

2009

# City of Lewiston Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2009

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# CITY OF LEWISTON, MAINE



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009



City of Lewiston, Maine

*COMPREHENSIVE ANNUAL  
FINANCIAL REPORT*

For the Fiscal Year Ended June 30, 2009

Prepared by:

Heather A. Hunter, Deputy Finance Director

## **INTRODUCTORY SECTION**

City of Lewiston, Maine  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
 For the Fiscal Year Ended June 30, 2009

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**City of Lewiston**  
Richard T. Metivier, Finance Director  
Heather A. Hunter, Deputy Finance Director



December 21, 2009

Honorable Laurent F. Gilbert Sr. Mayor  
Members of the City Council, and  
Citizens of Lewiston

The comprehensive annual financial report of the City of Lewiston for the year ended June 30, 2009 is hereby submitted as required by the City Charter. The Charter requires that the City of Lewiston issue a report annually on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The financial statements are presented in conformance with generally accepted accounting principles in the United States (GAAP) and audited in accordance with generally accepted auditing standards.

Management of the City of Lewiston assumes full responsibility for the completeness and accuracy of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City of Lewiston's financial statements have been audited by Runyon Kersteen Ouellette PA, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the City of Lewiston's financial statements for the fiscal year ended June 30, 2009. The independent auditor's report is presented at the front of the financial section of this report.

The independent audit of the financial statements of the City of Lewiston was part of a broader, federally mandated A-133 designed to meet the special needs of federal grantor agencies. The standards governing the A-133 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. These reports are available in the City of Lewiston's separately issued report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The comprehensive annual financial report is presented in three sections: introductory,

financial and statistical. The introductory section, which is not audited, includes the transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the basic financial statements and the combining and individual fund statements and schedules as well as the independent auditor's report and MD&A. The statistical section includes selected financial and demographic information, which is generally presented on a multi-year basis.

## **GOVERNMENTAL PROFILE**

Lewiston was incorporated as a Town in 1795 and established as a City in 1863 and is located on the east bank of the Androscoggin River in the south-central section of the state and is the second largest city in Maine with a population of 35,690, as of the 2000 census. The City is 34 miles north of Portland, Maine, 142 miles from Boston and 195 miles from Quebec City, Canada and encompasses an area of 34 square miles.

The City has operated under the Council-Administrator form of government since its most recent charter revision effective in 1980. Policy making and legislative authority are vested in the governing council, which consists of a mayor and seven-member council. The governing council is vested with the authority, among other things, to adopt the budget, pass ordinances and hire the City Administrator and City Attorney. The City Administrator is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the City's department heads. The Finance Director and other officials whose primary function is financial such as the Treasurer and Tax Collector shall be appointed by the City Administrator and confirmed by the City Council. The City Clerk is also appointed by the City Administrator and confirmed by the City Council. The Mayor and Council are elected on a nonpartisan basis and to two year terms. Only the Mayor has a limit on the term of office of 2, two year terms. A school committee, consisting of nine members, eight elected and one a City Council representative, has general authority for public schools.

The financial reporting entity includes all funds of the City of Lewiston. The City provides a full range of services including police and fire protection; education; sanitation services; the construction and maintenance of highways, streets and infrastructure; human services; recreation and cultural activities; water sewer and storm water utility services.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Lewiston Mill Redevelopment Corporation is reported as a nonmajor special revenue fund in the City's governmental fund financial statements and included in the Governmental Activities column in the City's government-wide financial statements.

Financial statements for the following entities are not included in this report as they are administered by boards separate from, or independent of, the City Council and otherwise have not met the established criteria for inclusion in the reporting entity:

Lewiston-Auburn Water Pollution Control Authority  
Lake Auburn Watershed Protection Commission



Auburn-Lewiston Municipal Airport  
Lewiston-Auburn Transit Committee  
Lewiston-Auburn Economic Growth Council  
Lewiston-Auburn 9-1-1 Committee

Brief descriptions of these organizations and selected financial data are incorporated in the notes to the financial statements.

The annual budget serves as the foundation for the City of Lewiston's financial planning and control. The City Administrator is required to submit a budget to the City Council for the ensuing fiscal year. The City of Lewiston's School Committee is also required to submit a budget to the City Council for adoption. The City Administrator's budget message explains the budget in fiscal terms and in terms of the work programs. It outlines the proposed financial policies of the city for the ensuing fiscal year, describes the important features of the budget, and indicates any major changes from the current year in financial policies, expenditures and revenues together with the reason for such changes. The legal level of budgetary control is at the department level for the general fund and enterprise funds and at the federal program level for the CDBG fund. At anytime during the fiscal year, the Administrator may transfer part or all of any unencumbered appropriation balance among programs within a department. The City Council may transfer part or all of any unencumbered balance to another department.

## **ASSESSING ECONOMIC CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the economic condition within the City of Lewiston.

**Local Economy.** Lewiston, along with the adjacent City of Auburn, is the most important economic region in central Maine. Considerable growth has occurred in the service sector, over the past several decades, which has increased the diversity of Lewiston's economy, from a mainly manufacturing-based economy to a mixed economy. Over the past 10 years, the average number of manufacturing jobs has decreased from 2,949 to 2,027 or 31%. The steady reduction in manufacturing jobs has reversed itself over the last couple of years. The number of manufacturing jobs reached a low of 1,759, 2 years ago and the 268 additional jobs represents a 15% increase. During the same period the non-manufacturing jobs have increased from 18,368 to 22,693 or 24%. Total employment within the city over the past 10 years has increased from 21,317 to 24,720 or 16%.

Major industries within the City's boundaries which have realized the most growth include health care and education services. The City has two major regional hospitals and many health care service providers; and along with education service providers for a four year liberal arts college, a state university, a two year business college and the K-12 school system, they provide a great deal of stability to the City's workforce. The two major hospitals employ a combined 4,322 employees and are the two largest employers. Professional and business services are the next largest sector of our employment base. The third largest employer is TD Bank which has an operations center and retail banking

outlets which employ a total of 1,400 employees. Lewiston's average area unemployment rate of 7.5% for the year is above the state's average rate of 7.0% but below the national average of 7.6%.

Recent economic activity during the past year includes continued development in the south Lewiston industrial park area adjacent to the 901,000 square foot Wal-Mart mechanized food distribution facility. The Gendron Business Park Phase I has seen four businesses complete development projects totaling over 170,000 square feet and a recently completed spec. building totaling 30,000 square feet is available for occupancy. Construction for Phase II of the business park has just begun and will provide an additional 145 acre business park with eleven lots estimated to accommodate up to 1 million square feet of developed space. Full build out of the park infrastructure and site work is expected to be complete by 2011.

New housing starts continued in the past year with the completion of 15 single family homes at a cost of \$3.0 million and a 20 unit subsidized senior housing project and 1 6 unit building at a cost of \$3.7 million.

**Long-term Financial Planning.** Each year, the City Administrator submits a Capital Improvement Plan (CIP) which is submitted to the Planning Board and City Council for review. The five year plan includes an inventory of possible capital projects which may ultimately be included in the City's Capital Improvement Plan that may be financed through a variety of sources including federal or state grants; general operating fund; user fee revenue or through the issuance of indebtedness. The issuance of debt is subject to specific authorization of the City Council and after a public hearing on the matter. If the total amount of a single purpose project exceeds 15% of the previous year's tax levy, authorization to borrow must be approved by the voters at a referendum election. (FY 2009 Tax Levy of \$47,147,498 is \$7,072,124.)

Unreserved, undesignated fund balance in the general fund at the end of the year amounts to 8.9% and is within the guidelines, set by management, of maintaining a minimum of 7.5% of revenues, for budgetary and planning purposes. Continuing to maintain adequate reserves is a priority of management and the City Council.

With the State's enactment of Public Law 1, which establishes municipal property tax levy limitations each year, the city's management is strategically planning utilization of less than the allowable growth each year in order to bank portions of the allowable growth for it to be carried over to future years, which is allowed by law. This practice will allow the City Council more flexibility in times of economic downturn.

**Financial Trends.** During the past ten years, property and excise taxes have remained the largest source of revenue to finance general fund expenses at 51%. However, this percentage of total revenue sources represents a reduction of 8% from the 59% it was ten years ago. The reason for this reduction is the increase which has taken place in intergovernmental revenues, mostly from the State, which has increased by 6% to 42%.

During this same ten year period, the city's state equalized valuation has increased by 99%

or 10% per year on average. Both the increased development activity along with the increase in market value of properties have contributed to the above average growth.

**Major Initiatives.** The Mayor and City Council established a Downtown Neighborhood Task Force during 2007 to create a Master Plan for the downtown residential community. The report, recently completed in the spring of 2009, addresses the overall residential quality of life in the downtown including the physical issues associated with downtown housing and the socio-economic issues that are integral to the experience of downtown living. The report of the Task Force provides recommendations on improving the following: social capital; management of housing initiatives; neighborhood stewardship; infrastructure, streetscape and transportation; parks and community spaces and marketing of the area and events in the downtown area.

The City Council recently approved the establishment of a Tax Increment Financing (TIF) District for Central Maine Power's, Maine Power Reliability Project, a large \$1.4 billion upgrade of the electrical transmission infrastructure within the State. The purpose of the upgrade is to expand the capacity and improve the reliability of the transmission grid in the State. The company is actively engaged in planning and permitting the project which would result in a \$108 million investment within Lewiston boundaries to include a \$71 million new substation; \$11 million upgrade to other substations and \$26 million in new transmission upgrades to include a the installation of 345 KV lines and improvements to the existing 115 KV lines. Central Maine Power's initial plans have been modified to mitigate concerns of residents that will be abutting the power lines and have incorporated changes estimated to cost \$3.5 million. These costs will be returned to the company through the TIF over a 20 year period. Construction of the project is expected to begin in 2010. The total net new taxes retained by the city upon completion of the project is estimated at \$1.2 million annually.

The City Council recently enacted a Streetlight Policy that establishes standards for the location and spacing of streetlights throughout the city. Factors such as traffic volume, nighttime pedestrian activity, pedestrian security, crime prevention, light pollution and energy conservation will be utilized in determining the appropriate location of existing streetlights as well as evaluate any request for new streetlights. Prior to adopting a policy, the City Council obtained input from residents of the community and considered recommendations from the Police department and comments from the Planning Board. The Streetlight Policy is expected to result in substantial savings to the community in many years to come by installing and replacing lighting with more energy efficient lights and installing them with appropriate spacing whether it is in the downtown or more rural areas and whether it is a commercial, industrial and residential neighborhood.

## **AWARDS AND ACKNOWLEDGEMENTS**

The National Civic League awarded the City the All-America City Award in 2007, the oldest and most respected community recognition program within the nation. The award recognizes communities whose residents work together to identify and tackle community wide challenges and achieve measurable uncommon results. A broad cross section of the community is engaged in such initiatives to include youth, business leaders, city staff and

non-profit groups.

Only 10 cities are selected as All-America cities annually. It recognizes the true American spirit at work, as their residents are actively committed to ensuring that their community is a safe, nurturing place to live.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lewiston for its comprehensive annual financial report for the year ended June 30, 2008. This was the thirty-fourth 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 CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated services of the accounting and auditing division. Special thanks to Heather Hunter, Deputy Finance Director for her dedication and loyalty, and countless hours contributed in preparation of this report and to all the staff in the accounting division for their valuable assistance. I would also like to acknowledge the firm of Runyon Kersteen Ouellette for their efforts and guidance during the engagement. Credit must also be given to the Mayor and City Council for their interest and support in planning and conducting operations of the City in a responsible and progressive manner.

Respectfully submitted,

  
Richard T. Metivier  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lewiston  
Maine

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

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



A handwritten signature in black ink, appearing to read "M. L. R. T.", written over the printed name "President".

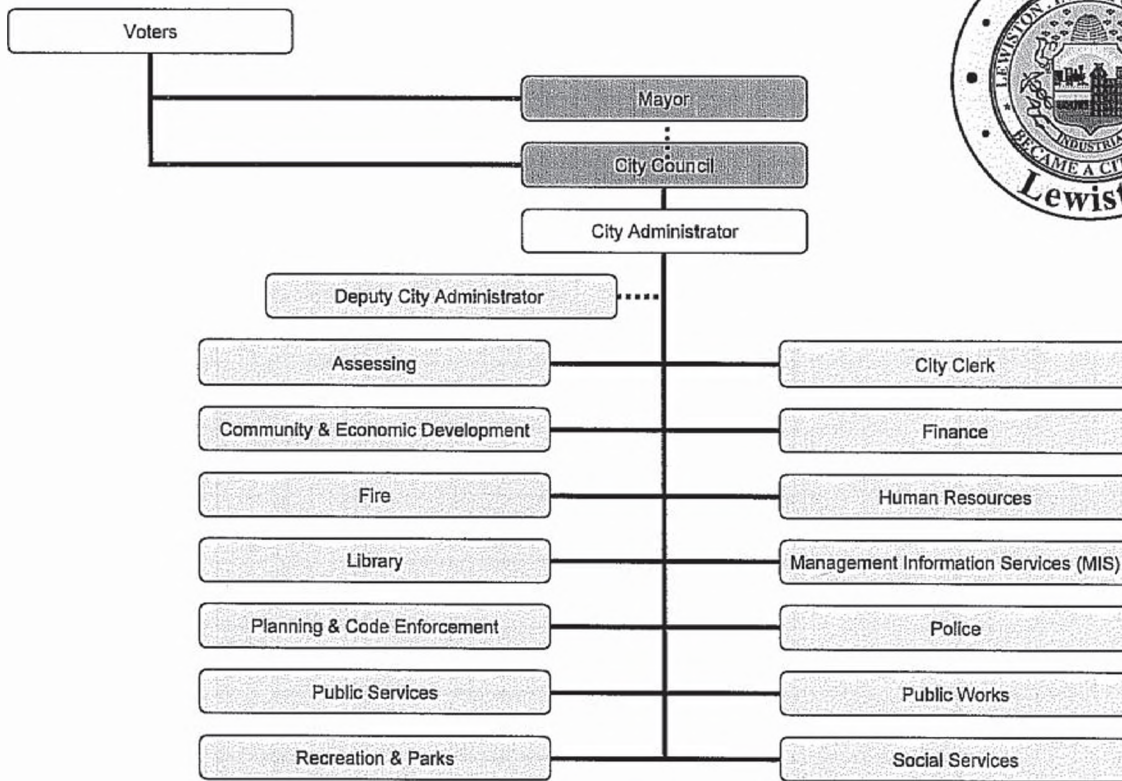
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emery", written over the printed name "Executive Director".

Executive Director



# City of Lewiston, Maine Organizational Chart



**City of Lewiston, Maine**

**List of Principal Officials**

**June 30, 2009**

**Elected Officials**

Laurent F. Gilbert Sr.	Mayor
Thomas P. Peters II, Council President	Council Member - Ward 1
Nelson M.J. Peters Jr.	Council Member - Ward 2
Larry J. Poulin	Council Member - Ward 3
Denis L. Theriault	Council Member - Ward 4
Tina G. Bailey	Council Member - Ward 5
Elizabeth A. Dube	Council Member - Ward 6
Robert A. Reed	Council Member - Ward 7

**Appointed Officials and Department Heads**

James A. Bennett, City Administrator

Philippe J. Nadeau, Deputy City Administrator

Joseph Grube, Chief Assessor	Kathleen M. Montejo, City Clerk
James Andrews, Community & Economic Dev. Director	Richard T. Metivier, Finance Director
Paul M. Leclair, Fire Chief	Denis R. Jean, Human Resources Director
Richard A. Speer, Library Director	Timothy J. Earle, MIS Director
Gildace J. Arsenault, Planning & Code Enforcement Director	William E. Welch, Police Chief
David A. Jones, Public Services Director	Paul L. Boudreau, Public Works Director
Margaret Chisholm, Recreation & Parks Director	Sue A. Charron, Social Services Director

## **FINANCIAL SECTION**



## Report of Independent Auditors

City Council  
City of Lewiston, Maine:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lewiston, Maine, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Lewiston, Maine's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the, each major fund, and the aggregate remaining fund information of the City of Lewiston, Maine, as of June 30, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 16, 2009, on our consideration of the City of Lewiston, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the other Required Supplemental Information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lewiston, Maine's basic financial statements. The combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken 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 express no opinion on them.



December 16, 2009  
South Portland, Maine



**CITY OF LEWISTON, MAINE**  
**Management's Discussion and Analysis**  
**June 30, 2009**

As management of the City of Lewiston, we offer the 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, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 7 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**Financial Highlights**

- The assets of the City of Lewiston exceeded its liabilities at the close of the most recent fiscal year by \$121,665 (*net assets*).
- The City's total net assets increased by \$6,002, which represents a 5.19% increase.
- As of the close of the current fiscal year, the City of Lewiston's governmental funds reported combined ending fund balances of \$29,864 a decrease of \$167 in comparison with the prior year. Approximately 45% of this total amount, \$13,400 is *available for spending* at the City's discretion (*undesignated fund balance*).
- At the end of the current fiscal year, undesignated fund balance for the general fund was \$8,541 or 8.9% of general fund revenues, including transfers in.
- The City of Lewiston's total debt increased by \$11,457 (8.8%) during the current fiscal year. The key factor in this increase was the issuance of \$31,252 in general obligation bonds for new school construction and municipal public improvements.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of Lewiston's basic financial statements. The City's basic financial statements comprise three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of Lewiston's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Lewiston is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and

expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguished functions of the City of Lewiston that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Lewiston include the broad activities of general government, public safety, highways and streets, sanitation, human services and culture and recreation and education. The business type activities of the City of Lewiston include the water system and the sanitary sewer system.

The government-wide financial statements include not only the City of Lewiston itself (*known as the primary government*), but also the Lewiston Mill Redevelopment Corporation as a blended component unit.

The government-wide financial statements can be found on pages 36-37 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Lewiston, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Lewiston can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Lewiston maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general fund, capital projects fund; school categorical grants special revenue funds and the debt service fund which are considered to be major funds. Data from the other nine governmental funds are combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Lewiston adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 38-40 of this report.

**Proprietary Funds.** The City of Lewiston maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business type activities* in the government-wide financial statements. The City of Lewiston uses enterprise funds to account for its water system and storm and sanitary sewer system.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water system and sanitary sewer system, both of which are considered to be major funds of the City of Lewiston.

The basic proprietary fund financial statements can be found on pages 44-47 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Lewiston's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 48-49 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 50-78 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Lewiston's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees.

The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplementary information on pensions and other postemployment benefits. Combining and individual fund statements and schedules can be found on page 81 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Lewiston, assets exceeded liabilities by \$113,721 at the close of the most recent fiscal year. A comparison of key government-wide components is found in the following table.

	City of Lewiston's Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Assets:</b>						
Current & Other Assets	\$42,764	\$37,388	\$17,601	\$15,831	\$60,365	\$53,218
Capital Assets	180,160	165,850	50,140	48,309	230,300	214,159
<b>Total Assets</b>	<b>222,924</b>	<b>203,237</b>	<b>67,741</b>	<b>64,140</b>	<b>290,665</b>	<b>267,377</b>
<b>Liabilities:</b>						
Noncurrent Liabilities	130,116	106,947	26,190	23,543	156,306	143,862
Other Liabilities	11,485	16,976	1,210	1,877	12,695	7,851
<b>Total Liabilities</b>	<b>141,601</b>	<b>123,923</b>	<b>27,400</b>	<b>25,420</b>	<b>169,000</b>	<b>151,714</b>
<b>Net Assets:</b>						
Invested in Capital Assets						
Net of Related Debt	93,135	88,644	24,178	24,932	117,312	116,136
Restricted	13,552	15,435			13,552	15,435
Unrestricted (Deficit)	(25,363)	(24,765)	16,163	13,787	(9,200)	(15,908)
<b>Total Net Assets</b>	<b>\$81,324</b>	<b>\$79,315</b>	<b>\$40,341</b>	<b>\$38,719</b>	<b>\$121,665</b>	<b>\$115,663</b>

By far the largest portion of the City of Lewiston's net assets (\$117,312) 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 Lewiston uses the capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Lewiston's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Lewiston's net assets (\$13,552) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, a deficit of \$9,200 is mainly due to recording all of the City's long-term liabilities that are not due and payable in the current period. Liabilities of this nature include noncapital bonds payable, accrued interest payable, obligations for workers' comp. claims, unfunded actuarial pension liability, long-term compensated absences, capital lease obligations, and landfill closure and postclosure care costs. A complete reconciliation, by item and amount, can be found in the notes to the financial statements.

At the end of the current fiscal year, the City of Lewiston is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its governmental and business-type activities. The same situation was true for the prior fiscal year.

The city's net assets increased by \$6,002 during the course of the year. A contributing factor in the increase in governmental activities net assets was the additional operating grants and contributions for education of \$2,599 and capital grants of \$2,085. Net assets in business-type activities increased by \$1,622, due to charges for services exceeding expenses in water in the amount of \$1,029 and storm water in the amount of \$1,032.



**Governmental Activities.** Governmental activities decreased the City of Lewiston's net assets by \$3,564. Key elements of the decrease are as follows:

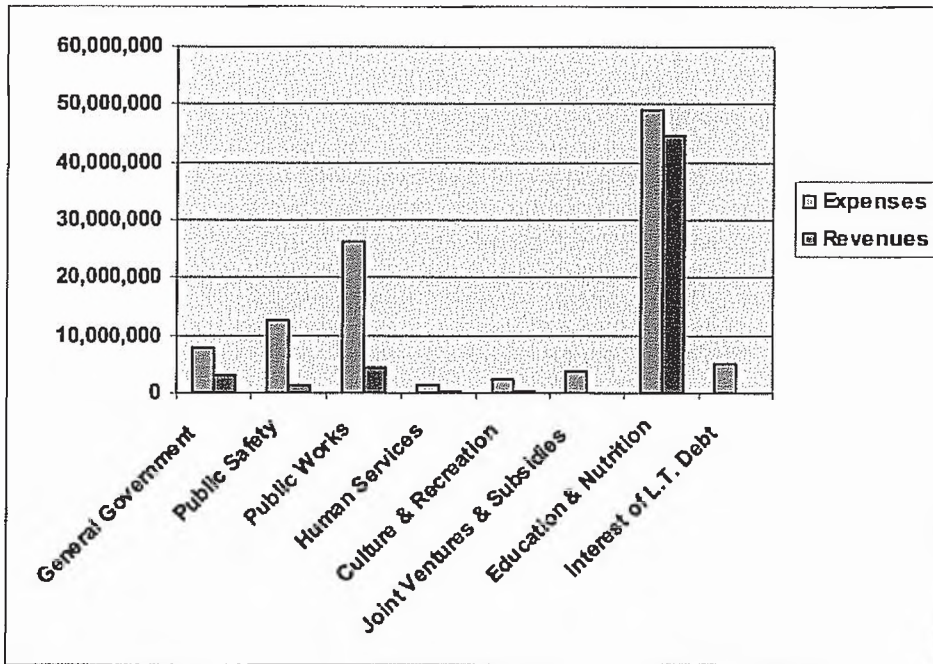
	City of Lewiston's Changes in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$4,660	\$4,150	\$10,794	\$10,653	\$15,454	\$14,802
Operating grants & contributions	46,180	43,169			46,180	43,169
Capital grants & contributions	2,927	842	904	897	3,832	1,739
<b>General revenues:</b>						
Property taxes	46,428	44,879			46,428	44,879
Other taxes	4,082	4,546			4,082	4,546
<b>Grants &amp; contributions not restricted to specific programs</b>						
Other	5,504	5,983			5,504	5,983
	2,241	1,910	25	181	2,266	2,090
<b>Total revenues</b>	<b>112,022</b>	<b>105,479</b>	<b>11,724</b>	<b>11,731</b>	<b>123,746</b>	<b>117,208</b>
<b>Expenses:</b>						
General government	7,930	8,833			8,891	8,833
Public safety	12,648	16,272			14,395	16,272
Public works	26,240	29,177			31,038	29,177
Human services	1,290	871			1,464	871
Culture & recreation	2,390	2,419			2,653	2,419
Joint ventures & subsidies	3,609	840			3,609	840
Education & nutrition	49,132	44,763			49,132	44,763
Interest on long-term debt	5,135	4,785			5,135	4,785
Water			3,600	3,125	3,600	3,125
Sewer			4,546	4,143	4,546	4,143
Storm water			1,226	1,046	1,226	1,046
<b>Total Expenses</b>	<b>108,373</b>	<b>107,960</b>	<b>9,372</b>	<b>8,315</b>	<b>125,689</b>	<b>116,274</b>
Increase (decrease) in net assets before transfers	3,649	(2,481)	2,352	3,415	(1,942)	934
Transfers	730	822	(730)	(822)		
Increase (decrease) in net Assets	4,380	(1,659)	1,622	2,594	(1,942)	934
Net assets, July 1	76,944	78,604	38,719	36,126	115,663	114,730
Net assets, June 30	\$81,324	\$76,944	\$40,341	\$38,719	\$113,721	\$115,663

- Revenues for governmental activities increased by \$6,543 while expenses increased by \$413.
- Operating grants and contributions for governmental activities increased by \$3,011 and were mostly due to additional grants and subsidy for Education and Nutrition which were \$2,599 greater than the previous year.

