

City of Presque Isle, Maine



Comprehensive Annual Financial Report

*For the Fiscal Year Ending
December 31, 2013*

CITY OF PRESQUE ISLE, MAINE

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
December 31, 2013**

**Prepared by:
City of Presque Isle
Finance Department**

CITY OF PRESQUE ISLE, MAINE
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2013

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INTRODUCTORY SECTION

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City of Presque Isle

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Presque Isle, ME 04769-2459
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May 31, 2014

To the City Councilors and
The Citizens of Presque Isle, Maine

Maine state statutes and the Presque Isle City Charter require that the City issue annually a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2013.

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

The firm of Chester M. Kearney, CPA's, has issued an unqualified ("clean") opinion on the City of Presque Isle, Maine's financial statements for the year ended December 31, 2013. The independent auditor's report is located at the front of the financial section of this 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.

Profile of the City of Presque Isle, Maine

The City of Presque Isle, Maine is located in central Aroostook County, the northernmost and largest of Maine's sixteen counties and the largest county east of the Mississippi River. The city currently occupies approximately 72 square miles and serves a population of 9,692. Presque Isle was first incorporated as a township on April 4, 1859 and incorporated as a City in 1939. Under Maine statutes, the City is empowered to levy a property tax on both real and personal property within its boundaries.

The City operates under a municipal charter approved by the voters of the community November 2, 1993 that provides for a council-manager form of government. Policy making and legislative authority is vested in a seven-member City Council. Councilors are elected on a non-partisan basis for four-year staggered terms. The City Manager is the chief administrative officer of the City and is appointed by the Council, as are the City Solicitor and City Clerk. The current City Manager was appointed by the City Council in March, 2010.

The City of Presque Isle provides a full range of services including police and fire protection; refuse collection; traffic control; on- and off-street parking; the construction and maintenance of highways, streets, sidewalks, and other infrastructure; recreational and cultural activities; a secure landfill; regional airport; social welfare; municipal planning, assessing, building inspection and code enforcement, licenses and permits; vital statistics; general administration and economic development.

The annual budget for the general fund serves as the foundation for the City's financial planning and control. The budget, which must be in balance, contains estimates of all non-tax revenue and receipts expected to be received during the next fiscal year, expenditures necessary to support City operations, debt service, and capital expenditures. The initial budget must be presented to the Council by the City Manager no later than 90 days before the beginning of the fiscal year on January 1. The Council may then make any modifications and recommendations. The City Council is required to hold two public hearings on the proposed budget before final approval. The budget must be approved by a two-thirds majority of the City Council before the beginning of the fiscal year on January 1.

The budget includes information, by department, on the current and preceding fiscal years and requested appropriations for the next fiscal year. The City Manager may transfer resources within a department, promptly notifying the Council in writing of the reallocation. Transfers between departments require special approval from the Council. Expenditures may not legally exceed appropriations at the departmental level without Council approval. Budget-to-Actual comparisons are provided on page 55-57 of this report.

Factors Affecting Financial Condition

Local Economy

The City of Presque Isle is the largest municipality north of Bangor. Through the years, Presque Isle has evolved into a regional service center for commerce, finance, education, health care, recreation, air transportation, and numerous other aspects of life in Aroostook County. This evolutionary process is attributable to several factors including:

- Historical and geographical influences;
- A clear assumption of a leadership role by the municipal government;
- The active involvement of Presque Isle citizens in regional, county, and statewide projects, politics, agencies and organizations;
- The aggressively self-reliant nature that has been characteristic of Aroostook County residents.

These factors have helped to sustain the City in times of economic hardship including the closing of a military installation and a significant downturn in the woods and agriculture industries, all mainstays of the area.

Other factors that contribute to the economic stability of the City include:

- Presque Isle is home to Northern Maine Regional Airport, the state's third largest airport,
- The Skyway Industrial Park, the third largest Industrial Park in the state,
- Educational opportunities include:
 - University of Maine at Presque Isle,
 - Northern Maine Community College,
 - An extension of Husson University,
 - An outstanding public school system,
 - A private school for grades pre-K - 8.
- Excellent medical services include a local hospital and ambulance service.
- An active Industrial Council that works to attract new businesses to the area.

The major industries affecting the local economy, agriculture and service, continue to be key components of the region's economic base. The two major agricultural industries, potato and woods, continue to struggle. Planted potato acreage, though lower than historical, remains stable. A third, broccoli, is doing well in the County.

The City has a balanced and fairly diverse tax base with a 55 to 45 split between residential and commercial property values. The largest single tax payer in 2013 comprised 3.93% of the total tax base with the top ten taxpayers combined representing 17.92% of the total tax base.

Long-term financial planning

Each year, in planning for the future, the City identifies those major programs necessary to meet the citizens' needs for services while continuing to meet sharply increasing fixed costs. Among these programs are road construction and repair, vehicle equipment purchases, building renovations, and recreational activities. These initiatives are done in accordance with the City's basic financial planning document, its Five Year Capital Improvement Plan, which is reviewed and updated annually.

The Capital Plan for 2014 calls for:

- Purchasing a cruiser for the Police Department;
- Renovations of the passenger terminal on the passenger ramp side of the Airport Terminal;
- Replacing a plow truck at Public Works;
- Ongoing investments in Information Technology;
- Completion of improvements to the Mark & Emily Turner Memorial Library, and
- Reconstruction on the General Aviation Ramp at the Northern Maine Regional Airport.

In addition, this year's Capital Improvement Plan includes continued funding of the reserves for maintenance and improvements to various buildings at the Industrial Park and to add to the balance in the Emergency Reserve.

Relevant financial policies

The City of Presque Isle has in place a comprehensive set of financial policies including the implementation and use of the City's Emergency Reserve.

By charter, the City maintains an Emergency Reserve to be used only in extraordinary circumstances with unanimous City Council approval. This reserve is funded through an appropriation each year, mandated by the City Charter in the amount of 1.5% of the City's net municipal budget to a maximum of .5% of the current state valuation. Funds in this reserve have been used only once since its inception in 1993.

The City Council adopted a policy in 2009 stating that the amount that should be maintained in the General Fund unassigned fund balance should be 16.6%, or two months of budgeted expenditures. This amount can be reduced to 12% if an additional 4% is maintained in the emergency reserve for a total of 16%. At December 31, 2013, the unassigned fund balance in the general fund is 10.5% of the 2014 budgeted general fund expenditures. The balance in the Emergency Reserve is 10.8% of budgeted expenditures for a total coverage of 21.3 % of projected 2014 budgeted expenditures.

Major initiatives

Library Expansion The Mark and Emily Turner Memorial Library Board of Trustees Charitable Trust received several substantial donations beginning in 2010 to expand and improve the municipal library. The first phase focused on expanding the space and adding an elevator to make the facility ADA Accessible; the focus of the second phase placed emphasis on the interior design and landscaping with special attention to art and design to enhance what was accomplished in 2010. During 2012, community members, staff, Trustees, and members of professional architectural firms planned the next phase of these improvements. Construction began in 2012 and the project will be completed in April 2014.

Airport As part of its Pavement Management Plan, the next major project planned at the Airport is the reconstruction of the General Aviation Ramp. This ramp was last reconstructed in 1989. Construction will begin in 2014 and when it is completed in 2016, it will be 7 years beyond the 20 year anticipated life projected by the FAA. The expected total cost of the project is \$6,212,000 with 95% to be funded by the FAA, 2.5% by the state and 2.5% from city funds.

Downtown Revitalization The future of the downtown of the City continues to be a major focus. What initially started as a grass roots effort by citizens to revitalize the downtown has become a major movement within the community. The *Downtown Revitalization Committee* is recognized as the formal committee and voice of downtown. Through their efforts a *Downtown Master Plan* was created in 2008 which included a number of design goals, strategies and proposed investments in the downtown business district in the next five years.

Current projects include:

- The construction of a 'covered shelter' for a Community Market in the downtown area;
- In conjunction with Maine Department of Transportation complete the Bike Path around the City; and
- Improvements to the sidewalks and lighting in the downtown area.

Community Center A major initiative for the citizens of the City of Presque Isle is the construction of a new Community Center to replace the 75 year old William Haskell Recreation Center.

To date the City has purchased land in the downtown area and completed all of the hazardous material removal and remediation necessary to prepare the site for future construction; authorized and secured schematic drawings necessary to proceed with fund raising initiatives; and has the support of the citizens evidenced by the results of an advisory referendum with a vote of 2 to 1 in favor of the project.

This project, if completed as planned will cost an estimated \$7,500,000 with \$3,750,000 to be provided by local taxpayers.

Closure of Phase I of the Secure Landfill The original landfill, known as Phase I, was operational from 1982-2010. Two side slopes of the Phase I landfill received a final cover system in 2008 and a third side slope became part of the liner system for the Phase II expansion in 2010. A project to complete the final cover system on the top and west side slope of Phase I is planned to be completed in 2014 for an estimated \$2,400,000. The State of Maine has a program that reimburses municipalities 75% of the cost for eligible projects completed before December 31, 2015.

Awards and acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Presque Isle, Maine for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. This was the 14th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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 would not have been possible without the efficient and dedicated service of the staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Appreciation is also extended to the accounting firm of Chester Kearney CPA's for its assistance in the preparation and review of this report. Credit must also be given to the City Council for their unfailing support in maintaining the highest standards of professionalism in the City of Presque Isle's finances.

Respectfully submitted,

Priscilla Webb,
Finance Director

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

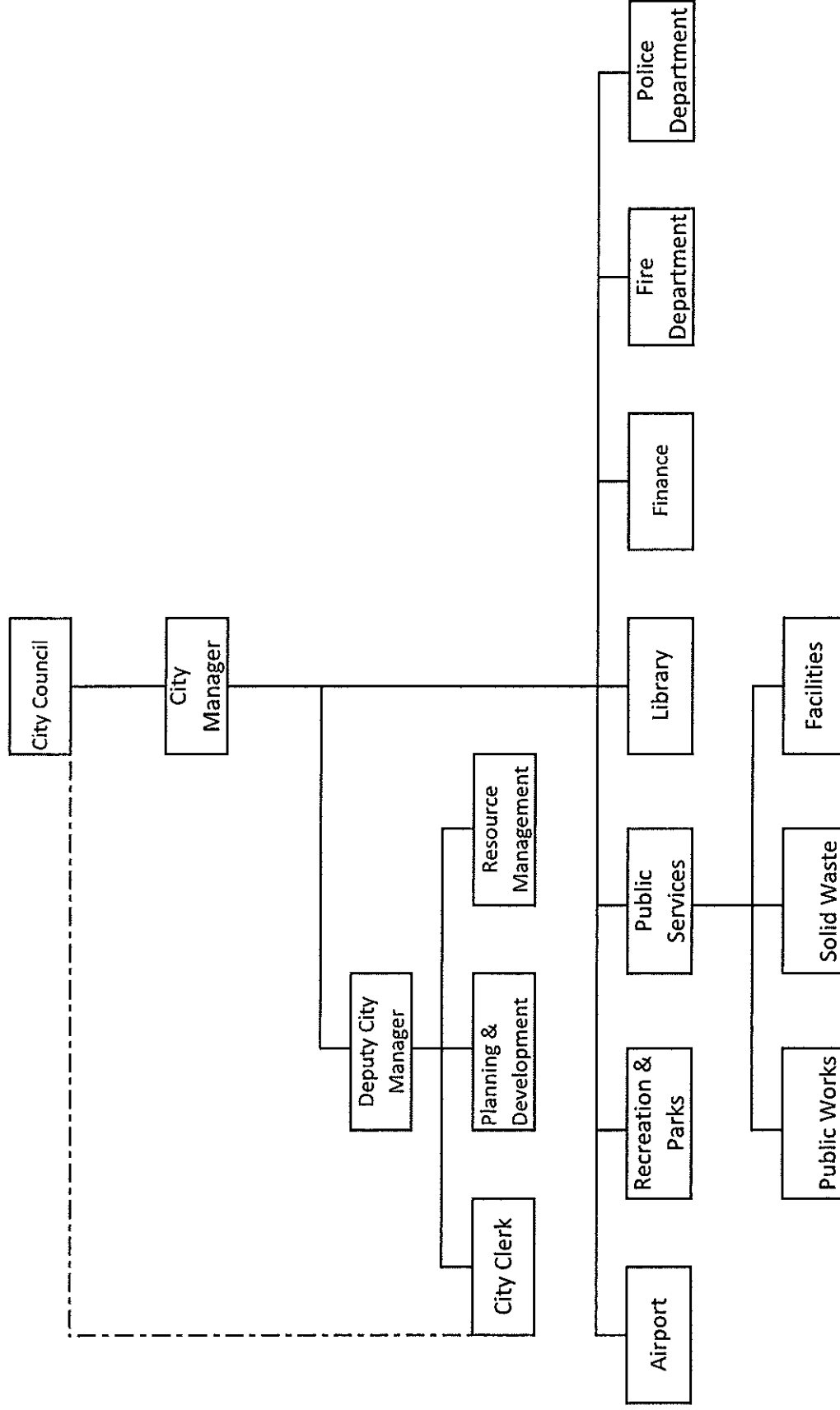
**City of Presque Isle
Maine**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

City of Presque Isle
Organization Chart As of December 31, 2013



**CITY OF PRESQUE ISLE
LIST OF PRINCIPAL OFFICIALS
AT DECEMBER 31, 2013**

Elected Officials

| | |
|-------------------------|-----------------|
| City Council Chair | Emily Smith |
| City Council Vice Chair | Randy Smith |
| Council Member | Peter Hallowell |
| Council Member | Bruce Sargent |
| Council Member | Richard Engels |
| Council Member | Craig Green |
| Council Member | Michael Chasse |

Appointed Officials

| | |
|---|----------------------|
| City Manager | James A Bennett |
| Airport Manager | Scott Wardwell |
| Finance Director | Priscilla Webb |
| Fire Chief | Darrell White |
| Librarian, Mark and Emily Turner Memorial Library | Sonja Plummer-Morgan |
| Police Chief | Matthew Irwin |
| Recreation and Parks Director | Christopher Beaulieu |
| Planning & Development Director | Ken Arndt |
| Public Services Director | Dana Fowler |
| Presque Isle Industrial Council Executive Director | Larry Clark |

FINANCIAL SECTION

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Chester M. Kearney
Certified Public Accountants

12 Dyer Street, Presque Isle, Maine 04769-1550
207-764-3171

Herman Belanger, CPA, CGMA
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Barbara D. McGuire, CPA
Timothy P. Poitras, CPA

To the City Council of
Presque Isle, Maine

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Presque Isle, Maine, as of and for the year ended December 31, 2013, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Presque Isle, Maine, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the financial statements referred to above include only the primary government of the City of Presque Isle, Maine, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. These primary government financial statements do not include financial data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not present fairly the financial position of the reporting entity of the City of Presque Isle, Maine, as of December 31, 2013, the changes in its financial position or, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Presque Isle, Maine's basic financial statements as a whole. The accompanying supplementary information on pages 49 through 71 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014 on our consideration of the City of Presque Isle, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Presque Isle, Maine's internal control over financial reporting and compliance.

Chester M. Kearney

Presque Isle, Maine
March 28, 2014

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2013

As management of the City of Presque Isle, we offer this narrative overview and analysis of the financial activities of the City of Presque Isle for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here along with additional information that is furnished in our letter of transmittal which can be found on pages 1-5 of this report.

Financial Highlights

- The assets of the City of Presque Isle exceeded its liabilities at the close of 2013 by \$58,682,665 (*net position*). Of this amount, \$4,194,578 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$608,780 from December 31, 2012:
 - Total assets net of depreciation increased \$217,940, while
 - Associated debt decreased \$390,840.
- As of the close of the current fiscal year, the City of Presque Isle's governmental funds reported a combined ending fund balance of \$11,678,083 an increase of \$482,996 from the previous year. 13.94% of this total amount or \$1,627,633 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current year, unassigned fund balance for the general fund was \$1,824,405 or 11.6% of total general fund expenditures.
- The City of Presque Isle's total debt increased \$172,276 during the current year:
 - Notes payable increased \$326,091; to finance a new Fire Truck and an excavator for the Public Works Department,
 - Bonds payable decreased \$153,815 from note payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Presque Isle's basic financial statements. The City's financial statements have 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 intended to furnish additional support to the basic financial statements themselves.

Government-Wide Financial Statements are designed to provide readers with a broad overview of the City of Presque Isle's finances. These statements are presented using the accrual basis of accounting which is similar to the accounting method used by most private sector businesses. There are two Government-Wide Financial Statements, the *statement of net position* and the *statement of activities*.

The *statement of net position* presents information on all of the City of Presque Isle's assets, liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, you may also need to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City's financial position.

The *statement of activities* presents information showing how the City of Presque Isle's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event causing the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused employee vacation leaves).

For the City of Presque Isle, all activities are classified as *governmental activities* because they are principally supported by taxes and intergovernmental revenues.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2013

The government-wide financial statements can be found on pages 29-30 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 Presque Isle, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal documents. All of the funds of the City are categorized as governmental.

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 on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *government 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 city'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 the comparison between *governmental funds* and *governmental activities*.

The City of Presque Isle maintains individual governmental funds for specific purposes. Information is presented separately in the *governmental fund balance sheet* and in the *governmental funds statement of revenues, expenditures and changes in fund balance* for the general fund, airport, landfill operations, UDAG revolving loan fund and secure landfill closure fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Presque Isle 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 31-33 of this report.

Notes to the financial statements 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 35-54 of this report.

Other information In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning:

- The City of Presque Isle's progress in funding its obligation to provide OPEB benefits to its employees;
- A budgetary comparison statement for the general fund to demonstrate compliance with budget; and
- a budgetary comparison statement for the airport fund to demonstrate compliance with budget.

Required supplementary information can be found on pages 55-58 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the required supplementary information on pensions and OPEB. Combining and individual fund statements can be found on pages 61-66 of this report.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2013

Government-Wide Overall Financial Analysis

As noted earlier, net position may serve as a useful indicator over time of a government's financial position. For the City of Presque Isle, assets and deferred outflows of resources exceeded liabilities by \$58,682,665 at December 31, 2013.

