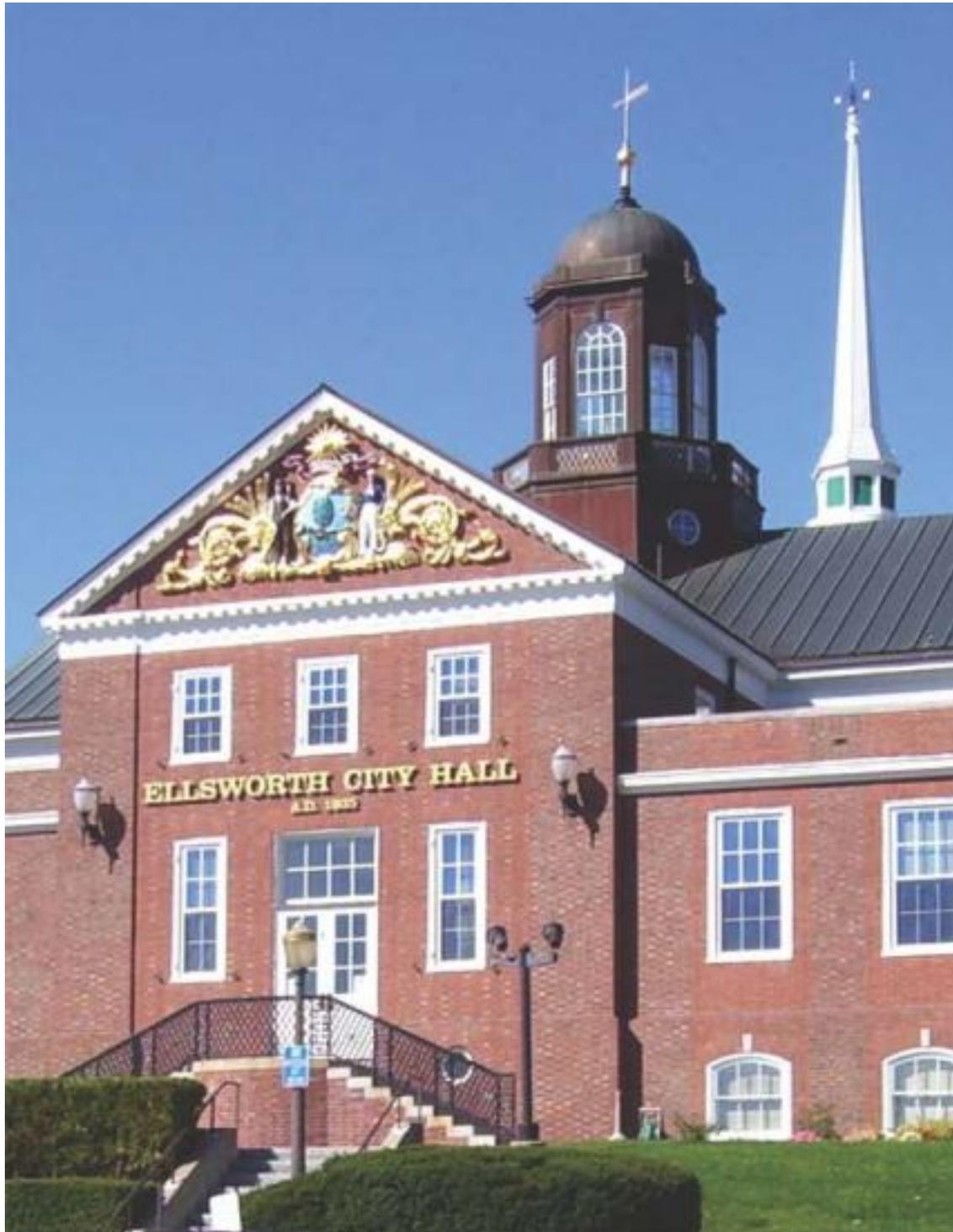


CITY OF ELLSWORTH, MAINE
COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the Fiscal Year Ending
June 30, 2014**

CITY OF ELLSWORTH, MAINE

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

Prepared by the Finance Department

CITY OF ELLSWORTH, MAINE
For the Fiscal Year Ended June 30, 2014
Comprehensive Annual Financial Report

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Comprehensive Annual Financial Report

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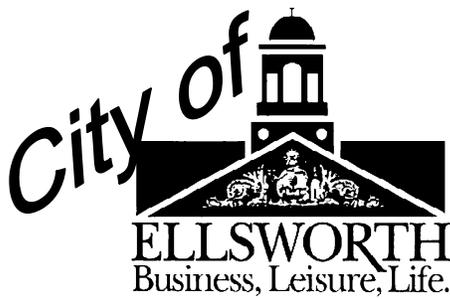
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INTRODUCTORY SECTION



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, 2014 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 unmodified 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 they are 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 2013-2014 is \$1,067,148,360, an approximate increase of .30 percent from the 2012-2013 tax assessment. Approximately 33 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 95 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 2014, the Capital Improvement budget included \$350,000 to fund street, sidewalk, and drainage improvements; \$5,000 to fund technology improvements; \$10,000 to fund Highway Garage improvements; \$15,000 to fund library improvements; \$347,850 to fund upgrades in police, fire, and highway equipment; and \$30,750 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 \$1.5 million in park funds through grants and private donations.

For the second parcel, the City Council members voted favorably in moving forward with plans for a \$4.6 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. This project was completed in December 2014.

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-income housing 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.

The Ellsworth residents voted favorably on a petition to withdraw from Regional School Unit #24 (RSU) and become a separate municipal school administrative unit comprised solely of Ellsworth. Representatives were appointed to the withdrawal committee according to state statute and are responsible for negotiating a withdrawal agreement with the RSU. An agreement that addressed the required statutory requirements was reached on March 20, 2013 and approved by the State of Maine Department of Education Commissioner. An election was held in November 2013 which determined that the Ellsworth voters were in favor of withdrawing from the RSU. In July 2014, the City of Ellsworth will once again, operate its own school department.

Significant Accomplishments of Fiscal Year 2014

- The City continued its own investment into public infrastructure by improving parking lots, streetscapes, water and sewer mains and local roads throughout the City.
- The City of Ellsworth was selected as the host site for the 50th Annual Maine State Federation of Firefighters Convention in September 2013. This milestone event brought a great economic boost to the City with thousands of participants.
- The City's sestercentennial (250th) celebration was held in August 2013.
- The City continued with Knowlton Park fundraising efforts in building a community park. Construction is expected to begin in October 2014.
- City Council approved the sale of a city-owned, two acre parcel located at the previous Moore School location. First Atlantic Health Care will construct a nursing home on this location.
- The City Council has approved the plan of establishing the Ellsworth Business Development Corporation. The purpose of this corporation is to engage in business development activities potentially including fostering new companies, encouraging companies to locate in the Ellsworth area, partnering with existing companies to expand their current operations in Ellsworth, and attempt to enhance the business climate.
- The City received a \$500,000 grant from the Maine Department of Environment Protection to provide grants for water quality protection and improvement projects.
- The City Council committed to the reconstruction of the Beechland Road. This project included right of way acquisitions, widening of the roadway, and complete reconstruction at a cost of \$2 million. The Maine Department of Transportation has committed \$500,000 for assistance with this project. The City will borrow \$1.5 million for this project and pay principal and interest payments with future TIF revenues.
- The City Council approved multiple recreational projects this year including the relocation and construction of new basketball courts, resurfacing of the public track, field renovations, and harbor dock improvements.
- The City Council approved the funding for the installation of a septage receiving screen at the Wastewater Treatment Plant. This project will allow the plant to accept more septage which helps capture more revenue for the Wastewater Department.
- The City Council approved the funding for the installation of an ultraviolet disinfection treatment system at the Water Treatment Plant to meet optimal water quality for the water users.

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 consists 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 unassigned 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 2nd consecutive 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. However, management has decided not to submit this report to GFOA for determination of its eligibility for another certificate this year. It was determined that the City will submit the CAFR every other year starting in FY 2015.

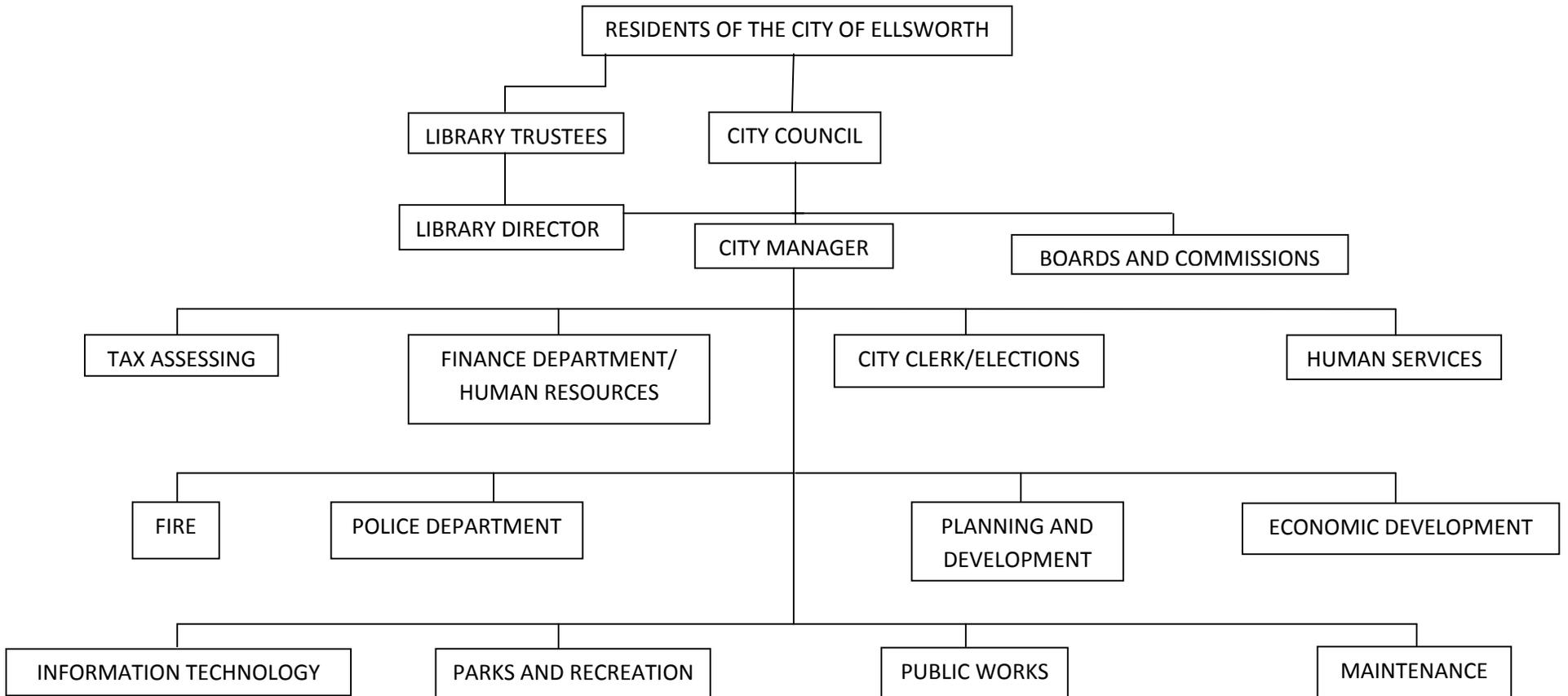
The preparation of this report would not have been possible without the various departments, as well as members of the Finance Office, providing the necessary information needed to complete this comprehensive annual financial report. Appreciation is also extended to the City Manager and the City Council 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,



Tammy Mote
Finance Director

CITY OF ELLSWORTH, MAINE
Organizational Chart



CITY OF ELLSWORTH, MAINE

List of Principal Officials
June 30, 2014

Elected Officials

John Phillips	City Council Chairperson
Gary Fortier	City Councilor
Stephen Beathem	City Councilor
Robert Crosthwaite	City Councilor
Marc Blanchette	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	Steve Joyal, 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
Micki Sumpter, Economic Development Director	

FINANCIAL SECTION

Independent Auditor's Report

To the City Council
City of Ellsworth, Maine

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ellsworth, Maine's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

City Council
City of Ellsworth, Maine

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2015 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* in considering the City of Ellsworth, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Remya Keaton Ouellette". The signature is written in a cursive, flowing style.

March 18, 2015
South Portland, Maine

CITY OF ELLSWORTH, MAINE
Management's Discussion and Analysis
June 30, 2014

As management of the City of Ellsworth, 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, 2014. 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 City's assets exceeded liabilities by approximately \$26 million as of June 30, 2014, compared to approximately \$23 million as of June 30, 2013.
- The City's governmental funds general fund balance was approximately \$4.1 million as of June 30, 2014, compared to approximately \$3.1 million as of June 30, 2013.
- The City's Fund Balance Ordinance requires general fund 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 12.4%.
- The City of Ellsworth incurred \$4,600,000 in additional short-term debt in the most recent fiscal year. This was issued as a bond anticipation note for the construction of the Moore Community Center. The bond anticipation note will be permanently financed in fiscal year 2015.
- At the close of fiscal year 2014, the City of Ellsworth's governmental funds financial statements reported a combined ending fund balance of approximately \$2 million.

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 basic 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 Position (Statement 1) and a Statement of Activities (Statement 2). 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 Position includes all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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).

CITY OF ELLSWORTH, MAINE
Management's Discussion and Analysis, Continued

The Statement of Net Position 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 certain services 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 (Statement 3) and the governmental fund statement of revenues, expenditures, and changes in fund balances (Statement 4) provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.
- The City of Ellsworth reports two major 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 other funds are considered to be nonmajor and are combined into a single aggregated presentation as "Other Governmental Funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements (Exhibit 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 (Exhibit A-2).
- Proprietary funds are used to account for the operations of the Water and Wastewater funds. Enterprise funds are the only type of proprietary funds maintained by the City. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Both the Water and Wastewater funds are considered major funds. The City of Ellsworth adopts annual budgets for each fund.
- 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. The City reports two types of fiduciary funds, agency funds and private-purpose trusts.