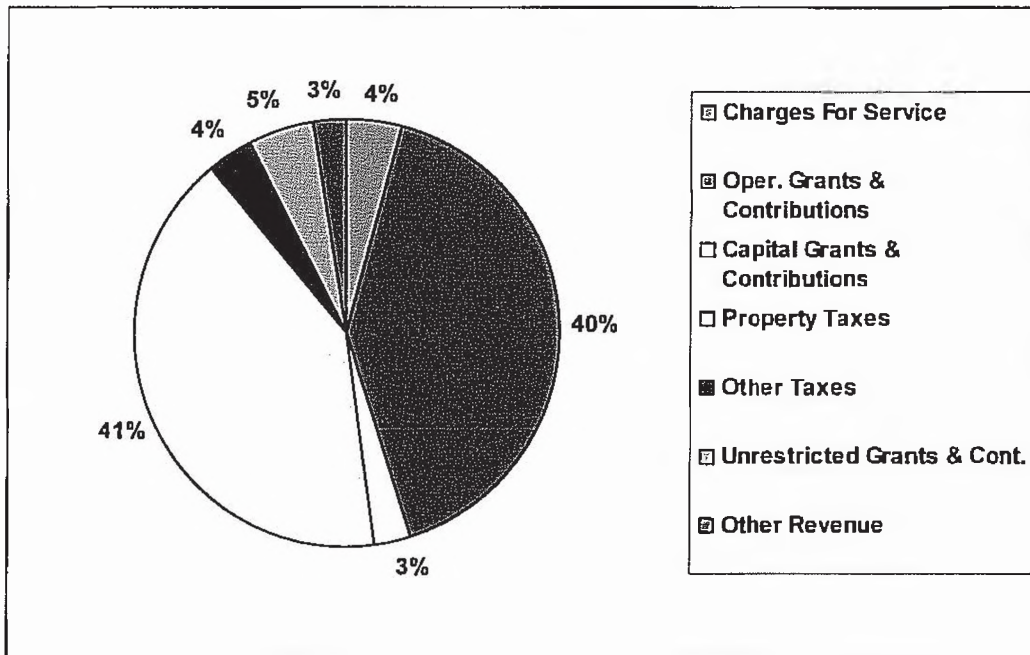


- The increase in capital grants and contributions of \$2,085 for governmental activities was the result of additional Department of Transportation funds received for road construction projects.

**Program Revenues Compared to Program Expenses**



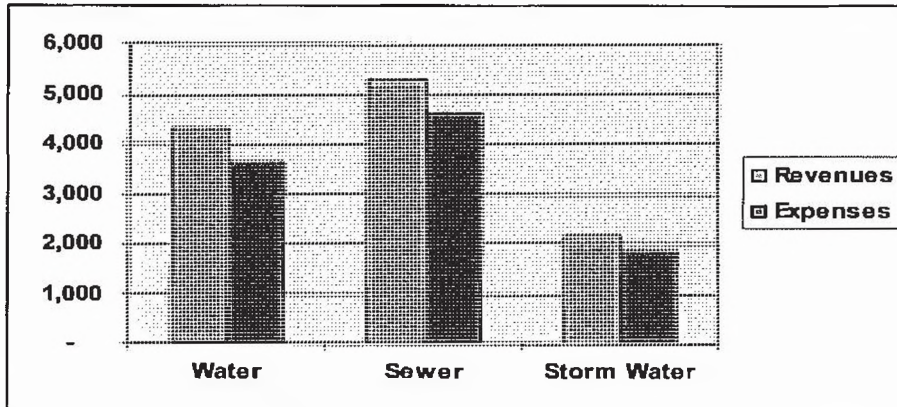
**Governmental Activities Revenue Sources**



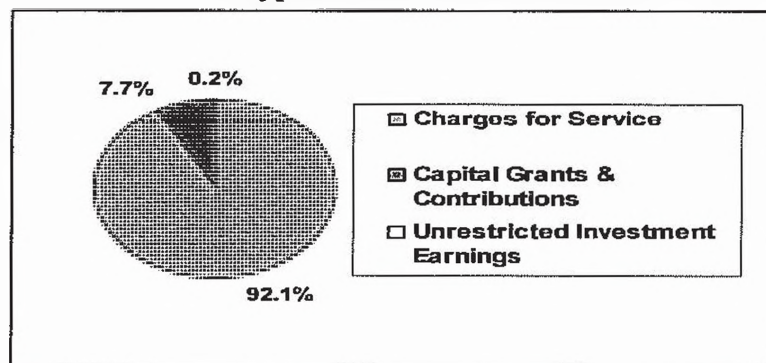
**Business-type Activities.** The City of Lewiston’s net assets for business-type activities increased by \$1,622. Key elements of this increase are as follows.

- Increase in fund equity from joint ventures with the Auburn Water & Sewer Districts in Sewer (\$645) and in Water (\$97).
- The increase in charges for service of \$141 represents a slight increase in consumption.
- Transfers to the general fund for overhead charges decreased by \$92 which partially offset the increase in expenses of \$1,057.

**Program Revenues Compared to Program Expenses**



**Business-type Activities Revenue Sources**



### Financial Analysis of the Government's Funds

As noted earlier, the City of Lewiston uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City of Lewiston's *governmental funds* is to provide information on a near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City of Lewiston's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Lewiston's governmental funds reported combined ending fund balances of \$29,864 a decrease of \$167 in comparison with the prior year. Approximately 64% of this total amount (\$19,092) constitutes *unreserved fund balance*, which is available for spending at the city's discretion. The remainder of the fund balance is reserved to

indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$5,244), 2) to secure long-term notes receivable (\$4,017), 3) to generate income to pay for library endowments and the perpetual care of municipal cemeteries (\$1,018), or 4) a variety of other restricted purposes (\$492).

The general fund is the primary operating fund of the City of Lewiston. At the end of the current fiscal year, unreserved fund balance of the general fund was \$14,234 (\$4,592 of which has been designated by management for subsequent years' expenditures and self-insured funds), while total fund balance was \$16,312. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund revenues. Unreserved fund balance represents 14.8% of total general fund revenues (\$96,090), while total fund balance represents 17% of that same amount.

The fund balance of the City of Lewiston's general fund increased by \$1,717 during the current fiscal year. Key factors in the increase are as follows:

- A decrease in the reservation for encumbrances of \$464.
- An increase of \$26 in the amount of funds reserved for future workers' compensation and unemployment compensation expenditures based on additional unused appropriations during the fiscal year.
- An increase of \$65 in the amount reserved for compensated absences at the end of the year.
- An increase in the amount of funds designated for subsequent year expenditures of \$733.
- The City received \$1 million proceeds from a note resulting from the sale of the civic center.

The School Categorical Grants has a fund balance of \$2,416. The fund balance increased by \$433 during the year because revenues from grants and charges for services exceeded expenditures by \$830. A total of \$397 was transferred to the general fund, \$25 paid for workers compensation coverage provided by the general fund and \$372 was transferred to fund Medicaid overhead charges.

The Capital Projects fund has a total fund balance of \$4,117. Expenditures for capital projects amounted to \$22,351 during the year while the issuance of general obligation bonds and bond anticipation notes amounted to \$37,587. The fund balance decreased by \$2,427 during the year.

The Debt Service Fund's fund balance was zero at the end of the year. The Debt Service Fund is used to account for the accumulation of governmental resources (\$14,553) to fund capital lease and general obligation bond principal and interest payments (\$14,553), in the year which they are due.

**Proprietary Funds.** The City of Lewiston's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water fund at the end of the year amounted to \$4,825; for the Sewer fund \$10,777 and for the Storm Water fund \$562. The total growth in net assets for the Water fund was \$656 while the increase in net assets of the Sewer fund was \$664 and for the Storm Water fund, the increase was \$301. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Lewiston's business-type activities.



**General Fund Budgetary Highlights**

The only changes to the original budget approved by the City Council, during the course of the year, were transfers within and between departments which did not change the overall appropriation. The majority of the transfers made were to allocate fringe benefits to specific departments, as well as, pay for the cost of repairs or projects that were unanticipated when the budgets were originally submitted. The total amount of these transfers was \$1,385.

The General Fund budget overall (on a budgetary basis of accounting), ended the year with revenues exceeding budgetary estimates by \$1,999 and expenditures were below budget estimates by \$1,210.

The following schedule provides a summary of General Fund revenues on the budgetary basis of accounting for the year and the amount of increases and decreases in relation to prior year revenues:

<b>Revenues</b>	<b>Amount</b>	<b>Percentage of Total</b>	<b>Increase/ (Decrease) from 2008</b>
Taxes:			
Real Estate	\$ 44,926	49.0%	\$ 1,770
Excise	3,861	4.2%	-196
Licenses and Permits	340	0.4%	-50
Intergovernmental	36,297	39.6%	53
Charges for Services	1,634	1.8%	115
Fines	224	0.2%	25
Interest, Rents & Royalties	1,438	1.6%	-170
Miscellaneous	1,832	2.0%	1,353
Transfers from other funds	1,172	1.3%	306
<b>Total</b>	<b>\$ 91,724</b>	<b>100.0%</b>	<b>\$ 3,206</b>

Revenues for the General Fund (on the budgetary basis of accounting) totaled \$91,724 in the fiscal year ended June 30, 2009.

Current and prior year real estate and personal property taxes continue to represent the largest revenue source, with \$44.9 million, or 49% of all general fund revenues. The increase of \$1,770 in the amount collected is a result of an increase in the City’s assessed valuation of real estate and personal property taxes of 1.7% and a slight increase in the tax rate of 1.2%. Excise tax collections which amounted to \$3,861 is a \$196 decrease and represents 4.2% of the revenues. The continued reduction in new and used vehicle sales has reduced this revenue source. Intergovernmental revenues amounted to \$36,297 or 39.6%, the city’s second largest revenue source. The increase of \$53 from the previous year was largely due to additional school aid of \$591 and general assistance aid of \$72; which was offset by decreases in state revenue sharing payments of \$486 and state highway funds of \$34.

Charges for services increased \$115 from \$1,519 to \$1,634, due to an increase in adult education fees of \$118.

Investment income decreased \$220 from \$620 to \$400. The sharp decrease in interest rates during the year was the major contributor to the reduction.

Miscellaneous revenues increased by \$1,353 as a result of a million dollar note received from the sale of the Lewiston Civic Center; a decrease in sale of recycling of \$76, an increase in surplus property sales of \$139; and an increase in miscellaneous school revenue of \$136.

Transfers from other funds increased by \$306 as a result of additional reimbursements from recreational activities of \$25, and school categorical grants of \$372 which was offset by the reduction of \$92 from the enterprise funds.

<b>Expenditures</b>	<b>Amount</b>	<b>Percentage of Total</b>	<b>Increase/ (Decrease) from 2008</b>
General government	\$ 3,108	3.4%	\$ (2,294)
Public safety	11,340	12.5%	622
Public works	7,852	8.7%	(809)
Social services	783	0.9%	132
Recreation	683	0.8%	(19)
Library	1,137	1.3%	42
Intergovernmental	3,610	4.0%	201
Education	43,544	48.1%	288
Insurances & pensions	3,856	4.3%	(125)
Miscellaneous	1,733	1.9%	294
Transfers to other funds	12,965	14.3%	2,158
<b>Total</b>	<b>\$ 90,611</b>	<b>100.0%</b>	<b>\$ 490</b>

Expenditures for the General Fund (on the budgetary basis of accounting) totaled \$90,611 in fiscal year ended June 30, 2009.

The decrease in general government expenditures of \$2,294 was mostly due to the elimination of the advance to the component unit of \$2,050. Fluctuations from prior year included: increases in the operations of City Administrator (\$38) City Clerk (\$22), Finance Department (\$20), Human Resources (\$3), and Assessing (\$5), and reduction of costs in the MIS Department (\$17), Planning (\$9), legal cost (\$50), and General Government Property (\$106).

Public Safety increased by \$622 to \$11,340. The cost of Police operations increased by \$193; followed by increases in Fire of \$440 and a decrease in Protective Inspection of \$23. The cost of labor and utilities (fuel) were the driving causes of this increase.

Education expenditures of \$43,544 represent 48% of the total expenditures. Expenditures increased by \$288 due to additional special education cost; fuel and utilities and increases in salary and benefits. The additional cost was financed by additional revenues from the State.

Public works department costs decreased by \$809 or 9% as a result of a reduction in snow operations of \$428; engineering cost (\$25); and sanitation cost (\$108). Parks and Cemeteries expanded their programs which resulted in an increase of \$53. Capital replacement by the municipal garage decreased by \$445.



The decrease in insurance and pension cost of \$125 was mostly due to the decrease in health insurance cost of \$138 netted by an increase in pension cost of \$13.  
 The increase in miscellaneous costs of \$294 was largely due to an increase in workers' compensation cost of \$168.

The increase of \$2,158 in transfers to other funds was due to the increase in debt service costs of \$2,421.

### Capital Asset and Debt Administration

**Capital Assets.** The City of Lewiston's investment in capital assets for its governmental and business type activities as of June 30, 2009, amounts to \$230,299 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, bridges and water and sewer systems. The total increase in the City of Lewiston's investment in net capital assets for the current fiscal year was 7.5% (an 8.6% increase for governmental activities and a 3.8% increase for business type activities).

Major capital asset events during the current fiscal year included the following:

- Final construction elements to the new Geiger Elementary School cost \$1,662.
- A number of highway construction projects were performed throughout the city during the year for streets, sidewalks, bridges and street lights and construction work in progress at the end of the year and they amounted to \$784.
- Equipment added for all departments during the year amounted to \$6,800, which included school boiler replacements totaling \$3,998.
- Construction of a water main on College Street and main cleaning and lining on Central Avenue and other mains added \$460 and \$1,176 respectively by the Water Department.
- Construction of combined sewer overflow storage facility added \$5,004 to infrastructure for Sewer (\$2,502) and Storm Water (\$2,502) funds. Equipment and improvements made for the Hypo-Chloride conversion costs \$330.

	<b>City of Lewiston's Capital Assets</b>					
	<b>(Net of Accumulated Depreciation)</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Land	\$13,835	\$13,389	\$1,264	\$1,264	\$15,099	\$14,653
Buildings	37,459	36,281	4,192	3,753	41,650	40,034
Improvements Other Than Buildings	18,001	17,339			18,001	17,339
Machinery & Equipment	19,782	14,982	581	532	20,363	15,514
Infrastructure	67,399	68,866	43,314	36,679	110,713	105,545
Construction in Progress	23,684	14,992	789	6,081	24,473	21,073
<b>Total Capital Assets</b>	<b>180,160</b>	<b>\$165,850</b>	<b>50,140</b>	<b>\$42,024</b>	<b>\$230,299</b>	<b>\$214,158</b>

Additional information on the City of Lewiston's capital assets can be found in note IV.C on pages 60-62 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City of Lewiston had total bonded debt outstanding of \$141,345. The entire amount is backed by the full faith and credit of the city. The following schedule represents a breakdown of the debt by governmental and business-type activities and comparisons with the previous fiscal year:

	<b>City of Lewiston's Outstanding Debt</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Bonds Payable	\$115,231	\$96,982	\$26,114	\$23,481	\$141,345	\$120,463

The City of Lewiston's debt increased by \$20,882 or 17.3% during the current fiscal year. The key factor in this increase was the issuance of \$18,975 in general obligation bonds for school construction and project improvements.

The City of Lewiston maintains an A1 rating from Moody's for its general obligation debt. Please refer to Moody's report for a comprehensive explanation of their rating assessment.

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 of the City of Lewiston is \$387,233 which is significantly in excess of the City of Lewiston's outstanding general obligation debt.

Additional information on the City of Lewiston's long-term debt can be found in note IV.F on pages 65-70 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

During the past year, growth in real estate property values increased slightly by \$36.1 million while personal property values actually decreased by \$5.6 million. The slow down in economic growth which has impacted the country and this State has also affected development activity locally.

Although residential valuations grew by \$43 million, much of the growth was a result of adjustments to values to bring assessed values to a minimum of 75% of market value. These adjustments resulted in commercial property values increasing by \$10 while industrial values decreased by \$26 and utilities increased by \$4.

Investment continued in the non-profit area with both local hospitals continuing to make investment to their facilities which in turn created jobs. St. Mary's Medical Center is completing construction of a new \$8.6 million Emergency Room expansion. Central Maine Medical Center has begun construction of new emergency room facilities which are being combined with advancements to its laboratory facilities at a cost of \$45 million.

The City also continued its partnership with a local developer for Phase II of the Gendron Business Park. Phase II will provide 11 additional lots for development in the 145 acre business park that will accommodate up to 1 million square feet of new industrial and commercial development.

The unemployment rate for the city of Lewiston is currently 9.4% which is an increase of 3.7 % from the rate of 5.7% a year ago. This rate is above the State's average unemployment rate of 8.2% and is below the national average of 9.7%.

The 2010 fiscal year budget adopted by the City Council resulted in a zero increase in property taxes. The adopted budget resulted in a mil rate of \$24.90.

Some of the contributing factors that resulted in no increase in property taxes included the following:

- Utilized \$450 of prior year surplus to fund early retirement for positions that will not be replaced or will be replaced at lower salary levels.
- Additional funding of recreation programs with fees from the various activities.
- Increase efficiencies in the municipal garage operations resulting in a reduction of \$50 in operating costs.
- Eliminated \$25 worth of cost for street lights that will be achieved through the elimination of some of the street lights throughout the city.
- Reduced funding in the road pavement budget by \$156.
- Centralized the travel and training budget and reduced overall cost by \$37.

Public Law 1 adopted in 2005, imposes a property tax levy limit which is based on a combination of the State's average personal income growth factor and the property growth factor of each individual municipality. The limit is on the municipal tax levy only, excluding schools and the County which has its own. The total growth factor for the City on the 2010 fiscal year budget is 3.56%. The growth limitation factor is cumulative each year and allows municipalities to utilize unused growth in previous years. The budget adopted by the City Council was within the limits established by the law and has been since the City has been under this limitation.

The Water, Sewer and Storm Water Department budgets are separately funded with user fees. The approved 2010 fiscal year Water department budget of \$4.2 million was 2.26% greater than the previous year and no increase in water rates was required. The Sewer Department budget of \$5.2 million was an increase of 10.5% and an 18% increase in sewer rates was required to support operations. The Storm Water budget of \$2.2 million increased by 0.5% over the previous year. A projected cash surplus at the end of the year allowed the City to defer any increase in storm water fees for this fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Lewiston's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, City of Lewiston, Maine, 27 Pine Street, Lewiston, Maine 04240.

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## **BASIC FINANCIAL STATEMENTS**



**Comparative Statement of Net Assets**  
**June 30, 2009**

	Primary Government			Restated Total 2008
	Governmental Activities	Business-Type Activities	Total 2009	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,579,024	\$ 45,127	\$ 5,624,151	\$ 7,544,805
Investments	25,329,360	344,566	25,673,926	21,872,985
Receivables:				
Taxes	2,004,676		2,004,676	1,923,119
Accounts (Net of Allowance for Uncollectibles)	678,475	2,017,180	2,695,655	2,506,019
Intergovernmental	3,854,969	69,633	3,924,602	2,239,232
Loans (Net of Allowance for Uncollectibles)	4,380,148		4,380,148	4,433,918
Internal Balances	500,069	(500,069)		
Prepaid Expenditure				52,613
Inventory	437,968		437,968	426,395
Cash - Restricted		538,395	538,395	601,188
Trustee Held Assets		2,709,630	2,709,630	
Deferred Charges		155,894	155,894	187,269
Intangible Assets (Net of Amortization)		152,225	152,225	103,939
Investment in Joint Ventures		12,068,555	12,068,555	11,326,822
Capital Assets:				
Land	13,835,478	1,263,990	15,099,468	14,653,334
Buildings	61,010,183	7,259,224	68,269,407	64,742,906
Improvements Other Than Buildings	23,719,037		23,719,037	22,286,253
Machinery and Equipment	29,562,608	2,162,032	31,724,640	25,952,879
Infrastructure	107,715,072	54,534,965	162,250,037	153,955,824
Less: Accumulated Depreciation	(79,367,149)	(15,869,819)	(95,236,968)	(88,505,699)
Construction In Progress	23,684,322	789,194	24,473,516	21,073,426
Total Net Capital Assets	<u>180,159,552</u>	<u>50,139,586</u>	<u>230,299,137</u>	<u>214,158,923</u>
Total Assets	<u>222,924,247</u>	<u>67,740,722</u>	<u>290,664,962</u>	<u>267,377,227</u>
<b>LIABILITIES</b>				
Accounts Payable	7,981,530	242,972	8,224,502	3,125,286
Accrued Wages and Taxes Payable	2,507,621	70,214	2,577,835	2,928,420
Notes Payable	56,423		56,423	308,515
Unearned Revenue	505,833		505,833	117,863
Customer's Deposits	15,910		15,910	4,104
Accrued Interest Payable	417,403	358,099	775,502	766,225
Liabilities Payable From Restricted Assets		538,395	538,395	601,188
Noncurrent Liabilities:				
Due Within One Year	11,255,611	1,903,996	13,159,607	20,764,307
Due in More Than One Year	118,860,211	24,285,920	143,146,131	123,098,121
Total Liabilities	<u>141,600,543</u>	<u>27,399,596</u>	<u>169,000,139</u>	<u>151,714,029</u>
<b>NET ASSETS</b>				
Invested in Capital Assets (Net of Related Debt)	93,135,486	24,177,613	117,313,099	116,135,573
Restricted For:				
Recreation and Human Services	8,405,427		8,405,427	7,636,032
Capital Projects	4,117,195		4,117,195	6,543,754
Nonexpendable Perpetual Care	23,228		23,228	22,760
Nonexpendable Endowment Fund	1,005,629		1,005,629	1,233,000
Unrestricted	(25,363,260)	16,163,513	(9,199,747)	(15,907,916)
Total Net Assets	<u>\$ 81,323,704</u>	<u>\$ 40,341,126</u>	<u>\$ 121,664,825</u>	<u>\$ 115,663,203</u>

The notes to the financial statements are an integral part of this statement.

**Comparative Statement of Activities  
For the Year Ended June 30, 2009**

Functions and Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				Component Unit Community Facility Corp. 2009
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Primary Government Total		
							2009	Restated 2008	
<b>Primary Government:</b>									
<b>Governmental Activities:</b>									
General Government	\$ 7,929,648	\$ 1,370,012	\$ 1,544,514		\$ (5,015,122)		\$ (5,015,122)	\$ (6,085,313)	
Public Safety	12,647,584	429,799	775,242		(11,442,543)		(11,442,543)	(15,806,298)	
Public Works	25,240,463	1,402,349		2,927,290	(21,910,844)		(21,910,844)	(27,196,756)	
Human Services	1,289,516		366,935		(922,581)		(922,581)	(512,429)	
Culture and Recreation	2,380,527	185,824	11,648		(2,193,055)		(2,193,055)	(2,232,805)	
Joint Ventures & Subsidies	3,608,601				(3,608,601)		(3,608,601)	(840,196)	
Education & Nutrition	49,131,700	1,271,983	43,481,837		(4,377,880)		(4,377,880)	(2,340,839)	
Interest on Long-Term Debt	5,135,117				(5,135,117)		(5,135,117)	(4,784,698)	
<b>Total Governmental Activities</b>	<b>108,373,175</b>	<b>4,659,956</b>	<b>46,180,177</b>	<b>2,927,290</b>	<b>(54,605,742)</b>		<b>(54,605,742)</b>	<b>(59,799,435)</b>	
<b>Business-Type Activities:</b>									
Water	3,599,988	4,096,976		196,814		\$ 683,802	693,802	1,136,938	
Sewer	4,546,498	4,577,420		692,582		723,506	723,506	867,804	
Storm Water	1,225,926	2,120,048		15,034		909,156	909,156	1,130,087	
<b>Total Business-Type Activities</b>	<b>9,372,410</b>	<b>10,794,444</b>		<b>904,430</b>		<b>2,326,464</b>	<b>2,326,464</b>	<b>3,234,829</b>	
<b>Total Primary Government</b>	<b>117,745,585</b>	<b>15,454,410</b>	<b>46,180,177</b>	<b>3,831,720</b>	<b>(54,605,742)</b>	<b>2,326,464</b>	<b>(52,279,278)</b>	<b>(56,564,606)</b>	
<b>Component Unit:</b>									
Community Facility Corp.	\$ 1,004,579	\$ 232,274	\$	\$					\$ (772,305)
<b>General Revenues:</b>									
Property Taxes					46,428,088		46,428,088	44,878,859	
Payment in Lieu of Taxes					104,331		104,331	385,228	
Motor Vehicle Excise Taxes					3,860,605		3,860,605	4,056,671	
Franchise Taxes					117,247		117,247	104,218	
Proceeds from Note					1,000,000		1,000,000		
<b>Grants and Contributions Not Restricted to Specific Programs:</b>									
Homestead Exemption					802,214		802,214	794,868	
State Revenue Sharing					4,701,804		4,701,804	5,187,836	
Unrestricted Investment Earnings					1,241,455	25,156	1,266,611	2,080,401	
Transfers					729,921	(729,921)			
<b>Total General Revenues and Transfers</b>					<b>58,985,664</b>	<b>(704,765)</b>	<b>58,280,899</b>	<b>57,498,081</b>	
<b>Change in Net Assets</b>					<b>4,379,921</b>	<b>1,621,699</b>	<b>6,001,620</b>	<b>933,474</b>	<b>(772,305)</b>
<b>Net Assets (Restated), July 1</b>					<b>76,943,779</b>	<b>38,719,427</b>	<b>115,663,203</b>	<b>114,729,727</b>	<b>772,305</b>
<b>Net Assets, June 30</b>					<b>\$ 81,323,704</b>	<b>\$ 40,341,126</b>	<b>\$ 121,664,825</b>	<b>\$ 115,663,203</b>	<b>\$ 0</b>

The notes to the financial statements are an integral part of this statement.