City of Presque Isle
Statement of Net Position

| | <u>2013</u> | <u>2012</u> |
|----------------------------------|-----------------------------|-----------------------------|
| Current and other assets | \$ 13,369,053 | \$ 12,745,367 |
| Capital Assets | <u>59,415,472</u> | <u>59,821,218</u> |
| Total Assets | \$ 72,784,525 | \$ 72,566,585 |
| Long term debt outstanding | \$ 13,438,221 | \$ 13,698,812 |
| Other Liabilities | <u>663,635</u> | <u>793,888</u> |
| Total Liabilities | \$ 14,101,860 | \$ 14,492,700 |
| Net Assets | | |
| Net investment in capital assets | \$ 50,931,088 | \$ 51,509,110 |
| Restricted | 3,556,999 | 3,322,212 |
| Unrestricted | <u>4,194,578</u> | <u>3,242,563</u> |
| Total net position | <u>\$ 58,682,665</u> | <u>\$ 58,073,885</u> |

By far the largest portion of the City of Presque Isle's net position (86.8%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide a wide variety of services to citizens; consequently, these assets are *not* available for future spending. Although the City'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 Presque Isle's net position (6.06%) represents resources that are subject to external restrictions on how they may be spent. The remaining balance of \$4,194,578 (7.15%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Presque Isle is able to report a positive balance in all reported categories of net position for the government as a whole. The same situation held true for the prior fiscal year.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2013

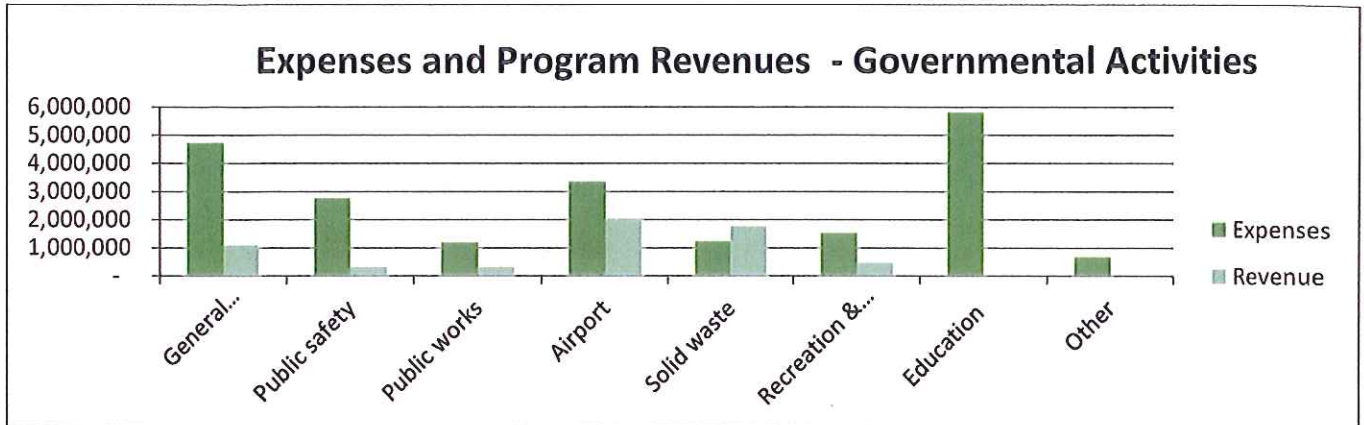
City of Presque Isle
Statement of Changes in Net Position

| | 2013 | 2012 |
|---|----------------------|----------------------|
| Revenues | | |
| Program Revenues | | |
| Charges for services | \$ 4,660,497 | \$ 4,549,598 |
| Operating grants and contributions | 474,687 | 663,864 |
| Capital grants and contributions | 757,936 | 1,488,310 |
| General Revenues | | |
| Property taxes | 12,534,949 | 11,955,543 |
| Excise taxes | 1,536,329 | 1,454,296 |
| Grants and contributions not restricted to specific programs | 1,405,817 | 1,562,793 |
| Unrestricted investment earnings | 192,935 | 141,344 |
| Other | <u>175,510</u> | <u>147,783</u> |
| Total Revenues | 21,738,660 | 21,963,531 |
| Expenditures | | |
| General government | 4,716,527 | 4,889,842 |
| Public safety | 2,751,289 | 2,486,138 |
| Public works | 1,168,013 | 3,077,507 |
| Airport | 3,342,171 | 3,064,007 |
| Solid waste | 1,221,998 | 2,319,919 |
| Recreation and culture | 1,515,441 | 1,430,088 |
| Education | 5,790,920 | 5,379,470 |
| Interest on debt service | <u>623,921</u> | <u>374,636</u> |
| Total Expenditures | <u>21,129,880</u> | <u>23,021,607</u> |
| Increase (decrease) in net position | 608,780 | (1,058,076) |
| Net position -- January 1 | <u>58,073,885</u> | <u>59,131,961</u> |
| Net position -- December 31 | <u>\$ 58,682,665</u> | <u>\$ 58,073,885</u> |

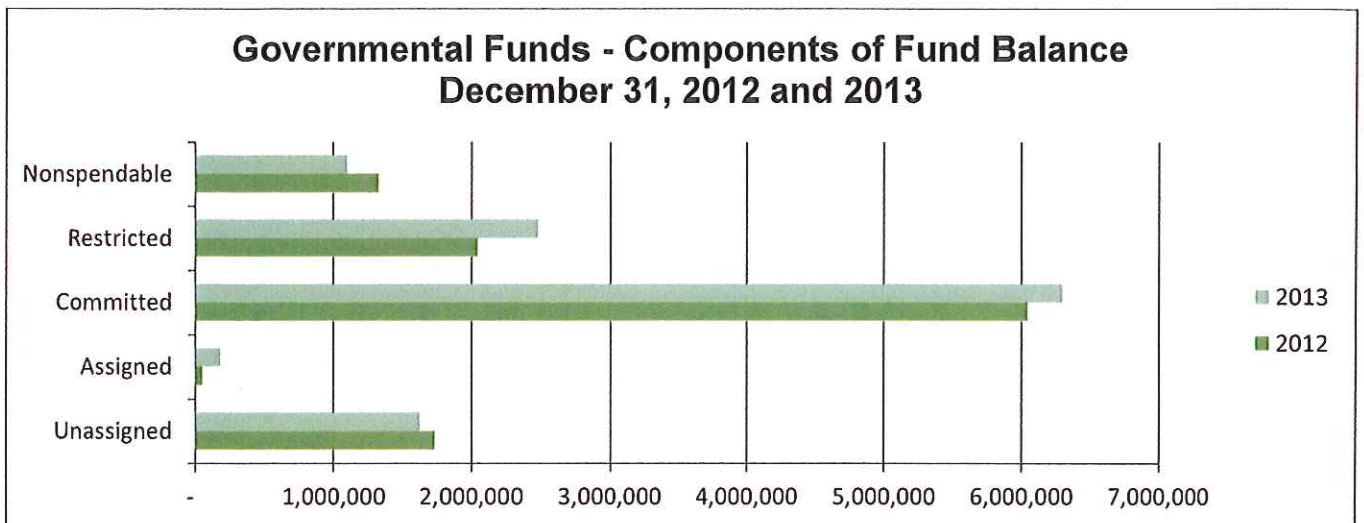
Governmental Activities Governmental activities resulted in a increase in the City of Presque Isle's net position of \$608,780 from the previous year for an ending balance of \$58,682,665.

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

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2013



The financial reporting focus of the City of Presque Isle's **governmental funds** is to provide information on near-term inflows, outflows and balance of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Presque Isle itself, or a group or individuals that has been delegated authority to assign resources for use for particular purposes by the City of Presque Isle's Council.



As of December 31, 2013, the City of Presque Isle's governmental funds reported combined fund balance of \$11,678,083, an increase of \$482,996 from 2012. Approximately 13.9% of the total amount (\$1,627,633) constitutes *unassigned fund balance*, which is available to meet the future financial needs of the City. The remainder of the fund balance (\$10,050,450) consists of:

- \$1,094,833 (9.4%) is *nonspendable* to indicate that it is not available for new spending:
 - \$18,799 is Fuel Inventory for Resale at the Airport, and
 - \$20,000 in nonspendable principal in Permanent Funds, and
 - \$1,056,034 in loans receivable in the UDAG Revolving Loan Fund.
- \$2,480,965 (21.2%) is *restricted* to indicate that it can only be spent for specific purposes stipulated by external resource providers, for example grant providers:
 - \$879,575 to account for the funds available for lending in the UDAG Revolving Fund,
 - \$1,455,245 to account for various grants and donations throughout the City,

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2013

- \$146,145 for an inter-fund advance from the UDAG Revolving Loan Fund.
- \$6,297,405 (53.9%) is *committed* to indicated amounts that can be used only for specific purposes formally designated by the City Council:
 - \$1,867,837 to account for the Emergency Reserve Fund,
 - \$24,723 to account for future Retirement Payouts,
 - \$2,189,885 for landfill closure,
 - \$198,568 is an interfund receivable from Solid Waste Operations Fund, and
 - \$2,016,392 for various capital projects throughout the City.
- \$177,247 (1.5%) is *assigned* to indicate amounts that are intended for specific purposes but are neither restricted nor committed.
- \$1,627,633 (13.9%) is *unassigned* to indicate amounts that have not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes in the General Fund.

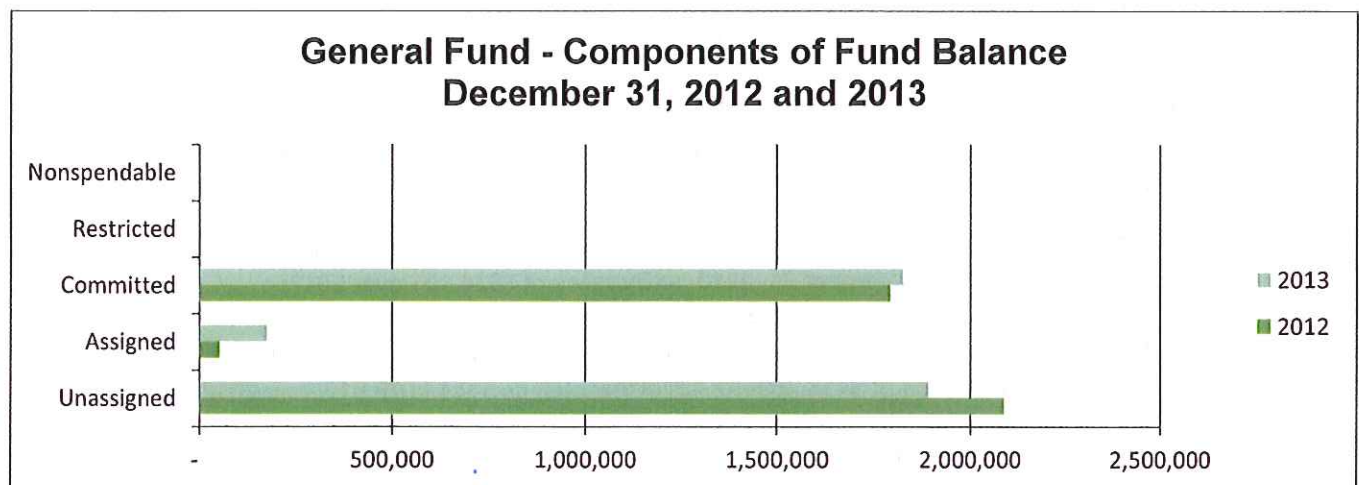
The *general fund* is the central operating fund of the City of Presque Isle. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,824,405 a decrease of \$265,039 from 2012 as follows:

- Donation to the Library Enhancement Project, \$22,321,
- Set aside \$151,550 to be used for various projects,
- The balance was to be used to help to fund the 2013 municipal budget.

The total fund balance was \$3,894,212, a decrease of \$38,805, consisting of:

- The decrease to unassigned as described above,
- Additions to the Emergency and Retirement Reserves increased the balance by \$100,418, and
- Additions to assigned in the amount of \$125,816; \$122,486 was designated for fund raising for the Community Center, \$3,500 was designated for the Downtown Revitalization Committee.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 11.6 per cent of total general fund expenditures, while total fund balance represents approximately 24.8 per cent of that same amount.



The general fund balance of the City of Presque Isle of \$3,894,212 at December 31, 2013 includes the Emergency Reserve (\$1,867,837) and the Retirement Reserve (\$24,723) created due to the implementation of GASB 54.

The *Airport Fund* is used to monitor the activities of the City's airport. During 2013 the airport generated \$1,599,637 in revenue, expended \$1,892,264 and the difference \$292,637 was transferred in from the City's General Fund.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2013

The *Landfill Operations Fund* is used to monitor the revenue and expenses of the secure landfill. The Secure landfill is a joint project with six other surrounding communities. The City of Presque Isle funds approximately 82% of the operating costs.

The *UDAG Revolving Fund* manages funds from the Federal Government and is used as a revolving fund for the purpose of lending money for economic development. Currently there are 13 loans outstanding totaling \$1,056,034, one inter-city loan in the amount of \$146,145 and \$879,575 available for lending.

At the end of the year the *UDAG Revolving Fund* had a nonspendable fund balance of \$1,056,034 and a restricted fund balance of \$1,025,720. The fund balance decreased \$12,184 from 2012 which represents the net of Interest Earned \$40,184 and administrative fees \$28,000.

The *Secure Landfill Closure Reserve* is used to monitor funds for the costs of closure. During 2013, \$4,807 was used for a Closure Permit for Permanent Closure of a portion of the Secure Landfill scheduled for 2014; \$125,000 was contributed to the reserve by the City, \$9,833 constituted a earnings on investments, and \$15,838 was received from the state from a program that reimburses 75% of Landfill Closure Costs.

Other governmental funds include the activities of all other nonmajor special revenue funds, nonmajor capital projects funds and nonmajor permanent funds.

General Fund Budgetary Highlights

The General Fund budget overall (on a budgetary basis of accounting), ended the year with revenue \$2,347 above estimates and expenses were \$14,440 above estimates, an additional amount of \$43,650 (budgeted use of surplus) was used for a decrease to surplus of \$139,223 at year end.

Revenues and other financing sources for the General Fund (on the budgetary basis of accounting) totaled \$17,176,662 in 2013:

- For both the current and prior years, real estate taxes represent the largest revenue source--\$12,497,949 or 72.8% of all general fund revenues, an increase of \$609,558 or 5.1% from 2012. Excise tax collections of \$1,536,329, an increase of \$82,033, represents 8.9% of total revenues.
- Intergovernmental revenues of \$1,575,825 or 9.2% of total revenues decreased \$78,524 (4.75%) from 2012 primarily due to a decrease in state revenue sharing.

Expenditures and other financing uses from the General Fund (on the budgetary basis of accounting) totaled \$17,315,885 during the year ended December 31, 2013, an increase of \$824,151 over 2012:

- Education expenditures of \$5,790,920, 33.5% of total expenditures, increased \$411,450 from 2012.
- General Government expenditures of \$3,352,023 (19.3% of the total) increased \$78,1998 from 2012.
- Solid Waste net appropriation of \$418,259 (2.4% of the total) decreased \$6,619 from 2012..

The following schedule provides a summary of General Fund revenues and expenditures on the budgetary basis of accounting for the year 2013 and the change from 2012.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2013

City of Presque Isle
General Fund Analysis of Revenues and Expenses
for the Year Ended December 31, 2013

| Revenues | Amount | Percent of Total | Increase/ (Decrease) from 2012 |
|----------------------------|-------------------|-----------------------------|---|
| Taxes | | | |
| Real Estate | 12,497,949 | 72.8% | 609,558 |
| Excise | 1,536,329 | 8.9% | 82,033 |
| Licenses, permits and fees | 224,274 | 1.3% | 54,929 |
| Intergovernmental | 1,575,825 | 9.2% | (78,524) |
| Charges for services | 1,004,358 | 5.8% | 19,769 |
| Unclassified | 203,397 | 1.2% | 26,572 |
| Interest earned | 23,988 | 0.1% | 6,148 |
| Budgeted Use of Surplus | 43,650 | 0.3% | 43,650 |
| Transfers from other funds | <u>66,892</u> | <u>0.4%</u> | <u>(22,457)</u> |
| Total Revenues | 17,176,662 | 100.0% | 741,678 |
| Expenditures | | | |
| General government | 3,352,023 | 19.4% | 78,199 |
| Public safety | 2,205,657 | 12.7% | 123,657 |
| Public works | 2,219,225 | 12.8% | 27,144 |
| Airport | 292,637 | 1.7% | 39,776 |
| Solid waste | 416,142 | 2.4% | (8,736) |
| Recreation and culture | 1,163,417 | 6.7% | 20,047 |
| Education | 5,790,920 | 33.4% | 411,450 |
| Agency | 41,600 | 0.2% | 1,750 |
| Intergovernmental | 613,702 | 3.5% | 8,593 |
| Unclassified | 110,449 | 0.6% | (11,240) |
| Debt Service | 286,729 | 1.7% | (11,254) |
| Capital outlay | - | 0.0% | - |
| Transfers Out | <u>823,384</u> | <u>4.8%</u> | <u>144,765</u> |
| Total Expenditures | 17,315,885 | 100.0% | 824,151 |

Capital Asset and Debt Administration

Capital Assets As of December 31, 2013, the City of Presque Isle's investment in capital assets was \$59,415,472 (net of depreciation), a decrease of \$405,746 or 0.7% from December 31, 2012. The decrease was attributable more to increases in depreciation (\$3,187,043) than to decreases in physical assets (\$188,495). This investment in capital assets includes building, improvements, machinery, equipment, roads and airport improvements and runways.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2013

Major capital asset events during the current fiscal year include:

- Equipment purchases:
 - Police Cruiser, \$26,445,
 - Plow Truck at Public Works \$196,574,
 - Excavator at Public Works \$60,000,
 - Deicing equipment for the Airport \$120,000,
 - Ordered a Fire Truck \$503,372
- Improvements to buildings at the Industrial Park \$532,404,
- Road improvements \$465,985,
- Improvements to Airport runways \$680,980.

City of Presque Isle
Schedule of Capital Assets (net of depreciation)

| | <u>2013</u> | <u>2012</u> |
|---|-----------------------------|-----------------------------|
| Land | \$ 5,670,341 | \$ 5,670,341 |
| Construction in progress | 1,276,474 | 914,384 |
| Works of art and historical treasures | 698,990 | 698,990 |
| Buildings and improvements | 12,606,061 | 12,796,278 |
| Improvements other than buildings | 1,357,674 | 1,477,677 |
| Machinery and equipment | 2,598,891 | 2,444,485 |
| Vehicles | 2,543,053 | 2,635,682 |
| Infrastructure | <u>32,663,988</u> | <u>33,183,381</u> |
| Total assets net of depreciation | <u>\$ 59,415,472</u> | <u>\$ 59,821,218</u> |

Additional information about the City of Presque Isle's capital assets can be found in the notes to the financial statements on pages 37 and 43 of this report.

Long-term debt At the end of the current year, the City of Presque Isle had total bonded debt outstanding of \$8,120,093, a decrease of \$153,815 or 1.9% from 2012 from regularly scheduled note payments. Notes Outstanding total \$364,291 as of December 31, 2013. Loans were added in 2013 to fund the purchase of an excavator, \$60,000, and a fire truck, \$275,201. All of the City's outstanding debt is backed by the full faith and credit of the City.

State statutes limit the amount of general obligation debt a municipality may incur to 7.5 % of its total state assessed valuation. The current debt limitation for the City is \$42,896,250 which is significantly in excess of the City's outstanding general obligation debt at December 31, 2013.

Additional information on the City of Presque Isle's long-term debt can be found in the notes to the financial statements on pages 38, 44 and 45 of this report.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2013

Economic Factors and Next Year's Budget

In preparing the City's 2014 budget, City management and officials considered many factors in making judgments and estimates about the finances of the upcoming year. A primary objective was to continue to provide basic services to the citizens of the City while attempting to keep the property tax low.

During the 2014 fiscal year, the City's management will continue to monitor and evaluate local economic conditions. Items of concern include:

Revenue projections:

- A possible continued reduction in the Municipal Revenue Sharing pool resulting from a slowdown in the state's tax receipts and possible changes in how the State calculates the revenue sharing pool;
- General Assistance payments have increased significantly since unemployment benefits were not extended.
- A decline in taxable assessed values is resulting in decreased property tax revenue.

Expenditure projections:

- Continuing uncertainty in the State budget regarding local school funding is a concern. While the school district is separate from the City, the City is responsible for 73.94% of the School District's funding at this time. Currently the school district requires an increase of 3% each year to maintain its current level of services. If the state should decrease its funding, the City would need to proportionately increase its share to keep the same level of services.
- Decreasing revenue on the investments for pension funds have resulted in an unfunded pension liability that has caused a sharp increase in the rate charged by MainePers (Maine State Retirement).
- The state of unrest in global conditions may easily lead to significant increases in the cost of fuel and electricity.
- Rising cost of health insurance
- The city is still in the process of negotiating contracts with 4 of the City's unions.

Requests for Information

This financial report is designed to provide a general overview of the City of Presque Isle's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 12 Second Street, Presque Isle, Maine 04769.

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BASIC FINANCIAL STATEMENTS

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CITY OF PRESQUE ISLE, MAINE
Statement of Net Position
December 31, 2013

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 8,896,759 |
| Investments | 1,553,389 |
| Due from other governments | 175,730 |
| Accounts receivable | 351,030 |
| Taxes receivable | 960,953 |
| Tax liens and tax acquired property | 356,359 |
| Loans receivable | 1,056,034 |
| Inventory | 18,799 |
| Capital assets, not being depreciated | 7,645,805 |
| Capital assets, net of accumulated depreciation | 51,769,667 |
| Total assets | 72,784,525 |
| LIABILITIES | |
| Accounts payable | 512,531 |
| Accrued liabilities | 123,439 |
| Accrued interest | 27,665 |
| Non-current liabilities: | |
| Due within one year | 3,136,649 |
| Due in more than one year | 10,301,576 |
| Total liabilities | 14,101,860 |
| NET POSITION | |
| Invested in capital assets, net of related debt | 50,931,088 |
| Restricted for: | |
| Revolving loans | 2,081,754 |
| Grants and other purposes | 743,015 |
| Permanent funds - Nonspendable principal | 20,000 |
| Permanent funds - Expendable | 712,230 |
| Unrestricted | 4,194,578 |
| Total net position | \$ 58,682,665 |

See accompanying notes to financial statements.