CITY OF ELLSWORTH, MAINE
Management's Discussion and Analysis, Continued

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic 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 net position for the years ended June 30, 2014 and 2013:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>2014</u>	<u>2013</u>	<u>Change</u>
Current and other assets	\$ 10,146,479	7,784,299	2,362,180	358,307	1,405,658	(1,047,351)
Capital assets	<u>56,295,651</u>	<u>54,901,172</u>	<u>1,394,479</u>	<u>34,633,072</u>	<u>33,931,821</u>	<u>701,251</u>
Total Assets	66,442,130	62,685,471	3,756,659	34,991,379	35,337,479	(346,100)
Long-term liabilities	34,233,898	37,550,701	(3,316,803)	13,107,152	13,838,432	(731,280)
Other liabilities	<u>6,200,593</u>	<u>1,432,434</u>	<u>4,768,159</u>	<u>513,688</u>	<u>641,116</u>	<u>(127,428)</u>
Total Liabilities	40,434,491	38,983,135	1,451,356	13,620,840	14,479,548	(858,708)
Net position:						
Net investment in						
capital assets	23,159,164	18,480,914	4,678,250	21,639,916	20,181,719	1,458,197
Restricted	1,596,192	1,707,028	(110,836)	496,428	1,171,051	(674,623)
Unrestricted	<u>1,252,283</u>	<u>3,269,274</u>	<u>(2,016,991)</u>	<u>(765,805)</u>	<u>(624,004)</u>	<u>(141,801)</u>
Total Net Position	<u>\$ 26,007,639</u>	<u>23,457,216</u>	<u>2,550,423</u>	<u>21,370,539</u>	<u>20,728,766</u>	<u>641,773</u>

Governmental activity assets exceeded liabilities by \$26,007,639. Business-type activity assets exceeded liabilities by \$21,370,539 for a City-wide total net position of \$47,378,178 at the close of the most recent fiscal year.

The largest portion of the City of Ellsworth's net position (95%) 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 position (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position for both governmental and business-type activities (1%) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Ellsworth is able to report positive balances in all categories of net position for the governmental activities. However, the business-type activities report a deficit of \$765,805 in the unrestricted net position 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.

CITY OF ELLSWORTH, MAINE
Management's Discussion and Analysis, Continued

The following schedule is a summary of the statement of activities for the years ended June 30, 2014 and 2013:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>2014</u>	<u>2013</u>	<u>Change</u>
Revenues:						
Program revenues:						
Charges for services	\$ 717,380	825,037	(107,657)	2,054,574	1,898,852	155,722
Operating grants and contributions	3,707,843	3,308,080	399,763	-	-	-
Capital grants and contributions	390,406	212,885	177,521	243,246	2,581,046	(2,337,800)
General revenues:						
Taxes	18,699,094	17,879,938	819,156	-	-	-
Intergovernmental	732,324	872,243	(139,919)	-	-	-
Investment	187,581	76,332	111,249	20,945	-	20,945
All others	(540,195)	(509,945)	(30,250)	387,112	288,918	98,194
Total Revenues	<u>23,894,433</u>	<u>22,664,570</u>	<u>1,229,863</u>	<u>2,705,877</u>	<u>4,768,816</u>	<u>(2,062,939)</u>
Expenses:						
General government	2,355,298	2,195,898	159,400	-	-	-
Public safety	2,740,831	2,552,364	188,467	-	-	-
Municipal buildings	267,378	233,972	33,406	-	-	-
Culture and recreation	694,647	690,619	4,028	-	-	-
General assistance	89,661	41,982	47,679	-	-	-
Public works	1,991,906	1,974,312	17,594	-	-	-
County tax	419,748	418,665	1,083	-	-	-
Education	9,936,799	9,676,685	260,114	-	-	-
Unclassified	1,702,321	1,991,840	(289,519)	-	-	-
Interest on long-term debt	1,145,421	1,307,202	(161,781)	-	-	-
Water and Wastewater	-	-	-	2,064,104	1,866,596	197,508
Total Expenses	<u>21,344,010</u>	<u>21,083,539</u>	<u>260,471</u>	<u>2,064,104</u>	<u>1,866,596</u>	<u>197,508</u>
Change in Net Position	<u>\$ 2,550,423</u>	<u>1,581,031</u>	<u>969,392</u>	<u>641,773</u>	<u>2,902,220</u>	<u>(2,260,447)</u>

The cost of all governmental activities was approximately \$21.3 million. As shown on the Statement of Activities, the total amount financed by the City's taxpayers was approximately 18.7 million, or 78 percent of total revenues. Those who directly benefit from an activity provided \$717,380 in payments. Other governments and organizations subsidized certain activities with operating grants and contributions in the amount of \$3,707,843. Capital grants and contributions accounted for \$390,406. The City also received \$919,905 in other general revenues such as State Revenue Sharing, homestead exemptions, and investment earnings.

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 approximately \$2.76 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 2015.

CITY OF ELLSWORTH, MAINE
Management’s Discussion and Analysis, Continued

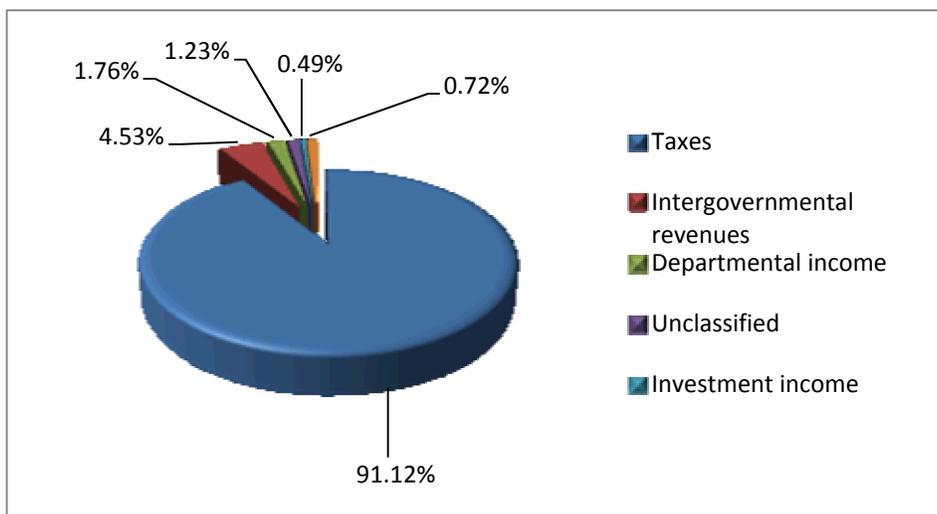
As of the end of the current fiscal year, the City of Ellsworth’s governmental funds reported combined ending fund balances at June 30, 2014 of \$2,045,814, a decrease of \$1,430,834. A portion of the fund balance (\$2,933,563) is not available for new spending because it is either non-expendable investment principal (\$636,751), has been assigned to liquidate contracts and purchase orders of the prior period (\$1,337,371), or is restricted for special revenues and permanent funds (\$959,441).

The decrease in the governmental funds ending fund balance is due to the following reasons: 1) the Capital Projects Fund decreased \$2,549,935 due to a timing issue as the City borrowed \$4.6 million for a bond anticipation note that was recorded as a liability (upon permanent financing, \$4.6 million will be recorded as a revenue); and 2) the general fund increased \$1,013,966 which is mainly attributable to the repayment of fund balance that was used the previous year for engineering services for the Moore Community Center. The City also placed a “spending freeze” on the budget in February due to increased costs associated with the inclement Maine weather and the amount of overtime, salt, sand, and vehicle repairs associated with plowing of the Ellsworth roadways.

General fund - 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, 2014 was \$2,756,380, as compared to \$1,766,383 of the previous year, which is an increase of \$989,997.

Total expenditures in the general fund, not including other financing uses, increased \$186,853, or 1.01 percent. The increases in expenditures were due to the increase in educational assessment and contractual requirements. Total revenues in the general fund, on a budgetary basis, increased from the prior year by \$1,023,079, or 5.24 percent, mainly due to the increase in the tax levy due to overall increased costs for education and contractual requirements.

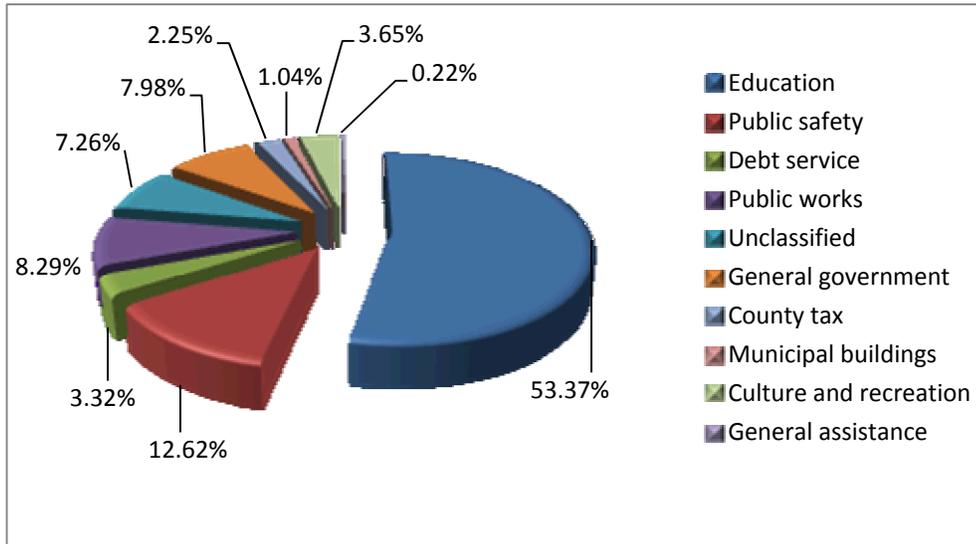
The City’s general fund revenues were as follows:



On a budgetary basis, the total general operating revenues increased by \$1,023,079. The largest single source of revenue continues to be the property tax. There was an increase in the assessed value by .30 percent which is attributable to a minimal increase in development from the prior fiscal year. As the above operating fund revenue graph demonstrates, 91.12% of the revenues come from taxes and 8.88% from the remaining categories.

CITY OF ELLSWORTH, MAINE
Management's Discussion and Analysis, Continued

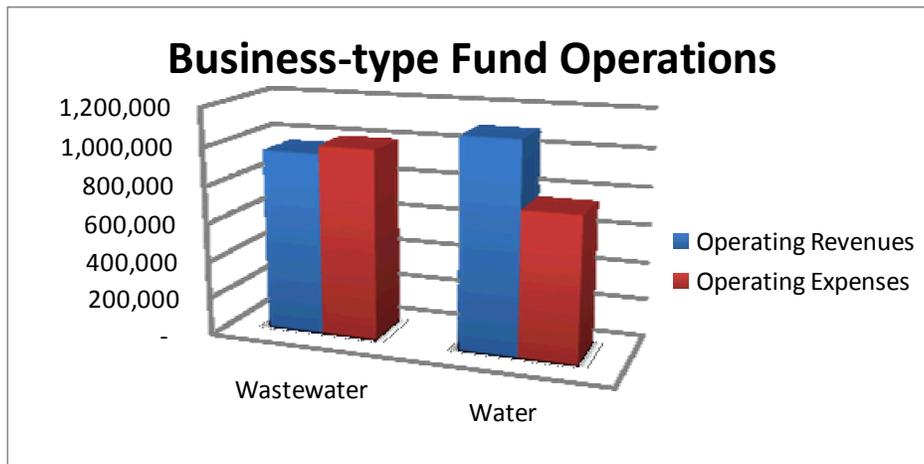
The City's general fund expenditures were as follows:



This graph reflects current year expenditures. Education accounted for 44.36% of the expenditures and municipal services represented 55.64% of the expenditures.

Business-type Activities

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



Unrestricted net position of the City's Wastewater Fund amounted to (\$1,811,957), a decrease of \$85,347. The City's Water Fund unrestricted net position amounted to \$1,046,152, a decrease of \$59,453.

General Fund Budgetary Highlights

The General Fund's revenues represent a positive variance of \$462,643 between the original and actual budget. This is mainly due to greater-than-expected excise taxes, intergovernmental revenues, and unbudgeted unclassified revenues.

CITY OF ELLSWORTH, MAINE
Management's Discussion and Analysis, Continued

There is a \$470,841 variance between the original and actual budget of the General Fund's 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.

Capital Assets

The City of Ellsworth's capital assets for its governmental-type activities as of June 30, 2014 amounts to \$70,625,289 and \$45,988,479 for its business-type activities. Accumulated depreciation as of June 30, 2014 amounts to \$14,329,638 for governmental activities and \$11,355,407 for 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 E of this report.

Long-term Liabilities

At the end of the current fiscal year, the City of Ellsworth had total long-term debt of \$46,129,643. Of this amount, \$2,547,984 is remaining for road construction projects, revaluation, financial software, and fire equipment; \$12,993,156 is for business-type activities. In 2010, the City of Ellsworth issued two School Construction Bonds in the amount of \$36,323,847 for 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 Regional School Unit #24. The remaining balance for these bonds at June 30, 2014 is \$30,588,503.

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

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 \$155,400,000 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.

CITY OF ELLSWORTH, MAINE
Management's Discussion and Analysis, Continued

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.

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 have 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, continued upgrades to the City's water mains, reconstruction of local roads, the design of a new community park, and the completion of the senior center.

The City of Ellsworth received a rating review by Standard & Poor's in August 2014 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 2015 budget, the City Council's goal was to minimize any tax rate increase. The City was able to maintain a small increase of 2.71 percent over the prior year. As of July 1, 2014, the City was, once again, operating a school department as a department of the City. This is the first year since 2009 that the City has had a School Department where the City Council could participate in the school budgeting process.

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, One City Hall Plaza, Ellsworth, Maine 04605.