**Comparative Balance Sheet  
Governmental Funds  
June 30, 2009**

	General	School Grants Special Revenue Fund	Debt Service Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds	
						2009	2008
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 2,665,710	\$ 2,321,277	\$ 5,130	\$ 370,493	\$ 216,414	\$ 5,579,024	\$ 7,287,356
Investments	14,372,679			7,452,450	3,504,231	25,329,360	20,487,979
Receivables:							
Taxes	2,004,676					2,004,676	1,923,119
Accounts (Net of Allowance for Uncollectibles)	445,646	129,443			103,385	678,475	517,594
Intergovernmental	1,353,801	1,850,780		63,212	587,176	3,854,969	2,218,845
Loans (Net of Allowance for Uncollectibles)	1,000,000				3,380,148	4,380,148	4,433,918
Interfund Receivable	2,790,084					2,790,084	3,523,299
Prepaid Expenditure							52,613
Inventory	419,446	18,522				437,968	426,395
<b>Total Assets</b>	<b>\$ 25,052,039</b>	<b>\$ 4,320,022</b>	<b>\$ 5,130</b>	<b>\$ 7,886,155</b>	<b>\$ 7,791,354</b>	<b>\$ 45,054,704</b>	<b>\$ 40,871,118</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Accounts Payable	\$ 4,061,937	\$ 55,075		\$ 3,723,432	\$ 141,087	\$ 7,981,530	\$ 2,325,880
Accrued Wages and Taxes Payable	2,327,599	158,333			21,690	2,507,621	2,869,666
Interfund Payable		1,690,857		45,528	553,628	2,290,013	3,483,349
Notes Payable					56,423	56,423	308,515
Deferred Revenue	2,301,137					2,301,137	1,803,852
Unearned Revenue	33,305					33,305	39,937
Customer's Deposits	15,910					15,910	4,104
Matured Interest Coupon Payable			\$ 5,130			5,130	5,390
<b>Total Liabilities</b>	<b>8,739,887</b>	<b>1,904,264</b>	<b>5,130</b>	<b>3,768,960</b>	<b>772,828</b>	<b>15,191,070</b>	<b>10,840,693</b>

Fund Balance:							
Reserved for:							
Encumbrances	603,939		4,620,356	19,512	5,243,807	1,531,743	
Inventory	419,446	18,522			437,968	426,395	
Long-Term Notes Receivable	1,000,000			3,016,869	4,016,869	2,966,440	
Asset Acquisition	55,000				55,000	55,000	
Perpetual Care and Endowments				1,017,672	1,017,672	1,137,428	
Unreserved:							
Designated for:							
Component Unit					-	175,000	
Subsequent Year's Expenditures	1,898,091				1,898,091	1,165,000	
Future Workers Comp. Expenditures	2,421,818				2,421,818	2,396,303	
Future Unemployment Comp. Expend.	285				285	286	
Compensated Absences	1,372,170				1,372,170	1,306,676	
Undesignated, Reported in:							
General Fund	8,541,403				8,541,403	8,022,245	
Special Revenue Funds		2,397,236			2,953,288	4,535,417	
Capital Projects Funds				(503,161)		(503,161)	6,194,189
Permanent funds					11,185	11,185	118,303
Total Fund Balance	<u>16,312,151</u>	<u>2,415,758</u>	<u>-</u>	<u>4,117,195</u>	<u>7,018,525</u>	<u>29,863,627</u>	<u>30,030,422</u>
Total Liabilities and Fund Balance	<u>\$ 25,052,039</u>	<u>\$ 4,320,022</u>	<u>\$ 5,130</u>	<u>\$ 7,886,155</u>	<u>\$ 7,791,354</u>		

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	180,159,552	165,849,628
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.	1,828,609	1,725,927
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(130,528,095)</u>	<u>(120,652,207)</u>
Net assets of governmental activities	<u>\$ 81,323,704</u>	<u>\$ 76,943,779</u>

The notes to the financial statements are an integral part of this statement.

**Comparative Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2009**

	School Categorical		Debt Service Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds	
	General	Grants Special Revenue Fund				2009	2008
<b>REVENUES</b>							
Taxes	\$ 48,786,947				\$ 2,201,278	\$ 50,988,225	\$ 49,359,103
Licenses and Permits	339,859					339,859	389,997
Intergovernmental	40,662,043	\$ 8,574,187		\$ 1,880,281	2,649,518	53,746,030	49,080,684
Charges For Services	1,634,257	606,874			129,165	2,370,396	2,387,869
Fines	223,871					223,871	199,128
Interest, Rents and Gain on Investments	1,438,308			223,997	573,078	2,235,383	2,829,328
Donations		123,966			49,464	173,430	534,585
Miscellaneous	1,832,417				10,882	1,843,300	474,655
<b>Total Revenues</b>	<b>94,917,702</b>	<b>9,305,127</b>		<b>2,084,278</b>	<b>5,613,386</b>	<b>111,820,492</b>	<b>105,255,350</b>
<b>EXPENDITURES</b>							
<b>Current:</b>							
General Government	3,091,782				3,076,181	6,170,962	8,677,380
Public Safety	11,262,846					11,282,646	10,638,498
Public Works	7,410,330					7,410,330	8,185,303
Human Services	782,504				368,935	1,149,439	770,619
Culture and Recreation	1,778,897				81,052	1,857,948	1,865,611
Intergovernmental	3,608,601					3,608,601	3,408,974
Education	47,886,928	6,414,987				54,301,915	51,782,514
Nutrition		2,080,035				2,080,035	1,970,307
Miscellaneous	5,588,020			108,260		5,694,280	11,179,149
<b>Debt Service:</b>							
Redemption of Serial Bonds			\$ 8,567,710			8,567,710	7,439,287
Redemption of Refunded Bonds			675,000			675,000	
Interest on Serial Bonds			4,889,391			4,889,391	4,231,583
Interest on Bond Anticipation Notes			176,231			176,231	675,143
Capital Lease Debt			245,086			245,086	32,669
Capital Outlay				22,244,402	1,208,453	23,452,855	14,898,397
<b>Total Expenditures</b>	<b>81,407,708</b>	<b>8,475,023</b>	<b>14,553,419</b>	<b>22,350,661</b>	<b>4,735,620</b>	<b>131,522,431</b>	<b>125,763,415</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,509,994	830,104	(14,553,419)	(20,266,383)	677,765	(19,601,938)	(20,508,065)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	1,172,242		34,103,419	1,520,235	176,250	36,972,145	44,374,965
Transfers Out	(12,964,964)	(397,426)		(21,935,633)	(944,202)	(36,242,224)	(43,553,049)
Refunding of Bond Anticipation Notes			(20,225,000)			(20,225,000)	(30,119,281)
Proceeds from Capital Lease				688,142		688,142	402,641
Issuance of Refunded Bonds			675,000			675,000	
Issuance of Bond Anticipation Notes				10,800,000		10,800,000	29,025,000
Issuance of General Obligation Bonds				25,787,080		28,787,080	13,073,279
<b>Total Other Financing Source (Uses)</b>	<b>(11,792,722)</b>	<b>(397,426)</b>	<b>14,553,419</b>	<b>17,839,824</b>	<b>(767,952)</b>	<b>19,435,143</b>	<b>13,203,774</b>
<b>Net Change in Fund Balance</b>	<b>1,717,272</b>	<b>432,876</b>	<b>0</b>	<b>(2,426,559)</b>	<b>109,814</b>	<b>(166,795)</b>	<b>(7,304,291)</b>
Fund Balance, July 1	14,594,879	1,983,080	0	8,543,754	6,908,711	30,030,422	37,334,713
Fund Balance, June 30	\$ 16,312,151	\$ 2,415,758	\$ 0	\$ 4,117,195	\$ 7,018,525	\$ 29,863,627	\$ 30,030,422

The notes to the financial statements are an integral part of this statement.



**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, 2009**

Net Change in Fund Balances - Total Governmental Funds Reported on Statement 4	\$	(166,795)
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense of \$6,426,650 in the current period.		14,707,502
The net effect of the disposition of capital assets which resulted in a loss that decreased net assets. Disposed assets were historically valued at \$1,132,997, with accumulated depreciation of \$735,440, and proceeds received of \$52,987.		(397,557)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		102,682
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net assets. This amount is the net effect of these differences in the treatment of long-term debt.		(9,257,200)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(608,709)</u>
Change in net assets of governmental activities (see Statement 2)	\$	<u>4,379,921</u>

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual & Year End Encumbrances	Variance With Final Budget - Positive (Negative)
	Original & 2008 Encumbrances	Final & 2008 Encumbrances		
<b>REVENUES</b>				
Taxes:				
Real Estate	\$ 44,486,099	\$ 44,486,099	\$ 44,926,342	\$ 440,243
Excise	3,888,000	3,868,000	3,860,605	(7,395)
Licenses and Permits	349,735	349,735	339,859	(9,876)
Intergovernmental	37,086,066	37,086,086	36,296,646	(789,420)
Charges For Services	1,282,062	1,282,062	1,634,257	352,195
Fines	192,105	192,105	223,871	31,766
Interest, Rents and Royalties	1,327,751	1,327,751	1,438,308	110,557
Miscellaneous	421,000	421,000	1,832,417	1,411,417
<b>Total Revenues</b>	<b>89,012,818</b>	<b>89,012,818</b>	<b>90,552,305</b>	<b>1,539,487</b>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Mayor and City Council	40,350	42,410	36,882	5,527
City Administrator	299,104	337,519	364,169	(26,649)
City Attorney	144,000	144,000	75,129	68,871
City Clerk	308,006	338,846	324,983	13,863
Human Resources	238,564	259,659	266,079	(6,421)
Finance and Administration	1,444,227	1,571,714	1,546,095	25,619
Buildings and Parking Facilities	539,706	548,971	495,131	53,840
<b>Total General Government</b>	<b>3,013,957</b>	<b>3,243,120</b>	<b>3,108,469</b>	<b>134,851</b>
Public Safety:				
Police	5,433,494	5,727,777	5,555,898	171,878
Fire	5,310,072	5,531,036	5,493,996	37,040
Inspection	284,574	305,542	273,901	31,641
Other	22,134	22,134	16,169	5,965
<b>Total Public Safety</b>	<b>11,050,274</b>	<b>11,586,489</b>	<b>11,339,965</b>	<b>246,524</b>
Public Works:				
Administration	151,425	164,551	161,176	3,375
Engineering	154,675	172,749	136,309	36,440
Maintenance and Sanitation	7,889,637	8,196,614	7,554,295	642,319
<b>Total Public Works</b>	<b>8,195,737</b>	<b>8,533,914</b>	<b>7,851,780</b>	<b>682,134</b>
Social Services	690,045	706,643	782,504	(75,862)
Recreation	687,291	725,742	682,753	42,989
Library	1,080,415	1,145,019	1,137,009	8,010
Intergovernmental	3,598,637	3,612,137	3,610,353	1,784
Education	43,427,258	43,427,258	43,544,162	(116,905)

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		Actual & Year End Encumbrances	Variance With Final Budget - Positive (Negative)
	Original & 2008 Encumbrances	Final & 2008 Encumbrances		
Miscellaneous:				
Insurances	3,395,460	3,385,351	3,162,585	222,766
Pensions and Retirement	1,954,603	741,504	693,295	48,209
Reserves and Contingencies	90,000	80,000	5,070	74,930
Other Miscellaneous	1,613,612	1,610,112	1,728,303	(118,191)
Total Miscellaneous	<u>7,053,675</u>	<u>5,816,967</u>	<u>5,589,254</u>	<u>227,713</u>
Total Expenditures	<u>78,797,289</u>	<u>78,797,288</u>	<u>77,646,249</u>	<u>1,151,039</u>
Excess of Revenues Over Expenditures	10,215,529	10,215,530	12,906,056	2,690,526
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	713,222	713,222	1,172,242	459,020
Transfers Out	(13,023,714)	(13,023,714)	(12,964,964)	58,750
Total Other Financing Sources and Uses	<u>(12,310,492)</u>	<u>(12,310,492)</u>	<u>(11,792,722)</u>	<u>517,770</u>
Net Change in Fund Balance - Budgetary Basis	(2,094,963)	(2,094,963)	1,113,334	3,208,295
Add Back Encumbrances	1,067,521	1,067,521	603,939	(463,582)
Net Change in Fund Balance - GAAP Basis	(1,027,442)	(1,027,442)	1,717,272	2,744,713
Fund Balance, July 1,	14,594,879	14,594,879	14,594,879	
Fund Balance, June 30	<u>\$ 13,567,437</u>	<u>\$ 13,567,437</u>	<u>\$ 16,312,151</u>	<u>\$ 2,744,713</u>

The notes to the financial statements are an integral part of this statement.

**Comparative Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2009**  
**Business-Type Activities - Enterprise Funds**

	Water Enterprise Fund	Sewer Enterprise Fund	Storm Water Enterprise Fund	Total All Funds	
				2009	2008
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents		\$ 7,350	\$ 37,777	\$ 45,127	\$ 257,449
Investments		56,118	288,448	344,566	1,385,006
Restricted Cash - Customer Deposits	\$ 7,309	531,086		538,395	601,188
Trustee Held Assets	2,709,630			2,709,630	
Accounts Receivable (Net of Allowance for Uncollectibles)	804,890	850,930	361,360	2,017,180	1,988,425
Intergovernmental Receivable	69,633			69,633	20,387
<b>Total Current Assets</b>	<b>3,591,462</b>	<b>1,445,484</b>	<b>687,585</b>	<b>5,724,531</b>	<b>4,252,455</b>
Noncurrent Assets:					
Other Assets:					
Deferred Charges	95,986	51,409	8,499	155,894	187,269
Intangible Assets (Net of Amortization)	26,829		125,396	152,225	103,939
Investment in Joint Ventures	2,043,447	10,025,108		12,068,555	11,326,822
<b>Total Other Assets</b>	<b>2,166,262</b>	<b>10,076,517</b>	<b>133,895</b>	<b>12,376,674</b>	<b>11,618,030</b>
Capital Assets:					
Land	71,850	681,717	510,423	1,263,990	1,263,990
Buildings	3,105,379	4,153,845		7,259,224	6,884,275
Pipelines and Mains	36,862,999	14,722,857	2,949,109	54,534,965	47,024,784
Machinery & Equipment	1,191,541	960,667	9,824	2,162,032	2,084,653
Less: Accumulated Depreciation	(10,010,002)	(5,825,941)	(33,876)	(15,869,819)	(14,829,761)
Construction in Progress	364,810	147,886	276,498	789,194	6,081,355
<b>Total Net Capital Assets</b>	<b>31,586,577</b>	<b>14,841,031</b>	<b>3,711,978</b>	<b>50,139,586</b>	<b>48,309,296</b>
<b>Total Noncurrent Assets</b>	<b>33,752,839</b>	<b>24,917,548</b>	<b>3,845,873</b>	<b>62,516,260</b>	<b>59,927,326</b>
<b>Total Assets</b>	<b>\$ 37,344,301</b>	<b>\$ 26,363,032</b>	<b>\$ 4,533,458</b>	<b>\$ 68,240,791</b>	<b>\$ 64,179,781</b>

The notes to the financial statements are an integral part of this statement.

**Comparative Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2009**  
**Business-Type Activities - Enterprise Funds**

	Water Enterprise Fund	Sewer Enterprise Fund	Storm Water Enterprise Fund	Total All Funds	
				2009	2008
<b>LIABILITIES</b>					
Current Liabilities:					
Revenue Bonds Payable - Current	\$ 1,156,147	\$ 562,349	\$ 171,500	\$ 1,889,996	\$ 1,744,022
Accounts Payable	140,633	50,396	51,943	242,972	799,406
Accrued Payroll	33,026	16,291	20,897	70,214	58,754
Compensated Absences Payable - Current	13,500	500		14,000	10,000
Accrued Interest Payable	174,478	122,243	61,378	358,099	418,057
Due to Other Funds	499,912	157		500,069	39,950
Customer Deposits Payable	7,309	531,086		538,395	601,188
Total Current Liabilities	<u>2,025,005</u>	<u>1,283,022</u>	<u>305,718</u>	<u>3,613,745</u>	<u>3,671,377</u>
Noncurrent Liabilities:					
Compensated Absences Payable	37,103	24,615		61,718	51,659
Revenue Bonds Payable	14,513,832	6,803,370	2,907,000	24,224,202	21,737,318
Total Noncurrent Liabilities	<u>14,550,935</u>	<u>6,827,985</u>	<u>2,907,000</u>	<u>24,285,920</u>	<u>21,788,977</u>
Total Liabilities	<u>\$ 16,575,940</u>	<u>\$ 8,111,007</u>	<u>\$ 3,212,718</u>	<u>\$ 27,899,665</u>	<u>\$ 25,460,354</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	\$ 15,943,427	\$ 7,475,312	\$ 758,874	\$ 24,177,613	\$ 24,931,895
Unrestricted	4,824,934	10,776,713	561,866	16,163,513	13,787,532
Total Net Assets	<u>\$ 20,768,361</u>	<u>\$ 18,252,025</u>	<u>\$ 1,320,740</u>	<u>\$ 40,341,126</u>	<u>\$ 38,719,427</u>



**Comparative Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2009**  
**Business-Type Activities - Enterprise Funds**

	Water	Sewer	Storm Water	<u>Total All Business-Type Activities</u>	
	Enterprise Fund	Enterprise Fund	Enterprise Fund	2009	2008
<b>OPERATING REVENUES</b>					
Intergovernmental	\$ 69,633		\$ 15,034	\$ 84,667	22,928
Charges for Services	<u>4,096,976</u>	<u>\$ 4,577,420</u>	<u>2,120,048</u>	<u>10,794,444</u>	<u>\$ 10,652,565</u>
Total Operating Revenues	<u>4,166,609</u>	<u>4,577,420</u>	<u>2,135,082</u>	<u>10,879,111</u>	<u>10,675,493</u>
<b>OPERATING EXPENSES</b>					
Cost of Sales and Services	1,620,660	3,335,766	682,497	5,638,923	4,672,064
Administration	620,018	473,069	424,566	1,517,653	1,388,513
Depreciation	796,460	399,330	32,907	1,228,697	1,113,414
Total Operating Expenses	<u>3,037,138</u>	<u>4,208,165</u>	<u>1,139,970</u>	<u>8,385,273</u>	<u>7,173,991</u>
Operating Income	1,129,471	369,255	995,112	2,493,838	3,501,502
<b>NONOPERATING REVENUES</b>					
<b>(EXPENSES)</b>					
Interest Revenues	(2,080)	14,542	12,694	25,156	180,611
Increase in Fund Equity of Joint Ventures	96,577	645,156		741,733	707,477
Interest Expense	(533,982)	(321,760)	(75,398)	(931,140)	(1,088,817)
Gain (Loss) on Sale of Capital Assets	733	10,500		11,233	(8,494)
Amortization of Deferred Charges	<u>(28,868)</u>	<u>(16,571)</u>	<u>(10,558)</u>	<u>(55,997)</u>	<u>(51,753)</u>
Total Nonoperating Revenue (Expenses)	<u>(467,620)</u>	<u>331,867</u>	<u>(73,262)</u>	<u>(209,015)</u>	<u>(260,976)</u>
Income Before Contributions & Transfers	661,851	701,122	921,850	2,284,823	3,240,526
Transfers Out	(35,749)	(73,556)	(620,616)	(729,921)	(821,935)
Capital Contributions	29,871	36,926		66,797	174,914
Change in Net Assets	655,973	664,492	301,234	1,621,699	2,593,505
Total Net Assets, July 1	<u>20,112,388</u>	<u>17,587,533</u>	<u>1,019,506</u>	<u>38,719,427</u>	<u>36,125,922</u>
Total Net Assets, June 30	<u>\$ 20,768,361</u>	<u>\$ 18,252,025</u>	<u>\$ 1,320,740</u>	<u>\$ 40,341,126</u>	<u>\$ 38,719,427</u>

The notes to the financial statements are an integral part of this statement.

**Comparative Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended June 30, 2009  
Business-Type Activities - Enterprise Funds**

	Water	Sewer	Storm Water	Total	
	Enterprise Fund	Enterprise Fund	Enterprise Fund	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received From Customers	\$ 4,096,477	\$ 4,562,440	\$ 2,079,400	\$ 10,738,317	\$ 11,028,649
Cash Paid to Suppliers for Goods and Services	(894,774)	(3,636,767)	(942,365)	(5,473,906)	(4,215,925)
Cash Paid to Employees for Services	(924,874)	(495,886)	(332,706)	(1,753,466)	(1,406,770)
Net Cash Provided by Operating Activities	<u>2,276,829</u>	<u>429,787</u>	<u>804,329</u>	<u>3,510,945</u>	<u>5,405,954</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers to Other Funds	(35,749)	(73,556)	(620,616)	(729,921)	(821,935)
Net Cash (Used For) Noncapital Financing Activities	<u>(35,749)</u>	<u>(73,556)</u>	<u>(620,616)</u>	<u>(729,921)</u>	<u>(821,935)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds From Sale of Revenue Bonds	1,075,000	450,000	230,000	1,755,000	
Acquisition and Construction of Capital Assets	(1,724,533)	(654,204)	(735,482)	(3,114,219)	(7,407,274)
Principal Paid on Revenue Bonds	(1,096,923)	(563,349)	(171,500)	(1,831,772)	(1,802,745)
Interest Paid on Revenue Bonds	(531,569)	(322,951)	(136,578)	(991,098)	(891,290)
Cost of Issuing Revenue Bonds	(3,960)	(1,633)	(850)	(6,443)	(2,205)
Capital Contributions	29,871	36,926		66,797	174,914
Payments Received from Capital Notes					252
Net Cash (Used For) Capital & Related Financing Activities	<u>(2,252,114)</u>	<u>(1,055,211)</u>	<u>(814,410)</u>	<u>(4,121,735)</u>	<u>(9,928,348)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Earned (Paid) on Investments	(2,080)	14,542	12,694	25,156	180,611
Net Cash Provided By (Used for) Investing Activities	<u>(2,080)</u>	<u>14,542</u>	<u>12,694</u>	<u>25,156</u>	<u>180,611</u>
Net Increase (Decrease) in Cash	(13,114)	(684,438)	(618,003)	(1,315,555)	(5,163,718)
Cash and Cash Equivalents, July 1	<u>20,423</u>	<u>1,278,992</u>	<u>944,228</u>	<u>2,243,643</u>	<u>7,407,361</u>
Cash and Cash Equivalents, June 30	<u>\$ 7,309</u>	<u>\$ 594,554</u>	<u>\$ 326,225</u>	<u>\$ 928,088</u>	<u>\$ 2,243,643</u>
Cash and Cash Equivalents		7,350	37,777	45,127	257,449
Investments		56,118	288,448	344,566	1,365,006
Restricted Cash	7,309	531,086		538,395	601,188
Total Cash and Cash Equivalents	<u>\$ 7,309</u>	<u>\$ 594,554</u>	<u>\$ 326,225</u>	<u>\$ 928,088</u>	<u>\$ 2,243,643</u>

<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>					
Operating Income	\$ 1,059,838	\$ 369,255	\$ 995,112	\$ 2,424,205	\$ 3,501,502
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:					
Depreciation	796,460	399,330	32,907	1,228,697	1,113,414
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	12,614	(21,880)	899	(8,367)	230,215
Increase (Decrease) in Customer Deposits	(13,113)	6,901	(56,580)	(62,792)	122,942
Increase (Decrease) in Accounts Payable	(50,835)	(330,123)	(175,477)	(556,435)	390,421
Increase (Decrease) in Accrued Payroll	1,034	2,958	7,468	11,460	8,287
Increase (Decrease) in Accrued Leave	10,081	3,978		14,059	3,972
Increase (Decrease) in Due to Other Funds	460,750	(632)		460,118	35,201
Total Adjustments	<u>1,216,991</u>	<u>60,532</u>	<u>(190,783)</u>	<u>1,086,740</u>	<u>1,904,452</u>
Net Cash Provided By Operating Activities	<u>\$ 2,276,829</u>	<u>\$ 429,787</u>	<u>\$ 804,329</u>	<u>\$ 3,510,945</u>	<u>\$ 5,405,954</u>

The notes to the financial statements are an integral part of this statement.

**Comparative Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2009**

	<u>Private Purpose Trust Funds</u>		<u>Agency Funds</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>				
Cash			\$ 370,239	\$ 266,941
Investments	\$ 175,227	\$ 179,178		
Accounts Receivable				199
Total Assets	<u>175,227</u>	<u>179,178</u>	<u>370,239</u>	<u>266,941</u>
<b>LIABILITIES</b>				
Accounts Payable				199
School Activities Payable			364,865	221,850
DAB Payable			3,645	3,620
SSI Client Payable			<u>1,729</u>	<u>1,471</u>
Total Liabilities			<u>370,239</u>	<u>227,141</u>
<b>NET ASSETS</b>				
Held in trust for scholarships and other purposes	<u>\$ 175,227</u>	<u>\$ 179,178</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

**Comparative Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2009**

	Private Purpose Trust Funds	
	2009	2008
<b>ADDITIONS</b>		
Contributions:		
Investment Earnings	\$ 2,479	\$ 6,269
Total Additions	2,479	6,269
<b>DEDUCTIONS</b>		
Medical Disbursements	472	95
Scholarship Awards	5,958	4,290
Total Deductions	6,430	4,385
Change in Net Assets	(3,951)	1,884
Net Assets - Beginning	179,178	177,294
Net Assets - Ending	\$ 175,227	\$ 179,178

The notes to the financial statements are an integral part of this statement.

**CITY OF LEWISTON, MAINE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2009**

The financial statements of the City of Lewiston have been prepared in conformity with accounting principles generally accepted in the United States as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Lewiston is a municipal corporation governed by an elected mayor and a seven-member council. In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by accounting principles generally accepted in the United States. 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 the appointment 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. As required by accounting principles generally accepted in the United States, these financial statements present the City, one discretely presented component unit, and one blended component unit, an entity for which the City is considered to be financially accountable. The City of Lewiston's discretely presented component unit is disclosed in the entity-wide statements as a separate column to demonstrate its legal independence from the primary government and is presented as a business-type activity. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are combined with data of the City.

**Discretely Presented Component Unit.** On February 6, 2004, the Community Facility Corporation (CFC) was formed and incorporated as a nonprofit corporation to serve as the parent company of the for-profit entity Lewiston Urban Civic Center Enterprise (LUCCE). CFC was formed as a result of acquiring the assets, to include the ice rink of the formerly known Central Maine Civic Center, and assuming the former owner's outstanding obligations. The arena, in turn, is leased to LUCCE; the home ice rink of the Quebec Major Junior Hockey League team, the Lewiston Maineiacs. A four member board comprised of City of Lewiston's management staff oversees CFC. A separate nine member Board of Directors was formed to preside over LUCCE operations. LUCCE's board consists of six City officials and employees, a Lewiston Development Corporation representative, a Youth Hockey League member, and the Lewiston Maineiac's Governor.

In applying the criteria established in GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units."* CFC qualifies as a discretely presented component unit due to the oversight and financial responsibility born by the City. The critical elements in the classification of CFC as a discretely presented component unit are: the economic resources obtained by CFC through LUCCE directly benefit CFC and the municipality's constituency, rather than the City; and individual corporations were formed with separate board of directors.

On August 21, 2008 the City sold ownership of CFC to a private investor, who also assumed operating interest of LUCCE as part of an earlier July 2008 closing. In accordance with the terms of the sale, the City of Lewiston continued its assumption of the outstanding general obligation bonds issued on behalf of CFC, in the amount of \$6,581,500 as of the closing date. A \$972,616 loss on sale of assets was incurred by CFC. The City, as an assignee of CFC, received a \$1,050,000 original promissory note and subsequent to



subsequent to closing, received three \$50,000 allonge additions to principal for capital investment made by the buyer. The terms of the interest free note provide for principal repayments to commence July 1, 2013 and the note to be paid in full by July 1, 2027. Resulting from this sale, the City of Lewiston's General Fund holds \$1 million of that note as a note receivable, \$90,000 is reported on the Urban Development Special Revenue Fund, and the remaining \$110,000 balance is recorded on the City's Urban Development Action Grant Special Revenue Fund. All outstanding balances have been reserved.

