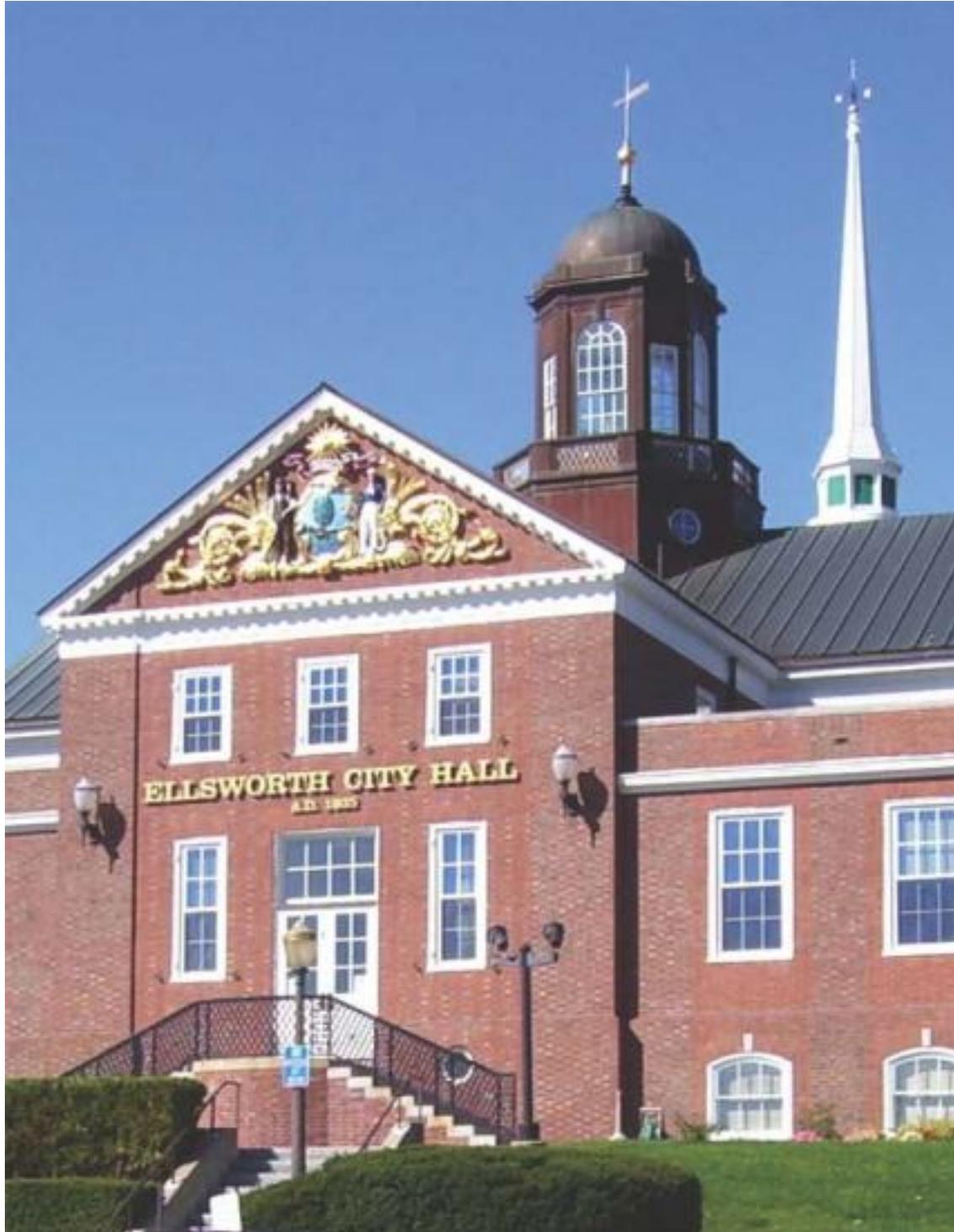


CITY OF ELLSWORTH, MAINE
COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the Fiscal Year Ending
June 30, 2015**

CITY OF ELLSWORTH, MAINE

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Prepared by the Finance Department

CITY OF ELLSWORTH, MAINE
For the Fiscal Year Ended June 30, 2015
Comprehensive Annual Financial Report

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Comprehensive Annual Financial Report

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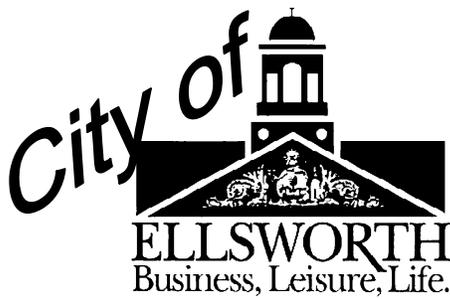
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INTRODUCTORY SECTION



Office of the City Treasurer

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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, 2015 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 Amendments of 1996 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, and 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 grades Kindergarten (“K”) through 12. 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, School Operations 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 approval by the School Board and then the City Council. Once approved by City Council, the budget must be passed by the majority through a voter referendum. 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 School Board may transfer an amount not exceeding 5% of the total appropriation for any budget category without voter approval.

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 2014-2015 is \$1,070,754,160, an approximate increase of 0.34% from the 2013-2014 tax assessment. Approximately 33% 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 just under 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 2015, the Capital Improvement budget included \$400,000 to fund street, sidewalk, and drainage improvements; \$20,833 to fund technology improvements; \$17,000 to fund Highway Garage improvements; \$210,575 to fund upgrades in police, fire, and highway equipment; and \$56,000 to fund miscellaneous capital improvements.

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

Major Initiatives

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

One of the parcels has been identified as a perfect location for a community park due to the proximity to residential areas, community centers, both schools and the downtown area. The City has formed a Knowlton Community Park Committee that is tasked with finding creative ways of raising \$1.5 million in park funds through grants and private donations. Construction will be complete in the summer of 2015.

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 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 once again, operated its own school department.

Significant Accomplishments of Fiscal Year 2015

- 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 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 borrowed \$1.5 million for this project and pay principal and interest payments with future TIF revenues.
- The City held a municipal referendum for a \$4.95 million library bond for the expansion and reconstruction of the public library.
- The City Council deeded property to the Economic Business Development Corporation to generate seed money to assist with development of the Ellsworth area.

- The City Council approved a broadband infrastructure project to provide area businesses and residents a faster internet speed.
- The City Council approved a ten year lease with the Downeast Family YMCA to occupy the Moore Community Center. The YMCA will be responsible for heating the space and other utility costs. The YMCA houses their child care program at the building and will sublease a portion of the structure to Friends in Action which is a nonprofit organization that is devoted in assisting senior citizens.
- The City authorized a housing study to be conducted for middle income seniors. The City has had many requests from groups identifying the lack of development for this type of housing. Currently there is housing for low income seniors; however, at this time there are no options available for seniors that do not meet the income level criteria.

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 2016.

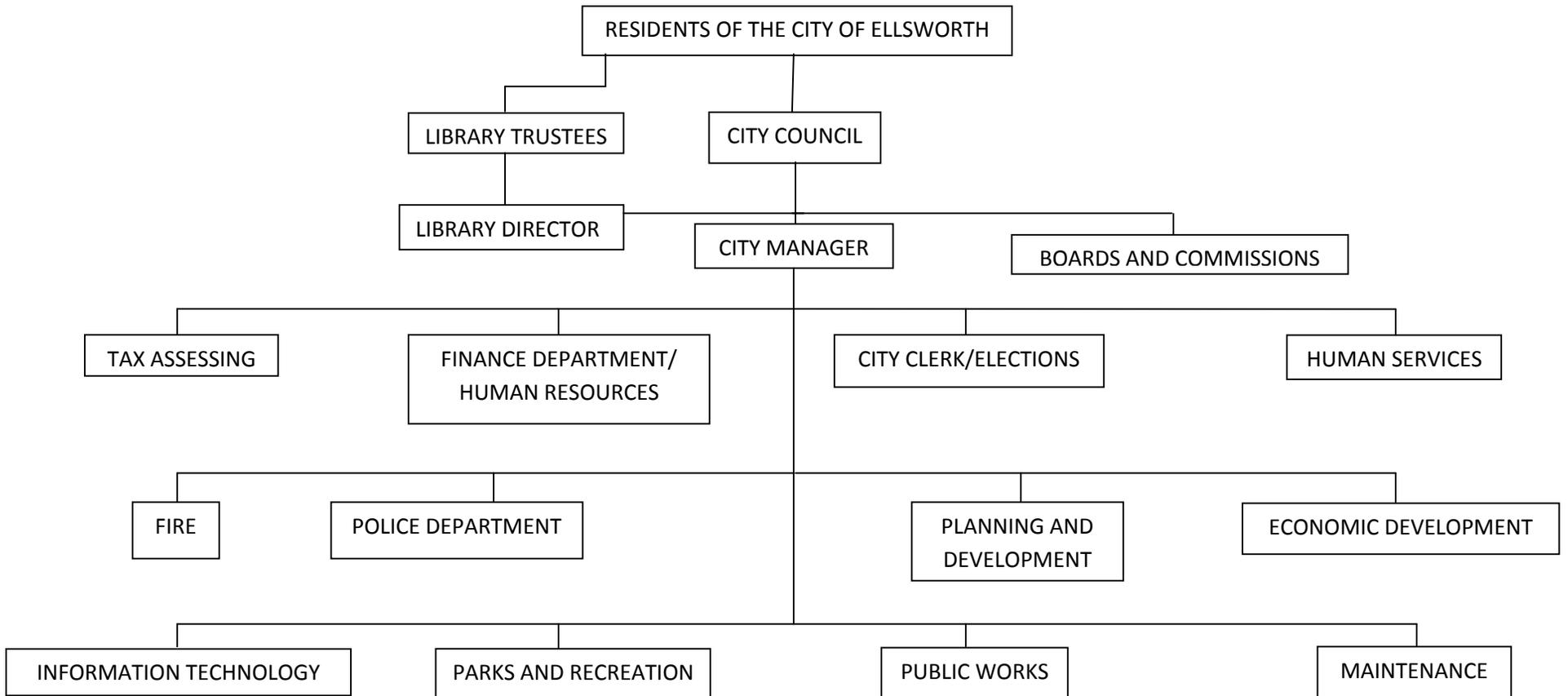
The preparation of this report would not have been possible without the various departments, as well as members of the Finance Office, providing the necessary information needed to complete this comprehensive annual financial report. Appreciation is also extended to the City Manager and the City Council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

Respectfully submitted,

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

Tammy Mote
Deputy City Manager/
Finance Director

CITY OF ELLSWORTH, MAINE
Organizational Chart



CITY OF ELLSWORTH, MAINE

List of Principal Officials
June 30, 2015

Elected Officials

Robert Crosthwaite	City Council Chairperson
Gary Fortier	City Councilor
Stephen Beathem	City Councilor
John Phillips	City Councilor
Marc Blanchette	City Councilor
John Moore	City Councilor
Pamela Perkins	City Councilor

Appointed Officials and Department Heads

David Cole, Interim City Manager

Tammy Mote, Deputy City Manager/ Finance Director	Jason Ingalls, Technology Coordinator
Charlene Churchill, Library Director	Steve Joyal, Maintenance Supervisor
Christopher Coleman, Chief of Police	Richard Tupper, Fire Chief
Michele Gagnon, City Planner	Dwight Tilton, Code Enforcement Officer
Larry Gardner, City Assessor	Michael Harris, Wastewater Superintendent
Heidi Noel Grindle, City Clerk	Micki Sumpter, Economic Development Director
Larry Wilson, Public Works Director & Water Superintendent	

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, 2015, and the related notes to the financial statements, which collectively comprise the City of Ellsworth, Maine'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.

City Council
City of Ellsworth, Maine

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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and School Operations 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, the schedule of funding progress for the retiree healthcare plan, the schedule of the City's proportionate share of the net pension liability, and the schedule of City contributions, 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, schedules, 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 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

City Council
City of Ellsworth, Maine

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2016 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.



March 28, 2016
South Portland, Maine

CITY OF ELLSWORTH, MAINE
Management's Discussion and Analysis
June 30, 2015

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, 2015. 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.

In November 2013, the residents of Ellsworth voted to withdraw from Regional School Unit #24 (RSU 24). This RSU was formed five years prior when districts across Maine were consolidated in an effort to cut administrative costs. After being dissatisfied with their membership, citizens began a lengthy process to remove the Ellsworth schools from the Unit in order to restore the quality and cost of education, as well as keeping Ellsworth tax dollars in Ellsworth. July 1, 2014 marked the beginning of the Ellsworth School Department becoming an official department of the City of Ellsworth once again. Per the withdrawal agreement, the Ellsworth School Department's share of the fund balance of Regional School Unit #24 was \$1,870,338, which is shown as a special item on Statement 4 and Statement 7.1. Additionally, \$23,575 is shown as a special item (Statement 4) for the Ellsworth School Department's share of special revenue funds balances. Finally, the school department's capital assets, net of accumulated depreciation (\$8,956,353), were assumed by the City.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by approximately \$56.4 million as of June 30, 2015, compared to approximately \$46.9 million as of June 30, 2014. Of the \$56.4 million, approximately \$34.86 million relates to the City's governmental activities and \$21.55 million relates to its business-type activities (Water and Wastewater).
- The City's General Fund - fund balance was approximately \$3.5 million as of June 30, 2015, compared to approximately \$4.1 million as of June 30, 2014.
- The City's Fund Balance Ordinance requires general fund unassigned fund balance to remain between 10% and 20% of the previous fiscal year's total gross expenditures. At the end of the current fiscal year, unassigned fund balance as a percentage of the prior fiscal year's total gross expenditures stands at 13.8%.
- The City of Ellsworth incurred \$7,790,000 in additional debt in the most recent fiscal year. Of that amount, \$1,509,000 was issued for the reconstruction of the Beechland Road, \$4,631,000 for the Moore Community Center construction, \$850,000 for the construction at Knowlton Park, and \$800,000 for start-up costs for the new Ellsworth School Department.
- At the close of fiscal year 2015, the City of Ellsworth's governmental funds financial statements reported a combined ending fund balance of approximately \$3.7 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.

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

The Statement of Net Position includes all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them 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 and sick leave).

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 three 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, School Operations Fund and Capital Projects Fund. 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 and School Operations Fund. A budgetary comparison statement has been provided for the General Fund and School Operations Fund to demonstrate compliance with this budget (Statement 7 and Statement 7.1, respectively). Additionally, the City's General Fund is further broken down into the individual elements comprising each budget category (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.

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

- Fiduciary funds are reported in the fiduciary fund financial statements (Statements 11 and 12), 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.

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, 2015 and 2014:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>2015</u>	<u>2014</u> <u>(as restated)</u>	<u>Change</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>
Current and other assets	\$ 7,511,839	10,146,479	(2,634,640)	(109,416)	358,307	(467,723)
Capital assets	<u>70,215,017</u>	<u>56,295,651</u>	<u>13,919,366</u>	<u>34,508,041</u>	<u>34,633,072</u>	<u>(125,031)</u>
Total Assets	77,726,856	66,442,130	11,284,726	34,398,625	34,991,379	(592,754)
Deferred outflows of resources - pensions	<u>117,029</u>	<u>55,812</u>	<u>61,217</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current liabilities	2,965,610	6,200,593	(3,234,983)	433,685	513,688	(80,003)
Noncurrent liabilities	<u>39,714,890</u>	<u>34,800,429</u>	<u>4,914,461</u>	<u>12,412,047</u>	<u>13,107,152</u>	<u>(695,105)</u>
Total Liabilities	42,680,500	41,001,022	1,679,478	12,845,732	13,620,840	(775,108)
Deferred inflows of resources - pensions	<u>306,865</u>	<u>-</u>	<u>306,865</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net investment in capital assets	31,831,381	23,159,164	8,672,217	22,209,990	21,639,916	570,074
Restricted	3,202,685	1,596,192	1,606,493	417,237	496,428	(79,191)
Unrestricted	<u>(177,546)</u>	<u>741,564</u>	<u>(919,110)</u>	<u>(1,074,334)</u>	<u>(765,805)</u>	<u>(308,529)</u>
Total Net Position	\$ 34,856,520	25,496,920	9,359,600	21,552,893	21,370,539	182,354

*The 2014 column for governmental activities was restated for the effects of the implementation of GASB #68.