BASIC FINANCIAL STATEMENTS

CITY OF ELLSWORTH, MAINE
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,457,840	\$ 100	\$ 4,457,940
Investments	1,871,561	243,673	2,115,234
Receivables:			
Taxes receivable - current year	39,396	-	39,396
Taxes receivable - prior years	44,082	-	44,082
Tax liens - current year	893,581	-	893,581
Tax liens - prior years	414,063	-	414,063
Accounts receivable	454,628	432,800	887,428
Internal balances	819,560	(819,560)	-
Inventory	-	4,866	4,866
Cash restricted for capital projects	-	290,961	290,961
Accounts receivable restricted for capital projects	-	205,467	205,467
Receivable - RSU #24 debt service payments	1,151,768	-	1,151,768
Capital assets, not being depreciated	5,265,158	22,606,142	27,871,300
Capital assets, net of accumulated depreciation	51,030,493	12,026,930	63,057,423
Total assets	<u>66,442,130</u>	<u>34,991,379</u>	<u>101,433,509</u>
LIABILITIES			
Accounts payable	1,060,403	359,946	1,420,349
Accrued liabilities	198,572	8,681	207,253
Taxes collected in advance	142,122	-	142,122
Escrow deposit	1,700	-	1,700
Bond anticipation note	4,600,000	-	4,600,000
Accrued interest	197,796	145,061	342,857
Noncurrent liabilities:			
Due within one year	2,709,773	933,005	3,642,778
Due in more than one year	31,524,125	12,174,147	43,698,272
Total liabilities	<u>40,434,491</u>	<u>13,620,840</u>	<u>54,055,331</u>
NET POSITION			
Net investment in capital assets	23,159,164	21,639,916	44,799,080
Restricted for:			
Permanent funds - Nonexpendable principal	636,751	-	636,751
Capital projects	-	496,428	496,428
Special revenue funds	672,453	-	672,453
Permanent funds	286,988	-	286,988
Unrestricted	1,252,283	(765,805)	486,478
Total net position	<u>\$ 26,007,639</u>	<u>\$ 21,370,539</u>	<u>\$ 47,378,178</u>

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Activities
For the Year Ended June 30, 2014

Function/Programs	Program Revenues				Net (expense) revenue and changes in net position		
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business -type activities	
Primary government							
Governmental activities:							
General government	\$ 2,355,298	313,186	3,100	-	(2,039,012)	-	(2,039,012)
Public safety	2,740,831	30,379	438,572	-	(2,271,880)	-	(2,271,880)
Municipal buildings	267,378	150	-	-	(267,228)	-	(267,228)
Culture and recreation	694,647	46,469	6,897	65,000	(576,281)	-	(576,281)
General assistance	89,661	-	60,173	-	(29,488)	-	(29,488)
Public works	1,991,906	252,110	187,936	-	(1,551,860)	-	(1,551,860)
County tax	419,748	-	-	-	(419,748)	-	(419,748)
Education	9,936,799	-	2,990,165	-	(6,946,634)	-	(6,946,634)
Investment fees	6,945	-	-	-	(6,945)	-	(6,945)
Unclassified	1,695,376	75,086	21,000	325,406	(1,273,884)	-	(1,273,884)
Interest on long-term debt	1,145,421	-	-	-	(1,145,421)	-	(1,145,421)
Total governmental activities	<u>21,344,010</u>	<u>717,380</u>	<u>3,707,843</u>	<u>390,406</u>	<u>(16,528,381)</u>	<u>-</u>	<u>(16,528,381)</u>
Business-type activities:							
Wastewater	1,267,835	957,420	-	243,246	-	(67,169)	(67,169)
Water	796,269	1,097,154	-	-	-	300,885	300,885
Total business-type activities	<u>2,064,104</u>	<u>2,054,574</u>	<u>-</u>	<u>243,246</u>	<u>-</u>	<u>233,716</u>	<u>233,716</u>
Total primary government	\$ <u>23,408,114</u>	<u>2,771,954</u>	<u>3,707,843</u>	<u>633,652</u>	<u>(16,528,381)</u>	<u>233,716</u>	<u>(16,294,665)</u>
General revenues:							
Property taxes, levied for general purposes					\$ 17,171,651	-	17,171,651
Motor vehicle excise taxes					1,424,038	-	1,424,038
Interest and costs on taxes					103,405	-	103,405
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					368,989	-	368,989
Homestead exemption					147,164	-	147,164
Other State aid					216,171	-	216,171
Unrestricted investment earnings					187,581	20,945	208,526
Miscellaneous revenues					36,671	-	36,671
Gain (loss) on disposal of assets					(191,226)	1,472	(189,754)
Transfers					(385,640)	385,640	-
Total general revenues and transfers					<u>19,078,804</u>	<u>408,057</u>	<u>19,486,861</u>
Change in net position					2,550,423	641,773	3,192,196
Net position, beginning of year, as restated					<u>23,457,216</u>	<u>20,728,766</u>	<u>44,185,982</u>
Net position, end of year	\$ <u>26,007,639</u>	<u>21,370,539</u>	<u>47,378,178</u>				

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,366,829	-	91,011	4,457,840
Investments	1,008,994	-	862,567	1,871,561
Receivables:				
Taxes receivable - current year	39,396	-	-	39,396
Taxes receivable - prior year	44,082	-	-	44,082
Tax liens - current year	893,581	-	-	893,581
Tax liens - prior year	414,063	-	-	414,063
Accounts receivable	404,628	-	50,000	454,628
Receivable - RSU #24 debt service payments	1,151,768	-	-	1,151,768
Interfund receivable	-	2,756,697	368,889	3,125,586
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ 8,323,341	2,756,697	1,372,467	12,452,505
LIABILITIES				
Accounts payable	\$ 924,620	76,003	395	1,001,018
Accrued liabilities	198,572	-	-	198,572
Taxes collected in advance	142,122	-	-	142,122
Escrow deposit	1,700	-	-	1,700
Bond anticipation note	-	4,600,000	-	4,600,000
Interfund payable	864,708	-	1,500,703	2,365,411
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	2,131,722	4,676,003	1,501,098	8,308,823
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	946,100	-	-	946,100
Unavailable revenue - RSU #24 debt service payments	1,151,768	-	-	1,151,768
Total deferred inflows of resources	2,097,868	-	-	2,097,868
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	636,751	636,751
Restricted for:				
Special revenues	-	-	672,453	672,453
Permanent funds	-	-	286,988	286,988
Assigned				
General fund	1,337,371	-	-	1,337,371
Unassigned				
General fund	2,756,380	-	-	2,756,380
Capital projects	-	(1,919,306)	-	(1,919,306)
Special revenues	-	-	(1,724,823)	(1,724,823)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficits)	4,093,751	(1,919,306)	(128,631)	2,045,814
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,323,341	2,756,697	1,372,467	12,452,505

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2014

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 18,732,994	-	-	18,732,994
Licenses and permits	179,333	-	25,400	204,733
Intergovernmental revenues	3,920,598	-	355,287	4,275,885
Departmental income	360,958	-	-	360,958
Donations and fundraising	-	-	486,588	486,588
Other grants	-	-	3,100	3,100
Unclassified	253,360	-	-	253,360
Investment income	100,918	-	86,663	187,581
Total revenues	<u>23,548,161</u>	<u>-</u>	<u>957,038</u>	<u>24,505,199</u>
Expenditures				
Current:				
General government	1,486,237	-	-	1,486,237
Public safety	2,348,994	-	248,029	2,597,023
Municipal buildings	193,698	-	-	193,698
Culture and recreation	679,615	-	4,650	684,265
General assistance	39,661	-	50,000	89,661
Public works	1,543,202	-	11,000	1,554,202
County tax	419,748	-	-	419,748
Education	9,936,799	-	-	9,936,799
Investment fees	-	-	6,945	6,945
Unclassified	1,352,589	-	72,063	1,424,652
Debt service:				
Principal	2,432,788	-	200,000	2,632,788
Interest	1,176,284	-	-	1,176,284
Capital outlays	-	3,337,516	10,575	3,348,091
Total expenditures	<u>21,609,615</u>	<u>3,337,516</u>	<u>603,262</u>	<u>25,550,393</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,938,546</u>	<u>(3,337,516)</u>	<u>353,776</u>	<u>(1,045,194)</u>
Other financing sources (uses)				
Transfers in	426,644	944,006	534,018	1,904,668
Transfers out	<u>(1,351,224)</u>	<u>(156,425)</u>	<u>(782,659)</u>	<u>(2,290,308)</u>
Total other financing sources (uses)	<u>(924,580)</u>	<u>787,581</u>	<u>(248,641)</u>	<u>(385,640)</u>
Net change in fund balances	1,013,966	(2,549,935)	105,135	(1,430,834)
Fund balances (deficits), beginning of year, as restated	<u>3,079,785</u>	<u>630,629</u>	<u>(233,766)</u>	<u>3,476,648</u>
Fund balances (deficits), end of year	<u>\$ 4,093,751</u>	<u>(1,919,306)</u>	<u>(128,631)</u>	<u>2,045,814</u>

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2014

Total fund balances - governmental funds (from Statement 3) \$ 2,045,814

Amounts reported for governmental activities in the statement of net position 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 of unavailable property taxes in the governmental funds is:

946,100

Long-term assets are not available in the current period and therefore are not reported as assets in the governmental funds. The balance of unavailable revenue related to RSU #24 debt service payments in the governmental funds is:

1,151,768

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:

56,295,651

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

Bonds and notes payable	(33,136,487)
Other postemployment benefits obligation	(492,226)
Accrued compensated absences	(605,185)
Accrued interest payable	(197,796)
	(34,431,694)

(34,431,694)

Total net position - governmental activities (see Statement 1) \$ 26,007,639

See accompanying notes to basic 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
For the Year Ended June 30, 2014

Net change in fund balances - total governmental funds (from Statement 4) \$ (1,430,834)

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 unavailable property tax revenue is reported in the governmental funds and not in the statement of activities. (33,900)

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. (726,986)

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	\$ 3,078,346	
Depreciation expense	<u>(1,492,644)</u>	
		1,585,702

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.

Loss on disposal of capital assets		(191,226)
------------------------------------	--	-----------

Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments. 3,359,773

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 funds:

Change in OPEB obligation	(51,497)	
Change in accrued compensated absences	8,527	
Change in accrued interest payable	<u>30,864</u>	
		<u>(12,106)</u>

Change in net position of governmental activities (see Statement 2) \$ 2,550,423

See accompanying notes to basic 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, 2014

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Taxes	\$ 18,460,731	18,490,116	18,732,994	242,878
Licenses and permits	143,500	143,500	179,333	35,833
Intergovernmental revenues	865,127	865,127	930,433	65,306
Departmental income	397,200	397,200	360,958	(36,242)
Unclassified	119,410	119,410	253,360	133,950
Investment income	80,000	80,000	100,918	20,918
Total revenues	<u>20,065,968</u>	<u>20,095,353</u>	<u>20,557,996</u>	<u>462,643</u>
Expenditures				
Current:				
General government	1,300,858	1,485,118	1,486,237	(1,119)
Public safety	2,392,969	2,399,572	2,348,994	50,578
Municipal buildings	181,225	209,811	193,698	16,113
Culture and recreation	775,578	775,578	679,615	95,963
General assistance	48,370	48,970	39,661	9,309
Public works	1,589,078	1,619,218	1,543,202	76,016
County tax	419,748	419,748	419,748	-
Education	10,039,889	10,039,889	9,936,799	103,090
Unclassified	1,493,683	1,473,400	1,352,589	120,811
Debt service:				
Principal	604,787	604,787	592,992	11,795
Interest	14,200	14,200	25,915	(11,715)
Total expenditures	<u>18,860,385</u>	<u>19,090,291</u>	<u>18,619,450</u>	<u>470,841</u>
Excess of revenues over expenditures	1,205,583	1,005,062	1,938,546	933,484
Other financing sources (uses)				
Transfers in	79,000	179,000	426,644	247,644
Transfers out	(1,284,583)	(1,292,983)	(1,351,224)	(58,241)
Use of fund balance	-	108,921	-	(108,921)
Total other financing uses	<u>(1,205,583)</u>	<u>(1,005,062)</u>	<u>(924,580)</u>	<u>80,482</u>
Net change in fund balance	-	-	1,013,966	1,013,966
Fund balance, beginning of year, as restated			<u>3,079,785</u>	
Fund balance, end of year			<u>\$ 4,093,751</u>	

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Net Position
Proprietary Funds - Enterprise Funds
June 30, 2014

	Waste- water	Water	Total
ASSETS			
Current assets:			
Cash	\$ -	100	100
Investments	243,659	14	243,673
Accounts receivable - trade	314,805	88,976	403,781
Liens receivable	29,019	-	29,019
Inventory	4,866	-	4,866
Interfund receivable	-	1,050,041	1,050,041
Total current assets	<u>592,349</u>	<u>1,139,131</u>	<u>1,731,480</u>
Noncurrent assets:			
Restricted:			
Cash restricted for capital projects	290,961	-	290,961
Accounts receivable restricted for capital projects	205,467	-	205,467
Total restricted	<u>496,428</u>	<u>-</u>	<u>496,428</u>
Capital assets:			
Land	-	1,693,299	1,693,299
Construction in progress	20,674,351	238,492	20,912,843
Capital assets, being depreciated	11,065,322	12,317,015	23,382,337
Accumulated depreciation	(7,661,423)	(3,693,984)	(11,355,407)
Total capital assets, net	<u>24,078,250</u>	<u>10,554,822</u>	<u>34,633,072</u>
Total noncurrent assets	<u>24,574,678</u>	<u>10,554,822</u>	<u>35,129,500</u>
Total assets	<u>25,167,027</u>	<u>11,693,953</u>	<u>36,860,980</u>
LIABILITIES			
Current liabilities:			
Accounts payable	356,476	3,470	359,946
Accrued payroll and related liabilities	4,567	4,114	8,681
Accrued interest	135,089	9,972	145,061
Interfund payable	1,869,601	-	1,869,601
Current portion of bonds and notes payable	531,473	401,532	933,005
Total current liabilities	<u>2,897,206</u>	<u>419,088</u>	<u>3,316,294</u>
Noncurrent liabilities:			
Accrued compensated absences	38,573	75,423	113,996
Bonds and notes payable	9,773,113	2,287,038	12,060,151
Total noncurrent liabilities	<u>9,811,686</u>	<u>2,362,461</u>	<u>12,174,147</u>
Total liabilities	<u>12,708,892</u>	<u>2,781,549</u>	<u>15,490,441</u>
NET POSITION			
Net investment in capital assets	13,773,664	7,866,252	21,639,916
Restricted for capital projects - expendable	496,428	-	496,428
Unrestricted	(1,811,957)	1,046,152	(765,805)
Total net position	<u>\$ 12,458,135</u>	<u>8,912,404</u>	<u>21,370,539</u>

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds - Enterprise Funds
For the Year Ended June 30, 2014

	<u>Waste- water</u>	<u>Water</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 917,072	1,097,026	2,014,098
Miscellaneous	40,348	128	40,476
Total operating revenues	<u>957,420</u>	<u>1,097,154</u>	<u>2,054,574</u>
Operating expenses:			
Personnel	253,666	254,487	508,153
Contract services	194,870	68,763	263,633
Supplies, maintenance and repairs	111,995	59,589	171,584
Utilities	254,161	64,841	319,002
Miscellaneous	1,404	91,645	93,049
Depreciation	182,219	212,505	394,724
Total operating expenses	<u>998,315</u>	<u>751,830</u>	<u>1,750,145</u>
Operating income (loss)	(40,895)	345,324	304,429
Nonoperating revenues (expenses)			
Gain on disposal of assets	1,472	-	1,472
Interest revenue	11,328	9,617	20,945
Interest expense	(269,520)	(44,439)	(313,959)
Total nonoperating expenses	<u>(256,720)</u>	<u>(34,822)</u>	<u>(291,542)</u>
Income (loss) before other revenues and transfers	<u>(297,615)</u>	<u>310,502</u>	<u>12,887</u>
Other revenues and transfers			
Capital contributions	243,246	-	243,246
Transfers	229,215	156,425	385,640
Other revenues and transfers	<u>472,461</u>	<u>156,425</u>	<u>628,886</u>
Change in net position	174,846	466,927	641,773
Net position, beginning of year, as restated	<u>12,283,289</u>	<u>8,445,477</u>	<u>20,728,766</u>
Net position, end of year	<u>\$ 12,458,135</u>	<u>8,912,404</u>	<u>21,370,539</u>

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Cash Flows
Proprietary Funds - Enterprise Funds
For the Year Ended June 30, 2014

