until the budget resolve is in force. Upon adoption of the budget, a property tax levy is then established and filed with the City Assessor.

The City Manager may transfer any unencumbered appropriation balance or portion thereof from line item to line item within cost centers, but may not expend funds in excess of the cost center appropriation. The Council may, by Council Order, transfer any unencumbered appropriation balance or portion thereof between cost centers. Additional appropriations within the budget may be made by Council order if the Treasurer verifies that there are sufficient unanticipated and unappropriated revenues. Additional appropriations may also be covered by an appropriation from a reserve account or an interfund transfer from the General Fund or other fund.

The annual budget serves as the foundation for the City of Ellsworth's financial planning and control. The City Manager may transfer resources within a department; however, transfers between departments require Council action.

Special revenue funds do not have adopted budgets. Budgetary controls are maintained on other governmental funds through formal authorizations by the City Council and through grant agreements. All budgets are legally adopted by the City Council through the passage of an appropriation resolve.

Local Economy

The City of Ellsworth is the service center for the entire Downeast region of the State of Maine for retail, wholesale, distribution, transportation, banking, legal, medical, recreational, and other major services. Several malls are located throughout the City's commercial areas and its downtown area provides a blend of specialty shops, restaurants and consumer services. A recent market feasibility study was done by a private developer that verified that more than 63,000 people are served by the City for shopping, recreation, and professional services.

Ellsworth has a stable and varied economic base. Major employers include a diversified mix of healthcare, educational, professional, retail, manufacturing, and governmental entities.

The City's assessed value for tax year 2011-2012 is \$1,071,274,810, an approximate increase of .22 percent from the 2010-2011 tax assessment. Approximately 32 percent of the tax base is commercial and industrial with the remainder being residential (these figures include vacant parcels as well as developed parcels). The City's rate of tax collection remains constant at 96 percent for last year.

The City is committed to preserving its viable economic base while creating new opportunities for future economic growth. In 2007, the Ellsworth City Council adopted an Economic Development Strategy that was recommended by the 2004 Comprehensive Plan. This strategy addresses economic diversification, capital improvements, determination of improvements that are necessary to attract businesses, assessment of future land needs, development criteria for economic development projects, community recommendations, the development of specific strategies on the use of tax increment financing, and staffing needs. After this strategy was approved, City staff and the Ellsworth Economic Development Committee established a long-term economic development road map for the community and highlighted the need for further diversifying the tax base by encouraging a balanced mix of development in residential, retail, office, warehouse, and manufacturing. The City desires to facilitate projects that will meet the sustainable balance and create new employment opportunities to improve the economy.

Long-term Financial Planning

The City maintains an ongoing ten year capital improvement plan (CIP) that serves as a tool for the City Manager and City Council to make strategic investments in the community. In Fiscal Year 2012, the Capital Improvement budget included \$750,000 to fund street, sidewalk, and drainage improvements; \$90,000 to fund improvements to municipal facilities; \$47,500 to fund technology improvements; \$24,000 to fund library improvements; \$160,500 to fund upgrades in police, fire, and highway equipment; and \$99,000 to fund miscellaneous capital improvements.

The City's Water Department, Wastewater Department, and Tax Increment Financing Districts capital improvement plans are designed to be fully self-supporting and are, therefore, presented as separate items in the City's CIP process.

Major Initiatives

The construction of the new K-8 Ellsworth Elementary/Middle School has left the City as the owner of two empty school properties within a two block radius. A committee was created to evaluate the properties and to create plans for utilizing each property in ways that would be the most advantageous to Ellsworth's citizens. After much debate and consideration, including citizen surveys and public hearings, it was determined that both properties would remain in the ownership of the City.

One of the parcels has been identified as a perfect location for a community park due to the proximity to residential areas, community centers, both schools and the downtown area. The City has formed a Knowlton Community Park Committee that is tasked with finding creative ways of raising \$1.2 million in park funds through grants and private donations.

The second parcel has City Council members voting favorably of moving forward with plans for a \$2.3 million renovation of the historical school site. The renovated building will serve as a senior center as well as a community wide building that will house daycare facilities and a non-profit organization that provides services for senior citizens.

The City of Ellsworth recognizes that senior citizens are a demographic that requires help from the City at this time. The Maine State Housing Authority Agency has the City rated as a 5, on a scale of 1-5, with 5 being the worst, in regards to the availability of low-income senior housing. In an effort to tackle this issue, the City reached an agreement with Penquis Housing, Inc. to convey a 1.87 acre lot for the construction of a 26-unit affordable housing complex. In order to assist the developer, the City also created a low-housing income TIF district so that 50% of the TIF revenues will be reimbursed to the developer through a credit enhancement agreement. The City will retain the other 50% for future projects within the district. This project, along with the aforementioned senior center, will help the City make great strides in better servicing the elderly population.

Significant Accomplishments of Fiscal Year 2012

- The Zoning Ordinance was completely rewritten and approved by City Council in order to be in line with current zoning regulations and laws, as well as to be more responsive to potential developers.
- For three consecutive years our local state valuation sales ratio remained at 97 percent. However, in FY 2012 it increased 1 percent, bringing the ratio to 98 percent.
- The City continued its own investment into public infrastructure by improving parking lots, streetscapes, water and sewer mains and local roads throughout the City.
- In order to eliminate discharge violations, improve treatment process reliability and capacity, accommodate current and expected future population growth, and to support the City's goals for development and environmental responsibility, the City decided to build a new wastewater treatment plant. This project costs approximately \$20.7 million. The City has qualified for grants in the amount of \$8.6 million from USDA, DEP, CDBG and a USDA and Clean Water State Revolving Fund loans for approximately \$12.1 million. A contract was awarded in the amount of \$13,975,500 for the construction of the plant and will be completed and in full operation by December 2012.
- The City of Ellsworth was selected as the host site for the 50th Annual Maine State Federation of Firefighters Convention. This milestone event is expected to bring a great economic boost to the City from the thousands of participants and fundraising and planning projects are well underway.
- The Ellsworth Water Department Cross-Connection Control Program was updated to reflect changes to the permitting of cross-connections and backflow testing. The State of Maine no longer governs this process for municipalities which prompted the need for procedural changes and entering into a contract with a private company.
- A committee comprised of interested residents was formed to begin preparing for the City's sestercentennial celebration.
- The City Council authorized the refinancing of the \$6.9 million Wastewater Treatment Plant Bond Anticipation Note at an interest rate of .756 percent.

Relevant Financial Policies

The City has established a formal Investment Policy. Under its policy, the City's investment practice is to maintain a cash and investment pool that is available for use by all funds and consist of short-term investments. The City is invested principally in direct obligations of the United States government and its agencies. The City is not invested in any obligations typically referred to as derivatives, meaning obligations created from, or whose value depends on or is derived from the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest.

The City's Fund Balance Ordinance requires maintaining the City's unassigned fund balance at no less than 10% and no more than 20% of the previous fiscal year's audited gross expenditures. Any fund balance in excess of 20% shall be used to increase designated reserves, the City's appropriated contingency account, or the appropriated capital improvement fund. In the event that the undesignated fund balance is anticipated to fall below 10% prior to appropriating fund balance the City is required to create a written plan that will replenish the fund balance in a maximum of three fiscal years.

The City's Procurement Policy was recently updated to provide for a more detailed and comprehensive policy for City purchases. The City's new policy provides for a definition section for easy reference; procedures for obtaining purchase orders; field purchases and cooperative purchases; informal and formal bidding processes; procurement procedures for engineering services, professional services; sole sourcing, and emergency purchases.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ellsworth, Maine, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This was the 1st year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the various departments, as well as members of the Finance Office, providing the necessary information needed to complete this comprehensive annual financial report. Appreciation is also extended to the City Manager and the City Council for their support of the efforts to improve the City's level of financial reporting. I wish to acknowledge the efforts of our independent auditors, Runyon, Kersteen, Ouellette, for the professional audit work they provided and for all their support and assistance.

Respectfully submitted,

A handwritten signature in black ink that reads "Tammy Mote". The signature is written in a cursive, flowing style.

Tammy Mote
Finance Director
December 20, 2012

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ellsworth
Maine

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

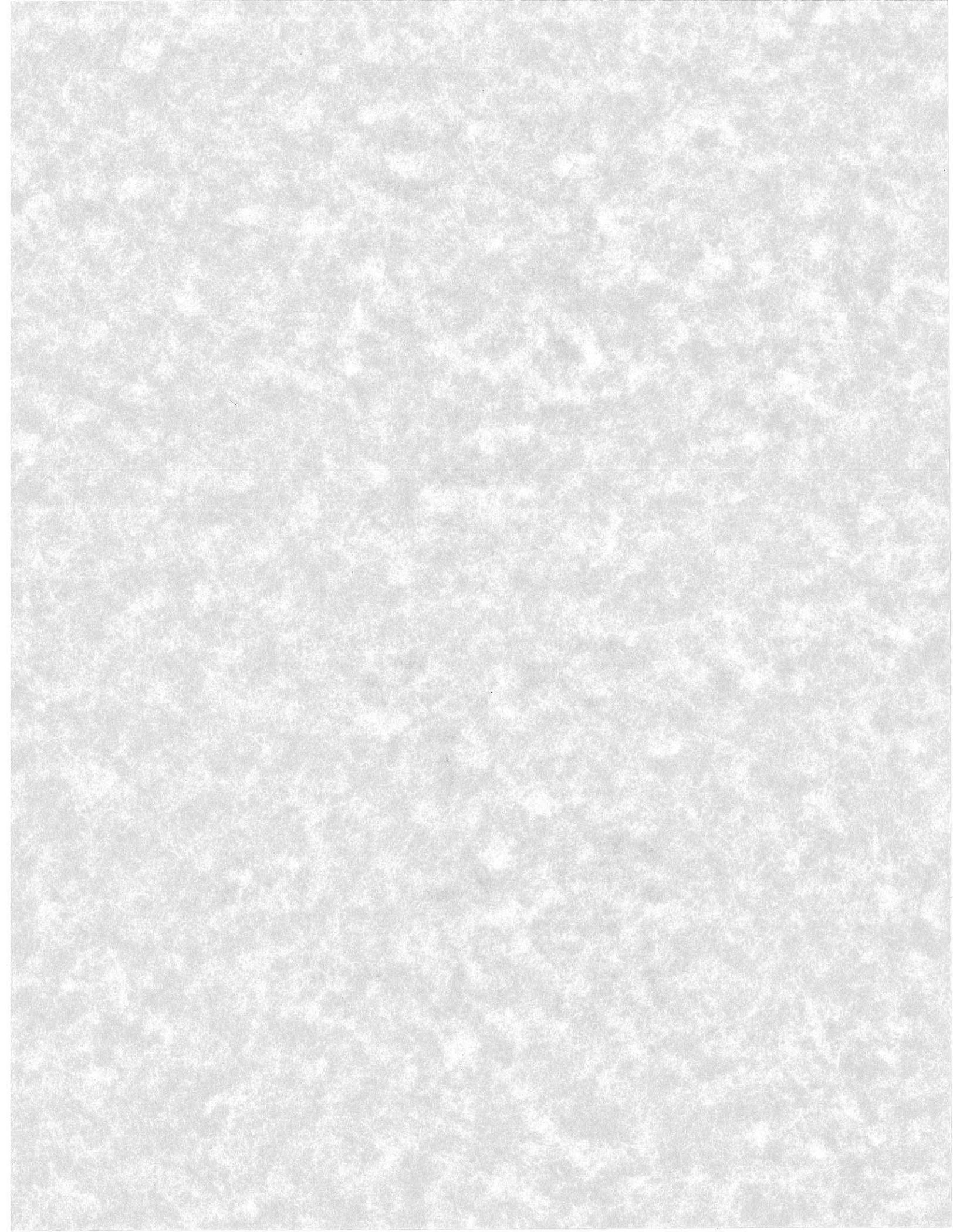


Christopher P. Maxwell

President

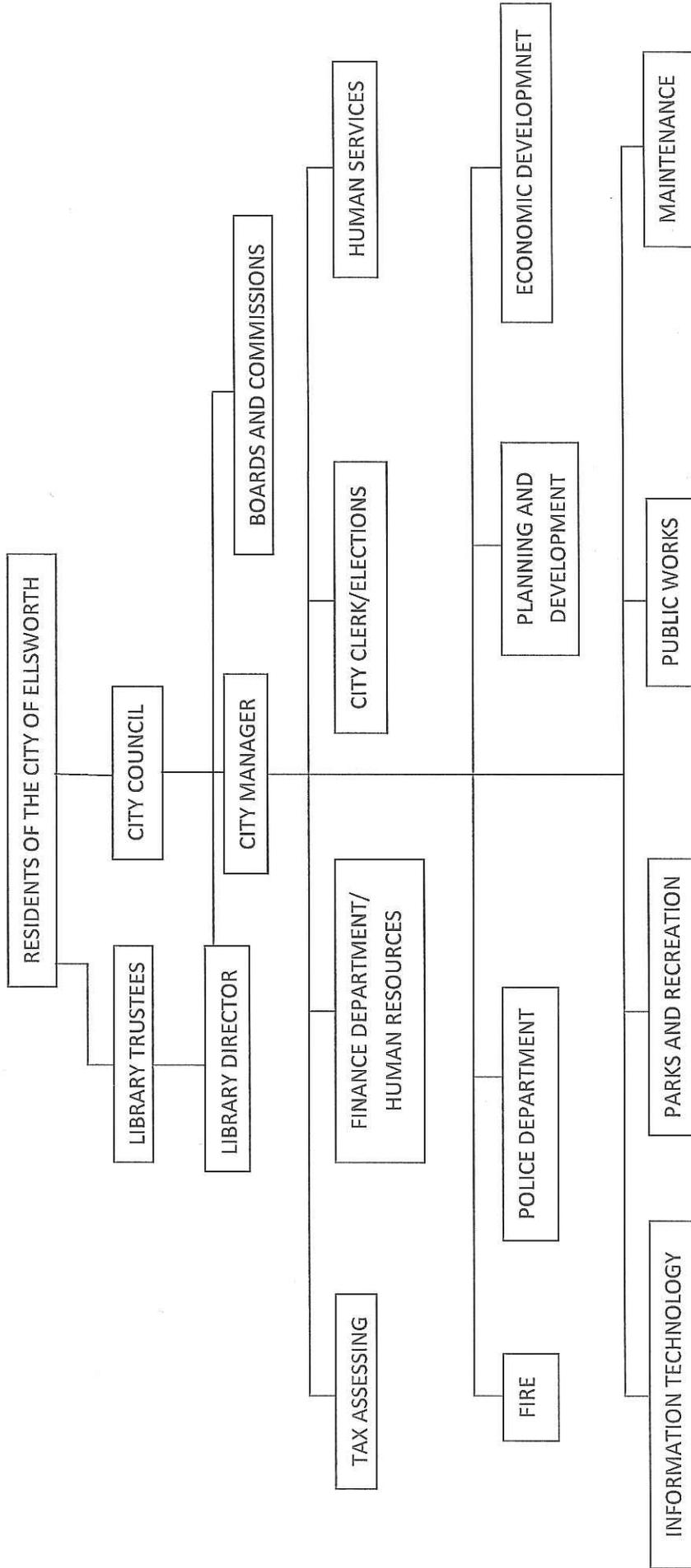
Jeffrey R. Enos

Executive Director



CITY OF ELLSWORTH, MAINE

Organizational Chart



CITY OF ELLSWORTH, MAINE

List of Principal Officials

June 30, 2012

Elected Officials

John Phillips	City Council Chairperson
Stephen Beathem	City Councilor
Matthew Boucher	City Councilor
Gary Fortier	City Councilor
Michael Boucher	City Councilor
John Moore	City Councilor
Pamela Perkins	City Councilor

Appointed Officials and Department Heads

Michelle Beal, City Manager

Charlene Churchill, Library Director	Jason Ingalls, Technology Coordinator
John Deleo, Chief of Police	Doug Kohute, Maintenance Supervisor
Michele Gagnon, City Planner	Richard Tupper, Fire Chief
Larry Gardner, City Assessor	Tammy Mote, Finance Director
Heidi Noel Grindle, City Clerk	Dwight Tilton, Code Enforcement Officer
Michael Harris, Wastewater Superintendent	Larry Wilson, Public Works Director & Water Superintendent

FINANCIAL SECTION

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Independent Auditors' Report

To the City Council
City of Ellsworth, Maine

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 Ellsworth, Maine, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Ellsworth, Maine's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to 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 Ellsworth, Maine, as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2012, on our consideration of the City of Ellsworth, Maine'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* and should be considered in assessing the results of our audit.

City Council
City of Ellsworth, Maine

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress on pages 3 and 41, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ellsworth, Maine's financial statements as a whole. The introductory section, combining and individual fund statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The Combining and Individual Fund Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



December 20, 2012
South Portland, Maine

Management's Discussion and Analysis

City of Ellsworth, Maine

As management of the City of Ellsworth, Maine, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements that follow this section.

Financial Highlights

- The assets of the City's Governmental Activities exceeded liabilities by approximately \$21.9 million as of June 30, 2012, compared to approximately \$20 million as of June 30, 2011.
- The City's governmental funds General Fund Balance was \$3.6 million as of June 30, 2012, compared to \$3.9 million as of June 30, 2011.
- The City's Fund Balance Ordinance requires the unassigned fund balance to remain between 10% and 20% of the previous fiscal year's expenditures. At the end of the current fiscal year, the fund balance stands at 10.74%.
- The City of Ellsworth did not incur any additional debt in FY 2012.
- At the close of fiscal year 2012, the City of Ellsworth's governmental funds financial statements reported a combined ending fund balance of \$4.9 million, or a 39% decrease from the prior year.

Overview of the Financial Statements

The Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. The statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements provide information about the activities of the City as a whole and present both a long-term and short-term view of the City's finances. Financial reporting at this level is similar to the accounting used by most private-sector companies.

The Statement of Net Assets includes all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that are accrued but not yet paid or collected but will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee vacation leaves).

Management's Discussion and Analysis - Continued

City of Ellsworth, Maine

The Statement of Net Assets and the Statement of Activities are divided into two kinds of activities:

- **Governmental activities:** Most of the City's basic services are reported here, including the police, fire, general administration, education, health and welfare, and parks and recreation. These activities are principally supported by taxes and intergovernmental revenues.
- **Business-type activities:** The City operates a water and sewer system that charges a fee to customers to help it cover the cost of the certain service it provides.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements and GASB Statement No. 54 to define and classify the existing governmental fund types. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds** are used to account for mostly the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

The City of Ellsworth maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and Capital Projects Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements (Schedule B) elsewhere in this report.