CITY OF PRESQUE ISLE, MAINE
Statement of Activities
For the year ended December 31, 2013

| Functions/programs | Program Revenues | | | Net (expense) revenue and changes in net position | |
|---|------------------|----------------------|------------------------------------|---|---------------------------------|
| | Expenses | Charges for services | Operating grants and contributions | Capital grants and contributions | Primary Governmental activities |
| | | | | | |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ | 871,603 | 121,987 | 84,055 | (3,638,482) |
| Public safety | 2,751,289 | 59,349 | 233,053 | - | (2,458,887) |
| Public works | 1,168,013 | 6,795 | - | 304,330 | (856,888) |
| Airport | 3,342,171 | 1,646,208 | - | 357,653 | (1,338,310) |
| Solid waste | 1,221,998 | 1,672,625 | 67,729 | 8,505 | 526,861 |
| Recreation and culture | 1,515,441 | 403,917 | 51,918 | 3,393 | (1,056,213) |
| Education | 5,790,920 | - | - | - | (5,790,920) |
| Interest on debt service | 623,921 | - | - | - | (623,921) |
| Total governmental activities | 21,129,880 | 4,660,497 | 474,687 | 757,936 | (15,236,760) |
| Total primary government | \$ | 4,660,497 | 474,687 | 757,936 | (15,236,760) |
| General revenues: | | | | | |
| Property taxes, levied for general purposes | | | | \$ | 12,534,949 |
| Motor vehicle excise taxes | | | | | 1,536,329 |
| Cable television franchise taxes | | | | | 61,755 |
| Grants and contributions not restricted to specific programs: | | | | | |
| State Revenue Sharing | | | | | 997,708 |
| Homestead and BETE exemptions | | | | | 370,237 |
| Other State aid | | | | | 37,872 |
| Unrestricted investment earnings | | | | | 192,935 |
| Miscellaneous | | | | | 113,755 |
| Total general revenues | | | | | 15,845,540 |
| Change in net position | | | | | 608,780 |
| Net position - beginning | | | | | 58,073,885 |
| Net position - ending | | | | \$ | 58,682,665 |

See accompanying notes to financial statements.

CITY OF PRESQUE ISLE, MAINE
Balance Sheet
Governmental Funds
December 31, 2013

| | General | Airport | Landfill Operations | UDAG Revolving Fund | Landfill Closure | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------|------------------------|---------------------------|---------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 8,815,275 | - | - | - | - | 81,484 | 8,896,759 |
| Investments | 902,643 | - | - | - | - | 650,746 | 1,553,389 |
| Due from other governments | 175,730 | - | - | - | - | - | 175,730 |
| Accounts receivable | 351,030 | - | - | - | - | - | 351,030 |
| Taxes receivable | 960,953 | - | - | - | - | - | 960,953 |
| Tax liens and tax acquired property | 356,359 | - | - | - | - | - | 356,359 |
| Loans receivable | - | - | - | 1,056,034 | - | - | 1,056,034 |
| Inventory | - | 18,799 | - | - | - | - | 18,799 |
| Interfund loans receivable | - | - | 198,568 | 879,575 | 2,189,885 | 2,727,579 | 5,995,607 |
| Interfund advance | - | - | - | 146,145 | - | - | 146,145 |
| Total assets | \$ 11,561,990 | 18,799 | 198,568 | 2,081,754 | 2,189,885 | 3,459,809 | 19,510,805 |
| LIABILITIES | | | | | | | |
| Accounts payable | 512,531 | - | - | - | - | - | 512,531 |
| Accrued liabilities | 123,439 | - | - | - | - | - | 123,439 |
| Interfund loans payable | 5,976,808 | 18,799 | - | - | - | - | 5,995,607 |
| Interfund advance | - | - | - | - | - | 146,145 | 146,145 |
| Total liabilities | 6,612,778 | 18,799 | - | - | - | 146,145 | 6,777,722 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue - property taxes | - | - | - | - | - | - | - |
| Total deferred inflows of resources | 1,055,000 | - | - | - | - | - | 1,055,000 |
| FUND BALANCES (Deficits) | | | | | | | |
| Nonspendable | - | 18,799 | - | 1,056,034 | - | 20,000 | 1,094,833 |
| Restricted | - | - | - | 1,025,720 | - | 1,455,245 | 2,480,965 |
| Committed | 1,892,560 | - | 198,568 | - | 2,189,885 | 2,016,392 | 6,297,405 |
| Assigned | 177,247 | - | - | - | - | - | 177,247 |
| Unassigned | 1,824,405 | (18,799) | - | - | - | (177,973) | 1,627,633 |
| Total fund balances | 3,894,212 | - | 198,568 | 2,081,754 | 2,189,885 | 3,313,664 | 11,678,083 |
| Total liabilities, deferred inflows and fund balances | \$ 11,561,990 | 18,799 | 198,568 | 2,081,754 | 2,189,885 | 3,459,809 | 19,510,805 |
| Total Fund Balance | | | | | | | 11,678,083 |
| Amounts reported for governmental activities in the statement of net position are different because: | | | | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | | | | 59,415,472 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | | | | | | 1,055,000 |
| Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds: | | | | | | | |
| Accrued compensated absences | | | | | | | (420,484) |
| Accrued interest | | | | | | | (27,665) |
| Other postemployment benefits liability | | | | | | | (939,876) |
| Landfill closure | | | | | | | (3,593,481) |
| Bonds and notes payable | | | | | | | (8,484,384) |
| Net position of governmental activities | | | | | | | \$ 58,682,665 |

See accompanying notes to financial statements.

CITY OF PRESQUE ISLE, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2013

| | General | Airport | Landfill Operations | UDAG Revolving Fund | Landfill Closure | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|------------------|------------------------|---------------------------|---------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | | | |
| Taxes | \$ 14,034,278 | - | - | - | - | - | 14,034,278 |
| Intergovernmental | 1,596,416 | - | 67,729 | - | 15,838 | 945,917 | 2,625,900 |
| Licenses, permits, and fees | 224,274 | - | 9,896 | - | - | - | 234,170 |
| Charges for services | 987,738 | 1,562,641 | 1,662,729 | - | - | 62,845 | 4,275,953 |
| Unclassified | 203,397 | 36,986 | - | - | - | 98,041 | 338,424 |
| Interest earned | 27,954 | - | - | 40,184 | 9,833 | 114,964 | 192,935 |
| Total revenues | 17,074,057 | 1,599,627 | 1,740,354 | 40,184 | 25,671 | 1,221,767 | 21,701,660 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | 3,365,121 | - | - | - | - | 109,034 | 3,474,155 |
| Public safety | 2,205,657 | - | - | - | - | 272,557 | 2,478,214 |
| Public works | 2,080,725 | - | - | - | - | - | 2,080,725 |
| Airport | - | 1,892,264 | - | - | - | 143,015 | 2,035,279 |
| Solid waste | 883 | - | 1,360,929 | - | - | - | 1,361,812 |
| Recreation and culture | 1,163,417 | - | - | - | - | 168,555 | 1,331,972 |
| Education | 5,790,920 | - | - | - | - | - | 5,790,920 |
| Outside requests | 41,600 | - | - | - | - | - | 41,600 |
| Intergovernmental | 613,702 | - | - | - | - | - | 613,702 |
| Unclassified | 128,449 | - | - | - | - | 5,028 | 133,477 |
| Debt service | 286,729 | - | 383,829 | - | - | 15,030 | 685,588 |
| Capital outlay | - | - | - | - | 4,807 | 1,186,413 | 1,191,220 |
| Total expenditures | 15,677,203 | 1,892,264 | 1,744,758 | - | 4,807 | 1,899,632 | 21,218,664 |
| Excess (deficiency) of revenues over (under) expenditures | 1,396,854 | (292,637) | (4,404) | 40,184 | 20,864 | (677,865) | 482,996 |
| Other financing sources (uses): | | | | | | | |
| Transfers in | 194,438 | 292,637 | 426,367 | - | 125,000 | 1,182,800 | 2,221,242 |
| Transfers out | (1,630,097) | - | (223,395) | (28,000) | - | (339,750) | (2,221,242) |
| Issuance of debt | - | - | - | - | - | - | - |
| Total other financing sources (uses) | (1,435,659) | 292,637 | 202,972 | (28,000) | 125,000 | 843,050 | - |
| Net change in fund balances | (38,805) | - | 198,568 | 12,184 | 145,864 | 165,185 | 482,996 |
| Fund balances, beginning of year | 3,933,017 | - | - | 2,069,570 | 2,044,021 | 3,148,479 | 11,195,087 |
| Fund balances, end of year | \$ 3,894,212 | - | 198,568 | 2,081,754 | 2,189,885 | 3,313,664 | 11,678,083 |

See accompanying notes to financial statements.

CITY OF PRESQUE ISLE, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2013

| | | |
|--|-----------|----------------|
| Net change in fund balances - total governmental funds (from Statement 4) | \$ | 482,996 |
| 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 depreciation expense (\$3,187,043) and book value of disposed assets (\$0) exceeded capital outlays (\$2,781,297). | | (405,746) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the change in deferred inflows of resources. | | 37,000 |
| Change in accruals are recorded on the statement of net position, but not on the governmental fund balance sheet - decrease in accrued interest (\$233,943) and accrued compensated absences (\$10,558), and increase in other postemployment benefits liability (\$147,376). | | 97,125 |
| Changes in long-term liabilities on the statement of net position, are expenditures in the governmental funds. This is the decrease in the landfill closure liability. | | 569,681 |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds (\$560,000) exceeded repayments (\$387,724). | | (172,276) |
| Change in net position of governmental activities (see Statement 2) | \$ | 608,780 |

See accompanying notes to financial statements.

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CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Presque Isle, Maine functions under a City Manager - City Council form of government.

The financial statements of the City of Presque Isle have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental 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.

A. Reporting Entity

This report includes all funds of the City of Presque Isle, Maine. An analysis of certain criteria was made to determine if other governmental units should be included in this report. In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units.

The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as 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 type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens.

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

Related Organization

The Presque Isle Industrial Council is organized to formulate and implement an industrial development program for the City of Presque Isle, Maine. The Industrial Council is also responsible for the management of the Skyway Industrial Park. All debt held by the Presque Isle Industrial Council is guaranteed by the City.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of 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 fees and charges for support. The City does not have business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect costs among the programs, functions and segments. 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 a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City does not have proprietary or fiduciary funds.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Airport Fund accounts for the operations at the municipal airport.
- The Landfill Operations Fund accounts for the operations at the landfill.
- The UDAG Revolving Loan Fund accounts for the UDAG loan funds held by the City.
- The Landfill Closure Fund accounts for funds set aside by the City to be used for the closure of the landfill.

The Airport Fund is a major special revenue fund and the revenue sources can be found in RSI-2.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as time deposits and certificates of deposit owned by the City. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, money market mutual funds and repurchase agreements.

Investments are stated at fair value.

E. Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventory is generally recorded as expenditures when consumed rather than when purchased.

F. Interfund Loans

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund loans receivable" or "interfund loans payable" on the balance sheet.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. If material, interest incurred during the construction phase of capital assets of governmental activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-------------------------|--------------|
| Land improvements | 5 - 50 |
| Buildings | 25 - 50 |
| Building improvements | 5 - 40 |
| Furniture and fixtures | 5 - 50 |
| Vehicles | 5 - 30 |
| Machinery and equipment | 2 - 30 |
| Infrastructure | 5 - 50 |

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

H. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City provides vesting for vacation and sick leave benefits based upon length of employment. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. Balances are not accrued unless an employee is eligible for retirement. At retirement, the accrued amounts for sick leave, vacation, and comp time are charged to the retirement payout reserve. This reserve is funded with an annual appropriation from the General Fund based on anticipated retirements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities on the statement of net position.

J. Deferred Inflows of Resources

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

K. Fund Equity

Governmental Fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the City imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City Council has the responsibility for committing fund balance amounts through the passage of an ordinance, which requires a majority vote, and likewise would be required to modify or rescind those

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

commitments in the same fashion. Likewise, the City Council or a body or official delegated by the City Council by a majority vote may assign unspent budgeted amounts to specific purposes in the General Fund at year end based on Department requests.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the City's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the City's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

The City has a policy to maintain an adequate unassigned fund balance in the general fund. The unassigned fund balance is based on total budgeted expenditures of the City, School and County. A target of 16% (two months expenditures) is to be maintained, but may be reduced to 12% if a minimum of 4% of budgeted expenditures is maintained in the emergency fund.

The emergency reserve account may not accumulate to more than 0.5% of the City's then current State valuation. The reserve must be funded each year at a rate of 1.5% of the City's net annual budget appropriations. Expenditures from the emergency reserve may only be made upon unanimous vote of all City Councilors, and only to meet unanticipated, extraordinary means.

L. Interfund Transactions

Interfund services provided and used are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except internal services provided and used for transactions and reimbursements, are reported as transfers.

M. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data has not been presented in all statements because its inclusion would make certain statements unduly complex and difficult to understand.

N. Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

O. Net Position

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

The City's net investment invested in capital assets, net of related debt was calculated as follows at December 31, 2013:

| | |
|---|-----------------------------|
| | Governmental activities |
| Capital assets | \$ 109,976,880 |
| Accumulated depreciation | <u>(50,561,408)</u> |
| Capital assets, net of accumulated depreciation | 59,415,472 |
| <u>Bonds and notes payable</u> | <u>(8,484,384)</u> |
| <u>Total invested in capital assets, net of related debt</u> | <u>\$ 50,931,088</u> |

NEW PRONOUNCEMENTS AND ACCOUNTING CHANGES

For the fiscal year ended December 31, 2012, the City elected to implement the following Statements of the Governmental Accounting Standards Board:

- Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred inflows of Resources, and Net Position*
- Statement No. 65 – *Items Previously Reported as Assets and Liabilities*

In 2012 the City also elected to report the activities of the airport in a newly created Airport Fund. Prior to 2012, the activity for the airport was reported as a function of the General Fund.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted by the City Council for the General Fund that includes net appropriations for the Airport Fund and Landfill Operations Fund. The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level.

The City employs encumbrance accounting in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The City did not have outstanding encumbrances at year end.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2013, expenditures exceeded appropriations in the following categories:

| | | | |
|------------------------|-----------|--------------------|---------|
| Employee benefits | \$ 23,286 | Police department | 1,435 |
| Resource management | 2,499 | Public works | 9,049 |
| Information technology | 5,440 | Airport - transfer | 140,450 |
| Facilities | 16,935 | | |

C. Deficit Fund Balances

At December 31, 2013, the following funds had deficit fund balances:

| | | | |
|-------------------|----------|----------------|--------|
| Appraisals | \$ 1,050 | Septic systems | 457 |
| Police grants | 529 | A/P Project 41 | 26,000 |
| Cunningham School | 146,145 | | |

These deficits will be funded by future grant revenue, charges for services, bond proceeds, or transfers.

DEPOSITS AND INVESTMENTS

As of December 31, 2013, the City had the following investments and maturities:

| | <u>Fair value</u> | <u>Less than 1 year</u> | <u>1-5 years</u> | <u>More than 5 years</u> |
|-----------------------------|-----------------------|-----------------------------|------------------|------------------------------|
| Corporate bonds | 50,054 | 50,054 | - | - |
| Common stocks | 330,286 | | not applicable | |
| Mutual funds – fixed income | 1,009,330 | | not applicable | |
| Mutual funds – equity | 163,719 | | not applicable | |
| Total investments | \$1,553,389 | 50,054 | - | - |

Custodial credit risk- deposits – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of December 31, 2013, none of the City's bank balance of \$9,082,776 was exposed to custodial credit risk. In accordance with its investment policy, the City's funds can only be invested in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Share Insurance Fund or the successors to these federal agencies. Any funds deposited or invested above the \$250,000 insurance limit should be collateralized by the financial institution, or the excess funds should be placed with another financial institution.

Custodial credit risk- investments – For investments, this is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. In accordance with its investment policy, the City's funds can only be invested in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Share Insurance Fund or the successors to these federal agencies. Any funds deposited or invested above the \$250,000 insurance limit should be collateralized by the financial institution, or the excess funds should be placed with another financial institution.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

Credit risk – Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The City currently does not have an investment policy for credit risk.

Interest rate risk – Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates have subsequently increased. Accordingly, holders of debt securities in the situation just described face the prospect of a loss should those securities be sold prior to maturity, even though cash flows under the debt contract remain unaffected by changes in interest rates. The City currently does not have a deposit policy for interest rate risk.

PROPERTY TAX

Property taxes for the current period were committed on July 1, 2013 on the assessed value listed as of the prior April 1 for all real and personal property located in the City. Assessed values are periodically established by the City's Assessor at 100% of assumed market value.

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$75,174 for the year ended December 31, 2013.

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

Property taxes levied during the period were recorded as receivables at the time the levy was made. The receivables collected during the period and in the first sixty days following the end of the period have been recorded as revenues. The remaining receivables have been recorded as deferred inflows of resources – unavailable revenue – property taxes.

The following summarizes the levy:

| | <u>2013</u> | <u>2012</u> |
|--|--------------------------------|-----------------------------|
| Assessed value | \$ 508,731,850 | 510,083,650 |
| <u>Tax rate (per \$1,000)</u> | <u>24.70</u> | <u>23.50</u> |
| Commitment | 12,565,677 | 11,986,966 |
| Add: | | |
| <u>Supplementals</u> | <u>10,438</u> | <u>13,388</u> |
| Total commitment | 12,576,115 | 12,000,354 |
| Less: | | |
| Abatements | 24,821 | 37,888 |
| <u>Collections</u> | <u>11,621,199</u> | <u>11,048,060</u> |
| Current year taxes receivable at end of year | 930,095 | 914,406 |
| <u>Taxes and liens receivable - prior years</u> | <u>403,425</u> | <u>395,889</u> |
| <u>Total taxes and liens receivable</u> | <u>\$ 1,333,520</u> | <u>1,310,295</u> |
| Due date: | October 15, 2013 | October 15, 2012 |
| Interest rate on delinquent taxes | 7.00% | 7.00% |
| Collection rate | 92.59% | 92.32% |

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2013 was as follows:

| | Balance December 31, <u>2012</u> | <u>Increases</u> | <u>Decreases</u> | Balance December 31, <u>2013</u> |
|--|--|------------------|------------------|--|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 5,670,341 | - | - | 5,670,341 |
| Construction in progress | 914,384 | 952,880 | 590,790 | 1,276,474 |
| Works of art & historical treasures | 698,990 | - | - | 698,990 |
| Total capital assets not being depreciated | 7,283,715 | 952,880 | 590,790 | 7,645,805 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 8,674,021 | - | - | 8,674,021 |
| Buildings | 23,652,973 | - | - | 23,652,973 |
| Building improvements | 8,446,070 | 532,404 | - | 8,978,474 |
| Furniture and fixtures | 205,257 | - | - | 205,257 |
| Machinery and equipment | 5,825,068 | 491,227 | 61,055 | 6,255,240 |
| Vehicles | 6,297,826 | 248,603 | 127,440 | 6,418,989 |
| Infrastructure | 46,999,157 | 1,146,973 | - | 48,146,130 |
| Total capital assets being depreciated | 100,100,372 | 2,419,207 | 188,495 | 102,331,084 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 7,196,344 | 120,003 | - | 7,316,347 |
| Buildings | 14,501,176 | 395,308 | - | 14,896,484 |
| Building improvements | 4,801,589 | 327,313 | - | 5,128,902 |
| Furniture and fixtures | 136,614 | 12,014 | - | 148,628 |
| Machinery and equipment | 3,449,226 | 324,807 | 61,055 | 3,712,978 |
| Vehicles | 3,662,144 | 341,232 | 127,440 | 3,875,936 |
| Infrastructure | 13,815,776 | 1,666,366 | - | 15,482,142 |
| Total accumulated depreciation | 47,562,869 | 3,187,043 | 188,495 | 50,561,417 |
| Total capital assets being depreciated, net | 52,537,503 | (767,836) | - | 51,769,667 |
| Governmental activities capital assets, net | \$ 59,821,218 | 185,044 | 590,790 | 59,415,472 |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|-----------------------------------|---------------------|
| General government | \$ 305,817 |
| Public safety | 283,633 |
| Public works | 677,365 |
| Airport | 1,306,892 |
| Solid waste | 429,867 |
| Recreation | 183,469 |
| Total depreciation expense | \$ 3,187,043 |

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT

Long-term liability activity for the year ended December 31, 2013, was as follows:

| | <u>Beginning balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending balance</u> | <u>Due within one year</u> |
|-------------------------------------|------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| General obligation bonds | \$ 8,273,908 | - | 153,815 | 8,120,093 | 476,519 |
| Notes payable | 38,200 | 560,000 | 233,909 | 364,291 | 23,711 |
| Landfill closure | 4,163,162 | - | 569,681 | 3,593,481 | 2,400,000 |
| Other postemployment benefits | 792,500 | 147,376 | - | 939,876 | |
| Compensated absences | 431,042 | - | 10,558 | 420,484 | 236,419 |
| Governmental activities | | | | | |
| <u>long-term liabilities</u> | <u>\$ 13,698,812</u> | <u>707,376</u> | <u>967,963</u> | <u>13,438,225</u> | <u>3,136,649</u> |

Long-term debt payable at December 31, 2013 is comprised of the following:

| | <u>Date of issue</u> | <u>Original amount issued</u> | <u>Date of maturity</u> | <u>Interest rate</u> | <u>Balance December 31, 2013</u> |
|--------------------------------------|--------------------------|---------------------------------------|-----------------------------|--------------------------|--|
| Bonds payable: | | | | | |
| 2001 Public Safety Building Bond | 10/25/2001 | \$ 2,600,000 | 11/1/2021 | 3.25-5.125% | 1,040,000 |
| 2007 Public Works Garage Bond | 10/25/2007 | 1,145,000 | 11/1/2025 | 2.00-6.00% | 855,093 |
| 2011 Landfill Expansion Bond | 1/7/2013 | 6,225,000 | 4/1/2033 | 2.00% | 6,225,000 |
| Total bonds payable | | | | | 8,120,093 |
| Notes payable: | | | | | |
| 2012 PW Tractor | 2/7/2012 | 38,200 | 2/7/2016 | 3.24% | 29,090 |
| 2013 Excavator | 1/7/2013 | 60,000 | 1/8/2017 | 3.25% | 60,000 |
| 2013 Fire Truck | 10/2/2013 | 500,000 | 10/1/2017 | 1.99% | 275,201 |
| Total notes payable | | | | | 364,291 |
| Total bonds and notes payable | | | | | \$ 8,484,384 |

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize long-term debt outstanding as of December 31, 2013 are as follows:

| | <u>Bonds payable</u> | | | <u>Notes payable</u> | | |
|--------------|----------------------|------------------|------------------|----------------------|-----------------|----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2014 | \$ 476,519 | 152,412 | 628,931 | 23,711 | 8,590 | 32,301 |
| 2015 | 480,775 | 141,847 | 622,622 | 124,481 | 7,599 | 132,080 |
| 2016 | 485,135 | 129,665 | 614,800 | 125,225 | 4,815 | 130,040 |
| 2017 | 489,600 | 117,329 | 606,929 | 90,874 | 2,006 | 92,880 |
| 2018 | 494,175 | 104,835 | 599,010 | - | - | - |
| 2019-2023 | 2,294,629 | 342,939 | 2,637,568 | - | - | - |
| 2024-2028 | 1,760,670 | 174,709 | 1,935,379 | - | - | - |
| 2029-2033 | 1,638,590 | 112,206 | 1,750,796 | - | - | - |
| Total | \$ 8,120,093 | 1,275,942 | 9,396,035 | 364,291 | 23,010 | 387,301 |

Bonds and notes payable are liquidated by the General Fund and the Landfill Operations Fund. Compensated absences are generally liquidated through the General Fund and the Landfill Operations Fund.