	Waste- water	Water	Total
Cash flows from operating activities:			
Receipts from customers	\$ 958,502	1,037,140	1,995,642
Payments to suppliers	(551,783)	(515,488)	(1,067,271)
Payments to employees	(311,480)	(251,157)	(562,637)
Net cash provided by operating activities	<u>95,239</u>	<u>270,495</u>	<u>365,734</u>
Cash flows from noncapital financing activities:			
Transfers	229,215	156,425	385,640
Net change in interfunds	<u>324,820</u>	<u>(282,921)</u>	<u>41,899</u>
Net cash provided by (used in) noncapital financing activities	<u>554,035</u>	<u>(126,496)</u>	<u>427,539</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(757,151)	(337,352)	(1,094,503)
Principal payments on bonds and notes	(526,113)	(401,533)	(927,646)
Interest paid on bonds and notes	(291,541)	(53,662)	(345,203)
Proceeds from capital contributions	<u>894,745</u>	<u>-</u>	<u>894,745</u>
Net cash used in capital and related financing activities	<u>(680,060)</u>	<u>(792,547)</u>	<u>(1,472,607)</u>
Cash flows from investing activities:			
(Purchase) sale of investments	(3,666)	2,400	(1,266)
Investment income	<u>11,328</u>	<u>9,617</u>	<u>20,945</u>
Net cash provided by investing activities	<u>7,662</u>	<u>12,017</u>	<u>19,679</u>
Net decrease in cash	(23,124)	(636,531)	(659,655)
Cash, beginning of year	<u>314,085</u>	<u>636,631</u>	<u>950,716</u>
Cash, end of year	<u>\$ 290,961</u>	<u>100</u>	<u>291,061</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (40,895)	345,324	304,429
Adjustment to reconcile changes in operating income to net cash provided by operating activities:			
Depreciation	182,219	212,505	394,724
Increase in accounts receivable	(14,255)	(60,014)	(74,269)
Decrease in liens receivable	15,337	-	15,337
Increase in inventory	(384)	-	(384)
Increase (decrease) in accounts payable	11,031	(230,650)	(219,619)
Decrease in accrued liabilities	(33,630)	(46,521)	(80,151)
Increase (decrease) in accrued compensated absences	<u>(24,184)</u>	<u>49,851</u>	<u>25,667</u>
Net cash provided by operating activities	<u>\$ 95,239</u>	<u>270,495</u>	<u>365,734</u>

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Agency Funds	Private-purpose Trusts
ASSETS		
Investments	\$ 264,217	839,608
Interfund receivable	-	59,385
Total assets	264,217	898,993
LIABILITIES		
Held for cemetery association	264,217	-
Total liabilities	264,217	-
NET POSITION		
Held in trust	\$ -	898,993

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	Private-purpose Trusts
ADDITIONS	
Interest income	28,910
Increase in investment fair market value	116,207
Donations and other	40,995
Total additions	186,112
DEDUCTIONS	
Library expenses	42,678
Total deductions	42,678
Change in net position	143,434
Net position, beginning of year, as restated	755,559
Net position, end of year	\$ 898,993

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements

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). The more significant accounting policies established in GAAP and used by the City are discussed below.

Financial Reporting Entity

This report includes all funds of the City of Ellsworth, Maine. An analysis of certain criteria was made to determine if other governmental units should be included in this report. In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointing of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of the type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens.

It is the City's judgment, based on all pertinent facts derived from the analysis of these criteria, that there are no entities that would be considered potential component units within the City of Ellsworth that should be included as part of these financial statements.

Basis of Presentation

Government-wide Financial Statements

The statement of net position 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.

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.

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, deferred inflows of resources, 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 position, 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.

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.

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 position for agency funds and the changes in net position 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 Fund 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.

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.

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.

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

Investments are stated at fair value. Pursuant to the City's investment policy, the maturity date of new investments shall not be further than the time the City anticipates that it will need the funds. To maintain liquidity, new investments, excluding reserve and trust investments, shall have a maturity of one year or less for City operating funds.

Inventories

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

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2014 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 calculated 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.

Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arise under a modified accrual basis of accounting that qualifies for reporting in this category. They are unavailable revenue from property taxes and unavailable revenue from Regional School Unit #24 debt service payments, which are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations

In the government-wide financial statements 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 position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the straight-line method.

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

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. 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.

Overspent Appropriations

The following appropriations were overspent for the year ended June 30, 2014:

General government	\$1,119
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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 31, 2013, on the assessed value listed as of April 1, 2013, for all real and personal property located in the City. Taxes were due September 12, 2013 and March 13, 2014. Interest on unpaid taxes commenced on September 13, 2013 and March 14, 2014, 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 unavailable 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 \$6,527 for the year ended June 30, 2014.

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

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Government-wide Net Position

Government-wide net position is divided into three components:

Net investment in capital assets - consists of the historical cost of capital assets less accumulated depreciation and outstanding debt, and adding back any unspent bond proceeds.

Restricted net position - consists of net position that is 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 position is 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.

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 expended in the governmental financial statements when termination or retirement of the employee occurs.

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE B - CASH AND INVESTMENTS

Custodial Credit Risk

At June 30, 2014, the carrying amount of the City's deposits was \$4,748,901 and the bank balance was \$7,891,883. 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, 2014, \$78,079 of the City's bank balance was exposed to custodial credit risk. The remaining bank balance were either covered by the FDIC or by additional protection purchased on behalf of the City by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 4,457,840
Reported in proprietary funds	<u>291,061</u>

<u>Total deposits</u>	<u>\$ 4,748,901</u>
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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, 2014, 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	\$ 927,423	-	35,066	620,193	272,164
Corporate bonds	666,405	-	81,510	497,892	87,003
Common stock	1,162,676	1,162,676	-	-	-
Money market	105,352	105,352	-	-	-
Mutual funds	<u>357,203</u>	<u>357,203</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$3,219,059</u>	<u>1,625,231</u>	<u>116,576</u>	<u>1,118,085</u>	<u>359,167</u>

Investments have been reported as follows:

Reported in governmental funds	\$ 1,871,561
Reported in proprietary funds	243,673
Reported in fiduciary funds	<u>1,103,825</u>

<u>Total investments</u>	<u>\$ 3,219,059</u>
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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, 2014, the City had the following credit quality distribution in corporate bonds:

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE B - CASH AND INVESTMENTS, CONTINUED

<u>Standard & Poor Rating</u>	<u>Fair Value</u>
AA	\$ 108,921
AA-	216,706
A+	136,378
A	20,516
A-	<u>183,884</u>
Total corporate bonds	<u>\$ 666,405</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, 2014, the City held individually \$205,428 of Camden National Corporation common stock, which represented more than 5% of total investments.

NOTE C – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2014 consisted of the following amounts:

	Transfers In	Transfers Out	
Governmental activities:			
General Fund:			
TIF District	\$ 416,840	\$ (534,018)	
Capital Projects Fund	-	(817,206)	
School Construction	<u>9,804</u>	<u>-</u>	
	<u>426,644</u>	<u>(1,351,224)</u>	(924,580)
Capital Projects Fund:			
General Fund	817,206	-	
TIF District	126,800	-	
Water Fund	<u>-</u>	<u>(156,425)</u>	
	<u>944,006</u>	<u>(156,425)</u>	787,581
Special Revenues Fund:			
General Fund	534,018	(426,644)	
Capital Projects Fund	-	(126,800)	
Wastewater Fund	<u>-</u>	<u>(229,215)</u>	
	<u>534,018</u>	<u>(782,659)</u>	<u>(248,641)</u>
Net governmental activities			<u><u>\$ (385,640)</u></u>
Business-type activities:			
Wastewater Fund	229,215		
Water Fund	<u>156,425</u>	<u>-</u>	
	<u>385,640</u>	<u>-</u>	<u>385,640</u>
Net Business-type activities			<u><u>\$ 385,640</u></u>

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

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE D - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2014 consisted of the following fund receivables and payables:

	Due From	Due To	
Governmental activities:			
General Fund:			
Capital Projects Fund	\$ -	(2,756,697)	
Special Revenues	1,500,703	(368,889)	
Wastewater Fund	1,869,601	-	
Water Fund	-	(1,050,041)	
Private-purpose Trust	-	(59,385)	
	3,370,304	(4,235,012)	(864,708)
Capital Projects Fund:			
General Fund	2,756,697	-	
	2,756,697	-	2,756,697
Special Revenues Fund:			
General Fund	368,889	(1,500,703)	
	368,889	(1,500,703)	(1,131,814)
Net governmental activities			760,175
Business-type activities:			
Enterprise Funds:			
Wastewater Fund:			
General Fund	-	(1,869,601)	
	-	(1,869,601)	(1,869,601)
Water Fund:			
General Fund	1,050,041	-	
	1,050,041	-	1,050,041
Net business-type activities			(819,560)
Fiduciary funds			
General Fund	59,385	-	
	59,385	-	59,385
Net fiduciary funds			\$ 59,385

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 position.

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE E - CAPITAL ASSETS

A summary of capital asset transactions for the year ended June 30, 2014 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retired/ Completed</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,639,210	21,000	12,556	1,647,654
Construction in progress	<u>1,237,530</u>	<u>2,521,202</u>	<u>141,228</u>	<u>3,617,504</u>
Total capital assets, not being depreciated	2,876,740	2,542,202	153,784	5,265,158
Capital assets, being depreciated				
Buildings and improvements	42,055,679	141,228	37,669	42,159,238
Vehicles, furniture, and equipment	5,516,750	394,916	44,548	5,867,118
Infrastructure	<u>17,333,775</u>	<u>-</u>	<u>-</u>	<u>17,333,775</u>
Total capital assets, being depreciated	64,906,204	536,144	82,217	65,360,131
Less accumulated depreciation for:				
Buildings and improvements	4,946,352	844,894	20,341	5,770,905
Vehicles, furniture, and equipment	2,330,722	308,201	24,434	2,614,489
Infrastructure	<u>5,604,695</u>	<u>339,549</u>	<u>-</u>	<u>5,944,244</u>
Total accumulated depreciation	<u>12,881,769</u>	<u>1,492,644</u>	<u>44,775</u>	<u>14,329,638</u>
Total capital assets, being depreciated, net	<u>52,024,435</u>	<u>(956,500)</u>	<u>37,442</u>	<u>51,030,493</u>
Governmental activities capital assets, net	<u>\$ 54,901,175</u>	<u>1,585,702</u>	<u>191,226</u>	<u>56,295,651</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 841,463	-	-	841,463
Conservation easement	851,836	-	-	851,836
Construction in progress	<u>20,014,963</u>	<u>897,880</u>	<u>-</u>	<u>20,912,843</u>
Total capital assets, not being depreciated	21,708,262	897,880	-	22,606,142
Capital assets, being depreciated				
Wastewater	11,061,209	18,820	14,708	11,065,321
Water	<u>12,139,213</u>	<u>177,803</u>	<u>-</u>	<u>12,317,016</u>
Total capital assets, being depreciated	23,200,422	196,623	14,708	23,382,337
Less accumulated depreciation for:				
Wastewater	7,495,384	182,219	16,180	7,661,423
Water	<u>3,481,479</u>	<u>212,505</u>	<u>-</u>	<u>3,693,984</u>
Total accumulated depreciation	<u>10,976,863</u>	<u>394,724</u>	<u>16,180</u>	<u>11,355,407</u>
Total capital assets, being depreciated, net	<u>12,223,559</u>	<u>(198,101)</u>	<u>(1,472)</u>	<u>12,026,930</u>
Business-type activities capital assets, net	<u>\$ 33,931,821</u>	<u>699,779</u>	<u>(1,472)</u>	<u>34,633,072</u>

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE E - CAPITAL ASSETS, CONTINUED

Depreciation expense was charged to the following functions:

Governmental activities:

General government	\$	817,564
Public safety		150,448
Municipal buildings		70,479
Public works		448,255
Culture and recreation		4,919
Unclassified		979
Total governmental activities depreciation expense	\$	<u>1,492,644</u>

Business-type activities:

Wastewater	\$	182,219
Water		212,505
Total business-type activities depreciation expense	\$	<u>394,724</u>

NOTE F - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds and notes payable	\$ 36,496,260	-	3,359,773	33,136,487	2,709,773
Other postemployment benefits	440,729	51,497	-	492,226	-
Accrued compensated absences	613,712	-	8,527	605,185	-
Total Governmental activities	<u>\$ 37,550,701</u>	<u>51,497</u>	<u>3,368,300</u>	<u>34,233,898</u>	<u>2,709,773</u>
Business-type activities:					
Bonds and notes payable	\$ 13,920,802	-	927,646	12,993,156	933,005
Accrued compensated absences	88,330	25,666	-	113,996	-
Total Business-type activities	<u>\$ 14,009,132</u>	<u>25,666</u>	<u>927,646</u>	<u>13,107,152</u>	<u>933,005</u>

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE F - LONG-TERM LIABILITIES, CONTINUED

Long-term Debt:

At June 30, 2014, bonds and notes payable consisted of the following individual issues:

	Governmental <u>activities</u>	Business-type <u>activities</u>
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.	\$ 515,000	65,000
2006 General Obligation Water Bond with Maine Municipal Bond Bank due in annual principal payments of \$8,486 through April 2025. Non-interest bearing.	-	93,340
2008 General Obligation Water Bond with Maine Municipal Bond Bank due in annual principal payments of \$16,083 through October 2017. Non-interest bearing.	-	64,330
2008 General Obligation Water Bond with Maine Municipal Bond Bank due in annual principal payments of \$14,956 through April 2028. Non-interest bearing.	-	209,384
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.	-	895,300
2010 General Obligation Bonds due in annual principal payments beginning at \$480,000 plus interest ranging from 2.00% to 2.75% through April 2020.	408,984	1,261,016
2010 General Obligation Bonds with Maine Municipal Bond Bank due in annual principal payments of \$151,500 plus interest at 1% through October 2020.	-	1,060,500
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.	1,151,768	-

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE F - LONG-TERM LIABILITIES, CONTINUED

	Governmental Activities	Business-type Activities
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.	\$ 29,436,735	-
2013 USDA Loan due December 2039 plus interest at 3.5%.	-	806,102
2013 USDA Loan due December 2039 plus interest at 3.5%.	-	5,740,697
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.	1,320,000	-
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.	-	2,564,623
2012 General Obligation Note with Bangor Savings Bank due in annual principal payments of \$76,000 plus interest of 1.45% through October 2017.	304,000	-
2012 General Obligation Bonds with Maine Municipal Bond Bank due in annual principal payments of \$12,256 plus interest of 1% through October 2032. In addition, \$617,680 was forgiven at closing.	-	232,864
Total bonds payable outstanding	\$ 33,136,487	\$ 12,993,156

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE F - LONG-TERM LIABILITIES, CONTINUED

The annual requirements to amortize bonds payable are as follows:

Year ending June 30,	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 2,709,773	1,160,052	933,005	321,342	5,124,172
2016	2,569,773	1,078,282	938,553	305,206	4,891,814
2017	2,177,782	1,020,287	911,288	288,350	4,397,707
2018	2,177,782	947,492	917,231	272,605	4,315,110
2019	2,101,782	840,674	907,300	256,389	4,106,145
2020-2024	9,928,907	2,646,653	2,742,079	1,043,392	16,361,031
2025-2029	9,558,907	769,119	1,969,673	794,968	13,092,667
2030-2034	1,911,781	20,171	1,610,210	523,720	4,065,882
2035-2039	-	-	1,691,469	246,836	1,938,305
2040	-	-	372,348	11,430	383,778
	<u>\$ 33,136,487</u>	<u>8,482,730</u>	<u>12,993,156</u>	<u>4,064,238</u>	<u>58,676,611</u>

Overlapping Debt

The City is contingently responsible for the following overlapping debt as of June 30, 2014:

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Applicable to Ellsworth</u>	<u>Ellsworth's Share of Debt</u>
Hancock County	\$1,500,000	8.02%	120,300

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 Basic 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	\$ 33,828
Amortization of unfunded liability	37,360
Interest	19,039
Adjustment to ARC	<u>(25,487)</u>
Annual required contribution	64,740
City contributions (ARC offset - implicit subsidy)	<u>(13,243)</u>
Increase in net OPEB obligation	51,497
Net OPEB Obligation at beginning of year	<u>440,729</u>
Net OPEB obligation at end of year	<u>\$ 492,226</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
OPEB liability, July 1	\$ 440,729	352,128	266,102
Annual required contribution	64,740	102,118	98,677
Less: Actual contributions	<u>(13,243)</u>	<u>(13,517)</u>	<u>(12,651)</u>
OPEB Liability, June 30	<u>\$ 492,226</u>	<u>440,729</u>	<u>352,128</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>
2010	\$ 106,372	10.38%	\$ 189,626
2011	89,776	14.82%	266,102
2012	98,677	12.82%	352,128
2013	102,118	13.24%	440,729
2014	64,740	20.46%	492,226

The unfunded actuarial accrued liability as a percentage of covered payroll for the year ended June 30, 2014 is as follows:

Actuarial liability (AL)	\$ 671,867
Actuarial value of plan assets	_____ -
Unfunded accrued liability (UAL)	<u>\$ 671,867</u>
Funded ratio (Actuarial value of plan assets/AL)	<u>0%</u>
Covered payroll	<u>\$ 3,990,475</u>
UAAL as a percentage of covered payroll	<u>16.84%</u>

CITY OF ELLSWORTH, MAINE
Notes to Basic 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 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, 2014
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 cost trend	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 bond anticipation note for immediate cash flow needs. Short-term liability transactions for the year ended June 30, 2014 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>
Governmental activities				
Bond anticipation note	\$ -	4,600,000	-	4,600,000

NOTE H - FUND BALANCES

The General Fund unassigned fund balance total of \$2,756,380 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. Unassigned fund balances totaling (\$1,919,306) and (\$1,724,823) are also reported for the Capital Projects Fund and several nonmajor special revenue funds, respectively, that have negative fund balances as of June 30, 2014, as shown on Statement 3.

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE H - FUND BALANCES, CONTINUED

As of June 30, 2014, fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>
General fund:			
Assigned for:			
Administration – professional services	\$ -	-	3,900
Administration – training	-	-	1,500
Planning – professional services	-	-	2,585
Planning – LMI study	-	-	5,000
Joint Office – management training	-	-	5,000
Employee benefits – merit raises	-	-	16,192
Parks, trees and cemeteries – repair	-	-	4,000
Library – library projects	-	-	10,000
Misc. city property – business park projects	-	-	8,923
Withdrawal administration	-	-	106,079
Encumbrance carryforwards	-	-	50,493
Capital reserves	-	-	773,439
Library operating	-	-	350,260
Total general fund	-	-	<u>1,337,371</u>
Other governmental funds:			
Other grants	-	274,008	-
Conservation easement reserve	-	29,839	-
Knowlton Park	-	341,338	-
Shellfish operating	-	27,268	-
Cemetery fund – principal	551,450	-	-
Cemetery fund – unexpended income	-	105,689	-
Higgins fund – principal	85,301	-	-
Higgins fund – unexpended income	-	181,299	-
Total other governmental funds	<u>636,751</u>	<u>959,441</u>	<u>-</u>

NOTE I - DEFICIT FUND BALANCES

The following funds had a deficit at June 30, 2014:

Capital Projects	\$ 1,919,306
TIF District	644,303

These deficits will be funded with future revenues or transfers from the general fund.

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE I - DEFICIT FUND BALANCES, CONTINUED

Additionally, within the Nonmajor Other Grants Special Revenue Fund, the following grants and programs had deficit fund balances at June 30, 2014:

Bulletproof Vest Grant	\$ 469
CDBG Business Assistance Grant	1,500
Development Fees	1,075,481
Safe Routes to School	1,820
Volunteer Fire Assistance Grant	1,244
Wellness Grant	6

These deficits result in a deficit in the fund as a whole at June 30, 2014 of \$806,512. These deficits will be funded with future grant revenues or transfers from the general fund.

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, 2014, approximately \$534,018 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 2014 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, 2014, none was made available.

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

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, 2014 was \$165,411, 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 City 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 years ended June 30, 2014, 2013, and 2012 was \$46,773, \$45,639, and \$38,377, respectively.

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 Basic 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, 2014.

NOTE N – PRIOR PERIOD ADJUSTMENTS

During 2013, the City issued a 20 year wastewater treatment bond in the amount of \$245,120. The proceeds were incorrectly recognized in the General Fund.

Governmental activities net position and the general fund fund balance as of July 1, 2013 have been restated as follows:

	<u>Governmental Activities</u>	<u>General Fund</u>
Net position/fund balance as previously reported	\$ 23,702,336	3,324,905
Bond proceeds incorrectly recognized	(245,120)	(245,120)
<u>Net position/fund balance, as restated</u>	<u>\$ 23,457,216</u>	<u>3,079,785</u>

Further, the Wastewater Fund inaccurately reported accrued interest and accounts receivable restricted for capital projects. The misstatements resulted in a net overstatement of net position of \$276,871.

Wastewater fund net position as of July 1, 2013 has been restated as follows:

	<u>Wastewater fund</u>
Net position as previously reported	\$ 12,560,160
Unrecorded accrued interest	(129,165)
Overstated restricted accounts receivable	(147,706)
<u>Net position, as restated</u>	<u>\$ 12,283,289</u>

CITY OF ELLSWORTH, MAINE
Notes to Basic Financial Statements, Continued

NOTE N – PRIOR PERIOD ADJUSTMENTS, CONTINUED

Additionally, the Library Fund Private-purpose trust inaccurately reported accounts payable and cash. The misstatements resulted in a net understatement of net position of \$53,776

Library fund net position as of July 1, 2013 has been restated as follows:

	<u>Library fund</u>
Net position as previously reported	\$ 701,783
Overstated accounts payable	32,114
Understated interfund receivable	32,502
<u>Overstated cash</u>	<u>(10,840)</u>
<u>Net position, as restated</u>	<u>\$ 755,559</u>

NOTE O – SUBSEQUENT EVENT

In November 2013, the residents of the City of Ellsworth voted in favor of withdrawing from RSU #24 and becoming a separate municipal school administrative unit comprised solely of Ellsworth. The statutory requirements to do so were approved on March 20, 2013 by the State of Maine Department of Education Commissioner. As of July 1, 2014, the City will once again operate its own school department.

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

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AL)	Unfunded AL (UAL)	Funded Ratio	Covered Payroll	UAL 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%
2013	1/1/2011	-	904,318	904,318	0.00%	3,479,771	25.99%
2014	1/1/2014	-	671,867	671,867	0.00%	3,990,475	16.84%

GENERAL FUND

CITY OF ELLSWORTH, MAINE
Comparative Balance Sheet - General Fund
June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash and cash equivalents	\$ 4,366,829	1,296,034
Investments	1,008,994	1,022,560
Receivables:		
Taxes receivable - current year	39,396	65,300
Taxes receivable - prior years	44,082	68,788
Tax liens - current year	893,581	840,227
Tax liens - prior years	414,063	181,399
Accounts receivable	404,628	393,501
Receivable - RSU #24 debt service payments	1,151,768	1,878,754
Prepaid items	-	404
Inventory	-	10,104
Interfund receivable	-	2,823,984
	8,323,341	8,581,055
Total assets	8,323,341	8,581,055
LIABILITIES		
Accounts payable	924,620	1,011,933
Accrued liabilities	198,572	82,174
Taxes collected in advance	142,122	22,669
Escrow deposit	1,700	1,700
Interfund payable	864,708	1,524,040
	2,131,722	2,642,516
Total liabilities	2,131,722	2,642,516
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	946,100	980,000
Unavailable revenue - RSU #24 debt service payments	1,151,768	1,878,754
Total deferred inflows of resources	2,097,868	2,858,754
FUND BALANCES		
Nonspendable	-	10,508
Assigned	1,337,371	1,302,894
Unassigned	2,756,380	1,766,383
	4,093,751	3,079,785
Total fund balances	4,093,751	3,079,785
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,323,341	\$ 8,581,055

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2014

	<u>Budget</u>		<u>Actual</u>	Variance with final budget	<u>2013 Actual</u>
	<u>Original</u>	<u>Final</u>		positive (negative)	
Revenues					
Taxes:					
Property taxes	\$ 17,127,731	17,127,731	17,161,652	33,921	16,377,263
Supplemental	-	-	43,899	43,899	24,783
Boat excise	13,000	13,000	12,769	(231)	12,238
Auto excise	1,200,000	1,229,385	1,411,269	181,884	1,290,280
Interest on taxes	85,000	85,000	68,335	(16,665)	62,970
Lien costs and notices	35,000	35,000	35,070	70	31,404
	<u>18,460,731</u>	<u>18,490,116</u>	<u>18,732,994</u>	<u>242,878</u>	<u>17,798,938</u>
Licenses and permits:					
City clerk fees	30,000	30,000	25,537	(4,463)	25,134
Motor vehicle fees	16,500	16,500	19,815	3,315	17,268
State and City licenses	10,000	10,000	10,066	66	9,676
Animal control fees	1,500	1,500	1,076	(424)	1,465
Dog fees	500	500	1,542	1,042	825
Building permits and maps	35,000	35,000	41,938	6,938	22,220
Electrical permits	12,000	12,000	10,855	(1,145)	5,392
Planning Board fees	5,000	5,000	6,575	1,575	3,310
Plumbing permit fees	12,000	12,000	12,243	243	10,313
Mooring and docking fees	21,000	21,000	49,686	28,686	19,255
	<u>143,500</u>	<u>143,500</u>	<u>179,333</u>	<u>35,833</u>	<u>114,858</u>
Intergovernmental revenues:					
Urban rural initiative program	150,000	150,000	187,936	37,936	157,596
State revenue sharing	355,488	355,488	368,989	13,501	512,600
Tree growth reimbursement	90,000	90,000	91,181	1,181	99,849
Veterans reimbursement	3,400	3,400	5,818	2,418	5,369
Homestead exemption	147,164	147,164	147,164	-	143,025
BETE reimbursement	21,535	21,535	21,669	134	24,576
Shellfish revenues	3,200	3,200	3,200	-	3,200
Snowmobile refund	1,000	1,000	1,463	463	940
Welfare reimbursement	12,000	12,000	10,173	(1,827)	11,872
Park fee share	6,400	6,400	7,428	1,028	7,326
SAFER grant	74,940	74,940	85,412	10,472	75,358
	<u>865,127</u>	<u>865,127</u>	<u>930,433</u>	<u>65,306</u>	<u>1,041,711</u>

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund, Continued
For the Year Ended June 30, 2014

	Budget		Actual	Variance with	2013
	Original	Final		final budget positive (negative)	
Departmental income:					
Highway department	\$ 5,000	5,000	7,069	2,069	8,981
Fire department	10,000	10,000	8,645	(1,355)	11,823
Financial services income	32,100	32,100	32,000	(100)	32,000
Police department	18,000	18,000	20,234	2,234	18,204
Dispatch services	1,500	1,500	1,500	-	3,000
Recycling	60,000	60,000	32,565	(27,435)	34,643
Solid waste billings	55,000	55,000	46,990	(8,010)	47,883
Solid waste miscellaneous	30,600	30,600	31,288	688	30,600
Resident stickers	134,000	134,000	134,198	198	131,016
Library	50,000	50,000	45,469	(4,531)	-
Recreation	1,000	1,000	1,000	-	1,000
	<u>397,200</u>	<u>397,200</u>	<u>360,958</u>	<u>(36,242)</u>	<u>319,150</u>
Unclassified:					
District court fees	7,500	7,500	6,430	(1,070)	7,638
Alewife sales	15,000	15,000	35,872	20,872	31,816
Cable TV franchise	65,000	65,000	68,297	3,297	67,431
Payment in lieu of taxes	15,000	15,000	17,593	2,593	17,378
Building rental	3,060	3,060	150	(2,910)	2,295
Property rental	100	100	-	(100)	670
Photocopies	250	250	261	11	245
Sale of surplus property	-	-	2,150	2,150	175
Sale of City property	13,000	13,000	20,936	7,936	40,753
Reserve donation	-	-	65,000	65,000	-
Reserve transfers	-	-	-	-	18,868
Miscellaneous	500	500	36,671	36,171	4,838
	<u>119,410</u>	<u>119,410</u>	<u>253,360</u>	<u>133,950</u>	<u>192,107</u>
Investment income	<u>80,000</u>	<u>80,000</u>	<u>100,918</u>	<u>20,918</u>	<u>68,153</u>
Total revenues	<u>20,065,968</u>	<u>20,095,353</u>	<u>20,557,996</u>	<u>462,643</u>	<u>19,534,917</u>

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund, Continued
For the Year Ended June 30, 2014