The City of Ellsworth adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget (Schedule A-2).

- **Proprietary funds** are used to account for essentially the same functions reported as business-type activities in the government-wide financial statements. Enterprise funds are the only type of proprietary funds maintained by the City. The proprietary fund statements provide the same type of information as the government-wide statements, only in more detail.

The City maintains two individual proprietary funds: Wastewater and Water. These two funds are considered to be major. The City of Ellsworth adopts annual budgets for each of its proprietary funds.

- **Fiduciary funds** are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund City programs. Fiduciary fund financial statements report similarly to proprietary funds.

Management's Discussion and Analysis - Continued

City of Ellsworth, Maine

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Financial Analysis of the City as a Whole - Government-wide Financial Statements

The following schedule is a summary of nets assets for the years ended June 30, 2012 and 2011:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current and other assets	\$ 9,087,133	\$ 11,766,807	\$ (2,679,674)	\$ 1,256,674	\$ 9,612,188	\$ (8,355,514)
Capital assets	<u>54,022,736</u>	<u>53,087,048</u>	<u>935,688</u>	<u>32,401,130</u>	<u>22,051,824</u>	<u>10,349,306</u>
Total Assets	63,109,869	64,853,855	(1,743,986)	33,657,804	31,664,012	1,993,792
Long-term liabilities	37,006,857	39,962,137	(2,955,280)	8,796,308	7,737,947	1,058,361
Other liabilities	<u>4,161,207</u>	<u>4,796,229</u>	<u>(635,022)</u>	<u>7,064,050</u>	<u>10,170,809</u>	<u>(3,106,759)</u>
Total Liabilities	41,168,064	44,758,366	(3,590,302)	15,860,358	17,908,756	(2,048,398)
Net assets:						
Invested in capital assets, net of related debt	14,627,702	10,294,469	4,333,233	17,964,184	12,217,781	5,746,403
Restricted	2,333,370	636,751	1,696,619	772,877	2,471,789	(1,698,912)
Unrestricted	<u>4,980,733</u>	<u>9,164,269</u>	<u>(4,183,536)</u>	<u>(939,615)</u>	<u>(934,314)</u>	<u>(5,301)</u>
	<u>\$ 21,941,805</u>	<u>\$ 20,095,489</u>	<u>\$ 1,846,316</u>	<u>\$ 17,797,446</u>	<u>\$ 13,755,256</u>	<u>\$ 4,042,190</u>

Governmental activity assets exceeded liabilities by \$21,941,805. Business-type activity assets exceeded liabilities by \$17,797,446 for a City-wide total of net assets of \$39,739,251 at the close of the most recent fiscal year.

The largest portion of the City of Ellsworth's net assets (82%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Ellsworth uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City of Ellsworth's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets for both governmental and business-type activities (10% or \$4,041,118) may be used to meet the City's ongoing obligations to citizens and creditors.

Management's Discussion and Analysis - Continued

City of Ellsworth, Maine

At the end of the current fiscal year, the City of Ellsworth is able to report positive balances in all categories of net assets for the governmental activities. However, the business-type activities report a deficit of \$939,615 in the unrestricted net assets category. This is due to the Wastewater's operating history where expenses exceeded revenues. The City Council has addressed this issue by increasing the user fee rates.

The following schedule is a summary of the statement of activities for the years ended June 30, 2012 and 2011:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenues:						
Program revenues:						
Charges for services	\$ 810,978	\$ 609,454	\$ 201,524	\$ 2,072,436	\$ 1,901,945	\$ 170,491
Operating grants and contributions	3,792,342	112,263	3,680,079	-	-	-
Capital grants	299,052	778,544	(479,492)	3,134,313	508,691	2,625,622
General revenues						
Taxes	16,977,586	16,210,617	766,969	-	-	-
Intergovernmental	779,232	3,125,819	(2,346,587)	-	-	-
Investment	109,379	264,559	(155,180)	-	(50,776)	50,776
All others	(490,142)	334,691	(824,833)	528,207	51,518	476,689
Total Revenues	22,278,427	21,435,947	842,480	5,734,956	2,411,378	3,323,578
Expenses:						
General government	2,166,262	1,277,144	889,118	-	-	-
Public safety	2,518,382	2,584,403	(66,021)	-	-	-
Municipal buildings	237,897	231,336	6,561	-	-	-
Culture and recreation	690,132	662,864	27,268	-	-	-
General assistance	51,896	43,780	8,116	-	-	-
Public works	1,730,295	1,874,784	(144,489)	-	-	-
County tax	413,360	390,328	23,032	-	-	-
Education	9,043,511	8,980,058	63,453	-	-	-
Unclassified	1,955,864	1,800,548	155,316	-	-	-
Interest on long-term debt	1,624,512	1,865,947	(241,435)	-	-	-
Water and Wastewater	-	-	-	1,692,766	1,474,712	218,054
Total Expenses	20,432,111	19,711,192	720,919	1,692,766	1,474,712	218,054
Change in Net Assets	\$ 1,846,316	\$ 1,724,755	\$ 121,561	\$ 4,042,190	\$ 936,666	\$ 3,105,524

The cost of all governmental activities was \$20.4 million. As shown on the Statement of Activities, the total amount financed by the City's taxpayers was 17 million, or 76 percent. Those who directly benefit from an activity provided \$810,978 in payments. Other governments and organizations subsidized certain activities with operating grants and contributions in the amount of \$3,792,342. Capital grants accounted for \$299,052. The City also received \$398,469 in other general revenues such as State Revenue Sharing, homestead exemptions, and interest earnings.

Management's Discussion and Analysis - Continued

City of Ellsworth, Maine

Financial Analysis of the City's Funds - Fund Financial Statements

Governmental funds. The focus of the City of Ellsworth's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The City implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which primarily establishes a hierarchy of fund balance classifications based on constraints placed on the use of these accounts. The unassigned General Fund Balance of \$2.4 million may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year after assigning the amount needed for fiscal year 2013.

As of the end of the current fiscal year, the City of Ellsworth governmental funds reported combined ending fund balances at June 30, 2012 of \$4,955,388, a decrease of \$1,803,238. Approximately 26% of this total amount (\$1,316,993) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance (\$3,638,395) is reserved or designated to indicate that it is not available for new spending because it has already been committed to account for 1) to liquidate contracts and purchase orders of the prior period (\$1,285,130), and 2) reserved for non-expendable principal in investments, interfund advances and inventory (\$646,855), or restricted or assigned for capital projects, special revenues, or permanent funds (\$1,706,410).

The decrease in the governmental funds ending fund balance is due to the following reasons: 1) there was a decrease of \$54,754 in the School Construction fund due to the continued construction of the new Ellsworth Elementary/Middle School; 2) there was a decrease of \$256,840 in the other governmental funds is mainly attributable to the continued coverage of projects; 3) the Capital Projects fund decreased \$1,166,167 due to continued construction and capital improvement projects; and 4) the general fund decreased \$325,477 mainly due to the use of fund balance to replace the roof at the highway garage.

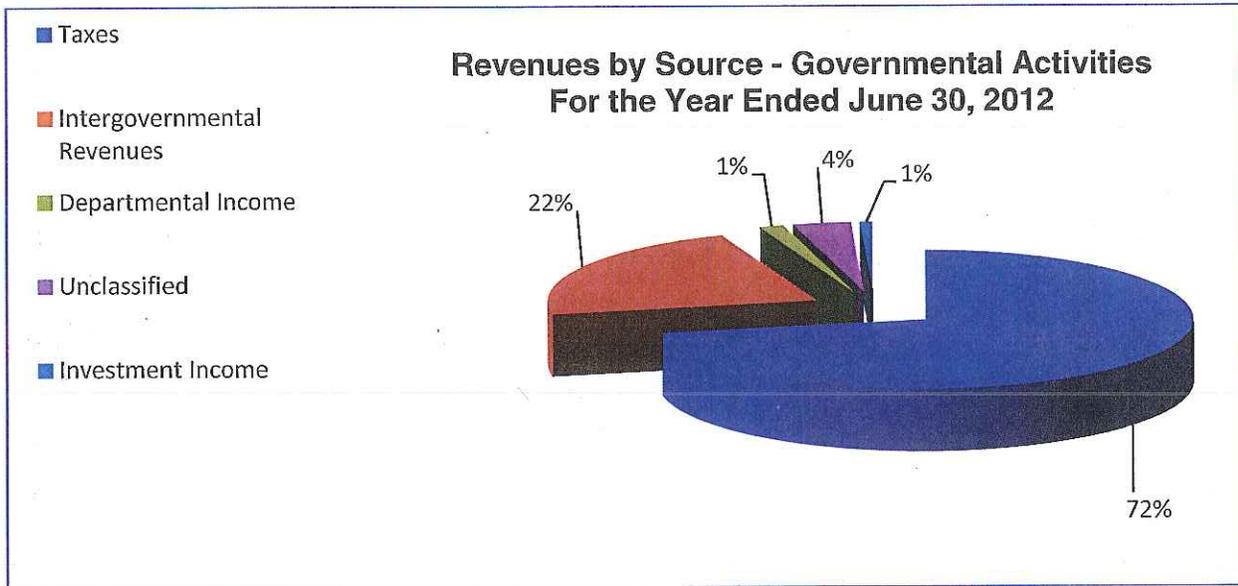
General funds. The general fund is the central operating fund of the City of Ellsworth. As stated earlier, the unassigned General Fund Balance as of June 30, 2012 was \$2,354,033 as compared to the \$2,498,328 of the previous year, or a \$144,295 decrease. This negative change in fund balance is mainly attributable to the use of fund balance to cover the cost of replacing the roof at the highway garage.

Total expenditures in the general fund increased \$2,480,221, or 12.65 percent, mainly due to the increase in the educational assessment and state reimbursed debt service. Total revenues in the General Fund, on a budgetary basis, increased from the prior year by \$2,001,489, or 9.49 percent, mainly due to the increase in the tax levy and the recording of the educational debt payment reimbursements. In 2009, the City of Ellsworth issued a School Construction Bond by Regional School Unit #24 in the name of the City of Ellsworth. The GOB is backed by the full faith and credit of the City of Ellsworth. The State of Maine Department of Education is responsible for paying 96 percent of the annual principal and interest to the Maine Municipal Bond Bank directly. The remaining four percent is paid by Regional School Unit #24. No additional programs were funded by the City in the current year, nor were any eliminated.

Management's Discussion and Analysis - Continued

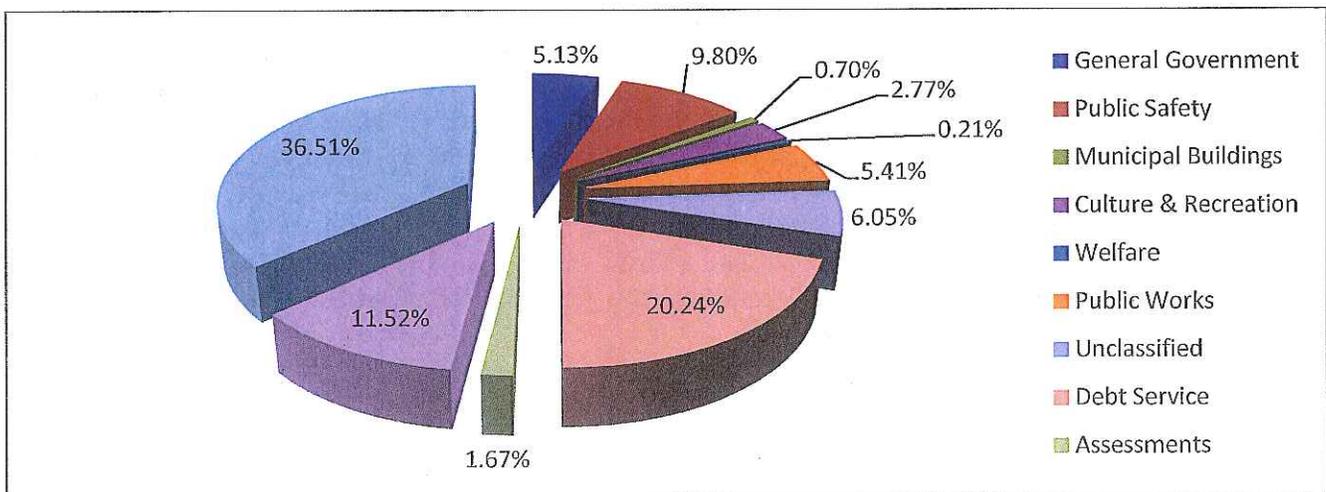
City of Ellsworth, Maine

The City's general fund revenues were as follows:



On a budgetary basis, the total general operating revenues increased by \$2 million. The largest single source of revenue continues to be the property tax. There was an increase in the assessed value by .23 percent which is attributable to new development and improvements within the City during the prior fiscal year. The remaining increase is from the revenue received for debt and lease payments made on behalf of Regional School Unit #24. As the Operating Fund Revenue graph demonstrates, 72% of the revenues come from taxes and 22% from intergovernmental revenues. The remaining 6% comes from Departmental Income (1%), Unclassified (4%), and Investment Income (1%).

The City's general fund expenditures were as follows:



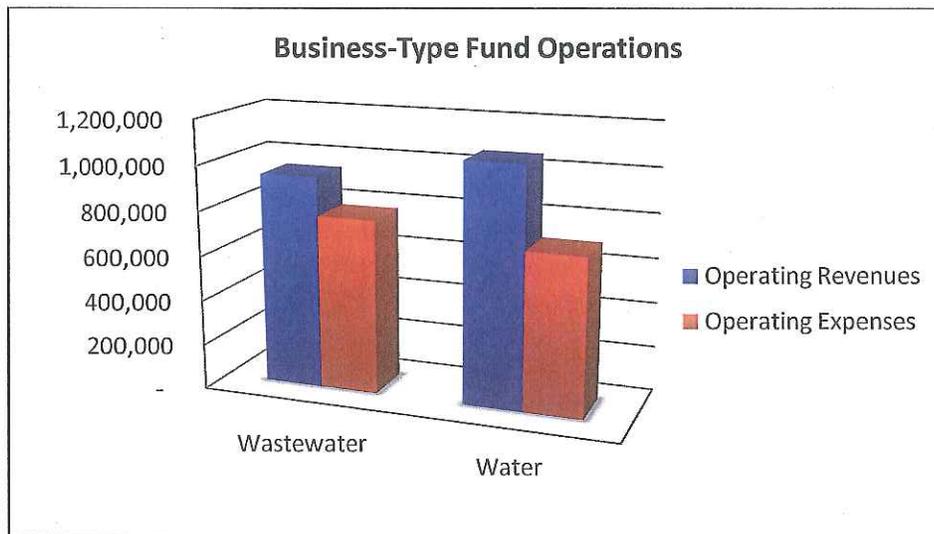
Management's Discussion and Analysis - Continued

City of Ellsworth, Maine

This expense graph reflects current year expenses. Education accounted for 36.51% of the expenses and Municipal Services represented 63.49% of the expenditures.

Business-type Activities

The two funds that are classified as proprietary funds are the Wastewater and Water.



Unrestricted net assets of the City's Wastewater fund amounted to (\$1,928,802), a decrease of \$140,415. The City's Water fund unrestricted net assets amounted to \$989,187, a decrease of \$71,295. However, the other two categories of net assets in these both of these funds increased.

General Fund Budgetary Highlights

The General Fund's revenues represent a variance of \$166,139 between the final budget and actual revenues. This is mainly due to the recording of unanticipated intergovernmental revenues and Council approved transfers from various reserve for miscellaneous projects. These transfers are not part of the budget process.

There is a \$168,602 variance between the final budget and actual expenditures. The variance is mainly due to the departments not spending all of their appropriated funds due to budget constraints.

The City of Ellsworth has a strong purchase policy to prevent unnecessary departmental over-expenditures. All expenditures are approved by the City Manager and the Finance Committee. Over-expenditures are normally due to overtime and other unavoidable or unanticipated circumstances.

Management's Discussion and Analysis - Continued

City of Ellsworth, Maine

Capital Assets

The City of Ellsworth's capital assets for its governmental type activities as of June 30, 2012 amounts to \$65,474,100 and \$42,981,040 for its business-type activities. This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, and infrastructure. The City of Ellsworth maintains a capital improvement fund for the purpose of replacing and acquiring new assets and reconstruction of infrastructure. The City maintains a ten year capital improvement plan for both governmental and business-type activities for budgetary planning of this fund.

Additional information on the City's capital assets can be found in Note C of this report.

Long-Term Liabilities

At the end of the current fiscal year, the City of Ellsworth had total long-term debt of \$53,831,981. Of this amount, \$1,310,000 is remaining on a bond for construction of the Ellsworth High School; \$3,672,968 is remaining for road construction projects, revaluation, and fire equipment; \$14,436,948 is for business-type activities. In 2010, the City of Ellsworth issued a School Construction Bond in the amount of \$34,412,065 by Regional School Unit #24 in the name of the City of Ellsworth. The State of Maine Department of Education is responsible for paying 96 percent of the annual principal and interest payments to the Maine Municipal Bond Bank directly. The remaining four percent is paid by the Regional School Unit #24.

All debt is backed by the full faith and credit of the City.

The City of Ellsworth did not issued any new long-term debt during the current fiscal year.

State statutes limit the amount of general obligation debt a municipality may issue to 15% of its total state assessed valuation. The current debt limitation for the City of Ellsworth is \$158,872,500 far exceeding the City's outstanding general obligation debt.

Additional information on the City's long-term liabilities can be found in Note F of this report.

Economic Factors and Next Year's Budgets and Rates

When creating the budget, the primary objective was to provide City services while at the same time attempting to keep the tax rate low.

The City of Ellsworth is the commercial center for the Downeast Region and is responsible for providing services for Hancock County and parts of Washington County. Our economic base is dependent on providing services and retail sales to the people of these regions and on tourism. Because of this, the City is not dependent on a particular business to maintain its tax base. It has been able to see a growing tax base and to experience a stable economy from business development and employment growth. However, there is a fine line between the services demanded and the services the City taxpayers can afford.

Management's Discussion and Analysis - Continued

City of Ellsworth, Maine

According to the 2010 census, the City of Ellsworth was the fastest growing city in the state of Maine. In the past decade, the City grew by 20 percent. The City has worked hard to expand and is always looking for new development opportunities.

Due to the continued uncertainty surrounding the national economy, the City Council and management has been closely following revenues, expenditures, liens, foreclosures, unemployment rates, construction, building permits, and the State of Maine budget projections.