Governmental activity assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$34,856,520. Business-type activity assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$21,552,893 for a City-wide total net position of \$56,409,413 at the close of the most recent fiscal year.

The largest portion of the City of Ellsworth's net position (95.8%) 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.

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

The remaining portion of the City's net position (4.2%) represents resources that are subject to external restrictions and a portion 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 except in unrestricted. The governmental activities negative unrestricted net position only represents 0.5% of the total governmental activities net position. The City Council will be addressing this in future budget years to bring unrestricted net position to a positive balance. The business-type activities negative balance is due to the Wastewater's operating history where expenses exceeded revenues that resulted from the construction of a new plant. The City Council has addressed this issue by significantly increasing the user fee rates.

The following schedule is a summary of the statement of activities for the years ended June 30, 2015 and 2014:

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>
Revenues:						
Program revenues:						
Charges for services	\$ 3,469,290	717,380	2,751,910	2,174,008	2,054,574	119,434
Operating grants and contributions	7,737,272	3,707,843	4,029,429	-	-	-
Capital grants and contributions	475,750	390,406	85,344	-	243,246	(243,246)
General revenues:						
Taxes	19,290,101	18,699,094	591,007	-	-	-
Intergovernmental	736,424	732,324	4,100	-	-	-
Investment	152,415	187,581	(35,166)	20,700	20,945	(245)
All others	(214,434)	(540,195)	325,761	226,653	387,112	(160,459)
Total Revenues	<u>31,646,818</u>	<u>23,894,433</u>	<u>7,752,385</u>	<u>2,421,361</u>	<u>2,705,877</u>	<u>(284,516)</u>
Expenses:						
General government	1,749,081	2,355,298	(606,217)	-	-	-
Public safety	2,533,798	2,740,831	(207,033)	-	-	-
Municipal buildings	276,817	267,378	9,439	-	-	-
Culture and recreation	765,640	694,647	70,993	-	-	-
General assistance	38,778	89,661	(50,883)	-	-	-
Public works	2,104,003	1,991,906	112,097	-	-	-
County tax	421,450	419,748	1,702	-	-	-
Education	18,957,785	9,936,799	9,020,986	-	-	-
Unclassified	3,937,524	1,702,321	2,235,203	-	-	-
Interest on long-term debt	2,352,608	1,145,421	1,207,187	-	-	-
Water and Wastewater	-	-	-	2,239,007	2,064,104	174,903
Total Expenses	<u>33,137,484</u>	<u>21,344,010</u>	<u>11,793,474</u>	<u>2,239,007</u>	<u>2,064,104</u>	<u>174,903</u>
Change in Net Position	<u>(1,490,666)</u>	<u>2,550,423</u>	<u>(4,041,089)</u>	<u>182,354</u>	<u>641,773</u>	<u>(459,419)</u>
Special item:						
Transfer of assets, liabilities, and equity from RSU #24	10,850,266	-	10,850,266	-	-	-
Change in Net Position	<u>\$ 9,359,600</u>	<u>2,550,423</u>	<u>6,809,177</u>	<u>182,354</u>	<u>641,773</u>	<u>(459,419)</u>

*The 2014 columns of this table have not been restated for the effects of the implementation of GASB #68 as the information is not available.

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

The cost of all governmental activities was approximately \$33.14 million. As shown on the Statement of Activities, the total amount financed by the City's taxpayers was approximately \$19.3 million, or 61% of total revenues. Those who directly benefit from an activity provided \$3,469,290 in revenue. Other governments and organizations subsidized certain activities with operating grants and contributions in the amount of \$7,737,272. Capital grants and contributions accounted for \$475,750. All other revenues accounted for \$674,405, which includes miscellaneous revenues, intergovernmental revenues not restricted to a specific program, investment earnings, and the transfer to the Wastewater Fund.

Total governmental activities revenues (\$31,646,818) increased by \$7,752,385, or 32.4% over fiscal year 2014. This was driven by growth in charges for services, operating grants and contributions, and general taxes. Most of this growth was due to the addition of the Ellsworth School Department to the City.

Total governmental activities expenses (\$33,137,484) increased by \$11,793,474, or 55.3% over fiscal year 2014. This was driven primarily by the increases in education related expenses and interest on long-term debt due to the addition of the Ellsworth School Department to the City.

The special item shown above is comprised of the net capital assets assumed by the City, as well as the Ellsworth School Department's share of general and special revenue fund balances per the withdrawal agreement with RSU #24.

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 – fund balance of approximately \$1.62 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 2016.

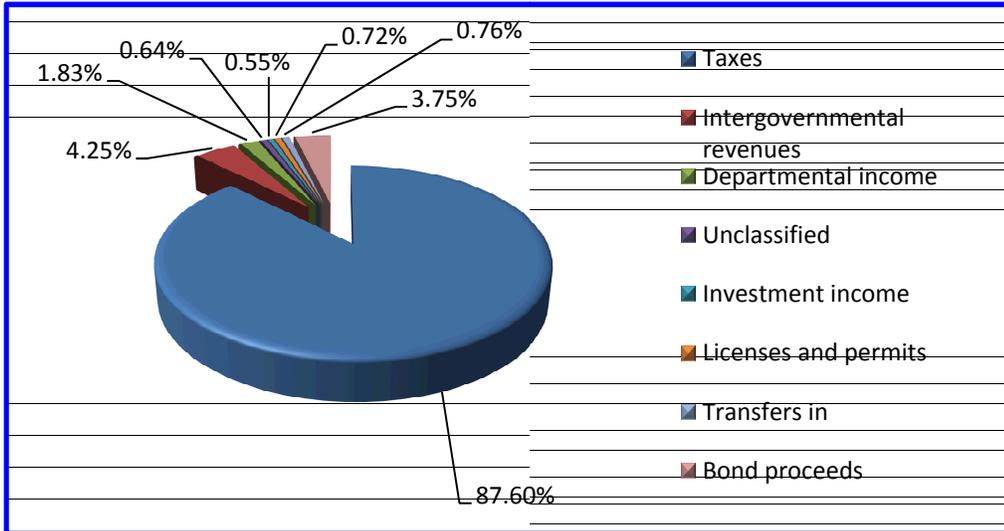
As of the end of the current fiscal year, the City of Ellsworth's governmental funds reported combined ending fund balances of \$3,692,408, an increase \$1,646,594. A portion of the fund balance (\$5,072,480) is not available for new spending because it is either in a non-spendable form (\$654,017), has been restricted for special revenues, permanent funds or education (\$2,548,668), or has been assigned to liquidate contracts and purchase orders of the prior period (\$1,869,795).

General Fund - The General Fund is the central operating fund of the City of Ellsworth. As stated earlier, the unassigned General Fund – fund balance as of June 30, 2015 was \$1,622,311 as compared to \$2,756,380 of the previous year, which is a decrease of \$1,134,069.

Total expenditures in the General Fund (\$22,469,749, Statement 7), which includes other financing uses, increased by \$2,499,075, or 12.5%. The increase in expenditures was primarily due to the school department start-up costs. Total revenues in the General Fund (\$21,868,104, Statement 7), which includes other financing sources, increased from the prior year by \$883,464, or 4.2%, mainly due to the increase in the tax levy due to overall increased costs for education and contractual requirements, as well as the issuance of \$800,000 in debt to repay the City for costs incurred related to the school department's start-up costs.

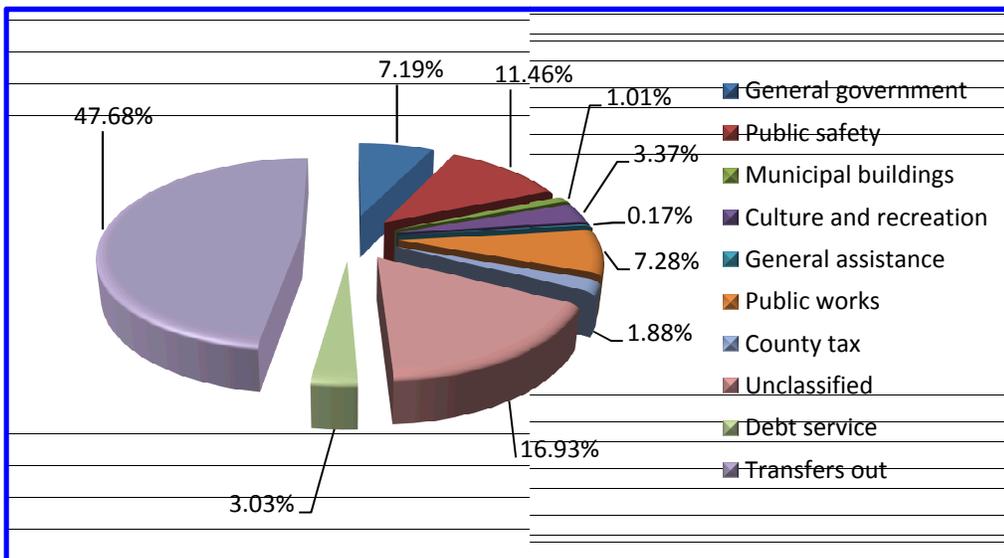
CITY OF ELLSWORTH, MAINE
Management's Discussion and Analysis, Continued

The City's General Fund revenues were as follows (Statement 7):



The largest single source of revenue continues to be the property tax. Property tax revenues increased by \$424,007, or 2.27%, from the prior year. However, the portion of total revenues attributed to property tax revenues (87.60%) decreased from the prior year by 3.52%. All other revenues account for 12.4% of total revenues.

The City's General Fund expenditures were as follows (Statement 7):

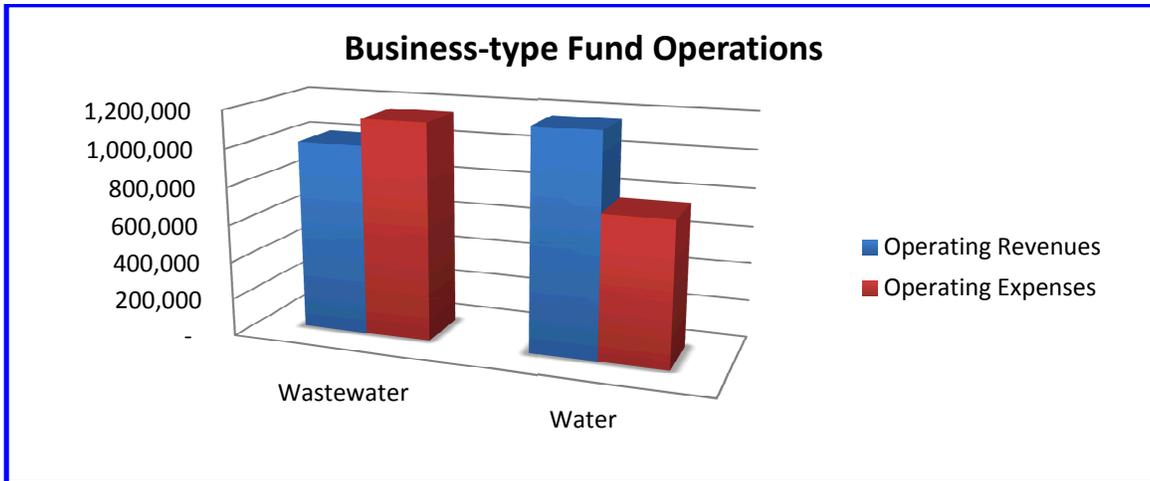


Transfers out account for the largest percentage of total expenditures at 47.68%. This accounts for the City's budgeted education allocation (\$9,942,048), adult education allocation (\$200,000), and TIF District allocation (\$572,002). Unclassified expenditures account for 16.93% of total expenditures and public safety accounts for 11.46%. Unclassified expenditures as a percentage of total expenditures increased by 9.67% from the prior year due to the school department's start-up costs paid for by the City. All other expenditure categories comprise 23.93% of total expenditures.

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

Business-type Activities

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



Unrestricted net position of the City's Wastewater fund amounted to (\$2,227,744), a decrease of \$415,787. The City's Water fund unrestricted net position amounted to \$1,153,410, an increase of \$107,258.

General Fund Budgetary Highlights

Actual revenues exceeded budgeted revenues by \$186,876 (Statement 7). This is primarily due to higher-than-expected excise tax revenues, intergovernmental revenues, and investment income.

Actual expenditures exceeded budgeted expenditures by \$1,875,077 (Statement 7). This is almost entirely due to the school department's start-up costs funded by the City. These expenditures were largely unbudgeted, but were slightly offset by bond and bond premium revenues. Almost all of the other departments/functions were under budget.

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.

School Operations Fund Budgetary Highlights

Actual revenues were under budget by \$50,141 (Statement 7.1). This was due to lower-than-expected tuition revenues as well as miscellaneous revenues.

Actual expenditures were under budget by \$952,393 (Statement 7.1). This was due to lower-than-expected costs related to wages and benefits, repairs and maintenance, heating and diesel fuels, and transportation.

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

Capital Assets

The City of Ellsworth's capital assets, net of accumulated depreciation, for its governmental activities and business-type activities as of June 30, 2015 amounts to \$70,215,017 and \$34,508,041, respectively. Accumulated depreciation as of June 30, 2015 amounts to \$18,201,187 for governmental activities and \$11,741,714 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.

Capital asset additions for governmental activities amounted to \$6,863,471. This does not include the amount of capital assets assumed by the City from the Ellsworth School Department's return. Those assets, while shown as a current year increase in capital assets, do not constitute new capital asset additions purchased or constructed by the City during the year. Some of the major capital asset additions for governmental activities for fiscal year 2015 are as follows: Sterling St. storm water relocation project (\$350,955); Knowlton Park construction (\$873,529); Beechland Road construction (\$1,833,753); Moore Community Center construction (\$2,907,715); and Library expansion (\$150,150).

Capital asset additions for business-type activities amounted to \$261,276. Most of the additions were attributed to construction in progress (\$215,730) related to the water and wastewater treatment plants. Additionally, transportation equipment (\$20,775), distribution mains (\$7,238), and meters (\$8,302) were also added to capital assets during the year.

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

Long-term Liabilities

At the end of the current fiscal year, the City of Ellsworth had total long-term debt outstanding of \$50,374,590. Of this amount, \$8,739,992 is remaining for road construction projects, Moore Community Center construction, Knowlton Park construction, revaluation, financial software, and fire equipment; \$12,157,877 for business-type activities; and \$29,476,721 for the School Department.

The City issued \$14,276,000 in additional debt during the year. However, \$6,388,276 of this total was used to refinance outstanding wastewater debt. The remainder of the debt proceeds were used for school department start-up costs, Moore Community Center construction, Beechland Road construction, and Knowlton Park construction.

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 \$153,217,500 far exceeding the City's outstanding general obligation debt.

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

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

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.