The City is subject to a statutory limitation, by the State of Maine, of its general long-term debt equal to 15% of the State's valuation of the City (only 7.5% is applicable to the City of Presque Isle). At December 31, 2013, the statutory limit for the City was \$38,155,000. The City's outstanding long-term debt of \$8,120,093 at December 31, 2013 was \$30,034,907 less than the statutory limit.

In addition to the notes and bonds payable, the City is contingently responsible for the following overlapping debt as of December 31, 2013:

| <u>Governmental Unit</u> | <u>Net debt outstanding</u> | <u>Applicable to Presque Isle</u> | <u>City of Presque Isle's share of debt</u> |
|--------------------------|-----------------------------|-----------------------------------|---|
| M.S.A.D. #1 | \$ 5,587,438 | 73.94% | 4,131,352 |

SHORT-TERM DEBT

The City issues tax anticipation notes to cover cash shortfalls during the year. Short-term debt activity for the year ended December 31, 2013, was as follows:

| | <u>Beginning balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending balance</u> |
|------------------------|--------------------------|------------------|-------------------|-----------------------|
| Tax anticipation notes | \$ - | 2,500,000 | 2,500,000 | - |
| Total | \$ - | 2,500,000 | 2,500,000 | - |

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

LANDFILL

The City records a liability for the estimated costs of landfill closure and postclosure care, as required by U.S. generally accepted accounting principles. The original landfill (Phase 1) was covered and two sides were closed during the landfill expansion project. Phase 1 will not be accepting any more waste. The new expansion, known as Phase 2, began accepting waste during December 2010. In the future, the City will also construct new expansions to the landfill known as Phase 3 and Phase 4. Phase 3 (which is estimated at being closed in 2058) has an estimated closure cost of \$1,737,070, which is not considered in the calculation of the estimated closure costs since it has yet to be constructed. Phase 4 is estimated at closing in 2098 and its estimated closure costs will be calculated at a later date. The construction / demolition debris (CDD) landfill was permanently closed in 2012 in accordance with Maine DEP regulations. The City is planning to construct a final closure system on the top and west side of Phase 1 in 2014.

As of December 31, 2013, the cost of closing the top and west side of Phase 1 is estimated to be a total of \$2,800,000. The estimated closure cost for Phase 2 is \$2,031,677 and the estimated postclosure care cost is \$2,581,590 (\$86,053 per year) for a total estimated liability of \$4,613,267. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. A portion of the Phase 1 and CDD closure costs will be reimbursed by the State of Maine.

The Phase 2 landfill has an estimated remaining life of 14.8 years. An estimated 17.2 percent of the landfill capacity has been used as of December 31, 2013. The city has recognized a liability in the government-wide financial statements based on percentage used as of December 31, 2013, of \$349,448 for closure, and \$444,033 for postclosure costs for a total liability of \$793,481 for the Phase 2 landfill. The City has recognized a total liability for closure and postclosure costs for the Phase 1 and Phase 2 landfills of \$3,593,481.

The City voluntarily funds a reserve account for landfill closure and postclosure care, which had a balance of \$2,189,885 on December 31, 2013. The City also maintains a reserve account for solid waste activities, which had a balance of \$482,114 at the end of 2013. The total amount available in the reserve accounts is \$2,671,999.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND BALANCES AND ADVANCES

As of December 31, 2013, interfund loans receivable and payable were as follows:

| <u>Fund</u> | <u>Interfund receivable</u> | <u>Interfund payable</u> |
|---------------------------------|---------------------------------|------------------------------|
| General Fund | \$ - | 5,976,808 |
| Airport | | 18,799 |
| UDAG Revolving Fund | 879,575 | - |
| Landfill Closure | 2,189,885 | - |
| Landfill Operations | 198,568 | |
| Nonmajor Special Revenues: | | |
| Special Revenues | 41,871 | - |
| Restricted Reserves | 1,142,471 | - |
| Nonmajor Capital Projects: | | |
| Reserves | 734,963 | - |
| Solid Waste Reserves | 482,114 | - |
| Restricted Reserves | 153,911 | - |
| Street Overlay | 172,249 | - |
| Total interfund balances | \$ 5,995,607 | 5,995,607 |

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND BALANCES AND ADVANCES, CONTINUED

As of December 31, 2013, interfund advance receivable and payable were as follows:

| <u>Fund</u> | <u>Interfund advance receivable</u> | <u>Interfund advance payable</u> |
|---------------------------------|---|--|
| UDAG Revolving Fund | \$ 146,145 | - |
| Nonmajor Capital Projects: | | |
| Reserves | - | 146,145 |
| Total interfund advances | \$ 146,145 | 146,145 |

The purpose of the interfund advance was for the demolition of a building on the Cunningham School property. The advance will be repaid after the sale of the property.

INTERFUND TRANSFERS

As of December 31, 2013, interfund transfers were as follows:

| <u>Fund</u> | <u>Transfers in</u> | <u>Transfers out</u> |
|----------------------------------|---------------------|----------------------|
| General Fund | \$ 194,438 | 1,630,097 |
| Airport | 292,637 | |
| Landfill Operations | 426,367 | 223,395 |
| UDAG Revolving Fund | - | 28,000 |
| Landfill Closure | 125,000 | - |
| Nonmajor Special Revenues: | | |
| Special Revenues | - | - |
| Restricted Reserves | 92,593 | 164,556 |
| Nonmajor Capital Projects: | | |
| Reserves | 692,621 | 81,023 |
| Solid Waste Reserves | 45,000 | - |
| Restricted Reserves | 131,936 | 12,021 |
| Street Overlay | 220,650 | 82,150 |
| Total interfund transfers | \$ 2,221,242 | 2,221,242 |

The primary purpose of the transfers is to move unrestricted revenues from various funds to finance various programs and capital projects that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or match funds for various grant programs.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCE

As of December 31, 2013 fund balance components consisted of the following:

| | <u>General Fund</u> | <u>Airport</u> | <u>Landfill Operations</u> | <u>UDAG Revolving Fund</u> | <u>Landfill Closure</u> | <u>Other Governmental Funds</u> | <u>Total</u> |
|-------------------------------|-------------------------|----------------|--------------------------------|------------------------------------|-----------------------------|---|-------------------|
| Nonspendable: | | | | | | | |
| Loans receivable | - | - | - | 1,056,034 | - | - | 1,056,034 |
| Inventory | - | 18,799 | - | - | - | - | 18,799 |
| Principal for permanent funds | - | - | - | - | - | 20,000 | 20,000 |
| Total nonspendable | - | 18,799 | - | 1,056,034 | - | 20,000 | 1,094,833 |
| Restricted: | | | | | | | |
| General government | - | - | - | 1,025,720 | - | 598,052 | 1,623,772 |
| Public Safety | - | - | - | - | - | 6,767 | 6,767 |
| Airport | - | - | - | - | - | 110,281 | 110,281 |
| Recreation and culture | - | - | - | - | - | 27,915 | 27,915 |
| Permanent funds | - | - | - | - | - | 712,230 | 712,230 |
| Total restricted | - | - | - | 1,025,720 | - | 1,455,245 | 2,480,965 |
| Committed: | | | | | | | |
| Emergency reserve | 1,867,837 | - | - | - | - | - | 1,867,837 |
| Retirement payouts | 24,723 | - | - | - | - | - | 24,723 |
| Landfill operations | - | - | 198,568 | - | - | - | 198,568 |
| Landfill closure | - | - | - | - | 2,189,885 | - | 2,189,885 |
| General government | - | - | - | - | - | 922,204 | 922,204 |
| Public safety | - | - | - | - | - | 16,508 | 16,508 |
| Public works | - | - | - | - | - | 263,060 | 263,060 |
| Airport | - | - | - | - | - | 149,373 | 149,373 |
| Solid waste | - | - | - | - | - | 482,114 | 482,114 |
| Recreation and culture | - | - | - | - | - | 183,133 | 182,591 |
| Total committed | 1,892,560 | - | 198,568 | - | 2,189,885 | 2,016,392 | 6,297,405 |
| Assigned: | | | | | | | |
| Drug forfeiture | 3,160 | - | - | - | - | - | 3,160 |
| Downtown Revitalization | 3,500 | - | - | - | - | - | 3,500 |
| Chapman Road | 18,101 | - | - | - | - | - | 18,101 |
| Vehicle repairs | 30,000 | - | - | - | - | - | 30,000 |
| Community Center Funding | 122,486 | - | - | - | - | - | 122,486 |
| Total assigned | 177,247 | - | - | - | - | - | 177,247 |
| Unassigned: | 1,824,405 | (18,799) | - | - | - | (177,973) | 1,627,633 |
| Total fund balance | 3,894,212 | - | 198,568 | 2,081,754 | 2,189,885 | 3,313,664 | 11,678,083 |

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (MAINE PERS)

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

The City's status as a withdrawn participating local district requires that the City continue to fund the plan on an actuarially sound basis for liabilities of any currently active, inactive vested, or retired participants. This plan is not available to any non-participating current employees or new hires. The City's participating employees are eligible for normal retirement upon attaining age 60 and early retirement after completing 25 or more years of service. Participants are fully vested after 10 years of service.

Funding Policy - Plan members are required to contribute 6.5% (8.0% for fire and police department employees) of their annual covered salary and the City of Presque Isle is required to contribute an actuarially determined rate. The current rate is 10.5% of covered payroll. The contribution rates of plan members and the City of Presque Isle are established and may be amended by the Maine Public Employee Retirement System Board of Trustees. The City's contributions to the Maine Public Employees Retirement System Consolidated Plan for the year ended December 31, 2013, 2012, and 2011 were \$468,680, \$319,281 and \$268,028, respectively.

Unfunded Actuarial Accrued Liability Credit – Effective June 30, 1996, the City withdrew from the Maine State Retirement System and opted not to join into the Consolidated Plan. As a participant of the plan, the City is entitled to its unfunded actuarial accrued asset. At June 30, 2013, the City had an unfunded actuarial accrued asset of \$5,837,032 with an amortization period of 13 years.

DEFINED CONTRIBUTION PLAN

The City of Presque Isle has established a 401 Retirement Plan which was effective as of July 1, 1996. Employees who were enrolled in the MainePERS plan as of July 1, 1996 have the option of changing to this plan. All eligible employees hired subsequent to July 1, 1996 may only enroll in the 401 Retirement Plan. The plan was established as a money purchase pension plan and trust to be known as the City of Presque Isle Money Purchase Pension Plan and Trust. The plan is administered by ICMA Retirement Corporation.

Under the plan, the City is required to contribute 6% of a participant's earnings for the plan year. Participating police and fire personnel receive contributions of 8% of their earnings for the plan year. The City Manager and Deputy City Manager receive contributions of 7% of their earnings for the plan year. For the years ended December 31, 2013, 2012 and 2011, the City contributed \$215,586, \$202,486 and \$195,560, respectively. Plan provisions and contribution requirements are established and may be amended by the City Council.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

DEFERRED COMPENSATION PLAN

The City of Presque Isle offers certain permanent employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan is being maintained by ICMA Retirement Corporation.

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors, and omissions, and natural disasters for which the City either carries commercial insurance, or participates in public entity risk pools. For the three fiscal years ended December 31, 2013, 2012, and 2011 there have been no settlements in excess of coverage.

Based on the coverage provided by these pools, as well as certain coverage provided by commercial insurance purchased, the City is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2013.

CONTINGENT LIABILITIES

Grant Funds – Amounts received or receivable from grantor agencies are subject to audit and adjustment by 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 City expects such amounts, if any, to be immaterial.

TAX INCREMENT FINANCING DISTRICTS

The City has established two tax increment financing districts under the terms of applicable state laws. Details of the TIF districts are as follows.

| | <u>Original value</u> | <u>Increase in value</u> | <u>TIF cap</u> | <u>Captured value</u> | <u>Captured tax</u> |
|--------------------|---------------------------|------------------------------|--------------------|---------------------------|-------------------------|
| MMG Insurance TIF | \$ 1,717,300 | 2,389,400 | 40% | 955,760 | 23,607 |
| BLD Properties TIF | 128,100 | 4,451,300 | 100% | 2,757,600 | 109,947 |

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) Statement 45 addresses the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the City of Presque Isle for the year ended December 31, 2008. Under this pronouncement, 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 is a member of the Maine Municipal Employees Health Trust. The Trust is a multiple employer Voluntary Employee's Beneficiary Association. The City is an individually rated member within the Association. That report may be obtained by writing to the Maine Municipal Association at 60 Community Drive, Augusta, ME 04332. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the City's OPEB liability under GASB Statement 45. The most recent OPEB liability actuarial valuation was completed by the consultants in October 2011.

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

Funding Policy and Annual OPEB Cost – GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The City currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. The City's annual OPEB cost is calculated based on the annual required contribution (ARC), an actuarial determined rate, represents a level of fund that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

The components of the City's annual OPEB cost for the current year and the two preceding years, the amount actually contributed to the plan, and changes in the City's net OPEB obligation are summarized in the following table:

| | <u>2013</u> | 2012 | <u>2011</u> |
|---------------------------------|-------------|------------|-------------|
| Normal cost | 43,926 | 43,926 | 43,926 |
| Amortization of unfunded | 111,368 | 111,368 | 111,368 |
| Interest | 6,212 | 6,212 | 6,212 |
| Annual required contribution | 161,506 | 161,506 | 161,506 |
| Interest on Net OPEB Obligation | 31,700 | 25,698 | 19,587 |
| Amortizing adjustment to ARC | (45,830) | (37,153) | (28,318) |
| Annual OPEB Cost | 147,376 | 150,051 | 152,775 |
| Contributions made | - | - | - |
| Increase in Net OPEB Obligation | 147,376 | 150,051 | 152,775 |
| Net OPEB obligation – July 1 | 792,500 | 642,449 | 489,674 |
| Net OPEB obligation – June 30 | 939,876 | \$ 792,500 | 642,449 |

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Funding Status and Funding Progress – The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending December 31, were as follows:

| | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--|--------------|--------------|--------------|
| Annual OPEB cost | 147,376 | 150,051 | 152,775 |
| Actual contribution | | - | - |
| Percent contributed | 0.00% | 0.00% | 0.00% |
| Actuarial accrued liability | \$ 2,002,819 | \$ 2,002,819 | \$ 2,002,819 |
| Plan assets | - | - | - |
| Unfunded actuarial accrued liability | \$ 2,002,819 | 2,002,819 | 2,002,819 |
| Covered payroll | 3,581,346 | 3,618,367 | 3,757,277 |
| Unfunded actuarial accrued liability as a percentage of covered payroll | 55.92% | 55.35% | 53.31% |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information (only five years available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

| | |
|-------------------------------|------------------|
| Actuarial valuation date | 10/1/11 |
| Actuarial cost method | Entry age normal |
| Amortization method | Level dollar |
| Remaining amortization period | 30 years - open |
| Actuarial assumptions: | |
| Investment rate of return | 4.0% |
| Projected salary increases | N/A |
| Healthcare inflation rate | 4.0% - 8.7% |
| Inflation rate | 3.0% |

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Retiree Healthcare Plan

| <u>Fiscal Year</u> | <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets a</u> | <u>Actuarial Accrued Liability (AAL) - Entry Age b</u> | <u>Unfunded AAL (UAAL) (b-a)</u> | <u>Funded Ratio (a/b)</u> | <u>Covered Payroll (c)</u> | <u>UAAL as a Percentage of Covered Payroll [(b-a) /c]</u> |
|------------------------|---|--|--|--|-----------------------------------|------------------------------------|---|
| 2008 | 01/1/09 | \$ - | \$ 1,674,527 | \$ 1,674,527 | 0.00% | \$ 4,097,354 | 40.87% |
| 2009 | 01/1/09 | - | 1,674,527 | 1,674,527 | 0.00% | 4,430,530 | 37.80% |
| 2010 | 01/1/09 | - | 1,674,527 | 1,674,527 | 0.00% | 4,214,898 | 39.73% |
| 2011 | 10/1/11 | - | 2,002,819 | 2,002,819 | 0.00% | 3,757,277 | 53.31% |
| 2012 | 10/1/11 | - | 2,002,819 | 2,002,819 | 0.00% | 3,618,367 | 55.35% |
| 2013 | 10/1/11 | - | 2,002,819 | 2,002,819 | 0.00% | 3,581,346 | 55.92% |

CITY OF PRESQUE ISLE, MAINE
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

| | 2013 | | | | | 2012 Actual |
|-----------------------------------|----------|------------|------------|------------------------------------|----------|----------------|
| | Budget | | Actual | Variance positive (negative) | | |
| | Original | Final | | | | |
| Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property | \$ | 12,449,685 | 12,570,677 | 12,514,293 | (56,384) | 11,921,466 |
| Less: TIF financing plan | | (132,684) | (133,554) | (133,554) | - | (132,681) |
| Excise | | 1,479,750 | 1,494,750 | 1,536,329 | 41,579 | 1,454,296 |
| Interest and penalties | | 91,500 | 91,500 | 101,340 | 9,840 | 84,513 |
| Payments in lieu of taxes | | 15,000 | 15,000 | 15,870 | 870 | 15,093 |
| Total taxes | | 13,903,251 | 14,038,373 | 14,034,278 | (4,095) | 13,342,687 |
| Intergovernmental: | | | | | | |
| State Revenue Sharing | | 1,465,000 | 1,006,467 | 997,708 | (8,759) | 1,156,451 |
| Homestead reimbursement | | 244,186 | 249,621 | 249,621 | - | 242,648 |
| BETE reimbursement | | 140,712 | 120,616 | 120,616 | - | 125,304 |
| General assistance | | 31,825 | 31,825 | 35,112 | 3,287 | 34,188 |
| Police department | | 122,393 | 137,393 | 134,896 | (2,497) | 57,368 |
| Other | | 38,759 | 38,759 | 37,872 | (887) | 38,390 |
| Total intergovernmental | | 2,042,875 | 1,584,681 | 1,575,825 | (8,856) | 1,654,349 |
| Licenses, permits, and fees: | | | | | | |
| Permits and fees | | 94,500 | 139,500 | 162,519 | 23,019 | 104,907 |
| Cable franchise fee | | 64,000 | 64,000 | 61,755 | (2,245) | 64,438 |
| Total licenses, permits, and fees | | 158,500 | 203,500 | 224,274 | 20,774 | 169,345 |
| Charges for services: | | | | | | |
| Industrial rentals | | 549,500 | 549,500 | 578,373 | 28,873 | 583,116 |
| Forum | | 269,000 | 269,000 | 247,320 | (21,680) | 258,386 |
| Indoor pool | | 108,105 | 108,105 | 82,607 | (25,498) | 94,668 |
| Recreation | | 40,000 | 40,000 | 41,970 | 1,970 | 38,871 |
| Other | | 59,331 | 59,331 | 54,088 | (5,243) | 9,548 |
| Total charges for services | | 1,025,936 | 1,025,936 | 1,004,358 | (21,578) | 984,589 |
| Unclassified: | | | | | | |
| Tax acquired revenues | | - | - | 3,538 | 3,538 | 10,395 |
| Finance | | 2,000 | 2,000 | 6,328 | 4,328 | 2,772 |
| Fire department | | 5,800 | 5,800 | 8,921 | 3,121 | 9,342 |
| General government | | 3,225 | 3,225 | 77 | (3,148) | 1,933 |
| Library | | 9,200 | 9,200 | 11,650 | 2,450 | 17,129 |
| Police department | | 24,808 | 39,808 | 50,428 | 10,620 | 33,234 |
| Public works | | 5,000 | 5,000 | 6,795 | 1,795 | 5,526 |
| Employee benefits/insurances | | 23,000 | 23,000 | 33,443 | 10,443 | 24,173 |
| Other | | 67,733 | 97,450 | 82,217 | (15,233) | 72,321 |
| Total unclassified | | 140,766 | 185,483 | 203,397 | 17,914 | 176,825 |
| Interest earned | | 25,800 | 25,800 | 23,988 | (1,812) | 17,840 |
| Total revenues | | 17,297,128 | 17,063,773 | 17,066,120 | 2,347 | 16,345,635 |