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>	<u>2013</u>
	<u>Original</u>	<u>Final</u>		<u>final budget</u>	
				<u>positive</u>	
				<u>(negative)</u>	
Expenditures					
General government:					
Legislative	\$ 19,400	22,700	48,180	(25,480)	39,372
Administration	141,777	147,787	137,988	9,799	133,478
City clerk	78,631	82,031	81,798	233	78,070
Finance and tax collector	240,115	252,017	250,029	1,988	229,485
Assessment	107,681	110,258	109,497	761	104,926
Code enforcement	124,555	128,555	128,175	380	123,190
Planning	104,467	110,840	102,297	8,543	96,090
Legal	42,000	72,000	70,608	1,392	54,461
Elections	20,862	19,862	15,406	4,456	11,194
Economic development	79,000	205,373	195,869	9,504	77,422
Technology	160,050	155,975	155,478	497	147,087
Joint office services	71,500	71,500	68,504	2,996	77,456
Insurance	76,320	71,720	71,714	6	67,011
Miscellaneous	34,500	34,500	50,694	(16,194)	34,721
	<u>1,300,858</u>	<u>1,485,118</u>	<u>1,486,237</u>	<u>(1,119)</u>	<u>1,273,963</u>
Public safety:					
Police department	981,332	996,283	995,528	755	1,003,140
Fire department	792,769	803,421	763,799	39,622	708,976
Dispatching	188,868	188,868	180,309	8,559	182,090
Hydrant rental	312,000	312,000	312,000	-	312,000
Street lights	95,000	74,000	73,126	874	83,839
Traffic signals	23,000	25,000	24,232	768	43,552
	<u>2,392,969</u>	<u>2,399,572</u>	<u>2,348,994</u>	<u>50,578</u>	<u>2,333,597</u>
Municipal buildings:					
City Hall	177,725	180,988	176,185	4,803	167,397
Miscellaneous city property	3,500	28,823	17,513	11,310	3,158
	<u>181,225</u>	<u>209,811</u>	<u>193,698</u>	<u>16,113</u>	<u>170,555</u>

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund, Continued
For the Year Ended June 30, 2014

	<u>Budget</u>		<u>Actual</u>	Variance with	<u>2013</u>
	<u>Original</u>	<u>Final</u>		final budget	
				positive	
				(negative)	
Culture and recreation:					
Recreation	\$ 128,150	128,150	118,540	9,610	120,380
Library	<u>647,428</u>	<u>647,428</u>	<u>561,075</u>	<u>86,353</u>	<u>565,320</u>
	<u>775,578</u>	<u>775,578</u>	<u>679,615</u>	<u>95,963</u>	<u>685,700</u>
General assistance	<u>48,370</u>	<u>48,970</u>	<u>39,661</u>	<u>9,309</u>	<u>41,982</u>
Public works:					
Public works	1,150,875	1,163,356	1,120,326	43,030	1,108,277
Public works garage	45,650	35,650	32,846	2,804	40,524
Solid waste disposal	348,303	350,857	330,338	20,519	320,459
Parks trees and cemeteries	28,100	33,805	26,606	7,199	22,005
Water supply commission	<u>16,150</u>	<u>35,550</u>	<u>33,086</u>	<u>2,464</u>	<u>19,187</u>
	<u>1,589,078</u>	<u>1,619,218</u>	<u>1,543,202</u>	<u>76,016</u>	<u>1,510,452</u>
County tax	<u>419,748</u>	<u>419,748</u>	<u>419,748</u>	-	<u>418,665</u>
Education:					
Education assessment	10,039,889	10,039,889	9,775,102	264,787	9,676,685
Education withdrawal	-	-	161,697	(161,697)	-
	<u>10,039,889</u>	<u>10,039,889</u>	<u>9,936,799</u>	<u>103,090</u>	<u>9,676,685</u>
Unclassified:					
Employee benefits	1,419,440	1,390,312	1,190,621	199,691	1,356,506
Ellsworth Harbor	50,465	51,426	70,572	(19,146)	41,108
Health and social services	14,750	22,635	22,134	501	14,750
Historical preservation	500	500	35	465	106
Historical society	2,000	2,000	2,000	-	2,000
Overlay/abatements	<u>6,528</u>	<u>6,527</u>	<u>67,227</u>	<u>(60,700)</u>	<u>92,744</u>
	<u>1,493,683</u>	<u>1,473,400</u>	<u>1,352,589</u>	<u>120,811</u>	<u>1,507,214</u>
Debt service:					
Principal	604,787	604,787	592,992	11,795	711,992
Interest	<u>14,200</u>	<u>14,200</u>	<u>25,915</u>	<u>(11,715)</u>	<u>101,792</u>
	<u>618,987</u>	<u>618,987</u>	<u>618,907</u>	<u>80</u>	<u>813,784</u>
Total expenditures	<u>18,860,385</u>	<u>19,090,291</u>	<u>18,619,450</u>	<u>470,841</u>	<u>18,432,597</u>
Excess of revenues over expenditures	<u>1,205,583</u>	<u>1,005,062</u>	<u>1,938,546</u>	<u>933,484</u>	<u>1,102,320</u>

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund, Continued
For the Year Ended June 30, 2014

	<u>Budget</u>		<u>Actual</u>	Variance with	<u>2013</u>
	<u>Original</u>	<u>Final</u>		final budget	
				positive	
				(negative)	
Other financing sources (uses)					
Transfers in:					
School construction	\$ -	-	9,804	9,804	-
TIF District	79,000	179,000	416,840	237,840	184,600
Development fees	-	-	-	-	200,000
	<u>79,000</u>	<u>179,000</u>	<u>426,644</u>	<u>247,644</u>	<u>384,600</u>
Transfers out:					
TIF District	(525,983)	(534,383)	(534,018)	365	(507,585)
Capital projects	(758,600)	(758,600)	(817,206)	(58,606)	(1,275,347)
	<u>(1,284,583)</u>	<u>(1,292,983)</u>	<u>(1,351,224)</u>	<u>(58,241)</u>	<u>(1,782,932)</u>
Use of fund balance	-	108,921	-	(108,921)	(28,350)
	<u>-</u>	<u>108,921</u>	<u>-</u>	<u>(108,921)</u>	<u>(28,350)</u>
Total other financing sources (uses)	<u>(1,205,583)</u>	<u>(1,005,062)</u>	<u>(924,580)</u>	<u>80,482</u>	<u>(1,426,682)</u>
Net change in fund balance	-	-	1,013,966	1,013,966	(324,362)
Fund balance, beginning of year, as restated			<u>3,079,785</u>		
Fund balance, end of year			<u>\$ 4,093,751</u>		

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ELLSWORTH, MAINE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds	School Construction	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 29,839	-	61,172	91,011
Investments	-	-	862,567	862,567
Accounts receivable	50,000	-	-	50,000
Interfund receivable	368,889	-	-	368,889
	<u>448,728</u>	<u>-</u>	<u>923,739</u>	<u>1,372,467</u>
Total assets	<u>448,728</u>	<u>-</u>	<u>923,739</u>	<u>1,372,467</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	395	-	-	395
Interfund payable	1,500,703	-	-	1,500,703
Total liabilities	<u>1,501,098</u>	<u>-</u>	<u>-</u>	<u>1,501,098</u>
Fund balances (deficit)				
Nonspendable	-	-	636,751	636,751
Restricted	672,453	-	286,988	959,441
Unassigned	(1,724,823)	-	-	(1,724,823)
Total fund balances (deficit)	<u>(1,052,370)</u>	<u>-</u>	<u>923,739</u>	<u>(128,631)</u>
Total liabilities and fund balances	<u>\$ 448,728</u>	<u>-</u>	<u>923,739</u>	<u>1,372,467</u>

CITY OF ELLSWORTH, MAINE
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds	School Construction	Permanent Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ -	\$ -	-	-
Licenses and permits	25,400	-	-	25,400
Intergovernmental revenues	355,287	-	-	355,287
Donations and fundraising	486,588	-	-	486,588
Other grants	3,100	-	-	3,100
Investment income	5,646	146	80,871	86,663
Total revenues	<u>876,021</u>	<u>146</u>	<u>80,871</u>	<u>957,038</u>
Expenditures:				
Current				
Public safety	248,029	-	-	248,029
Culture and recreation	4,650	-	-	4,650
General assistance	50,000	-	-	50,000
Public works	11,000	-	-	11,000
Investment fees	-	-	6,945	6,945
Unclassified	56,756	-	15,307	72,063
Debt service	200,000	-	-	200,000
Capital outlay	10,575	-	-	10,575
Total expenditures	<u>581,010</u>	<u>-</u>	<u>22,252</u>	<u>603,262</u>
Excess of revenues over expenditures	295,011	146	58,619	353,776
Other financing sources (uses)				
Transfers in	534,018	-	-	534,018
Transfers out	<u>(772,855)</u>	<u>(9,804)</u>	<u>-</u>	<u>(782,659)</u>
Total other financing uses	<u>(238,837)</u>	<u>(9,804)</u>	<u>-</u>	<u>(248,641)</u>
Net change in fund balances	56,174	(9,658)	58,619	105,135
Fund balances (deficit), beginning of year	<u>(1,108,544)</u>	<u>9,658</u>	<u>865,120</u>	<u>(233,766)</u>
Fund balances (deficit), end of year	<u>\$ (1,052,370)</u>	<u>-</u>	<u>923,739</u>	<u>(128,631)</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

CITY OF ELLSWORTH, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	Other Grants	TIF District	Conservation Easement Reserve	Knowlton Park	Shellfish Operating	Total
ASSETS						
Cash and cash equivalents	\$ -	-	29,839	-	-	29,839
Accounts receivable	50,000	-	-	-	-	50,000
Interfund receivable	-	-	-	341,338	27,551	368,889
Total assets	\$ 50,000	-	29,839	341,338	27,551	448,728
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	112	-	-	-	283	395
Interfund payable	856,400	644,303	-	-	-	1,500,703
Total liabilities	856,512	644,303	-	-	283	1,501,098
Fund balances (deficits)						
Restricted	274,008	-	29,839	341,338	27,268	672,453
Unassigned	(1,080,520)	(644,303)	-	-	-	(1,724,823)
Total fund balances (deficits)	(806,512)	(644,303)	29,839	341,338	27,268	(1,052,370)
Total liabilities and fund balances	\$ 50,000	-	29,839	341,338	27,551	448,728

CITY OF ELLSWORTH, MAINE
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

	Other Grants	TIF District	Conservation Easement Reserve	Knowlton Park	Shellfish Operating	Total
Revenues:						
Property taxes	\$ -	-	-	-	-	-
Licenses and permits	-	-	-	-	25,400	25,400
Intergovernmental revenues	334,287	-	-	-	21,000	355,287
Donations and fundraising	161,182	-	-	325,406	-	486,588
Other grants	3,100	-	-	-	-	3,100
Investment income	-	-	444	5,202	-	5,646
Total revenues	<u>498,569</u>	<u>-</u>	<u>444</u>	<u>330,608</u>	<u>46,400</u>	<u>876,021</u>
Expenditures:						
Current						
Public safety	248,029	-	-	-	-	248,029
Culture and recreation	4,650	-	-	-	-	4,650
General assistance	50,000	-	-	-	-	50,000
Public works	11,000	-	-	-	-	11,000
Unclassified	3,106	-	-	-	53,650	56,756
Debt service	200,000	-	-	-	-	200,000
Capital outlay	-	-	-	-	10,575	10,575
Total expenditures	<u>516,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,225</u>	<u>581,010</u>
Excess (deficiency) of revenues over (under) expenditures	(18,216)	-	444	330,608	(17,825)	295,011
Other financing sources (uses)						
Transfers in	-	534,018	-	-	-	534,018
Transfers out	-	(772,855)	-	-	-	(772,855)
Total other financing uses	<u>-</u>	<u>(238,837)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(238,837)</u>
Net change in fund balances	(18,216)	(238,837)	444	330,608	(17,825)	56,174
Fund balances (deficits), beginning of year	<u>(788,296)</u>	<u>(405,466)</u>	<u>29,395</u>	<u>10,730</u>	<u>45,093</u>	<u>(1,108,544)</u>
Fund balances (deficits), end of year	<u>\$ (806,512)</u>	<u>(644,303)</u>	<u>29,839</u>	<u>341,338</u>	<u>27,268</u>	<u>(1,052,370)</u>

CITY OF ELLSWORTH, MAINE
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Special Revenue Funds

Other Grants

For the Year Ended June 30, 2014

	Fund Balances (Deficits) beginning of year	Revenues		Expenditures	Fund Balances (Deficits) end of year
		Inter- governmental	Other		
Assistance to Firefighters Grant	\$ -	8,667	-	8,538	129
Bangor Hydro Pole	5,000	-	-	-	5,000
Branch Lake Access Imp Grant	1,014	-	-	-	1,014
Bulletproof Vest Grant	387	767	-	1,623	(469)
CDBG Business Assistance Grant	(1,500)	-	-	-	(1,500)
Development Fees	(875,481)	-	-	200,000	(1,075,481)
DOT Feasibility Grant	11,000	-	-	11,000	-
EFD/SHHC Convention	23,916	-	127,906	149,229	2,593
Enviro Grant	-	200,000	-	-	200,000
Fire Training Grant	564	-	-	-	564
Fire Training Site	58,471	-	28,485	57,549	29,407
Fireworks Donations	1,180	-	4,386	4,200	1,366
Gleaning Initiative - CDBG	-	50,000	-	50,000	-
Hancock County Byrne JAG (2012)	1,868	-	-	1,868	-
Hancock County Byrne JAG (2013)	-	10,907	-	8,439	2,468
Homeland Security Grant (2010)	(25,162)	31,516	-	-	6,354
Homeland Security Grant (2011)	-	9,778	-	8,812	966
K-9 Program	1,725	1,500	-	-	3,225
Lakes Environment Grant	2,800	1,725	-	-	4,525
Maine Community Foundation	155	-	-	-	155
OUI Grant	-	7,379	-	7,379	-
Rails with Trail Connector	5,000	-	-	450	4,550
Safe Routes to School	(1,820)	-	-	-	(1,820)
Safety Grant	-	583	-	583	-
Seatbelt Grant	-	2,632	-	-	2,632
SHHC Color Guard Sales	-	-	405	405	-
Speed Grant	-	2,820	-	-	2,820
Supplemental Environmental Program	3,323	-	-	-	3,323
UAD Grant	-	5,227	-	2,360	2,867
Fish and Wildlife	(736)	786	-	-	50
Volunteer Fire Assistance Grant	-	-	-	1,244	(1,244)
Wellness Grant	-	-	3,100	3,106	(6)
	\$ (788,296)	334,287	164,282	516,785	(806,512)

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

CITY OF ELLSWORTH, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2014

	<u>Cemetery Fund</u>	<u>Higgins Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	61,172	61,172
Investments	<u>657,139</u>	<u>205,428</u>	<u>862,567</u>
Total assets	<u>657,139</u>	<u>266,600</u>	<u>923,739</u>
FUND BALANCES			
Nonspendable	551,450	85,301	636,751
Restricted	<u>105,689</u>	<u>181,299</u>	<u>286,988</u>
Total fund balances	<u>657,139</u>	<u>266,600</u>	<u>923,739</u>
Total liabilities and fund balances	<u>\$ 657,139</u>	<u>266,600</u>	<u>923,739</u>

CITY OF ELLSWORTH, MAINE
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Permanent Funds
For the Year Ended June 30, 2014