The City continues to monitor the State economic and political climates. Changes in the formulas of State aid to education and municipal revenue sharing along with other State reimbursement programs, can have an impact on the amount of revenue the City receives therefore creating a negative impact on the City's budget.

The City continues the planning and economic development for the completion of the City's business park, traffic and housing studies, and upgrades to the City's water mains. Future projects include a continued partnership with the State of Maine DOT in traffic control, construction of a new wastewater treatment plant, continued upgrades to the City's water mains, reconstruction of local roads, the design of a new community park, and the construction of a senior center.

The City of Ellsworth received a rating review by Standard & Poor's and Moody's in June 2011. The City maintained its' AA- GO bond rating with Standard and Poors stating that "the City has a seasonal local economy with a strong commercial presence; a strong, diverse tax base and good wealth and income levels; and low debt burden, net of self-supported enterprise and state-subsidized school debt, coupled with manageable capital needs. Moody's also affirmed its rating of Aa3 based upon "...the City's diverse and growing tax base, manageable debt position, and stable financial operations". The City of Ellsworth is committed to fiscal responsibility, planning, and economic development.

For the FY 2013 budget, the City Council's goal was to minimize any tax rate increase. This goal became more challenging due to a 7% percent or \$633,174 increase in the Regional School Unit #24's assessment. For fiscal years 2009 through 2011, the City reduced the City's portion of the budget while the County and RSU #24 budgets increased. However, in FY 2012, the City Council increased the City's portion of the budget by 5 percent due to the City becoming a State of Maine Urban Compact that created additional expenses within the Highway Department.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, City of Ellsworth, Maine, One City Hall Plaza, Ellsworth, Maine 04605.

CITY OF ELLSWORTH, MAINE

Statement of Net Assets

As of June 30, 2012

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 2,670,185	\$ 285,861	\$ 2,956,046
Investments	2,023,716	220,340	2,244,056
Receivables:			
Taxes receivable	70,443	-	70,443
Tax liens	987,706	-	987,706
Accounts receivable	360,843	332,795	693,638
Inventory	10,104	3,199	13,303
Internal balances	358,398	(358,398)	-
Cash restricted for capital projects	-	48,024	48,024
Accounts receivable restricted for capital projects	-	724,853	724,853
Receivables for long-term obligations from RSU #24	2,605,738	-	2,605,738
Capital assets not being depreciated	2,723,294	19,762,350	22,485,644
Capital assets, net of accumulated depreciation	51,299,442	12,638,780	63,938,222
Total Assets	63,109,869	33,657,804	96,767,673
Liabilities			
Accounts payable	458,433	1,202,521	1,660,954
Accrued liabilities	337,851	132,561	470,412
Taxes collected in advance	85,450	-	85,450
Escrow deposit	1,700	-	1,700
Long-term liabilities:			
Portion due or payable within one year:			
Bonds payable	3,278,773	7,461,226	10,739,999
Portion due or payable after one year:			
Bonds payable	36,116,261	6,975,720	43,091,981
Accrued compensated absences	537,468	88,330	625,798
Other postemployment benefits obligation	352,128	-	352,128
Total Liabilities	41,168,064	15,860,358	57,028,422
Net Assets			
Invested in capital assets, net of related debt	14,627,702	17,964,184	32,591,886
Restricted:			
Nonexpendable principal	636,751	-	636,751
Capital projects	1,312,846	772,877	2,085,723
Special revenue funds	174,458	-	174,458
Permanent funds	209,315	-	209,315
Unrestricted	4,980,733	(939,615)	4,041,118
Total Net Assets	\$ 21,941,805	\$ 17,797,446	\$ 39,739,251

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Activities
For the Year Ended June 30, 2012

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental Activities:								
General government	\$ 2,166,262	\$ 314,360	\$ -	\$ -	\$ (1,851,902)		\$ (1,851,902)	
Public safety	2,525,094	31,103	113,893	-	(2,380,098)		(2,380,098)	
Municipal buildings	237,897	2,650	-	-	(235,247)		(235,247)	
Culture and recreation	690,132	1,000	-	-	(689,132)		(689,132)	
General assistance	51,896	-	17,221	-	(34,675)		(34,675)	
Public works	1,729,795	276,469	127,177	219,974	(1,106,175)		(1,106,175)	
County tax	413,360	-	-	-	(413,360)		(413,360)	
Education	9,043,511	-	3,298,840	-	(5,744,671)		(5,744,671)	
Unclassified	1,949,652	185,396	235,211	79,078	(1,449,967)		(1,449,967)	
Interest on long-term debt	1,624,512	-	-	-	(1,624,512)		(1,624,512)	
Total Governmental Activities	20,432,111	810,978	3,792,342	299,052	(15,529,739)		(15,529,739)	
Business-type Activities:								
Wastewater	917,373	1,004,627	-	3,132,738	-	\$ 3,219,992	3,219,992	
Water	775,393	1,067,809	-	1,575	-	293,991	293,991	
Total Business-type Activities	1,692,766	2,072,436	-	3,134,313	-	3,513,983	3,513,983	
Total Primary Government	\$ 22,124,877	\$ 2,883,414	\$ 3,792,342	\$ 3,433,365	(15,529,739)	3,513,983	(12,015,756)	
General revenues:								
Property taxes, levied for general purposes					15,626,736	-	15,626,736	
Motor vehicle excise taxes					1,252,688	-	1,252,688	
Interest and costs on taxes					98,162	-	98,162	
Grants and contributions not restricted to specific programs:								
State Revenue Sharing					470,124	-	470,124	
Homestead exemption					137,811	-	137,811	
Other State aid					171,297	-	171,297	
Unrestricted investment earnings					109,379	-	109,379	
Miscellaneous revenues					38,065	-	38,065	
Transfers					(528,207)	528,207	-	
Total general revenues					17,376,055	528,207	17,904,262	
					Change in Net Assets	1,846,316	4,042,190	5,888,506
					Net Assets at Beginning of Year	20,095,489	13,755,256	33,850,745
					Net Assets at End of Year	\$ 21,941,805	\$ 17,797,446	\$ 39,739,251

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Balance Sheet - Governmental Funds
As of June 30, 2012

	General Fund	Capital Projects Fund	School Construction	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 2,275,745	\$ -	\$ 315,266	\$ 79,174	\$ 2,670,185
Investments	1,227,625	-	-	796,091	2,023,716
Receivables:					
Taxes receivable	70,443	-	-	-	70,443
Tax liens	987,706	-	-	-	987,706
Accounts receivable	360,843	-	-	-	360,843
Other assets	10,104	-	-	-	10,104
Due from other funds	2,075,122	1,196,694	-	67,360	3,339,176
Total Assets	\$ 7,007,588	\$ 1,196,694	\$ 315,266	\$ 942,625	\$ 9,462,173
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 258,795	\$ 199,114	\$ -	\$ 524	\$ 458,433
Accrued liabilities	81,424	-	-	-	81,424
Taxes collected in advance	85,450	-	-	-	85,450
Deferred tax revenue	899,000	-	-	-	899,000
Escrow deposit	1,700	-	-	-	1,700
Due to other funds	2,031,952	-	-	948,826	2,980,778
Total Liabilities	3,358,321	199,114	-	949,350	4,506,785
Fund Balances					
Nonspendable					
General fund	10,104	-	-	-	10,104
Permanent	-	-	-	636,751	636,751
Restricted					
Capital projects	-	997,580	315,266	-	1,312,846
Special revenues	-	-	-	184,249	184,249
Permanent	-	-	-	209,315	209,315
Assigned					
General fund	1,285,130	-	-	-	1,285,130
Unassigned					
General fund	2,354,033	-	-	-	2,354,033
Special revenues	-	-	-	(1,037,040)	(1,037,040)
Total Fund Balances	3,649,267	997,580	315,266	(6,725)	4,955,388
Total Liabilities and Fund Balances	\$ 7,007,588	\$ 1,196,694	\$ 315,266	\$ 942,625	\$ 9,462,173

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Assets
As of June 30, 2012

Total Fund Balances - Governmental Funds \$ 4,955,388

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

Property tax revenues are presented on the modified accrual basis of accounting in the governmental funds but in the Statement of Activities, property tax revenue is reported under the accrual method. The balance in deferred property tax revenue in the governmental funds as a liability is: 899,000

Long-term assets are not available in the current period and therefore are not reported as assets in the funds. The Receivable for long-term obligations from RSU #24 at year-end was: 2,605,738

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of capital assets, net of accumulated depreciation is: 54,022,736

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term debt and related liabilities at year-end consist of:

Bonds and notes payable	\$ (39,395,034)	
Other postemployment benefits obligation	(352,128)	
Accrued compensated absences	(537,468)	
Accrued interest payable	(256,427)	
		(40,541,057)

Total Net Assets - Governmental Activities **\$ 21,941,805**

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General Fund	Capital Projects Fund	School Construction	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 16,293,522	\$ -	\$ -	\$ 605,064	\$ 16,898,586
Licenses and permits	131,790	-	-	-	131,790
Intergovernmental revenues	4,971,448	-	-	291,908	5,263,356
Departmental income	340,662	-	-	-	340,662
Unclassified	482,745	57,954	5,301	143,043	689,043
Investment income	109,379	-	5,582	57,994	172,955
Total Revenues	<u>22,329,546</u>	<u>57,954</u>	<u>10,883</u>	<u>1,098,009</u>	<u>23,496,392</u>
Expenditures					
Current:					
General government	1,271,216	-	-	-	1,271,216
Public safety	2,239,459	-	-	194,801	2,434,260
Municipal buildings	174,480	-	-	-	174,480
Culture and recreation	685,785	-	-	-	685,785
General assistance	52,148	-	-	-	52,148
Public works	1,339,738	-	-	-	1,339,738
County tax	413,360	-	-	-	413,360
Education	9,043,511	-	-	-	9,043,511
Unclassified	1,336,597	-	-	123,255	1,459,852
Debt service:					
Principal	3,360,772	-	-	-	3,360,772
Interest	1,652,085	-	-	-	1,652,085
Capital outlays	-	2,746,311	65,637	72,268	2,884,216
Total Expenditures	<u>21,569,151</u>	<u>2,746,311</u>	<u>65,637</u>	<u>390,324</u>	<u>24,771,423</u>
Revenues Over (Under) Expenditures	<u>760,395</u>	<u>(2,688,357)</u>	<u>(54,754)</u>	<u>707,685</u>	<u>(1,275,031)</u>
Other Financing Sources (Uses)					
Transfers in	428,513	1,810,398	-	-	2,238,911
Transfers out	(1,514,385)	(288,208)	-	(964,525)	(2,767,118)
Total Other Financing Sources (Uses)	<u>(1,085,872)</u>	<u>1,522,190</u>	<u>-</u>	<u>(964,525)</u>	<u>(528,207)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(325,477)</u>	<u>(1,166,167)</u>	<u>(54,754)</u>	<u>(256,840)</u>	<u>(1,803,238)</u>
Fund balances (deficits) at beginning of year	3,974,744	2,163,747	370,020	250,115	6,758,626
Fund Balances (Deficits) at End of Year	<u>\$ 3,649,267</u>	<u>\$ 997,580</u>	<u>\$ 315,266</u>	<u>\$ (6,725)</u>	<u>\$ 4,955,388</u>

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
As of June 30, 2012

Net Change in Fund Balances - Total Governmental Funds **\$ (1,803,238)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Property tax revenues are presented on the modified accrual basis of accounting in the governmental funds but in the Statement of Activities, property tax revenue is reported under the accrual method. The current year change in deferred property tax revenue reported in the governmental funds and not in the Statement of Activities is: 79,000

Governmental funds report the long-term obligation payments made by RSU #24 on behalf of the City as revenues. However, in the Statement of Activities, these amounts are reported as a reduction of the receivable from RSU #24. (768,758)

Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differed from capital asset additions in the current period:

Capital asset additions	\$ 2,377,810	
Depreciation expense	<u>(1,422,934)</u>	
		954,876

Governmental funds report the sale of capital assets as revenues. However, in the Statement of Activities, the sale of those assets is recognized as a gain or loss, depending on the sale and accumulated depreciation amounts.

Gain (loss) on disposal of capital assets	<u>(19,188)</u>	(19,188)
---	-----------------	----------

Bond proceeds, issuance of long-term debt and entering into capital lease obligations provide current resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt and capital lease obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which repayments differed from proceeds and additions to capital lease obligations in the current period:

Principal portion of debt service payments	3,360,773	
Reductions in capital lease obligations	<u>36,772</u>	
		3,397,545

Certain 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

Change in OPEB obligation	(86,026)	
Change in accrued compensated absences	64,532	
Change in accrued interest payable	<u>27,573</u>	
		<u>6,079</u>

Change in Net Assets of Governmental Activities **\$ 1,846,316**

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues				
Taxes	\$ 16,918,174	\$ 16,918,174	\$ 16,898,586	\$ (19,588)
Licenses and permits	142,500	142,500	131,790	(10,710)
Intergovernmental revenues	4,899,963	4,899,963	4,971,448	71,485
Departmental income	360,700	360,700	340,662	(20,038)
Unclassified	347,134	347,134	482,745	135,611
Investment income	100,000	100,000	109,379	9,379
Total Revenues	22,768,471	22,768,471	22,934,610	166,139
Expenditures				
Current:				
General government	1,340,493	1,340,493	1,271,216	69,277
Public safety	2,243,030	2,243,030	2,239,459	3,571
Municipal buildings	191,659	191,659	174,480	17,179
Culture and recreation	729,155	729,155	685,785	43,370
General assistance	55,357	55,357	52,148	3,209
Public works	1,377,061	1,377,061	1,339,738	37,323
County tax	413,360	413,360	413,360	-
Education	9,043,511	9,043,511	9,043,511	-
Unclassified	1,368,109	1,368,109	1,373,439	(5,330)
Debt service:				
Principal	3,360,772	3,360,772	3,360,772	-
Interest	1,652,088	1,652,088	1,652,085	3
Total Expenditures	21,774,595	21,774,595	21,605,993	168,602
Revenues Over (Under) Expenditures	993,876	993,876	1,328,617	334,741
Other Financing Sources (Uses)				
Transfers in	351,613	351,613	428,513	76,900
Transfers out	(2,036,971)	(2,036,971)	(2,119,449)	(82,478)
Transfers (to) from assigned fund balances	691,482	691,482	61,263	(630,219)
Utilization of unassigned fund balance	-	-	(24,421)	(24,421)
Total Other Financing Sources (Uses)	(993,876)	(993,876)	(1,654,094)	(660,218)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	(325,477)	\$ (325,477)
Budgetary fund balance at beginning of year			3,974,744	
Budgetary Fund Balance at End of Year			\$ 3,649,267	

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Net Assets
Proprietary Funds - Enterprise Funds
As of June 30, 2012

	<u>Waste- water</u>	<u>Water</u>	<u>Total</u>
Assets			
Current Assets			
Cash	\$ -	\$ 285,861	\$ 285,861
Investments	217,936	2,404	220,340
Accounts receivable - trade	281,912	27,654	309,566
Liens receivable	23,229	-	23,229
Inventory	3,199	-	3,199
Due from other funds	-	768,348	768,348
Total Current Assets	<u>526,276</u>	<u>1,084,267</u>	<u>1,610,543</u>
Noncurrent Assets			
Property, plant and equipment, net	21,842,327	10,558,803	32,401,130
Cash restricted for capital projects	48,024	-	48,024
Accounts receivable restricted for capital projects	724,853	-	724,853
Total Noncurrent Assets	<u>22,615,204</u>	<u>10,558,803</u>	<u>33,174,007</u>
Total Assets	<u><u>23,141,480</u></u>	<u><u>11,643,070</u></u>	<u><u>34,784,550</u></u>
Liabilities			
Current Liabilities			
Accounts payable	1,198,821	3,700	1,202,521
Accrued liabilities	129,511	91,380	220,891
Due to other funds	1,126,746	-	1,126,746
Current portion of bonds and notes payable	7,059,693	401,533	7,461,226
Total Current Liabilities	<u>9,514,771</u>	<u>496,613</u>	<u>10,011,384</u>
Noncurrent Liabilities			
Bonds and notes payable	3,885,618	3,090,102	6,975,720
Total Noncurrent Liabilities	<u>3,885,618</u>	<u>3,090,102</u>	<u>6,975,720</u>
Total Liabilities	<u><u>13,400,389</u></u>	<u><u>3,586,715</u></u>	<u><u>16,987,104</u></u>
Net Assets			
Invested in capital assets, net of related debt	10,897,016	7,067,168	17,964,184
Restricted for capital projects - expendable	772,877	-	772,877
Unrestricted	(1,928,802)	989,187	(939,615)
Total Net Assets	<u><u>\$ 9,741,091</u></u>	<u><u>\$ 8,056,355</u></u>	<u><u>\$ 17,797,446</u></u>

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds - Enterprise Funds
For the Year Ended June 30, 2012

	Waste- water	Water	Total
Operating Revenues			
Charges for services	\$ 926,094	\$ 1,056,359	\$ 1,982,453
Miscellaneous	18,607	6,183	24,790
Total Operating Revenues	<u>944,701</u>	<u>1,062,542</u>	<u>2,007,243</u>
Operating Expenses			
Personnel	307,482	257,453	564,935
Contract services	11,462	40,363	51,825
Supplies, maintenance and repairs	160,190	103,354	263,544
Utilities	92,768	-	92,768
Miscellaneous	17,039	94,646	111,685
Depreciation	186,986	204,812	391,798
Total Operating Expenses	<u>775,927</u>	<u>700,628</u>	<u>1,476,555</u>
Operating Income (Loss)	168,774	361,914	530,688
Nonoperating Revenues (Expenses)			
Investment income	59,926	5,267	65,193
Interest expense	(141,446)	(74,765)	(216,211)
Total Nonoperating Revenues (Expenses)	<u>(81,520)</u>	<u>(69,498)</u>	<u>(151,018)</u>
Income (Loss) Before Other Revenues and Transfers	<u>87,254</u>	<u>292,416</u>	<u>379,670</u>
Other Revenues and Transfers			
Capital contributions	3,132,738	1,575	3,134,313
Transfers	240,000	288,207	528,207
Other Revenues and Transfers	<u>3,372,738</u>	<u>289,782</u>	<u>3,662,520</u>
Change in Net Assets	3,459,992	582,198	4,042,190
Net assets at beginning of year	<u>6,281,099</u>	<u>7,474,157</u>	<u>13,755,256</u>
Net Assets at End of Year	<u>\$ 9,741,091</u>	<u>\$ 8,056,355</u>	<u>\$ 17,797,446</u>