CITY OF PRESQUE ISLE, MAINE
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

| | Budget | | | Variance | 2012 |
|---|------------|-----------|-----------|------------------------|-----------|
| | Original | Final | Actual | positive (negative) | Actual |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government: | | | | | |
| Administration | \$ 239,391 | 226,391 | 222,550 | 3,841 | 289,341 |
| Finance | 447,883 | 447,883 | 438,657 | 9,226 | 592,145 |
| City Clerk / General assistance | 155,722 | 150,722 | 119,959 | 30,763 | - |
| Employee benefits | 1,726,562 | 1,726,562 | 1,749,848 | (23,286) | 1,602,064 |
| Insurances | 107,919 | 107,919 | 106,709 | 1,210 | 107,223 |
| Resource management | 122,407 | 122,407 | 124,906 | (2,499) | 45,989 |
| Industrial Council | 349,832 | 349,832 | 335,000 | 14,832 | 333,000 |
| Planning and development | 65,221 | 65,221 | 59,620 | 5,601 | 61,454 |
| Information technology | 37,680 | 37,680 | 43,120 | (5,440) | 41,257 |
| Facilities | 134,719 | 134,719 | 151,654 | (16,935) | 201,351 |
| Total general government | 3,387,336 | 3,369,336 | 3,352,023 | 17,313 | 3,273,824 |
| Public safety: | | | | | |
| Police department | 1,219,660 | 1,214,660 | 1,216,095 | (1,435) | 1,086,177 |
| Fire department | 880,536 | 880,536 | 880,196 | 340 | 886,012 |
| Public safety building | 120,400 | 120,400 | 109,366 | 11,034 | 109,811 |
| Total public safety | 2,220,596 | 2,215,596 | 2,205,657 | 9,939 | 2,082,000 |
| Public works: | | | | | |
| Public works | 1,662,243 | 1,652,243 | 1,661,292 | (9,049) | 1,630,319 |
| Street lights | 175,325 | 175,325 | 164,265 | 11,060 | 168,094 |
| Hydrant rental | 393,668 | 393,668 | 393,668 | - | 393,668 |
| Total public works | 2,231,236 | 2,221,236 | 2,219,225 | 2,011 | 2,192,081 |
| Airport (transfer to airport fund) | 152,187 | 152,187 | 292,637 | (140,450) | 252,861 |
| Solid waste: | | | | | |
| Solid waste (transfer to secured landfill fund) | 415,259 | 415,259 | 415,259 | - | 338,136 |
| Solid waste - rebate to commercial haulers | - | - | - | - | 83,573 |
| Echo Lake | 3,000 | 3,000 | 883 | 2,117 | 3,169 |
| Total solid waste | 418,259 | 418,259 | 416,142 | 2,117 | 424,878 |
| Recreation: | | | | | |
| Parks and recreation | 902,387 | 881,387 | 857,372 | 24,015 | 800,615 |
| Library | 312,286 | 312,286 | 306,045 | 6,241 | 342,755 |
| Total recreation | 1,214,673 | 1,193,673 | 1,163,417 | 30,256 | 1,143,370 |
| Outside requests: | | | | | |
| Chamber of Commerce | 22,500 | 22,500 | 22,500 | - | 22,500 |
| Aroostook Area Agency on Aging | 4,050 | 4,050 | 4,050 | - | 4,050 |
| Central Aroostook Soil and Water | 1,050 | 1,050 | 1,050 | - | 1,050 |
| RC&D | 250 | 250 | - | 250 | 250 |
| Quoggy Joe Ski Club | 6,875 | 6,875 | 6,875 | - | 6,875 |
| PI Snowmobile Club | 4,300 | 4,300 | 4,300 | - | 2,300 |
| Veterans Cemetery | 200 | 200 | 200 | - | 200 |
| American Red Cross | 2,325 | 2,325 | 2,325 | - | 2,325 |
| Miscellaneous requests | 300 | 300 | 300 | - | 300 |
| Total outside requests | 41,850 | 41,850 | 41,600 | 250 | 39,850 |

CITY OF PRESQUE ISLE, MAINE
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended December 31, 2013
(with comparative actual amounts for the year ended December 31, 2012)

| | Budget | | Actual | Variance positive (negative) | 2012 Actual |
|--|--------------|------------|------------|------------------------------------|----------------|
| | Original | Final | | | |
| Expenditures, continued: | | | | | |
| Current, continued: | | | | | |
| Education | \$ 5,379,470 | 5,790,920 | 5,790,920 | - | 5,379,470 |
| Intergovernmental - County tax | 605,109 | 613,702 | 613,702 | - | 605,109 |
| Unclassified: | | | | | |
| Elections | - | - | - | - | 13,297 |
| Legal services | 18,500 | 18,500 | 15,719 | 2,781 | 14,910 |
| Retirement payouts | - | - | - | - | - |
| Maine Municipal dues | 10,800 | 10,800 | 10,972 | (172) | 10,762 |
| Cemeteries | 2,900 | 2,900 | 2,239 | 661 | 3,164 |
| Annual reports | 1,500 | 1,500 | 1,734 | (234) | 1,562 |
| Contingency | 40,000 | 40,000 | 4,876 | 35,124 | - |
| Northern Maine Development Commission | 18,403 | 18,403 | 18,400 | 3 | 18,194 |
| Central Aroostook Humane Society | 17,250 | 17,250 | 16,170 | 1,080 | 16,170 |
| Sister Mary O'Donnell Shelter | 9,525 | 9,525 | 9,525 | - | 9,525 |
| Downtown Revitalization Commission | 15,700 | 15,700 | 12,509 | 3,191 | 11,973 |
| Tax acquired property costs | - | - | 3,738 | (3,738) | - |
| Other | 12,255 | (38,111) | 14,567 | (52,678) | 22,132 |
| Overlay | 49,375 | 63,476 | - | 63,476 | - |
| Total unclassified | 196,208 | 159,943 | 110,449 | 49,494 | 121,689 |
| Debt service: | | | | | |
| Principal | 183,329 | 183,329 | 183,329 | - | 181,278 |
| Interest | 118,030 | 118,030 | 103,400 | 14,630 | 116,705 |
| Total debt service | 301,359 | 301,359 | 286,729 | 14,630 | 297,983 |
| Capital outlay: | | | | | |
| Other | - | - | - | - | - |
| Total capital outlay | - | - | - | - | - |
| Total expenditures | 16,148,283 | 16,478,061 | 16,492,501 | (14,440) | 15,813,115 |
| Excess of revenues over expenditures | 1,148,845 | 585,712 | 573,619 | (12,093) | 532,520 |
| Other financing sources (uses): | | | | | |
| Budgeted use of surplus/designated | - | 90,184 | 43,650 | (46,534) | - |
| Transfers in | 64,775 | 64,775 | 66,892 | 2,117 | 89,349 |
| Transfers out | (748,973) | (728,973) | (823,384) | (94,411) | (678,619) |
| Total other financing sources (uses) | (684,198) | (574,014) | (712,842) | (138,828) | (589,270) |
| Net change in fund balance - budgetary basis | 464,647 | 11,698 | (139,223) | (150,921) | (56,750) |
| Reconciliation to GAAP basis: | | | | | |
| Change in reserves and assigned balances (Exhibit A-2) | | | 100,418 | | 79,521 |
| Net change in fund balance - GAAP basis | | | (38,805) | | 22,771 |
| Fund balance, beginning of year, as reclassified | | | 3,933,017 | | 3,910,246 |
| Fund balance, end of year | \$ | | 3,894,212 | | 3,933,017 |

CITY OF PRESQUE ISLE, MAINE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis - Airport
For the year ended December 31, 2013

| | Budget | | | Variance with final budget positive (negative) | 2012 Actual |
|--|------------------|------------------|------------------|---|------------------|
| | Original | Final | Actual | | |
| Revenues: | | | | | |
| General aviation | \$ 1,516,833 | 1,516,833 | 1,348,472 | (168,361) | 1,315,483 |
| Terminal rentals | 67,132 | 67,132 | 62,346 | (4,786) | 61,492 |
| Landing fees | 66,674 | 66,674 | 48,720 | (17,954) | 62,909 |
| Concessionaire fees | 54,480 | 54,480 | 43,546 | (10,934) | 52,176 |
| Hanger rentals | 20,672 | 20,672 | 17,156 | (3,516) | 24,853 |
| Airport parking fees | 55,436 | 55,436 | 41,882 | (13,554) | 44,215 |
| Vending income | 950 | 950 | 519 | (431) | 640 |
| Airport fuel fees | - | - | - | - | 529 |
| Miscellaneous income | 43,499 | 43,499 | 36,986 | (6,513) | 39,162 |
| Total revenues | 1,825,676 | 1,825,676 | 1,599,627 | (226,049) | 1,601,459 |
| Expenditures: | | | | | |
| Wages | 297,736 | 297,736 | 321,586 | (23,850) | 321,459 |
| Employee benefits | 169,377 | 169,377 | 173,828 | (4,451) | 155,139 |
| Employee costs | 9,490 | 9,490 | 11,399 | (1,909) | 11,098 |
| Departmental expenditures | 6,776 | 6,776 | 7,801 | (1,025) | 11,055 |
| Utilities | 154,195 | 154,195 | 142,024 | 12,171 | 144,080 |
| Supplies and equipment | 1,224,659 | 1,224,659 | 1,084,281 | 140,378 | 1,060,192 |
| Repairs and maintenance | 77,500 | 77,500 | 119,164 | (41,664) | 80,744 |
| Contracted services | 2,500 | 2,500 | (2,184) | 4,684 | 3,575 |
| Insurances | 35,131 | 35,131 | 34,365 | 766 | 34,624 |
| Legal | 500 | 500 | - | 500 | 324 |
| Total expenditures | 1,977,864 | 1,977,864 | 1,892,264 | 85,600 | 1,822,290 |
| Excess of revenues under expenditures | (152,188) | (152,188) | (292,637) | (140,449) | (220,831) |
| Other financing sources (uses): | | | | | |
| Transfer in | 152,188 | 152,188 | 292,637 | 140,449 | 262,861 |
| Transfers out | - | - | - | - | (42,030) |
| Total other financing sources (uses) | 152,188 | 152,188 | 292,637 | 140,449 | 220,831 |
| Net change in fund balance - GAAP basis | - | - | - | | - |
| Fund balance, beginning of year | | | | | - |
| Fund balance, end of year | \$ | | - | | |

See accompanying notes to financial statements.

GENERAL FUND

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The fund pays general operating expenditures, fixed charges and capital improvement costs which are not paid through other funds.

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CITY OF PRESQUE ISLE, MAINE
General Fund
Comparative Balance Sheets
December 31, 2013 and 2012

| | 2013 | 2012 |
|--|----------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 8,815,275 | 8,042,691 |
| Investments | 902,643 | 897,561 |
| Due from other governments | 175,730 | 209,591 |
| Accounts receivable | 351,030 | 339,334 |
| Taxes receivable | 960,953 | 955,526 |
| Tax liens and tax acquired property | 356,359 | 335,136 |
| Total assets | \$ 11,561,990 | 10,779,839 |
| LIABILITIES | | |
| Accounts payable | 512,531 | 421,718 |
| Accrued liabilities | 123,439 | 110,562 |
| Interfund loans payable | 5,976,808 | 5,296,542 |
| Total liabilities | 6,612,778 | 5,828,822 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenue - property taxes | 1,055,000 | 1,018,000 |
| Total liabilities | 1,055,000 | 1,018,000 |
| FUND BALANCES | | |
| Committed for emergency reserve | 1,867,837 | 1,772,321 |
| Committed for retirement payouts | 24,723 | 19,821 |
| Assigned for other purposes | 177,247 | 51,431 |
| Unassigned | 1,824,405 | 2,089,444 |
| Total fund balances | 3,894,212 | 3,933,017 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 11,561,990 | 10,779,839 |

CITY OF PRESQUE ISLE, MAINE
General Fund - Reserve Accounts
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | Emergency Reserves | Retirement Payouts | Total |
|---|-----------------------|-----------------------|-----------|
| Revenues: | | | |
| Interest earned | \$ 3,966 | - | 3,966 |
| Total revenues | 3,966 | - | 3,966 |
| Expenditures: | | | |
| Current: | | | |
| General government | - | 13,098 | 13,098 |
| Total expenditures | - | 13,098 | 13,098 |
| Excess (deficiency) of revenues over (under) expenditures | 3,966 | (13,098) | (9,132) |
| Other financing sources (uses): | | | |
| Transfers in | 91,550 | 18,000 | 109,550 |
| Total other financing sources and (uses) | 91,550 | 18,000 | 109,550 |
| Net change in fund balances | 95,516 | 4,902 | 100,418 |
| Fund balances, beginning of year | 1,772,321 | 19,821 | 1,792,142 |
| Fund balances, end of year | \$ 1,867,837 | 24,723 | 1,892,560 |

ALL OTHER GOVERNMENTAL FUNDS

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CITY OF PRESQUE ISLE, MAINE
All Other Governmental Funds
Combining Balance Sheet
December 31, 2013

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Nonmajor Permanent Funds | Total Other Governmental Funds |
|--|--------------------------------------|---------------------------------------|--------------------------------|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ - | - | 81,484 | 81,484 |
| Investments | - | - | 650,746 | 650,746 |
| Interfund loan receivable | 1,184,342 | 1,543,237 | - | 2,727,579 |
| Total assets | \$ 1,184,342 | 1,543,237 | 732,230 | 3,459,809 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Interfund advances | - | 146,145 | - | 146,145 |
| Total liabilities | - | 146,145 | - | 146,145 |
| Fund balances: | | | | |
| Nonspendable | - | - | 20,000 | 20,000 |
| Restricted | 630,380 | 112,635 | 712,230 | 1,455,245 |
| Committed | 556,083 | 1,460,309 | - | 2,016,392 |
| Unassigned | (2,121) | (175,852) | - | (177,973) |
| Total fund balances | 1,184,342 | 1,397,092 | 732,230 | 3,313,664 |
| Total liabilities and fund balances | \$ 1,184,342 | 1,543,237 | 732,230 | 3,459,809 |

CITY OF PRESQUE ISLE, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Nonmajor Permanent Funds | Total Other Governmental Funds |
|--|--------------------------------------|---------------------------------------|--------------------------------|---|
| Revenues: | | | | |
| Intergovernmental | \$ 232,672 | 713,245 | - | 945,917 |
| Charges for services | 62,845 | - | - | 62,845 |
| Investment income | 884 | 438 | 113,642 | 114,964 |
| Other | 23,100 | 74,941 | - | 98,041 |
| Total revenues | 319,501 | 788,624 | 113,642 | 1,221,767 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 13,007 | 56,722 | 39,305 | 109,034 |
| Public safety | 34,432 | 238,125 | - | 272,557 |
| Public works | - | - | - | - |
| Airport | - | 143,015 | - | 143,015 |
| Recreation and culture | 104,014 | 63,435 | 1,106 | 168,555 |
| Other | - | - | 5,028 | 5,028 |
| Debt service | - | 15,030 | - | 15,030 |
| Capital outlay | 64,840 | 1,121,573 | - | 1,186,413 |
| Total expenditures | 216,293 | 1,637,900 | 45,439 | 1,899,632 |
| Excess (deficiency) of revenues over (under) expenditures | 103,208 | (849,276) | 68,203 | (677,865) |
| Other financing sources (uses): | | | | |
| Transfers in | 92,593 | 1,090,207 | - | 1,182,800 |
| Transfers out | (164,556) | (175,194) | - | (339,750) |
| Total other financing sources (uses) | (71,963) | 915,013 | - | 843,050 |
| Net change in fund balances | 31,245 | 65,737 | 68,203 | 165,185 |
| Fund balances, beginning of year | 1,153,097 | 1,331,355 | 664,027 | 3,148,479 |
| Fund balances, end of year | \$ 1,184,342 | 1,397,092 | 732,230 | 3,313,664 |

NONMAJOR SPECIAL REVENUE FUNDS

Nonmajor special revenue funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

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CITY OF PRESQUE ISLE, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2013

| | Special Revenues | Restricted Reserves | Total |
|--|---------------------|------------------------|------------------|
| ASSETS | | | |
| Interfund loans receivable | \$ 41,871 | 1,142,471 | 1,184,342 |
| Total assets | \$ 41,871 | 1,142,471 | 1,184,342 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Interfund loans payable | - | - | - |
| Total liabilities | - | - | - |
| Fund balances: | | | |
| Restricted | 4,597 | 625,783 | 630,380 |
| Committed | 38,866 | 517,217 | 556,083 |
| Unassigned | (1,592) | (529) | (2,121) |
| Total fund balances | 41,871 | 1,142,471 | 1,184,342 |
| Total liabilities and fund balances | \$ 41,871 | 1,142,471 | 1,184,342 |

CITY OF PRESQUE ISLE, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | Special Revenues | Restricted Reserves | Total |
|---|---------------------|------------------------|-----------|
| Revenues: | | | |
| Intergovernmental | \$ 51,918 | 180,754 | 232,672 |
| Charges for services | 16,264 | 46,581 | 62,845 |
| Interest earned | - | 884 | 884 |
| Other | 4,106 | 18,994 | 23,100 |
| Total revenues | 72,288 | 247,213 | 319,501 |
| Expenditures: | | | |
| Current: | | | |
| General government | 9,500 | 3,507 | 13,007 |
| Public safety | - | 34,432 | 34,432 |
| Airport | - | - | - |
| Recreation and culture | 67,814 | 36,200 | 104,014 |
| Capital outlay | - | 64,840 | 64,840 |
| Total expenditures | 77,314 | 138,979 | 216,293 |
| Excess (deficiency) of revenues over (under) expenditures | (5,026) | 108,234 | 103,208 |
| Other financing sources (uses): | | | |
| Transfers in | - | 92,593 | 92,593 |
| Transfers out | - | (164,556) | (164,556) |
| Total other financing sources and (uses) | - | (71,963) | (71,963) |
| Net change in fund balances | (5,026) | 36,271 | 31,245 |
| Fund balances, beginning of year | 46,897 | 1,106,200 | 1,153,097 |
| Fund balances, end of year | \$ 41,871 | 1,142,471 | 1,184,342 |

CITY OF PRESQUE ISLE, MAINE
Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | Recreation Programs | Cost Recovery | Softball | Downing Park | Police Bloodhound | Outside Grants | Wellness Grant |
|---|------------------------|------------------|----------|-----------------|----------------------|-------------------|-------------------|
| Revenues: | | | | | | | |
| Intergovernmental | - | - | - | - | - | 46,826 | 5,092 |
| Charges for services | 1,475 | 3,379 | 7,250 | - | - | - | - |
| Other | 3,000 | - | - | 1,106 | - | - | - |
| Total revenues | 4,475 | 3,379 | 7,250 | 1,106 | - | 46,826 | 5,092 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Recreation and culture | 1,354 | 2,994 | 5,680 | 259 | - | 46,826 | 3,750 |
| Total expenditures | 1,354 | 2,994 | 5,680 | 259 | - | 46,826 | 3,750 |
| Excess (deficiency) of revenues over (under) expenditures | 3,121 | 385 | 1,570 | 847 | - | - | 1,342 |
| Other financing sources (uses): | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Total other financing sources and (uses) | - | - | - | - | - | - | - |
| Net change in fund balances | 3,121 | 385 | 1,570 | 847 | - | - | 1,342 |
| Fund balances, beginning of year | 23,540 | 837 | 3,310 | 483 | 66 | 1 | 3,254 |
| Fund balances, end of year | \$ 26,661 | 1,222 | 4,880 | 1,330 | 66 | 1 | 4,596 |