The City 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 and Moody's in August 2014. The City maintained its AA- General Obligation bond rating with Standard and Poor's 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 2016 budget, the City Council's goal was to minimize any tax rate increase. The City increased the tax rate by 7.60 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, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,278,566	\$ 100	\$ 1,278,666
Investments	1,891,858	279,417	2,171,275
Receivables:			
Taxes receivable - current year	56,364	-	56,364
Taxes receivable - prior years	46,322	-	46,322
Tax liens - current year	903,965	-	903,965
Tax liens - prior years	456,661	-	456,661
Accounts receivable	1,320,993	730,476	2,051,469
Internal balances	1,539,844	(1,539,844)	-
Prepaid expenses	940	-	940
Inventory	16,326	3,198	19,524
Cash restricted for capital projects	-	253,522	253,522
Accounts receivable restricted for capital projects	-	163,715	163,715
Capital assets, not being depreciated	12,379,204	22,821,872	35,201,076
Capital assets, net of accumulated depreciation	<u>57,835,813</u>	<u>11,686,169</u>	<u>69,521,982</u>
Total assets	<u>77,726,856</u>	<u>34,398,625</u>	<u>112,125,481</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - related to pensions	<u>117,029</u>	-	<u>117,029</u>
Total deferred outflows of resources	<u>117,029</u>	-	<u>117,029</u>
LIABILITIES			
Accounts payable	944,593	369,355	1,313,948
Accrued liabilities	1,682,007	12,069	1,694,076
Taxes collected in advance	111,508	-	111,508
Escrow deposit	1,700	-	1,700
Unearned revenue	423	-	423
Accrued interest	225,379	52,261	277,640
Noncurrent liabilities:			
Due within one year	3,055,032	1,041,323	4,096,355
Due in more than one year	<u>36,659,858</u>	<u>11,370,724</u>	<u>48,030,582</u>
Total liabilities	<u>42,680,500</u>	<u>12,845,732</u>	<u>55,526,232</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - related to pensions	<u>306,865</u>	-	<u>306,865</u>
Total deferred inflows of resources	<u>306,865</u>	-	<u>306,865</u>
NET POSITION			
Net investment in capital assets	31,831,381	22,209,990	54,041,371
Restricted for:			
Permanent funds - Nonexpendable principal	636,751	-	636,751
Capital projects	-	417,237	417,237
Special revenue funds	938,252	-	938,252
Permanent funds	297,388	-	297,388
Education	1,330,294	-	1,330,294
Unrestricted	<u>(177,546)</u>	<u>(1,074,334)</u>	<u>(1,251,880)</u>
Total net position	<u>\$ 34,856,520</u>	<u>\$ 21,552,893</u>	<u>\$ 56,409,413</u>

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Activities
For the Year Ended June 30, 2015

Function/Program	Expenses	Program Revenues			Net (expense) revenue and changes in net position			
		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	\$ 1,749,081	317,033	3,972	-	(1,428,076)	-	(1,428,076)	
Public safety	2,533,798	25,831	71,330	-	(2,436,637)	-	(2,436,637)	
Municipal buildings	276,817	125	-	-	(276,692)	-	(276,692)	
Culture and recreation	765,640	55,909	8,260	-	(701,471)	-	(701,471)	
General assistance	38,778	-	14,316	-	(24,462)	-	(24,462)	
Public works	2,104,003	243,643	177,936	343,893	(1,338,531)	-	(1,338,531)	
County tax	421,450	-	-	-	(421,450)	-	(421,450)	
Education	18,957,785	2,767,510	7,350,922	-	(8,839,353)	-	(8,839,353)	
Investment fees	7,171	-	-	-	(7,171)	-	(7,171)	
Unclassified	3,930,353	59,239	110,536	131,857	(3,628,721)	-	(3,628,721)	
Interest on long-term debt	2,352,608	-	-	-	(2,352,608)	-	(2,352,608)	
Total governmental activities	<u>33,137,484</u>	<u>3,469,290</u>	<u>7,737,272</u>	<u>475,750</u>	<u>(21,455,172)</u>	<u>-</u>	<u>(21,455,172)</u>	
Business-type activities:								
Wastewater	1,432,942	1,010,364	-	-	-	(422,578)	(422,578)	
Water	806,065	1,163,644	-	-	-	357,579	357,579	
Total business-type activities	<u>2,239,007</u>	<u>2,174,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(64,999)</u>	<u>(64,999)</u>	
Total primary government	\$ <u>35,376,491</u>	<u>5,643,298</u>	<u>7,737,272</u>	<u>475,750</u>	<u>(21,455,172)</u>	<u>(64,999)</u>	<u>(21,520,171)</u>	
General revenues:								
Property taxes, levied for general purposes					\$ 17,681,814	-	17,681,814	
Motor vehicle excise taxes					1,473,558	-	1,473,558	
Interest and costs on taxes					134,729	-	134,729	
Grants and contributions not restricted to specific programs:								
State Revenue Sharing					371,336	-	371,336	
Homestead exemption					150,795	-	150,795	
Other State aid					214,293	-	214,293	
Unrestricted investment earnings					152,415	20,700	173,115	
Miscellaneous revenues					12,219	-	12,219	
Transfers					(226,653)	226,653	-	
Total general revenues and transfers					<u>19,964,506</u>	<u>247,353</u>	<u>20,211,859</u>	
					Change in net position	(1,490,666)	182,354	(1,308,312)
Special item:								
Transfer of assets, liabilities and equity from RSU No. 24					<u>10,850,266</u>	<u>-</u>	<u>10,850,266</u>	
					Change in net position	9,359,600	182,354	9,541,954
					Net position, beginning of year, as restated	<u>25,496,920</u>	<u>21,370,539</u>	<u>46,867,459</u>
					Net position, end of year	\$ <u>34,856,520</u>	<u>21,552,893</u>	<u>56,409,413</u>

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	School Operations Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,182,463	-	-	96,103	1,278,566
Investments	1,023,532	-	-	868,326	1,891,858
Receivables:					
Taxes receivable - current year	56,364	-	-	-	56,364
Taxes receivable - prior years	46,322	-	-	-	46,322
Tax liens - current year	903,965	-	-	-	903,965
Tax liens - prior years	456,661	-	-	-	456,661
Accounts receivable	291,318	757,985	-	341,694	1,390,997
Prepaid expenditures	-	940	-	-	940
Inventory	-	-	-	16,326	16,326
Interfund receivable	929,080	2,637,338	-	552,667	4,119,085
	<u>4,889,705</u>	<u>3,396,263</u>	<u>-</u>	<u>1,875,116</u>	<u>10,161,084</u>
Total assets					
LIABILITIES					
Accounts payable	109,425	548,432	239,662	47,074	944,593
Accrued liabilities	95,766	1,517,537	-	68,704	1,682,007
Taxes collected in advance	111,508	-	-	-	111,508
Escrow deposit	1,700	-	-	-	1,700
Unearned revenue	-	-	-	423	423
Interfund payable	-	-	1,083,648	1,565,597	2,649,245
	<u>318,399</u>	<u>2,065,969</u>	<u>1,323,310</u>	<u>1,681,798</u>	<u>5,389,476</u>
Total liabilities					
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	1,079,200	-	-	-	1,079,200
Total deferred inflows of resources	<u>1,079,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,079,200</u>
FUND BALANCES (DEFICIT)					
Nonspendable	-	940	-	653,077	654,017
Restricted for:					
Special revenues	-	-	-	921,926	921,926
Permanent funds	-	-	-	297,388	297,388
Education	-	1,329,354	-	-	1,329,354
Assigned					
General fund	1,869,795	-	-	-	1,869,795
Unassigned					
General fund	1,622,311	-	-	-	1,622,311
Capital projects	-	-	(1,323,310)	-	(1,323,310)
Special revenues	-	-	-	(1,679,073)	(1,679,073)
	<u>3,492,106</u>	<u>1,330,294</u>	<u>(1,323,310)</u>	<u>193,318</u>	<u>3,692,408</u>
Total fund balances (deficit)					
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,889,705</u>	<u>3,396,263</u>	<u>-</u>	<u>1,875,116</u>	<u>10,161,084</u>

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, 2015

	General Fund	School Operations Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 19,157,001	-	-	-	19,157,001
Licenses and permits	138,141	-	-	36,366	174,507
Intergovernmental revenues	928,676	6,259,350	343,893	999,860	8,531,779
Departmental income	399,633	-	-	-	399,633
Charges for services	-	2,554,568	-	212,942	2,767,510
Donations and fundraising	-	-	-	182,574	182,574
Other grants	-	-	-	15,500	15,500
Unclassified	139,859	134,057	-	85,536	359,452
Investment income	119,513	-	-	32,902	152,415
Total revenues	<u>20,882,823</u>	<u>8,947,975</u>	<u>343,893</u>	<u>1,565,680</u>	<u>31,740,371</u>
Expenditures					
Current:					
General government	1,614,885	-	-	29,917	1,644,802
Public safety	2,574,204	-	-	54,741	2,628,945
Municipal buildings	226,700	-	-	-	226,700
Culture and recreation	757,317	-	-	6,400	763,717
General assistance	38,778	-	-	-	38,778
Public works	1,636,225	-	-	-	1,636,225
County tax	421,450	-	-	-	421,450
Education	-	15,279,688	-	633,664	15,913,352
Maine PERS on-behalf payments	-	985,382	-	-	985,382
Unclassified	3,804,527	-	-	74,526	3,879,053
Adult education	-	-	-	194,006	194,006
School lunch	-	-	-	600,090	600,090
Investment fees	-	-	-	7,171	7,171
Debt service					
Principal	661,537	1,911,781	-	200,000	2,773,318
Interest	20,076	1,099,896	-	-	1,119,972
Capital outlays	-	-	6,895,258	-	6,895,258
Total expenditures	<u>11,755,699</u>	<u>19,276,747</u>	<u>6,895,258</u>	<u>1,800,515</u>	<u>39,728,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,127,124</u>	<u>(10,328,772)</u>	<u>(6,551,365)</u>	<u>(234,835)</u>	<u>(7,987,848)</u>
Other financing sources (uses)					
Issuance of long-term debt	800,000	-	6,990,000	-	7,790,000
Premium on issuance of long-term debt	19,821	-	157,361	-	177,182
Transfers in	165,460	9,942,048	-	925,322	11,032,830
Transfers out	(10,714,050)	(153,320)	-	(392,113)	(11,259,483)
Total other financing sources (uses)	<u>(9,728,769)</u>	<u>9,788,728</u>	<u>7,147,361</u>	<u>533,209</u>	<u>7,740,529</u>
Special item:					
City of Ellsworth withdrawal from RSU #24	-	1,870,338	-	23,575	1,893,913
Net change in fund balances	(601,645)	1,330,294	595,996	321,949	1,646,594
Fund balances (deficits), beginning of year	4,093,751	-	(1,919,306)	(128,631)	2,045,814
Fund balances (deficit), end of year	<u>\$ 3,492,106</u>	<u>1,330,294</u>	<u>(1,323,310)</u>	<u>193,318</u>	<u>3,692,408</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, 2015

Total fund balances - governmental funds (from Statement 3)	\$	3,692,408
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:		
		1,079,200
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:		
		70,215,017
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	(38,216,713)	
Premium on bonds payable	(166,923)	
Other postemployment benefits	(542,407)	
Accrued compensated absences	(520,808)	
Accrued interest	(225,379)	
Net pension liability with related deferred inflows and outflows	<u>(457,875)</u>	
		<u>(40,130,105)</u>
Total net position - governmental activities (see Statement 1)	\$	<u>34,856,520</u>

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, 2015

Net change in fund balances - total governmental funds (from Statement 4)		\$ 1,646,594
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.		133,100
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.		(1,151,768)
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	\$ 6,863,471	
Depreciation expense	<u>(1,900,458)</u>	
		4,963,013
The City added capital assets from Regional School Unit #23 which is not reflected in the fund financial statements. This is the amount of capital assets, net, assumed by the City.		8,956,353
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 by which bond proceeds (\$7,790,000) exceed repayments (\$2,709,774).		(5,080,226)
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	(50,181)	
Change in unamortized debt premiums	(166,923)	
Change in accrued compensated absences	84,377	
Change in accrued interest payable	(27,583)	
Change in net pension liability, with related deferred inflows and outflows	<u>52,844</u>	
		<u>(107,466)</u>
Change in net position of governmental activities (see Statement 2)		<u>\$ 9,359,600</u>

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
General Fund
For the Year Ended June 30, 2015

	General Fund			Variance with final budget positive (negative)
	Budget		Actual	
	Original	Final		
Revenues				
Taxes	\$ 19,009,655	19,059,655	19,157,001	97,346
Licenses and permits	146,560	146,560	138,141	(8,419)
Intergovernmental revenues	879,182	879,182	928,676	49,494
Departmental income	357,200	407,200	399,633	(7,567)
Unclassified	123,350	123,350	139,859	16,509
Investment income	80,000	80,000	119,513	39,513
Total revenues	<u>20,595,947</u>	<u>20,695,947</u>	<u>20,882,823</u>	<u>186,876</u>
Expenditures				
Current:				
General government	1,473,406	1,622,377	1,614,885	7,492
Public safety	2,520,934	2,573,246	2,574,204	(958)
Municipal buildings	185,725	253,069	226,700	26,369
Culture and recreation	737,577	819,519	757,317	62,202
General assistance	49,270	42,120	38,778	3,342
Public works	1,644,730	1,680,488	1,636,225	44,263
County tax	421,451	421,451	421,450	1
Unclassified	1,623,170	1,782,364	3,804,527	(2,022,163)
Debt service:				
Principal	661,468	661,468	661,537	(69)
Interest	25,000	24,520	20,076	4,444
Total expenditures	<u>9,342,731</u>	<u>9,880,622</u>	<u>11,755,699</u>	<u>(1,875,077)</u>
Excess of revenues over expenditures	11,253,216	10,815,325	9,127,124	(1,688,201)
Other financing sources (uses)				
Transfers in	165,640	205,640	165,460	(40,180)
Transfers out	(11,418,856)	(11,418,856)	(10,714,050)	704,806
Issuance of long-term debt	-	-	800,000	800,000
Premium on issuance of long-term debt	-	-	19,821	19,821
Use of carryforwards	-	163,179	-	(163,179)
Use of fund balance	-	234,712	-	(234,712)
Total other financing uses	<u>(11,253,216)</u>	<u>(10,815,325)</u>	<u>(9,728,769)</u>	<u>1,086,556</u>
Net change in fund balance	-	-	(601,645)	(601,645)
Fund balance, beginning of year			<u>4,093,751</u>	
Fund balance, end of year			<u>\$ 3,492,106</u>	

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
School Operations Fund
For the Year Ended June 30, 2015

	Budgeted Special Revenue Fund			
	School Operations Fund			
	Budget		Actual	Variance with final budget positive (negative)
Original	Final			
Revenues				
Intergovernmental:				
State EPS allocation	\$ 5,162,734	5,162,734	5,162,046	(688)
State agency clients	-	-	111,922	111,922
Other local revenues:				
Tuition	-	-	1,639,263	1,639,263
HCTC tuition	-	-	680,888	680,888
Summer school tuition	-	-	3,100	3,100
Tuition from other government sources	2,600,000	2,600,000	86,388	(2,513,612)
Tuition - EUT	-	-	138,463	138,463
Transportation fees	-	-	6,466	6,466
Miscellaneous	250,000	250,000	134,057	(115,943)
Total revenues	<u>8,012,734</u>	<u>8,012,734</u>	<u>7,962,593</u>	<u>(50,141)</u>
Expenditures				
Current:				
Regular instruction	5,725,492	5,709,932	5,486,556	223,376
Special education instruction	2,957,366	2,957,366	2,916,940	40,426
Career and technical education	1,109,143	1,109,143	991,586	117,557
Other instruction	478,729	478,729	443,024	35,705
Student and staff support	1,565,891	1,565,891	1,337,756	228,135
System administration	480,635	480,635	444,518	36,117
School administration	756,688	756,688	697,179	59,509
Facilities maintenance	2,053,326	2,053,326	1,898,963	154,363
Transportation	864,145	864,145	810,535	53,610
Debt service	3,015,272	3,015,272	3,011,677	3,595
Total expenditures	<u>19,006,687</u>	<u>18,991,127</u>	<u>18,038,734</u>	<u>952,393</u>
Deficiency of revenues under expenditures	(10,993,953)	(10,978,393)	(10,076,141)	902,252
Other financing sources (uses)				
Transfer in for local appropriation:				
EPS allocation	8,536,793	8,536,793	8,536,793	-
Additional allocation	1,405,255	1,405,255	1,405,255	-
Transfer out	(148,095)	(163,655)	(153,320)	10,335
Total other financing sources	<u>9,793,953</u>	<u>9,778,393</u>	<u>9,788,728</u>	<u>10,335</u>
Special item:				
City of Ellsworth withdrawal from Regional School Unit #24				
	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,870,338</u>	<u>670,338</u>
Net change in fund balance - budgetary basis	-	-	1,582,925	1,582,925
Reconciliation to GAAP basis:				
Summer teacher benefits			<u>(252,631)</u>	
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ 1,330,294</u>	