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Cash Flows
Proprietary Funds - Enterprise Funds
For the Year Ended June 30, 2012

	Waste- water	Water	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 925,288	\$ 1,065,931	\$ 1,991,219
Payments to suppliers	(356,051)	(264,833)	(620,884)
Payments to employees	(316,089)	(261,345)	(577,434)
Net Cash Provided by Operating Activities	<u>253,148</u>	<u>539,753</u>	<u>792,901</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(10,374,332)	(366,772)	(10,741,104)
Interest paid on bonds and notes	(141,446)	(74,765)	(216,211)
Advances from (to) other funds	-	288,207	288,207
Proceeds from capital contributions	4,879,674	1,575	4,881,249
Transfers	240,000	-	240,000
Principal payments on bonds and notes	(318,103)	(491,533)	(809,636)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(5,714,207)</u>	<u>(643,288)</u>	<u>(6,357,495)</u>
Cash Flows from Investing Activities			
(Purchase) sale of investments	(65,724)	(404)	(66,128)
Investment income	59,926	5,267	65,193
Net Cash Provided (Used) by Investing Activities	<u>(5,798)</u>	<u>4,863</u>	<u>(935)</u>
Decrease in Cash	(5,466,857)	(98,672)	(5,565,529)
Cash at beginning of year	5,514,881	384,533	5,899,414
Cash at End of Year	<u>\$ 48,024</u>	<u>\$ 285,861</u>	<u>\$ 333,885</u>
Summary of Cash Balances Reported in the Statement of Net Assets:			
Cash	\$ -	\$ 285,861	\$ 285,861
Cash restricted for capital projects	48,024	-	48,024
	<u>\$ 48,024</u>	<u>\$ 285,861</u>	<u>\$ 333,885</u>
Reconciliation of Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 168,774	\$ 361,914	\$ 530,688
Adjustment to reconcile changes in operating income to net cash provided by operating activities:			
Depreciation	186,986	204,812	391,798
(Increase) Decrease in operating assets:			
Accounts receivable	(7,357)	3,389	(3,968)
Liens receivable	(12,056)	-	(12,056)
Inventory	(317)	-	(317)
Due from other funds		(1,228)	(1,228)
Increase (Decrease) in operating liabilities:			
Due to other funds	(116,065)	-	(116,065)
Accounts payable	41,790	(25,242)	16,548
Accrued liabilities	(8,607)	(3,892)	(12,499)
Net Cash Provided by Operating Activities	<u>\$ 253,148</u>	<u>\$ 539,753</u>	<u>\$ 792,901</u>

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Fiduciary Net Assets
Fiduciary Funds
As of June 30, 2012

	Agency Funds	Private-purpose Trusts
Assets		
Cash	\$ -	\$ 18,062
Investments	215,140	618,336
Total Assets	215,140	636,398
Liabilities		
Accounts payable	-	28,965
Held for cemetery association	215,140	-
Total Liabilities	215,140	28,965
Net Assets		
Held in trust	-	607,433
Total Net Assets	\$ -	\$ 607,433

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012

	Private-purpose Trusts
Additions:	
Interest income	\$ 12,126
Increase (decrease) in investment fair market value	84,935
Donations and other	99,204
Total Additions	196,265
 Deductions:	
Library	198,580
Total Deductions	198,580
Change in Net Assets	(2,315)
Net assets at beginning of year	609,748
Net Assets at End of Year	\$ 607,433

See accompanying independent auditors' report and notes to the financial statements.

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements
June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Ellsworth, Maine (the City) operates under an elected City Council and City Manager form of government. The City's major operations include public safety, culture and recreation, public works, education and general administrative services. In addition, the City operates water and wastewater systems.

The accounting policies of the City conform to United States generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

Financial Reporting Entity

The basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in GAAP include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City has no component units.

Basis of Presentation

Government-wide Financial Statements

The statement of net assets and statement of activities report information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services for support.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures.

Governmental Activities

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

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

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

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

Permanent Funds are used to account for resources legally held in trust. All resources of the fund, including any earnings on invested resources, may be used to support the organization as stipulated by the specific trust instrument.

Proprietary (Business-type) Activities

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fiduciary Funds (not included in Government-wide statements)

The City's fiduciary funds are presented in the fiduciary fund statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City, these funds are not incorporated into the Government-wide statements.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and/or other government units. *Private Purpose Trust Funds* report trust arrangements under which principal and income benefit individuals, private organizations or other governments. The reporting focus is on net assets for agency funds and the changes in net assets for private purpose funds; both are reported using accounting principles similar to proprietary funds. The Board of Trustees of the Ellsworth Public Library has sole discretion over the investment and expenditure of the Library Funds private purpose trust.

Major Governmental Funds:

The City reports the General Fund as a major fund. This fund reports the operations of the City, essentially all financial resources and activities of the general government.

The City reports the Capital Projects Fund as a major fund. This fund reports all capital outlays of the City, except for those required to be reported in another fund.

The City reports the School Construction Fund as a major fund capital project fund. This fund reports all capital outlays related to the construction of school facilities.

Major Proprietary Funds:

The City reports the Wastewater Fund as a major fund. This fund reports the operations and capital expenditures of the City sewer system.

The City reports the Water Fund as a major fund. This fund reports the operations and capital expenditures of the City water supply system.

Basis of Accounting

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

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

Governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Revenues susceptible to accrual include property taxes, excise and other taxes, intergovernmental revenues, investment income, charges for services, and grants. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

The City follows GASBS No. 31, Accounting and Reporting of Certain Investments and External Investment Pools. Under GASBS No. 31, certain investments held by governments are reported at their fair value in the balance sheet. Unrealized gains and losses are included in the statement of revenues, expenditures and changes in fund balance.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase. Inventories consisting of supplies for the Water and Wastewater proprietary funds are accounted for at the lower of cost or market on a first-in, first-out (FIFO) basis.

Taxes, Liens, and Accounts Receivable

At June 30, 2012, management has estimated that there was no need for an allowance for uncollectible taxes, liens, and accounts receivable.

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2012 are recorded as prepaid items.

Capital Assets

In the government-wide financial statements and in proprietary funds in the fund financial statements, capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line method. Estimated useful lives are as follows: buildings and improvements, 50 years; infrastructure, 25 to 60 years; and vehicles, furniture and equipment, 5 to 20 years.

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

Compensated Absences

Under the terms of the City's personnel policies, paid leave is granted in varying amounts according to length of service. Employees are entitled to payment for unused vacation upon termination or retirement. The City accrues unpaid vacation and sick leave when earned (or estimated to be earned) by the employee in the government-wide financial statements. Unused vacation is expensed in the governmental financial statements when termination or retirement of the employee occurs.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Long-term Obligations

In the government-wide financial statements and in proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing 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.

Budget

The City's policy is to adopt an annual budget for the General Fund, which is prepared on a basis consistent with generally accepted accounting principles (GAAP) with modifications as described in Note H. The City does not adopt budgets for special revenue funds. The following procedures are followed in establishing budgetary data reflected in the financial statements:

- Not later than one month before the end of the fiscal year, the City Manager submits to the City Council budget estimates for the ensuing year.
- As early as practicable after the beginning of the fiscal year the City Council passes an annual appropriation resolve. The total amount appropriated shall not exceed estimated revenues.
- Periodically the Council may adopt changes to the originally adopted annual appropriation resolve.

Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund loan receivables and payables as appropriate and are subject to elimination upon consolidation in the government-wide presentation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. Since not all funds maintain a separate cash account, cash is pooled in the General Fund cash account and activity for individual funds are recorded through the General Fund and each respective individual fund through the recognition of a "due to/due from" as appropriate. The due to/from other funds balances are subject to elimination upon consolidation in the government-wide presentation. All interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Revenue Recognition - Property Taxes

The City's property tax for the current year was levied July 28, 2011, on the assessed value listed as of April 1, 2011, for all real and personal property located in the City. Taxes were due September 8, 2011 and March 8, 2012. Interest on unpaid taxes commenced on September 9, 2011 and March 9, 2012, at 5% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

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 \$36,819 for the year ended June 30, 2012.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 tax liens and associated costs remain unpaid.

Government-wide Fund Net Assets

Government-wide net assets are divided into three components:

Invested in capital assets, net of related debt - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net assets - consist of net assets that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted - All other net assets are reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- *Nonspendable* - resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* - resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed through constitutional provisions or enabling legislation.
- *Committed* - resources which are subject to limitations the government imposes upon itself at its highest level of design making, the City Council, and that remain binding unless removed in the same manner.
- *Assigned* - resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the Council has designated the authority to assign amounts for specific purposes.
- *Unassigned* - resources which cannot be properly classified in one of the other four categories.

The City Council has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. Likewise, the City Council, or a body or official delegated by the City Council may assign unspent budgeted amounts to specific purposes in the General Fund at year end based on Department requests.

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

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE B - CASH AND INVESTMENTS

The City conducts all its banking and investment transactions with depository banks and investment firms.

Custodial Credit Risk

At June 30, 2012, the carrying amount of the City's deposits was \$2,974,108 and the bank balance was \$5,256,344. The difference between these balances relates to deposits in transit, outstanding checks and cash on hand at year-end. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. In accordance with the City's deposit policy on custodial credit risk all deposits are to be invested with institutions insured by the FDIC or FSLIC. If deposits with these institutions have balances above insurance limits, collateralization agreements are required. At June 30, 2012, \$4,630,905 of the City's bank balance of \$5,256,344 was exposed to credit risk as the balances were uninsured. These balances were collateralized with the collateral held by the pledging bank's trust department in the City's name.

Investments

Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, certain corporate stocks, bonds and mutual funds.

Interest Rate Risk

In accordance with the City's investment policy, excluding reserve and trust investments, investment maturities shall be less than one year. At June 30, 2012, the City had the following investments and maturities:

<u>Investment Types</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>Maturity</u>		
			<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
U.S. Government bonds	\$ 999,592	-	-	704,112	295,480
Corporate bonds	635,652	-	87,720	486,194	61,738
Common stock	143,780	143,780	-	-	-
Money market	780,459	780,459	-	-	-
Mutual funds	<u>518,049</u>	<u>518,049</u>	-	-	-
Totals	<u>\$ 3,077,532</u>	<u>\$ 1,442,288</u>	<u>\$ 87,720</u>	<u>\$1,190,306</u>	<u>\$ 357,218</u>

Custodial Credit Risk

For an investment, 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 that are in the possession of an outside party. In accordance with the City's investment policy, the securities are required to be held by a third party custodian. At June 30, 2012, \$2,883,446 of the City's investments was held by third-party custodians but not in the name of the City.

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE B - CASH AND INVESTMENTS, CONTINUED

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with the City's investment policy, credit risk is minimized by only holding investments authorized by State statutes. At June 30, 2012, the City had the following credit quality distribution in debt securities:

<u>Standard & Poor Rating</u>	<u>Fair Value</u>
AAA	\$ -
AA+	119,560
AA	67,209
AA-	145,118
A+	85,012
A	78,756
A-	44,477
BBB+	42,292
Unrated	<u>53,227</u>
Total debt securities	<u>\$ 635,651</u>

Concentration of Credit Risk

In accordance with the City's investment policy, concentration of credit risk is minimized by diversifying investments held. As of June 30, 2012, the City held individually \$194,086 of Camden National Corporation common stock, which represented more than 5% of total investments.

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE C - CAPITAL ASSETS

A summary of capital assets transactions for the year ended June 30, 2012 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retired/ Completed</u>	<u>Ending Balance</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 1,737,410	\$ -	\$ -	\$ 1,737,410
Construction in progress	646,308	1,574,695	1,235,120	985,883
Depreciable Assets:				
Buildings and improvements	41,756,181	256,213	-	42,012,394
Vehicles, furniture, and equipment	4,792,005	587,823	73,108	5,306,720
Infrastructure	<u>14,237,494</u>	<u>1,194,199</u>	<u>-</u>	<u>15,431,693</u>
Totals at historical cost	63,169,398	3,612,930	1,308,228	65,474,100
Less accumulated depreciation:				
Buildings and improvements	3,270,045	837,721	-	4,107,766
Vehicles, furniture, and equipment	1,871,839	271,273	52,227	2,090,885
Infrastructure	<u>4,940,466</u>	<u>313,940</u>	<u>1,693</u>	<u>5,252,713</u>
Total accumulated depreciation	<u>10,082,350</u>	<u>1,422,934</u>	<u>53,920</u>	<u>11,451,364</u>
Capital Assets, Net	<u>\$ 53,087,048</u>	<u>\$ 2,189,996</u>	<u>\$ 1,254,308</u>	<u>\$ 54,022,736</u>
Business-type Activities:				
Non-Depreciable Assets:				
Land	\$ 841,463	\$ -	\$ -	\$ 841,463
Conservation easement	851,836	-	-	851,836
Construction in progress	8,998,485	10,558,808	1,488,242	18,069,051
Depreciable Assets:				
Wastewater items	11,032,109	29,100	-	11,061,209
Water items	<u>10,516,042</u>	<u>1,641,439</u>	<u>-</u>	<u>12,157,481</u>
Totals at historical cost	32,239,935	12,229,347	1,488,242	42,981,040
Less accumulated depreciation:				
Wastewater items	7,127,326	186,986	-	7,314,312
Water items	<u>3,060,785</u>	<u>204,813</u>	<u>-</u>	<u>3,265,598</u>
Total accumulated depreciation	<u>10,188,111</u>	<u>391,799</u>	<u>-</u>	<u>10,579,910</u>
Capital Assets, Net	<u>\$ 22,051,824</u>	<u>\$ 11,837,548</u>	<u>\$ 1,488,242</u>	<u>\$ 32,401,130</u>

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE C - CAPITAL ASSETS, CONTINUED

Depreciation expense was charged to the following functions:

Governmental Activities:

General government	\$	811,909
Public safety		111,909
Municipal buildings		63,417
Culture and recreation		4,347
Public works		431,352
Total governmental activities depreciation expense	\$	<u>1,422,934</u>

Business-type Activities:

Wastewater	\$	186,986
Water		204,813
Total business-type activities depreciation expense	\$	<u>391,799</u>

NOTE D - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2012 consisted of the following fund receivables and payables:

	Due From	Due To	
Governmental Activities:			
General Fund:			
Capital Projects Fund	\$ -	\$ (1,196,244)	
Special Revenues	948,376	(67,360)	
Wastewater Fund	-	(768,348)	
Water Fund	<u>1,126,746</u>	<u>-</u>	
	<u>2,075,122</u>	<u>(2,031,952)</u>	\$ 43,170
Capital Projects Fund:			
General Fund	<u>1,196,694</u>	<u>-</u>	
	<u>1,196,694</u>	<u>-</u>	1,196,694
Special Revenues Fund:			
General Fund	<u>67,360</u>	<u>(948,826)</u>	
	<u>67,360</u>	<u>(948,826)</u>	<u>(881,466)</u>
Net Governmental Activities			<u>\$ 358,398</u>
Business-type Activities:			
Enterprise Funds:			
Wastewater Fund:			
General Fund	\$ -	\$ (1,126,746)	
	<u>-</u>	<u>(1,126,746)</u>	(1,126,746)
Water Fund:			
General Fund	<u>768,348</u>	<u>-</u>	
	<u>768,348</u>	<u>-</u>	<u>768,348</u>
Net Business-type Activities			<u>\$ (358,398)</u>

All interfund balances resulted from the City pooling cash in the General Fund for other funds disclosed above, for greater efficiency and physical control, with each fund having an interest in the pooled cash account and reporting its interest in its balance sheet and statement of net assets.

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE E - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2012 consisted of the following amounts:

	Transfers In	Transfers Out		
Governmental Activities:				
General Fund:				
Capital Projects Fund	\$ -	\$ (1,514,385)		
Special Revenues	428,513	-		
	428,513	(1,514,385)	\$	(1,085,872)
Capital Projects Fund:				
General Fund	1,514,385	-		
Special Revenues	296,013	-		
Water Fund	-	(288,208)		
	1,810,398	(288,208)		1,522,190
Special Revenues Fund:				
General Fund		(428,513)		
Capital Project Fund	-	(296,012)		
Wastewater Fund	-	(240,000)		
	-	(964,525)		(964,525)
Net Governmental Activities			\$	(528,207)
 Business-type Activities:				
Enterprise Funds:				
	528,207	-		528,207
Net Business-type Activities			\$	528,207

Transfers are used to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE F - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Beginning			Ending	Amounts
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due Within</u>
					<u>One Year</u>
Governmental Activities:					
General obligation debt	\$ 42,755,807	\$ -	\$ 3,360,773	\$ 39,395,034	\$ 3,278,773
Capital lease obligations	36,772	-	36,772	-	-
Other postemployment retirement obligations	266,102	98,677	12,651	352,128	-
Accrued compensated absences	602,000	236,468	301,000	537,468	-
Total Governmental	<u>\$ 43,660,681</u>	<u>\$ 335,145</u>	<u>\$ 3,711,196</u>	<u>\$ 40,284,630</u>	<u>\$ 3,278,773</u>
Business-type Activities:					
Bonds payable	\$ 15,289,172	\$ -	\$ 851,627	\$ 14,437,545	\$ 7,535,647
Accrued compensated absences	88,330	88,330	88,330	88,330	-
Total Business-type	<u>\$ 15,377,502</u>	<u>\$ 88,330</u>	<u>\$ 939,957</u>	<u>14,525,875</u>	<u>\$ 7,535,647</u>
				74,220	
				<u>\$ 14,600,095</u>	

Compensated absences are shown as long-term since the amount due within one year cannot be reasonably estimated.