CITY OF PRESQUE ISLE, MAINE
Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | Library Books | Revitalization Committee | Rec Facility | Donation Fuel Oil | Appraisals | Music in the Park | Total |
|---|------------------|-----------------------------|-----------------|----------------------|------------|----------------------|---------|
| Revenues: | | | | | | | |
| Intergovernmental | - | - | - | - | - | - | 51,918 |
| Charges for services | 4,160 | - | - | - | - | - | 16,264 |
| Other | - | - | - | - | - | - | 4,106 |
| Total revenues | 4,160 | - | - | - | - | - | 72,288 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | 9,500 | - | 9,500 |
| Recreation and culture | 6,391 | 560 | - | - | - | - | 67,814 |
| Total expenditures | 6,391 | 560 | - | - | 9,500 | - | 77,314 |
| Excess (deficiency) of revenues over (under) expenditures | (2,231) | (560) | - | - | (9,500) | - | (5,026) |
| Other financing sources (uses): | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Total other financing sources and (uses) | - | - | - | - | - | - | - |
| Net change in fund balances | (2,231) | (560) | - | - | (9,500) | - | (5,026) |
| Fund balances, beginning of year | 1,689 | 1,649 | 2,263 | 718 | 8,450 | 637 | 46,897 |
| Fund balances, end of year | (542) | 1,089 | 2,263 | 718 | (1,050) | 637 | 41,871 |

CITY OF PRESQUE ISLE, MAINE
Restricted Reserve Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | UDAG | | | | | | |
|---|-------------------------------------|-----------------------|-------------------------|-------------------------------------|-------------------------|------------------|-------------------|
| | Revolving Loan Fund Buildings | CDBG Loan Funds | REDRLP Loan Funds | Industrial Council Land Sales | Intermodal Rail Yard | Police Grants | Library Grants |
| Revenues: | | | | | | | |
| Intergovernmental | \$ - | - | - | - | - | 56,761 | - |
| Charges for services | - | - | - | - | - | - | - |
| Interest earned | 563 | - | - | 321 | - | - | - |
| Other | - | - | - | - | - | 308 | 8,400 |
| Total revenues | 563 | - | - | 321 | - | 57,069 | 8,400 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | 611 | - | - | - | - |
| Public safety | - | - | - | - | - | 309 | - |
| Recreation and culture | - | - | - | - | - | - | 6,079 |
| Capital outlay | 29,048 | - | - | - | 12,500 | - | - |
| Total expenditures | 29,048 | - | 611 | - | 12,500 | 309 | 6,079 |
| Excess (deficiency) of revenues over (under) expenditures | (28,485) | - | (611) | 321 | (12,500) | 56,760 | 2,321 |
| Other financing sources (uses): | | | | | | | |
| Transfers in | 56,253 | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | (56,900) | - |
| Total other financing sources and (uses) | 56,253 | - | - | - | - | (56,900) | - |
| Net change in fund balances | 27,768 | - | (611) | 321 | (12,500) | (140) | 2,321 |
| Fund balances (deficits), beginning of year | 236,889 | 7,919 | 108,202 | 111,099 | 30,592 | (389) | 12,959 |
| Fund balances (deficits), end of year | \$ 264,657 | 7,919 | 107,591 | 111,420 | 18,092 | (529) | 15,280 |

CITY OF PRESQUE ISLE, MAINE
Restricted Reserve Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | Fire Department Grants | Airport PFC | Planning & Development Grants | Grants Matching Funds | CDBG Revitalization Grant | After School Grant | Economic Development Fund |
|---|------------------------------|----------------|-------------------------------------|-----------------------------|---------------------------------|--------------------------|---------------------------------|
| Revenues: | | | | | | | |
| Intergovernmental | \$ 39,517 | - | 7,500 | - | - | 35,817 | - |
| Charges for services | - | 46,581 | - | - | - | - | - |
| Interest earned | - | - | - | - | - | - | - |
| Other | - | - | - | 2,399 | - | - | - |
| Total revenues | 39,517 | 46,581 | 7,500 | 2,399 | - | 35,817 | - |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | 2,312 | 153 | - | - | - | - |
| Public safety | 34,123 | - | - | - | - | - | - |
| Recreation and culture | - | - | - | - | - | 30,121 | - |
| Capital outlay | - | 23,292 | - | - | - | - | - |
| Total expenditures | 34,123 | 25,604 | 153 | - | - | 30,121 | - |
| Excess (deficiency) of revenues over (under) expenditures | 5,394 | 20,977 | 7,347 | 2,399 | - | 5,696 | - |
| Other financing sources (uses): | | | | | | | |
| Transfers in | 1,197 | - | - | 7,656 | - | - | - |
| Transfers out | - | - | - | (100,000) | (7,656) | - | - |
| Total other financing sources and (uses) | 1,197 | - | - | (92,344) | (7,656) | - | - |
| Net change in fund balances | 6,591 | 20,977 | 7,347 | (89,945) | (7,656) | 5,696 | - |
| Fund balances (deficits), beginning of year | 176 | 89,304 | - | 332,824 | 7,656 | (5,696) | 144,826 |
| Fund balances (deficits), end of year | \$ 6,767 | 110,281 | 7,347 | 242,879 | - | - | 144,826 |

CITY OF PRESQUE ISLE, MAINE
Restricted Reserve Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | | Efficiency | BLD | | | |
|---|----|------------|-------------|---|---|-----------|
| | | Maine | Hospitality | | | Total |
| | | Grant | TIF Fund | | | |
| Revenues: | | | | | | |
| Intergovernmental | \$ | 41,159 | - | - | - | 180,754 |
| Charges for services | | - | - | - | - | 46,581 |
| Interest earned | | - | - | - | - | 884 |
| Other | | 7,887 | - | - | - | 18,994 |
| Total revenues | | 49,046 | - | - | - | 247,213 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | | 431 | - | - | - | 3,507 |
| Public safety | | - | - | - | - | 34,432 |
| Recreation and culture | | - | - | - | - | 36,200 |
| Capital outlay | | - | - | - | - | 64,840 |
| Total expenditures | | 431 | - | - | - | 138,979 |
| Excess (deficiency) of revenues over (under) expenditures | | 48,615 | - | - | - | 108,234 |
| Other financing sources (uses): | | | | | | |
| Transfers in | | - | 27,487 | - | - | 92,593 |
| Transfers out | | - | - | - | - | (164,556) |
| Total other financing sources and (uses) | | - | 27,487 | - | - | (71,963) |
| Net change in fund balances | | 48,615 | 27,487 | - | - | 36,271 |
| Fund balances (deficits), beginning of year | | (48,615) | 78,454 | - | - | 1,106,200 |
| Fund balances (deficits), end of year | \$ | - | 105,941 | - | - | 1,142,471 |

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NONMAJOR CAPITAL PROJECT FUNDS

Nonmajor capital project funds account for capital projects undertaken by the City.

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CITY OF PRESQUE ISLE, MAINE
Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2013

| | Reserves | Solid Waste Reserve | Restricted Reserves | Street Overlay | Total |
|--|-------------------|------------------------|------------------------|-------------------|------------------|
| ASSETS | | | | | |
| Interfund loans receivable | \$ 734,963 | 482,114 | 153,911 | 172,249 | 1,543,237 |
| Total assets | \$ 734,963 | 482,114 | 153,911 | 172,249 | 1,543,237 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Interfund advance | 146,145 | - | - | - | 146,145 |
| Total liabilities | 146,145 | - | - | - | 146,145 |
| Fund balances (deficits): | | | | | |
| Restricted | - | - | 112,635 | - | 112,635 |
| Committed | 734,963 | 482,114 | 70,983 | 172,249 | 1,460,309 |
| Unassigned | (146,145) | - | (29,707) | - | (175,852) |
| Total fund balances (deficits) | 588,818 | 482,114 | 153,911 | 172,249 | 1,397,092 |
| Total liabilities and fund balances | \$ 734,963 | 482,114 | 153,911 | 172,249 | 1,543,237 |

CITY OF PRESQUE ISLE, MAINE
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | Reserves | Solid Waste Reserve | Restricted Reserves | Street Overlay | Total |
|---|------------|---------------------|---------------------|----------------|-----------|
| Revenues: | | | | | |
| Intergovernmental | \$ - | - | 408,915 | 304,330 | 713,245 |
| Interest earned | - | 438 | - | - | 438 |
| Other | 44,266 | 9,750 | 20,925 | - | 74,941 |
| Total revenues | 44,266 | 10,188 | 429,840 | 304,330 | 788,624 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 56,722 | - | - | - | 56,722 |
| Public safety | 238,125 | - | - | - | 238,125 |
| Public works | - | - | - | - | - |
| Airport | 86,714 | - | 56,301 | - | 143,015 |
| Recreation and culture | 38,435 | - | 25,000 | - | 63,435 |
| Debt service | 15,030 | - | - | - | 15,030 |
| Capital outlay | 360,987 | 2,900 | 399,600 | 358,086 | 1,121,573 |
| Total expenditures | 796,013 | 2,900 | 480,901 | 358,086 | 1,637,900 |
| Excess (deficiency) of revenues over (under) expenditures | (751,747) | 7,288 | (51,061) | (53,756) | (849,276) |
| Other financing sources (uses): | | | | | |
| Transfers in | 692,621 | 45,000 | 131,936 | 220,650 | 1,090,207 |
| Transfers out | (81,023) | - | (12,021) | (82,150) | (175,194) |
| Total other financing sources and (uses) | 611,598 | 45,000 | 119,915 | 138,500 | 915,013 |
| Net change in fund balances | (140,149) | 52,288 | 68,854 | 84,744 | 65,737 |
| Fund balances (deficits), beginning of year | 728,967 | 429,826 | 85,057 | 87,505 | 1,331,355 |
| Fund balances (deficits), end of year | \$ 588,818 | 482,114 | 153,911 | 172,249 | 1,397,092 |

CITY OF PRESQUE ISLE, MAINE
Reserve Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | Police Department | Fire Department | Recreation and Parks | Library | City Hall | Public Works | Airport |
|---|----------------------|--------------------|-------------------------|---------|--------------|-----------------|----------|
| Revenues: | | | | | | | |
| Intergovernmental | - | - | - | - | - | - | - |
| Other | \$ - | - | 3,393 | - | - | - | - |
| Total revenues | - | - | 3,393 | - | - | - | - |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | 24,198 | - | - |
| Public safety | - | 238,125 | - | - | - | - | - |
| Public works | - | - | - | - | - | - | - |
| Airport | - | - | - | - | - | - | 86,714 |
| Recreation and culture | - | - | 38,240 | 195 | - | - | - |
| Debt service | - | - | - | - | - | 15,030 | - |
| Capital outlay | 29,647 | - | - | - | - | 181,574 | - |
| Total expenditures | 29,647 | 238,125 | 38,240 | 195 | 24,198 | 196,604 | 86,714 |
| Excess (deficiency) of revenues over (under) expenditures | (29,647) | (238,125) | (34,847) | (195) | (24,198) | (196,604) | (86,714) |
| Other financing sources (uses): | | | | | | | |
| Transfers in | 28,000 | 177,500 | 16,000 | - | 69,750 | 180,000 | 30,000 |
| Transfers out | - | (5,000) | - | - | (5,000) | (5,000) | (30,000) |
| Total other financing sources (uses) | 28,000 | 172,500 | 16,000 | - | 64,750 | 175,000 | - |
| Net change in fund balances | (1,647) | (65,625) | (18,847) | (195) | 40,552 | (21,604) | (86,714) |
| Fund balances (deficits), beginning of year | 4,077 | 79,637 | 95,516 | 7,983 | 32,766 | 43,588 | 216,825 |
| Fund balances (deficits), end of year | \$ 2,430 | 14,012 | 76,669 | 7,788 | 73,318 | 21,984 | 130,111 |

CITY OF PRESQUE ISLE, MAINE

Reserve Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | Industrial Council | Echo Lake | FAA | Downtown Infrastructure | Cunningham School | Total |
|---|-----------------------|--------------|----------|----------------------------|----------------------|-----------|
| Revenues: | | | | | | |
| Intergovernmental | - | - | - | - | - | - |
| Other | \$ 40,873 | - | - | - | - | 44,266 |
| Total revenues | 40,873 | - | - | - | - | 44,266 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 32,454 | - | - | 70 | - | 56,722 |
| Public safety | - | - | - | - | - | 238,125 |
| Public works | - | - | - | - | - | - |
| Airport | - | - | - | - | - | 86,714 |
| Recreation and culture | - | - | - | - | - | 38,435 |
| Debt service | - | - | - | - | - | 15,030 |
| Capital outlay | 149,766 | - | - | - | - | 360,987 |
| Total expenditures | 182,220 | - | - | 70 | - | 796,013 |
| Excess (deficiency) of revenues over (under) expenditures | (141,347) | - | - | (70) | - | (751,747) |
| Other financing sources (uses): | | | | | | |
| Transfers in | 101,389 | 2,177 | - | 12,500 | 75,305 | 692,621 |
| Transfers out | (5,000) | - | (31,023) | - | - | (81,023) |
| Total other financing sources (uses) | 96,389 | 2,177 | (31,023) | 12,500 | 75,305 | 611,598 |
| Net change in fund balances | (44,958) | 2,177 | (31,023) | 12,430 | 75,305 | (140,149) |
| Fund balances (deficits), beginning of year | 374,820 | 4,999 | 33,809 | 56,397 | (221,450) | 728,967 |
| Fund balances (deficits), end of year | \$ 329,862 | 7,176 | 2,786 | 68,827 | (146,145) | 588,818 |

CITY OF PRESQUE ISLE, MAINE
Restricted Reserve Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | Septic Systems | Airport Hanger | Community Center | AIP Project 27 | AIP Project 32 | Library Addition | Brownfields Webber Prop | AIP Project 36 |
|---|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|----------------------------|-------------------|
| Revenues: | | | | | | | | |
| Intergovernmental | \$ 8,080 | - | - | - | 55,097 | - | 43,182 | - |
| Other | 425 | - | - | - | - | - | - | - |
| Total revenues | 8,505 | - | - | - | 55,097 | - | 43,182 | - |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Airport | - | - | - | 53,021 | - | - | - | - |
| Recreation and culture | - | - | - | - | - | - | - | - |
| Capital outlay | 7,815 | - | 366 | - | 56,510 | - | 3,975 | - |
| Total expenditures | 7,815 | - | 366 | 53,021 | 56,510 | - | 3,975 | - |
| Excess (deficiency) of revenues over (under) expenditures | 690 | - | (366) | (53,021) | (1,413) | - | 39,207 | - |
| Other financing sources (uses): | | | | | | | | |
| Transfer in | - | - | - | 21,854 | 2,552 | - | - | 4,209 |
| Transfer out | - | - | - | - | - | - | (11,108) | - |
| Total other financing sources (uses) | - | - | - | 21,854 | 2,552 | - | (11,108) | 4,209 |
| Net change in fund balances | 690 | - | (366) | (31,167) | 1,139 | - | 28,099 | 4,209 |
| Fund balances (deficits), beginning of year | (1,147) | 16,476 | 34,373 | 31,167 | (1,139) | 12,635 | (28,099) | (4,209) |
| Fund balances (deficits), end of year | \$ (457) | 16,476 | 34,007 | - | - | 12,635 | - | - |

CITY OF PRESQUE ISLE, MAINE
Restricted Reserve Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | AIP Project 38 | AIP Project 39 | Comm Center Fundraising | AIP Project 40 | AIP Project 41 | Downtown Facades | AIP Project 42 | Total |
|---|-------------------|-------------------|----------------------------|-------------------|-------------------|---------------------|-------------------|----------|
| Revenues: | | | | | | | | |
| Intergovernmental | \$ 913 | 80,172 | - | 18,743 | 202,728 | - | - | 408,915 |
| Other | - | - | 20,500 | - | - | - | - | 20,925 |
| Total revenues | 913 | 80,172 | 20,500 | 18,743 | 202,728 | - | - | 429,840 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Airport | - | 30 | - | - | - | - | 3,250 | 56,301 |
| Recreation and culture | - | - | 25,000 | - | - | - | - | 25,000 |
| Capital outlay | - | 82,476 | - | 19,730 | 228,728 | - | - | 399,600 |
| Total expenditures | - | 82,506 | 25,000 | 19,730 | 228,728 | - | 3,250 | 480,901 |
| Excess (deficiency) of revenues over (under) expenditures | 913 | (2,334) | (4,500) | (987) | (26,000) | - | (3,250) | (51,061) |
| Other financing sources (uses): | | | | | | | | |
| Transfer in | - | 2,334 | - | 987 | - | 100,000 | - | 131,936 |
| Transfer out | (913) | - | - | - | - | - | - | (12,021) |
| Total other financing sources (uses) | (913) | 2,334 | - | 987 | - | 100,000 | - | 119,915 |
| Net change in fund balances | - | - | (4,500) | - | (26,000) | 100,000 | (3,250) | 68,854 |
| Fund balances (deficits), beginning of year | - | - | 25,000 | - | - | - | - | 85,057 |
| Fund balances (deficits), end of year | \$ - | - | 20,500 | - | (26,000) | 100,000 | (3,250) | 153,911 |

NONMAJOR PERMANENT FUNDS

Nonmajor permanent funds are used to report 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.

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CITY OF PRESQUE ISLE, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
December 31, 2013

| | | Cemetery Perpetual Care | School Lunch | Volunteer Fire Dept. Fund | Bike and Walk Path Fund | Burlock/ Lavway Scholarship Fund | Total |
|----------------------------|-----------|-------------------------------|-----------------|---------------------------------|-------------------------------|---|----------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ | 71,957 | - | - | - | 9,527 | 81,484 |
| Investments | | 587,976 | 5,400 | 31,757 | 25,613 | - | 650,746 |
| Total assets | \$ | 659,933 | 5,400 | 31,757 | 25,613 | 9,527 | 732,230 |
| FUND BALANCES | | | | | | | |
| Nonspendable | | - | - | - | 20,000 | - | 20,000 |
| Restricted | | 659,933 | 5,400 | 31,757 | 5,613 | 9,527 | 712,230 |
| Total fund balances | \$ | 659,933 | 5,400 | 31,757 | 25,613 | 9,527 | 732,230 |

CITY OF PRESQUE ISLE, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2013

| | Cemetery Perpetual Care | School Lunch | Volunteer Fire Dept. Fund | Bike and Walk Path Fund | Burlock/ Lavway Scholarship Fund | Total |
|-------------------------------------|-------------------------------|-----------------|---------------------------------|-------------------------------|---|---------|
| Revenues: | | | | | | |
| Investment income: | | | | | | |
| Interest income | \$ 34,477 | 265 | 1,565 | 1,309 | 19 | 37,635 |
| Unrealized gain (loss) | 69,053 | 550 | 3,735 | 2,669 | - | 76,007 |
| Donations | - | - | - | - | - | - |
| Total revenues | 103,530 | 815 | 5,300 | 3,978 | 19 | 113,642 |
| Expenditures: | | | | | | |
| Expenditures under trust agreements | 39,305 | - | - | 1,106 | - | 40,411 |
| Fees | 4,596 | 36 | 209 | 187 | - | 5,028 |
| Total expenditures | 43,901 | 36 | 209 | 1,293 | - | 45,439 |
| Net change in fund balances | 59,629 | 779 | 5,091 | 2,685 | 19 | 68,203 |
| Fund balances, beginning of year | 600,304 | 4,621 | 26,666 | 22,928 | 9,508 | 664,027 |
| Fund balances, end of year | \$ 659,933 | 5,400 | 31,757 | 25,613 | 9,527 | 732,230 |

STATISTICAL SECTION

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

Contents

Tables

Financial Trends

1-5

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

Revenue Capacity

6-9

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

Debt Capacity

10-12

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

Demographic and Economic Information

13-14

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

Operating Information

15-16

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

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Table 1

CITY OF PRESQUE ISLE, MAINE
Net Position by Component
Last Eight Fiscal Years
(accrual basis of accounting)

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental activities | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 36,363,913 | \$ 41,075,258 | \$ 47,124,474 | \$ 52,403,992 | \$ 53,914,937 | \$ 52,297,509 | \$ 51,509,110 | \$ 50,931,088 |
| Restricted (a) | 7,460,089 | 657,080 | 540,361 | 607,019 | 645,630 | 3,389,997 | 3,322,212 | 3,556,999 |
| Unrestricted | 3,173,693 | 8,459,355 | 7,874,580 | 6,707,081 | 5,149,664 | 3,444,455 | 3,242,563 | 4,194,578 |
| Total governmental activities net position | \$ 46,997,695 | \$ 50,191,693 | \$ 55,539,415 | \$ 59,718,092 | \$ 59,710,231 | \$ 59,131,961 | \$ 58,073,885 | \$ 58,682,665 |

Only eight years have been presented because 2005 was the year GASB Statement Number 34 was implemented.