**Blended Component Unit.** The Lewiston Mill Redevelopment Corporation (LMRC) was incorporated as a nonprofit entity on November 18, 1992, to act on behalf of the City Council in the management of the tax acquired former Bates Mill Complex. In fiscal year 2005, the LMRC sold a portion of the complex to a local developer for further rehabilitation and economic development. The upcoming charge of the Board is now to engage in activities to support redevelopment of the Bates Mill Building #5 and manage the boiler plant that services the majority of the entire mill complex. The LMRC operates under a six-member Board of Directors comprised of the Mayor of the City of Lewiston; two members of its City Council; the City Administrator; the Assistant to the City Administrator, and the City Finance Director. The LMRC is included in the City's financial statements as a nonmajor governmental special revenue fund because, although the entity is legally separate from the City, it only acts as a managing agent on behalf of the City. As such, it is essentially an extension of the City government. Financial Statements for the LMRC can be obtained from the City of Lewiston's Finance Department, 27 Pine Street, Lewiston, Maine 04240.

## **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements, which encompass the Statement of Net Assets and the Statement of Changes in Net Assets, report financial information on the City of Lewiston's nonfiduciary activities and component units. The effect of significant interfund activity has been removed from these statements. 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 user fees and charges for service for support. In addition, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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. Program revenues include 1.) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2.) grants and contributions that are restricted to meeting the operational or capital requirements of the respective function or segment. Taxes and other items not directly applicable to one function or segment are reported as general revenues.

The City of Lewiston has provided separate financial statements for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are not included in the government-wide financial statements. Individual governmental and enterprise funds that qualify as a major fund are reported as separate columns. Individual funds deemed to be nonmajor are condensed to one column on the fund financial statements.

## **C. Measurement Focus, Basis of Accounting and Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund statements. Under this basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the flow of cash. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues at the completion of all imposed eligibility requirements.

The modified accrual basis of accounting and the current financial resources measurement focus is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized only when it becomes available. "Available" means collectible within the current period or soon enough

thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A six month or less availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as expenditures deriving from long-term compensated absences, claims, and judgments are recorded as fund liabilities when due or when amounts have been accumulated for payments to be made early in the following year.

Property taxes, licenses, and governmental reimbursements are considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City of Lewiston reports the following major governmental funds:

General Fund – is used to account for resources traditionally associated with the general operation of the government, which are not legally required or by sound financial management to be accounted for in another fund.

School Categorical Grants Special Revenue Fund – reports the activity of various federal and state educational grants for special programs administered by the Lewiston School Department.

Debt Service Fund – records the accumulation of governmental resources to fund capital leases and general obligation bond principal and interest payments.

Capital Projects – a consolidated fund to account for the acquisition of municipal capital assets, or the construction of capital projects and infrastructure funded through general obligation bonds financed by governmental funds.

The City of Lewiston discloses the following major proprietary funds:

Water Enterprise Fund – reports the operating and construction activity of the water system for the City of Lewiston. This fund also provides half of the operating and land acquisition costs associated with the Lake Auburn Watershed Protection Commission.

Sewer Enterprise Fund – accounts for the operation of the sanitary sewer system in Lewiston and payment of Lewiston's share of the costs of waste water treatment provided by the Lewiston-Auburn Water Pollution Control Authority.

Storm Water Enterprise Fund – this fund was created to provide funding for federal storm water mandates and operations. User fees are derived from the amount of impervious surface owned by the customer that creates storm water run-off.

Additionally, the City of Lewiston reports the following Fiduciary Fund Types:

Private Purpose Trust Funds – funds used to report the activity for bequests left for charitable payments and scholarship awards. These assets are held by the City in a trustee capacity, whereby the original bequest is preserved as nonexpendable and the accumulated interest earnings are available to provide for educational awards and basic necessities for indigent individuals.

Agency Funds – account for assets held by the City as an agent for individuals, private organizations, other governments and/or funds. The City of Lewiston serves as an agent for various school activity accounts, an emergency fuel oil program, a downtown advisory board and the Social Security pass-through client program.

Fiduciary Funds use an economic resources measurement focus, with the exception of Agency Funds which have no measurement focus.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City of Lewiston has the option of following subsequent private-sector guidance for our business-type activities and enterprise funds, subject to the same limitation. The City of Lewiston has elected not to follow subsequent private-sector guidance.

As a general rule, the City has eliminated the effect of interfund activity from the entity-wide financial statements, with the exception of the water and sewer charges, and other governmental functions between the proprietary and governmental funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions involved.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary Funds distinguish operating revenues and expenses from nonoperating activity. Operating revenues arise from providing goods or services to outside parties for a fee. The intent of the governing body is that the operating costs, including administration and depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Revenues and expenses that are not derived directly from operations are reported as nonoperating revenues and expenses.

#### **D. Assets, Liabilities and Net Assets or Equity**

##### **1. Cash and Investments**

Cash includes amounts in demand deposits and certificates of deposit with original maturities of less than three months. The City primarily invests in certificates of deposit. The City does not participate in any external investment pools. The investments are reported at their fair value on the balance sheet. For Statement of Cash Flow purposes, the City considers cash and cash equivalents to be demand deposits, certificates of deposit with maturities of less than three months and money market mutual funds.

##### **2. Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet for current activities and "advances to/from other funds" for noncurrent activities. Outstanding interfund balances between governmental activities and business-type activities are reported in the statement of net assets as "internal balances".

All trade, property tax and loan receivables, where applicable, are shown net of an allowance for uncollectible accounts.

##### **3. Inventories**

Inventories are valued at cost in the School Categorical Grants Special Revenue Fund and at a weighted average cost method in the General Fund. The costs of inventory items are recognized as expenditures when purchased in the governmental funds, except for the School Categorical Special Revenue Fund and the Highway Department of the General Fund, where inventory items are recorded as expenditures when used. The business-type activities-Enterprise Funds utilize a just-in-time inventory system whereby inventory is delivered when needed and items are recognized as expenses when used. Therefore, no inventory is held for these funds.



#### 4. Restricted Assets

Deposits placed on customer accounts for water and sewer service are classified as restricted assets on the balance sheet due to their limited use. It is the City's water and sewer policy to require an account deposit for all new service users. This deposit, with applicable interest, is restricted from general operating use in order to preserve monies to refund the customer after remaining in good standing for one year. If favorable credit standing is jeopardized within a year, the deposit proceeds are applied to delinquent balances.

#### 5. Capital Assets

Capital assets, which include land, buildings, capital improvements, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the statement of net assets financial statement. Assets are capitalized if their total cost exceeds \$5,000 and their useful life extends beyond one year. Capital assets are recorded at historical costs or estimated historical costs if constructed. Donated capital assets are recorded at estimated fair value at the time received.

The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are, also, not capitalized.

Capital assets of the City of Lewiston are depreciated using the straight line method over the following estimated useful lives:

Buildings	50 years
Public Improvements	20 - 50 years
Infrastructure	10 - 100 years
Equipment	3 - 15 years
Vehicles	5 - 10 years
Intangible Assets	10 years

#### 6. Compensated Absences

Under terms of union contracts and an employment agreement, City employees are granted vacation and sick leave in varying amounts. City employees, including teachers, may accumulate up to 160 days of unused sick leave. Teachers are reimbursed for up to 50 days of accumulated sick leave upon retirement; all other City employees are reimbursed for up to 75 days of accumulated sick leave upon retirement. Employees, with the exception of teachers, may accumulate up to 35 vacation days and are entitled to full payment upon termination.

Matured accumulated vacation and sick leave are reported as a liability in the governmental funds. All other vacation accumulations are accrued when incurred in the government-wide and proprietary fund financial statements. A liability is created for amounts of accumulated sick leave that are not matured, yet qualified employees are entitled to these benefits upon separation or retirement. Noncurrent, vested sick balances are reported as a liability in the statement of net assets for governmental and business-type activities.

#### 7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. In the fund financial statements, governmental fund types recognized long-term obligations as a liability when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The individual fund that incurred the original long-term debt obligation will provide the financial resources to liquidate the liability.

In governmental fund types, bond issuance costs are recognized in the current period. Issuance costs for the Enterprise Funds are amortized on a straight-line basis over the life of the related bond. Unamortized discounts and premiums are displayed as deferred credits and deferred charges respectively.

## 8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## 9. Comparative Data and Reclassifications

Selected comparative total data for the prior year have been presented throughout this financial report in order to provide an understanding of the changes in the financial position and operations of these funds. Additionally, certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### A. Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The Governmental Fund Balance Sheet includes a reconciliation between total governmental fund balance and governmental activities net assets as reported in the Government-wide Statement of Net Assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds." The components of this \$130,528,095 difference are as follows:

Bonds Payable	\$ 115,230,906
Accrued Interest Payable	412,273
Obligation for Workers Compensation Claims	2,639,911
City Pension Plan Net Pension Obligation	2,302,973
Compensated Absences Payable – Sick	2,043,377
OPEB UAAL	551,972
MainePERS IUUAL	2,271,080
Compensated Absences Payable – Vacation	1,680,321
Capital Lease Payable	854,018
Landfill Closure and Post-Closure Care Costs	<u>2,541,264</u>
<b>Net Adjustment to reduce total governmental fund balances to arrive at governmental activities net assets</b>	<b>\$ <u>130,528,095</u></b>

### B. Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities

Statement 5 provides a reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities. One element of that reconciliation explains that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt uses current financial resources of governmental funds. Neither transaction, however, has any effect on the net assets." The details of this \$9,257,200 difference are as follows:



Debt Issued:		
Issuance of General Obligation Bonds	\$	26,816,899
Bond Anticipation Notes Payable		10,800,000
Capital Leases		668,142
Principal Repayments:		
General Obligation Debt		(8,567,710)
Bond Anticipation Notes Payments		(20,225,000)
Capital Lease Payments		<u>(235,131)</u>
<b>Net Adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities</b>	<b>\$</b>	<b><u>9,257,200</u></b>

Another component of the reconciliation states that "Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The elements that comprise the \$8,552,271 reconciling item are noted below:

Accrued Interest Adjustment	\$	69,547
Workers Compensation Claims		(41,577)
OPEB UAAL		551,972
Compensated Absences – Sick		102,654
Compensated Absences – Vacation		103,658
Landfill Closure & Postclosure Care		105,004
MainePERS IUUAL		(99,669)
City Pension Plan Costs		<u>(182,880)</u>
<b>Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities</b>	<b>\$</b>	<b><u>608,709</u></b>

### III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States with the exception that encumbrances are treated as expenditures for budgetary purposes. Budgets for the General Fund, Enterprise Funds and Community Development Block Grant (CDBG) Special Revenue Fund are formally adopted each year through the passage of an appropriation resolve. Other Special Revenue Funds and all Capital Projects Funds have adopted project-length budgets. Unencumbered appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because goods and services have not been received in the current year. However, for budgetary purposes, encumbrances are treated as expenditures.

Each year, on or before April 1, the City Administrator submits to the City Council a budget for the ensuing fiscal year along with an accompanying message. The Administrator's message explains the budget both

in fiscal terms and in terms of work programs. It outlines the proposed financial policies of the City for the coming fiscal year; describes the important features of the budget; indicates any major changes from the current year's financial policies, expenditures, and revenues, together with the reasons for such changes; summarizes the City's debt position; and includes such other materials as the Administrator deems desirable. It also describes the tax impact of the proposed budget.

The budget is prepared using accounting principles generally accepted in the United States basis with the exception that encumbrances are treated as expenditures for budgetary purposes and the on behalf payments by the State of Maine for the teacher's retirement plan are not budgeted. It provides a complete financial plan of the City's General and Enterprise Funds for the ensuing fiscal year. It begins with a general summary of its contents and shows in detail, all estimated income, indicating the proposed property tax levy affecting the general fund, and all proposed expenditures, including debt service, for the ensuing fiscal year, arranged to show comparative figures for actual and estimated income and expenditures to the preceding fiscal year. It indicates in separate sections:

- (a) Proposed expenditures for current operations during the ensuing fiscal year, detailed by department in terms of their respective work programs, and methods of financing such expenditures;
- (b) Proposed capital expenditures during the ensuing fiscal year, detailed by department, and proposed method of financing such capital expenditures;
- (c) Anticipated net surplus or deficit for the ensuing fiscal year of each utility owned or operated by the City and the proposed method of its disposition; and
- (d) Comparative statements reflecting actual expenditures for the current year and estimated expenditures for the next succeeding fiscal year.

The Administrator makes allotments to various City departments in accordance with needs. No expenditures may be made or obligation incurred without his certification. The level of budgetary control is at the department level for the General Fund and Water, Sewer and Storm Water Enterprise Funds and at the federal program level for the CDBG Special Revenue Fund. The federal program level is established by HUD for program categories serviced by CDBG funds. Within each of these categories, the City of Lewiston outlines projects to be completed to satisfy HUD's national objectives. At any time during the fiscal year, the Administrator may transfer part or all of any unencumbered appropriation balance among programs within a department. Also, upon written request by the Administrator, the City Council may, by resolution, transfer part or all of any unencumbered balance to another department. If, during the fiscal year, the Administrator certifies that there are revenues in excess of the total estimated budget, the Council may make, after a public hearing, supplemental resolutions up to the amount of the excess revenues. Also, to meet a public emergency, the Council may make emergency appropriations by resolution. During the fiscal year ended June 30, 2009, there were no supplemental appropriations adopted by the City Council.

Every budgetary account lapses at the close of the fiscal year to the extent that it has not been expended or encumbered. Encumbered appropriations are carried forward into the following year's budget. Copies of the budget, as adopted, are public records and are made available for inspection by the public at designated places.

## **B. Budgetary Basis vs. GAAP Basis**

The City's budget is reported on a modified accrual basis, except that current year encumbrances are treated as expenditures for budgetary purposes. For financial reporting on the budgetary basis, funds encumbered in the previous year are added to the current year's budgeted figures. Expenditures against the prior year's encumbrances are included with current year expenditures.

The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - General Fund and Special Revenue Fund - Budgetary Basis (Statement 6 and Exhibit B-3) presents comparisons of legally adopted budgets, modified by the inclusion of the previous year's encumbrances and with actual expenditures modified by the inclusion of current year encumbrances. Since accounting principles applied for the purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States, a reconciliation of the entity's timing differences in Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing (Uses) of financial resources is provided on each financial statement.

As required by accounting principles generally accepted in the United States, 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 Lewiston School Department. This amount has not been budgeted in the General Fund and results in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States. An intergovernmental revenue of \$4,365,397 additional expenditure of \$4,365,397 in education have been included on Statement 2, Statement of Activities, and in the General Fund, and on Statement 4, Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (GAAP basis) and have not been reported on Statement 6 (Budgetary basis). Outstanding encumbrances are treated as expenditures under the Budgetary Basis. Total encumbrances amount to \$603,939 for General Fund on Statement 6, but have been properly excluded on Statement 4, under the GAAP basis of accounting. For the current year, the Community Development Block Grant Special Revenue Fund had encumbered program balances of \$8,055, at year end.

The City of Lewiston General Fund had significant budget deficits in the following departments: City Administrator, \$26,649; Human Resources, \$6,421; Social Services, \$75,862; and Education, \$116,905. These budget deficits were funded in part by greater than expected revenues and transfers in, in the General Fund. The Community Development Block Grant Special Revenue Fund has a \$121,937 budget deficit in its Administration and Planning Program due to an increase in the Allowance for Uncollectibles which is unbudgeted expenditure.

#### **IV. DETAILED NOTES ON ALL FUNDS**

##### **A. Deposits and Investments**

The City of Lewiston has formally adopted an investment policy, whereby all available funds are invested at the highest possible rates, in conformance with legal requirements, while avoiding unreasonable risk.

**Deposits.** At June 30, 2009, the carrying amount of the City's deposits was \$6,532,785 and the related bank balance was \$3,744,326.

**Custodial Credit Risk for Deposits** – The City of Lewiston does not have a formal policy that addresses custodial risk for deposits, which is the risk that the funds may not be returned in the case of bank failure. A portion of this risk is mitigated by the fact the financial institutions holding these deposits are F.D.I.C insured. Of the bank balance noted above, \$3,452,441 was insured by federal depository insurance. The remaining \$291,884 of deposits held in the City's name, were exposed to custodial credit risk because it was uninsured and uncollateralized.

**Investments.** Maine statutes authorize the City to invest in obligations of the U. S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, corporate securities, stocks of financial institutions, and other stock investments.

At year end, the City's investments consisted of the following:

	Fair Value	Wt. Average Maturity in Years
U.S. Treasuries	\$41,040	4.67
Certificates of Deposits	\$12,378,000	.54
Corporate Stocks	\$653,575	N/A
Corporate Bonds	\$268,006	4.07
Repurchase Agreements	<u>\$15,049,481</u>	Less than 1 year
<b>Total Fair Value</b>	<b><u>\$28,390,102</u></b>	

Interest Rate Risk – The City has a policy which dictates that less than 20% of its portfolio maybe invested in maturities between one and ten years. As a result, the City elects to invest the majority of its funds in short term deposits to satisfy cashflow needs and limit their exposure to declines in fair value. Excess monies in the governmental funds are swept daily by the financial institution into overnight repurchase agreements.

Credit Risk – Maine statutes authorizes the City to invest in U.S. Treasury and agencies, repurchase agreements and certain corporate stocks and bonds. The Library Endowment Permanent Fund is the only fund that utilizes equity investments. The Library Board of Directors contracted with R.M. Davis to manage and invest the endowment funds through Charles Schwab in safe and secure equities. In accordance with City policy, investments in certificates of deposits must be F.D.I.C insured and the principal shall not exceed the amount covered by the insurance at a single financial institution. The City held \$71,900 of corporate bonds with a bond rating of A+, \$136,172 and rated at an A, \$59,934 rated at an A-. The City's investment in perfected repurchase agreements as a cash management tool is insured up to \$40 million, agreements in excess of that aggregate amount are fully collateralized at 102%-105%, in accordance with the City's policy.

Custodial Credit Risk for Investments – This is the investment risk taken by the City of Lewiston in the event that we will not be able to recover the value of our investments or collateral securities that are in the possession of an outside entity. The City limits its custodial risk by purchasing its perfected repurchase agreements through the trust departments of TD Bank and Bangor Savings Bank, in the City's name and is held at the Federal Reserve Bank in Boston. The investment in corporate equities, bonds, and U.S. Treasuries, in the amount of \$962,621 has custodial credit risk because those securities are uninsured, unregistered and are held by the City's brokerage firm.

## B. Receivables

Receivables at June 30, 2009, for the City of Lewiston's individual major funds, nonmajor, and Business-type - Enterprise funds consist of the following:

	School		Capital	Other	Enterprise Funds			Total
	General	Categorical	Projects	Gov. Funds	Water	Sewer	Storm Water	
Taxes	\$2,004,676							\$2,004,676
Accounts	447,306	\$129,443		\$103,385	\$817,379	\$866,868	\$455,533	2,819,914
Notes\Loans	1,000,000			4,362,171				5,362,171
Intergovernmental	1,353,801	1,850,780	\$63,212	587,176	69,633			3,924,602
Gross Receivables	4,805,783	1,980,223	\$63,212	5,052,732	887,012	866,868	455,533	14,111,363
Less: Allowance for Uncollectibles	(1,660)			(982,022)	(12,489)	(15,938)	(94,173)	(1,106,282)
<b>Net Receivables</b>	<b><u>\$4,804,123</u></b>	<b><u>\$1,980,223</u></b>	<b><u>\$63,212</u></b>	<b><u>\$4,070,710</u></b>	<b><u>\$874,523</u></b>	<b><u>\$850,930</u></b>	<b><u>\$361,360</u></b>	<b><u>\$13,005,081</u></b>



Property taxes for the current year were committed June 3, 2008, on the assessed value listed as of April 1, 2008, for all real and personal property located in the City. Taxes were due in two installments: September 15, 2008, and March 15, 2009. Interest was charged at 11% on all taxes unpaid as of the due date. Under state statute, the Tax Collector, after the expiration of eight (8) months, and within one year after the date of the original tax commitment, records a tax lien certificate against any unpaid real estate property tax.

The last complete revaluation occurred in 1988 and was effective for the 1988 assessment. A revaluation of land values occurred in 2003 for fiscal year 2004. The assessed value for the list of April 1, 2008, upon which the 2009 levy was based, was at approximately 71.7% of the estimated market value.

Property taxes levied during fiscal year 2009 are recorded as receivables. The receivables collected during the fiscal year ended June 30, 2009 and during the 1st 60 days of fiscal year 2010 are recognized as revenues in the Governmental Funds, in fiscal year 2009. Receivables of \$1,828,609, estimated to be collectible subsequent to the 60 day period are considered to be deferred revenues. Prior year tax levies were recorded using this same principle.

The non-current portion of the notes/loans receivable in the General Fund and Special Revenue Funds have been offset by a reservation of fund balance in that fund because these assets do not represent "Available Expendable Resources".

Intergovernmental receivables consist primarily of funds due from the State of Maine and from the Office of Housing and Urban Development.

On the Statement of Net Assets, the Governmental Funds reported \$505,833 as unearned revenue. This amount represents the prepayment of fiscal year 2010 taxes, solid waste removal for multi-unit apartment buildings and monthly parking billing; and contractors' deposits in advance for work to be performed in 2010. The unearned revenue reflects the recognition of resources that have been received, but yet to be earned.

### **C. Capital Assets**

The following is a summary of changes in the Primary Government's Governmental Activities' Capital Assets during the fiscal year:



	Balance			Balance
	July 1, 2008	Additions	Retirement	June 30, 2009
<b>Capital Assets Not Depreciated:</b>				
Land	\$ 13,389,344	\$ 446,134		\$ 13,835,478
Construction in Progress	14,992,071	9,226,195	533,924	23,684,322
<b>Total Capital Assets Not Depreciated</b>	<b>28,381,415</b>	<b>9,672,329</b>	<b>533,924</b>	<b>37,519,800</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings	58,058,631	2,963,113	11,561	61,010,183
Improvements Other Than Buildings	22,286,253	1,448,740	15,956	23,719,037
Machinery and Equipment	23,868,226	6,799,862	1,105,480	29,562,608
Infrastructure	106,931,040	784,032		107,715,072
<b>Total Capital Assets Being Depreciated</b>	<b>211,144,151</b>	<b>11,995,747</b>	<b>1,132,977</b>	<b>222,006,901</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(21,777,966)	(1,773,732)		(23,551,698)
Improvements Other Than Buildings	(4,946,942)	(771,934)		(5,718,876)
Machinery and Equipment	(8,885,960)	(1,630,104)	(735,440)	(9,780,624)
Infrastructure	(38,065,072)	(2,250,879)		(40,315,951)
<b>Total Accumulated Depreciation</b>	<b>(73,675,938)</b>	<b>(6,426,649)</b>	<b>(735,440)</b>	<b>(79,367,149)</b>
<b>Total Net Capital Assets</b>				
Being Depreciated	137,468,211	5,569,098	397,557	142,639,752
<b>Governmental Activities Capital</b>				
<b>Assets, Net</b>	<b>\$ 165,849,628</b>	<b>\$ 15,241,427</b>	<b>\$ 931,481</b>	<b>\$ 180,159,552</b>

Depreciation expense was charged to the various governmental functions as follows: general government, \$949,182; public safety, \$444,580; public works, \$3,035,860; culture and recreation, \$434,692; urban redevelopment, \$89,530; and education and nutrition, \$1,472,805.

At June 30, 2009, the City had entered into contracts for, or had otherwise committed to, the construction or renovation of various facilities as follows:

	Project	Expended	Required	
	Authorization	To Date	Further	
	Commitment	Financing		
Business Park Develop.	\$ 3,600,000	\$ 957,733	\$ 2,136,411	None
City Building Improvements	530,000	96,472	448,720	15,200
Bike Path	113,772	105,981	1,885	None
Energy Improvements	46,000	8,004	3,589	None
Landfill Expansion	4,135,378	2,698,396	1,655,494	218,512
General Street Rehab.	1,700,100	1,047,430	360,998	None
Bridge Redesign	68,000	40,065	13,259	None

The following is a summary of the Primary Government's Business-type capital assets for the City's Enterprise Funds at June 30, 2009:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>Capital Assets Not Depreciated:</b>				
Land	\$ 1,263,990			\$ 1,263,990
Construction in Progress	6,081,355	\$ 2,493,535	\$ 7,785,696	789,194
<b>Total Capital Assets Not Depreciated</b>	<b>7,345,345</b>	<b>2,493,535</b>	<b>7,785,696</b>	<b>2,053,184</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings	6,684,275	574,949		7,259,224
Equipment	2,084,653	214,055	136,676	2,162,032
Sewer and Water Lines	47,024,785	7,562,711	52,531	54,534,965
<b>Total Capital Assets Being Depreciated</b>	<b>55,793,713</b>	<b>8,351,715</b>	<b>189,207</b>	<b>63,956,221</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(2,930,905)	(136,532)		(3,067,437)
Equipment	(1,552,868)	(165,212)	(136,676)	(1,581,404)
Sewer and Water Lines	(10,345,989)	(926,953)	(51,964)	(11,220,978)
<b>Total Accumulated Depreciation</b>	<b>(14,829,761)</b>	<b>(1,228,697)</b>	<b>(188,640)</b>	<b>(15,869,819)</b>
<b>Total Net Capital Assets Being Depreciated</b>	<b>40,963,951</b>	<b>7,123,018</b>	<b>567</b>	<b>48,086,402</b>
<b>Business-type Capital Assets, Net</b>	<b>\$ 48,309,296</b>	<b>\$ 9,616,553</b>	<b>\$ 7,786,263</b>	<b>\$ 50,139,586</b>
<b>Intangible Assets Being Amortized:</b>				
Intangible Asset Costs	\$ 120,456	\$ 66,465		\$ 186,921
Less Accumulated Amortization	(16,517)	(18,179)		(34,696)
<b>Business-type Intangible Assets, Net</b>	<b>\$ 103,939</b>	<b>\$ 48,286</b>		<b>\$ 152,225</b>

Depreciation expense was charged to the various business-type activities as follows: water enterprise fund, \$796,460; sewer enterprise fund, \$399,330, and the storm water enterprise fund, \$32,907. The water and stormwater enterprise funds incurred amortized expense of \$8,943 and \$9,236 respectively.