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Net Position
Proprietary Funds - Enterprise Funds
June 30, 2015

	Wastewater Fund	Water Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	100	100
Investments	279,401	16	279,417
Accounts receivable - trade	415,688	294,164	709,852
Liens receivable	20,624	-	20,624
Inventory	3,198	-	3,198
Interfund receivable	-	970,833	970,833
Total current assets	<u>718,911</u>	<u>1,265,113</u>	<u>1,984,024</u>
Noncurrent assets:			
Restricted:			
Cash restricted for capital projects	253,522	-	253,522
Accounts receivable restricted for capital projects	163,715	-	163,715
Total restricted	<u>417,237</u>	<u>-</u>	<u>417,237</u>
Capital assets:			
Land	-	1,693,299	1,693,299
Construction in progress	20,863,015	265,558	21,128,573
Capital assets, being depreciated	11,065,321	12,362,562	23,427,883
Accumulated depreciation	<u>(7,831,143)</u>	<u>(3,910,571)</u>	<u>(11,741,714)</u>
Total capital assets, net	<u>24,097,193</u>	<u>10,410,848</u>	<u>34,508,041</u>
Total noncurrent assets	<u>24,514,430</u>	<u>10,410,848</u>	<u>34,925,278</u>
Total assets	<u>25,233,341</u>	<u>11,675,961</u>	<u>36,909,302</u>
LIABILITIES			
Current liabilities:			
Accounts payable	347,282	22,073	369,355
Accrued payroll and related liabilities	6,426	5,643	12,069
Accrued interest	43,697	8,564	52,261
Interfund payable	2,510,677	-	2,510,677
Current portion of bonds and notes payable	<u>639,791</u>	<u>401,532</u>	<u>1,041,323</u>
Total current liabilities	<u>3,547,873</u>	<u>437,812</u>	<u>3,985,685</u>
Noncurrent liabilities:			
Accrued compensated absences	38,573	75,423	113,996
Premium on bonds payable	140,174	-	140,174
Bonds and notes payable	<u>9,231,047</u>	<u>1,885,507</u>	<u>11,116,554</u>
Total noncurrent liabilities	<u>9,409,794</u>	<u>1,960,930</u>	<u>11,370,724</u>
Total liabilities	<u>12,957,667</u>	<u>2,398,742</u>	<u>15,356,409</u>
NET POSITION			
Net investment in capital assets	14,086,181	8,123,809	22,209,990
Restricted for capital projects - expendable	417,237	-	417,237
Unrestricted	<u>(2,227,744)</u>	<u>1,153,410</u>	<u>(1,074,334)</u>
Total net position	<u>\$ 12,275,674</u>	<u>9,277,219</u>	<u>21,552,893</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, 2015

	Wastewater Fund	Water Fund	Total
Operating revenues:			
Charges for services	\$ 978,459	1,163,607	2,142,066
Miscellaneous	31,905	37	31,942
Total operating revenues	<u>1,010,364</u>	<u>1,163,644</u>	<u>2,174,008</u>
Operating expenses:			
Personnel	240,857	242,893	483,750
Contract services	274,797	100,131	374,928
Supplies, maintenance and repairs	214,687	94,387	309,074
Utilities	249,298	79,366	328,664
Miscellaneous	529	26,246	26,775
Depreciation	169,720	216,587	386,307
Total operating expenses	<u>1,149,888</u>	<u>759,610</u>	<u>1,909,498</u>
Operating income (loss)	(139,524)	404,034	264,510
Nonoperating revenues (expenses):			
Interest revenue	13,464	7,236	20,700
Interest expense	(283,054)	(46,455)	(329,509)
Total nonoperating expenses	<u>(269,590)</u>	<u>(39,219)</u>	<u>(308,809)</u>
Income (loss) before other revenues and transfers	<u>(409,114)</u>	<u>364,815</u>	<u>(44,299)</u>
Other revenues and transfers:			
Transfers	226,653	-	226,653
Total other revenues and transfers	<u>226,653</u>	<u>-</u>	<u>226,653</u>
Change in net position	(182,461)	364,815	182,354
Net position, beginning of year	<u>12,458,135</u>	<u>8,912,404</u>	<u>21,370,539</u>
Net position, end of year	<u>\$ 12,275,674</u>	<u>9,277,219</u>	<u>21,552,893</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, 2015

	Wastewater Fund	Water Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 917,876	958,456	1,876,332
Payments to suppliers	(746,837)	(281,527)	(1,028,364)
Payments to employees	(238,998)	(241,364)	(480,362)
Net cash provided by (used in) operating activities	<u>(67,959)</u>	<u>435,565</u>	<u>367,606</u>
Cash flows from noncapital financing activities:			
Transfers	226,653	-	226,653
Net change in interfunds	641,076	79,208	720,284
Net cash provided by noncapital financing activities	<u>867,729</u>	<u>79,208</u>	<u>946,937</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(188,663)	(72,613)	(261,276)
Proceeds from long-term debt	6,486,000	-	6,486,000
Proceeds from premium on long-term debt	146,014	-	146,014
Principal payments on bonds and notes	(6,919,748)	(401,531)	(7,321,279)
Interest paid on bonds and notes	(380,286)	(47,863)	(428,149)
Proceeds from capital contributions	41,752	-	41,752
Net cash used in capital and related financing activities	<u>(814,931)</u>	<u>(522,007)</u>	<u>(1,336,938)</u>
Cash flows from investing activities:			
Purchase of investments	(35,742)	(2)	(35,744)
Investment income	13,464	7,236	20,700
Net cash provided by (used in) investing activities	<u>(22,278)</u>	<u>7,234</u>	<u>(15,044)</u>
Net decrease in cash	(37,439)	-	(37,439)
Cash and cash equivalents, beginning of year	290,961	100	291,061
Cash and cash equivalents, end of year	<u>\$ 253,522</u>	<u>100</u>	<u>253,622</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (139,524)	404,034	264,510
Adjustment to reconcile changes in operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	169,720	216,587	386,307
(Increase) decrease in accounts receivable	(100,883)	(205,188)	(306,071)
(Increase) decrease in liens receivable	8,395	-	8,395
(Increase) decrease in inventory	1,668	-	1,668
Increase (decrease) in accounts payable	(9,194)	18,603	9,409
Increase (decrease) in accrued liabilities	1,859	1,529	3,388
Net cash provided by (used in) operating activities	<u>\$ (67,959)</u>	<u>435,565</u>	<u>367,606</u>

See accompanying notes to basic financial statements.

CITY OF ELLSWORTH, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Agency Funds	Private-purpose Trusts
ASSETS		
Cash and cash equivalents	\$ 116,566	-
Investments	263,445	884,667
Interfund receivable	-	70,004
Total assets	380,011	954,671
LIABILITIES		
Accounts payable	-	756
Held for student activities	116,566	-
Held for cemetery association	263,445	-
Total liabilities	380,011	756
NET POSITION		
Held in trust	\$ -	953,915

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, 2015

	Private-purpose Trusts
ADDITIONS	
Interest income	\$ 59,297
Increase in investment fair market value	44,700
Donations and other	57,091
Total additions	161,088
DEDUCTIONS	
Library expenses	106,166
Total deductions	106,166
Change in net position	54,922
Net position, beginning of year	898,993
Net position, end of year	\$ 953,915

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, Maine 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 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 or committed to expenditures for specified purposes. The School Operations Fund is considered a special revenue fund of the City.

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, school groups, 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 School Operations Fund as a major fund. This fund reports the operations of the School Department including all financial resources and activities related to education.

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's sewer system.

The City reports the Water Fund as a major fund. This fund reports the operations and capital expenditures of the City's 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, regardless of the timing of cash flows.

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 are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories (consisting of food and supplies) include the value of government surplus items donated to the School Lunch fund. The costs of all other governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2015 are recorded as prepaid items. The City utilizes the consumption method for prepaid items in which items purchased are recorded as an asset and the recognition of the expenditure is deferred until the period the prepaid item is actually consumed or used.

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. 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 and Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The deferred outflows relate to the net pension liability, which include the City's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include differences between expected and actual experience, which is deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In addition to liabilities, the statement of net position 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 governmental funds have one type of item that qualifies for reporting in this category, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have deferred inflows that relate to the net pension liability, which include the changes in proportion and differences between City contributions and proportionate share of contributions, which is deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

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.

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Budget

Budgets are adopted for the General Fund, School Operations Fund and Water and Wastewater Proprietary Funds, and are adopted on a basis consistent with generally accepted accounting principles (GAAP) except as shown below. The level of control (level at which expenditures may not exceed budget) is the Department for the General Fund and Proprietary Funds and the budget categories for the School Operations Fund. With Council authorization, mid-year budget adjustments between departments can be made. The School Board may transfer an amount not exceeding 5% of the total appropriation for any budget category without voter approval. The budget as presented reflects these changes. At the close of the fiscal year all unexpended budgetary accounts generally lapse. However, the City can elect to carry forward these unexpended balances to be used towards future capital purchases. These amounts are shown as assigned fund balance in the general fund at year-end.

Budgetary vs. GAAP Accounting

Through June 30, 2015, the City of Ellsworth, Maine School Department did not budget for expenditures relating to teacher summer benefits on an accrual basis as required by generally accepted accounting principles (GAAP). The following is a reconciliation of the GAAP and budgetary fund balances for the School Operations Fund.

Fund balance - June 30, 2015 - GAAP basis	\$ 1,330,294
<u>Accrued teacher summer benefits</u>	<u>252,631</u>
<u>Total fund balance, June 30, 2015 - budgetary basis</u>	<u>\$ 1,582,925</u>

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

As required by U.S. generally accepted accounting principles (GAAP), the City has recorded a revenue and expenditure for Maine Public Employees Retirement contributions made by the State of Maine on behalf of the City of Ellsworth, Maine School Department. These amounts have not been budgeted in the School Operations Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$985,382. These amounts have been included as an intergovernmental revenue and an education expense/expenditure in the governmental activities on Statement 2 and the School Operations Fund on Statement 4 (GAAP basis).

Overspent Appropriations

The following appropriations were overspent for the year ended June 30, 2015:

Public safety	\$ 958
School department start-up costs	2,067,720

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 an interfund receivable/payable as appropriate. The interfund receivable/payable 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, 2014, on the assessed value listed as of April 1, 2014, for all real and personal property located in the City. Taxes were due September 11, 2014 and March 12, 2015. Interest on unpaid taxes commenced on September 12, 2014 and March 13, 2015, 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 \$46,064 for the year ended June 30, 2015.

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 General Fund is the only fund that can have a positive unassigned balance.

The government's highest level of decision-making authority, City Council, has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. Both actions, committing or un-committing fund balance, require the Council to adopt an ordinance prior to year-end. Likewise, management or City Council may assign unspent budgeted amounts to specific purposes in the General Fund at year-end based on department requests. Unlike commitments, assignments do not need formal action to be taken for the removal of an assignment.

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.

On October 17, 2011, the City adopted a Fund Balance Policy. It is the policy of the City to maintain a minimum unassigned fund balance in its General Fund ranging from 10% to 20% of the previous fiscal year's actual gross expenditures. This minimum fund balance is used to maintain a budget stabilization commitment. Should the fund balance fall below the minimum 10% range, a written plan to replenish the fund balance in a maximum of three fiscal years would be submitted to the City Council for approval as part of the annual budget process. Should the unassigned fund balance of the General Fund exceed the maximum 20% range, the City Council would consider increasing designated reserves, the City's appropriated contingency account, or the appropriated capital improvement account.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated Absences

Under the terms of the City's personnel policies, vacation and sick leave are granted in varying amounts according to length of service. Employees are entitled to payment for unused vacation and sick leave 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. In the fund financial statements, no amount is recorded unless the amount is to be paid out shortly after year-end. The full liability is recorded in the government-wide financial statements.

NOTE B - CASH AND INVESTMENTS

Custodial Credit Risk

At June 30, 2015, the carrying amount of the City's deposits was \$1,648,754 and the bank balance was \$5,459,794. 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. If deposits with these institutions have balances above insurance limits, collateralization agreements are required. At June 30, 2015, none of the City's bank balance was exposed to custodial credit risk as it was 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	\$ 1,278,566
Reported in proprietary funds	253,622
Reported in fiduciary funds	116,566
Total deposits	\$ 1,648,754

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, 2015, 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	\$ 1,032,918	-	-	701,313	331,605
Corporate bonds	565,875	-	-	448,332	117,543
Common stock	1,209,367	1,209,367	-	-	-
Money market	72,534	72,534	-	-	-
Mutual funds	438,693	438,693	-	-	-
Totals	<u>\$ 3,319,387</u>	<u>1,720,594</u>	<u>-</u>	<u>1,149,645</u>	<u>449,148</u>

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

NOTE B - CASH AND INVESTMENTS, CONTINUED

Investments have been reported as follows:

Reported in governmental funds	\$ 1,891,858
Reported in proprietary funds	279,417
Reported in fiduciary funds	<u>1,148,112</u>
Total investments	<u>\$ 3,319,387</u>

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, 2015, the City had the following credit quality distribution in corporate bonds:

<u>Standard & Poor Rating</u>	<u>Fair Value</u>
AA	\$ 119,513
AA-	119,447
A+	151,393
A	20,295
A-	<u>155,227</u>
Total corporate bonds	<u>\$ 565,875</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, 2015, the City held individually \$205,110 of Camden National Corporation common stock, which represented more than 5% of total investments.

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

NOTE C - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows:

	Interfund <u>Receivables</u>	Interfund <u>Payables</u>	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund	\$ 929,080	-	165,460	10,714,050
School Operations Fund	2,637,338	-	9,942,048	153,320
Capital Projects Fund	-	1,083,648	-	-
Nonmajor Special Revenue Funds:				
School Grants	-	145,875	-	-
Adult Education	41,713	-	200,000	-
School Lunch Fund	-	11,594	153,320	-
City Grants	-	943,714	-	-
TIF District	-	464,414	572,002	392,113
Knowlton Park	478,053	-	-	-
Shellfish Operating	32,901	-	-	-
Enterprise Funds:				
Wastewater Fund	-	2,510,677	226,653	-
Water Fund:	970,833	-	-	-
Fiduciary funds				
Private-purpose Trusts	70,004	-	-	-
Totals	\$ 5,159,922	5,159,922	11,259,483	11,259,483

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.