Long-term Debt:

At June 30, 2012, bonds payable consisted of the following individual issues:

	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
1993 General Obligation Bond for school construction with U.S. Bank due in annual payments ranging from \$655,000 to \$710,000 through May 2014 with interest ranging from 4.75% to 5.25%.	\$ 1,310,000	\$ -
2006 General Obligation Bond for Myrick Street construction, High Street construction, revaluation, and wastewater improvements with Bank of New York due in annual principal payments of \$290,000 plus interest ranging from 3.5% - 4.0% through April 2016.	1,030,000	130,000
2006 General Obligation Water Bond with Maine Municipal Bond Bank due in annual principal payments of \$8,486 through April 2025. Non-interest bearing.	-	110,311
2008 General Obligation Water Bond with Maine Municipal Bond Bank due in annual principal payments of \$16,083 through October 2017. Non-interest bearing.	-	96,496

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE F - LONG-TERM LIABILITIES, CONTINUED

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2008 General Obligation Water Bond with Maine Municipal Bond Bank due in annual principal payments of \$14,956 through April 2028. Non-interest bearing.	\$ -	239,296
2009 General Obligation Wastewater Bond with Maine Municipal Bond Bank due in semi-annual principal payments of \$29,843 and administration and management fees of \$16,942 through April 2029. Non-interest bearing. In addition, \$806,266 was forgiven at closing.	-	1,014,674
2010 General Obligation Bonds due in annual principal payments beginning at \$474,000 plus interest ranging from 2.00% to 2.75% through April 2020.	942,968	1,682,032
2010 General Obligation Bonds with Maine Municipal Bond Bank due in annual principal payments of \$151,500 plus interest at 1% through October 2020.	-	1,363,500
2010 General Obligation Bonds with Maine Municipal Bond Bank due in annual principal payments of \$71,985 plus interest ranging from 5.61% to 2.11% through November 2029.	1,295,738	-
2010 General Obligation Bonds with Maine Municipal Bond Bank due in annual principal payments of \$1,839,796 plus interest at 6% through November 2029.	33,116,327	-
2011 General Obligation Bond Anticipation Notes due December 2012 plus interest at 1.5% .	-	6,699,000
2011 General Obligation Bonds due in annual principal payments ranging from \$185,000 to \$192,000 plus interest ranging from 1.50% to 2.65% through April 2021.	1,700,000	-
2011 General Obligation Bonds with Maine Municipal Bond Bank due in annual principal payments ranging from \$68,507 to \$268,507 plus interest ranging from 0.00% to 1.22% and fees ranging from \$3,446 to \$65,925 through October 2030.	-	3,101,638
Total bonds payable outstanding	<u>\$ 39,395,034</u>	<u>\$ 14,436,947</u>

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE F - LONG-TERM LIABILITIES, CONTINUED

The annual requirements to amortize bonds payable are as follows:

Year ending June 30,	Governmental		Business-type		Total
	Principal	Interest	Principal	Interest	
2013	\$ 3,278,773	\$ 1,445,974	\$ 7,461,226	\$ 64,541	\$ 12,250,514
2014	3,283,773	1,286,862	762,226	129,414	5,462,275
2015	2,633,773	1,155,644	762,226	109,762	4,661,405
2016	2,493,773	1,074,976	762,226	96,110	4,427,085
2017	2,101,781	1,018,082	729,218	81,931	3,931,012
2018-2022	10,308,907	3,639,258	2,810,260	205,520	16,963,945
2023-2027	9,558,907	1,402,225	741,206	54,326	11,756,664
2028-2031	5,735,347	181,524	408,359	13,372	6,338,602
	<u>\$ 39,395,034</u>	<u>\$ 11,204,545</u>	<u>\$ 14,436,947</u>	<u>\$ 754,976</u>	<u>\$ 65,791,502</u>

Overlapping Debt

The City is contingently responsible for the following overlapping debt as of June 30, 2012:

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Applicable to Ellsworth</u>	<u>Ellsworth's Share of Debt</u>
Hancock County	\$ 2,100,000	7.88%	165,480

Other Postemployment Benefits

Under Government Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions* (GASB Statement No. 45), the long term cost of retirement health care and obligations for other postemployment benefits are reported on the accrual basis of accounting in the Government-wide financial statements. Under this method future postemployment benefits are recognized as an expense in the period earned by future retirees. The amount of expense recognized is determined on an actuarial basis and accumulates as a liability to the extent the City does not fund the actuarially required contribution.

Plan Description

The City contributes to the Maine Municipal Employees Health Trust, an agent multiple-employer defined benefit post-retirement healthcare plan that provides health and life insurance to retiring employees. Retirees that are eligible (reach age 55 with 5 years of continuous service) in the plan pay 100% of the coverage premium. The plan does not issue stand-alone or combined financial reports.

Funding Policy and Annual Other Postemployment Benefits (OPEB) Cost

GASB Statement No. 45 does not mandate the prefunding of the postemployment benefits liability. The City currently plans to fund these benefits on a "pay-as-you-go" basis. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial liabilities of the plan over a period not to exceed thirty years. Calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members at that point.

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE F - LONG-TERM LIABILITIES, CONTINUED

The following table shows the components of the City's annual OPEB cost for the years ended June 30, the amounts contributed to the plan and the change in the net OPEB obligation based on an actuarial valuation as of January 1:

Normal cost	\$ 37,748
Amortization of unfunded liability	50,285
Interest	<u>10,644</u>
Annual required contribution	98,677
City contributions (ARC offset - implicit subsidy)	<u>(12,651)</u>
Increase (decrease) in net OPEB obligation	86,026
Net OPEB Obligation at beginning of year	<u>266,102</u>
Net OPEB Obligation at End of Year	<u>\$ 352,128</u>

Net OPEB Obligation – The City's net OPEB obligations were calculated as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
OPEB liability, July 1	\$266,102	189,626	94,297
Annual required contribution	98,677	89,776	106,372
Less: Actual contributions	<u>(12,651)</u>	<u>(13,300)</u>	<u>(11,043)</u>
OPEB Liability, June 30	<u>\$ 352,128</u>	<u>266,102</u>	<u>189,626</u>

Funding Status and Funding Progress

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

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Percentage of OPEB Costs <u>Contributed</u>	Net OPEB <u>Obligation</u>
2009	\$ 108,053	12.73%	\$ 94,297
2010	106,372	10.38%	189,626
2011	89,776	14.82%	266,102
2012	98,677	12.82%	352,128

The unfunded actuarial accrued liability as a percentage of covered payroll for the year ended June 30, 2012 is as follows:

Actuarial accrued liability (AAL)	\$ 904,318
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 904,318</u>
 Funded ratio (Actuarial value of plan assets/AAL)	 <u>0%</u>
 Covered payroll	 <u>\$ 3,683,265</u>
 UAAL as a percentage of covered payroll	 <u>24.55%</u>

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE F - LONG-TERM LIABILITIES, CONTINUED

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events in the future and reflect a long-term perspective. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, which is required supplementary information, presents trend information (only one year is available) that will show whether the actual value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the City and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial valuation date	January 1, 2011
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level dollar
Remaining amortization period	30 years, open
Actuarial assumptions:	
Investment rate of return	4%
Participation	95.40% of eligible employees
Healthcare inflation rate	7.6% for pre-Medicare and 8.7% for Medicare eligible

NOTE G - SHORT-TERM LIABILITIES

The City obtained short-term borrowing in the form of a tax anticipation note for immediate cash flow needs. Short-term debt activity for the year ended June 30, 2012 was as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
Governmental Activities				
Tax Anticipation Note	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -

The City also entered into a short-term general obligation bond anticipation note, dated March 1, 2011 in the amount of \$800,000 with at stated interest rate of 3%. No advances have been received as of June 30, 2012. The note matures on March 1, 2013.

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE H - FUND BALANCES

At June 30, 2012, the nonspendable fund balance consisted of the following:

	General <u>Fund</u>	Permanent <u>Funds</u>
Prepaid expenses and other	\$ 10,104	-
Cemetery Fund	-	551,450
Higgins Fund	-	<u>85,301</u>
	<u>\$ 10,104</u>	<u>636,751</u>

At June 30, 2012, the restricted fund balance consisted of the following:

	Permanent <u>Funds</u>	Special <u>Revenues</u>
Cemetery Fund	\$ 50,555	\$ -
Higgins Fund	158,760	-
Other Grants	-	94,946
Conservation Easement	-	28,958
Shellfish Operating	-	<u>50,554</u>
	<u>\$ 209,315</u>	<u>\$ 174,458</u>

At June 30, 2012, the assigned general fund balance consisted of the following:

	Balance at <u>7/1/2011</u>	<u>Appropriated</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>6/30/2012</u>
Capital Reserve Funds	\$ 919,095	20,000	57,803	5,441	991,457
Library Operating	215,326	605,055	56,183	625,721	250,843
Municipal Revenue Sharing	35,811	(484,000)	470,124	-	21,935
Education	250,000	(250,000)	-	-	-
Encumbrances	<u>14,497</u>	<u>-</u>	<u>20,895</u>	<u>14,497</u>	<u>20,895</u>
	<u>\$ 1,434,729</u>	<u>(108,945)</u>	<u>605,005</u>	<u>645,659</u>	<u>1,285,130</u>

NOTE I - DEFICIT FUND BALANCES

At June 30, 2012, the following funds had deficit fund balances which are expected to be funded by future charges for service and tax increment revenues:

Other Grants - Development Fees	\$ 613,014
TIF District	329,530

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE J - TAX INCREMENT FINANCING DISTRICT

Under Maine law, the City has established two Tax Increment Financing District Development Programs.

Beckwith Hill Municipal Development and Financing District

The acquisitions and improvements made by the Development Program will result in an estimated investment of approximately \$19,850,000 creating additional tax base within the City.

The City will make available 67% of the captured tax increment revenues from the District for the tax years 2009 through 2026. Beginning with the tax year 2027 and continuing through 2031, the amount available will begin at 60% and phase down to 20%. The captured tax increment revenues will be used to fund a municipal development sinking fund account, a municipal project cost account and a developer project cost account.

During the year ended June 30, 2012 approximately \$605,064 was made available.

Leonard Lake Senior Housing Tax Increment Financing District

The District is an affordable housing district and associated affordable housing program for the District. It was established on October 20, 2011 with an original assessed value of \$789,500 as of March 31, 2011.

The City is authorized to retain as captured assessed value 100% of the increased value beginning in municipal fiscal year 2013 and continuing until municipal fiscal year 2033. Up to 50% of the tax increment revenues from the District claimed by the City as captured assessed value are to be paid to the owner of a 26-unit affordable senior housing project proposed to be developed in the District.

During the year ended June 30, 2012, approximately \$65,620 was made available.

NOTE K - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by the International City Management Association Retirement Corporation (ICMARC) and authority for establishing or amending the Plan's provisions or contribution requirements rests with the City.

The plan, available to all full-time and permanent part-time City employees, permits them 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.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the participants. All assets are protected by a trust arrangement from any claims on the City and from any use by the City other than paying benefits to employees and their beneficiaries in accordance with the plan.

The City's deferred compensation plan contribution for the employees for the year ended June 30, 2012 was approximately \$132,757, which was charged to the general fund.

NOTE L - PENSION PLAN

Maine Public Employees Retirement System

City employees contribute to the Maine Public Employees Retirement System ("System"), a cost-sharing multiple-employer public employee retirement system that acts as a common investment and administrative agent for public school teachers, state employees (except as members of the judiciary and legislature who are covered under the Judicial and Legislative Retirement Systems) and political subdivisions.

Benefits vest after five years of service. Employees who retire at or after age sixty with one year of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to two percent of the average of their highest three years earnings per year of service. The system also provides death and disability benefits. These benefits provisions and all other requirements are established by state statute.

The System allows maintenance, support workers, and custodial support staff to participate voluntarily in the System. Participants are required to contribute 6.5% of their annual gross salary to the plan and the district is required to make a contribution based on an historical assessment of the plan by the System. Vesting of benefits occurs after five years of service. Disability, pre-retirement and death benefits are provided under the City's plan. A cost of living increase is provided under the City's plan. Upon retirement at or after age sixty, the participant is entitled to an annual retirement benefit of two-percent of the average of their three highest years earnings multiplied by the number of years of credited service. The City's required and actual contribution as a participating local district for the year ended June 30, 2012 was \$38,377.

Effective July 1, 1995 the City's Participating Local District (PLD) joined with other PLD's forming a consolidated PLD. All PLD's that enter the Consolidated Plan cease to be individual sponsors of a "Single - Employer Defined Benefit Pension Plan" and instead become participants in a "Cost-Sharing Multiple - Employer Defined Benefit Pension Plan." As such, the disclosures made by individual PLD's reflect the assets and liabilities under the Consolidated Plan in which the PLD participates and not those of the PLD itself. A complete report is available by contacting the Maine Public Employees Retirement System at 46 State House Station, Augusta, ME 04333.

CITY OF ELLSWORTH, MAINE
Notes to Financial Statements, Continued

NOTE M - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City either carries commercial insurance, or is effectively self-insured. Currently, the City carries commercial insurance for any risks of loss to which it may be exposed. In none of the past three years have claims exceeded the City's insurance coverage.

Based on the coverage provided by commercial insurance, the City is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2012.

NOTE N - LITIGATION

The City is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City. The City has vigorously defended these claims and believes an unfavorable outcome is unlikely. An estimate of the possible loss cannot be made.

NOTE O - COMMITMENTS

Proprietary Activities

The City has contracted with a firm for construction services related to the upgrade of its wastewater treatment plant. The total contract price is \$14,223,742 and the term of the contract runs through the fiscal year ended June 30, 2013. A total of approximately \$12,193,454 had been incurred under the contract through the year ended June 30, 2012.

The City has contracted with a firm for engineering services related to the upgrade of its wastewater treatment plant. The total contract price is \$2,235,000 and the term of the contract is not fixed. A total of approximately \$1,869,445 had been incurred under the contract through the year ended June 30, 2012.

CITY OF ELLSWORTH, MAINE
Required Supplementary Information (Unaudited)
Schedule of Funding Progress

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
2009	1/1/2009	\$ -	\$ 937,368	\$ 937,368	0.00%	\$ 3,716,675	25.22%
2010	1/1/2010	-	937,368	937,368	0.00%	3,353,729	27.95%
2011	1/1/2011	-	904,318	904,318	0.00%	3,339,613	27.08%
2012	1/1/2011	-	904,318	904,318	0.00%	3,683,266	24.55%

CITY OF ELLSWORTH, MAINE
Comparative Balance Sheet - General Fund
As of June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Cash	\$ 2,275,745	\$ 4,229,592
Investments	1,227,625	973,784
Receivables:		
Taxes receivable	70,443	40,853
Tax liens	987,706	884,870
Accounts receivable	360,843	283,216
Prepaid items	-	31,583
Inventory	10,104	10,104
Due from other funds	<u>2,075,122</u>	<u>2,107,720</u>
Total Assets	<u>\$ 7,007,588</u>	<u>\$ 8,561,722</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 258,795	\$ 299,907
Accrued liabilities	81,424	140,070
Taxes collected in advance	85,450	80,935
Deferred tax revenue	899,000	820,000
Escrow deposit	1,700	1,700
Due to other funds	<u>2,031,952</u>	<u>3,244,366</u>
Total Liabilities	<u>3,358,321</u>	<u>4,586,978</u>
Fund Balances		
Nonspendable	10,104	41,687
Assigned	1,285,130	1,434,729
Unassigned	<u>2,354,033</u>	<u>2,498,328</u>
Total Fund Balances	<u>3,649,267</u>	<u>3,974,744</u>
Total Liabilities and Fund Balances	<u>\$ 7,007,588</u>	<u>\$ 8,561,722</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2012