(a) Beginning in the fiscal year ending December 31, 2011, the City changed the way it accounts for restricted net position.

Table 2

CITY OF PRESQUE ISLE, MAINE
Changes in Net Position
Last Eight Fiscal Years
(accrual basis of accounting)

| Expenses | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|------------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Governmental activities: | | | | | | | | |
| General government | \$ 2,798,297 | \$ 4,450,939 | \$ 4,394,842 | \$ 4,318,921 | \$ 4,941,896 | \$ 4,674,607 | \$ 4,889,842 | \$ 4,716,128 |
| Public safety | 1,210,298 | 2,651,781 | 2,622,451 | 2,526,579 | 2,597,925 | 2,634,579 | 2,486,138 | 2,751,289 |
| Public works | 1,622,073 | 2,653,500 | 2,773,241 | 2,511,224 | 2,588,693 | 2,815,777 | 3,077,507 | 1,168,013 |
| Airport | 1,305,590 | 2,184,548 | 2,322,768 | 2,437,749 | 2,489,402 | 2,712,857 | 3,064,007 | 3,342,171 |
| Solid waste | 1,490,855 | 1,200,123 | 1,175,127 | 1,069,839 | 1,536,356 | 2,355,571 | 2,319,919 | 1,221,998 |
| Recreation and culture | 1,216,046 | 1,511,065 | 1,533,570 | 1,501,938 | 1,490,592 | 1,544,757 | 1,430,088 | 1,515,441 |
| Education | 4,958,701 | 5,017,959 | 4,981,055 | 5,218,390 | 5,375,744 | 5,375,744 | 5,379,470 | 5,790,920 |
| Intergovernmental (a) | 507,060 | - | - | - | - | - | - | - |
| Unclassified (a) | 3,228,449 | - | - | - | - | - | - | - |
| Interest on debt service | 209,029 | 164,097 | 163,307 | 196,329 | 151,761 | 398,620 | 374,636 | 623,921 |
| Total governmental activities expenses | 18,546,398 | 19,834,012 | 19,966,361 | 19,780,969 | 21,172,369 | 22,512,512 | 23,021,607 | 21,129,860 |
| Program Revenues | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| General government | \$ 82,320 | \$ 754,874 | \$ 775,474 | \$ 732,549 | \$ 669,519 | \$ 702,109 | \$ 753,999 | \$ 871,603 |
| Public safety | 10,335 | 94,884 | 98,440 | 152,242 | 100,483 | 92,737 | 44,691 | 59,349 |
| Public works | - | 15,169 | 13,017 | 15,623 | 10,056 | 12,012 | 5,526 | 6,795 |
| Airport | 1,111,340 | 1,234,121 | 1,430,242 | 1,117,367 | 1,114,214 | 1,439,342 | 1,644,060 | 1,646,208 |
| Solid Waste | 195,067 | 1,016,077 | 761,725 | 733,021 | 783,478 | 1,596,920 | 1,670,927 | 1,672,625 |
| Recreation and culture | - | 427,289 | 415,189 | 440,594 | 437,898 | 436,168 | 430,395 | 403,917 |
| Operating grants and contributions | 651,675 | 745,551 | 233,590 | 327,278 | 872,228 | 545,679 | 663,864 | 474,687 |
| Capital grants and contributions | 1,516,858 | 4,792,969 | 7,268,068 | 4,920,508 | 1,782,404 | 1,776,696 | 1,488,310 | 757,936 |
| Total governmental activities program revenues | 3,567,595 | 9,080,934 | 10,995,745 | 8,439,182 | 5,770,280 | 6,601,663 | 6,701,772 | 5,893,120 |
| Net (expense)/revenue | | | | | | | | |
| Governmental activities | <u>(14,978,803)</u> | <u>(10,753,078)</u> | <u>(8,970,616)</u> | <u>(11,341,787)</u> | <u>(15,402,089)</u> | <u>(15,910,849)</u> | <u>(16,319,835)</u> | <u>(15,236,760)</u> |
| Total primary government net (expense)/revenue | \$ (14,978,803) | \$ (10,753,078) | \$ (8,970,616) | \$ (11,341,787) | \$ (15,402,089) | \$ (15,910,849) | \$ (16,319,835) | \$ (15,236,760) |
| General Revenues and other Changes | | | | | | | | |
| In Net Position | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes, levied for general purposes | \$ 10,518,060 | \$ 10,558,300 | \$ 10,693,926 | \$ 11,603,254 | \$ 12,021,452 | \$ 12,050,893 | \$ 11,955,543 | \$ 12,534,949 |
| Motor vehicle excise tax | 1,461,342 | 1,472,532 | 1,452,219 | 1,433,630 | 1,419,911 | 1,421,656 | 1,454,296 | 1,536,329 |
| Cable television franchise | - | 51,284 | 56,916 | 60,017 | 62,669 | 64,744 | 64,438 | 61,755 |
| Unrestricted grants and contributions | 1,629,578 | 2,202,873 | 2,360,645 | 1,845,885 | 1,625,123 | 1,607,047 | 1,562,793 | 1,405,817 |
| Miscellaneous | 2,765,021 | 328,493 | 491,266 | 218,003 | 102,981 | 92,815 | 83,345 | 113,755 |
| Interest and investment earnings | - | 427,397 | 271,354 | 359,675 | 162,092 | 95,424 | 141,344 | 192,935 |
| Total governmental activities | \$ 16,374,001 | \$ 15,040,879 | \$ 15,326,326 | \$ 15,520,464 | \$ 15,394,228 | \$ 15,332,579 | \$ 15,261,759 | \$ 15,845,540 |
| Change In Net Position | | | | | | | | |
| Governmental activities | <u>\$ 1,395,198</u> | <u>\$ 4,287,801</u> | <u>\$ 6,355,710</u> | <u>\$ 4,178,677</u> | <u>\$ (7,861)</u> | <u>\$ (578,270)</u> | <u>\$ 1,058,076</u> | <u>\$ 608,780</u> |
| Total primary government | \$ 1,395,198 | \$ 4,287,801 | \$ 6,355,710 | \$ 4,178,677 | \$ (7,861) | \$ (578,270) | \$ 1,058,076 | \$ 608,780 |

Only eight years have been presented because 2005 was the year GASB Statement Number 34 was Implemented.

(a) Beginning in the fiscal year ending December 31, 2007, the City changed the way it accounts for intergovernmental and unclassified expenses.

Table 3

CITY OF PRESQUE ISLE, MAINE
Program Revenues by Function/Program
Last Eight Fiscal Years
(accrual basis of accounting)

| Function/Program | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Governmental activities: | | | | | | | | |
| General government | \$ 82,320 | \$ 1,009,704 | \$ 794,704 | \$ 732,549 | \$ 1,063,659 | \$ 964,890 | \$ 1,092,166 | \$ 1,077,645 |
| Public safety | 10,335 | 401,175 | 160,295 | 346,498 | 334,585 | 378,506 | 369,451 | 292,402 |
| Public works | - | 383,722 | 1,773,055 | 203,931 | 223,774 | 215,189 | 208,976 | 311,125 |
| Airport | 1,111,340 | 5,658,537 | 6,938,272 | 5,849,567 | 2,522,082 | 1,670,575 | 2,648,069 | 2,003,861 |
| Solid waste | 846,742 | 1,147,579 | 893,196 | 861,674 | 925,702 | 1,705,536 | 1,906,276 | 1,748,859 |
| Recreation and culture | - | 480,217 | 436,223 | 444,963 | 700,478 | 1,666,967 | 476,834 | 459,228 |
| Unclassified (a) | 1,516,858 | - | - | - | - | - | - | - |
| Total governmental activities | 3,567,595 | 9,080,934 | 10,995,745 | 8,439,182 | 5,770,280 | 6,601,563 | 6,701,772 | 5,893,120 |
| Total primary government | \$ 3,567,595 | \$ 9,080,934 | \$ 10,995,745 | \$ 8,439,182 | \$ 5,770,280 | \$ 6,601,563 | \$ 6,701,772 | \$ 5,893,120 |

Only eight years have been presented because 2005 was the year GASB Statement Number 34 was implemented.

(a) Beginning in the fiscal year ending December 31, 2007, the City changed the way it accounts for unclassified revenues.

Table 4

CITY OF PRESQUE ISLE, MAINE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 (a) | 2012 | 2013 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General fund | | | | | | | | | | |
| Committed | | | | | | | | | | |
| Assigned | | | | | | | | | | |
| Unassigned | | | | | | | | | | |
| Reserved | \$ 19,949 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,712,886 | \$ 1,792,142 | \$ 1,892,560 |
| Unreserved | 2,688,889 | 3,265,826 | 2,890,755 | 3,464,879 | 3,108,754 | 2,840,081 | 2,291,584 | 51,165 | 51,431 | 177,247 |
| | | | | | | | | 2,146,195 | 2,089,444 | 1,824,405 |
| Total general fund | \$ 2,708,838 | \$ 3,265,826 | \$ 2,890,755 | \$ 3,464,879 | \$ 3,108,754 | \$ 2,840,081 | \$ 2,291,584 | \$ 3,910,246 | \$ 3,933,017 | \$ 3,894,212 |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | | | | | | | | \$ 1,651,696 | \$ 1,499,348 | \$ 1,094,833 |
| Restricted | | | | | | | | 1,738,301 | 1,822,864 | 2,480,965 |
| Committed | | | | | | | | 4,368,662 | 4,250,602 | 4,404,845 |
| Unassigned | | | | | | | | (337,403) | (310,744) | (196,772) |
| Reserved | \$ - | \$ - | \$ - | \$ 960,231 | \$ 939,958 | \$ 1,159,491 | \$ 1,487,382 | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 3,315,752 | 3,923,191 | 4,601,761 | 3,949,102 | 4,102,489 | 3,727,446 | 3,338,726 | | | |
| Capital projects funds | 3,753,096 | 2,936,418 | 2,471,001 | 1,770,159 | 736,590 | (578,180) | (3,046,391) | | | |
| Permanent Funds | 606,726 | 600,480 | 632,750 | 657,080 | 520,361 | 587,019 | 625,630 | | | |
| Total all other governmental funds | \$ 7,675,574 | \$ 7,460,089 | \$ 7,705,512 | \$ 7,336,572 | \$ 6,299,398 | \$ 4,895,776 | \$ 2,405,347 | \$ 7,421,256 | \$ 7,262,070 | \$ 7,783,871 |

(a) Beginning in the fiscal year ending December 31, 2011, the City adopted the provisions of GASB Statement No. 54.

Table 5

CITY OF PRESQUE ISLE, MAINE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|--|---------------------|---------------------|-------------------|---------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|-------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 9,485,620 | \$ 10,365,232 | \$ 10,513,597 | \$ 10,501,675 | \$ 10,454,926 | \$ 11,572,254 | \$ 11,918,452 | \$ 12,038,893 | \$ 11,914,543 | \$ 12,497,949 |
| Excise taxes | 1,424,302 | 1,431,365 | 1,461,342 | 1,472,532 | 1,452,219 | 1,433,630 | 1,419,911 | 1,421,656 | 1,454,296 | 1,536,329 |
| Intergovernmental | 5,315,027 | 5,599,125 | 3,798,111 | 7,741,393 | 8,332,303 | 7,093,671 | 3,932,546 | 2,667,110 | 3,602,143 | 2,625,900 |
| Licenses, permits, and fees | - | - | - | 269,051 | 342,446 | 233,894 | 280,373 | 202,278 | 177,665 | 234,170 |
| Charges for services | 929,121 | 1,215,991 | 1,399,062 | 2,841,771 | 2,983,408 | 2,682,627 | 2,767,521 | 4,021,333 | 4,266,264 | 4,275,953 |
| Unclassified | 1,944,095 | 2,048,659 | 2,765,021 | 811,369 | 716,415 | 492,895 | 745,613 | 1,475,548 | 366,276 | 338,424 |
| Interest | - | - | - | 427,397 | 271,354 | 359,675 | 162,092 | 95,424 | 141,344 | 192,935 |
| Total revenues | 19,098,165 | 20,660,372 | 19,937,133 | 24,065,188 | 24,553,071 | 23,928,646 | 21,226,508 | 21,922,242 | 21,922,531 | 21,701,660 |
| Expenditures | | | | | | | | | | |
| General government | 2,340,870 | 2,434,977 | 2,613,998 | 3,219,552 | 3,368,689 | 3,231,315 | 3,411,839 | 3,590,133 | 3,669,662 | 3,474,156 |
| Public safety | 1,962,892 | 1,908,859 | 2,106,322 | 2,464,973 | 2,369,920 | 2,360,922 | 2,446,174 | 2,415,255 | 2,379,866 | 2,478,214 |
| Public works | 1,423,063 | 1,677,792 | 1,622,073 | 1,916,205 | 2,102,537 | 2,005,386 | 2,132,829 | 2,062,078 | 2,076,095 | 2,080,725 |
| Airport | 724,431 | 923,542 | 1,247,597 | 6,085,012 | 7,272,965 | 6,181,632 | 2,667,398 | 1,727,426 | 1,854,421 | 2,035,279 |
| Solid waste | 1,227,938 | 1,276,692 | 1,459,329 | 919,156 | 1,283,177 | 856,831 | 991,795 | 1,699,742 | 1,799,471 | 1,361,812 |
| Recreation and culture | 1,010,848 | 1,065,165 | 1,167,070 | 1,376,823 | 1,962,418 | 1,554,563 | 1,398,408 | 1,367,469 | 1,270,469 | 1,331,972 |
| Education | 4,533,234 | 4,756,148 | 4,958,701 | 5,017,959 | 4,981,055 | 5,218,390 | 5,375,744 | 5,375,744 | 5,379,470 | 5,790,920 |
| Outside requests | 81,576 | 72,465 | 53,565 | 58,400 | 58,620 | 59,915 | 64,250 | 64,250 | 39,850 | 41,600 |
| Intergovernmental | 458,477 | 485,748 | 507,060 | 514,577 | 554,661 | 560,973 | 562,365 | 574,757 | 605,109 | 613,702 |
| Unclassified | 1,135,829 | 554,952 | 343,237 | 214,173 | 139,960 | 129,306 | 169,554 | 146,798 | 126,384 | 133,477 |
| Capital outlay | 2,305,324 | 5,964,394 | 2,900,816 | 3,217,837 | 2,309,536 | 1,871,414 | 4,577,327 | 2,020,841 | 2,192,123 | 1,191,220 |
| Debt service: | | | | | | | | | | |
| Principal | 332,501 | 308,221 | 257,503 | 216,955 | 268,016 | 1,368,201 (a) | 309,148 | 309,148 | 324,702 | 309,148 |
| Interest expense | 85,584 | 76,580 | 209,029 | 158,453 | 203,350 | 202,093 | 158,603 | 244,030 | 379,524 | 376,440 |
| Total expenditures | 17,622,567 | 21,505,535 | 19,446,300 | 25,380,075 | 26,874,904 | 25,600,941 | 24,265,434 | 21,597,671 | 22,097,146 | 21,218,664 |
| Excess (deficiency) of revenues over (under) expenditures | 1,475,598 | (845,163) | 490,833 | (1,314,887) | (2,321,833) | (1,672,295) | (3,038,926) | 324,571 | (174,615) | 482,996 |
| Other financing sources (uses) | | | | | | | | | | |
| Issuance of debt | - | 566,185 | - | 1,145,000 | 928,534 | - | - | 6,310,000 | 38,200 | - |
| Transfers in | 1,361,506 | 1,896,819 | 1,891,927 | 1,668,655 | 2,227,856 | 2,576,187 | 2,259,924 | 2,074,819 | 1,882,525 | 2,221,242 |
| Transfers out | (1,361,506) | (1,896,819) | (1,891,927) | (1,668,655) | (2,227,856) | (2,576,187) | (2,259,924) | (2,074,819) | (1,882,525) | (2,221,242) |
| Total other financing sources (uses) | - | 566,185 | - | 1,145,000 | 928,534 | - | - | 6,310,000 | 38,200 | 0 |
| Net change in fund balances | \$ 1,475,598 | \$ (278,978) | \$ 490,833 | \$ (169,887) | \$ (1,393,299) | \$ (1,672,295) | \$ (3,038,926) | \$ 6,634,571 | \$ (136,415) | \$ 482,996 |
| Debt service as a percentage of noncapital expenditures | 2.73% | 2.48% | 2.82% | 2.12% | 2.95% | 8.59% | 2.64% | 2.88% | 3.50% | 3.57% |

(a) The City paid off two outstanding notes payable during the year ended December 31, 2009.

Table 6

CITY OF PRESQUE ISLE, MAINE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

| Tax Roll Year | Real Property | Taxable Personal Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value (a) | Assessed Value as a Percentage of Actual Value |
|------------------|---------------|---------------------------------|------------------------------------|--------------------------------|---|---|
| | | | | | | |
| 2004 | 312,697,400 | 43,449,900 | 356,147,300 | 13.23 | 370,750,000 | 96.06% |
| 2005 | 320,346,700 | 44,663,200 | 365,009,900 | 12.84 | 398,050,000 | 91.70% |
| 2006 | 329,345,150 | 45,763,200 | 375,108,350 | 12.59 | 422,550,000 | 88.77% |
| 2007 | 356,249,410 | 46,059,200 | 402,308,610 | 12.39 | 436,300,000 | 92.21% |
| 2008 | 411,743,200 | 50,234,100 | 461,977,300 | 11.17 | 490,850,000 | 94.12% |
| 2009 | 422,075,300 | 51,001,500 | 473,076,800 | 12.30 | 515,600,000 | 91.75% |
| 2010 | 462,100,650 | 52,569,700 | 514,670,350 | 11.96 | 544,400,000 | 94.54% |
| 2011 | 461,521,450 | 52,739,700 | 514,261,150 | 11.93 | 565,150,000 | 91.00% |
| 2012 | 461,712,650 | 48,371,000 | 510,083,650 | 11.76 | 590,350,000 | 86.40% |
| 2013 | 461,998,350 | 46,733,500 | 508,731,850 | 12.11 | 571,950,000 | 88.95% |

(a) Source: State of Maine, Bureau of Property Taxation, Property Division

Table 7

CITY OF PRESQUE ISLE, MAINE
Direct and Overlapping Property Tax Rates (Per \$1,000 of Assessed Value)
Direct and Overlapping Governments
Last Ten Fiscal Years

| Tax Year | Direct Rates | | | Overlapping Rates | | Total |
|-------------|---------------|-----------------|-----------------|---------------------|-------------|-------|
| | Basic Rate | Debt Service | Total Direct | Aroostook County | M.S.A.D. #1 | |
| 2004 | 11.98 | 1.25 | 13.23 | 1.24 | 12.23 | 26.70 |
| 2005 | 11.73 | 1.11 | 12.84 | 1.29 | 12.57 | 26.70 |
| 2006 | 11.51 | 1.08 | 12.59 | 1.26 | 12.35 | 26.20 |
| 2007 | 11.30 | 1.09 | 12.39 | 1.31 | 12.45 | 26.15 |
| 2008 | 9.89 | 1.28 | 11.17 | 1.20 | 10.78 | 23.15 |
| 2009 | 11.08 | 1.22 | 12.30 | 1.19 | 11.03 | 24.52 |
| 2010 | 11.19 | 0.77 | 11.96 | 1.09 | 10.45 | 23.50 |
| 2011 | 11.08 | 0.85 | 11.93 | 1.12 | 10.45 | 23.50 |
| 2012 | 11.07 | 0.69 | 11.76 | 1.19 | 10.55 | 23.50 |
| 2013 | 11.43 | 0.68 | 12.11 | 1.21 | 11.38 | 24.70 |

Tax rates based on \$1,000 of assessed value.