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 - CAPITAL ASSETS

A summary of capital asset transactions for the year ended June 30, 2015 follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,647,654	1,151,119	-	2,798,773
Construction in progress	<u>3,617,503</u>	<u>6,355,313</u>	<u>392,385</u>	<u>9,580,431</u>
Total capital assets, not being depreciated	5,265,157	7,506,432	392,385	12,379,204
Capital assets, being depreciated				
Buildings and improvements	42,159,239	6,499,728	-	48,658,967
Vehicles, furniture, and equipment	5,867,118	3,804,995	-	9,672,113
Infrastructure	<u>17,333,775</u>	<u>372,145</u>	<u>-</u>	<u>17,705,920</u>
Total capital assets, being depreciated	65,360,132	10,676,868	-	76,037,000
Less accumulated depreciation for:				
Buildings and improvements	5,770,905	1,977,965	-	7,748,870
Vehicles, furniture, and equipment	2,614,489	1,546,592	-	4,161,081
Infrastructure	<u>5,944,244</u>	<u>346,992</u>	<u>-</u>	<u>6,291,236</u>
Total accumulated depreciation	<u>14,329,638</u>	<u>3,871,549</u>	<u>-</u>	<u>18,201,187</u>
Total capital assets, being depreciated, net	<u>51,030,494</u>	<u>6,805,319</u>	<u>-</u>	<u>57,835,813</u>
Governmental activities capital assets, net	<u>\$ 56,295,651</u>	<u>14,311,751</u>	<u>392,385</u>	<u>70,215,017</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 841,463	-	-	841,463
Conservation easement	851,836	-	-	851,836
Construction in progress	<u>20,912,843</u>	<u>215,730</u>	<u>-</u>	<u>21,128,573</u>
Total capital assets, not being depreciated	22,606,142	215,730	-	22,821,872
Capital assets, being depreciated				
Wastewater	11,065,321	-	-	11,065,321
Water	<u>12,317,016</u>	<u>45,546</u>	<u>-</u>	<u>12,362,562</u>
Total capital assets, being depreciated	23,382,337	45,546	-	23,427,883
Less accumulated depreciation for:				
Wastewater	7,661,423	169,720	-	7,831,143
Water	<u>3,693,984</u>	<u>216,587</u>	<u>-</u>	<u>3,910,571</u>
Total accumulated depreciation	<u>11,355,407</u>	<u>386,307</u>	<u>-</u>	<u>11,741,714</u>
Total capital assets, being depreciated, net	<u>12,026,930</u>	<u>(340,761)</u>	<u>-</u>	<u>11,686,169</u>
Business-type activities capital assets, net	<u>\$ 34,633,072</u>	<u>(125,031)</u>	<u>-</u>	<u>34,508,041</u>

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

NOTE D - CAPITAL ASSETS, CONTINUED

The City of Ellsworth's portion of Regional School Unit #24's capital assets and accumulated depreciation were assumed by the City per the withdrawal agreement with Regional School Unit #24. The net book value of capital assets assumed was \$8,956,353. Depreciation expense charged to expense in the current year represents only the depreciation expense for the current year, which was charged directly to the related program as shown below.

Depreciation expense was charged to the following functions:

Governmental activities:

General government	\$	98,852
Public safety		73,427
Municipal buildings		50,117
Public works		460,475
Culture and recreation		3,986
Education		1,194,088
Unclassified		19,513
Total governmental activities depreciation expense	\$	<u>1,900,458</u>

Business-type activities:

Wastewater	\$	169,720
Water		216,587
Total business-type activities depreciation expense	\$	<u>386,307</u>

NOTE E - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Amounts Due Within <u>One Year</u>
Governmental activities:					
Bonds and notes payable	\$ 33,136,487	7,790,000	2,709,774	38,216,713	3,044,773
Premium on bonds payable	-	177,182	10,259	166,923	10,259
Other postemployment benefits	492,226	63,821	13,640	542,407	-
Net pension liability	566,531	-	298,492	268,039	-
Accrued compensated absences	605,185	88,586	172,963	520,808	-
Total governmental activities	<u>\$ 34,800,429</u>	<u>8,119,589</u>	<u>3,205,128</u>	<u>39,714,890</u>	<u>3,055,032</u>
Business-type activities:					
Bonds and notes payable	\$ 12,993,156	6,486,000	7,321,279	12,157,877	1,035,482
Premium on bonds payable	-	146,014	5,840	140,174	5,841
Accrued compensated absences	113,996	-	-	113,996	-
Total Business-type activities	<u>\$ 13,107,152</u>	<u>6,632,014</u>	<u>7,327,119</u>	<u>12,412,047</u>	<u>1,041,323</u>

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

NOTE E - LONG-TERM LIABILITIES, CONTINUED

Long-term Debt:

At June 30, 2015, 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.	\$ 257,500	32,500
2006 General Obligation Water Bond with Maine Municipal Bond Bank due in annual principal payments of \$8,486 through April 2025. Non-interest bearing.	-	84,855
2008 General Obligation Water Bond with Maine Municipal Bond Bank due in annual principal payments of \$16,083 through October 2017. Non-interest bearing.	-	48,248
2008 General Obligation Water Bond with Maine Municipal Bond Bank due in annual principal payments of \$14,956 through April 2028. Non-interest bearing.	-	194,428
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.	-	835,614
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.	134,492	1,050,508
2010 General Obligation Bonds with Maine Municipal Bond Bank due in annual principal payments of \$151,500 plus interest at 1% through October 2020.	-	909,000
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.	1,079,782	-

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

NOTE E - LONG-TERM LIABILITIES, CONTINUED

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
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.	\$ 27,596,939	-
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.	1,130,000	-
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.	-	2,296,116
2012 General Obligation Note with Bangor Savings Bank due in annual principal payments of \$76,000 plus interest of 1.45% through October 2017.	228,000	-
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.	-	220,608
2015 General Obligation bond with BOSC, Inc due in annual principal payments of \$160,000 plus interest ranging from 2.00% to 3.00% through September 2020.	800,000	-
2015 General Obligation Bonds with Maine Municipal Bond Bank due in annual principal payments ranging from \$259,000 to \$736,000 plus interest ranging from 2.00% to 4.00% through December 2039.	<u>6,990,000</u>	<u>6,486,000</u>
Total bonds and notes payable	<u>\$ 38,216,713</u>	<u>12,157,877</u>

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

NOTE E - 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>	
2016	\$ 3,044,773	1,337,565	1,035,482	314,503	5,732,323
2017	2,812,781	1,242,725	1,001,474	274,653	5,331,633
2018	2,807,781	1,147,830	1,001,474	254,451	5,211,536
2019	2,731,781	1,019,011	985,392	233,986	4,970,170
2020	2,726,781	884,780	985,392	212,997	4,809,950
2021-2025	12,238,907	2,696,810	2,470,957	819,643	18,226,317
2026-2030	10,708,909	789,270	1,987,431	603,792	14,089,402
2031-2035	1,145,000	96,963	1,405,275	358,916	3,006,154
2036-2040	-	-	1,285,000	125,300	1,410,300
	<u>\$ 38,216,713</u>	<u>9,214,954</u>	<u>12,157,877</u>	<u>3,198,241</u>	<u>62,787,785</u>

Overlapping Debt

The City is contingently responsible for the following overlapping debt as of June 30, 2015:

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Applicable to Ellsworth</u>	<u>Ellsworth's Share of Debt</u>
Hancock County	\$ 1,200,000	8.01%	\$ 96,120

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. MMEHT issues a publicly available financial report that can be obtained by requesting a copy by writing: Employees of Municipal & Other Public Employers of Maine Health Trust, 60 Community Drive, Augusta, ME 04330-9486.

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 E - 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	21,099
Adjustment to ARC	<u>(28,466)</u>
Annual required contribution	63,821
City contributions (ARC offset - implicit subsidy)	<u>(13,640)</u>
Increase in net OPEB obligation	50,181
Net OPEB Obligation at beginning of year	<u>492,226</u>
Net OPEB obligation at end of year	<u>\$ 542,407</u>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
OPEB liability, July 1	\$ 492,226	440,729	352,128
Annual required contribution	63,821	64,740	102,118
Less: Actual contributions	<u>(13,640)</u>	<u>(13,243)</u>	<u>(13,517)</u>
OPEB Liability, June 30	<u>\$ 542,407</u>	<u>492,226</u>	<u>440,729</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	Annual OPEB	Percentage of	Net OPEB
<u>Ended</u>	<u>Cost</u>	<u>OPEB Costs</u>	<u>Obligation</u>
		<u>Contributed</u>	
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
2015	63,821	21.37%	542,407

The unfunded actuarial accrued liability as a percentage of covered payroll for the year ended June 30, 2015 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>\$ 4,158,333</u>
UAL as a percentage of covered payroll	<u>_____ 16.16%</u>

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

NOTE E - 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

Maine Public Employees Retirement System (Maine PERS)

Plan Description - Employees of the City are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute; in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Maine State Legislature to amend the terms. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Benefits Provided - The PLD Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e. eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions.

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

NOTE E - LONG-TERM LIABILITIES, CONTINUED

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. Employees are required to contribute 7.0% for the AC Plan and 8.0% for the 4C Plan of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2015, was 7.8% and 7.2% of annual payroll for the AC and 4C Plans, respectively, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were \$83,371 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported a liability of \$268,039 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2014, the City's proportion was 0.1742%.

For the year ended June 30, 2015, the City recognized pension expense of \$136,215. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 33,658	-
Net difference between projected and actual earnings on pension plan investments	-	284,675
Changes in proportion and differences between City contributions and proportionate share of contributions	-	22,190
City contributions subsequent to the measurement date	83,371	-
Total	\$ 117,029	306,865

\$83,371 is reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

NOTE E - LONG-TERM LIABILITIES, CONTINUED

Year ended June 30:

2016	\$ (65,435)
2017	(65,435)
2018	(71,169)
2019	(71,168)

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%
Salary Increases	3.5% to 9.5% per year
Investment return	7.25% per annum, compounded annually
Cost of living benefit increases	3.12% per annum

Mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	2.5%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTE E - LONG-TERM LIABILITIES, CONTINUED

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
City's proportionate share of the net pension liability	\$ 836,204	\$ 268,039	\$ (206,786)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2015.

NOTE F - SHORT-TERM LIABILITIES

The City obtained short-term borrowing in the form of a bond anticipation note for the reconstruction of the Beechland Road and tax anticipation note for immediate cash flow needs. Short-term liability transactions for the year ended June 30, 2015 were as follows:

	Beginning <u>Balance</u>	Additions	Reductions	Ending <u>Balance</u>
Governmental activities				
Tax anticipation note	\$ -	3,500,000	3,500,000	-
Bond anticipation note	<u>4,600,000</u>	<u>1,500,000</u>	<u>6,100,000</u>	<u>-</u>
	<u>\$ 4,600,000</u>	<u>5,000,000</u>	<u>9,600,000</u>	<u>-</u>

NOTE G - FUND BALANCES

The General Fund unassigned fund balance total of \$1,622,311 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 (\$1,323,310) and (\$1,679,073) are also reported for the Capital Projects Fund and several nonmajor special revenue funds, respectively, that have negative fund balances as of June 30, 2015, as shown on Statement 3.

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

NOTE G - FUND BALANCES, CONTINUED

As of June 30, 2015, fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>
General fund:			
Assigned for:			
Code enforcement – professional services	\$ -	-	2,500
Planning – LMI study	-	-	5,000
Technology – website redesign	-	-	6,600
Employee benefits – merit raises	-	-	16,192
Parks, trees and cemeteries – cemetery repair	-	-	4,000
Library – library projects	-	-	24,514
Misc. city property – business park projects	-	-	8,716
Encumbrance carryforwards	-	-	687,066
Capital reserves	-	-	785,317
Library operating	-	-	329,890
Total general fund	-	-	1,869,795
School operations fund:			
Prepaid expenditures	940	-	-
Education	-	1,329,354	-
Total school operations fund	940	1,329,354	-
Other governmental funds:			
School grants	-	69,862	-
Adult education	-	30,480	-
School lunch - inventory	16,326	-	-
School lunch fund	-	2,924	-
City grants	-	277,498	-
Conservation easement reserve	-	30,290	-
Knowlton Park	-	478,053	-
Shellfish operating	-	32,819	-
Cemetery fund – principal	551,450	-	-
Cemetery fund – unexpended income	-	111,766	-
Higgins fund – principal	85,301	-	-
Higgins fund – unexpended income	-	185,622	-
Total other governmental funds	653,077	1,219,314	-

NOTE H - DEFICIT FUND BALANCES

The following funds had a deficit at June 30, 2015:

Capital Projects	\$ 1,323,310
City Grants	937,161
TIF District	464,414

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 H - DEFICIT FUND BALANCES, CONTINUED

Additionally, within the Nonmajor City Grants Special Revenue Fund, the following grants and programs had deficit fund balances at June 30, 2015:

Assistance to Firefighters Grant	\$ 3,647
BHS Equipment Grant	8,689
CDBG Business Assistance Grant	1,500
Development Fees	1,189,945
Hancock County Byrne Jag (2014)	5,878
Safe Routes to Schools	1,820
Volunteer Fire Assistance Grant	3,180

These deficits result in a deficit in the fund as a whole at June 30, 2015 of \$937,161. These deficits will be funded with future grant revenues or transfers from the general fund.

NOTE I - 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 economic development 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, 2015, approximately \$572,002 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, 2015, none was made available.

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

NOTE J - 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. For each non-union employee in the pension plan, the City is required to contribute 2.0% to 8.0% of an employee's compensation for the year based on that employee's longevity with the City. For each union employee in the pension plan, the City is required to contribute 7.25% of an employee's compensation for the year. Non-union employees are required to match the City's contribution percentage, but can contribute up to applicable Internal Revenue Code limits. Union employees are required to contribute no less than 6.5% of their annual pay but are permitted to contribute up to applicable Internal Revenue Code limits. For the year ended June 30, 2015, employees contributed \$246,843 and the City's contribution to the deferred compensation plans of its employees was \$202,118.

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.

Employees are immediately vested in their own contributions and earnings on those contributions. However, the vesting period for City contributions is five years. Employees that terminate employment prior to five years of uninterrupted employment forfeit 100% of City contributions. For the year ended June 30, 2015, \$6,941 was forfeited by employees whose employment was terminated prior to the five-year vesting period.

NOTE K - 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, 2015.

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

NOTE L – NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. The City’s net investment in capital assets was calculated as follows at June 30, 2015:

	Governmental activities	Business-type activities
Capital assets, net of depreciation	\$ 70,215,017	34,508,041
Bonds and notes payable	(38,216,713)	(12,157,877)
Premium on bonds payable	(166,923)	(140,174)
Total net investment in capital assets	\$ 31,831,381	22,209,990

NOTE M – NEW PRONOUNCEMENTS AND RESTATEMENTS OF NET POSITION

For the fiscal year ended June 30, 2015, the City has elected to implement Statement No. 68 of the Governmental Accounting Standards Board – *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. As a result of implementing GASB Statement No. 68, the City has restated beginning net position in the government-wide statement of net position to account for the addition of the City’s proportionate share of the net pension liability of \$566,531 and deferred outflows for the City’s contributions subsequent to the measurement date of \$55,812, which effectively decreased the City’s net position as of July 1, 2014 by \$510,719.

NOTE N – WITHDRAWAL FROM RSU #24

The voters of the City of Ellsworth, Maine elected to withdraw from Regional School Unit #24. The withdrawal agreement for the City of Ellsworth, Maine was approved by the State Department of Education and the withdrawal was effective July 1, 2014. Under the terms of the agreement, the City of Ellsworth, Maine School Department received capital assets. Additionally, Regional School Unit #24 divided fund balances according to the allocation method described in the agreements. This resulted in a net payment of \$1,893,913 due from the RSU. Of the total net payment, \$1,870,338 is reported in the School Operations Fund (Statement 4 and Statement 7.1), and \$23,575 is reported in Other Governmental Funds (Statement 4, Exhibit B-2 and Exhibit C-2).