#### D. Interfund Transactions

As of June 30, 2009, the balances of interfund activity were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,790,084	
School Categorical Grants		\$ 1,690,857
Capital Project Fund		45,528
Nonmajor Governmental Funds		553,628
Water Enterprise Fund		499,912
Sewer Enterprise Fund		157
<b>Total</b>	<b>\$ 2,790,084</b>	<b>\$ 2,790,084</b>

Interfund receivables and payables as of year end primarily represent unreimbursed accounts payable and payroll disbursements from the General Fund's consolidated checking account.

**Transfers In/Out:**

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,172,242	\$ 12,964,964
School Categorical Grants		397,426
Debt Service Fund	34,103,419	
Capital Projects Fund	1,520,235	21,935,633
Nonmajor Governmental Funds	176,250	944,202
Water Enterprise Fund		35,749
Sewer Enterprise Fund		73,556
Storm Water Enterprise Fund		620,616
<b>Total</b>	<b>\$ 36,972,146</b>	<b>\$ 36,972,146</b>

The majority of the transfers between funds are comprised of debt service payments of current year principal and interest payments, to the Debt Service Fund. Other transfers are made for fringe benefit payments and overhead costs.

**E. Leases**

**Operating Leases.** The City of Lewiston renovated the old District Court Building in order to prepare for the State of Maine's Violation Bureau's operations. The City has a 15 year lease with the Judicial Department, with a 5 year renewal option. Rental income from this operating lease in 2009 was \$118,478. The cost of the building and associated improvements was \$735,889 and accumulated depreciation at the end of this fiscal year was \$426,561 resulting in the net carrying value of \$309,328.

Lewiston CellTelCo. Partnership has contracted with the City of Lewiston, the lessor, to rent a portion of roof and ground space at the Lewiston Armory to construct a mobile telephone base station. The agreement is for five years, with 3 five-year renewal options, in the amount of \$19,500 per year.

St. Mary's Regional Medical Center entered into a parking and circulation easement agreement with the City, the lessor, to rent a portion of land near the Lewiston Armory. This ten year lease provides an annual payment of \$12,500 to be utilized by the school department's Aspirations Program and \$9,500 to the municipal government.

As part of the Southern Gateway Development, the municipality, as a lessee, entered into two operating leases for four parcels of land. The security of this land afforded the City the opportunity to construct a new municipal parking garage and a parking area in our targeted development area. Rental expenditures for this lease were \$30,000, and \$3,672 respectfully for each lease.

The City's Drug Enforcement Division entered into a two year rental agreement, in the amount of \$9,999 annually, for a Nissan Pathfinder to assist with operations. The agreement expired at the end of the fiscal year.

Operating leases do not give rise to property rights and therefore the results of the lease agreements are not reflected in the City's capital assets. The lessees are responsible for paying all executory costs such as maintenance and insurance.

The following is a schedule by year, of minimum future rental income and expenditures on the City's non-cancelable operating leases as of June 30, 2009:

<b>Fiscal Year Ended June 30</b>	<b>General Fund Rental Income</b>	<b>General Fund Rental Expenditures</b>
2010	\$ 166,280	\$ 30,765
2011	166,280	30,000
2012	154,905	30,000
2013	146,780	30,000
2014	154,342	30,000
Thereafter	717,570	1,172,500
<b>TOTAL</b>	<b>\$ 1,506,157</b>	<b>\$ 1,323,265</b>

Minimum future rentals do not include contingent rentals which may be received as stipulated in the lease contracts. There were no contingent rental payments received in fiscal year 2009.

**Capital Leases.** The City has entered into four capital lease agreements as a lessee for financing municipal equipment. These leases have given rise to property rights and qualify as a capital lease for accounting purposes. These assets acquired through capital leases included machinery and equipment of \$1,199,364, less \$44,616 of accumulated depreciation that were recorded in the Governmental Activities Fund.

Payment obligations for these capital leases have been satisfied as of year end. The future minimum lease obligations of the remaining leases, and the net present value (PV) of these minimum lease payments as of June 30, 2009, were as follows:

<b>Fiscal Year Ended June 30</b>	<b>Lease Payment Amount</b>
2010	226,584
2011	226,584
2012	89,347
2013	84,829
2014	84,829
Thereafter	339,317
Less: Amount of Interest	(197,473)
<b>PV of Lease Payments</b>	<b>\$ 854,017</b>

## F. Long-Term Debt

**General Obligation Bonds.** The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 20 year serial bonds, with equal amounts of principal maturing annually.

The general obligation bonds currently outstanding, of the original \$165,996,208 issued, are as follows:

<b>Municipal Improvements</b>	<b>Interest Rate</b>	<b>Balance At 6/30/09</b>
Capital Improvement – 1989	6.8%	122,247
Capital Improvement – 1991	6.5%	172,237
Capital Improvement – 1992	5.0%	149,712
Capital Improvement – 1993	4.7%	349,312
Capital Improvement – 1994	4.4%	539,917
Capital Improvement – 1995	6.0%	530,305
Economic Development Initiative	6.9%	100,000
Capital Improvement – 1996	4.7%	1,260,000
Capital Improvement – 1997	5.1%	191,154
Capital Improvement – 1998	4.6%	367,500
Capital Improvement – 1999	4.5%	1,465,000
Capital Improvement – 2000	5.2%	1,509,947
Education Loan Fund – 2001	0%	152,144
Capital Improvement – 2001	4.3 & 6.9%	5,625,000
Qualified Zone Academy Bonds – 2002	0%	246,000
Capital Improvement – 2002	4.3%	2,632,500
Municipal Pension Bonds	6.4%	13,505,000
Qualified Zone Academy Bonds – 2003	0%	1,188,800
Capital Improvement – 2003	3.2%	3,886,000
Capital Improvement – 2004	4.25%	15,883,750
Capital Improvement – 2005	4.01%	10,939,600
Capital Improvement – 2006	4.17%	8,293,500
Capital Improvement – 2007	4.46%	7,652,000
Education Bonds – 2008	3.5 & 4.2%	12,259,451
Capital Improvement – 2008	5.1%	26,047,750
School Renovation Loan Fund -2008	0%	162,080
		<b>\$ 115,230,906</b>

Annual debt service requirements to maturity for general obligation bonds, including interest of \$41,290,748 are as follows:



Fiscal Year Ended June 30	Total Debt		
	Principal	Interest	Service
	Requirements	Requirements	Requirements
2010	\$ 9,483,833	\$ 5,232,606	\$ 14,716,439
2011	9,121,278	4,839,723	13,961,001
2012	9,006,292	4,450,416	13,456,708
2013	8,656,077	4,049,415	12,705,492
2014	8,561,178	3,642,218	12,203,396
2015-2019	36,900,348	12,372,730	49,273,078
2020-2024	23,379,500	5,583,380	28,962,880
2025-2029	10,122,400	1,120,260	11,242,660
<b>Total</b>	<b>\$ 115,230,906</b>	<b>\$ 41,290,748</b>	<b>\$ 156,521,654</b>

**Revenue Bonds.** The City also issues bonds through its Enterprise Fund, where the City pledges income derived from acquired or constructed assets to pay debt service. Revenue bonds outstanding at June 30, 2009, of the total \$38,366,630 originally issued, are as follows:

Municipal Improvements	Interest Rate	Balance at 6/30/09
<b>Water Division:</b>		
Water Improvement – 1989	6.8%	5,929
Water Improvement – 1991	6.5%	212,763
Water Improvement – 1992	5.7%	89,238
Water Improvement – 1993	4.7%	35,438
Water Improvement – 1994	4.4%	217,000
Water Improvement – 1995	6.0%	134,695
Water Improvement – 1996	4.7%	210,000
Water Improvement – 1997	5.1%	369,181
Water Improvement – 1998	4.6%	157,500
Water Improvement – 1999	4.5%	250,000
Water Improvement – 2000	5.4%	57,706
Water Improvement – 2001	4.3%	160,000
Water Improvement – 2002	4.3%	456,500
Water Improvement – 2003	3.2%	3,360,000
Water Improvement – 2004	4.25%	393,750
Water Improvement – 2005	4.02%	4,200,400
Water Improvement – 2006	4.17%	349,000
Water Improvement – 2007	4.46%	1,280,000
Water Improvement – 2008	5.1%	1,021,250
U.V. Treatment Facility	0%	2,709,630

		<u>15,669,979</u>
<b><u>Sewer Division:</u></b>		
Sewer Improvement – 1989	6.8%	61,824
Sewer Improvement – 1992	5.7%	56,050
Sewer Improvement – 1993	4.7%	20,250
Sewer Improvement – 1994	4.4%	18,083
Sewer Improvement – 1997	5.1%	43,103
Sewer Improvement – 1999	4.5%	50,000
Sewer Improvement – 2000	5.4%	253,909
Sewer Improvement – 2001	4.3%	790,000
Sewer Improvement – 2002	4.3%	556,000
Sewer Improvement – 2003	3.2%	674,000
Sewer Improvement – 2004	4.25%	562,500
Sewer Improvement – 2005	4.02%	260,000
Sewer Improvement – 2006	4.17%	637,500
Sewer Improvement - 2007	4.46%	2,955,000
Sewer Improvement - 2008	5.1%	<u>427,500</u>
		<u>7,365,719</u>
<b><u>Storm Water Division:</u></b>		
Storm Water Improve. - 2007	4.46%	2,860,000
Sewer Improvement - 2008	5.1%	<u>218,500</u>
		<u>3,078,500</u>
Total Revenue Bond Debt		26,114,198
Less: Current Installments		<u>1,889,996</u>
<b>Long-Term Revenue Bond Debt</b>		<b><u>\$ 24,224,202</u></b>

Revenue bond debt service requirements to maturity, including \$8,396,457 of interest, are as follows:

Fiscal Year	Annual Debt		
Ended	Principal	Interest	Service
June 30	Requirements	Requirements	Requirements
2010	\$ 1,889,996	\$ 989,884	\$ 2,879,880
2011	1,880,291	922,960	2,803,251
2012	1,765,277	853,438	2,618,716
2013	1,718,261	787,083	2,505,343
2014	1,699,047	722,380	2,421,427
2015-2019	7,883,672	2,692,028	10,575,699
2020-2024	6,639,907	1,217,898	7,857,806
2025-2029	2,570,007	207,399	2,777,406
2030-2034	67,741	3,387	71,128
<b>TOTAL</b>	<b>\$ 26,114,198</b>	<b>\$ 8,396,457</b>	<b>\$ 34,510,656</b>

At June 30, 2009, the City had \$31,130,000 bonds authorized by the City Council but have not been issued. There are no restrictive bond covenants with which the City must comply.

**Changes in Long-Term Liabilities.** During the year ended June 30, 2009, the following changes occurred in long-term liabilities for the City of Lewiston:

	Balance			Balance	Due Within
	July 1	Additions	Reductions	June 30	One Year
<b>Governmental Activities:</b>					
General Obligation Debt	\$96,981,717	\$26,816,900	\$8,567,710	\$115,230,906	\$9,483,833
Workers Comp Claims	2,681,488	687,277	728,854	2,639,911	725,000
Compensated Absences - Sick	1,940,723	241,534	138,880	2,043,377	150,000
Capital Leases	421,007	668,142	235,131	854,018	181,754
Comp. Absences – Vacation	1,576,662	144,338	40,679	1,680,321	105,000
OPEB UAAL		551,972		551,972	
City Pension Plan Net					
Pension Obligation	2,485,853	129,063	311,943	2,302,973	306,000
Bond Anticipation Notes	9,425,000	10,800,000	20,225,000	0	
MainePERS IUUAL	2,370,749	173,355	273,024	2,271,080	273,024
Landfill Closure and Post-closure Care	2,436,260	136,004	31,000	2,541,264	31,000
<b>Total Governmental Activities</b>	<b>120,319,459</b>	<b>40,348,85</b>	<b>30,552,221</b>	<b>130,115,822</b>	<b>11,255,611</b>
<b>Business-Type Activities:</b>					
Revenue Bond Debt	23,481,340	4,464,630	1,831,772	26,114,198	1,889,996
Comp. Absences – Vacation	61,659	15,119	1,060	75,718	14,000
<b>Total Business-Type Activities</b>	<b>23,542,999</b>	<b>4,479,749</b>	<b>1,832,832</b>	<b>26,189,916</b>	<b>1,903,996</b>
<b>Total Liabilities</b>	<b>\$143,862,458</b>	<b>\$52,771,896</b>	<b>\$32,385,053</b>	<b>\$164,249,300</b>	<b>\$13,159,607</b>

The City is subject to the laws of the State of Maine which limits the amount of long-term debt to 15% of the state's assessed valuation of the City. At June 30, 2009, the statutory limit for the City was \$387,232,500.

In accordance with the Tax Reform Act of 1986, governments issuing tax-exempt bonds or entering into note or lease obligations are required to perform an arbitrage rebate calculation upon the fifth anniversary of the obligation and to remit the rebate to the federal government, subject to certain exceptions. Since the effective date of these rules, the City has not been subject to any arbitrage refunds due to exceptions to the regulations. The City has issued bonds, including the bond issue for the year ended 2009, which may be subject to an arbitrage calculation. The amount will not be determined until the related projects are completed or the five year anniversary has lapsed.

**Advance & Current Refundings.** On December 15, 2008, the City issued \$675,000 of general obligation refunding bonds to advance refund the outstanding callable maturities of the City's 1999 series general obligation bonds. Proceeds received from these bonds were placed in an irrevocable trust for the purpose of generating resources to satisfy the remaining debt obligations. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the City's financial statements. The reacquisition price exceeded the prior carrying value of those bonds by \$29,820. This amount has been included with the new debt addition and amortized over the remaining life of the old debt. The true interest rate on the advance refunded bonds was 4.72%, which resulted in a total present value savings of \$29,919 or 4.64%.

In prior years the City defeased certain general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2009, \$5,475,000 of bonds outstanding are considered defeased.

**Overlapping Debt.** The actual direct and overlapping debt at June 30, 2009, of \$146,618,639 was \$240,613,861 less than the statutory limit. The City's proportionate share of all local governmental units which provide services within the City and which must be borne by properties in the City, is summarized below:

	Debt Outstanding	Percentage Applicable to the City	City's Share of Debt
Municipal & School Debt	\$115,230,906	100.00%	\$115,230,906
Water, Sewer & Storm Water Debt	26,114,198	100.00%	26,114,198
Androscoggin County Jail	75,000	30.88%	23,160
L.A. Water Pollution Control Authority	8,654,144	57.15%	4,945,843
L.A. Watershed Protection Comm.	381,563	50%	190,781
L.A. 911 Committee	227,500	50%	113,750
			<u>\$146,618,638</u>

This results in a ratio of City debt to April 1, 2008 assessed valuation of 7.64% and a ratio of overlapping debt to April 1, 2008 valuation of 7.92%.

**Bond Anticipation Notes.** The City issued a two month bond anticipation note (BAN) for the construction of the Geiger Elementary School, on October 29, 2008, at a rate of 3.9%. These funds paid the maturing BAN outstanding at June 30, 2008, in the amount of \$9,425,000 and provided additional temporary resources for school construction. The principal of \$10,800,000, plus accrued interest was permanently financed on December 29, 2008. The State Department of Education has approved this project at a total project cost of \$21,939,989, for state subsidy and will reimburse the City for principal and interest costs on

the \$18,211,265 principal amount of the project. The City will be responsible for the remaining principal and interest costs of \$764,590 of the project.

**Conduit Debt.** The City has from time to time, assisted third parties in financing capital activities by participating in conduit debt transactions. The City is not obligated in any manner for this debt, and as a result has not reported these liabilities or any related assets in the basic financial statements. The outstanding principal balance of conduit debt, as of June 30, 2009, was \$4,857,652.

## V. OTHER INFORMATION

### A. Tax Increment Financing Districts

The City of Lewiston has established twelve tax increment financing districts (TIFs) to stimulate new investment in the community by assisting businesses with public infrastructure or unusually high development costs. Taxes generated from TIF districts can be "captured" and utilized to pay for the City's bonded indebtedness associated with the new public infrastructure investment or returned to the developer in the form of a credit enhancement. The City of Lewiston accounts for all the activity of the TIF districts including captured taxes and expenditures for approved purposes in the Urban Development Special Revenue Fund. The following is a brief description of each tax increment financing district:

TIF District	Original Assessed Value	Current Assessed Value	New Taxes	Expended for Debt or Credit Enhancement
Fairgrounds Bus. Park	\$6,623,100	\$22,961,690	\$153,203	\$221,094
Montello Heights	\$3,973,500	\$7,963,900	\$51,560	\$48,331
Promenade Mall	\$5,700,400	\$10,397,320	\$85,468	\$45,135
Bates St. Housing	\$187,000	\$1,600,000	\$7,037	\$28,147
Diamond Phoenix	\$119,150	\$5,055,500	\$79,895	\$43,020
Butler Brothers	\$112,800	\$2,549,600	\$36,649	\$24,271
F.R. Lepage Bakeries	\$110,850	\$1,252,600	\$7,321	\$21,322
RPM Realty Trust	\$2,096,200	\$5,721,370	\$54,521	\$36,107
Sun Journal	\$225,350	\$1,270,300	\$20,867	\$5,204
Franklin Property Trust	\$443,800	\$7,279,300		\$170,522
CMP Sub-station	\$16,950	\$3,225,500		\$89,800
Wal-Mart	\$1,333,700	\$58,964,200	\$1,243,486	\$1,040,000

### B. Risk Management

The City is self-insured in the areas of workers' compensation and unemployment compensation, and accounts for and finances its uninsured risks of loss in the General Fund.

The City established a limited risk management program for Workers' Compensation in 1979. The program is self-insured for up to \$500,000 per occurrence on all employees. Excess coverage is purchased above this retained level. The City has contracted with outside parties for claims administration. All funds of the City participate in the program. Funds are appropriated in the General Fund and premiums are assessed to all other participating funds to pay claims, claim reserves and administrative costs of the program. These payments are based primarily on rates established by the State of Maine for various job classifications and are adjusted to cover the liability for future claims, as determined by annual actuarial estimates. The actuarial estimates reflect discounting at 5% to recognize the significant time lag between when claim obligations are recognized by the City and when claims are paid.



During the fiscal year ended June 30, 2009, a total of \$937,439, net of insurance proceeds, was paid in benefits and administrative costs. The outstanding future claim settlements estimation is reported on the Statement of Net Assets-Governmental Activities as a noncurrent liability. Consistent with accounting principles generally accepted in the United States, a liability for claims is reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Workers' Compensation claims liability amount in fiscal years 2008 and 2009 were as follows:

	<u>2008</u>	<u>2009</u>
Beginning Liability Balance	\$2,563,597	\$2,681,488
Current Year Changes in Estimates	626,797	687,277
Claims Payments	(508,906)	(728,854)
<b>Ending Balance</b>	<b><u>\$2,681,488</u></b>	<b><u>\$2,639,911</u></b>

Currently, there is a shortfall of \$218,093 between the amount available to pay the noncurrent workers' comp claims and the noncurrent workers' comp. liability. The City reduced the shortfall by \$67,092 during this fiscal year through utilization of a safety incentive program and cost savings measures. The City will fund this shortfall over the next few years, through increased budget appropriations. Claims for unemployment compensation do not represent a material amount and, therefore, have not been accrued at year end.

*Other.* Additionally, 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 participates in a public entity risk pool. Currently, the City participates in a public entity risk pool sponsored by the Maine Municipal Association (MMA) for property and casualty. Based on the coverage provided by the pool, the City is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2009, nor were there any additional settlements that exceeded the maximum limitation.

### **C. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

### **D. Related Organizations**

The Mayor has the responsibility for appointing all seven members of the Lewiston Housing Authority Board of Directors, who serve staggered five-year terms. Each appointment is subject to confirmation by the City Council. The City's accountability for the Housing Authority does not extend beyond making these appointments.

### **E. Joint Ventures**

The City of Lewiston has entered into several joint ventures with other entities. These joint ventures are considered to be separate reporting entities and have not been included within the financial statements of the City. The joint ventures are as follows:

## **1. Lewiston-Auburn Water Pollution Control Authority**

The Lewiston-Auburn Water Pollution Control Authority is a joint venture of the City of Lewiston and the Auburn Sewerage District. The Authority was incorporated in 1967, as a quasi-municipal corporation to provide and maintain facilities adequate for the treatment and disposal of waste water discharged by the sewage systems of the two cities.

Income and losses are allocated among the participating entities based on the service benefiting each city. The Lewiston-Auburn Water Pollution Control Authority meets the criteria for a joint venture of the Business-type Fund and is included as an investment in the City's Sewer Enterprise Fund using the equity method of accounting.

Management consists of a seven member Board of Directors comprised of (1) the Lewiston Assistant City Administrator; (2) the Lewiston Public Services Director; (3) an at-large citizen of Lewiston who is appointed by the Mayor and confirmed by the City Council; (4) the Auburn City Manager; (5) the Superintendent of the Auburn Water & Sewerage District; (6) the President or his appointee of the Auburn Water & Sewerage District; and (7) a resident of either Lewiston or Auburn elected by the Board.

The City's share of the net change in the Authority's fund balance is reported as a nonoperating revenue in its Sewer Enterprise Fund. At June 30, 2009, the City's equity interest in the LAWPCA was recorded at \$10,025,108, an increase of \$645,156 over 2008. In the fiscal year ended June 30, 2009, \$2,673,590 was paid to the Authority out of the City's Sewer Enterprise Fund. At December 31, 2008, the Authority was liable for unsecured bonds payable totaling \$8,654,144, a decrease of \$1,033,349 from 2007. The City's liability for the Authority's debt is limited to its share of the operations. In 2009 Lewiston's share was set at 57.15%. Complete financial statements can be obtained from the LAWPCA's main office at 535 Lincoln Street, Lewiston, Maine, 04240.

## **2. Auburn-Lewiston Municipal Airport**

The Auburn-Lewiston Municipal Airport is owned jointly by the cities of Auburn (50%) and Lewiston (50%). The board is comprised of the Auburn City Manager; the Lewiston Finance Director; one councilor from each city, appointed by their respective City Council; one member from each city, appointed by their respective City Council; one member nominated by the Chamber of Commerce and approved by the Board, with each appointment being a resident of the alternate city of the previous seventh member; one member appointed from the Lewiston Auburn Economic Growth Council; and one member appointed from the Androscoggin Valley Council of Governments.

The City of Lewiston contributed \$159,942 for operating expenditures. In addition to contributions from the two municipalities, the Airport derives revenue through rents, user fees, interest from investments in time deposits and from federal and state grants. In the year ended June 30, 2009, the Airport's unrestricted net assets increased by \$82,518 to \$1,265,994. Complete financial statements can be obtained from the Airport's main office at Lewiston Junction Rd, Auburn, Maine, 04210.

## **3. Lewiston-Auburn Transit Committee**

The Lewiston-Auburn Transit Committee is a joint venture of the Cities of Lewiston and Auburn. The Committee was formed for the purpose of planning and implementing short-term and long-term bus transit development. The Committee also applies for and administers federal and state capital acquisition and operating assistance grants, for mass transit benefiting the twin city area. Since 1982, the Transit Committee has leased its buses to a private operator, for transit system use. The Committee is made up of seven members, three each from the cities of Lewiston and Auburn, appointed by their respective City Councils, and an at large member from either city appointed by the Committee.

The Committee's sources of revenue include rentals, federal and state grants, and contributions from the Cities of Lewiston and Auburn. For the fiscal year ended June 30, 2009, the City of Lewiston contributed \$130,000 for operating expenses. In the year ended September 30, 2008, the Committee's unrestricted

net assets decreased by \$2,416 to \$173,506. Complete financial statements can be obtained from the Androscoggin Valley Council of Governments, 125 Manley Rd, Auburn, Maine, 04210.

#### **4. Lewiston-Auburn Economic Growth Council**

The Lewiston-Auburn Economic Growth Council (LAEGC) is a non-profit corporation formed to stimulate industrial and commercial development and expansion in the Cities of Lewiston and Auburn. Lewiston participates equally in this joint venture with the City of Auburn. The Council is administered by a twelve member board comprised of three members from each city who are appointed by the Mayors of those cities. Three board members are appointed by the Lewiston Development Corporation and three board members are appointed by the Auburn Business Development Corporation.

The Council derives the bulk of its revenues from the participants, but also receives some funds from user fees. In fiscal year 2009, the City of Lewiston contributed \$106,429. In the year ended June 30, 2008, the LAEGC's unrestricted net assets increased by \$31,931 to \$598,703. Complete financial statements may be obtained at the LAEGC's main office at 415 Lisbon St., Lewiston, Maine, 04240.

#### **5. Lewiston-Auburn 9-1-1 Committee**

The Lewiston-Auburn 9-1-1 Committee is a joint venture of the Cities of Lewiston and Auburn. Incorporated on January 26, 1978, the committee provides an emergency communication system for the Lewiston-Auburn area. The Committee is made up of nine members: the police and fire chiefs of each city; one councilor from each city; a citizen-at-large from each city, appointed by the respective city councils; and a citizen-at-large elected by those eight members.

The committee's sole source of revenues consists of equal contributions from the Cities of Lewiston and Auburn. In the fiscal year ended June 30, 2009, the City of Lewiston contributed \$950,954. In the year ended June 30, 2009, the Committee's total fund equity increased by \$6,778 to \$77,189. Complete financial statements may be obtained from the Lewiston-Auburn 9-1-1 Manager at 550 Minot Ave. Auburn, Maine, 04210.

#### **6. Lake Auburn Watershed Protection Commission**

The Lake Auburn Watershed Protection Commission is a joint venture of the City of Lewiston and the Auburn Water District. The Commission, incorporated in 1993, was created to preserve the purity of Lake Auburn, the main water source for the twin cities.

The Commission is administered by a nine member board made up of three members appointed by the Auburn Water District, of whom one must be the Trustee; three members appointed by the Lewiston City Council, of whom one must be a Councilor; two members appointed by the municipal officers of the following towns which border the watershed: Minot, Hebron, Buckfield, and Turner; and one member of the Androscoggin Valley Council of Governments who must be its Executive Director or his designee.