Source: City Finance Department

Table 8

CITY OF PRESQUE ISLE, MAINE
Principal Property Taxpayers
Current Year and Nine Years Ago

| Taxpayer | 2013 | | | 2004 | | |
|-------------------------------|-----------------------|------|--|-----------------------|------|--|
| | Assessed Valuation | Rank | Percentage of Total Assessed Value | Assessed Valuation | Rank | Percentage of Total Assessed Value |
| Maine Public Service Co | \$ 19,995,800 | 1 | 3.93% | \$ 12,045,500 | 2 | 3.38% |
| Aroostook Centre LLC | 15,081,000 | 2 | 2.96% | 14,771,400 | 1 | 4.15% |
| Wal-Mart | 12,969,200 | 3 | 2.55% | 10,428,400 | 3 | 2.93% |
| R & L Real Estate LLC | 11,049,700 | 4 | 2.17% | | | |
| Lowe's Home Centers, Inc | 7,260,700 | 5 | 1.43% | | | |
| Leisure Gardens, Inc | 6,184,100 | 6 | 1.22% | 4,216,800 | 4 | 1.18% |
| BLD Hospitality, LLC | 5,067,700 | 7 | 1.00% | | | |
| MMG Insurance Co | 4,921,100 | 8 | 0.97% | 2,529,200 | 10 | 0.71% |
| Columbia Forest Products, Inc | 4,915,500 | 9 | 0.97% | 6,012,800 | 5 | 1.69% |
| Maine Potato Growers Inc | 3,732,600 | 10 | 0.73% | 3,080,800 | 8 | 0.87% |
| Juster, Doris & Ann | | | | 3,323,800 | 6 | 0.93% |
| Northeast Packaging | | | | 3,093,700 | 7 | 0.87% |
| Maine Potato Growers Inc | | | | | | |
| KSB Enterprises | | | | 2,719,700 | 9 | 0.76% |
| | <u>91,177,400</u> | | <u>17.92%</u> | <u>62,222,100</u> | | <u>17.47%</u> |
| Total Assessed Valuation | \$ 508,731,850 | | | \$ 356,147,300 | | |

Source: City Assessment Records

Table 9

CITY OF PRESQUE ISLE, MAINE
Total Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Taxes Levied for the Fiscal Year | Collected within the | | Collections in Subsequent Years | Tax Collections to Date | |
|-------------|----------------------------------|-------------------------|--------------------|---------------------------------|-------------------------|--------------------|
| | | Fiscal Year of the Levy | Percentage of Levy | | Amount | Percentage of Levy |
| 2004 | 9,509,133 | 8,714,377 | 91.64% | 794,030 | 9,508,407 | 99.99% |
| 2005 | 9,750,764 | 8,929,182 | 91.57% | 804,305 | 9,733,487 | 99.82% |
| 2006 | 10,525,029 | 9,986,789 | 94.89% | 532,782 | 10,519,571 | 99.95% |
| 2007 | 10,520,370 | 9,854,447 | 93.67% | 663,311 | 10,517,758 | 99.98% |
| 2008 | 10,694,774 | 9,945,691 | 93.00% | 747,095 | 10,692,786 | 99.98% |
| 2009 | 11,600,316 | 10,801,848 | 93.12% | 792,143 | 11,593,991 | 99.95% |
| 2010 | 12,094,753 | 11,174,937 | 92.39% | 913,357 | 12,088,294 | 99.95% |
| 2011 | 12,085,137 | 11,125,525 | 92.06% | 930,208 | 12,055,733 | 99.76% |
| 2012 | 11,986,966 | 11,066,861 | 92.32% | 597,100 | 11,663,961 | 97.31% |
| 2013 | 12,565,677 | 11,635,574 | 92.60% | - | 11,635,574 | 92.60% |

Source: City Assessment and Accounting Records

Table 10

CITY OF PRESQUE ISLE, MAINE
Ratios of Net General Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | General Obligation Bonds | Capital Lease | Notes Payable | Total | Personal Income (a) | Percentage of Personal Income | Population (b) | Per Capita | Percentage of Estimated Actual Taxable Value of Property (c) |
|-------------|--------------------------|---------------|---------------|-----------|---------------------|-------------------------------|----------------|------------|--|
| | | | | | | | | | |
| 2004 | 2,482,924 | 89,636 | 210,282 | 2,782,842 | 232,109,820 | 1.20% | 9,385 | 296.52 | 0.67% |
| 2005 | 2,589,258 | 28,520 | 423,028 | 3,040,806 | 243,079,971 | 1.25% | 9,377 | 324.28 | 0.65% |
| 2006 | 2,527,956 | - | 70,136 | 2,598,092 | 243,079,971 | 1.07% | 9,377 | 277.07 | 0.60% |
| 2007 | 3,456,003 | - | 57,370 | 3,513,373 | 247,203,840 | 1.42% | 9,285 | 378.39 | 0.79% |
| 2008 | 3,166,684 | - | 966,978 | 4,133,662 | 254,002,800 | 1.63% | 9,200 | 449.31 | 0.65% |
| 2009 | 2,833,434 | - | 158,747 | 2,992,181 | 250,078,650 | 1.20% | 9,050 | 330.63 | 0.55% |
| 2010 | 2,576,567 | - | 106,466 | 2,683,033 | 268,353,000 | 1.00% | 9,000 | 298.11 | 0.47% |
| 2011 | 8,569,700 | - | 28,910 | 8,598,610 | 279,488,204 | 3.08% | 9,692 | 887.19 | 1.52% |
| 2012 | 8,273,908 | - | 38,200 | 8,312,108 | 288,431,826 | 2.88% | 9,658 | 860.64 | 1.40% |
| 2013 | 8,120,093 | - | 364,291 | 8,484,384 | 288,431,826 | 2.94% | 9,596 | 884.16 | 1.42% |

(a) See Table 14

(b) See Table 14

(c) See Table 8. General Obligation Bond divided by the Estimated Actual Taxable Value.

Table 11

CITY OF PRESQUE ISLE, MAINE
Direct and Overlapping Governmental Activities Debt
December 31, 2013

| Jurisdiction | Debt Outstanding | Percentage Applicable to Government | Amount Applicable to Government |
|---|----------------------|---|---------------------------------------|
| Direct: | | | |
| City of Presque Isle General Obligation | \$ 8,120,093 | 100.00% | \$ 8,120,093 |
| City of Presque Isle Notes Payable | 364,291 | 100.00% | 364,291 |
| Total direct debt | <u>8,484,384</u> | | <u>8,484,384</u> |
| Overlapping: | | | |
| M.S.A.D. #1 | 5,587,438 | 73.94% | 4,131,352 |
| Aroostook County | - | 0.00% | - |
| Total overlapping debt | <u>5,587,438</u> | | <u>4,131,352</u> |
| Total direct and overlapping debt | <u>\$ 14,071,822</u> | | <u>\$ 12,615,736</u> |

Note: Annually, Aroostook County assesses each municipality its proportionate share of the County tax required to fund the County budget. Annually, M.S.A.D. #1 assesses each municipality its proportionate share of the School assessment required to fund the School budget. The County tax and School assessments applicable to the City of Presque Isle is included in the total property tax levy of the City of Presque Isle.

Sources: The outstanding debt for Aroostook County has been provided by the County. The percentage applicable to the City of Presque Isle is based on the ratio of the State equalized assessed valuation for the City of Presque Isle versus the equalized State valuation for Aroostook County.

The outstanding debt for M.S.A.D. #1 has been provided by the District. The percentage applicable to the City of Presque Isle is based on the ratio of the State equalized assessed valuation for the City of Presque Isle versus the equalized State valuation of all municipalities located within the District.

CITY OF PRESQUE ISLE, MAINE
Legal Debt Margin Information
December 31, 2013

The amount of debt a Maine municipality may have is governed by title 30-A, M.R.S.A. section 5702. The law limits total debt and debt for specific categories. Total debt cannot exceed 7.5% of the City's last full State Valuation. Debt for specific categories is limited to a percentage of State Valuation. As the following table indicates, based on a 2013 State Valuation of \$571,950,000, the City is in compliance with the total and categorical debt limits:

Legal Debt Margin Calculation for Fiscal Year 2011

| | |
|--|--------------------|
| State Valuation | \$ 571,950,000 |
| Debt Limit - 7.5% of State Valuation | 42,896,250 |
| Less outstanding debt applicable to debt limit | <u>(8,120,093)</u> |
| Legal Debt Margin | \$ 34,776,157 |

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Debt limit | \$ 27,793,028 | \$ 28,369,256 | \$ 28,133,126 | \$ 32,722,500 | \$ 36,813,750 | \$ 38,670,000 | \$ 40,830,000 | \$ 42,386,250 | \$ 44,276,250 | \$ 42,896,250 |
| Total debt applicable to limit | 2,482,924 | 2,589,258 | 2,378,744 | 3,456,003 | 3,166,684 | 2,833,434 | 2,576,567 | 8,569,700 | 8,273,908 | 8,120,093 |
| Legal debt margin | \$ 25,310,104 | \$ 25,779,998 | \$ 25,754,382 | \$ 29,266,497 | \$ 33,647,066 | \$ 35,836,566 | \$ 38,253,433 | \$ 33,816,550 | \$ 36,002,342 | \$ 34,776,157 |
| Total debt applicable to the limit as a percentage of debt limit | 8.93% | 9.13% | 8.46% | 10.56% | 8.60% | 7.33% | 6.31% | 20.22% | 18.69% | 18.93% |

Table 13

CITY OF PRESQUE ISLE, MAINE
Principal Employers
Current Year and Nine Years Ago

| | 2013 | | 2004 | |
|-------------------------------------|-----------|------|---------------------------|------|
| | Employees | Rank | Employees | Rank |
| Aroostook Medical Center | 1000-4999 | 1 | Information not available | |
| Wal-Mart Superstore | 500-999 | 2 | | |
| Burrelle's Press Clipping Service | 100-249 | 3 | | |
| University of Maine at Presque Isle | 100-249 | 4 | | |
| Columbia Forest Products | 100-249 | 5 | | |
| Maine Public Service/EMERA | 100-249 | 6 | | |
| Northern Maine Community College | 100-249 | 7 | | |
| Presque Isle Nursing Home | 100-249 | 8 | | |
| Lowe's | 100-249 | 9 | | |
| Maine Mutual Insurance Group | 100-249 | 10 | | |

Source: Aroostook Partnership for Progress

Table 14

CITY OF PRESQUE ISLE, MAINE
Demographic and Economic Statistics
Last Ten Fiscal Years

| Fiscal Year | Population (a) | Per Capita | | School Enrollment (d) | Unemployment Rate (c) |
|----------------|----------------|------------------------|------------------------|--------------------------|----------------------------|
| | | Personal Income (b) | Personal Income (a) | | |
| 2004 | 9,385 | 232,109,820 | 24,732 | 1,567 | 4.30% |
| 2005 | 9,377 | 243,079,971 | 25,923 | 1,578 | 4.90% |
| 2006 | 9,377 | 243,079,971 | 25,923 | 1,874 | 5.00% |
| 2007 | 9,285 | 247,203,840 | 26,624 | 1,842 | 4.80% |
| 2008 | 9,200 | 254,002,800 | 27,609 | 1,863 | 5.80% |
| 2009 | 9,050 | 250,078,650 | 27,633 | 1,797 | 7.90% |
| 2010 | 9,000 | 268,353,000 | 29,817 | 1,692 | 8.60% |
| 2011 | 9,692 | 279,488,204 | 28,837 | 1,620 | 8.70% |
| 2012 | 9,658 | 288,431,826 | 29,865 | 1,594 | 7.70% |
| 2013 | 9,596 | 291,575,732 | 30,385 | 1,578 | 7.50% |

(a) Source: City of Presque Isle/State Planning Office/Economic Forecasting Commission

(b) Source: Bureau of Economic Analysis/Economic Forecasting Commission

(c) Source: State of Maine Center for Workforce Research

(d) Source: State of Maine, Department of Education

Table 15

CITY OF PRESQUE ISLE, MAINE
Full-time Employees by Function/Program
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|---------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Government: | | | | | | | | | | |
| Administration: | | | | | | | | | | |
| City Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Executive Assistant | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Deputy City Manager | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| Administrative Assistant | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| Payroll Clerk | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.50 |
| City Clerk | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Welfare | 0.50 | 0.50 | 0.50 | 0.50 | 0.75 | 1.00 | 0.50 | 0.50 | 0.50 | 0.50 |
| Custodian | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Planning and Development: | | | | | | | | | | |
| Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Planner | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| Finance: | | | | | | | | | | |
| Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Deputy Finance Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Tax Collector | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 3.00 | 3.00 |
| Tax Assessor | 2.00 | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Chief | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Deputy Chief | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| Administrative Assistant | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.75 | 1.75 |
| Detective | 1.00 | 2.00 | 2.00 | 2.00 | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| MDEA | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.00 | 1.00 | 1.00 |
| Sergeant | 4.00 | 4.00 | 3.00 | 4.00 | 5.00 | 5.00 | 5.00 | 3.00 | 2.00 | 2.00 |
| Corporal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 |
| Patrol Officer | 13.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 11.00 | 11.00 | 10.00 |
| Dispatcher | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 | 1.00 | 3.00 | 3.00 | 4.00 |
| Parking Enforcement | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Animal Control Officer | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Custodian | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Fire: | | | | | | | | | | |
| Chief | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Captains | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Firefighters | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 9.00 | 8.00 | 8.00 |
| Code Enforcement | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Administrative Assistant | 1.75 | 1.75 | 1.75 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Airport: | | | | | | | | | | |
| Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Administrative Assistant | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Maintenance | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Custodian | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.50 | 0.50 | 0.50 | 0.50 |
| Page Total | 64.5 | 64.5 | 64.5 | 65.75 | 67 | 65 | 65 | 60 | 60.25 | 60.25 |

Table 15, continued

CITY OF PRESQUE ISLE, MAINE
Full-time Employees by Function/Program, continued
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Public Services: | | | | | | | | | | |
| Director | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Solid Waste: | | | | | | | | | | |
| Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| Supervisor | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 | 0.35 |
| Administrative Assistant | 0.25 | 0.25 | 0.25 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Equipment Operations | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 6.00 | 5.00 | 5.00 | 5.00 |
| Public Works: | | | | | | | | | | |
| Deputy Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| Administrative Assistant | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Truck Drivers | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 8.00 | 8.00 | 8.00 |
| Mechanic | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Laborer | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Facilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 | 0.50 |
| Library: | | | | | | | | | | |
| Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Librarians | 5.50 | 5.50 | 5.50 | 6.00 | 6.00 | 6.00 | 7.00 | 7.00 | 6.00 | 6.00 |
| Custodian | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.50 | 0.50 | 0.50 | 0.50 |
| Recreation: | | | | | | | | | | |
| Director | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 | 1.00 | 1.00 |
| Deputy Director | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 | 0.00 |
| Programs Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.50 | 1.00 | 1.00 | 1.00 |
| Recreation Staff | 5.00 | 2.50 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 3.00 | 4.00 |
| Event Facility Staff | 3.50 | 2.50 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 | 1.50 |
| Administrative Assistants | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Maintenance | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 3.50 | 3.50 | 3.00 |
| Aquatics Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Assistant Aquatics Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 |
| Indoor Pool Staff | 4.00 | 3.00 | 4.00 | 4.00 | 3.50 | 3.50 | 3.50 | 3.00 | 3.00 | 2.00 |
| Total | 115.75 | 111.25 | 111.25 | 113.75 | 114.50 | 112.50 | 116.50 | 107.00 | 106.25 | 104.10 |
| In addition there are: | | | | | | | | | | |
| On-Call Fire Fighters | 33.00 | 32.00 | 33.00 | 33.00 | 33.00 | 34.00 | 33.00 | 33.00 | 33.00 | 33.00 |
| Council | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |

Source - City payroll records

Table 16

CITY OF PRESQUE ISLE, MAINE
Operating Indicators by Function/Program
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|---------------------------------|--------------|--------------|---------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Government: | | | | | | | | | | |
| Code enforcement: | | | | | | | | | | |
| Residential construction value | \$ 2,987,124 | \$ 3,181,351 | \$ 3,160,103 | \$ 2,649,484 | \$ 2,745,577 | \$ 2,117,074 | \$ 1,531,791 | \$ 607,185 | \$ 1,360,521 | \$ 1,953,974 |
| Number of permits | 127 | 111 | 121 | 100 | 123 | 99 | 99 | 59 | 64 | 76 |
| Commercial construction value | \$ 1,085,707 | \$ 7,669,473 | \$ 15,095,886 | \$ 3,985,871 | \$ 13,184,277 | \$ 4,716,826 | \$ 2,512,070 | \$ 3,778,926 | \$ 2,008,102 | \$ 8,517,064 |
| Number of permits | 59 | 71 | 68 | 74 | 66 | 79 | 51 | 55 | 50 | 72 |
| Public Safety: | | | | | | | | | | |
| Fire Department: | | | | | | | | | | |
| Fire Calls | 286 | 272 | 263 | 252 | 305 | 275 | 293 | 241 | 319 | 354 |
| First Response Calls | 69 | 63 | 68 | 71 | 59 | 78 | 63 | 53 | 52 | 49 |
| Inspections | 590 | 610 | 575 | 580 | 552 | 375 | 410 | 423 | 418 | 414 |
| Police Department: | | | | | | | | | | |
| Calls for Service | 6,538 | 6,379 | 6,001 | 6,176 | 6,184 | 5,685 | 5,451 | 10,366 | 12,201 | 15,318 |
| Criminal Arrests | 503 | 655 | 450 | 436 | 648 | 668 | 404 | 687 | 680 | 673 |
| Vehicle Stops | 4,564 | 3,817 | 4,541 | 4,819 | 5,173 | 5,449 | 3,689 | 2,993 | 1,743 | 1,892 |
| Accidents | 393 | 357 | 324 | 373 | 327 | 251 | 253 | 385 | 253 | 347 |
| Public Works: | | | | | | | | | | |
| Road/Street Resurfacing (miles) | 6.38 | 6.13 | 4.84 | 12.04 | 6.34 | 8.41 | 14.96 | 7.60 | 3.50 | 3.62 |
| Solid Waste: | | | | | | | | | | |
| Refuse Collected (tons) | 15,133 | 15,039 | 20,111 | 21,433 | 13,873 | 14,993 | 13,047 | 12,081 | 10,564 | 9,417 |
| Recyclable Collected (tons) | 5,827 | 5,719 | 6,943 | 7,995 | 7,958 | 7,566 | 7,262 | 8,125 | 6,559 | 6,907 |
| Municipal Recycling Rate (a) | 49.0% | 47.6% | 51.1% | 51.8% | 53.3% | 51.3% | 52.7% | 47.2% | 45.4% | 49.3% |

Table 16, continued

CITY OF PRESQUE ISLE, MAINE
Operating Indicators by Function/Program
Last Ten Fiscal Years

| <u>Function</u> | <u>Fiscal Year</u> | | | | | | | | | |
|---------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Airport: | | | | | | | | | | |
| Enplanements | 16,268 | 16,207 | 16,253 | 15,866 | 13,496 | 13,238 | 15,204 | 14,453 | 12,379 | 11,555 |
| Deplanements | 16,197 | 16,173 | 16,852 | 15,662 | 13,768 | 13,151 | 15,250 | 14,353 | 12,048 | 11,422 |
| Landing Fees | \$ 26,451 | \$ 28,672 | \$ 25,427 | \$ 20,303 | \$ 46,103 | \$ 57,489 | \$ 55,355 | \$ 55,618 | \$ 50,292 | \$ 65,199 |
| Recreation: | | | | | | | | | | |
| Library: | | | | | | | | | | |
| Total materials circulated | 109,204 | 111,208 | 117,315 | 122,792 | 130,498 | 153,969 | 160,946 | 96,332 | 81,899 | 85,240 |
| Total materials borrowed | 60,008 | 62,134 | 61,545 | 61,048 | 62,608 | 78,970 | 85,917 | 50,220 | 63,345 | 64,540 |
| Total print items in collection | 53,895 | 57,689 | 64,104 | 60,634 | 63,560 | 56,212 | 55,601 | 57,366 | 61,265 | 52,794 |
| Total program participants | 2,878 | 3,078 | 4,020 | 4,591 | 4,736 | 5,504 | 5,197 | 4,085 | 5,423 | 5,226 |
| Forum: | | | | | | | | | | |
| Major Events | 12 | 10 | 10 | 15 | 15 | 15 | 15 | 15 | 14 | 14 |
| Support for Events | 3 | 11 | 15 | 11 | 15 | 12 | 12 | 12 | 11 | 11 |
| Weeks of Ice | 24 | 22 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Parks and Recreation: | | | | | | | | | | |
| Non-Aquatic Programs: | | | | | | | | | | |
| Youth Participants | 4,809 | 4,664 | 4,012 | 4,084 | 3,878 | 3,946 | 5,159 | 4,443 | 4,430 | 4,377 |
| Adult Participants | 1,722 | 1,528 | 1,322 | 1,466 | 1,345 | 1,389 | 1,606 | 1,103 | 1,147 | 1,084 |
| Aquatic Programs: | | | | | | | | | | |
| Indoor Pool Participants | 45,635 | 43,895 | 40,335 | 41,179 | 32,033 | 25,634 | 27,278 | 23,483 | 21,475 | 19,630 |
| Outdoor Pool Participants | 5,235 | 5,212 | 6,635 | 6,905 | 5,641 | 6,570 | 8,032 | 5,607 | 7,460 | - |
| Mantle Lake Park Attendance | 18,470 | 13,755 | 10,632 | 15,195 | 14,093 | 12,440 | 13,025 | 12,286 | 12,687 | 12,441 |

Sources: Various City Departments

n/a --- information not available

(a) Percentages provided by the State Planning Office
Outdoor pool was closed in 2013.