Revenues	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)	2011 Actual
Taxes:					
Property taxes	\$ 15,585,174	\$ 15,585,174	\$ 15,518,751	\$ (66,423)	\$ 14,963,661
Supplemental	-	-	28,985	28,985	35,974
Boat excise	13,000	13,000	13,653	653	12,664
Auto excise	1,200,000	1,200,000	1,239,035	39,035	1,215,867
Interest on taxes	85,000	85,000	68,036	(16,964)	102,861
Lien costs and notices	35,000	35,000	30,126	(4,874)	39,590
	<u>16,918,174</u>	<u>16,918,174</u>	<u>16,898,586</u>	<u>(19,588)</u>	<u>16,370,617</u>
Licenses and permits:					
City clerk fees	35,000	35,000	27,097	(7,903)	29,858
Motor vehicle fees	15,000	15,000	16,714	1,714	16,412
State and City licenses	6,000	6,000	9,818	3,818	7,890
Animal control fees	2,000	2,000	1,313	(687)	1,258
Dog fees	-	-	650	650	725
Building permits and maps	40,000	40,000	30,856	(9,144)	30,827
Electrical permits	12,000	12,000	10,529	(1,471)	20,760
Planning Board fees	5,000	5,000	2,778	(2,222)	3,656
Plumbing permit fees	8,000	8,000	11,890	3,890	7,771
Mooring and docking fees	19,500	19,500	20,145	645	13,218
	<u>142,500</u>	<u>142,500</u>	<u>131,790</u>	<u>(10,710)</u>	<u>132,375</u>
Intergovernmental revenues:					
Urban rural initiative program	90,000	90,000	107,397	17,397	98,000
State revenue sharing	484,000	484,000	470,124	(13,876)	480,237
Tree growth reimbursement	75,000	75,000	102,047	27,047	123,643
Veterans reimbursement	3,400	3,400	8,215	4,815	3,400
Homestead exemption	121,000	121,000	137,811	16,811	131,450
BETE reimbursement	25,200	25,200	32,845	7,645	30,786
Shellfish revenues	3,200	3,200	3,200	-	3,200
Snowmobile refund	1,500	1,500	1,635	135	1,437
Welfare reimbursement	10,000	10,000	17,221	7,221	14,263
Park fee share	6,400	6,400	7,343	943	7,497
Other grants	12,665	12,665	16,012	3,347	24,319
RSU debt and lease payments	4,067,598	4,067,598	4,067,598	-	2,730,483
	<u>4,899,963</u>	<u>4,899,963</u>	<u>4,971,448</u>	<u>71,485</u>	<u>3,648,715</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund, Continued
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)	2011 Actual
Departmental income:					
Highway department	\$ 3,000	\$ 3,000	\$ 9,568	\$ 6,568	\$ 2,680
Fire department	10,000	10,000	9,453	(547)	14,713
Computer income	32,100	32,100	32,090	(10)	32,020
Police department	25,000	25,000	18,650	(6,350)	134,394
Dispatch services	3,000	3,000	3,000	-	3,000
Recycling	60,000	60,000	54,648	(5,352)	54,263
Waterfront gas revenues	-	-	-	-	2,633
Solid waste billings	62,000	62,000	50,438	(11,562)	80,654
Solid waste miscellaneous	30,600	30,600	30,600	-	17,600
Resident stickers	134,000	134,000	131,215	(2,785)	133,922
Recreation	1,000	1,000	1,000	-	1,200
	<u>360,700</u>	<u>360,700</u>	<u>340,662</u>	<u>(20,038)</u>	<u>477,079</u>
Unclassified:					
District court fees	6,000	6,000	7,582	1,582	7,864
Alewife sales	12,000	12,000	58,799	46,799	11,700
Cable TV franchise	65,000	65,000	66,515	1,515	64,781
Payment in lieu of taxes	15,000	15,000	17,509	2,509	16,173
Building rental	3,060	3,060	2,550	(510)	3,060
Property rental	100	100	100	-	150
Photocopies	500	500	218	(282)	137
Sale of surplus property	-	-	-	-	735
Sale of City property	25,000	25,000	20,002	(4,998)	84,115
Loan interest	-	-	-	-	580
Revenue in reserve accounts	-	-	66,233	66,233	-
Reserve transfers	-	-	5,343	5,343	-
Local roads debt revenue	219,974	219,974	219,974	-	-
Miscellaneous	500	500	17,920	17,420	(868)
	<u>347,134</u>	<u>347,134</u>	<u>482,745</u>	<u>135,611</u>	<u>188,427</u>
Investment income	<u>100,000</u>	<u>100,000</u>	<u>109,379</u>	<u>9,379</u>	<u>115,908</u>
Total Revenues	<u>22,768,471</u>	<u>22,768,471</u>	<u>22,934,610</u>	<u>166,139</u>	<u>20,933,121</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund, Continued
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)	2011 Actual
Expenditures					
General government:					
Legislative	\$ 18,210	\$ 18,210	\$ 18,202	\$ 8	\$ 10,530
Administration	141,712	141,712	141,125	587	131,756
City clerk	74,831	74,831	74,435	396	67,952
Finance and tax collector	226,423	226,423	221,702	4,721	214,873
Assessment	114,997	114,997	113,447	1,550	109,774
Code enforcement	123,516	123,516	122,966	550	119,424
Planning	109,728	109,728	109,213	515	115,108
Legal	52,500	52,500	48,316	4,184	50,206
Elections	23,601	23,601	21,414	2,187	17,409
Economic development	120,351	120,351	86,297	34,054	52,045
Technology	143,241	143,241	129,227	14,014	116,658
Joint office services	75,470	75,470	69,327	6,143	67,553
Insurance	87,020	87,020	86,485	535	89,342
Miscellaneous	28,893	28,893	29,060	(167)	29,768
	<u>1,340,493</u>	<u>1,340,493</u>	<u>1,271,216</u>	<u>69,277</u>	<u>1,192,398</u>
Public safety:					
Police department	908,030	908,030	907,738	292	1,010,291
Fire department	686,312	686,312	685,697	615	624,760
Dispatching	192,662	192,662	192,633	29	177,869
Hydrant rental	312,000	312,000	312,000	-	312,000
Street lights	95,000	95,000	93,353	1,647	99,605
Traffic signals	49,026	49,026	48,038	988	30,574
	<u>2,243,030</u>	<u>2,243,030</u>	<u>2,239,459</u>	<u>3,571</u>	<u>2,255,099</u>
Municipal buildings:					
City Hall	175,843	175,843	172,867	2,976	166,431
Miscellaneous city property	15,816	15,816	1,613	14,203	1,488
	<u>191,659</u>	<u>191,659</u>	<u>174,480</u>	<u>17,179</u>	<u>167,919</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund, Continued
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)	2011 Actual
Culture and recreation					
Recreation	\$ 124,100	\$ 124,100	\$ 116,247	\$ 7,853	\$ 121,903
Library	605,055	605,055	569,538	35,517	529,630
	<u>729,155</u>	<u>729,155</u>	<u>685,785</u>	<u>43,370</u>	<u>651,533</u>
General assistance	<u>55,357</u>	<u>55,357</u>	<u>52,148</u>	<u>3,209</u>	<u>43,780</u>
Public works:					
Public works	931,300	931,300	918,465	12,835	916,519
Public works garage	46,650	46,650	40,656	5,994	48,925
Solid waste disposal	343,518	343,518	343,518	-	377,297
Parks trees and cemeteries	22,050	22,050	21,369	681	16,596
Water supply	33,543	33,543	15,730	17,813	17,321
	<u>1,377,061</u>	<u>1,377,061</u>	<u>1,339,738</u>	<u>37,323</u>	<u>1,376,658</u>
County tax	<u>413,360</u>	<u>413,360</u>	<u>413,360</u>	<u>-</u>	<u>390,328</u>
Education:					
Education assessment	9,043,511	9,043,511	9,043,511	-	8,251,254
Education capital lease expenses	-	-	-	-	51,900
	<u>9,043,511</u>	<u>9,043,511</u>	<u>9,043,511</u>	<u>-</u>	<u>8,303,154</u>
Unclassified:					
Employee benefits	1,309,392	1,309,392	1,282,380	27,012	1,263,798
Ellsworth Harbor	42,217	42,217	36,518	5,699	34,648
Health and social services	14,000	14,000	14,000	-	13,264
Historical preservation	500	500	95	405	135
Historical society	2,000	2,000	2,000	-	2,000
Abatements	-	-	38,446	(38,446)	53,120
	<u>1,368,109</u>	<u>1,368,109</u>	<u>1,373,439</u>	<u>(5,330)</u>	<u>1,366,965</u>
Debt service:					
Principal	3,360,772	3,360,772	3,360,772	-	1,255,991
Interest	1,652,088	1,652,088	1,652,085	3	2,121,947
	<u>5,012,860</u>	<u>5,012,860</u>	<u>5,012,857</u>	<u>3</u>	<u>3,377,938</u>
Total Expenditures	<u>21,774,595</u>	<u>21,774,595</u>	<u>21,605,993</u>	<u>168,602</u>	<u>19,125,772</u>
Revenues Over (Under) Expenditures	<u>993,876</u>	<u>993,876</u>	<u>1,328,617</u>	<u>334,741</u>	<u>1,807,349</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund, Continued
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)	2011 Actual
Other Financing Sources (Uses)					
Transfers in:					
TIF District	\$ 151,613	\$ 151,613	\$ 228,513	\$ 76,900	\$ 139,569
Development fees	200,000	200,000	200,000	-	200,000
	<u>351,613</u>	<u>351,613</u>	<u>428,513</u>	<u>76,900</u>	<u>339,569</u>
Transfers out:					
Capital improvements	(1,427,213)	(1,427,213)	(1,514,385)	(87,172)	(1,477,276)
TIF District	(605,245)	(605,245)	(605,064)	181	(580,592)
Capital projects	(4,513)	(4,513)	-	4,513	-
	<u>(2,036,971)</u>	<u>(2,036,971)</u>	<u>(2,119,449)</u>	<u>(82,478)</u>	<u>(2,057,868)</u>
Transfer (to) from assigned fund balances:					
Police overtime	-	-	-	-	6,911
Library	24,421	24,421	24,421	-	-
Accrued salaries	56,842	56,842	56,842	-	-
Fund balance	630,219	630,219	-	(630,219)	-
Capital reserve funds	(20,000)	(20,000)	(20,000)	-	(61,193)
	<u>691,482</u>	<u>691,482</u>	<u>61,263</u>	<u>(630,219)</u>	<u>(54,282)</u>
Utilization of fund balances:					
Assigned	-	-	(24,421)	(24,421)	-
	<u>-</u>	<u>-</u>	<u>(24,421)</u>	<u>(24,421)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(993,876)</u>	<u>(993,876)</u>	<u>(1,654,094)</u>	<u>(660,218)</u>	<u>(1,772,581)</u>
Net Change in Fund Balance	-	-	(325,477)	\$ (325,477)	\$ 34,768
Budgetary fund balance at beginning of year			<u>3,974,744</u>		
Budgetary Fund Balance at End of Year			<u>\$ 3,649,267</u>		

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Combining Balance Sheet
Nonmajor Governmental Funds
As of June 30, 2012

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
Assets			
Cash	\$ 29,199	\$ 49,975	\$ 79,174
Investments	-	796,091	796,091
Due from other funds	67,360	-	67,360
	<u>96,559</u>	<u>846,066</u>	<u>942,625</u>
Total Assets	\$ 96,559	\$ 846,066	\$ 942,625
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 524	\$ -	\$ 524
Due to other funds	948,826	-	948,826
	<u>949,350</u>	<u>-</u>	<u>949,350</u>
Total Liabilities	949,350	-	949,350
Fund Balances (Deficits)			
Nonspendable	-	636,751	636,751
Restricted	184,249	209,315	393,564
Unassigned	(1,037,040)	-	(1,037,040)
	<u>(852,791)</u>	<u>846,066</u>	<u>(6,725)</u>
Total Fund Balances (Deficits)	(852,791)	846,066	(6,725)
Total Liabilities and Fund Balances (Deficits)	\$ 96,559	\$ 846,066	\$ 942,625

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues			
Property taxes	\$ 605,064	\$ -	\$ 605,064
Intergovernmental	291,908	-	291,908
Other income	143,043	-	143,043
Investment income	467	57,527	57,994
Total Revenues	<u>1,040,482</u>	<u>57,527</u>	<u>1,098,009</u>
Expenditures			
Current			
Public safety	194,801	-	194,801
Unclassified	89,409	33,846	123,255
Capital outlay	72,268	-	72,268
Total Expenditures	<u>356,478</u>	<u>33,846</u>	<u>390,324</u>
Revenues Over (Under) Expenditures	684,004	23,681	707,685
Other Financing Sources (Uses)			
Transfers out	(964,525)	-	(964,525)
Total Other Sources (Uses)	<u>(964,525)</u>	<u>-</u>	<u>(964,525)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(280,521)	23,681	(256,840)
Fund balances (deficits) at beginning of year	(572,270)	822,385	250,115
Fund Balances (Deficits) at End of Year	<u>\$ (852,791)</u>	<u>\$ 846,066</u>	<u>\$ (6,725)</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
As of June 30, 2012

	Conservation					Total
	Other Grants	TIF District	Easement Reserve	Knowlton Park	Shellfish Operating	
Assets						
Cash	\$ -	\$ -	\$ 28,958	\$ 241	\$ -	\$ 29,199
Due from other funds	-	6,282	-	10,000	51,078	67,360
Total Assets	\$ -	\$ 6,282	\$ 28,958	\$ 10,241	\$ 51,078	\$ 96,559
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 524	\$ 524
Due to other funds	613,014	335,812	-	-	-	948,826
Total Liabilities	613,014	335,812	-	-	524	949,350
Fund Balances (Deficits)						
Restricted	94,496	-	28,958	10,241	50,554	184,249
Unassigned	(707,510)	(329,530)	-	-	-	(1,037,040)
Total Fund Balances (Deficits)	(613,014)	(329,530)	28,958	10,241	50,554	(852,791)
Liabilities and Fund Balances (Deficits)	\$ -	\$ 6,282	\$ 28,958	\$ 10,241	\$ 51,078	\$ 96,559

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2012

	Other Grants	TIF District	Conservation Easement Reserve	Knowlton Park	Shellfish Operating	Total
Revenues						
Property taxes	\$ -	\$ 605,064	\$ -	\$ -	\$ -	\$ 605,064
Intergovernmental	270,908	-	-	-	21,000	291,908
Other income	97,976	-	-	10,241	34,826	143,043
Investment income	-	-	467	-	-	467
Total Revenues	<u>368,884</u>	<u>605,064</u>	<u>467</u>	<u>10,241</u>	<u>55,826</u>	<u>1,040,482</u>
Expenditures						
Current						
Public safety	194,801	-	-	-	-	194,801
Unclassified	34,482	-	-	-	54,927	89,409
Capital outlay	72,268	-	-	-	-	72,268
Total Expenditures	<u>301,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,927</u>	<u>356,478</u>
Revenues Over (Under) Expenditures	67,333	605,064	467	10,241	899	684,004
Other Financing Sources (Uses)						
Transfers out	(286,941)	(677,584)	-	-	-	(964,525)
Total Other Sources (Uses)	<u>(286,941)</u>	<u>(677,584)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(964,525)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(219,608)	(72,520)	467	10,241	899	(280,521)
Fund balances (deficits) at beginning of year	(393,406)	(257,010)	28,491	-	49,655	(572,270)
Fund Balances (Deficits) at End of Year	<u>\$ (613,014)</u>	<u>\$ (329,530)</u>	<u>\$ 28,958</u>	<u>\$ 10,241</u>	<u>\$ 50,554</u>	<u>\$ (852,791)</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Special Revenue Fund -
Other Grants
For the Year Ended June 30, 2012

	Fund	Revenues			Expenditures	Net Transfers in (out)	Fund
	Balances (Deficits)	Inter- governmental	Other				Balances (Deficits)
	beginning of year						at end of year
Assistance to Firefighters Grant	\$ -	\$ 56,991	\$ -	\$ 56,991	\$ -	\$ -	
Bangor Hydro Pole	5,000	-	-	-	-	-	5,000
Branck lake Access Imp Grant	-	-	-	18,170	-	-	(18,170)
Bulletproof Vest Grant	-	695	-	1,043	-	-	(348)
CDBG Business Assistance Grant	(1,500)	-	-	-	-	-	(1,500)
Development Fees	(475,943)	-	-	-	(200,000)	(200,000)	(675,943)
DOT Feasibility Grant	11,000	-	-	-	-	-	11,000
EFD/SHHC Convention	16,818	-	56,546	48,876	-	-	24,488
Façade Grant	-	72,268	-	72,268	-	-	-
Fire Assistance Grant	-	-	-	1,435	-	-	(1,435)
Fire Training Grant	564	-	-	-	-	-	564
Fire Training Site	40,355	-	35,490	31,873	-	-	43,972
Fireworks donations	-	-	755	-	-	-	755
Hancock County Byrne JAG	-	12,267	-	11,955	-	-	312
Hancock County Byrne JAG	57	-	-	57	-	-	-
Hancock County Byrne JAG	5,965	-	-	5,493	-	-	472
Homeland Security Grant	-	-	-	7,508	-	-	(7,508)
K-9 program	1,678	-	250	813	-	-	1,115
Lakes Environment Grant	-	-	2,550	2,550	-	-	-
Maine Community Foundation	156	-	-	-	-	-	156
OUI Grant	-	4,200	-	4,200	-	-	-
Rails with Trail Connector	5,000	-	-	-	-	-	5,000
Safe Routes to School	-	-	-	1,820	-	-	(1,820)
Safety Grant	-	2,000	-	2,000	-	-	-
Seatbelt Grant	-	2,000	-	2,000	-	-	-
SHHS Color GUard T shirt sales	-	-	2,385	2,046	-	-	339
Ship Grant	(1,527)	88,468	-	-	(86,941)	(86,941)	-
Supplemental Environmental Program	-	9,353	-	8,030	-	-	1,323
UAD Grant	(243)	2,886	-	2,643	-	-	-
US Fish and Wildlife	(786)	-	-	-	-	-	(786)
WMD/Hazmat Grant	-	19,780	-	19,780	-	-	-
	<u>\$ (393,406)</u>	<u>\$ 270,908</u>	<u>\$ 97,976</u>	<u>\$ 301,551</u>	<u>\$ (286,941)</u>	<u>\$ (613,014)</u>	

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
As of June 30, 2012

	<u>Cemetery Fund</u>	<u>Higgins Fund</u>	<u>Total</u>
Assets			
Cash	\$ -	\$ 49,975	\$ 49,975
Investments	602,005	194,086	796,091
Due from other funds	-	-	-
Total Assets	<u>\$ 602,005</u>	<u>\$ 244,061</u>	<u>\$ 846,066</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Nonspendable	551,450	85,301	636,751
Restricted	50,555	158,760	209,315
Total Fund Balances	<u>602,005</u>	<u>244,061</u>	<u>846,066</u>
Total Liabilities and Fund Balances	<u>\$ 602,005</u>	<u>\$ 244,061</u>	<u>\$ 846,066</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Permanent Funds
For the Year Ended June 30, 2012

	<u>Cemetery Fund</u>	<u>Higgins Fund</u>	<u>Total</u>
Revenues			
Investment income			
Interest income	\$ 23,479	\$ 8,053	\$ 31,532
Realized and unrealized gain (loss) on investments	5,732	20,193	25,925
Other	70	-	70
Total Revenues	<u>29,281</u>	<u>28,246</u>	<u>57,527</u>
Expenditures			
Unclassified	<u>33,846</u>	<u>-</u>	<u>33,846</u>
Total Expenditures	<u>33,846</u>	<u>-</u>	<u>33,846</u>
Revenues Over (Under) Expenditures	(4,565)	28,246	23,681
Fund balances at beginning of year	<u>606,570</u>	<u>215,815</u>	<u>822,385</u>
Fund Balances at End of Year	<u>\$ 602,005</u>	<u>\$ 244,061</u>	<u>\$ 846,066</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Combining Schedule of Fiduciary Net Assets
Fiduciary Funds - Private-purpose Trusts
As of June 30, 2012

	<u>Private-purpose Trusts</u>
	<u>Library Funds</u>
Assets	
Cash	\$ 18,062
Investments	618,336
Accounts receivable	-
Total Assets	636,398
 Liabilities	
Accounts payable	28,965
Total Liabilities	28,965
 Net Assets	
Held in trust	607,433
Total Net Assets	\$ 607,433

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Combining Schedule of Changes in Fiduciary Net Assets
Fiduciary Funds - Private-purpose Trusts
For the Year Ended June 30, 2012

	Private-purpose Trusts	
	Library	Funds
Additions:		
Interest income	\$	12,126
Increase (decrease) in investment fair market value		84,935
Donations and other		99,204
Total Additions		196,265
 Deductions:		
Library		198,580
Total Deductions		198,580
Change in Net Assets		(2,315)
Net assets at beginning of year		609,748
Net Assets at End of Year	\$	607,433

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Statement of Changes in Assets and Liabilities
Fiduciary Funds - Agency Funds
For the Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Assets				
Investments	\$ 204,880	\$ 10,260	\$ -	\$ 215,140
Total Assets	<u>\$ 204,880</u>	<u>\$ 10,260</u>	<u>\$ -</u>	<u>\$ 215,140</u>
Liabilities				
Held for cemetery association	\$ 204,880	\$ 10,260	\$ -	\$ 215,140
Total Liabilities	<u>\$ 204,880</u>	<u>\$ 10,260</u>	<u>\$ -</u>	<u>\$ 215,140</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Schedule of Capital Projects
For the Year Ended June 30, 2012

Project		
Road improvement	\$	1,910,362
Fire equipment		20,500
Waterfront improvements		25,579
Transfer Station		50,709
Highway equipment		177,610
Industrial Park sign		17,242
Highway garage		256,213
NETAPP device		20,000
Knowlton School Engineering		8,306
Library improvements		24,203
Police cruiser		49,414
Network security		15,000
Grant application funds		8,912
Harbor engineering		4,512
Knowlton asbestos abatement		82,189
Recreational improvements		10,193
Patten Pond dam		7,466
City Hall improvements		4,772
Information technology		9,543
Beechland Road preliminary		41,838
Capital improvements		-
Demeyer renovation		1,748
		<hr/>
Total Capital Project Fund Capital Outlays	\$	<u>2,746,311</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Schedule of Changes in Assigned Fund Balances
General Fund - Capital Reserve Funds
City of Ellsworth, Maine
For the Year Ended June 30, 2012

	Fund Balances beginning of year	Appropriated	Additions	Reductions	Fund Balances at end of year
Revenues					
General	\$ 285,847	\$ 20,000	\$ 13,859	\$ 1,707	\$ 317,999
Industrial Park	1,205	-	58	7	1,256
City Hall	71,457	-	3,285	419	74,323
Highway equipment	35,707	-	10,606	206	46,107
School	128,443	-	5,963	754	133,652
Employee benefits	58,025	-	2,665	341	60,349
Jump playground	20,956	-	963	123	21,796
Cable TV	7,067	-	326	41	7,352
Fire Department rescue	4,402	-	576	27	4,951
City bonds	287	-	3,175	22	3,440
Federally forfeited property	9,986	-	2,745	59	12,672
Road improvement reserve	235,184	-	10,802	1,380	244,606
Capital equipment reserve	60,529	-	2,780	355	62,954
	<u>\$ 919,095</u>	<u>\$ 20,000</u>	<u>\$ 57,803</u>	<u>\$ 5,441</u>	<u>\$ 991,457</u>

See accompanying independent auditors' report.