The Commission derives its revenues solely from equal contributions from the City of Lewiston and the Auburn Water District. The Lake Auburn Watershed Protection Commission meets the criteria for a joint venture of the Business-type Fund and is included as an investment in the City's Water Enterprise Fund. At June 30, 2009, the City's equity interest in the Commission was \$2,043,447, an increase of \$96,577. The City also contributed \$152,930 as its share of the Commission's operating expenses for the year. Complete financial statements can be obtained from the City of Lewiston's Finance Department, 27 Pine St., Lewiston, Maine, 04240.

#### **F. Landfill Closure and Postclosure Care Cost**

Under state and federal laws and regulations, the City is required to place a final cover on its landfills when waste is no longer accepted, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. In addition to operating expenditures related to current activities of the

landfills, the City is recognizing a related liability based on estimated future closure and postclosure care costs that will be paid near or after the date that the landfills stop accepting waste and ash. The City reports a portion of these closure and postclosure care costs as a long-term liability on the Statement of Net Assets under Governmental Activities based on landfill capacity used as of each balance sheet date.

In December 1992, the then existing River Road landfill stopped accepting waste. Work on the final cover was completed in the fiscal year ended June 30, 1995. The new landfill began accepting waste in April 1992 and is currently a recipient of ash, as part of an Ash for Trash Program. This landfill is expected to remain operational until 2013. The cumulative amount estimated to date for post-closure care costs of the closed landfill totals \$566,600. The closure and postclosure care costs, based on the usage to date of 41.71% of total estimated capacity of the new landfill, amount to \$1,974,664. The total liability of \$2,541,264 is reported as a noncurrent liability of the Statement of Net Assets. The liability increased by a net of \$105,004 based on utilization of the new landfill and the amortization of the postclosure landfill costs during the year. The balance of estimated closure and postclosure care costs for the new landfill, of \$4,734,000 will be recognized as the remaining capacity of the landfill is utilized. The estimated total current cost of the landfill closure and postclosure care, of \$5,300,600, is based on the amount that would be paid for all equipment, facilities, and services required to close, monitor, and maintain the landfill as of June 30, 2009.

The estimated cost of closure and postclosure care does not anticipate cost sharing with the State of Maine. Actual cost may be higher due to inflation, changes in technology, or changes in regulations, or lower if the State of Maine reimburses the City for a portion of the cost. The City expects to pay for the actual closure cost with general obligation bonds issued at the time of closure and for postclosure care costs through its annual operating budgets thereafter.

#### **G. Subsequent Events**

On October 27, 2009, the City issued \$10,002,000 of general obligation public improvement bonds to fund the 2009 Capital Improvement Program and \$2,625,000 of general obligation refunding bonds to advance refund outstanding bonds issued in 1996 and 1999.

#### **H. Prior Period Adjustments**

During the first quarter of fiscal year 2007, the City completed contract negotiations with the Local International Association of Firefighters Union. A caveat in the agreement permits firefighters to retire after 25 years of service, no age limit. This clause created an Initial Unpooled Unfunded Actuarial Liability (IUUAL) as of June 30, 2008, in the amount of \$2,370,749. Public safety expenses and noncurrent liabilities, as of June 30, 2008, were understated by that amount on the Comparative Statement of Activities (Statement 2) and Comparative Statement of Net Assets (Statement 1) respectfully. The comparative 2008 column on Statement 1 and 2 have been modified for this inclusion and labeled "restated" to reflect the adjustment. This transaction has properly been carried forward in Statement 1 and 2, and in the Notes to the Financial Statements for the current reporting period.

#### **I. Deferred Compensation Plans**

The City of Lewiston offers its employees two deferred compensation plans created in accordance with Internal Revenue Code (IRC) Section 457. The plans, available to all city employees, permit them to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

In 1997, the City amended the plan in accordance with the provisions of IRC Section 457(g). In that year, assets of the plan were placed in trust for the exclusive benefit of participants and their beneficiaries. The requirements of that IRC Section prescribes that the City no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, were removed from the City's financial statements.



Investments are managed by the plans' trustees under several investment options. The choice of investment options is made by the participants.

**J. Other Post Employment Benefits**

The Governmental Accounting Standards Board (GASB) recently promulgated Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which addresses the reporting and disclosure requirements for other post employment benefits (OPEB). GASB 45 was implemented by the City of Lewiston, as required, for the year ended June 30, 2009. As promulgated, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The City of Lewiston is a member of the Maine Municipal Employees Health Trust. The Health Trust contracted with an outside consultant, Mercer, to assist in the valuation of the City's OPEB liability under GASB Statement No. 45. An OPEB liability actuarial valuation was completed by Mercer in May 2009

**Description of the Plan.** In addition to providing pension benefits, the City provides health insurance for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premium to receive health benefit coverage.

**Description of Funding Policy.** GASB Statement No. 45 does not mandate the prefunding of postemployment benefits liability. The City currently plans to utilize a pay-as-you-go program to fund these benefits. 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. The unfunded actuarial liability is amortized as a level dollar amount over a period of 30 years.

The following table represents OPEB costs for the year and the annual required contribution:

Normal Cost	\$226,760
Amortization of Unfunded Liability	472,402
Interest	13,983
<b>Annual Required Contribution (ARC)</b>	<b>\$713,145</b>

**Funding Status and Unfunded Actuarial Liability.** The City of Lewiston's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2009, was as follows:

Annual Required Contribution (ARC)	\$713,145
Actual Contribution	\$161,173
Percentage Contributed	22.6%
Actuarial Accrued Liability	\$8,495,534
Plan Assets	0
<b>Unfunded Actuarial Accrued Liability</b>	<b>\$8,495,534</b>
Covered Payroll	\$16,675,435
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	50.9%

Projections of benefits are based on the substantive plan as understood by the employer and plan members and include the benefits in force at the valuation date of January 1, 2009, and the cost sharing arrangement at that time. Actuarial calculations reflect a long-term perspective and utilize methods that reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. The actuarial assumptions used in the plan evaluation include: normal entry age actuarial cost method, a 4% return on investment, 4-9.6% healthcare inflation rate, and a 0% future cost-of-living adjustment. The unfunded actuarial accrued liability is being recognized as a level dollar amount over a 30 year period.



## K. Employee Retirement Systems

### Consolidated Plan

**Description of the Plan.** The City contributes to Maine Public Employees Retirement System Consolidated Plan, a cost sharing, multiple-employer, public employee retirement system established by the Maine State legislature. The Maine Public Employees Retirement System (MPERS) provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the Maine State Legislature. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to MPERS, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

**Description of Funding Policy.** Plan members are required to contribute 6.5% of their annual covered salary and the City of Lewiston is required to contribute an actuarially determined rate. The current rate is 2.8% for municipal employees under Plan A, 6.5% for certain police officers under Special Plan Option #1 and 4.0% for certain firefighters under Special Plan Option #2, of annual covered payroll. The contribution rates of plan members and the City of Lewiston are established and may be amended by the MPERS Board of Trustees. The City's contributions to the MPERS Consolidated Plan for the years ended June 30, 2009, 2008, 2007, 2006, and 2005, were \$976,262, \$932,518, \$873,779, \$751,385, and \$714,909, respectively, equal to the required contributions for each year.

**Unfunded Actuarial Liability.** Upon joining the consolidated plan on July 1, 1997, the City's initial unfunded unpooled actuarial liability (IUUAL) was calculated. The IUUAL represents the remaining amount of the City's pension liability upon transitioning to the consolidated plan from a participating local district (PLD). The outstanding IUUAL at that time was amortized over a 20 year period, with the annual payment increasing by 6%, until the IUUAL is paid in full. In December 2001, the City issued general obligation pension bonds, with a total par value of \$16,395,000, to pay off its outstanding IUUAL. As of June 30, 2009, the outstanding balance of the general obligation pension bonds was \$13,505,000.

Effective July 1, 2006, the City amended its Special Plan Option #2C to include full retirement benefits for all firefighters serving 25 years of service with a no age provision. This modification resulted in an IUUAL of \$2,467,807 to be amortized over a 15 year period, with annual payment increases of 7%. As of June 30, 2009, the City remitted IUUAL payments of \$273,024 as contractually agreed upon and the outstanding balance of the IUUAL was \$2,271,080 to be funded over the remaining 13 years.

### Teachers Plan

**Description of the Plan.** All of the City's teachers, plus other qualified educators, participate in the MPERS teacher group. The teacher's group is a cost sharing plan with a special funding situation established by the Maine State legislature. The MPERS provides the retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the Maine State Legislature. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information for the teacher's group. That report may be obtained by writing to MPERS, 46 State House Station, Augusta, Maine 04333-0046.

**Description of Funding Policy.** Employees are required, by state statute, to contribute 7.65% of their compensation to the retirement system. For employees compensated through federal pass-through grants, the City contributes amounts determined by the State of Maine. The Maine State Department of Education is required, by the same statute, to contribute the employer contribution. This amount has been reported as an intergovernmental revenue and education expenditure on the GAAP basis financial statements (Statement 4). The City contributed \$421,930 (18.76%) for the federally funded teacher's employer contribution. In the year ended June 30, 2009, employees contributed \$1,952,294, while the State of Maine Department of Education contributed \$4,365,397, on behalf of the City's educators.

## City Pension Plan

**Description of the Plan.** The City Pension Plan is non-contributory, single-employer, defined benefit pension plan administered by the City and covers certain police, fire and public works employees who joined prior to the City's participation in the Maine Public Employees Retirement System. Once the City elected to participate in the MPERS, employees were no longer eligible to join this plan. Retirement benefits of 1/2 of the average, final compensation, are paid upon an employee attaining the age of 65, or having served not less than 25 years. Beneficiaries of fire and police retirees are also entitled to survivor benefits. Cost-of-living adjustments provided to the members and beneficiaries, and plan benefit revisions are made through City Council's authorization. At June 30, 2009, the plan consisted of 12 retirees and beneficiaries. There are no active employees in the plan.

**Funding Policy.** The City funds the plan on a pay-as-you-go basis and budgets sufficient funds, each year, to meet the annual pension cost. As a result, no funds have been accumulated, nor are any funds expected to be accumulated for the payment of these benefits. All benefits are paid directly by the City when they become due. The actual contributions by the City in fiscal year 2009 were \$311,942. A Schedule of Funding Progress is located as part of the Required Supplementary Information immediately following the notes to the financial statements. The schedule presents ten year trend information reflecting zero plan assets due to the pay-as-you-go nature of this plan. The actuarial accrued liability has steadily decreased the last 10 years due to the closed membership of the plan and the reduction of participations over the same period of time.

**Annual Pension Cost and Net Pension Obligation.** The City's annual pension cost and net pension obligation as of June 30, 2009 were as follows:

Annual Required Contribution (ARC)	\$ 203,007
Interest on Net Pension Obligation	198,844
Adjustments to Annual Required Contribution	<u>(272,790)</u>
Annual Pension Cost	129,061
Contributions Made	<u>(311,942)</u>
Increase (Decrease) in Net Pension Obligation	(182,881)
Net Pension Obligation at June 30, 2008	<u>2,485,853</u>
<b>Net Pension Obligation at June 30, 2009</b>	<b>\$ <u>2,302,973</u></b>

Since the City's pension plan is a pay-as-you-go plan with no active employees, there are no accumulated assets which results in a zero funded ratio. Likewise, the ratio of liabilities to covered payroll is also zero. The actuarial assumptions used in the plan evaluation include: using a unit credit actuarial cost method, an 8% return on investment, 4% rate of inflation, and a 4.04% future cost-of-living adjustment. The unfunded actuarial accrued liability is being recognized as a level dollar amount on a closed basis. The remaining amortization period for this liability was 16 years as of June 30, 2009. Other than the approved City Council cost-of-living adjustment, which for the year ending June 30, 2009 was 3.65%, postretirement benefits are not expected to change.

### Three Year Trend Information for the City of Lewiston's City Pension Plan

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>% of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
June 30, 2007	\$129,009	255%	\$2,690,344
June 30, 2008	\$127,582	260%	\$2,485,853
June 30, 2009	\$129,061	241%	\$2,302,973

### Schedule of Employer Contributions

<b>Fiscal Year End</b>	<b>Actuarial Required Contributions (ARC)</b>	<b>Percent of ARC Contributed</b>
2000	\$364,792	151%
2001	\$339,623	153%
2002	\$309,605	167%
2003	\$312,352	166%
2004	\$287,604	143%
2005	\$216,581	159%
2006	\$210,643	158%
2007	\$198,739	165%
2008	\$199,411	167%
2009	\$203,007	154%

**CITY OF LEWISTON, MAINE**  
**Required Supplementary Information**  
June 30, 2009

**I. RETIREE HEALTHCARE PLAN.**

**A. Schedule of Funding Progress.**

The City provides healthcare benefits for certain retired employees. The eligible retirees pay 100% of the health insurance premiums to receive benefit coverage. The City of Lewiston plans to fund these benefits on a pay-as-you-go basis. The following table represents information for only the years available

<b>Actuarial Valuation Date</b>	<b>Plan Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a % of Covered Payroll</b>
1/1/2009	0	\$8,495,534	\$8,495,534	0.00%	\$16,675,435	50.9%

**II. CITY PENSION PLAN.**

**A. Schedule of Funding Progress.**

The City Pension Plan is a pay-as-you-go, defined benefit plan. This plan is provided for and administered by the City of Lewiston, therefore separate financial statements are not available for this plan.

<b>Actuarial Valuation Date</b>	<b>Plan Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Employer Contributions</b>
2000	0	\$3,943,391	\$549,040
2001	0	\$3,625,395	\$520,489
2002	0	\$3,259,755	\$515,670
2003	0	\$3,239,417	\$519,711
2004	0	\$2,933,774	\$412,177
2005	0	\$2,169,445	\$344,085
2006	0	\$2,068,128	\$332,849
2007	0	\$1,908,612	\$328,694
2008	0	\$1,868,857	\$332,073
2009	0	\$1,851,755	\$311,943

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# Nonmajor Governmental Funds

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## SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

### **Community Development Block Grants**

To record federal grants obtained and expended under the Housing and Community Development Act of 1974, as amended, for the development of viable urban communities.

### **Urban Development Action Grant**

To account for federal awards obtained and expended under the Housing and Community Development Act of 1974, for the redevelopment of the downtown commercial core of the city.

### **Rehabilitation Loan Program**

To account for the residential rehabilitation loans received from the Housing Opportunity Zone Program. Funds are targeted to the development of a low/mod residential section of the City.

### **Lewiston Mill Redevelopment Corporation**

A blended component unit that reports the operating activity of a 360,000 square foot, multi-use complex acquired by the City through matured tax liens.

### **Urban Development Fund**

A fund used to record restricted federal and state grant awards received by the City to fund targeted rehabilitation projects, tax increment financing districts, environmental remediation, and infrastructure improvements in our core urban area.

### **Recreational Activity Programs**

Funds generated by offering various recreational activities in which the City provides facilities.

### **Public Safety, Culture and Other Grants**

To account for grants received from various sources, primarily from drug enforcement, but also from other state grants and their related programs.

## PERMANENT FUNDS

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

### **GAR Cemetery Care Fund**

The cemetery care fund was established by various donors for the perpetual care of several old cemeteries, maintenance is provided from the investment income received.

### **Library Endowment Fund**

The Library Endowment Fund is used to purchase library books, videos and periodicals, as well as fund approved capital expenditures.

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2009  
(With Comparative Totals for June 30, 2008)**

	Special Revenue Funds	Permanent Funds			Total Nonmajor Governmental Funds	
		GAR Cemetery	Library Endowment	Total	2009	2008
<b>ASSETS</b>						
Cash & Cash Equivalents	\$ 216,414				\$ 216,414	\$ 184,271
Investments	2,442,836	\$ 23,228	\$ 1,038,167	\$ 1,061,395	3,504,231	4,360,712
Receivables:						
Accounts	103,385				103,385	19,788
Rehabilitation Loans (Net of Allowance for Uncollectibles)	3,380,148				3,380,148	3,519,686
Intergovernmental	587,176				587,176	163,536
Prepaid Expenditures						52,613
<b>Total Assets</b>	<b>\$ 6,729,960</b>	<b>\$ 23,228</b>	<b>\$ 1,038,167</b>	<b>\$ 1,061,395</b>	<b>\$ 7,791,354</b>	<b>\$ 8,300,604</b>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities:						
Accounts Payable	\$ 131,989		\$ 9,098	\$ 9,098	\$ 141,087	\$ 81,219
Due to Other Funds	530,188		23,440	23,440	553,628	1,229,244
Accrued Payroll	21,690				21,690	14,696
Notes Payable	56,423				56,423	66,732
<b>Total Liabilities</b>	<b>740,290</b>		<b>32,538</b>	<b>32,538</b>	<b>772,828</b>	<b>1,391,891</b>
Fund Balance						
Reserved for Encumbrances	19,512				19,512	17,844
Reserved for Long-Term Notes Receivable	3,016,869				3,016,869	2,966,440
Reserve for Perpetual Care & Endowments		\$ 12,043	1,005,629	1,017,672	1,017,672	1,137,428
Unreserved, Undesignated	2,953,288	11,185		11,185	2,964,473	2,786,999
<b>Total Fund Balance</b>	<b>5,989,669</b>	<b>23,228</b>	<b>1,005,629</b>	<b>1,028,857</b>	<b>7,018,526</b>	<b>6,908,711</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 6,729,960</b>	<b>\$ 23,228</b>	<b>\$ 1,038,167</b>	<b>\$ 1,061,395</b>	<b>\$ 7,791,354</b>	<b>\$ 8,300,604</b>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2009**  
**(With Comparative Totals for Year Ended June 30, 2008)**

	Special Revenue Funds	Permanent Funds			Total Nonmajor Governmental Funds	
		GAR Cemetery	Library Endowment	Total	2009	2008
<b>REVENUES</b>						
Taxes	\$ 2,201,278				\$ 2,201,278	\$ 2,146,117
Intergovernmental	2,649,518				2,649,518	1,724,022
Charges For Services	129,165				129,165	135,421
Interest, Rents & Gain/(Loss) on Investments	766,169	\$ 468	\$ (193,559)	\$ (193,091)	573,078	690,761
Miscellaneous	10,882				10,882	(4,516)
Donations	44,992		4,472	4,472	49,464	133,253
Total Revenues	<u>5,802,005</u>	<u>468</u>	<u>(189,087)</u>	<u>(188,619)</u>	<u>5,613,386</u>	<u>4,825,058</u>
<b>EXPENDITURES</b>						
Current:						
General Government	3,045,070		34,110	34,110	3,079,181	3,081,594
Human Services	366,935				366,935	119,786
Culture & Recreation	81,052				81,052	86,172
Capital Outlay	1,204,280		4,174	4,174	1,208,453	391,410
Total Expenditures	<u>4,697,336</u>		<u>38,284</u>	<u>38,284</u>	<u>4,735,620</u>	<u>3,678,962</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,104,668	468	(227,371)	(226,903)	877,765	1,146,096
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	176,250				176,250	255,764
Transfers Out	(944,202)				(944,202)	(954,675)
Total Other Financing Sources (Uses)	<u>(767,952)</u>				<u>(767,952)</u>	<u>(698,911)</u>
Net Change in Fund Balance	336,717	468	(227,371)	(226,903)	109,814	447,184
Fund Balance, July 1	<u>5,652,952</u>	<u>22,760</u>	<u>1,233,000</u>	<u>1,255,760</u>	<u>6,908,711</u>	<u>6,461,527</u>
Fund Balance, June 30	<u>\$ 5,989,669</u>	<u>\$ 23,228</u>	<u>\$ 1,005,629</u>	<u>\$ 1,028,857</u>	<u>\$ 7,016,526</u>	<u>\$ 6,908,711</u>

**Nonmajor Special Revenue Funds  
Combining Balance Sheet  
June 30, 2009  
(With Comparative Totals for June 30, 2008)**

	Community	Urban	Rehab	Lewiston Mill	Urban	Recreation	Public Safety,	Total All Funds	
	Development Block Grant	Development Action Grant	Loan Programs	Redevelopment Corporation	Development	Activity Programs	Culture & Other Grants	2009	2008
<b>ASSETS</b>									
Cash & Cash Equivalents	\$ 8,210	\$ 1,844	\$ 4,961	\$ 60,016	\$ 77,665	\$ 40,286	\$ 22,433	\$ 216,414	\$ 184,271
Investments	293,682	58,833	159,949	458,258	986,687	314,113	170,837	2,442,836	3,099,549
Receivables:									
Accounts				87,488	8,146	5,242	4,499	103,385	19,788
Rehabilitation Loans (Net of Allowance for Uncollectibles)	1,317,582	381,031	105,060		1,576,475			3,360,148	3,518,688
Intergovernmental	487,058				10,928		69,191	567,178	163,538
Prepaid Expenditures								-	52,813
<b>Total Assets</b>	<b>\$ 2,107,530</b>	<b>\$ 441,811</b>	<b>\$ 269,970</b>	<b>\$ 605,770</b>	<b>\$ 2,658,181</b>	<b>\$ 359,841</b>	<b>\$ 287,059</b>	<b>\$ 6,729,960</b>	<b>\$ 7,039,440</b>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts Payable	\$ 82,868		\$ 258	\$ 8,105	\$ 4,878	\$ 200	\$ 35,860	\$ 131,989	\$ 80,454
Due to Other Funds	441,563		4,104		75,345	8,791	388	530,188	1,224,606
Accrued Payroll	5,838				6,513	6,089	3,472	21,690	14,698
Notes Payable				56,423				56,423	66,732
<b>Total Liabilities</b>	<b>529,867</b>	<b>-</b>	<b>4,382</b>	<b>64,528</b>	<b>86,736</b>	<b>15,060</b>	<b>39,738</b>	<b>740,290</b>	<b>1,386,488</b>
Fund Balance:									
Reserved for Encumbrances	8,055			3,800			7,657	19,512	17,815
Reserve for Long-Term Notes Receivable	1,166,289	350,005	89,777		1,410,788			3,016,869	2,968,440
Unreserved, Undesignated	403,310	61,806	175,831	537,442	1,160,657	344,579	239,664	2,953,288	2,868,898
<b>Total Fund Balance</b>	<b>1,577,664</b>	<b>441,811</b>	<b>265,608</b>	<b>541,242</b>	<b>2,571,445</b>	<b>344,579</b>	<b>247,321</b>	<b>5,989,669</b>	<b>5,652,952</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 2,107,530</b>	<b>\$ 441,811</b>	<b>\$ 269,970</b>	<b>\$ 605,770</b>	<b>\$ 2,658,181</b>	<b>\$ 359,841</b>	<b>\$ 287,059</b>	<b>\$ 6,729,960</b>	<b>\$ 7,039,440</b>

**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2009**  
**(With Comparative Totals for June 30, 2008)**

	Community	Urban	Rehab	Lewiston Mill	Urban	Recreation	Public Safety,	Total All Funds	
	Development Block Grant	Development Action Grant	Loan Programs	Redevelopment Corporation	Development	Activity Fund	Culture & Other Grants	2008	2008
<b>REVENUES</b>									
Taxes					\$ 2,201,278			\$ 2,201,278	\$ 2,146,117
Intergovernmental	\$ 1,530,367				558,086	\$ 760	\$ 560,306	2,649,518	1,724,022
Charges For Services						129,165		129,165	135,421
Interest and Rents	33,411	\$ 12,702	\$ 5,376	\$ 593,018	110,837	6,759	4,069	786,169	718,715
Donations							44,892	44,992	124,964
Miscellaneous	10,728				154			10,882	(4,516)
<b>Total Revenues</b>	<u>1,574,506</u>	<u>12,702</u>	<u>5,376</u>	<u>593,018</u>	<u>2,870,355</u>	<u>136,685</u>	<u>609,366</u>	<u>5,802,005</u>	<u>4,844,723</u>
<b>EXPENDITURES</b>									
Current:									
General Government	511,930	(17,116)	22,639	629,876	1,714,366		183,375	3,045,070	3,059,738
Human Services	366,935							366,935	119,786
Culture & Recreation	6,416					66,661	7,975	81,052	86,172
Capital Outlay	856,968				1,798		345,514	1,204,280	370,402
<b>Total Expenditures</b>	<u>1,742,249</u>	<u>(17,116)</u>	<u>22,639</u>	<u>629,876</u>	<u>1,716,164</u>	<u>66,661</u>	<u>536,864</u>	<u>4,697,336</u>	<u>3,636,098</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(167,743)	29,818	(17,264)	(36,860)	1,154,190	70,024	72,503	1,104,668	1,208,625
<b>OTHER FINANCING SOURCE (USES)</b>									
Transfers In				176,250				176,250	255,764
Transfers Out	(6,539)				(901,663)	(36,000)		(944,202)	(954,675)
<b>Total Other Financing Sources (Uses)</b>	<u>(6,539)</u>			<u>176,250</u>	<u>(901,663)</u>	<u>(36,000)</u>	<u>-</u>	<u>(767,952)</u>	<u>(698,911)</u>
<b>Net Change in Fund Balance</b>	<u>(174,282)</u>	<u>29,818</u>	<u>(17,264)</u>	<u>139,390</u>	<u>252,528</u>	<u>34,024</u>	<u>72,503</u>	<u>336,717</u>	<u>509,714</u>
<b>Fund Balance, July 1</b>	<u>1,751,846</u>	<u>411,992</u>	<u>282,871</u>	<u>401,852</u>	<u>2,318,917</u>	<u>310,555</u>	<u>174,818</u>	<u>5,652,952</u>	<u>5,143,238</u>
<b>Fund Balance, June 30</b>	<u>\$ 1,577,664</u>	<u>\$ 441,811</u>	<u>\$ 265,608</u>	<u>\$ 541,242</u>	<u>2,571,445</u>	<u>\$ 344,579</u>	<u>\$ 247,321</u>	<u>\$ 5,989,669</u>	<u>\$ 5,652,952</u>



