



**City of Presque Isle, Maine**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year Ended December 31, 2016**

Issued by:

Finance Department

CITY OF PRESQUE ISLE, MAINE  
DECEMBER 31, 2016  
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## **Introductory Section**

# City of Presque Isle

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June 28, 2017

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, 2016. These financial statements are presented in conformance with generally accepted accounting principles in the United States (GAAP) and audited in accordance with generally accepted governmental auditing standards (GAGAS).

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 Ron L. Beaulieu and Company, Certified Public Accountants, has issued an unqualified ("clean") opinion on the City of Presque Isle, Maine's financial statements for the year ended December 31, 2016. 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.

## **Governmental Profile**

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 encompasses approximately 72 square miles and serves a population of 9,692 as of the 2010 census. 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 City Manager is responsible for overseeing the day to day operations of the City; for carrying out the policies and ordinances of the City Council; and for appointing the City's Department Heads. The current City Manager was appointed by the City Council effective August 16, 2015.

The financial reporting entity includes all of the funds of the City of Presque Isle. The City 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. The Budgetary Comparison by Department – Legal Level of Budgetary Control is provided on page 42 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 2016 comprised 4.71% of the total tax base with the top ten taxpayers combined representing 18.74% of the total tax base.

### **Long-term financial planning**

The City of Presque Isle's basic long term financial planning document is its Five Year Capital Improvement Plan that is submitted to the Council for review annually by the City Manager. The CIP identifies those major programs necessary to meet the citizens' needs for services while continuing to meet sharply increasing fixed costs. It includes a listing of possible capital improvement programs as well as potential financing sources that may include: federal, state, or private grants; the general operating fund through the annual budget process; new revenue; or the issuance of debt. Among these programs are road construction and repair, vehicle equipment purchases, building renovations, and recreational activities.

Included in the 2017 Capital Improvement Plan are:

- Ambulances and equipment for the Fire Department's new 911EMS Ambulance Service beginning operations in 2017. Financing is to be through an internal loan from the Presque Isle Development Fund;
- A snow blower for the airport; 95% financed by the Federal Aviation Administration, 2.5% by the Maine Department of Transportation and 2.5% from local funds;
- A water truck, tractor and mower, and a loader for the Public Works Department;
- A new Zamboni Ice Resurfacing Machine for the Recreation and Parks Department.

In addition, the 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 twice 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%.

### **Major initiatives include**

**Solid Waste** The City's landfill and recycling functions will be merging with another regional entity resulting in a reduction of cost to the taxpayer for solid waste management beginning in 2018.

**Public Works Department** Updating a comprehensive road surface management system is expected to assist in better planning for capital expenditures for streets and roads and a more consistent annual outlay.

**Airport** In 2018 the airport will begin an update of the Airport Master Plan that will determine the needs of the airport over the next twenty years utilizing forecasts and Federal Aviation Administration regulations. Areas to be investigated include upgrading or replacement of the passenger terminal and the north hangar complex and the future development of airport property to maximize revenue generation. 95% of this project will be financed by the Federal Aviation Administration and 5% from local funds.

A key initiative for 2018 will be to rebrand the airport. This effort will include a complete redo of the website, development of a media presence, advertising campaign and potentially a name change 71% will be financed by the US Department of Transportation and the remainder will come from local funds

**Fire Department** In early 2017 the Fire Department was authorized by the City Council to being operating an Ambulance Service. Licensing was obtained, ambulances and equipment purchased, and 6 new firefighter/paramedics were hired. Operations began on April 1, 2017. This service is expected to generate significant revenue and reduce the net cost to taxpayers of the department.

**Downtown Revitalization** 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.

Current projects include:

- In conjunction with Maine Department of Transportation, complete the Bike Path around the City;
- Improvements to the sidewalks and lighting in the downtown area;
- Initiating a series of summer concerts at the Downtown Pavilion to encourage traffic in the downtown area.

**Industrial Council** In 2016 the City was awarded \$2,500,000 in state and federal grants with an additional \$1,200,000 being provided by the City to complete the build-out of a 'Spec Building' that will be leased to a manufacturer retaining 60 jobs and creating 20 new jobs. Construction will completed in 2017.

A 43,000 square foot Maine Army National Guard Readiness Center, which will be constructed on the corner of Edgemont Drive and Morningside Road on Skyway Industrial Park will break ground in 2018.