CITY OF ELLSWORTH, MAINE
Schedule of Valuation, Assessment and Collection of Taxes
For the Year Ended June 30, 2012

Valuation

Real estate		\$ 1,033,785,210
Personal property		<u>37,489,600</u>
	Total Valuation	\$ <u>1,071,274,810</u>

Assessment

Valuation x Rate: \$1,071,274,810 x .01456		\$ 15,597,761
Supplemental taxes		<u>28,985</u>
	Total Assessment Charged to Collector	\$ 15,626,746

Collection and Credits

Cash collections		14,973,049
Tax abatements		<u>38,446</u>
	Total Collection and Credits	<u>15,011,495</u>

		\$ <u>615,251</u>
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Taxes Receivable and Tax Liens as of June 30, 2012

See accompanying independent auditors' report.

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Ellsworth's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Page

Financial Trends

The schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the ability to issue additional debt in the future.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

75

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the service the City provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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CITY OF ELLSWORTH
NET ASSETS BY COMPONENT
 Last Ten Fiscal Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
Invested in Capital Assets										
net of related debt	\$ 14,627,702	\$ 10,294,469	\$ 9,113,455	\$ 13,460,163	\$ 8,494,924	\$ 11,918,308	\$ 7,125,659	\$ 8,891,052	\$ 9,320,402	\$ 6,684,624
Restricted	2,333,370	636,751	636,751	636,751	636,751	636,751	654,492	654,492	654,492	654,492
Unrestricted	4,980,733	9,164,269	9,225,626	9,240,977	12,897,502	6,504,866	7,819,991	5,126,180	3,697,890	3,252,093
Total Governmental Activities Net Assets	\$ 21,941,805	\$ 20,095,489	\$18,975,832	\$ 23,337,891	\$ 22,029,177	\$ 19,059,925	\$ 15,600,142	\$ 14,671,724	\$ 13,672,784	\$ 10,591,209
Business-type Activities										
Invested in Capital Assets										
net of related debt	17,964,184	6,730,821	10,781,659	8,897,641	8,629,198	8,141,023	7,810,372	7,140,243	6,231,842	5,994,703
Restricted	772,877	7,958,749	1,929,223	-	-	-	-	-	-	-
Unrestricted	(939,615)	(934,314)	112,258	1,668,821	(898,213)	(379,100)	(294,798)	363,375	261,773	278,198
Total Business-type Activities Net Assets	\$ 17,797,446	\$ 13,755,256	\$12,823,140	\$ 10,566,462	\$ 7,730,985	\$ 7,761,923	\$ 7,515,574	\$ 7,503,618	\$ 6,493,615	\$ 6,272,901
Primary Government										
Invested in Capital Assets										
net of related debt	32,591,886	17,025,290	19,895,114	22,357,804	17,124,122	20,059,331	14,936,031	16,031,295	15,552,244	12,679,327
Restricted	3,106,247	8,595,500	2,565,974	636,751	636,751	636,751	654,492	654,492	654,492	654,492
Unrestricted	4,041,118	8,229,955	9,337,884	10,909,798	11,999,289	6,125,766	7,525,193	5,489,555	3,959,663	3,530,291
Total Primary Government Net Assets	\$ 39,739,251	\$ 33,850,745	\$31,798,972	\$ 33,904,353	\$ 29,760,162	\$ 26,821,848	\$ 23,115,716	\$ 22,175,342	\$ 20,166,399	\$ 16,854,110

CITY OF ELLSWORTH
CHANGES IN NET ASSETS
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses										
Governmental Activities										
General Government	\$ 2,166,262	\$ 1,277,144	\$ 1,293,243	\$ 1,281,672	\$ 1,331,318	\$ 1,332,789	\$ 1,039,070	\$ 1,094,007	\$ 949,269	\$ 1,053,311
Public Safety	2,518,382	2,584,403	2,436,340	2,160,191	1,971,390	1,883,321	1,775,235	1,754,989	1,660,986	1,575,423
Municipal Buildings	237,897	231,336	218,875	147,938	147,470	150,196	161,658	198,490	304,617	106,379
Culture and Recreation	690,132	662,864	665,768	664,952	714,202	574,618	634,223	550,866	542,053	529,511
General Assistance	51,896	43,780	36,818	33,204	37,868	34,669	41,614	34,604	35,871	27,611
Public Works	1,730,295	1,874,784	1,762,455	1,671,531	1,594,259	1,493,185	1,320,073	1,309,323	1,173,259	1,133,575
County Tax	413,360	390,328	385,325	399,485	575,555	401,535	399,076	388,476	381,293	407,163
Education	9,043,511	8,980,058	8,799,458	15,187,627	15,101,268	15,255,071	14,248,440	13,610,190	12,298,969	11,707,790
State Retirement Contributions	-	-	-	1,291,410	1,328,608	1,273,446	1,169,874	1,036,745	978,249	1,099,858
Unclassified	1,955,864	1,800,548	1,450,934	2,509,814	1,490,367	2,021,242	1,693,452	934,804	782,968	978,395
Capital Outlay	-	-	-	-	-	464,866	1,510,811	532,527	710,173	467,014
Interest on Long-Term Debt	1,624,512	1,865,947	791,791	371,332	959,938	422,491	447,225	345,116	301,694	447,420
Total Governmental Activities Expenses	\$ 20,432,111	\$ 19,711,192	\$ 17,841,007	\$ 25,719,156	\$ 25,252,243	\$ 25,307,429	\$ 24,440,751	\$ 21,790,137	\$ 20,119,401	\$ 19,533,450
Business-type Activities										
Wastewater	917,373	784,013	775,893	772,809	965,277	1,089,411	873,947	800,619	749,558	680,912
Water	775,393	695,249	698,819	709,896	769,050	735,924	694,399	652,180	665,506	649,698
Total Business-type Activities Expenses	\$ 1,692,766	\$ 1,479,262	\$ 1,474,712	\$ 1,482,705	\$ 1,734,327	\$ 1,825,335	\$ 1,568,346	\$ 1,452,799	\$ 1,415,064	\$ 1,330,610
Total Primary Government Expenses	\$ 22,124,877	\$ 21,190,454	\$ 19,315,719	\$ 27,201,861	\$ 26,986,570	\$ 27,132,764	\$ 26,009,097	\$ 23,242,936	\$ 21,534,465	\$ 20,864,060

CITY OF ELLSWORTH
CHANGES IN NET ASSETS
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues										
Governmental Activities										
<i>Charges for Service</i>										
General Government	\$ 314,360	\$ 298,317	\$ 166,425	\$ 165,524	\$ 222,294	\$ 182,688	\$ 146,536	\$ 143,711	\$ 131,513	\$ 94,940
Public Safety	31,103	152,107	44,760	29,368	33,675	49,913	48,764	32,292	31,884	39,877
Culture and Recreation	1,000	1,200	1,000	700	54,747	52,388	49,993	56,088	53,493	54,117
Public Works	276,469	157,830	227,762	240,517	404,859	369,361	363,717	327,702	346,372	297,752
Unclassified	188,046	-	-	-	440,819	131,065	138,964	71,161	161,459	39,053
Education	-	-	-	2,799,086	3,047,727	2,754,943	2,555,722	2,522,236	2,350,529	2,186,462
Operating Grants and Contributions	3,792,342	112,263	236,591	6,822,102	7,885,564	9,352,209	8,871,231	7,704,030	6,605,600	6,787,218
Capital Grants and Contributions	299,052	778,544	1,000	595,000	-	-	-	-	-	-
Total Governmental Activities Program Revenues	\$ 4,902,372	\$ 1,500,261	\$ 677,538	\$ 10,652,297	\$ 12,089,685	\$ 12,892,567	\$ 12,174,927	\$ 10,857,220	\$ 9,680,850	\$ 9,499,419
Business-type Activities										
<i>Charges for Service</i>										
Wastewater	1,004,627	847,683	658,320	721,941	805,397	729,206	610,043	621,248	598,888	603,265
Water	1,067,809	1,054,262	1,032,305	952,760	882,089	886,461	883,206	866,672	892,653	883,826
Capital Grants and Contributions	3,134,313	508,691	1,975,431	2,004,428	-	322,082	-	556,410	-	-
Total Business-type Activities Program Revenues	\$ 5,206,749	\$ 2,410,636	\$ 3,666,056	\$ 3,679,129	\$ 1,687,486	\$ 1,937,749	\$ 1,493,249	\$ 2,044,330	\$ 1,491,541	\$ 1,487,091
Total Primary Government Program Revenues	\$ 10,109,121	\$ 3,910,897	\$ 4,343,594	\$ 14,331,426	\$ 13,777,171	\$ 14,830,316	\$ 13,668,176	\$ 12,901,550	\$ 11,172,391	\$ 10,986,510

CITY OF ELLSWORTH
CHANGES IN NET ASSETS
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net (Expense)/Revenue										
Governmental Activities	\$ (15,529,739)	\$ (18,210,931)	\$ (17,165,469)	\$ (15,066,859)	\$ (13,162,558)	\$ (12,414,862)	\$ (12,265,824)	\$ (10,932,917)	\$ (10,438,551)	\$ (10,034,031)
Business-type Activities	3,513,983	931,374	2,191,344	2,196,424	(46,841)	112,414	(75,097)	591,531	76,477	156,481
Total Primary Government Expense	<u>(12,015,756)</u>	<u>(17,279,557)</u>	<u>(14,972,125)</u>	<u>(12,870,435)</u>	<u>(13,209,399)</u>	<u>(12,302,448)</u>	<u>(12,340,921)</u>	<u>(10,341,386)</u>	<u>(10,362,074)</u>	<u>(9,877,550)</u>
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes	15,626,736	14,982,086	13,983,917	13,773,783	13,462,417	11,283,093	10,381,448	10,215,710	9,590,193	9,046,575
Excise Taxes	1,252,688	1,228,531	1,228,909	1,267,737	1,316,865	1,309,962	1,321,575	1,245,455	1,227,554	1,107,185
Interest and Costs on Taxes	98,162	142,451	135,690	120,839	87,633	62,426	46,646	50,330	56,255	55,286
Franchise Fees	66,515	64,781	60,734	55,662	51,231	50,202	47,339	43,229	39,965	36,420
Unrestricted Grants and Contributions	712,717	3,125,819	1,210,184	882,968	774,281	761,265	843,198	799,455	787,481	740,013
Unrestricted Investment Earnings	109,379	264,559	281,724	353,311	155,210	233,550	196,229	86,535	83,167	96,075
Miscellaneous Revenues	38,065	127,459	744,239	304,768	284,180	56,706	69,307	47,604	42,124	83,735
Transfers	(528,207)	-	(118,974)	(427,734)	-	-	-	(288,500)	-	-
Special Item: Transfer of Funds to RSU #24	-	-	(4,725,013)	-	-	-	-	-	-	-
Total Governmental Activities	\$ 17,376,055	\$ 19,935,686	\$ 12,801,410	\$ 16,331,334	\$ 16,131,817	\$ 13,757,204	\$ 12,905,742	\$ 12,199,818	\$ 11,826,739	\$ 11,165,289
Business-type Activities										
Unrestricted Investment Earnings	-	(50,776)	(70,258)	(35,283)	13,281	13,031	15,763	10,164	9,737	11,997
Miscellaneous Revenues	-	51,518	16,618	16,791	2,622	120,904	359,790	119,808	134,500	19,766
Transfers	528,207	-	118,974	427,734	-	-	-	288,500	-	-
Total Business-type Activities	\$ 528,207	\$ 742	\$ 65,334	\$ 409,242	\$ 15,903	\$ 133,935	\$ 375,553	\$ 418,472	\$ 144,237	\$ 31,763
Total Primary Government	<u>\$ 17,904,262</u>	<u>\$ 19,936,428</u>	<u>\$ 12,866,744</u>	<u>\$ 16,740,576</u>	<u>\$ 16,147,720</u>	<u>\$ 13,891,139</u>	<u>\$ 13,281,295</u>	<u>\$ 12,618,290</u>	<u>\$ 11,970,976</u>	<u>\$ 11,197,052</u>
Change in Net Assets										
Governmental Activities	1,846,316	1,724,755	(4,362,059)	1,264,475	2,969,259	1,342,342	639,918	1,266,901	1,388,188	1,131,258
Business-type Activities	4,042,190	932,116	2,256,678	2,605,666	(30,938)	246,349	300,456	1,010,003	220,714	188,244
Total Primary Government	<u>5,888,506</u>	<u>2,656,871</u>	<u>(2,105,381)</u>	<u>3,870,141</u>	<u>2,938,321</u>	<u>1,588,691</u>	<u>940,374</u>	<u>2,276,904</u>	<u>1,608,902</u>	<u>1,319,502</u>

CITY OF ELLSWORTH
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Nonspendable	\$ 10,104	\$ 41,687								
Restricted	-	-								
Assigned	1,285,130	1,434,729								
Unassigned	2,354,033	2,498,328								
Reserved	-	-	\$ 74,515	\$ 109,420	\$ 130,745	\$ 110,819	\$ 127,901	\$ 105,337	\$ 30,261	\$ 6,006
Unreserved	-	-	2,856,108	2,195,511	2,305,467	2,003,675	2,174,986	1,664,161	1,626,339	1,282,438
Total General Fund	3,649,267	3,974,744	2,930,623	2,304,931	2,436,212	2,114,494	2,302,887	1,769,498	1,656,600	1,288,444
All Other Governmental Funds:										
Nonspendable	636,751	636,751								
Restricted	1,706,410	2,884,140								
Unassigned Special Revenues	(1,037,040)	(737,009)								
Reserved	-	-	636,751	636,751	1,029,969	842,889	5,303,405	748,486	667,936	735,567
Unreserved, reported in										
Special Revenue Funds	-	-	127,191	999,608	1,641,611	1,516,316	1,287,945	1,657,798	1,461,077	1,409,454
Capital Projects	-	-	2,231,018	5,605,789	(1,002,026)	2,823,728	(183,908)	1,623,467	599,401	491,821
Permanent Funds	-	-	105,700	111,899	83,026	44,341	15,592	61,197	52,895	33,172
Total All Other Governmental Funds	\$ 1,306,121	\$ 2,783,882	\$ 3,100,660	\$ 7,354,047	\$ 1,752,580	\$ 5,227,274	\$ 6,423,034	\$ 4,090,948	\$ 2,781,309	\$ 2,670,014

Due to the implementation of GASB Statement No. 54, the reclassification of fund balance is stated in year 2011. Information for the restatement of prior years is unavailable.

CITY OF ELLSWORTH, MAINE
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
General Property and Other Taxes	\$ 16,898,586	\$ 16,370,617	\$ 15,348,516	\$ 15,162,359	\$ 14,310,715	\$ 12,655,481	\$ 11,749,669	\$ 11,480,895	\$ 10,826,202	\$ 10,209,046
Licenses and Permits	131,790	132,375	100,358	128,423	190,229	150,668	114,491	111,676	99,488	94,940
Intergovernmental Revenues	5,263,356	4,724,450	2,171,691	9,235,500	10,883,330	11,817,684	11,669,292	10,492,523	9,237,879	9,207,504
Departmental Income	340,662	477,079	439,947	436,109	472,799	453,294	446,926	394,429	399,023	328,915
Unclassified	689,043	338,691	644,749	2,219,382	1,386,446	1,310,692	853,156	723,760	789,314	728,823
Investment Income	172,955	264,559	281,724	353,311	421,783	261,952	220,237	111,655	107,883	95,480
Total Revenues	\$ 23,496,392	\$ 22,307,771	\$ 18,986,985	\$ 27,535,084	\$ 27,665,302	\$ 26,649,771	\$ 25,053,771	\$ 23,314,938	\$ 21,459,789	\$ 20,664,708
Expenditures										
General Government	1,271,216	1,192,398	1,222,988	1,136,630	1,177,356	1,209,521	1,050,756	946,216	859,957	930,592
Public Safety	2,427,548	2,443,188	2,369,347	2,078,589	1,892,245	1,826,339	1,757,629	1,680,088	1,594,120	1,531,671
Municipal Buildings	174,480	167,919	157,693	147,078	147,470	150,196	161,658	198,490	304,617	106,379
Culture and Recreation	685,785	651,533	662,532	653,472	710,905	683,512	695,749	604,663	587,797	576,827
General Assistance	52,148	43,780	36,818	33,204	37,868	34,669	41,614	34,604	35,871	27,611
Public Works	1,340,238	1,377,158	1,416,749	1,416,163	1,404,106	1,280,044	1,214,660	1,152,780	1,048,136	1,096,957
Unclassified	1,972,470	1,540,250	1,371,185	1,375,542	1,810,778	2,018,617	1,681,096	931,406	778,865	980,865
Debt Principal	3,360,772	1,255,991	2,031,839	1,482,772	1,383,586	1,450,715	1,731,500	1,155,000	1,043,824	1,171,584
Debt Interest	1,652,085	2,121,947	306,444	387,524	391,886	469,929	316,406	345,116	407,870	415,836
Assessments	413,360	390,328	385,325	399,485	575,555	401,535	399,076	388,476	381,293	407,163
State Retirement Contributions	-	-	-	1,291,410	1,328,608	1,273,446	1,169,874	1,036,745	978,249	1,099,858
Education	9,043,511	8,303,154	8,863,374	15,064,466	15,271,460	14,949,329	14,141,833	13,153,803	12,249,566	11,651,127
Capital Outlay	2,377,810	3,984,782	11,740,530	26,208,789	4,870,805	2,286,072	1,714,843	1,101,514	710,173	591,587
Total Expenditures	\$ 24,771,423	\$ 23,472,428	\$ 30,564,824	\$ 51,675,124	\$ 31,002,628	\$ 28,033,924	\$ 26,076,694	\$ 22,728,901	\$ 20,980,338	\$ 20,588,057
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,275,031)	(1,164,657)	(11,577,839)	(24,140,040)	(3,337,326)	(1,384,153)	(1,022,923)	586,037	479,451	76,651
Other Financing Sources (Uses):										
Proceeds from Borrowing	-	1,892,000	7,794,798	30,000,000	-	-	3,861,500	1,125,000	-	-
Proceeds from Capital Leases	-	-	-	37,960	184,350	-	-	-	-	-
Premium on Debt	-	-	-	-	-	-	26,898	-	-	-
Transfers In	2,238,911	1,901,340	3,702,234	12,114,821	10,865,651	9,024,790	7,742,761	8,436,575	7,442,147	7,002,945
Transfers Out	(2,767,118)	(1,901,340)	(3,546,888)	(12,542,555)	(10,865,651)	(9,024,790)	(7,742,761)	(8,725,075)	(7,442,147)	(7,002,945)
Total Other Financing Sources (Uses)	\$ (528,207)	\$ 1,892,000	\$ 7,950,144	\$ 29,610,226	\$ 184,350	\$ -	\$ 3,888,398	\$ 836,500	\$ -	\$ -
Net Change in Fund Balances	\$ (1,803,238)	\$ 727,343	\$ (3,627,695)	\$ 5,470,186	\$ (3,152,976)	\$ (1,384,153)	\$ 2,865,475	\$ 1,422,537	\$ 479,451	\$ 76,651
Debt Service as a Percentage of Noncapital Expenditures	15.01%	6.45%	10.79%	5.82%	5.29%	5.63%	7.11%	5.34%	5.15%	5.86%