**Community Development Block Grant Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**

	Budgeted Amounts		Actual & Year End Encumbrances	Variance Positive (Negative)
	Original & 2008 Encumbrances	Final & 2008 Encumbrances		
<b>REVENUES</b>				
Intergovernmental	\$ 2,409,391	\$ 2,409,391	\$ 1,530,367	\$ (879,025)
Interest & Misc. Revenue			44,139	44,139
Total Revenues	<u>2,409,391</u>	<u>2,409,391</u>	<u>1,574,506</u>	<u>(834,885)</u>
<b>EXPENDITURES</b>				
Public Service Activities	163,104	162,351	158,983	3,367
Administration & Planning	205,645	200,429	322,366	(121,937)
Economic Development	321,895	311,318	264,257	47,061
Housing Rehabilitation	458,193	474,739	335,409	139,330
Neighborhood Improvements	865,392	865,392	634,398	230,993
Parks & Recreation	388,624	388,624	34,890	353,734
Total Expenditures	<u>2,402,852</u>	<u>2,402,852</u>	<u>1,750,304</u>	<u>652,548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,539	6,539	(175,798)	(182,337)
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(6,539)	(6,539)	(6,539)	
Total Other Financing (Uses)	<u>(6,539)</u>	<u>(6,539)</u>	<u>(6,539)</u>	
Net Change in Fund Balance - Budgetary Basis	0	0	(182,337)	(182,337)
Add Back Encumbrances			8,055	8,055
Net Change in Fund Balance - GAAP Basis	0	0	(174,282)	(174,282)
Fund Balance, July 1	<u>1,751,946</u>	<u>1,751,946</u>	<u>1,751,946</u>	
Fund Balance, June 30	<u>\$ 1,751,946</u>	<u>\$ 1,751,946</u>	<u>\$ 1,577,664</u>	<u>\$ (174,282)</u>

**Schedule of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2009**  
**Business-Type Activities - Enterprise Funds**

	Water Enterprise Fund			Sewer Enterprise Fund			Storm Water Enterprise Fund		
	Original & Final Budget	Actual	Variance Positive (Negative)	Original & Final Budget	Actual	Variance Positive (Negative)	Original & Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>									
Intergovernmental	\$	69,833	69,833				\$	15,034	
Charges for Services	4,150,245	4,096,976	(53,269)	4,624,400	4,577,420	(46,980)	2,071,000	2,120,048	49,048
Total Operating Revenue	4,150,245	4,166,609	16,364	4,624,400	4,577,420	(46,980)	2,071,000	2,135,082	49,048
<b>OPERATING EXPENSES</b>									
Cost of Sales and Services	1,601,508	1,620,660	(19,152)	3,083,108	3,335,766	(252,658)	836,556	682,497	154,059
Administration	624,799	620,018	4,781	469,313	473,069	(3,756)	287,953	424,566	(136,613)
Depreciation	195,200	796,460	(601,260)	145,000	399,330	(254,330)	121,000	32,907	88,093
Total Operating Expenses	2,421,507	3,037,138	(615,631)	3,697,421	4,208,165	(510,744)	1,245,509	1,139,970	105,539
Operating Income	1,728,738	1,129,471	(599,267)	926,979	369,255	(557,724)	825,491	995,112	169,621
<b>NONOPERATING REVENUES</b>									
<b>(EXPENSES)</b>									
Interest Revenues		(2,080)	(2,080)		14,542	14,542		12,694	12,694
Increase In Fund Equity of Joint Ventures		96,577	96,577		645,156	645,156			0
Interest Expense	(563,802)	(533,982)	29,820	(338,569)	(321,760)	16,809	(143,475)	(75,398)	68,077
Gain on Sale of Capital Assets		733	733		10,500	10,500			
Amortization of Deferred Charges		(28,868)	(28,868)		(16,571)	(16,571)		(10,558)	(10,558)
Total Nonoperating Revenue (Expenses)	(563,802)	(467,620)	96,182	(338,569)	331,867	670,436	(143,475)	(73,262)	70,213
Income Before Contributions & Transfers	1,164,936	661,851	(503,085)	588,410	701,122	112,712	682,016	921,851	239,835
Transfers Out	(35,749)	(35,749)		(73,556)	(73,556)		(620,617)	(620,617)	
Capital Contributions		29,871	29,871		36,926	36,926			
Change in Net Assets	1,129,187	655,973	(473,214)	514,854	664,492	149,638	61,399	301,234	239,835
Total Net Assets, July 1	20,112,388	20,112,388		17,587,533	17,587,533		1,019,506	1,019,506	
Total Net Assets, June 30	\$ 21,241,575	\$ 20,768,361	\$ (473,214)	\$ 18,102,387	\$ 18,252,025	\$ 149,638	\$ 1,080,905	\$ 1,320,740	\$ 239,835

**Combining Statement of Fiduciary Net Assets  
Fiduciary Funds - Private Purpose Trust Funds  
June 30, 2009**

	Private Purpose Trust Funds		
	Farrar Fund	Scholarship Fund	Total
<b>ASSETS</b>			
Investments	\$ 51,105	\$ 124,121	\$ 175,227
Total Assets	<u>51,105</u>	<u>124,121</u>	<u>175,227</u>
<b>NET ASSETS</b>			
Held in trust for scholarships and other purposes	\$ <u>51,105</u>	\$ <u>124,121</u>	\$ <u>175,227</u>

**Combining Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds - Private Purpose Trust Funds  
For the Fiscal year Ended June 30, 2009**

	Private Purpose Trust Funds		
	Farrar Fund	Scholarship Fund	Total
<b>ADDITIONS</b>			
Investment Earnings	\$ 1,037	\$ 1,442	\$ 2,479
Total Additions	<u>1,037</u>	<u>1,442</u>	<u>2,479</u>
<b>DEDUCTIONS</b>			
Medical Costs	472		472
Scholarship Awards		5,958	5,958
Total Deductions	<u>472</u>	<u>5,958</u>	<u>6,430</u>
Change in Net Assets	565	(4,517)	(3,951)
Net Assets - Beginning	<u>50,540</u>	<u>128,638</u>	<u>179,178</u>
Net Assets - Ending	<u>\$ 51,105</u>	<u>\$ 124,121</u>	<u>\$ 175,227</u>

**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds - Agency Funds**  
**June 30, 2009**

	Agency Funds			
	School Activities	Downtown Advisory Board	Social Security Client Program	Total
<b>ASSETS</b>				
Cash	\$ 364,865	\$ 3,645	\$ 1,729	\$ 370,239
<b>Total Assets</b>	<u>364,865</u>	<u>3,645</u>	<u>1,729</u>	<u>370,239</u>
<b>LIABILITIES</b>				
School Activities Payable	364,865			364,865
Downtown Advisory Board Payable		3,645		3,645
SSI Client Payable			1,729	1,729
<b>Total Liabilities</b>	<u>364,865</u>	<u>3,645</u>	<u>1,729</u>	<u>370,239</u>
<b>NET ASSETS</b>				
Held in trust for scholarships and other purposes	\$ 0	\$ 0	\$ 0	\$ 0

**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal year Ended June 30, 2009**

	Balance 07/01/2008	Additions	Deletions	Balance 06/30/2009
<b>School Activities</b>				
Assets				
Cash	\$ 221,850	\$ 916,957	\$ 773,942	\$ 364,865
Liabilities				
Payable to Student Groups	\$ 221,850	\$ 916,957	\$ 773,942	\$ 364,865
<b>Downtown Advisory Board</b>				
Assets				
Cash	\$ 3,620	\$ 25	\$ -	\$ 3,645
Liabilities				
Payable to Downtown Advisory BD	\$ 3,620	\$ 25	\$ -	\$ 3,645
<b>Fuel Oil Program</b>				
Assets				
Cash	\$ 0	\$ 1,744	\$ 1,744	\$ 0
Accounts Receivable	199	-	199	0
<b>Total Assets</b>	<u>\$ 199</u>	<u>\$ 1,744</u>	<u>\$ 1,943</u>	<u>\$ 0</u>
Liabilities				
Accounts Payable	\$ 199	\$ -	\$ 199	\$ 0
<b>Social Security Administration</b>				
Assets				
Cash	\$ 1,471	\$ 123,318	\$ 123,061	\$ 1,729
Liabilities				
Client Disbursements Payable	\$ 1,471	\$ 123,318	\$ 123,061	\$ 1,729
<b>Total - Agency Funds</b>				
Assets				
Cash	\$ 226,940	\$ 1,042,045	\$ 898,746	\$ 370,239
Accounts Receivable	199	-	199	-
<b>Total Assets</b>	<u>\$ 227,139</u>	<u>\$ 1,042,045</u>	<u>\$ 898,746</u>	<u>\$ 370,239</u>
Liabilities				
Payable to Student Groups	\$ 221,850	\$ 916,957	\$ 773,942	\$ 364,865
Payable to Downtown Advisory Board	3,620	25	-	3,645
Accounts Payable	199	-	199	-
Client Disbursements Payable	1,471	123,318	123,061	1,729
<b>Total Liabilities</b>	<u>\$ 227,139</u>	<u>\$ 1,040,301</u>	<u>\$ 897,201</u>	<u>\$ 370,239</u>

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# STATISTICAL SECTION

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The City of Lewiston's statistical section presents detail trend information that supplements the users' understanding of the financial data in the financial statements, footnotes, and required supplementary information as it relates to the overall financial strength of the City.

## **Financial Trends**

Tables 1-4, found on pages 93-96, contain trend information to help the user gain an understanding of how the City's financial performance and strength have changed over time.

## **Revenue Capacity**

Information about the City's most significant revenue source, property taxes, and other sources can be located on Tables 5 and 6, or pages 97 and 98.

## **Debt Capacity**

These tables provide information that allows the user to assess the affordability of the City's current levels of outstanding debt and the ability to issue additional debt in the future. Debt capacity tables are located on pages 99-101, or Tables 7-9.

## **Demographic and Economic Information**

Local demographic and economic statistics are presented on Table 10, or page 102. Information noted on this table helps facilitate the understanding of our local environment as it pertains to our financial activities.

## **Operating Information**

Tables 11-13, located on pages 103-105, disclose service and infrastructure information to assist in the comparison of how the City of Lewiston's financial reports correlate with the services the City provides and activities performed.

**NET ASSETS BY CATEGORY**  
Last Ten Fiscal Years

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>							
Invested in Capital Assets Net of Related Debt	\$ 93,135,486	\$ 88,644,179	\$ 86,416,881	\$ 77,005,933	\$ 77,560,125	\$ 110,548,794	\$ 91,526,127
Restricted Net Assets:							
Recreation and Human Services	8,405,427	7,636,032	6,780,548	6,273,828	6,495,992	5,407,873	3,335,515
Debt Service			5,710,000	5,885,000	6,080,000		1,910,431
Capital Projects	4,117,195	6,543,754	8,397,281	3,530,869	5,017,710	11,107,271	8,130,883
Nonexpendable Perpetual Care	23,228	22,760	21,785	20,601	19,679	19,292	19,107
Nonexpendable Endowment Fund	1,005,629	1,233,000	1,296,504	1,159,946	1,084,909	1,078,544	964,416
Unrestricted Net Assets	(25,363,260)	(27,135,948)	(30,019,193)	(16,287,812)	(18,885,935)	(49,010,995)	(19,998,619)
<b>Total Governmental Activities Net Assets</b>	<b>81,323,704</b>	<b>76,943,777</b>	<b>78,603,807</b>	<b>77,588,366</b>	<b>77,372,479</b>	<b>79,150,779</b>	<b>85,887,859</b>
<b>Business-Type Activities</b>							
Invested in Capital Assets Net of Related Debt	24,177,613	27,491,394	19,403,282	21,624,968	19,080,069	18,819,271	16,628,725
Unrestricted Net Assets	16,163,513	11,228,032	16,722,639	13,102,872	14,587,084	13,669,946	14,346,569
<b>Total Business-Type Activities Net Assets</b>	<b>40,341,126</b>	<b>38,719,427</b>	<b>36,125,921</b>	<b>34,727,840</b>	<b>33,667,153</b>	<b>32,489,217</b>	<b>30,975,294</b>
<b>Primary Government</b>							
Invested in Capital Assets Net of Related Debt	117,313,099	116,135,573	105,820,163	98,630,901	96,640,194	129,368,065	108,154,852
Restricted Net Assets:							
Recreation and Human Services	8,405,427	7,636,032	6,780,548	6,273,828	6,495,992	5,407,873	3,335,515
Debt Service			5,710,000	5,885,000	6,080,000		1,910,431
Capital Projects	4,117,195	6,543,754	8,397,281	3,530,869	5,017,710	11,107,271	8,130,883
Nonexpendable Perpetual Care	23,228	22,760	21,785	20,601	19,679	19,292	19,107
Nonexpendable Endowment Fund	1,005,629	1,233,000	1,296,504	1,159,946	1,084,909	1,078,544	964,416
Unrestricted Net Assets	(9,199,747)	(15,907,916)	(13,296,554)	(3,184,940)	(4,298,851)	(35,341,049)	(5,652,050)
<b>Total Primary Government Net Assets</b>	<b>\$121,664,825</b>	<b>\$115,663,203</b>	<b>\$ 114,729,725</b>	<b>\$ 112,316,204</b>	<b>\$111,039,630</b>	<b>\$ 111,639,992</b>	<b>\$ 116,863,153</b>

Only years presented due to the implementation of GASB Statement No. 34 in fiscal year 2003.

**CHANGES IN NET ASSETS**  
**Last Ten Fiscal Years**

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>							
General Government	\$ 7,929,648	\$ 7,460,064	\$ 6,892,345	\$ 4,270,789	\$ 6,335,690	\$ 15,035,307	\$ 7,397,632
Public Safety	12,647,584	13,257,287	10,799,866	9,965,122	9,790,631	9,346,830	8,969,111
Public Works	26,240,483	23,081,077	13,143,865	20,210,525	17,633,091	9,956,954	6,303,973
Human Services	1,289,516	760,370	687,907	693,885	635,771	702,671	655,761
Culture and Recreation	2,390,527	1,920,219	2,732,444	1,929,781	2,233,771	2,334,334	2,545,683
Other Agencies	3,608,601	840,196	4,323,641	3,059,161	2,606,124	3,019,453	2,762,813
Education and Nutrition	49,131,700	44,763,336	53,707,928	47,202,130	47,315,387	46,654,075	41,824,236
Other Unallocated Costs		11,092,886	4,962,208	4,606,785	4,994,029	5,839,536	11,002,095
Interest on Long-Term Debt	5,135,117	4,784,698	4,015,155	3,701,140	3,517,985	3,058,363	3,609,207
<b>Total Governmental Activities Expenses</b>	<b>108,373,175</b>	<b>107,960,133</b>	<b>101,265,360</b>	<b>95,639,319</b>	<b>95,062,479</b>	<b>95,947,524</b>	<b>85,070,511</b>
<b>Business-Type Activities</b>							
Water	3,599,988	3,124,947	3,289,630	3,379,319	2,894,812	2,611,534	2,384,664
Sewer	4,546,496	4,143,408	4,089,047	3,936,596	3,933,332	3,823,091	3,630,763
Storm Water	1,225,926	1,046,206	706,750				
<b>Total Business-Type Activities Expenses</b>	<b>9,372,410</b>	<b>8,314,561</b>	<b>8,085,427</b>	<b>7,315,915</b>	<b>6,828,144</b>	<b>6,434,624</b>	<b>6,015,427</b>
<b>Total Primary Government Expenditures</b>	<b>117,745,585</b>	<b>116,274,694</b>	<b>109,350,787</b>	<b>102,955,234</b>	<b>101,890,623</b>	<b>102,382,148</b>	<b>91,085,938</b>
<b>Program Revenues</b>							
Governmental Activities:							
Charges for Services:							
General Government	1,370,012	988,765	1,487,280	1,745,675	1,219,124	2,551,494	1,994,406
Public Works	1,402,349	1,354,874	1,234,428	1,353,179	1,088,461	836,914	643,509
Education & Nutrition	1,271,983	1,156,303	1,223,183	1,186,405	1,206,383	1,160,356	1,185,940
Other	615,623	649,967	613,417	530,951	547,129	595,683	522,768
Operating Grants and Contributions	46,180,177	43,168,754	40,581,711	37,086,977	34,005,822	32,695,782	29,422,009
Capital Grants and Contributions	2,927,290	842,045	1,953,408	2,830,831	3,556,303	1,841,372	2,851,335
<b>Total Governmental Activities Revenues</b>	<b>53,767,434</b>	<b>48,160,698</b>	<b>47,093,427</b>	<b>44,734,018</b>	<b>41,623,222</b>	<b>39,681,611</b>	<b>36,619,957</b>
Business-Type Activities:							
Charges for Services	10,794,444	10,652,565	9,483,535	7,496,441	7,223,053	7,195,308	6,792,255
Capital Grants and Contributions	904,430	896,825	858,955	856,698	763,517	748,115	797,830
<b>Total Business-Type Activities Revenues</b>	<b>11,698,874</b>	<b>11,549,390</b>	<b>10,342,490</b>	<b>8,353,139</b>	<b>7,986,570</b>	<b>7,943,423</b>	<b>7,590,085</b>
<b>Total Primary Government Program Revenues</b>	<b>65,466,308</b>	<b>59,710,088</b>	<b>57,435,917</b>	<b>53,087,157</b>	<b>49,609,792</b>	<b>47,625,034</b>	<b>44,210,042</b>
<b>Net (Expenses)/Revenue - Governmental Activities</b>	<b>(54,605,742)</b>	<b>(59,799,435)</b>	<b>(54,171,933)</b>	<b>(50,905,300)</b>	<b>(53,439,257)</b>	<b>(56,265,913)</b>	<b>(48,450,554)</b>
<b>Net (Expenses)/Revenue - Business-Type Activities</b>	<b>2,326,464</b>	<b>3,234,829</b>	<b>2,257,063</b>	<b>1,037,224</b>	<b>1,158,426</b>	<b>1,508,798</b>	<b>1,574,658</b>
<b>General Revenues</b>							
Governmental Activities:							
Property Taxes	46,428,088	44,878,859	41,151,357	39,434,602	39,879,952	39,075,018	38,365,082
Payment in Lieu of Taxes	104,331	385,228	554,107	403,417	556,490	344,568	361,015
Motor Vehicle Excise Taxes	3,860,605	4,056,671	4,121,536	4,076,360	4,024,831	3,902,739	3,912,898
Franchise Taxes	117,247	104,218	95,763	97,481	97,692	94,634	88,407
Proceeds from Note	1,000,000						
Homestead Exemption	802,214	794,868	849,018	989,431	1,113,346	1,131,126	1,177,380
State Revenue Sharing	4,701,804	5,187,836	5,120,501	5,081,645	4,683,822	4,568,044	4,351,643
Unrestricted Investment Earnings	1,241,455	1,909,790	2,363,010	1,471,688	1,267,157	365,295	433,143
Transfers	729,921	821,935	932,077	(433,440)	37,664	47,404	36,637
<b>Total Governmental Activities Revenues</b>	<b>58,985,664</b>	<b>58,139,405</b>	<b>55,187,369</b>	<b>51,121,184</b>	<b>51,650,954</b>	<b>49,528,828</b>	<b>48,726,205</b>
Business-Type Activities:							
Unrestricted Investment Earnings	25,156	180,611	73,097	60,015	57,173	52,529	20,958
Transfers	(729,921)	(821,935)	(932,077)	(36,553)	(37,664)	(47,404)	(36,637)
<b>Total Business-Type Activities Revenues</b>	<b>(704,765)</b>	<b>(641,324)</b>	<b>(858,980)</b>	<b>23,462</b>	<b>19,509</b>	<b>5,125</b>	<b>(15,679)</b>
<b>Total Primary Government General Revenues</b>	<b>58,280,899</b>	<b>57,498,081</b>	<b>54,328,389</b>	<b>51,144,646</b>	<b>51,680,463</b>	<b>49,533,953</b>	<b>48,710,526</b>
<b>Change in Net Assets</b>							
Governmental Activities	4,379,921	(1,660,031)	1,015,438	215,883	(1,778,304)	(6,737,084)	275,650
Business-Type Activities	1,621,699	2,593,505	1,398,083	1,060,687	1,177,935	1,513,923	1,558,979
<b>Total Primary Government Change in Net Assets</b>	<b>\$ 6,001,620</b>	<b>\$ 933,474</b>	<b>\$ 2,413,519</b>	<b>\$ 1,276,570</b>	<b>\$ (600,369)</b>	<b>\$ (5,223,161)</b>	<b>\$ 1,834,629</b>

Only years presented due to the implementation of GASB Statement No. 34 in fiscal year 2003.

**GOVERNMENTAL FUNDS FUND BALANCE**  
Last Ten Fiscal Years

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
<b>General Fund</b>							
Reserved for:							
Encumbrances	\$ 603,939	\$ 1,067,521	\$ 1,041,868	\$ 1,346,010	\$ 1,139,167	\$ 623,029	\$ 1,362,199
Inventory	419,446	406,849	478,396	452,012	399,978	235,094	229,309
Long-term Note Receivable	1,000,000						
Advances			1,950,000	929,632	729,635	2,035,000	2,035,000
Asset Acquisition	55,000	55,000	156,000	225,000	206,730	241,589	268,791
<b>Total Reserved Fund Balance</b>	<b>2,078,385</b>	<b>1,529,370</b>	<b>3,626,264</b>	<b>2,952,654</b>	<b>2,475,510</b>	<b>3,134,722</b>	<b>3,895,299</b>
Designated for:							
Component Unit		175,000					
Subsequent Year's Expenditures	1,898,091	1,165,000	753,000	1,166,008	1,943,508	2,430,080	2,134,717
Future Workers Comp. Expenditures	2,421,818	2,396,303	2,192,837	2,327,300	2,615,434	506,790	904,326
Future Unemployment Comp. Expenditures	285	286	13,370	19,503	18,738	(2,668)	18,702
Compensated Absences	1,372,170	1,306,676	1,114,424	1,042,935	1,218,605	1,122,649	
<b>Total Designated Fund Balance</b>	<b>5,692,364</b>	<b>5,043,265</b>	<b>4,073,631</b>	<b>4,555,746</b>	<b>5,796,285</b>	<b>4,056,861</b>	<b>3,057,745</b>
Unreserved Fund Balance	8,541,403	8,022,245	7,428,704	6,847,593	6,946,068	7,994,784	7,700,966
<b>Total Fund Balance - General Fund</b>	<b>16,312,151</b>	<b>14,594,879</b>	<b>15,128,599</b>	<b>14,355,993</b>	<b>15,217,860</b>	<b>15,186,346</b>	<b>14,654,009</b>
<b>Major Special Revenue Funds</b>							
Lewiston Mills Redevelopment Corporation							
Reserved Fund Balance							15,208
Unreserved Fund Balance						(1,754,302)	(1,769,510)
<b>Total Lewiston Mills Redevelopment Corp.</b>						<b>(1,754,302)</b>	<b>(1,754,302)</b>
Urban Development							
Reserved Fund Balance						1,862,925	1,934,357
Unreserved Fund Balance						1,120,309	(1,084,010)
<b>Total Urban Development</b>						<b>2,983,234</b>	<b>850,346</b>
School Categorical Grants							
Reserved Fund Balance	18,522	116,359	20,707	21,630	15,541		
Unreserved Fund Balance	2,397,236	1,866,721	1,616,603	1,337,346	1,370,994		
<b>Total School Categorical Grants</b>	<b>2,415,758</b>	<b>1,983,080</b>	<b>1,637,310</b>	<b>1,358,976</b>	<b>1,386,534</b>		
<b>Debt Service Fund</b>							
Reserved Fund Balance			5,710,000	5,885,000	6,080,000		
<b>Capital Projects Funds</b>							
Reserved Fund Balance	4,620,356	349,566	167,058	1,527,913	3,627,466	3,740,298	4,340,769
Unreserved Fund Balance	(503,161)	6,194,189	8,230,223	2,002,956	1,390,244	7,366,973	3,790,114
<b>Total Capital Projects Funds</b>	<b>4,117,195</b>	<b>6,543,754</b>	<b>8,397,281</b>	<b>3,530,869</b>	<b>5,017,710</b>	<b>11,107,271</b>	<b>8,130,883</b>
<b>Other Governmental Funds</b>							
Reserved Fund Balance	4,054,053	4,121,712	4,376,399	4,363,145	4,620,378	3,013,497	4,901,913
Unreserved Fund Balance:							
Special Revenue Funds	2,953,288	2,668,696	1,895,979	1,677,051	1,717,988	2,276,851	2,320,841
Permanent Funds	11,185	118,303	189,149	55,202	(18,018)	(13,571)	(89,332)
<b>Total Other Governmental Funds</b>	<b>7,018,525</b>	<b>6,908,711</b>	<b>6,461,527</b>	<b>6,095,399</b>	<b>6,320,348</b>	<b>5,276,777</b>	<b>7,133,424</b>
<b>Total Governmental Funds</b>	<b>\$29,863,627</b>	<b>\$30,030,422</b>	<b>\$37,334,714</b>	<b>\$31,226,236</b>	<b>\$ 34,022,450</b>	<b>\$ 32,799,328</b>	<b>\$29,014,361</b>

Only years presented due to the implementation of GASB Statement No. 34 in fiscal year 2003.