CITY OF ELLSWORTH, MAINE
Required Supplementary Information

Retiree Healthcare Plan
Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AL) – Entry Age (b)	Unfunded AL (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) /c]
2009	1/1/2009	\$ -	937,368	937,368	-	3,716,675	25.22%
2010	1/1/2009	-	937,368	937,368	-	3,353,729	27.95%
2011	1/1/2011	-	904,318	904,318	-	3,339,613	27.08%
2012	1/1/2011	-	904,318	904,318	-	3,683,266	24.55%
2013	1/1/2011	-	904,318	904,318	-	3,479,771	25.99%
2014	1/1/2014	-	671,867	671,867	-	3,990,475	16.84%
2015	1/1/2014	-	671,867	671,867	-	4,158,333	16.16%

CITY OF ELLSWORTH, MAINE
Required Supplementary Information, Continued

Schedule of City's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years*
(Only one year of information available)

2015

City's proportion of the net pension liability	0.1742%
City's proportionate share of the net pension liability	\$ 268,039
City's covered-employee payroll	\$ 1,135,874
City's proportion share of the net pension liability as a percentage of its covered-employee payroll	23.60%
Plan fiduciary net position as a percentage of of the total pension liability	94.10%

** The amounts presented for each fiscal year were determined as of the prior fiscal year.*

CITY OF ELLSWORTH, MAINE
Required Supplementary Information, Continued

Schedule of City Contributions
Maine Public Employees Retirement System Consolidated Plan
Last 10 Fiscal Years
(Only two years of information available)

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 83,371	55,812
Contributions in relation to the contractually required contribution	(83,371)	(55,812)
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>	<u>-</u>
City's covered-employee payroll	\$ 1,135,874	820,022
Contributions as a percentage of covered- employee payroll	7.34%	6.81%

CITY OF ELLSWORTH, MAINE
Notes to Required Supplementary Information

Changes of Benefit Terms - None

Changes of Assumptions - None

GENERAL FUND

CITY OF ELLSWORTH, MAINE
Comparative Balance Sheets - General Fund
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 1,182,463	4,366,829
Investments	1,023,532	1,008,994
Receivables:		
Taxes receivable - current year	56,364	39,396
Taxes receivable - prior years	46,322	44,082
Tax liens - current year	903,965	893,581
Tax liens - prior years	456,661	414,063
Accounts receivable	291,318	404,628
Receivable - RSU #24 debt service payments	-	1,151,768
Interfund receivable	929,080	-
	4,889,705	8,323,341
Total assets	4,889,705	8,323,341
LIABILITIES		
Accounts payable	109,425	924,620
Accrued liabilities	95,766	198,572
Taxes collected in advance	111,508	142,122
Escrow deposit	1,700	1,700
Interfund payable	-	864,708
	318,399	2,131,722
Total liabilities	318,399	2,131,722
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	1,079,200	946,100
Unavailable revenue - RSU #24 debt service payments	-	1,151,768
Total deferred inflows of resources	1,079,200	2,097,868
FUND BALANCES		
Assigned	1,869,795	1,337,371
Unassigned	1,622,311	2,756,380
Total fund balances	3,492,106	4,093,751
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,889,705	8,323,341

CITY OF ELLSWORTH, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2015

	Budget		Actual	Variance with final budget	2014 Actual
	Original	Final		positive (negative)	
Revenues					
Taxes:					
Property taxes	\$ 17,611,655	17,611,655	17,548,575	(63,080)	17,161,652
Supplemental	-	-	139	139	43,899
Boat excise	13,000	13,000	11,857	(1,143)	12,769
Auto excise	1,250,000	1,300,000	1,461,701	161,701	1,411,269
Interest on taxes	85,000	85,000	88,975	3,975	68,335
Lien costs and notices	50,000	50,000	45,754	(4,246)	35,070
Total taxes	<u>19,009,655</u>	<u>19,059,655</u>	<u>19,157,001</u>	<u>97,346</u>	<u>18,732,994</u>
Licenses and permits:					
City clerk fees	30,000	30,000	24,750	(5,250)	25,537
Motor vehicle fees	16,500	16,500	19,142	2,642	19,815
State and City licenses	10,000	10,000	12,574	2,574	10,066
Animal control fees	1,500	1,500	952	(548)	1,076
Dog fees	500	500	800	300	1,542
Building permits and maps	35,000	35,000	33,549	(1,451)	41,938
Electrical permits	12,000	12,000	7,586	(4,414)	10,855
Planning Board fees	5,000	5,000	6,680	1,680	6,575
Plumbing permit fees	12,000	12,000	9,235	(2,765)	12,243
Mooring and docking fees	24,060	24,060	22,873	(1,187)	49,686
Total licenses and permits	<u>146,560</u>	<u>146,560</u>	<u>138,141</u>	<u>(8,419)</u>	<u>179,333</u>
Intergovernmental revenues:					
Urban rural initiative program	185,000	185,000	177,936	(7,064)	187,936
State revenue sharing	355,488	355,488	371,336	15,848	368,989
Tree growth reimbursement	90,000	90,000	95,958	5,958	91,181
Veterans reimbursement	5,000	5,000	6,045	1,045	5,818
Homestead exemption	150,795	150,795	150,795	-	147,164
BETE reimbursement	37,699	37,699	39,341	1,642	21,669
Shellfish revenues	3,200	3,200	3,200	-	3,200
Snowmobile refund	1,000	1,000	1,417	417	1,463
Welfare reimbursement	12,000	12,000	14,316	2,316	10,173
Park fee share	7,000	7,000	11,589	4,589	7,428
SAFER grant	32,000	32,000	56,743	24,743	85,412
Total intergovernmental revenues	<u>879,182</u>	<u>879,182</u>	<u>928,676</u>	<u>49,494</u>	<u>930,433</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, 2015

	Budget		Actual	Variance with	2014
	Original	Final		final budget positive (negative)	
Departmental income:					
Highway department	\$ 5,000	5,000	3,324	(1,676)	7,069
Fire department	10,000	10,000	12,446	2,446	8,645
Financial services income	32,100	32,100	32,000	(100)	32,000
Police department	18,000	18,000	13,385	(4,615)	20,234
Dispatch services	1,500	1,500	-	(1,500)	1,500
Recycling	60,000	60,000	21,546	(38,454)	32,565
Solid waste billings	30,000	30,000	46,880	16,880	46,990
Solid waste miscellaneous	30,600	30,600	26,652	(3,948)	31,288
Resident stickers	134,000	134,000	145,241	11,241	134,198
Technology	35,000	35,000	42,250	7,250	-
Library	-	50,000	54,709	4,709	45,469
Recreation	1,000	1,000	1,200	200	1,000
Total departmental income	<u>357,200</u>	<u>407,200</u>	<u>399,633</u>	<u>(7,567)</u>	<u>360,958</u>
Unclassified:					
District court fees	7,500	7,500	1,993	(5,507)	6,430
Alewife sales	20,000	20,000	14,522	(5,478)	35,872
Cable TV franchise	65,000	65,000	67,940	2,940	68,297
Payment in lieu of taxes	17,000	17,000	18,566	1,566	17,593
Building rental	100	100	125	25	150
Photocopies	250	250	94	(156)	261
Sale of surplus property	-	-	20	20	2,150
Sale of City property	13,000	13,000	24,380	11,380	20,936
Reserve donation	-	-	-	-	65,000
Miscellaneous	500	500	12,219	11,719	36,671
Total unclassified	<u>123,350</u>	<u>123,350</u>	<u>139,859</u>	<u>16,509</u>	<u>253,360</u>
Investment income	<u>80,000</u>	<u>80,000</u>	<u>119,513</u>	<u>39,513</u>	<u>100,918</u>
Total revenues	<u>20,595,947</u>	<u>20,695,947</u>	<u>20,882,823</u>	<u>186,876</u>	<u>20,557,996</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, 2015

	Budget		Actual	Variance with final budget	2014 Actual
	Original	Final		positive (negative)	
Expenditures					
General government:					
Legislative	\$ 19,400	25,800	21,228	4,572	48,180
Administration	149,787	169,946	172,325	(2,379)	137,988
City clerk	81,159	81,070	81,901	(831)	81,798
Finance and tax collector	257,523	296,461	295,250	1,211	250,029
Assessment	111,575	111,662	109,901	1,761	109,497
Code enforcement	114,805	111,799	108,763	3,036	128,175
Planning	101,905	111,389	108,142	3,247	102,297
Legal	42,000	62,000	48,809	13,191	70,608
Elections	13,402	13,402	9,708	3,694	15,406
Economic development	138,500	179,724	167,477	12,247	195,869
Technology	255,649	256,673	223,301	33,372	155,478
Joint office services	71,500	84,500	81,114	3,386	68,504
Insurance	76,120	77,870	77,866	4	71,714
Miscellaneous	40,081	40,081	109,100	(69,019)	50,694
Total general government	<u>1,473,406</u>	<u>1,622,377</u>	<u>1,614,885</u>	<u>7,492</u>	<u>1,486,237</u>
Public safety:					
Police department	1,041,264	1,073,823	1,083,344	(9,521)	995,528
Fire department	859,354	872,107	878,447	(6,340)	763,799
Dispatching	200,316	205,316	210,333	(5,017)	180,309
Hydrant rental	312,000	312,000	312,000	-	312,000
Street lights	85,000	85,000	68,034	16,966	73,126
Traffic signals	23,000	25,000	22,046	2,954	24,232
Total public safety	<u>2,520,934</u>	<u>2,573,246</u>	<u>2,574,204</u>	<u>(958)</u>	<u>2,348,994</u>
Municipal buildings:					
City Hall	182,225	200,646	190,991	9,655	176,185
Miscellaneous city property	3,500	52,423	35,709	16,714	17,513
Total municipal buildings	<u>185,725</u>	<u>253,069</u>	<u>226,700</u>	<u>26,369</u>	<u>193,698</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, 2015

	<u>Budget</u>		<u>Actual</u>	Variance with	<u>2014</u>
	<u>Original</u>	<u>Final</u>		final budget	
				positive	
				(negative)	
Culture and recreation:					
Recreation	\$ 127,200	127,200	121,986	5,214	118,540
Library	610,377	692,319	635,331	56,988	561,075
Total culture and recreation	<u>737,577</u>	<u>819,519</u>	<u>757,317</u>	<u>62,202</u>	<u>679,615</u>
General assistance	<u>49,270</u>	<u>42,120</u>	<u>38,778</u>	<u>3,342</u>	<u>39,661</u>
Public works:					
Public works	1,178,457	1,225,124	1,235,531	(10,407)	1,120,326
Public works garage	45,650	42,150	33,993	8,157	32,846
Solid waste disposal	364,573	351,064	310,423	40,641	330,338
Parks trees and cemeteries	27,400	28,900	21,773	7,127	26,606
Water supply commission	28,650	33,250	34,505	(1,255)	33,086
Total public works	<u>1,644,730</u>	<u>1,680,488</u>	<u>1,636,225</u>	<u>44,263</u>	<u>1,543,202</u>
County tax	<u>421,451</u>	<u>421,451</u>	<u>421,450</u>	<u>1</u>	<u>419,748</u>
Unclassified:					
Employee benefits	1,509,349	1,562,464	1,529,922	32,542	1,190,621
Ellsworth Harbor	49,007	49,007	37,689	11,318	70,572
Health and social services	16,250	16,250	16,250	-	22,134
Historical preservation	500	500	356	144	35
Historical society	2,000	2,000	116	1,884	2,000
School department start-up costs	-	106,079	2,173,799	(2,067,720)	161,697
Overlay/abatements	46,064	46,064	46,395	(331)	67,227
Total unclassified	<u>1,623,170</u>	<u>1,782,364</u>	<u>3,804,527</u>	<u>(2,022,163)</u>	<u>1,514,286</u>
Debt service:					
Principal	661,468	661,468	661,537	(69)	592,992
Interest	25,000	24,520	20,076	4,444	25,915
Total debt service	<u>686,468</u>	<u>685,988</u>	<u>681,613</u>	<u>4,375</u>	<u>618,907</u>
Total expenditures	<u>9,342,731</u>	<u>9,880,622</u>	<u>11,755,699</u>	<u>(1,875,077)</u>	<u>8,844,348</u>
Excess of revenues over expenditures	<u>11,253,216</u>	<u>10,815,325</u>	<u>9,127,124</u>	<u>(1,688,201)</u>	<u>11,713,648</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, 2015

	<u>Budget</u>		<u>Actual</u>	Variance with	<u>2014</u>
	<u>Original</u>	<u>Final</u>		final budget	
				positive	
				(negative)	
Other financing sources (uses)					
Transfers in:					
School construction	\$ -	-	-	-	9,804
TIF District	165,640	205,640	165,460	(40,180)	416,840
Total transfers in	<u>165,640</u>	<u>205,640</u>	<u>165,460</u>	<u>(40,180)</u>	<u>426,644</u>
Transfers out:					
TIF District	(572,400)	(572,400)	(572,002)	398	(534,018)
School operations	(9,942,048)	(9,942,048)	(9,942,048)	-	(9,775,102)
Adult education	(200,000)	(200,000)	(200,000)	-	-
Capital projects	(704,408)	(704,408)	-	704,408	(817,206)
Total transfers out	<u>(11,418,856)</u>	<u>(11,418,856)</u>	<u>(10,714,050)</u>	<u>704,806</u>	<u>(11,126,326)</u>
Issuance of long-term debt	-	-	800,000	800,000	-
Premium on issuance of long-term debt	-	-	19,821	19,821	-
Use of carryforwards	-	163,179	-	(163,179)	-
Use of fund balance	-	234,712	-	(234,712)	-
	<u>-</u>	<u>397,891</u>	<u>819,821</u>	<u>421,930</u>	<u>-</u>
Total other financing sources (uses)	<u>(11,253,216)</u>	<u>(10,815,325)</u>	<u>(9,728,769)</u>	<u>1,086,556</u>	<u>(10,699,682)</u>
Net change in fund balance	-	-	(601,645)	(601,645)	1,013,966
Fund balance, beginning of year			<u>4,093,751</u>		
Fund balance, end of year			<u>\$ 3,492,106</u>		

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ELLSWORTH, MAINE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 30,290	65,813	96,103
Investments	-	868,326	868,326
Accounts receivable	341,694	-	341,694
Inventory	16,326	-	16,326
Interfund receivable	552,667	-	552,667
	<u>940,977</u>	<u>934,139</u>	<u>1,875,116</u>
Total assets			
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	47,074	-	47,074
Accrued liabilities	68,704	-	68,704
Unearned revenue	423	-	423
Interfund payable	1,565,597	-	1,565,597
	<u>1,681,798</u>	<u>-</u>	<u>1,681,798</u>
Total liabilities			
Fund balances (deficit)			
Nonspendable	16,326	636,751	653,077
Restricted	921,926	297,388	1,219,314
Unassigned	(1,679,073)	-	(1,679,073)
	<u>(740,821)</u>	<u>934,139</u>	<u>193,318</u>
Total fund balances (deficit)			
Total liabilities and fund balances	\$ 940,977	934,139	1,875,116

CITY OF ELLSWORTH, MAINE
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues:			
Licenses and permits	\$ 36,366	-	36,366
Intergovernmental revenues	999,860	-	999,860
Charges for services	212,942	-	212,942
Donations and fundraising	182,574	-	182,574
Other grants	15,500	-	15,500
Unclassified	85,536	-	85,536
Investment income	5,309	27,593	32,902
Total revenues	<u>1,538,087</u>	<u>27,593</u>	<u>1,565,680</u>
Expenditures:			
Current			
General government	29,917	-	29,917
Public safety	54,741	-	54,741
Culture and recreation	6,400	-	6,400
Unclassified	64,504	10,022	74,526
Education	633,664	-	633,664
Adult education	194,006	-	194,006
School lunch	600,090	-	600,090
Investment fees	-	7,171	7,171
Debt service	200,000	-	200,000
Total expenditures	<u>1,783,322</u>	<u>17,193</u>	<u>1,800,515</u>
Excess (deficiency) of revenues over (under) expenditures	(245,235)	10,400	(234,835)
Other financing sources (uses)			
Transfers in	925,322	-	925,322
Transfers out	(392,113)	-	(392,113)
Total other financing uses	<u>533,209</u>	<u>-</u>	<u>533,209</u>
Special item:			
City of Ellsworth withdrawal from RSU #24	23,575	-	23,575
Net change in fund balances	311,549	10,400	321,949
Fund balances (deficit), beginning of year	(1,052,370)	923,739	(128,631)
Fund balances (deficit), end of year	<u>\$ (740,821)</u>	<u>934,139</u>	<u>193,318</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