	Cemetery Fund	Higgins Fund	Total
Revenues:			
Investment income:			
Interest income	\$ 16,587	7,184	23,771
Realized and unrealized gain on investments	<u>44,963</u>	<u>12,137</u>	<u>57,100</u>
Total revenues	<u>61,550</u>	<u>19,321</u>	<u>80,871</u>
Expenditures:			
Investment fees	6,945	-	6,945
Unclassified	<u>15,307</u>	<u>-</u>	<u>15,307</u>
Total expenditures	<u>22,252</u>	<u>-</u>	<u>22,252</u>
Net change in fund balances	39,298	19,321	58,619
Fund balance, beginning of year	<u>617,841</u>	<u>247,279</u>	<u>865,120</u>
Fund balance, end of year	<u><u>\$ 657,139</u></u>	<u><u>266,600</u></u>	<u><u>923,739</u></u>

FIDUCIARY FUNDS

AGENCY FUNDS

CITY OF ELLSWORTH, MAINE
Statement of Changes in Assets and Liabilities
Fiduciary Funds - Agency Funds
For the Year Ended June 30, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Investments	\$ 220,799	50,128	6,710	264,217
Total assets	<u>220,799</u>	<u>50,128</u>	<u>6,710</u>	<u>264,217</u>
LIABILITIES				
Held for cemetery association	220,799	50,128	6,710	264,217
Total liabilities	<u>\$ 220,799</u>	<u>50,128</u>	<u>6,710</u>	<u>264,217</u>

SCHEDULES

CITY OF ELLSWORTH, MAINE
Schedule of Capital Projects
For the Year Ended June 30, 2014

Project		
Road improvements	\$	246,785
City Hall improvements		75,694
Information technology		170,112
Highway equipment		174,492
Police cruiser		60,854
Highway garage		9,176
Fire equipment		32,522
Recreational improvements		25,289
Library improvements		6,844
Grant application funds		1,105
Branch Lake improvements		25,608
Wastewater plant clean up		15,397
Moore School engineering		110,971
Virtualize server		35,030
Police equipment replacement		19,394
New Branch Lake boat launch		8,541
MS Exchange upgrade		1,209
Harbor crib work		54,608
Patten Pond Dam		717
Beechland Road preliminary		33,000
Knowlton fundraising		9,927
Moore Community Center design		216,381
Knowlton Park design		22,198
Basketball court construction		123,039
Library expansion		53,595
Orthoimagery project		16,000
Moore Community Center project		1,624,277
Beechland Road project		164,751
Total capital project fund capital outlays	\$	<u>3,337,516</u>

CITY OF ELLSWORTH, MAINE
Schedule of Changes in Assigned Fund Balances
General Fund - Capital Reserve Funds
For the Year Ended June 30, 2014

	Fund Balances, beginning of year	Additions	Reductions	Transfer (out)	Fund Balances, end of year
General-	\$ 248,866	7,743	3,597	(31,422)	221,590
Industrial Park	1,255	40	11	-	1,284
City Hall	73,984	2,391	1,142	-	75,233
Highway equipment	36,881	1,191	608	-	37,464
School district	133,242	3,130	519	(130,774)	5,079
Employee benefits	60,069	1,942	936	-	61,075
Jump playground	21,694	702	340	-	22,056
Cable TV	7,321	236	108	-	7,449
Fire Department rescue	7,133	332	120	-	7,345
Fire Department site	5,065	367	93	-	5,339
City bonds	39	38	-	-	77
Federally forfeited property	2,523	91	15	-	2,599
Road improvement	243,462	7,869	3,807	-	247,524
Hancock Technical Center	374	12	5	-	381
Harbor	3,837	124	23	-	3,938
Capital equipment	73,801	2,386	1,181	-	75,006
	\$ 919,546	28,594	12,505	(162,196)	773,439

CITY OF ELLSWORTH, MAINE
Schedule of Valuation, Assessment and Collection of Taxes
For the Year Ended June 30, 2014

Valuation

Real estate	\$ 1,032,965,060
Personal property	<u>34,183,300</u>
Total valuation	<u><u>1,067,148,360</u></u>

Assessment

Valuation x Rate: \$1,067,148,360 x .01605	17,127,731
Supplemental taxes	<u>43,899</u>
Total assessment charged to collector	17,171,630

Collection and credits

Cash collections	16,171,426
Tax abatements	<u>67,227</u>
Total collection and credits	<u>16,238,653</u>

Taxes receivable and tax liens as of June 30, 2014	<u><u>\$ 932,977</u></u>
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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.

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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.

CITY OF ELLSWORTH, MAINE
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities										
Net investment in capital assets	\$ 23,159,164	18,480,914	14,627,702	10,294,469	9,113,455	13,460,163	8,494,924	11,918,308	7,125,659	8,891,052
Restricted	1,596,192	1,707,028	636,751	636,751	636,751	636,751	636,751	636,751	654,492	654,492
Unrestricted	1,252,283	3,269,274	6,677,352	9,164,269	9,225,626	9,240,977	12,897,502	6,504,866	7,819,991	5,126,180
Total governmental activities net position	<u>26,007,639</u>	<u>23,457,216</u>	<u>21,941,805</u>	<u>20,095,489</u>	<u>18,975,832</u>	<u>23,337,891</u>	<u>22,029,177</u>	<u>19,059,925</u>	<u>15,600,142</u>	<u>14,671,724</u>
Business-type activities										
Net investment in capital assets	21,639,916	20,181,719	17,889,763	6,730,821	10,781,659	8,897,641	8,629,198	8,141,023	7,810,372	7,140,243
Restricted	496,428	1,171,051	772,877	7,958,749	1,929,223	-	-	-	-	-
Unrestricted	(765,805)	(624,004)	(865,194)	(934,314)	112,258	1,668,821	(898,213)	(379,100)	(294,798)	363,375
Total business-type activities net position	<u>21,370,539</u>	<u>20,728,766</u>	<u>17,797,446</u>	<u>13,755,256</u>	<u>12,823,140</u>	<u>10,566,462</u>	<u>7,730,985</u>	<u>7,761,923</u>	<u>7,515,574</u>	<u>7,503,618</u>
Primary Government										
Net investment in capital assets	44,799,080	38,662,633	32,517,465	17,025,290	19,895,114	22,357,804	17,124,122	20,059,331	14,936,031	16,031,295
Restricted	2,092,620	2,878,079	1,409,628	8,595,500	2,565,974	636,751	636,751	636,751	654,492	654,492
Unrestricted	486,478	2,645,270	5,812,158	8,229,955	9,337,884	10,909,798	11,999,289	6,125,766	7,525,193	5,489,555
Total primary government net position	<u>\$ 47,378,178</u>	<u>44,185,982</u>	<u>39,739,251</u>	<u>33,850,745</u>	<u>31,798,972</u>	<u>33,904,353</u>	<u>29,760,162</u>	<u>26,821,848</u>	<u>23,115,716</u>	<u>22,175,342</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses										
Governmental activities										
General government	\$ 2,355,298	2,195,898	2,166,262	1,277,144	1,293,243	1,281,672	1,331,318	1,332,789	1,039,070	1,094,007
Public safety	2,740,831	2,552,364	2,518,382	2,584,403	2,436,340	2,160,191	1,971,390	1,883,321	1,775,235	1,754,989
Municipal buildings	267,378	233,972	237,897	231,336	218,875	147,938	147,470	150,196	161,658	198,490
Culture and recreation	694,647	690,619	690,132	662,864	665,768	664,952	714,202	574,618	634,223	550,866
General assistance	89,661	41,982	51,896	43,780	36,818	33,204	37,868	34,669	41,614	34,604
Public works	1,991,906	1,974,312	1,730,295	1,874,784	1,762,455	1,671,531	1,594,259	1,493,185	1,320,073	1,309,323
County tax	419,748	418,665	413,360	390,328	385,325	399,485	575,555	401,535	399,076	388,476
Education	9,936,799	9,676,685	9,043,511	8,980,058	8,799,458	15,187,627	15,101,268	15,255,071	14,248,440	13,610,190
State retirement contributions	-	-	-	-	-	1,291,410	1,328,608	1,273,446	1,169,874	1,036,745
Unclassified	1,702,321	1,991,840	1,955,864	1,800,548	1,450,934	2,509,814	1,490,367	2,021,242	1,693,452	934,804
Capital outlay	-	-	-	-	-	-	-	464,866	1,510,811	532,527
Interest on long-term debt	1,145,421	1,307,202	1,624,512	1,865,947	791,791	371,332	959,938	422,491	447,225	345,116
Total governmental activities expenses	<u>21,344,010</u>	<u>21,083,539</u>	<u>20,432,111</u>	<u>19,711,192</u>	<u>17,841,007</u>	<u>25,719,156</u>	<u>25,252,243</u>	<u>25,307,429</u>	<u>24,440,751</u>	<u>21,790,137</u>
Business-type activities										
Wastewater	1,267,835	1,148,463	917,373	784,013	775,893	772,809	965,277	1,089,411	873,947	800,619
Water	796,269	718,133	775,393	695,249	698,819	709,896	769,050	735,924	694,399	652,180
Total business-type activities expenses	<u>2,064,104</u>	<u>1,866,596</u>	<u>1,692,766</u>	<u>1,479,262</u>	<u>1,474,712</u>	<u>1,482,705</u>	<u>1,734,327</u>	<u>1,825,335</u>	<u>1,568,346</u>	<u>1,452,799</u>
Total primary government expenses	<u>\$ 23,408,114</u>	<u>22,950,135</u>	<u>22,124,877</u>	<u>21,190,454</u>	<u>19,315,719</u>	<u>27,201,861</u>	<u>26,986,570</u>	<u>27,132,764</u>	<u>26,009,097</u>	<u>23,242,936</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program revenues										
Governmental activities										
Charges for services:										
General government	\$ 313,186	293,039	314,360	298,317	166,425	165,524	222,294	182,688	146,536	143,711
Public safety	30,379	165,264	31,103	152,107	44,760	29,368	33,675	49,913	48,764	32,292
Municipal buildings	150	2,965	2,650	-	-	-	-	-	-	-
Culture and recreation	46,469	3,000	1,000	1,200	1,000	700	54,747	52,388	49,993	56,088
Public works	252,110	253,123	276,469	157,830	227,762	240,517	404,859	369,361	363,717	327,702
Unclassified	75,086	107,646	185,396	-	-	-	440,819	131,065	138,964	71,161
Education	-	-	-	-	-	2,799,086	3,047,727	2,754,943	2,555,722	2,522,236
Operating grants and contributions	3,707,843	3,308,080	3,792,342	112,263	236,591	6,822,102	7,885,564	9,352,209	8,871,231	7,704,030
Capital grants and contributions	390,406	212,885	299,052	778,544	1,000	595,000	-	-	-	-
Total governmental activities program revenues	<u>4,815,629</u>	<u>4,346,002</u>	<u>4,902,372</u>	<u>1,500,261</u>	<u>677,538</u>	<u>10,652,297</u>	<u>12,089,685</u>	<u>12,892,567</u>	<u>12,174,927</u>	<u>10,857,220</u>
Business-type activities										
Charges for services:										
Wastewater	957,420	840,515	1,004,627	847,683	658,320	721,941	805,397	729,206	610,043	621,248
Water	1,097,154	1,058,337	1,067,809	1,054,262	1,032,305	952,760	882,089	886,461	883,206	866,672
Capital grants and contributions	243,246	2,581,046	3,134,313	508,691	1,975,431	2,004,428	-	322,082	-	556,410
Total business-type activities program revenues	<u>2,297,820</u>	<u>4,479,898</u>	<u>5,206,749</u>	<u>2,410,636</u>	<u>3,666,056</u>	<u>3,679,129</u>	<u>1,687,486</u>	<u>1,937,749</u>	<u>1,493,249</u>	<u>2,044,330</u>
Total primary government program revenues	<u>\$ 7,113,449</u>	<u>8,825,900</u>	<u>10,109,121</u>	<u>3,910,897</u>	<u>4,343,594</u>	<u>14,331,426</u>	<u>13,777,171</u>	<u>14,830,316</u>	<u>13,668,176</u>	<u>12,901,550</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net (expense)/revenue										
Governmental activities	\$ (16,528,381)	(16,737,537)	(15,529,739)	(18,210,931)	(17,163,469)	(15,066,859)	(13,162,558)	(12,414,862)	(12,265,824)	(10,932,917)
Business-type activities	233,716	2,613,302	3,513,983	931,374	2,191,344	2,196,424	(46,841)	112,414	(75,097)	591,531
Total primary government net expense	<u>(16,294,665)</u>	<u>(14,124,235)</u>	<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>
General revenues and other changes in net position										
Governmental activities										
Property taxes	17,171,651	16,483,046	15,626,736	14,982,086	13,983,917	13,773,783	13,462,417	11,283,093	10,381,448	10,215,710
Excise taxes	1,424,038	1,302,518	1,252,688	1,228,531	1,228,909	1,267,737	1,316,865	1,309,962	1,321,575	1,245,455
Interest and costs on taxes	103,405	94,374	98,162	142,451	135,690	120,839	87,633	62,426	46,646	50,330
Unrestricted grants and contributions	732,324	872,243	712,717	3,125,819	1,210,184	882,968	774,281	761,265	843,198	799,455
Unrestricted investment earnings	187,581	76,332	109,379	264,559	281,724	353,311	155,210	233,550	196,229	86,535
Miscellaneous revenues	36,671	24,093	104,580	192,240	804,973	360,430	335,411	106,908	116,646	90,833
Transfers	(385,640)	(534,038)	(528,207)	-	(118,974)	-	-	-	-	(288,500)
Gain (loss) on disposal of assets	(191,226)	-	-	-	-	-	-	-	-	-
Special item: transfer of funds to RSU #24	-	-	-	-	(4,725,013)	(427,734)	-	-	-	-
Total governmental activities	<u>19,078,804</u>	<u>18,318,568</u>	<u>17,376,055</u>	<u>19,935,686</u>	<u>12,801,410</u>	<u>16,331,334</u>	<u>16,131,817</u>	<u>13,757,204</u>	<u>12,905,742</u>	<u>12,199,818</u>
Business-type activities										
Unrestricted investment earnings	20,945	-	-	(50,776)	(70,258)	(35,283)	13,281	13,031	15,763	10,164
Miscellaneous revenues	-	-	-	51,518	16,618	16,791	2,622	120,904	359,790	119,808
Gain (loss) on disposal of assets	1,472	-	-	-	-	-	-	-	-	-
Transfers	385,640	288,918	528,207	-	118,974	427,734	-	-	-	288,500
Total business-type activities	<u>408,057</u>	<u>288,918</u>	<u>528,207</u>	<u>742</u>	<u>65,334</u>	<u>409,242</u>	<u>15,903</u>	<u>133,935</u>	<u>375,553</u>	<u>418,472</u>
Total primary government	<u>19,486,861</u>	<u>18,607,486</u>	<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>
Change in net position										
Governmental activities	2,550,423	1,581,031	1,846,316	1,724,755	(4,362,059)	1,264,475	2,969,259	1,342,342	639,918	1,266,901
Business-type activities	641,773	2,902,220	4,042,190	932,116	2,256,678	2,605,666	(30,938)	246,349	300,456	1,010,003
Total primary government	<u>\$ 3,192,196</u>	<u>4,483,251</u>	<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>