Dead River Company will be adding a new 1,400 foot second rail spur that will service the City's Intermodal rail yard and the Company's new \$1,400,000 propane storage/distribution yard.

**Planning Department** has begun updating the Comprehensive Plan.

### **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 year ended December 31, 2015. This was the 17<sup>th</sup> 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 requirement.

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 Ron L. Beaulieu & Company, Certified Public Accountants for its assistance in the preparation and review of this report. Credit should also be given to the City Manager and the City Council for their unfailing support in maintaining the highest standards of professionalism with regard to the City's finances.

Respectfully submitted,



Priscilla Webb,  
Finance Director

CITY OF PRESQUE ISLE, MAINE

DECEMBER 31, 2016

LIST OF PRINCIPAL OFFICIALS

**Elected Officials**

City Council Chair	Emily Smith
City Council Vice Chair	Michael Chasse
Council Member	Randy Smith
Council Member	Richard Engels
Council Member	Craig Green
Council Member	Leigh Smith
Council Member	Natilee Graves

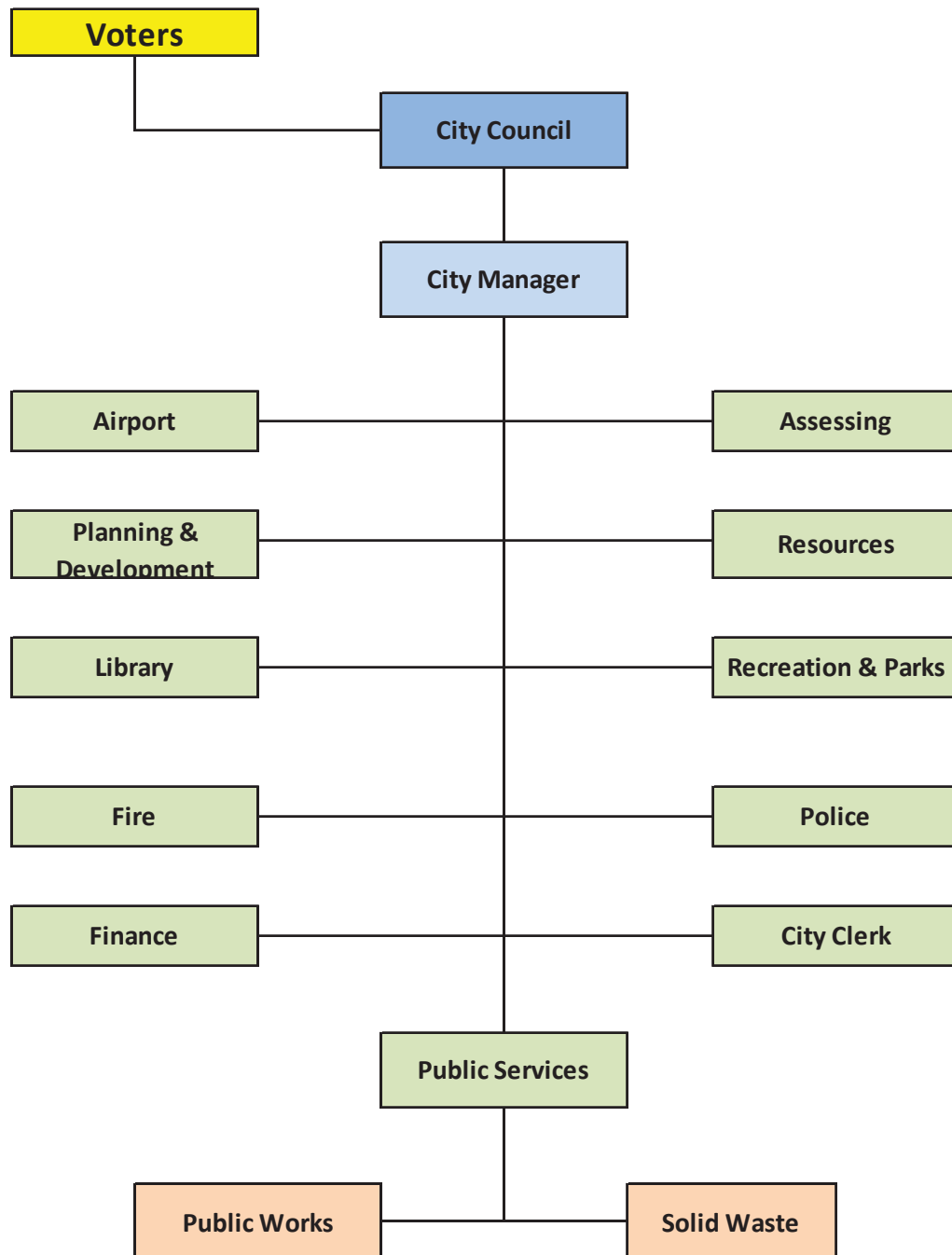
**Appointed Officials**

City Manager	Martin Puckett
Assessor	Lewis Cousins
Airport Manager	Scott Wardwell
Finance Director	Priscilla Webb
Fire Chief	Darrell White
Librarian, Mark and Emily Turner	
Memorial Library	Sonja Plummer-Eyler
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

CITY OF PRESQUE ISLE, MAINE

DECEMBER 31, 2016

ORGANIZATIONAL CHART







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, 2015**

Executive Director/CEO

## **Financial Section**

# Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of  
City of Presque Isle, Maine  
Presque Isle, ME

### Report on the Financial Statements

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, 2016, 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 misstatements, whether due to fraud or error.

### Auditor's Responsibility

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

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

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



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Presque Isle, Maine, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3.1 through 3.10, pension schedules on pages 37 through 40, and budgetary comparison information on pages 36 and 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017, 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.

*Ron L. Beaulieu & Co.*

Portland, Maine  
June 28, 2017

**CITY OF PRESQUE ISLE**  
Management's Discussion and Analysis  
December 31, 2016

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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, 2016. 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 i - v of this report.

**Financial Highlights**

- The assets of the City of Presque Isle exceeded its liabilities at the close of 2016 by \$61,505,016 (*net position*). Of this amount, \$1,410,914 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 \$2,652,815 from December 31, 2015. Net position was restated as of January 1, 2016. A decrease in the amount of \$53,286 in unrecorded accrued interest for the prior year, and increased \$819,301 to account for an unrecorded capital asset. As a result, the beginning net position balance was increased by \$766,015.