CITY OF ELLSWORTH, ME
 TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Excise Tax</u>	<u>Total</u>
2012	\$ 15,547,736	\$ 1,252,688	\$ 16,800,424
2011	14,999,635	1,228,531	16,228,166
2010	13,983,917	1,228,909	15,212,826
2009	13,773,783	1,267,737	15,041,520
2008	13,462,417	1,316,865	14,779,282
2007	11,283,093	1,309,962	12,593,055
2006	10,381,448	1,321,575	11,703,023
2005	10,215,710	1,245,455	11,461,165
2004	9,590,193	1,227,554	10,817,747
2003	9,046,575	1,107,185	10,153,760
Percent Change 2003-2012	71.86%	13.14%	65.46%

CITY OF ELLSWORTH, ME
 STATE AID REVENUES BY SOURCE
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>State Revenue Sharing</u>	<u>School Aid</u>	<u>Welfare Assistance</u>	<u>Other State Aid</u>	<u>Total</u>
2012	\$ 470,124	\$ -	\$ 17,221	\$ 4,484,103	\$ 4,971,448
2011	480,237	-	14,263	3,154,215	3,648,715
2010	505,574	-	12,096	1,521,122	2,038,792
2009	578,348	3,466,169	10,418	410,800	4,465,735
2008	546,715	4,246,937	12,227	354,145	5,160,024
2007	546,982	4,662,450	10,394	340,243	5,560,069
2006	601,666	4,820,004	12,582	372,134	5,806,386
2005	580,192	4,267,879	12,007	359,928	5,220,006
2004	534,756	3,804,559	12,323	362,323	4,713,961
2003	477,396	3,772,439	8,475	373,654	4,631,964

CITY OF ELLSWORTH, ME
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Real Property</u>			<u>Personal Property*</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>
	<u>Residential</u>	<u>Commercial</u>					
2012	\$ 702,973,943	\$ 330,811,267	\$	37,489,600	\$ 1,071,274,810	14.56	100%
2011	711,254,840	321,442,770		36,158,700	1,068,856,310	13.85	100%
2010	716,765,880	299,814,930		37,486,660	1,054,067,470	13.35	100%
2009	697,479,074	291,168,796		37,056,650	1,025,704,520	13.35	100%
2008	676,191,694	283,685,676		34,522,180	994,399,550	13.15	100%
2007	435,829,047	169,957,722		35,138,300	640,925,069	17.55	69%
2006	401,284,853	146,246,998		34,040,400	581,572,251	17.78	75%
2005	393,578,065	143,548,828		33,276,100	570,402,993	17.84	82%
2004	379,451,011	137,399,390		33,078,600	549,929,001	17.27	100%
2003	368,067,081	131,407,171		33,956,300	533,430,552	16.88	100%

* Personal Property consists of machinery and equipment.

Source: City Tax Assessor

CITY OF ELLSWORTH, ME
 PROPERTY TAX RATE - DIRECT AND OVERLAPPING GOVERNMENTS
 (per \$1,000 of assessed value)
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General City Government</u>	<u>Education</u>	<u>Hancock County</u>	<u>Total</u>
2012	5.81	8.37	0.38	14.56
2011	6.08	7.41	0.36	13.85
2010	6.05	6.93	0.37	13.35
2009	5.27	7.69	0.39	13.35
2008	5.25	7.49	0.41	13.15
2007	7.36	9.59	0.60	17.55
2006	7.59	9.54	0.65	17.78
2005	6.96	10.17	0.71	17.84
2004	6.39	10.19	0.69	17.27
2003	6.24	9.96	0.68	16.88

CITY OF ELLSWORTH, ME
 PRINCIPAL PROPERTY TAXPAYERS*
 Current Year and Nine Years Ago

Taxpayer	Business	2012			2003		
		Assessed Value	Rank	% of Total Tax Base	Assessed Value	Rank	% of Total Tax Base
Bangor Hydro Electric Co	Electric Utility	\$ 25,762,400	1	2.40%	\$ 29,333,300	1	5.50%
Wal-Mart	Retail Sales	20,437,300	2	1.91%	6,945,800	4	1.30%
Lowe's	Retail Sales	16,038,300	3	1.50%	-	-	-
Union River Associates Realty	Shopping Center	13,917,000	4	1.30%	-	-	-
Home Depot	Retail Sales	11,191,200	5	1.04%	8,640,800	3	1.62%
Black Bear Hydro Partners LLC	Dam	10,000,000	6	0.93%	-	-	-
Ellsworth Shopping Center Inc.	Shopping Center	7,400,000	7	0.69%	6,891,300	5	1.29%
Ellsworth No. 1 LLC	Lodging	6,902,800	8	0.64%	-	-	-
Hancock County Homes Foundation	Multi-Family Apartments	6,012,700	9	0.56%	3,858,400	7	0.72%
Three Eights Hotel Group	Lodging	5,686,600	10	0.53%	-	-	-
Union River Yacht Club	Lodging	-	-	-	4,528,700	6	0.85%
Mill Mall	Shopping Center	-	-	-	2,577,000	9	0.48%
Henrietta T. MacQuinn Trustee	Shopping Center	-	-	-	9,842,500	2	1.85%
Denny's Restaurant	Restaurant	-	-	-	256,800	10	0.05%
Union Trust Company	Bank	-	-	-	2,767,000	8	0.52%

*Source - City of Ellsworth Tax Commitment

CITY OF ELLSWORTH, ME
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>						<u>Subsequent Year Collections</u>	<u>Total Tax Collections</u>	<u>% of Total Tax Collection to Net Levy</u>
	<u>Gross Tax Levy</u>	<u>Abatements</u>	<u>Net Tax Levy</u>	<u>Amount</u>	<u>% of Net Levy</u>	<u>\$</u>			
2003	\$ 9,046,576	\$ 65,955	\$ 8,980,621	\$ 8,841,218	98.45%	\$ 113,515	\$ 8,954,733	99.71%	
2004	9,590,193	19,425	9,570,768	9,227,551	96.41%	170,316	9,397,867	98.19%	
2005	10,215,709	18,919	10,196,790	9,933,801	97.42%	126,825	10,060,626	98.66%	
2006	10,381,447	22,362	10,359,085	10,088,149	97.38%	156,782	10,244,931	98.90%	
2007	11,283,078	15,277	11,267,801	10,926,446	96.97%	34,411	10,960,857	97.28%	
2008	13,615,548	136,808	13,478,740	12,796,107	94.94%	228,566	13,024,673	96.63%	
2009	13,615,548	215,226	13,400,322	12,649,490	94.40%	438,925	13,088,416	97.67%	
2010	14,093,900	39,704	14,054,196	13,274,749	94.45%	434,540	13,709,289	97.55%	
2011	14,839,634	30,942	14,808,692	14,218,576	96.02%	409,308	14,627,884	98.78%	
2012	15,626,746	38,446	15,588,300	14,973,049	96.05%	-	14,973,049	96.05%	

CITY OF ELLSWORTH, ME
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	<u>Per Capita</u>	<u>Per Personal Income</u>
	<u>General Obligation Bonds</u>	<u>General Obligation Bonds</u>	<u>General Obligation Bonds</u>	<u>General Obligation Bonds</u>			
2003	\$	10,412,501	\$	3,437,487	\$ 13,849,988	2,107.42	5.86%
2004		9,186,177		3,241,585	12,427,762	1,837.61	5.11%
2005		9,092,942		2,756,296	11,849,238	1,727.04	4.81%
2006		10,865,324		2,643,764	13,509,088	1,954.44	5.44%
2007		9,302,609		2,172,903	11,475,512	1,641.23	4.57%
2008		7,839,611		1,649,194	9,488,805	1,343.26	3.74%
2009		36,356,839		2,583,587	38,940,426	5,479.94	15.25%
2010		42,119,798		12,506,247	54,626,045	7,650.71	21.29%
2011		42,755,807		15,289,174	58,044,981	7,498.38	14.74%
2012		39,395,034		14,436,947	53,831,981	6,933.54	14.77%

** In 2009, the City of Ellsworth issued a School Construction Bond by Regional School Unit #24 in the name of the City of Ellsworth, Maine. The State of Maine Department of Education is responsible for paying 96 percent of the annual principal and interest to the Maine Municipal Bond Bank directly. The remaining four percent is paid by the Regional School Unit #24. The GOB is backed by the full faith and credit of the City of Ellsworth.

CITY OF ELLSWORTH, ME
RATIO OF GENERAL OBLIGATION DEBT TO ASSESSED VALUE AND
NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population*</u>	<u>Assessed Value</u>	<u>GO Debt</u>	<u>Ratio of Net Bonded Debt</u>	
				<u>Assessed Value</u>	<u>Per Capita</u>
2003	6572	\$ 533,430,552	\$ 10,412,501	1.95%	\$ 1,584.37
2004	6763	549,929,001	9,186,177	1.67%	1,358.30
2005	6861	570,402,993	9,092,942	1.59%	1,325.31
2006	6912	584,572,250	10,865,324	1.86%	1,571.95
2007	6992	640,949,659	9,302,609	1.45%	1,330.46
2008	7064	1,006,045,800	7,839,611	0.78%	1,109.80
2009	7106	1,025,704,520	36,356,839	3.54%	5,116.36
2010	7140	1,054,067,470	42,119,798	4.00%	5,899.13
2011	7741	1,068,856,310	42,755,807	4.00%	5,523.29
2012	7764	1,071,274,810	39,395,034	3.68%	5,074.06

*Source: US Census Bureau

** In 2009, the City of Ellsworth issued a School Construction Bond by Regional School Unit #24 in the name of the City of Ellsworth, Maine. The State of Maine Department of Education is responsible for paying 96 percent of the annual principal and interest to the Maine Municipal Bond Bank directly. The remaining four percent is paid by the Regional School Unit #24. The GOB is backed by the full faith and credit of the City of Ellsworth.

CITY OF ELLSWORTH, ME
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 June 30, 2012

	<u>Total Debt</u> <u>Outstanding</u>	<u>% Applicable to</u> <u>Ellsworth</u>	<u>Amount Applicable to</u> <u>Ellsworth</u>
Direct Debt			
City of Ellsworth			
General Obligation Bonds	\$ 53,831,981	100%	\$ 53,831,981
Overlapping Debt			
Hancock County	2,100,000	7.88%	165,480
Total Debt	\$ 55,931,981		\$ 53,997,461

CITY OF ELLSWORTH, ME
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Assessed Value</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Percentage of Net Debt to Debt Limit</u>
2003	\$ 81,307,500	\$ 542,050,000	\$ 13,849,988	\$ 67,457,512	17.03%
2004	84,352,500	562,350,000	12,427,762	71,924,738	14.73%
2005	97,687,500	651,250,000	11,849,238	85,838,262	12.13%
2006	117,247,500	781,650,000	13,509,088	103,738,412	11.52%
2007	140,805,000	938,700,000	11,475,512	129,329,488	8.15%
2008	151,128,000	1,007,520,000	9,488,805	141,639,195	6.28%
2009	155,175,000	1,034,500,000	38,940,426	116,234,574	25.09%
2010	158,595,000	1,057,300,000	54,626,045	103,968,955	34.44%
2011	162,975,000	1,086,500,000	58,044,981	104,930,019	35.62%
2012	158,872,500	1,059,150,000	53,831,981	105,040,519	33.88%

Legal Debt Margin Calculation for Fiscal Year 2012

Total State Valuation	\$	1,059,150,000
Debt Limitation: 15% of State Valuation		158,872,500
Debt Applicable to Debt Limitation:		
General Obligation Bonds:		
Municipal		3,672,968
Water		3,491,636
School		35,722,065
Sewer		10,945,312
Total Debt Applicable to Limit:		53,831,981
Legal Debt Margin		105,040,519

CITY OF ELLSWORTH, ME
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population*</u>	<u>Median Household Income*</u>	<u>Per Capita Income*</u>	<u>Median Age*</u>	<u>Public School Enrollment**</u>	<u>Unemployment Rate***</u>
2003	6572	\$ 35,938	\$ 21,049	40.5	1,312	6.50%
2004	6763	35,938	21,049	40.5	1,236	5.70%
2005	6861	35,938	21,049	40.5	1,346	6.10%
2006	6912	35,938	21,049	40.5	1,314	5.60%
2007	6992	35,938	21,049	40.5	1,337	6.20%
2008	7064	35,938	21,049	40.5	1,333	6.20%
2009	7106	35,938	21,049	40.5	1,243	8.60%
2010	7140	35,938	21,049	40.5	1,377	7.50%
2011	7741	50,884	26,638	42.2	1,348	7.50%
2012	7764	46,953	27,094	41.9	1,357	7.40%

*Source: US Census Bureau
 **Source: Regional School Unit 24
 ***Source: Maine Department of Labor

CITY OF ELLSWORTH, ME
 PRINCIPAL EMPLOYEES
 Current Year and Nine Years Ago

<u>Employer</u>	2012		2003	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Maine Coast Memorial Hospital	633	1	430	1
RSU #24	314	2		
Wal-Mart Stores	299	3	230	3
Hannaford Bros.	289	4	171	4
Shaw's Supermarket	147	5	116	7
Kidspace National Centers	123	6	170	5
Lowe's	104	7		
Home Depot	98	8		
Union Trust Company	94	9		
North Country Associates	92	10	91	9
City of Ellsworth			352	2
State of Maine, Dept of Transportation			132	6
United States Postal Service			90	10

*Source - City of Ellsworth

CITY OF ELLSWORTH, MAINE
 OPERATING INDICATORS BY FUNCTION*
 LAST TEN FISCAL YEARS

Function	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Code Enforcement										
Building Permits	167	190	213	190	259	223	239	289	311	295
Police										
Calls for Service	8,005	7,309	7,010	6,337	4,885	5,243	4,861	4,641	5,252	4,534
Fire										
Calls for Service	405	382	397	385	345	355	299	277	329	316
Sewer										
Treated flow (millions of gallons)	124	148	213	190	259	223	217	317	357	237
Biosolids (cubic yards)	777	610	716	622	697	680	908	829	559	560

*Source - City of Ellsworth Departmental Records

**CITY OF ELLSWORTH, MAINE
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Administration	18	18	18	17	16	16	16	16	13	15
Police	16	16	15	14	14	14	14	14	13	13
Fire	10	10	10	10	9	9	8	8	8	8
Dispatch	4	4	3	3	3	4	4	4	4	4
Highway	11	11	11	11	11	10	9	9	9	9
Transfer Station	2	2	2	2	2	2	2	1	0	0
Wastewater Department	4	4	4	4	4	4	4	3	3	2
Water Department	4	4	4	4	4	4	3	3	3	3
Library	11	11	9	9	9	9	9	9	9	10
Recreation	1	1	1	1	1	1	1	1	1	1
Custodial	2	2	3	3	2	2	2	2	2	2
School Department**	0	0	0	320	320	318	317	291	291	281
Totals	83	83	80	398	395	393	389	361	356	348

*Source - City of Ellsworth Departmental Records

**In 2010, the Ellsworth School Department was reorganized and became part of Regional School Unit 24.

CITY OF ELLSWORTH, MAINE
 CAPITAL ASSETS STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	8	8	7	7	7	7	7	7	6	6
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	9	9	7	9	9	9	9	9	9	9
Public Works										
Paved Streets/Roads (miles)	37.79	37.79	37.79	37.79	37.79	35.86	35.86	35.86	35.86	35.86
Unpaved Streets/Roads (miles)	14.91	14.91	14.91	14.91	14.91	14.91	14.91	14.91	14.91	14.91
Sidewalks (miles)	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21	4.21
Parks and Recreation										
Parks	1	1	1	1	2	2	2	2	2	0
Park Acreage	1.25	1.25	1.25	1.25	1.40	1.40	1.40	1.40	1.40	1.25
Harbors	1	1	1	1	1	1	1	1	1	1
Harbor Moorings	42	42	43	42	41	33	33	35	36	37
Ball Fields	4	4	4	4	4	4	4	4	3	3
Ball Field Acreage	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	9.70	9.70
Sewer										
Sanitary Sewers (miles)	22.40	22.40	22.40	22.40	22.40	22.40	22.40	22.40	22.40	22.40
Storm Sewers (miles)	17.90	17.90	17.90	17.90	17.90	17.90	17.90	17.90	17.90	17.90
Pump Stations	8	8	7	7	7	7	7	4	4	4
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Water										
Transmission & Distribution (miles)	33.80	33.80	31.53	31.50	31.50	31.50	30.60	30.60	30.60	30.60
Public Fire Hydrants	235	235	222	192	192	192	192	181	176	176

*Source - City of Ellsworth Departmental Records

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