CITY OF ELLSWORTH, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	School Grants	Adult Education	School Lunch Fund	City Grants	TIF District	Conservation Easement Reserve	Knowlton Park	Shellfish Operating	Total
ASSETS									
Cash and cash equivalents	\$ -	-	-	-	-	30,290	-	-	30,290
Accounts receivable	295,104	-	21,745	24,700	-	-	-	145	341,694
Inventory	-	-	16,326	-	-	-	-	-	16,326
Interfund receivable	-	41,713	-	-	-	-	478,053	32,901	552,667
Total assets	<u>295,104</u>	<u>41,713</u>	<u>38,071</u>	<u>24,700</u>	<u>-</u>	<u>30,290</u>	<u>478,053</u>	<u>33,046</u>	<u>940,977</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	25,138	2,257	1,305	18,147	-	-	-	227	47,074
Accrued liabilities	54,229	8,976	5,499	-	-	-	-	-	68,704
Unearned revenue	-	-	423	-	-	-	-	-	423
Interfund payable	145,875	-	11,594	943,714	464,414	-	-	-	1,565,597
Total liabilities	<u>225,242</u>	<u>11,233</u>	<u>18,821</u>	<u>961,861</u>	<u>464,414</u>	<u>-</u>	<u>-</u>	<u>227</u>	<u>1,681,798</u>
Fund balances (deficits)									
Nonspendable	-	-	16,326	-	-	-	-	-	16,326
Restricted	69,862	30,480	2,924	277,498	-	30,290	478,053	32,819	921,926
Unassigned	-	-	-	(1,214,659)	(464,414)	-	-	-	(1,679,073)
Total fund balances (deficits)	<u>69,862</u>	<u>30,480</u>	<u>19,250</u>	<u>(937,161)</u>	<u>(464,414)</u>	<u>30,290</u>	<u>478,053</u>	<u>32,819</u>	<u>(740,821)</u>
Total liabilities and fund balances	<u>\$ 295,104</u>	<u>41,713</u>	<u>38,071</u>	<u>24,700</u>	<u>-</u>	<u>30,290</u>	<u>478,053</u>	<u>33,046</u>	<u>940,977</u>

CITY OF ELLSWORTH, MAINE
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2015

	School Grants	Adult Education	School Lunch Fund	City Grants	TIF District	Conservation Easement Reserve	Knowlton Park	Shellfish Operating	Total
Revenues:									
Licenses and permits	\$ -	-	-	-	-	-	-	36,366	36,366
Intergovernmental revenues	668,451	-	277,564	32,845	-	-	-	21,000	999,860
Charges for services	-	24,486	188,456	-	-	-	-	-	212,942
Donations and fundraising	-	-	-	50,717	-	-	131,857	-	182,574
Other grants	11,500	-	-	-	-	-	-	4,000	15,500
Unclassified	-	-	-	85,536	-	-	-	-	85,536
Investment income	-	-	-	-	-	451	4,858	-	5,309
Total revenues	679,951	24,486	466,020	169,098	-	451	136,715	61,366	1,538,087
Expenditures:									
Current									
General government	-	-	-	29,917	-	-	-	-	29,917
Public safety	-	-	-	54,741	-	-	-	-	54,741
Culture and recreation	-	-	-	6,400	-	-	-	-	6,400
Unclassified	-	-	-	8,689	-	-	-	55,815	64,504
Education	633,664	-	-	-	-	-	-	-	633,664
Adult education	-	194,006	-	-	-	-	-	-	194,006
School lunch	-	-	600,090	-	-	-	-	-	600,090
Debt service	-	-	-	200,000	-	-	-	-	200,000
Total expenditures	633,664	194,006	600,090	299,747	-	-	-	55,815	1,783,322
Excess (deficiency) of revenues over (under) expenditures	46,287	(169,520)	(134,070)	(130,649)	-	451	136,715	5,551	(245,235)
Other financing sources (uses)									
Transfers in	-	200,000	153,320	-	572,002	-	-	-	925,322
Transfers out	-	-	-	-	(392,113)	-	-	-	(392,113)
Total other financing uses	-	200,000	153,320	-	179,889	-	-	-	533,209
Special item:									
City of Ellsworth withdrawal from RSU #24	23,575	-	-	-	-	-	-	-	23,575
Net change in fund balances	69,862	30,480	19,250	(130,649)	179,889	451	136,715	5,551	311,549
Fund balances (deficits), beginning of year	-	-	-	(806,512)	(644,303)	29,839	341,338	27,268	(1,052,370)
Fund balances (deficits), end of year	\$ 69,862	30,480	19,250	(937,161)	(464,414)	30,290	478,053	32,819	(740,821)

CITY OF ELLSWORTH, MAINE
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Special Revenue Funds
City Grants
For the Year Ended June 30, 2015

	Fund Balances (Deficits) beginning of year	Revenues		Expenditures	Fund Balances (Deficits) end of year
		Inter- governmental	Other		
Assistance to Firefighters Grant	\$ 129	672	-	4,448	(3,647)
Bangor Hydro Pole	5,000	-	-	-	5,000
BHS Equipment Grant	-	-	-	8,689	(8,689)
Branch Lake Access Imp Grant	1,014	-	-	-	1,014
Bulletproof Vest Grant	(469)	2,560	-	-	2,091
CDBG Business Assistance Grant	(1,500)	-	-	-	(1,500)
Development Fees	(1,075,481)	-	85,536	200,000	(1,189,945)
EFD/SHHC Convention	2,593	-	17,329	10,165	9,757
Enviro Grant	200,000	-	-	29,917	170,083
Façade Grant	-	-	3,168	-	3,168
Fire Training Grant	564	-	-	-	564
Fire Training Site	29,407	-	24,056	11,953	41,510
Fireworks Donations	1,366	-	2,460	3,500	326
Hancock County Byrne JAG (2013)	2,468	-	-	1,684	784
Hancock County Byrne JAG (2014)	-	-	-	5,878	(5,878)
Homeland Security Grant (2010)	6,354	-	-	-	6,354
Homeland Security Grant (2011)	966	-	-	-	966
K-9 Program	3,225	960	-	-	4,185
Lakes Environment Grant	4,525	2,900	-	-	7,425
Maine Community Foundation	155	-	2,900	2,900	155
OUI Grant	-	1,128	-	-	1,128
Rails with Trail Connector	4,550	-	-	-	4,550
Safe Routes to School	(1,820)	-	-	-	(1,820)
Safety Grant	-	3,449	-	1,449	2,000
Seatbelt Grant	2,632	7,755	-	5,264	5,123
Speed Grant	2,820	9,964	-	5,640	7,144
Supplemental Environmental Program	3,323	-	-	-	3,323
UAD Grant	2,867	2,867	-	5,734	-
Fish and Wildlife	50	-	-	-	50
Volunteer Fire Assistance Grant	(1,244)	590	-	2,526	(3,180)
Wellness Grant	(6)	-	804	-	798
	<u>\$ (806,512)</u>	<u>32,845</u>	<u>136,253</u>	<u>299,747</u>	<u>(937,161)</u>

CITY OF ELLSWORTH, MAINE
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Special Revenue Funds
School Grants
For the Year Ended June 30, 2015

	Fund Balances, beginning of year	Revenues Inter- governmental	Other	Expenditures	Special item	Fund Balances, end of year
Federal programs:						
Title I - SIG	\$ -	12,410	-	12,410	-	-
Title IA	-	215,264	-	215,264	-	-
CIPS - FF	-	2,259	-	2,259	-	-
Local Entitlement	-	233,928	-	233,928	-	-
Local Entitlement - Preschool	-	2,217	-	2,217	-	-
Title IIA	-	13,839	-	13,839	-	-
Title IC - Perkins	-	77,452	-	77,452	-	-
Title IC - Perkins State Admin	-	7,382	-	7,382	-	-
Total federal programs	<u>-</u>	<u>564,751</u>	<u>-</u>	<u>564,751</u>	<u>-</u>	<u>-</u>
Other programs:						
Cole Grant	-	-	4,000	4,000	-	-
ConnectME	-	-	5,000	4,988	-	12
EHS 15 Minute Grant	-	-	-	-	11,989	11,989
MELMAC	-	13,500	-	13,500	2,334	2,334
Walking School Bus	-	-	2,500	2,425	-	75
CTE Early College Grant	-	76,500	-	32,490	9,252	53,262
Proficiency Based Education	-	13,700	-	11,510	-	2,190
Total other programs	<u>-</u>	<u>103,700</u>	<u>11,500</u>	<u>68,913</u>	<u>23,575</u>	<u>69,862</u>
Total	\$ -	<u>668,451</u>	<u>11,500</u>	<u>633,664</u>	<u>23,575</u>	<u>69,862</u>

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

CITY OF ELLSWORTH, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2015

	<u>Cemetery Fund</u>	<u>Higgins Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	65,813	65,813
Investments	<u>663,216</u>	<u>205,110</u>	<u>868,326</u>
Total assets	<u>\$ 663,216</u>	<u>270,923</u>	<u>934,139</u>
FUND BALANCES			
Nonspendable	551,450	85,301	636,751
Restricted	<u>111,766</u>	<u>185,622</u>	<u>297,388</u>
Total fund balances	<u>663,216</u>	<u>270,923</u>	<u>934,139</u>
Total liabilities and fund balances	<u>\$ 663,216</u>	<u>270,923</u>	<u>934,139</u>

CITY OF ELLSWORTH, MAINE
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Permanent Funds
For the Year Ended June 30, 2015

	Cemetery Fund	Higgins Fund	Total
Revenues:			
Investment income:			
Interest income	\$ 15,711	4,641	20,352
Realized and unrealized gain (loss) on investments	<u>7,559</u>	<u>(318)</u>	<u>7,241</u>
Total revenues	<u>23,270</u>	<u>4,323</u>	<u>27,593</u>
Expenditures:			
Investment fees	7,171	-	7,171
Unclassified	<u>10,022</u>	<u>-</u>	<u>10,022</u>
Total expenditures	<u>17,193</u>	<u>-</u>	<u>17,193</u>
Net change in fund balances	6,077	4,323	10,400
Fund balance, beginning of year	<u>657,139</u>	<u>266,600</u>	<u>923,739</u>
Fund balance, end of year	<u><u>\$ 663,216</u></u>	<u><u>270,923</u></u>	<u><u>934,139</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, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents:				
Student activities:				
Ellsworth High School	\$ 41,888	97,569	97,105	42,352
Ellsworth Middle School	36,394	50,293	47,167	39,520
Ellsworth Elementary School	5,885	10,855	10,426	6,314
Hancock County Technical Center	15,274	73,440	74,149	14,565
Adult education	-	25,547	11,732	13,815
Investments:				
Cemetery association	264,217	11,677	12,449	263,445
Total assets	<u>363,658</u>	<u>269,381</u>	<u>253,028</u>	<u>380,011</u>
LIABILITIES				
Held for student activities:				
Ellsworth High School	41,888	97,569	97,105	42,352
Ellsworth Middle School	36,394	50,293	47,167	39,520
Ellsworth Elementary School	5,885	10,855	10,426	6,314
Hancock County Technical Center	15,274	73,440	74,149	14,565
Adult education	-	25,547	11,732	13,815
Held for cemetery association	264,217	11,677	12,449	263,445
Total liabilities	<u>\$ 363,658</u>	<u>269,381</u>	<u>253,028</u>	<u>380,011</u>

SCHEDULES

CITY OF ELLSWORTH, MAINE
Schedule of Capital Projects
For the Year Ended June 30, 2015

Project		
Road improvements	\$	685,835
City Hall improvements		53,378
Information technology		81,446
Highway equipment		45,069
Police cruiser		28,284
Highway garage		19,014
Fire equipment		80,101
Recreational improvements		38,593
Grant application funds		1,814
Moore School engineering		57,376
Police equipment replacement		5,986
New Branch Lake boat launch		199
MS Exchange upgrade		7,545
Harbor engineering		6,500
Beechland Road preliminary		428
Water treatment plant		27,231
Knowlton Park design		19,884
Library expansion		150,297
Moore Community Center project		2,897,375
Beechland Road project		1,807,489
Traffic camera replacement		4,574
Stormwater data collection		13,870
Senior housing study		9,325
Knowlton Park project		853,645
		<hr/>
Total capital project fund capital outlays	\$	<u>6,895,258</u>

CITY OF ELLSWORTH, MAINE
Schedule of Changes in Assigned Fund Balances
General Fund - Capital Reserve Funds
For the Year Ended June 30, 2015

	Fund Balances, beginning of year	Additions	Reductions	Fund Balances, end of year
General	\$ 221,590	4,077	1,627	224,040
Industrial Park	1,284	25	8	1,301
City Hall	75,233	1,382	554	76,061
Highway equipment	37,464	684	282	37,866
School district	5,079	286	30	5,335
Employee benefits	61,075	1,122	451	61,746
Jump playground	22,056	405	164	22,297
Cable TV	7,449	138	54	7,533
Fire Department rescue	7,345	1,874	66	9,153
Fire Department site	5,339	97	41	5,395
City bonds	77	11	-	88
Federally forfeited property	2,599	1,492	23	4,068
Road improvement	247,524	4,544	1,831	250,237
Hancock Technical Center	381	7	3	385
Harbor	3,938	77	23	3,992
Capital equipment	75,006	1,373	559	75,820
	\$ 773,439	17,594	5,716	785,317

CITY OF ELLSWORTH, MAINE
Schedule of Valuation, Assessment and Collection of Taxes
For the Year Ended June 30, 2015

Valuation

Real estate	\$ 1,036,416,360
Personal property	<u>34,337,800</u>
Total valuation	<u><u>1,070,754,160</u></u>

Assessment

Valuation x Rate: \$1,070,754,160 x .01645	17,613,906
Supplemental taxes	<u>139</u>
Total assessment charged to collector	17,614,045

Collection and credits

Cash collections	16,607,321
Tax abatements	<u>46,395</u>
Total collection and credits	<u>16,653,716</u>

Taxes receivable and tax liens as of June 30, 2015	<u><u>\$ 960,329</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>2015</u>	<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>
Governmental activities										
Net investment in capital assets	\$ 31,831,381	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
Restricted	3,202,685	1,596,192	1,707,028	636,751	636,751	636,751	636,751	636,751	636,751	654,492
Unrestricted	(177,546)	741,564	3,269,274	6,677,352	9,164,269	9,225,626	9,240,977	12,897,502	6,504,866	7,819,991
Total governmental activities net position, as restated	<u>34,856,520</u>	<u>25,496,920</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>
Business-type activities										
Net investment in capital assets	22,209,990	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
Restricted	417,237	496,428	1,171,051	772,877	7,958,749	1,929,223	-	-	-	-
Unrestricted	(1,074,334)	(765,805)	(624,004)	(865,194)	(934,314)	112,258	1,668,821	(898,213)	(379,100)	(294,798)
Total business-type activities net position	<u>21,552,893</u>	<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>
Primary Government										
Net investment in capital assets	54,041,371	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
Restricted	3,619,922	2,092,620	2,878,079	1,409,628	8,595,500	2,565,974	636,751	636,751	636,751	654,492
Unrestricted	(1,251,880)	(24,241)	2,645,270	5,812,158	8,229,955	9,337,884	10,909,798	11,999,289	6,125,766	7,525,193
Total primary government net position	<u>\$ 56,409,413</u>	<u>46,867,459</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>