CITY OF ELLSWORTH, MAINE
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General fund:										
Nonspendable	\$ -	10,508	10,104	41,687	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	1,337,371	1,302,894	1,285,130	1,434,729	-	-	-	-	-	-
Unassigned	2,756,380	1,766,383	2,354,033	2,498,328	-	-	-	-	-	-
Reserved	-	-	-	-	74,515	109,420	130,745	110,819	127,901	105,337
Unreserved	-	-	-	-	2,856,108	2,195,511	2,305,467	2,003,675	2,174,986	1,664,161
Total general fund	<u>4,093,751</u>	<u>3,079,785</u>	<u>3,649,267</u>	<u>3,974,744</u>	<u>2,930,623</u>	<u>2,304,931</u>	<u>2,436,212</u>	<u>2,114,494</u>	<u>2,302,887</u>	<u>1,769,498</u>
All other governmental funds										
Nonspendable	636,751	636,751	636,751	636,751	-	-	-	-	-	-
Restricted	959,441	1,070,277	1,706,410	2,884,140	-	-	-	-	-	-
Unassigned	(3,644,129)	(1,310,165)	(1,037,040)	(737,009)	-	-	-	-	-	-
Reserved	-	-	-	-	636,751	636,751	1,029,969	842,889	5,303,405	748,486
Unreserved, reported in:										
Special revenue funds	-	-	-	-	127,191	999,608	1,641,611	1,516,316	1,287,945	1,657,798
Capital projects	-	-	-	-	2,231,018	5,605,789	(1,002,026)	2,823,728	(183,908)	1,623,467
Permanent funds	-	-	-	-	105,700	111,899	83,026	44,341	15,592	61,197
Total all other governmental funds	<u>\$ (2,047,937)</u>	<u>396,863</u>	<u>1,306,121</u>	<u>2,783,882</u>	<u>3,100,660</u>	<u>7,354,047</u>	<u>1,752,580</u>	<u>5,227,274</u>	<u>6,423,034</u>	<u>4,090,948</u>

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)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:										
General property and other taxes	\$ 18,732,994	17,798,938	16,898,586	16,370,617	15,348,516	15,162,359	14,310,715	12,655,481	11,749,669	11,480,895
Licenses and permits	204,733	114,858	131,790	132,375	100,358	128,423	190,229	150,668	114,491	111,676
Intergovernmental revenues	4,275,885	4,920,882	5,263,356	4,724,450	2,171,691	9,235,500	10,883,330	11,817,684	11,669,292	10,492,523
Departmental income	360,958	319,150	340,662	477,079	439,947	436,109	472,799	453,294	446,926	394,429
Unclassified	743,048	578,048	689,043	338,691	644,749	2,219,382	1,386,446	1,310,692	853,156	723,760
Investment income	187,581	112,716	172,955	264,559	281,724	353,311	421,783	261,952	220,237	111,655
Total revenues	<u>24,505,199</u>	<u>23,844,592</u>	<u>23,496,392</u>	<u>22,307,771</u>	<u>18,986,985</u>	<u>27,535,084</u>	<u>27,665,302</u>	<u>26,649,771</u>	<u>25,053,771</u>	<u>23,314,938</u>
Expenditures										
General government	1,486,237	1,273,963	1,271,216	1,192,398	1,222,988	1,136,630	1,177,356	1,209,521	1,050,756	946,216
Public safety	2,597,023	2,376,851	2,427,548	2,443,188	2,369,347	2,078,589	1,892,245	1,826,339	1,757,629	1,680,088
Municipal buildings	193,698	170,555	174,480	167,919	157,693	147,078	147,470	150,196	161,658	198,490
Culture and recreation	684,265	685,700	685,785	651,533	662,532	653,472	710,905	683,512	695,749	604,663
General assistance	89,661	41,982	52,148	43,780	36,818	33,204	37,868	34,669	41,614	34,604
Public works	1,554,202	1,510,452	1,340,238	1,377,158	1,416,749	1,416,163	1,404,106	1,280,044	1,214,660	1,152,780
County tax	419,748	418,665	413,360	390,328	385,325	399,485	575,555	401,535	399,076	388,476
Education	9,936,799	9,676,685	9,043,511	8,303,154	8,863,374	15,064,466	15,271,460	14,949,329	14,141,833	13,153,803
Unclassified	1,431,597	1,713,864	2,045,577	1,540,250	1,371,185	1,375,542	1,810,778	2,018,617	1,681,096	931,406
Debt principal	2,632,788	4,511,951	3,360,772	1,255,991	2,031,839	1,482,772	1,383,586	1,450,715	1,731,500	1,155,000
Debt interest	1,176,284	101,792	1,652,085	2,121,947	306,444	387,524	391,886	469,929	316,406	345,116
State retirement contributions	-	-	-	-	-	1,291,410	1,328,608	1,273,446	1,169,874	1,036,745
Capital outlay	3,348,091	2,621,214	2,304,703	3,984,782	11,740,530	26,208,789	4,870,805	2,286,072	1,714,843	1,101,514
Total expenditures	<u>25,550,393</u>	<u>25,103,674</u>	<u>24,771,423</u>	<u>23,472,428</u>	<u>30,564,824</u>	<u>51,675,124</u>	<u>31,002,628</u>	<u>28,033,924</u>	<u>26,076,694</u>	<u>22,728,901</u>
Excess (deficiency) of revenues over (under) expenditures	(1,045,194)	(1,259,082)	(1,275,031)	(1,164,657)	(11,577,839)	(24,140,040)	(3,337,326)	(1,384,153)	(1,022,923)	586,037
Other financing sources (uses):										
Proceeds from borrowing	-	380,000	-	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	1,904,668	1,878,351	2,238,911	1,901,340	3,702,234	12,114,821	10,865,651	9,024,790	7,742,761	8,436,575
Transfers out	(2,290,308)	(2,412,389)	(2,767,118)	(1,901,340)	(3,546,888)	(12,542,555)	(10,865,651)	(9,024,790)	(7,742,761)	(8,725,075)
Total other financing sources (uses)	<u>(385,640)</u>	<u>(154,038)</u>	<u>(528,207)</u>	<u>1,892,000</u>	<u>7,950,144</u>	<u>29,610,226</u>	<u>184,350</u>	<u>-</u>	<u>3,888,398</u>	<u>836,500</u>
Net change in fund balances	<u>\$ (1,430,834)</u>	<u>(1,413,120)</u>	<u>(1,803,238)</u>	<u>727,343</u>	<u>(3,627,695)</u>	<u>5,470,186</u>	<u>(3,152,976)</u>	<u>(1,384,153)</u>	<u>2,865,475</u>	<u>1,422,537</u>
Debt service as a percentage of noncapital expenditures	17.16%	20.52%	22.31%	17.33%	12.42%	7.34%	6.79%	7.46%	8.41%	6.94%

Table 5

**CITY OF ELLSWORTH, MAINE
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>
2014	\$	17,205,551	1,424,038	18,629,589
2013		16,402,046	1,302,518	17,704,564
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
Percent Change 2005-2014		68.42%	14.34%	62.55%

Table 6

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

<u>Fiscal Year</u>	<u>State Revenue</u>					<u>Total</u>
	<u>Sharing</u>	<u>School Aid*</u>	<u>Welfare Assistance</u>	<u>Other State Aid</u>		
2014	\$ 368,989	-	10,173	4,333,744	4,712,906	
2013	512,600	-	11,872	4,317,198	4,841,670	
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	

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

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

<u>Fiscal Year</u>	<u>Real 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>	<u>Personal Property*</u>			
2014	\$ 702,416,241	330,548,819	34,183,300	1,067,148,360	16.05	100%
2013	700,626,603	329,706,636	33,625,500	1,063,958,739	15.45	100%
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%

* Personal Property consists of machinery and equipment.

Source: City Tax Assessor

CITY OF ELLSWORTH, MAINE
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>
2014	6.33	9.33	0.39	16.05
2013	6.06	9.00	0.39	15.45
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

Table 9

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

<u>Taxpayer</u>	<u>Business</u>	<u>2014</u>			<u>2005</u>		
		<u>Assessed Value</u>	<u>Rank</u>	<u>% of Total Tax Base</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>% of Total Tax Base</u>
Bangor Hydro Electric Co.	Electric utility	\$ 26,460,800	1	2.48%	15,158,788	2	2.66%
Wal-Mart	Retail sales	20,399,100	2	1.91%	7,246,100	5	1.27%
Union River Associates Realty	Shopping center	14,037,000	3	1.32%	-		
Home Depot	Retail sales	11,202,600	4	1.05%	8,640,800	4	1.51%
Black Bear Hydro Partners LLC	Dam	10,000,000	5	0.94%	-		
Ellsworth Shopping Center Inc.	Shopping center	7,374,500	6	0.69%	6,891,300	6	1.21%
Ellsworth No. 1 LLC	Lodging	6,504,400	7	0.61%	-		
Hancock County Homes Foundation	Multi-family apartments	5,811,200	8	0.54%	3,858,400	8	0.68%
Ellsworth RI LLC	Lodging	5,366,200	9	0.50%	-		
Ellsworth Investments LLC	Retail sales	5,085,900	10	0.48%	-		
Union River Yacht Club	Lodging	-	-		4,540,000	7	0.80%
Mill Mall	Shopping center	-	-		2,577,000	10	0.45%
Henrietta T. MacQuinn Trustee	Shopping center	-	-		9,885,000	3	1.73%
Union Trust Company	Bank	-	-		2,767,000	9	0.49%
Penobscot Hydro	Dam	-	-		21,203,900	1	3.72%

*Source - City of Ellsworth tax commitment

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

Collected within the Fiscal Year of the Levy

<u>Fiscal Year</u>	<u>Gross Tax Levy</u>	<u>Abatements</u>	<u>Net Tax Levy</u>	<u>Amount</u>	<u>% of Net Levy</u>	<u>Subsequent Year Collections</u>	<u>Total Tax Collections</u>	<u>% of Total Tax Collection to Net Levy</u>
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%	286,313	15,259,362	97.89%
2013	16,462,945	92,744	16,370,201	15,631,220	95.49%	429,948	16,061,168	98.11%
2014	17,171,630	67,227	17,104,403	16,171,426	94.55%	-	16,171,426	94.55%

Table 11

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

<u>Fiscal Year</u>	<u>Governmental Activities</u> <u>General Obligation</u> <u>Bonds and Notes</u>	<u>Business-type Activities</u> <u>General Obligation</u> <u>Bonds</u>	<u>Total Primary</u> <u>Government</u>	<u>Per</u> <u>Capita</u>	<u>Per Personal</u> <u>Income</u>
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%
2013	36,496,260	13,920,802	50,417,062	6,443.90	13.40%
2014	33,136,487	12,993,156	46,129,643	5,857.73	12.18%

** 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, MAINE
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>
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
2013	7824	1,063,958,739	36,496,260	3.43%	4,664.65
2014	7875	1,067,148,360	33,136,487	3.11%	4,207.81

*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, MAINE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2014

	<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 and notes	\$ 46,129,643	100%	46,129,643
Overlapping debt			
Hancock County	1,500,000	8.02%	120,300
Total debt	\$ 47,629,643		46,249,943

**CITY OF ELLSWORTH, MAINE
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>
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%
2013	157,305,000	1,048,700,000	50,417,062	106,887,938	32.05%
2014	155,400,000	1,036,000,000	46,129,643	109,270,357	29.68%

Legal Debt Margin Calculation for Fiscal Year 2014

Total state valuation	1,036,000,000
Debt limitation: 15% of state valuation	155,400,000
Debt applicable to debt limitation:	
General obligation bonds and notes:	
Municipal	\$ 2,547,984
Water	2,688,570
School	30,588,503
Sewer	10,304,586
Total debt applicable to debt limit:	46,129,643
Legal Debt Margin	\$ 109,270,357

Table 15

**CITY OF ELLSWORTH, MAINE
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>
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%
2013	7824		47,799	27,850	46.4	1,301	7.10%
2014	7875		48,101	25,772	45.2	1,283	5.90%

*Source: US Census Bureau

**Source: Maine Department of Education

***Source: Maine Department of Labor

Table 16

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

<u>Employer</u>	<u>2014</u>		<u>2005</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Maine Coast Memorial Hospital	633	1	430	1
Ellsworth Schools	306	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
Home Depot	98	7		
Union Trust Company	94	8		8
North Country Associates	92	9	91	9
City of Ellsworth	91	10	352	2
State of Maine, Dep't 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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Code Enforcement										
Building permits	180	139	167	190	213	190	259	223	239	289
Police										
Calls for service	7,350	7,330	8,005	7,309	7,010	6,337	4,885	5,243	4,861	4,641
Fire										
Calls for service	431	413	405	382	397	385	345	355	299	277
Sewer										
Treated flow (millions of gallons)	221	227	124	148	213	190	259	223	217	317
Biosolids (cubic yards)	672	503	777	610	716	622	697	680	908	829

*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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Administration	19	18	18	18	18	17	16	16	16	16
Police	16	16	16	16	15	14	14	14	14	14
Fire	12	12	10	10	10	10	9	9	8	8
Dispatch	4	4	4	4	3	3	3	4	4	4
Highway	12	12	11	11	11	11	11	10	9	9
Transfer Station	2	2	2	2	2	2	2	2	2	1
Wastewater Department	4	4	4	4	4	4	4	4	4	3
Water Department	4	4	4	4	4	4	4	4	3	3
Library	11	11	11	11	9	9	9	9	9	9
Recreation	1	1	1	1	1	1	1	1	1	1
Custodial	2	2	2	2	3	3	2	2	2	2
School Department**	0	0	0	0	0	320	320	318	317	291
Totals	87	86	83	83	80	398	395	393	389	361

*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	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	8	8	8	8	7	7	7	7	7	7
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	9	9	9	9	7	9	9	9	9	9
Public Works										
Paved Streets/Roads (miles)	38.29	38.29	37.79	37.79	37.79	37.79	37.79	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	1	1	2	2	2	2
Park Acreage	1.25	1.25	1.25	1.25	1.25	1.25	1.40	1.40	1.40	1.40
Harbors	1	1	1	1	1	1	1	1	1	1
Harbor Moorings	42	42	42	42	43	42	41	33	33	35
Ball Fields	4	4	4	4	4	4	4	4	4	4
Ball Field Acreage	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70	10.70
Sewer										
Sanitary Sewers (miles)	23.40	23.40	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	8	8	7	7	7	7	7	4
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Water										
Transmission & Distribution (miles)	33.80	33.80	33.80	33.80	31.53	31.50	31.50	31.50	30.60	30.60
Public Fire Hydrants	235	235	235	235	222	192	192	192	192	181

*Source - City of Ellsworth departmental records