**GOVERNMENTAL FUNDS CHANGE IN FUND BALANCES**  
**Last Ten Fiscal Years**

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>							
Taxes	\$ 50,988,225	\$ 49,359,103	\$ 45,980,978	\$ 44,421,960	\$ 45,036,326	\$ 44,601,175	\$ 43,787,363
Licenses and Permits	339,859	389,997	410,631	474,501	430,714	351,680	345,635
Intergovernmental	53,746,030	49,080,684	48,405,489	45,650,788	41,050,515	39,456,667	36,990,431
Charges For Services	2,370,396	2,387,869	2,348,448	2,448,634	2,233,055	1,967,785	1,947,635
Fines	223,871	199,128	184,388	175,983	223,439	170,370	139,572
Interest, Rents and Gains	2,235,383	2,829,328	3,323,076	2,477,974	2,114,834	2,073,715	2,082,245
Donations	173,430	534,585	211,634	(47,784)	1,219,544	564,739	100,493
Miscellaneous	1,843,300	474,655	343,142	823,661	690,092	625,354	251,222
<b>Total Revenues</b>	<b>111,920,492</b>	<b>105,255,350</b>	<b>101,207,786</b>	<b>96,425,715</b>	<b>92,998,520</b>	<b>89,811,487</b>	<b>85,644,596</b>
<b>Expenditures</b>							
<b>Current:</b>							
General Government	6,170,962	8,677,380	6,040,612	5,464,821	5,659,501	6,782,409	5,497,730
Public Safety	11,262,646	10,638,498	10,279,738	10,045,790	9,599,005	9,328,518	9,243,467
Public Works	7,410,330	8,195,303	6,587,772	7,255,844	6,794,981	6,765,039	6,563,196
Human Services	1,149,439	770,619	686,664	688,012	636,858	702,671	655,761
Culture and Recreation	1,857,948	1,865,611	2,290,066	2,601,278	2,050,309	2,114,215	2,234,191
Intergovernmental	3,608,601	3,408,974	3,119,615	3,059,161	3,045,464	3,019,453	2,923,324
Education	54,301,915	51,782,514	50,710,337	47,322,095	44,447,097	44,739,770	42,260,822
Nutrition	2,060,035	1,970,307	2,070,276	1,863,646	1,897,929	1,599,173	1,693,213
Miscellaneous	5,694,280	11,179,149	5,803,315	5,857,590	4,672,231	6,066,147	5,687,756
<b>Debt Service:</b>							
Redemption of Serial Bonds	8,567,710	7,439,287	6,935,431	6,276,021	5,901,937	5,395,702	5,054,567
Redemption of Refunded Bond	675,000				2,365,000	1,861,500	
Redemption of Bond Ant. Notes	20,225,000	30,119,281					
Interest on Bond Ant. Notes	176,231	675,143					
Interest on Serial Bonds	4,889,391	4,231,563	3,921,987	3,632,071	3,475,332	2,933,285	2,977,897
Capital Lease Debt	245,086	32,669	106,876	106,876	102,541	111,949	334,742
Bond Issuance Costs			48,870	54,678	39,144	211,890	52,271
Capital Outlay	23,452,855	14,896,397	16,629,106	14,835,605	17,140,731	15,639,850	13,146,564
<b>Total Expenditures</b>	<b>151,747,430</b>	<b>155,882,696</b>	<b>115,230,664</b>	<b>109,063,489</b>	<b>107,828,062</b>	<b>107,271,572</b>	<b>98,325,501</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(39,826,938)</b>	<b>(50,627,346)</b>	<b>(14,022,878)</b>	<b>(12,637,774)</b>	<b>(14,829,542)</b>	<b>(17,460,085)</b>	<b>(12,680,905)</b>
<b>Other Financing Sources/(Uses)</b>							
Transfers In	36,972,145	44,374,985	13,045,913	11,665,150	12,412,109	9,778,376	10,027,646
Transfers Out	(36,242,224)	(43,553,049)	(12,113,836)	(12,098,590)	(12,374,445)	(9,730,973)	(9,991,009)
Proceeds From Loan							45,000
Proceeds From Capital Lease	668,142	402,841					515,565
Issuance of Bond Anticipation Notes	10,800,000	29,025,000	10,519,281				
Issuance of General Obligation Bonds	26,787,080	13,073,279	8,680,000	10,275,000	13,650,000	20,075,000	8,255,000
Issuance of Refunded Bonds	675,000				2,365,000		1,925,413
<b>Total Other Financing Source (Uses)</b>	<b>39,660,142</b>	<b>43,323,055</b>	<b>20,131,358</b>	<b>9,841,560</b>	<b>16,052,664</b>	<b>20,122,403</b>	<b>10,777,615</b>
<b>Net Change in Fund Balance</b>	<b>\$ (166,795)</b>	<b>\$ (7,304,291)</b>	<b>\$ 6,108,481</b>	<b>\$ (2,796,214)</b>	<b>\$ 1,223,122</b>	<b>\$ 2,662,319</b>	<b>\$ (1,903,291)</b>
<b>Debt Services as a Percentage of Noncapital Expenditures</b>	<b>9.8%</b>	<b>8.2%</b>	<b>10.2%</b>	<b>10.1%</b>	<b>9.9%</b>	<b>8.6%</b>	<b>9.5%</b>

Only years presented due to the implementation of GASB Statement No. 34 in fiscal year 2003.



**PROPERTY TAX LEVIES AND COLLECTIONS**  
Last Ten Fiscal Years

Fiscal Year	Tax Rate	Total Tax Levy	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
2000*	27.65	\$35,671,045	\$35,671,045	100.00%	\$0	0.00%
2001*	27.65	\$35,480,919	\$35,479,406	100.00%	\$1,513	0.00%
2002*	28.55	\$36,140,762	\$36,138,664	99.99%	\$2,098	0.01%
2003*	28.89	\$38,771,625	\$38,769,136	99.99%	\$2,489	0.01%
2004*	27.70	\$40,061,987	\$40,053,446	99.98%	\$8,541	0.02%
2005*	27.70	\$40,570,307	\$40,557,803	99.97%	\$12,503	0.03%
2006*	27.35	\$40,472,256	\$40,452,872	99.95%	\$19,384	0.05%
2007*	26.65	\$41,824,780	\$41,782,903	99.90%	\$41,876	0.10%
2008*	24.60	\$45,569,797	\$44,979,353	98.70%	\$590,444	1.30%
2009*	24.90	\$47,147,509	\$45,821,683	97.19%	\$1,325,826	2.81%

Note: Current taxes are due semiannually on September 15th and March 15th, with a 11% interest rate charged on taxes outstanding, after each respective due date. Outstanding, delinquent real estate taxes are subject to tax liens pursuant to State Statutes.

\* Includes state homestead and business equipment tax exemptions.

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
Last Ten Fiscal Years

Fiscal Year	Assessed Value				Assessed Value	Total Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value
	Residential	Commercial	Industrial	Utilities			
2000	\$730,667	\$332,943	\$141,743	\$94,295	\$1,299,648	\$1,299,380	100.02%
2001	\$736,144	\$347,408	\$145,593	\$96,237	\$1,325,382	\$1,337,500	99.09%
2002	\$741,433	\$354,755	\$151,573	\$95,659	\$1,343,420	\$1,375,550	97.66%
2003	\$746,904	\$368,899	\$152,595	\$95,020	\$1,363,418	\$1,486,050	91.75%
2004	\$814,639	\$386,613	\$148,715	\$96,269	\$1,446,236	\$1,589,800	90.97%
2005	\$822,915	\$386,749	\$151,603	\$98,782	\$1,460,049	\$1,712,400	85.26%
2006	\$772,415	\$423,749	\$148,525	\$98,846	\$1,443,535	\$1,948,850	74.07%
2007	\$795,580	\$481,493	\$160,299	\$100,243	\$1,537,615	\$2,266,700	67.83%
2008	\$984,852	\$523,270	\$208,138	\$103,859	\$1,820,119	\$2,499,200	72.83%
2009	\$1,027,474	\$533,030	\$182,091	\$108,050	\$1,850,645	\$2,581,550	71.69%

Note: Estimated actual valuation amounts are the state equalized values published by the Bureau of Property Taxation. Amounts expressed in thousands.

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**Last Ten Fiscal Years**

Fiscal Year	City Rate*	Education Rate*	Total Direct Rate*	Overlapping Rate* County Govt.	Total Tax Rate*	Water Rates Per Cubic Feet**	Sewer Rates Per Cubic Feet
2000	\$15.04	\$11.42	\$26.46	\$1.19	\$27.65	\$23.00	\$1.15-1.90
2001	\$14.94	\$11.48	\$26.42	\$1.23	\$27.65	\$23.00	\$1.15-1.90
2002	\$16.20	\$11.26	\$27.46	\$1.27	\$28.73	\$25.44	\$1.37-2.26
2003	\$16.30	\$11.17	\$27.47	\$1.42	\$28.89	\$25.44	\$1.41-2.33
2004	\$15.91	\$10.41	\$26.32	\$1.38	\$27.70	\$27.60	\$1.47-2.42
2005	\$16.19	\$10.15	\$26.34	\$1.36	\$27.70	\$27.60	\$1.54-2.54
2006	\$16.30	\$9.69	\$25.99	\$1.36	\$27.35	\$30.60	\$1.54-2.54
2007	\$16.25	\$9.06	\$25.31	\$1.34	\$26.65	\$30.60	\$1.54-2.54
2008	\$14.79	\$8.54	\$23.33	\$1.27	\$24.60	\$33.60	\$1.70-2.80
2009	\$14.62	\$9.01	\$23.63	\$1.27	\$24.90	\$33.60	\$1.0-2.97

\* Tax rates are based upon \$1,000 of assessed Value

\*\* Water rates are based upon the first rate tier of three rate tiers.

**PRINCIPAL TAXPAYERS**  
**As of June 30, 2009 and Nine Years Ago**

Taxpayer	Type of Business	2009		2000	
		Assessed Valuation	Percentage of Total Assessed Valuation	Assessed Valuation	Percentage of Total Assessed Valuation
Wal-Mart Stores East LP	Distribution Center	\$93,437,800	5.05%		
Florida Power & Light	Utility	\$56,489,760	3.05%		
TD Banknorth N.A.	Banking	\$37,245,640	2.01%	\$16,392,750	1.26%
Central Maine Power	Utility	\$34,443,980	1.86%	\$82,572,350	6.35%
F.R. Lepage	Bakery	\$23,387,070	1.26%	\$11,516,450	0.89%
Elmet Technology	Metal/Wire Mfg.	\$23,301,100	1.26%	\$22,147,500	1.70%
Donald Toussaint	Real Estate	\$16,013,880	0.87%	\$8,825,550	0.68%
Northern Utilities	Utility	\$16,007,130	0.86%	\$9,445,500	0.73%
L.L. Bean	Telemarketing	\$12,737,560	0.69%	\$10,525,300	0.81%
Geiger	Specialty Item Mfg.	\$11,199,010	0.61%	\$11,871,100	0.91%
Twelve High Street	Medical Office			\$9,711,350	0.75%
Dolard Gendron	Real Estate				
Liberty Mutual	Insurance			\$7,049,200	0.54%
	<b>Total</b>	<b>\$324,262,930</b>	<b>17.52%</b>	<b>\$190,057,050</b>	<b>14.62%</b>

Source: City of Lewiston Assessment Records

**RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Capital Leases	Total Governmental Activities	Water Revenue Bonds	Sewer Revenue Bonds	Storm Water Bonds**	Total Business-Type Activities	Total Primary Government	Ratio of Bonded Debt to		Per Capita*
									Estimated Actual Prop. Value***	Percentage of Personal Income	
2000	\$34,726,280	\$626,052	\$35,352,332	\$5,988,770	\$1,814,949		\$7,803,719	\$43,156,051	2.67%	8.88%	\$1,085
2001	\$41,658,421	\$400,739	\$42,059,160	\$5,768,950	\$2,992,917		\$8,761,866	\$50,821,026	3.11%	8.36%	\$1,424
2002	\$59,967,247	\$252,387	\$60,219,634	\$5,927,218	\$3,592,513		\$9,519,730	\$69,739,364	4.36%	11.47%	\$1,954
2003	\$63,258,359	\$440,477	\$63,698,836	\$10,160,790	\$4,264,340		\$14,425,130	\$78,123,966	4.26%	12.85%	\$2,189
2004	\$77,937,657	\$331,880	\$78,269,537	\$9,854,230	\$4,714,486		\$14,568,716	\$92,838,253	4.90%	15.27%	\$2,601
2005	\$85,800,150	\$238,331	\$86,038,481	\$14,361,009	\$4,727,659		\$19,088,668	\$105,127,149	5.01%	17.29%	\$2,946
2006	\$89,603,156	\$153,913	\$89,757,069	\$13,721,794	\$5,129,016		\$18,850,810	\$108,607,879	4.60%	17.87%	\$3,043
2007	\$91,347,725	\$50,500	\$91,398,225	\$14,074,508	\$8,029,578	\$3,180,000	\$25,284,086	\$116,682,311	4.03%	19.20%	\$3,269
2008	\$96,981,717	\$421,007	\$97,402,724	\$12,982,272	\$7,479,068	\$3,020,000	\$23,481,340	\$120,884,064	3.88%	19.89%	\$3,387
2009	\$115,230,906	\$854,018	\$116,084,924	\$15,669,979	\$7,365,719	\$3,078,500	\$26,114,198	\$142,199,122	4.46%	23.39%	\$3,984

\* Source: The Federal 2000 Census.

\*\* Newly created Enterprise Fund for fiscal year 2007 to account for storm water remediation.

\*\*\* Only governmental general obligation bonds are paid from property taxes.

**LEGAL DEBT MARGIN CALCULATION**  
**June 30, 2009 and for the Last Ten Fiscal Years**

Total Estimated Actual Valuation Per State \$ 2,581,550,000

Legal Debt Margin Limit of 15% of Estimated Actual Valuation \$387,232,500

**Debt Applicable to Debt Limit:**

Purpose	Legal Maximum	Principal Debt Outstanding	Percentage Applicable to the City	Amount Applicable to the City	
<b>Direct Debt:</b>					
Municipal	7.5% \$193,616,250	\$75,978,179	100%	\$75,978,179	
School	10.0% \$258,155,000	\$39,252,727	100%	\$39,252,727	
Water	3.0% \$77,446,500	\$15,669,979	100%	\$15,669,979	
Sewer	7.5% \$193,616,250	\$7,365,719	100%	\$7,365,719	
Storm Water	7.5% \$193,616,250	\$3,078,500	100%	\$3,078,500	
					\$141,345,104
<b>Overlapping Debt:</b>					
Androscoggin County Jail		\$75,000	30.88%	\$23,160	
L.A. Water Pollution Control Authority		\$8,654,144	57.15%	\$4,945,843	
Lake Auburn Watershed Protection Commission		\$381,563	50%	\$190,782	
L.A. 9-1-1 Committee		\$227,500	50%	\$113,750	
<b>Total</b>	<u><b>\$916,450,250</b></u>			<u><b>\$146,618,638</b></u>	<u><b>\$5,273,535</b></u>
Total Bonded Debt Applicable to Debt Limit					<u><b>\$146,618,638</b></u>
Legal Debt Margin					<u><u><b>\$240,613,861</b></u></u>

Note: Statutory debt limit is in accordance with 30 MRSA, Section 5061, as amended.

Fiscal Year	Debt Limit	Total Debt Applicable to Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of Debt Limit
2000	\$194,907,000	\$51,814,838	\$143,092,162	36.21%
2001	\$200,625,000	\$59,057,123	\$141,567,877	41.72%
2002	\$206,332,500	\$78,236,918	\$128,095,582	61.08%
2003	\$222,907,500	\$85,707,716	\$137,199,784	62.47%
2004	\$238,470,000	\$102,898,184	\$135,571,816	75.90%
2005	\$256,860,000	\$111,438,863	\$145,421,137	76.63%
2006	\$292,327,500	\$114,985,488	\$177,342,012	64.84%
2007	\$340,005,000	\$122,753,095	\$217,251,905	56.50%
2008	\$374,880,000	\$125,762,432	\$249,117,568	50.48%
2009	\$387,232,500	\$146,618,638	\$240,613,861	60.94%

**REVENUE BOND COVERAGE**  
**Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<b>Water Enterprise Fund:</b>							
2000	\$2,330,504	\$1,348,163	\$982,341	\$529,613	\$299,358	\$828,971	119%
2001	\$2,418,272	\$1,430,334	\$987,938	\$539,820	\$280,900	\$820,720	120%
2002	\$2,781,848	\$1,354,645	\$1,427,203	\$551,731	\$266,106	\$817,837	175%
2003	\$2,831,228	\$1,515,056	\$1,316,172	\$831,560	\$326,457	\$1,158,017	114%
2004	\$3,189,201	\$1,595,561	\$1,593,640	\$787,397	\$369,255	\$1,156,652	138%
2005	\$3,102,759	\$1,803,953	\$1,298,806	\$787,397	\$398,687	\$1,186,084	110%
2006	\$3,449,761	\$2,171,792	\$1,277,969	\$1,054,215	\$527,018	\$1,581,233	81%
2007	\$3,540,549	\$1,989,200	\$1,551,349	\$1,077,286	\$513,341	\$1,590,627	98%
2008	\$4,153,509	\$1,776,481	\$2,377,028	\$1,092,235	\$530,308	\$1,622,543	147%
2009	\$4,166,609	\$2,240,678	\$1,925,931	\$1,092,923	\$531,569	\$1,624,492	119%
<b>Sewer Enterprise Fund:</b>							
2000	\$3,397,472	\$2,790,808	\$606,664	\$145,868	\$71,472	\$217,340	279%
2001	\$3,314,303	\$3,224,458	\$89,845	\$172,032	\$87,751	\$259,783	35%
2002	\$3,691,510	\$3,207,289	\$484,221	\$250,405	\$137,200	\$387,605	125%
2003	\$3,961,027	\$3,215,632	\$745,395	\$299,853	\$162,266	\$462,119	161%
2004	\$4,006,107	\$3,393,201	\$612,906	\$333,181	\$189,210	\$522,391	117%
2005	\$4,120,294	\$3,455,401	\$664,893	\$333,181	\$194,518	\$527,699	126%
2006	\$4,046,680	\$3,434,003	\$612,677	\$348,643	\$186,763	\$535,406	114%
2007	\$4,010,870	\$3,528,921	\$481,949	\$384,438	\$206,724	\$591,162	82%
2008	\$4,421,191	\$3,451,422	\$969,769	\$550,510	\$279,024	\$829,534	117%
2009	\$4,577,420	\$3,808,835	\$768,585	\$563,349	\$322,951	\$886,300	87%
<b>Storm Water Enterprise Fund*:</b>							
2007	\$1,977,298	\$706,750	\$1,270,548	\$0	\$0	\$0	
2008	\$2,100,793	\$832,674	\$1,268,119	\$160,000	\$81,958	\$241,958	524%
2009	\$2,135,082	\$1,107,063	\$1,028,019	\$171,500	\$136,578	\$308,078	334%

NOTE: Operating expenses are exclusive of depreciation

\* Newly created Enterprise Fund for fiscal year 2007 to account for storm water remediation.



**DEMOGRAPHIC STATISTICS**  
**Last Ten Fiscal Years**

Fiscal Year	Population (1)	Per Capita Income (1)	Median Family Income (1)	Median Age (1)	School Enrollment (3)	Unemployment Rate (2)
2000	39,757	\$12,227	\$24,073	33.4	5,068	3.2%
2001	35,690	\$17,032	\$30,033	37.6	4,503	2.8%
2002	35,690	\$17,032	\$30,033	37.6	4,503	4.0%
2003	35,690	\$17,032	\$30,033	37.6	4,565	4.9%
2004	35,690	\$17,032	\$30,033	37.6	4,549	4.7%
2005	35,690	\$17,032	\$30,033	37.6	4,530	5.4%
2006	35,690	\$17,032	\$30,033	37.6	4,577	5.4%
2007	35,690	\$17,032	\$30,033	37.6	4,626	4.9%
2008	35,690	\$17,032	\$30,033	37.6	4,772	5.1%
2009	35,690	\$17,032	\$30,033	37.6	4,822	9.1%

## Sources:

(1) U. S. Department of Commerce, Bureau of Census from 2000

(2) Maine Department of Labor

(3) Lewiston School Department

**PRINCIPAL EMPLOYERS**  
**As of June 30, 2009 and Nine Years Ago**

Employer	Industry	2009		2000	
		Number of Employees	Rank & Percentage of Employment	Number of Employees	Rank & Percentage of Employment
Central Maine Medical Center	Health Care	2,333	1 - 9.44%	1,289	2 - 6.05%
Sisters of Charity Health Care Systems	Health Care	1,989	2 - 8.05%	1,400	1 - 6.58%
TD Banknorth NAN.	Banking	1,394	3 - 5.64%	800	5 - 3.76%
Wal-Mart Stores East LP	Distribution Center	800	4 - 3.24%		
Bates College	Education	768	5 - 3.11%	877	4 - 4.12%
Affiliated Computer Services	Telemarketing	420	6 - 1.70%		
McKesson	Health Care Admin.	420	7 - 1.70%		
Liberty Mutual	Insurance	328	8 - 1.33%	410	7 - 1.93%
Tri-County Mental Health	Social Services	323	9 - 1.31%		
Geiger Brothers	Specialty Items	320	10 - 1.29%	420	6 - 1.97%
L.L. Bean	Catalog Sales			1,236	3 - 5.81%
Androscoggin Home Health	Health Services			367	8 - 1.72%
F.R. Lepage Bakeries	Bakery			330	9 - 1.55%
Elmet Technology	Metal/Wire Mfg.			323	10 - 1.52%

Source: Androscoggin Chamber of Commerce and Maine Department of Labor

**NUMBER OF MUNICIPAL EMPLOYEES BY FUNCTION  
Last Ten Fiscal Years**

<b>Function</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Mayor	0	0	0	0	0	0	0	1	1	0.5
Administration	5	4	4	4	3.5	3.5	4	3	3	3
City Clerk	5	5	5	5	5	5	6	6	6	6
Economic Dev.	1	1	2	2	2	2	2	3	3	1
Finance	13	13	15	15	15	15.5	26.5	26.5	27	27
M.I.S. (a)	5	6	6	6	4	4	0	0	0	0
Assessor	6	6	6	6	6	6	6	6	6	6
Dev./Code Enf.	7	8	8	8	8	8	11	12	11	12
Human Resources	4	4	4	4	4	3	3	3	3	3
Police	98	99	103.5	103	103	103	95	98	98	94
Fire	78	79	79	79	79	79	79	79	79	80
Public Works	93.7	92.7	93.2	95	95.5	96.5	100.25	105.75	104.85	103.85
Water & Sewer	25	25	25	24	24	24	29	31	27	27
Social Services	4.5	5	5	5	7	8	8	13	14.85	14.85
Recreation/MPC	8	9	14	14	14	15.75	14	8	8	7
Library	14.5	14.5	14.5	15	14.5	15.5	14	16	16	15
Education	748	764	730	727	384	372	367	347	347	356
<b>Total Employees</b>	<b>1,116</b>	<b>1,135</b>	<b>1,114</b>	<b>1,112</b>	<b>768.5</b>	<b>760.75</b>	<b>764.75</b>	<b>758.25</b>	<b>754.7</b>	<b>756.2</b>

a. The M.I.S. Department was previously a part of the Finance Department.

Source: City of Lewiston Budget

**OPERATING INDICATORS BY FUNCTION  
Last Ten Fiscal Years**

Indicator	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
City Clerk:										
Marriage Licenses Issued	230	231	272	263	329	272	349	387	362	300
Birth Certificates Filed	1,490	1,540	1,434	1,473	1,411	1,400	1,367	1,322	1,209	1,251
Death Certificates Filed	745	765	509	811	899	978	921	914	820	879
Finance:										
Number of Tax Bills Generated	13,193	13,283	13,250	13,134	12,996	12,911	12,971	13,038	13,034	13,124
Number of Liens Recorded	514	517	515	472	506	460	551	618	705	720
Police:										
Number of Service Calls	43,094	41,890	37,608	46,144	43,621	40,283	39,844	39,503	40,577	39,142
Number of Physical Arrests	2,580	2,599	2,688	2,699	2,340	2,055	2,018	5,828	3,583	3,369
Fire:										
Number of Service Calls	1,800	1,830	1,857	1,784	1,923	1,963	1,938	2,216	2,057	2,068
Number of Inspections	1,126	1,306	1,331	1,045	1,489	976	775	2,476	1,389	1,159
Code Enforcement:										
Number of Commercial Permits Issued	76	100	108	125	136	101	88	99	105	98
Number of Residential Permits Issued	425	410	596	593	442	623	269	283	256	249
Public Works:										
Cubic Yards Utilized at the Landfill	19,938	15,520	13,900	21,506	16,384	9,612	12,681	24,320	20,078	26,862
Social Services:										
Number of Families Served	666	601	589	595	548	502	435	494	352	365
Number of People Served	1,135	1,081	1,126	1,188	961	887	828	956	557	506
Library:										
Number of Adult Books Borrowed	131,545	122,566	127,996	119,236	122,882	116,540	116,244	114,964	121,249	124,882
Number of Children Books Borrowed	92,859	89,853	95,465	90,866	101,902	96,643	90,884	85,669	81,189	62,909
Children's Program Attendance	6,341	7,085	6,674	8,415	10,047	8,059	7,410	7,665	8,173	5,788
Number of Cardholders	13,433	13,152	13,955	13,367	11,073	11,314	11,737	11,578	11,434	12,109

Source: Lewiston Municipal Departments

**CAPITAL ASSETS AND INFRASTRUCTURE BY FUNCTION  
Last Ten Fiscal Years**

Function	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Number of Patrol Units	31	31	31	28	27	27	27	27	28	27
<b>Fire:</b>										
Number of Stations	4	4	4	4	4	4	4	4	4	4
<b>Public Works:</b>										
Miles of Streets	188.23	187.5	187	187	190	190	190	190	190	190
Number of Street Lights	3,300	3,300	3,300	3,400	3,400	3,400	3,400	4,538	4,538	4,538
<b>Water:</b>										
Miles of Water Mains	159	159	159	159	166	166	166	166	166	166
Number of Service Connections	9,253	9,260	9,306	9,321	9,849	9,849	9,849	9,849	9,849	9,849
Number of Fire Hydrants	735	730	718	708	691	691	688	686	686	684
Average Daily Consumption -gals.	4,449,647	4,541,121	4,787,830	5,589,852	5,237,323	4,564,096	5,081,101	4,920,000	5,706,767	5,129,945
Thousand Gallons Pumped	1,624,121	1,657,509	1,747,558	2,040,296	1,911,623	1,665,895	1,854,602	1,795,800	2,082,970	1,872,430
<b>Sewer:</b>										
Miles of Sanitary & Storm Sewers	212	212	212	212	160	160	160	160	160	160
Number of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Number of Service Connections	8,727	8,745	8,741	8,691	8,700	8,700	8,700	8,700	8,700	8,700
Average Daily Consumption -gals.	4,449,647	4,541,121	4,787,830	5,589,852	5,237,323	4,564,096	5,081,101	4,920,000	5,706,767	5,129,945
<b>Recreation:</b>										
Number of Parks	16	16	16	15	15	14	14	14	14	16
Park Acreage*	32	32	32	40	76	75	75	75	75	75
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	12	12	12	12	12	12
<b>Education:</b>										
Number of Schools	7	7	7	7	7	7	7	7	7	7

\* Note: General green space and sports fields were not included in the total acreage for the current year.

Source: City of Lewiston capital asset records and Public Utilities Commission Report.