**In 2015, the Ellsworth School Department withdrew from Regional School Unit 24 and became a department of the City.

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

	<u>2015</u>	<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>
Expenses										
Governmental activities										
General government	\$ 1,749,081	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
Public safety	2,533,798	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
Municipal buildings	276,817	267,378	233,972	237,897	231,336	218,875	147,938	147,470	150,196	161,658
Culture and recreation	765,640	694,647	690,619	690,132	662,864	665,768	664,952	714,202	574,618	634,223
General assistance	38,778	89,661	41,982	51,896	43,780	36,818	33,204	37,868	34,669	41,614
Public works	2,104,003	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
County tax	421,450	419,748	418,665	413,360	390,328	385,325	399,485	575,555	401,535	399,076
Education	18,957,785	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
State retirement contributions	-	-	-	-	-	-	1,291,410	1,328,608	1,273,446	1,169,874
Unclassified	3,937,524	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
Capital outlay	-	-	-	-	-	-	-	-	464,866	1,510,811
Interest on long-term debt	2,352,608	1,145,421	1,307,202	1,624,512	1,865,947	791,791	371,332	959,938	422,491	447,225
Total governmental activities expenses	<u>33,137,484</u>	<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>
Business-type activities										
Wastewater	1,432,942	1,267,835	1,148,463	917,373	784,013	775,893	772,809	965,277	1,089,411	873,947
Water	806,065	796,269	718,133	775,393	695,249	698,819	709,896	769,050	735,924	694,399
Total business-type activities expenses	<u>2,239,007</u>	<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>
Total primary government expenses	<u>\$ 35,376,491</u>	<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>

**In 2015, the Ellsworth School Department withdrew from Regional School Unit 24 and became a department of the City.

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

	<u>2015</u>	<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>
Program revenues										
Governmental activities										
Charges for services:										
General government	\$ 317,033	313,186	293,039	314,360	298,317	166,425	165,524	222,294	182,688	146,536
Public safety	25,831	30,379	165,264	31,103	152,107	44,760	29,368	33,675	49,913	48,764
Municipal buildings	125	150	2,965	2,650	-	-	-	-	-	-
Culture and recreation	55,909	46,469	3,000	1,000	1,200	1,000	700	54,747	52,388	49,993
Public works	243,643	252,110	253,123	276,469	157,830	227,762	240,517	404,859	369,361	363,717
Unclassified	59,239	75,086	107,646	185,396	-	-	-	440,819	131,065	138,964
Education	2,767,510	-	-	-	-	-	2,799,086	3,047,727	2,754,943	2,555,722
Operating grants and contributions	7,737,272	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
Capital grants and contributions	475,750	390,406	212,885	299,052	778,544	1,000	595,000	-	-	-
Total governmental activities program revenues	<u>11,682,312</u>	<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>
Business-type activities										
Charges for services:										
Wastewater	1,010,364	957,420	840,515	1,004,627	847,683	658,320	721,941	805,397	729,206	610,043
Water	1,163,644	1,097,154	1,058,337	1,067,809	1,054,262	1,032,305	952,760	882,089	886,461	883,206
Capital grants and contributions	-	243,246	2,581,046	3,134,313	508,691	1,975,431	2,004,428	-	322,082	-
Total business-type activities program revenues	<u>2,174,008</u>	<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>
Total primary government program revenues	<u>\$ 13,856,320</u>	<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>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (expense)/revenue										
Governmental activities	\$ (21,455,172)	(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)
Business-type activities	(64,999)	233,716	2,613,302	3,513,983	931,374	2,191,344	2,196,424	(46,841)	112,414	(75,097)
Total primary government net expense	<u>(21,520,171)</u>	<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>
General revenues and other changes in net position										
Governmental activities										
Property taxes	17,681,814	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
Excise taxes	1,473,558	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
Interest and costs on taxes	134,729	103,405	94,374	98,162	142,451	135,690	120,839	87,633	62,426	46,646
Unrestricted grants and contributions	736,424	732,324	872,243	712,717	3,125,819	1,210,184	882,968	774,281	761,265	843,198
Unrestricted investment earnings	152,415	187,581	76,332	109,379	264,559	281,724	353,311	155,210	233,550	196,229
Miscellaneous revenues	12,219	36,671	24,093	104,580	192,240	804,973	360,430	335,411	106,908	116,646
Transfers	(226,653)	(385,640)	(534,038)	(528,207)	-	(118,974)	-	-	-	-
Gain (loss) on disposal of assets	-	(191,226)	-	-	-	-	-	-	-	-
Special item: transfer of funds to RSU #24	-	-	-	-	-	(4,725,013)	(427,734)	-	-	-
Special item: Transfer of assets, liabilities and equity from RSU #24	10,850,266	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>30,814,772</u>	<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>
Business-type activities										
Unrestricted investment earnings	20,700	20,945	-	-	(50,776)	(70,258)	(35,283)	13,281	13,031	15,763
Miscellaneous revenues	-	-	-	-	51,518	16,618	16,791	2,622	120,904	359,790
Gain (loss) on disposal of assets	-	1,472	-	-	-	-	-	-	-	-
Transfers	226,653	385,640	288,918	528,207	-	118,974	427,734	-	-	-
Total business-type activities	<u>247,353</u>	<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>
Total primary government	<u>31,062,125</u>	<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>
Change in net position										
Governmental activities	9,359,600	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
Business-type activities	182,354	641,773	2,902,220	4,042,190	932,116	2,256,678	2,605,666	(30,938)	246,349	300,456
Total primary government	<u>\$ 9,541,954</u>	<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>

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

	<u>2015</u>	<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>
General fund:										
Nonspendable	\$ -	-	10,508	10,104	41,687	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	1,869,795	1,337,371	1,302,894	1,285,130	1,434,729	-	-	-	-	-
Unassigned	1,622,311	2,756,380	1,766,383	2,354,033	2,498,328	-	-	-	-	-
Reserved	-	-	-	-	-	74,515	109,420	130,745	110,819	127,901
Unreserved	-	-	-	-	-	2,856,108	2,195,511	2,305,467	2,003,675	2,174,986
Total general fund	<u>3,492,106</u>	<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>
All other governmental funds										
Nonspendable	654,017	636,751	636,751	636,751	636,751	-	-	-	-	-
Restricted	2,548,668	959,441	1,070,277	1,706,410	2,884,140	-	-	-	-	-
Unassigned	(3,002,383)	(3,644,129)	(1,310,165)	(1,037,040)	(737,009)	-	-	-	-	-
Reserved	-	-	-	-	-	636,751	636,751	1,029,969	842,889	5,303,405
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	127,191	999,608	1,641,611	1,516,316	1,287,945
Capital projects	-	-	-	-	-	2,231,018	5,605,789	(1,002,026)	2,823,728	(183,908)
Permanent funds	-	-	-	-	-	105,700	111,899	83,026	44,341	15,592
Total all other governmental funds	<u>\$ 200,302</u>	<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>

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)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
General property and other taxes	\$ 19,157,001	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
Licenses and permits	174,507	204,733	114,858	131,790	132,375	100,358	128,423	190,229	150,668	114,491
Intergovernmental revenues	8,531,779	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
Departmental income	399,633	360,958	319,150	340,662	477,079	439,947	436,109	472,799	453,294	446,926
Charges for services	2,767,510	-	-	-	-	-	-	-	-	-
Donations and fundraising	182,574	-	-	-	-	-	-	-	-	-
Other grants	15,500	-	-	-	-	-	-	-	-	-
Unclassified	359,452	743,048	578,048	689,043	338,691	644,749	2,219,382	1,386,446	1,310,692	853,156
Investment income	152,415	187,581	112,716	172,955	264,559	281,724	353,311	421,783	261,952	220,237
Total revenues	31,740,371	24,505,199	23,844,592	23,496,392	22,307,771	18,986,985	27,535,084	27,665,302	26,649,771	25,053,771
Expenditures										
General government	1,644,802	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
Public safety	2,628,945	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
Municipal buildings	226,700	193,698	170,555	174,480	167,919	157,693	147,078	147,470	150,196	161,658
Culture and recreation	763,717	684,265	685,700	685,785	651,533	662,532	653,472	710,905	683,512	695,749
General assistance	38,778	89,661	41,982	52,148	43,780	36,818	33,204	37,868	34,669	41,614
Public works	1,636,225	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
County tax	421,450	419,748	418,665	413,360	390,328	385,325	399,485	575,555	401,535	399,076
Education	15,913,352	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
Unclassified	3,886,224	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
Adult education	194,006	-	-	-	-	-	-	-	-	-
School lunch	600,090	-	-	-	-	-	-	-	-	-
Debt principal	2,773,318	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
Debt interest	1,119,972	1,176,284	101,792	1,652,085	2,121,947	306,444	387,524	391,886	469,929	316,406
State retirement contributions	985,382	-	-	-	-	-	1,291,410	1,328,608	1,273,446	1,169,874
Capital outlay	6,895,258	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
Total expenditures	39,728,219	25,550,393	25,103,674	24,771,423	23,472,428	30,564,824	51,675,124	31,002,628	28,033,924	26,076,694
Excess (deficiency) of revenues over (under) expenditures	(7,987,848)	(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)
Other financing sources (uses):										
Issuance on long-term debt	7,790,000	-	380,000	-	1,892,000	7,794,798	30,000,000	-	-	3,861,500
Issuance of capital leases	-	-	-	-	-	-	37,960	184,350	-	-
Premium on long-term debt	177,182	-	-	-	-	-	-	-	-	26,898
Transfers in	11,032,830	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
Transfers out	(11,259,483)	(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)
Total other financing sources (uses)	7,740,529	(385,640)	(154,038)	(528,207)	1,892,000	7,950,144	29,610,226	184,350	-	3,888,398
Special item: Withdrawal from RSU #24	1,893,913	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 1,646,594	(1,430,834)	(1,413,120)	(1,803,238)	727,343	(3,627,695)	5,470,186	(3,152,976)	(1,384,153)	2,865,475
Debt service as a percentage of noncapital expenditures	11.85%	17.16%	20.52%	22.31%	17.33%	12.42%	7.34%	6.79%	7.46%	8.41%

Table 5

**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>		
2015	\$ 371,336	5,162,046	14,316	543,024	6,090,722	
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	

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

**In 2015, the Ellsworth School Department withdrew from Regional School Unit 24 and became a department of the City.

Table 6

**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>
2015	\$	17,548,714	1,473,558	19,022,272
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
Percent Change				
2006-2015		69.04%	11.50%	62.54%

Table 7

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</u>	<u>Total Direct</u>	<u>Assessed Value</u>
	<u>Residential</u>	<u>Commercial</u>	<u>Personal Property*</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>as a Percentage of Actual Value</u>
2015	\$ 704,555,701	331,860,659	34,337,800	1,070,754,160	16.45	100%
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%

* 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>
2015	8.09	8.03	0.33	16.45
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

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

<u>Taxpayer</u>	<u>Business</u>	<u>2015</u>			<u>2006</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>
Emera Maine, Inc.	Electric Utility	\$ 26,460,800	1	2.47%	15,158,788	2	2.61%
Wal-Mart	Retail Sales	20,399,100	2	1.91%	7,246,100	5	1.25%
Union River Associates Realty	Shopping Center	14,037,000	3	1.31%			
Home Depot	Retail Sales	11,202,600	4	1.05%	8,640,800	4	1.49%
Black Bear Hydro Partners LLC	Dam	10,000,000	5	0.93%			
Ellsworth Shopping Center Inc.	Shopping Center	7,374,500	6	0.69%	6,891,300	6	1.18%
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	0.66%
Ellsworth RI LLC	Lodging	5,366,200	9	0.50%			
Ellsworth Investments LLC	Retail Sales	5,085,900	10	0.47%			
Union River Yacht Club	Lodging				4,540,000	7	0.78%
Mill Mall	Shopping Center				2,577,000	10	0.44%
Henrietta T. MacQuinn Trustee	Shopping Center				9,885,000	3	1.70%
Union Trust Company	Bank				2,767,000	9	0.48%
Penobscot Hydro	Dam				21,203,900	1	3.65%

*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>
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%	456,332	16,627,758	97.21%
2015	17,614,045	46,395	17,567,650	16,607,321	94.53%	-	16,607,321	94.53%

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

<u>Fiscal Year</u>	<u>Governmental Activities General Obligation Bonds and Notes</u>	<u>Business-type Activities General Obligation Bonds</u>	<u>Total Primary Government</u>	<u>Per Capita</u>	<u>Per Personal Income</u>
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%
2015	38,216,713	12,157,877	50,374,590	6,422.87	13.83%

* 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.

** In 2015, the Ellsworth School Department withdrew from Regional School Unit #24 and is now a department of the City. Per the withdrawal agreement, the 2009 School Construction Bond is now paid for by the Ellsworth School Department as the School Department is keeping possession of the related capital asset.

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>
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
2015	7843	1,070,754,160	38,216,713	3.57%	4,872.72

*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	\$ 50,374,590	100%	50,374,590
Overlapping debt			
Hancock County	1,200,000	8.01%	96,120
Total debt	<u>\$ 51,574,590</u>		<u>50,470,710</u>

**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>
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%
2015	153,217,500	1,021,450,000	50,374,590	102,842,910	32.88%

Legal Debt Margin Calculation for Fiscal Year 2015

Total state valuation	1,021,450,000
Debt limitation: 15% of state valuation	153,217,500
Debt applicable to debt limitation:	
General obligation bonds and notes:	
Municipal	\$ 8,739,992
Water	2,287,039
School	29,476,721
Sewer	9,870,838
Total debt applicable to debt limit:	50,374,590
Legal Debt Margin	\$ 102,842,910

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>
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%
2015	7843		46,431	26,454	45.1	1,276	4.30%

*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>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Maine Coast Memorial Hospital	633	1	430	1
Wal-Mart Stores	299	2	230	3
Hannaford Bros.	289	3	171	4
Ellsworth Schools	256	4		
Shaw's Supermarket	147	5	116	7
Kidspace National Centers	123	6	170	5
Home Depot	98	7		
Union Trust Company	94	8	92	8
North Country Associates	92	9	91	9
City of Ellsworth	88	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>2015</u>	<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>
Code Enforcement										
Building permits	180	180	139	167	190	213	190	259	223	239
Police										
Calls for service	7,205	7,350	7,330	8,005	7,309	7,010	6,337	4,885	5,243	4,861
Fire										
Calls for service	449	431	413	405	382	397	385	345	355	299
Sewer										
Treated flow (millions of gallons)	229	221	227	124	148	213	190	259	223	217
Biosolids (cubic yards)	650	672	503	777	610	716	622	697	680	908

*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>2015</u>	<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>
Administration	20	19	18	18	18	18	17	16	16	16
Police	16	16	16	16	16	15	14	14	14	14
Fire	12	12	12	10	10	10	10	9	9	8
Dispatch	4	4	4	4	4	3	3	3	4	4
Highway	12	12	12	11	11	11	11	11	10	9
Transfer Station	2	2	2	2	2	2	2	2	2	2
Wastewater Department	4	4	4	4	4	4	4	4	4	4
Water Department	4	4	4	4	4	4	4	4	4	3
Library	11	11	11	11	11	9	9	9	9	9
Recreation	1	1	1	1	1	1	1	1	1	1
Custodial	2	2	2	2	2	3	3	2	2	2
School Department**	256	0	0	0	0	0	320	320	318	317
Totals	344	87	86	83	83	80	398	395	393	389

*Source - City of Ellsworth departmental records

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

***In 2015, the Ellsworth School Department withdrew from Regional School Unit 24 and became a department of the City.

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

Function	<u>2015</u>	<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>
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	8	8	8	8	8	7	7	7	7	7
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	9	9	9	9	9	7	9	9	9	9
Public Works										
Paved Streets/Roads (miles)	38.29	38.29	38.29	37.79	37.79	37.79	37.79	37.79	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	2	1	1	1	1	1	1	2	2	2
Park Acreage	7.10	1.25	1.25	1.25	1.25	1.25	1.25	1.40	1.40	1.40
Harbors	1	1	1	1	1	1	1	1	1	1
Harbor Moorings	42	42	42	42	42	43	42	41	33	33
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	23.40	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	8	7	7	7	7	7
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Water										
Transmission & Distribution (miles)	33.80	33.80	33.80	33.80	33.80	31.53	31.50	31.50	31.50	30.60
Public Fire Hydrants	235	235	235	235	235	222	192	192	192	192

*Source - City of Ellsworth departmental records