- As of the close of the current fiscal year, the City of Presque Isle's general fund and its governmental funds reported a combined ending fund balance of \$12,507,498, an increase of \$2,562,419 from the previous year. 37.3% of this total amount or \$4,665,471 is available for spending at the government's discretion (*unassigned fund balance*).
- The City of Presque Isle's bonds and loan outstanding increased \$6,718,820 or 87%. A bond in the amount \$7,500,000 was added to finance the new Community Center less principal pay downs in the amount of \$781,180.

**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.

The **Basic Financial Statements** include financial information in two differing views: The government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to the financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in their preparation.

**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, deferred outflows of resources, liabilities, and deferred inflows of resources, 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

**CITY OF PRESQUE ISLE**  
Management's Discussion and Analysis  
December 31, 2016

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some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused employee vacation leave).

For the City of Presque Isle, all activities are classified as *governmental activities* because they are principally supported by taxes and intergovernmental revenues (federal and state grants). Most of the City's basic services are reported in governmental activities, which includes general government, public safety, public works, education, recreation and culture and other unclassified.

The government-wide financial statements can be found on pages 4 through 5 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 can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as 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, the community center construction fund and the special revenue fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation.

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 6 through 10 of this report.

**Fiduciary Funds.** These funds are used to account for resources held for the benefit of parties outside the government of the City of Presque Isle. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that of proprietary funds, they use the accrual basis of accounting. The City of Presque Isle does not have any fiduciary funds.

**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 11 through 35 of this report.



**CITY OF PRESQUE ISLE**  
Management's Discussion and Analysis  
December 31, 2016

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**Other information** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* consisting of: general fund budgetary comparison, budgetary basis, budget to actual; schedule of changes in net pension liability and related ratios, schedule of contributions, and a schedule of investment returns.

*Other supplementary information* follows the *required supplementary information* and provides additional information regarding non-major funds, capital asset activity and other detailed budgetary information for the general fund.

Required supplementary information can be found on page 36 through 41 of this report.

**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 inflows of resources exceeded liabilities and deferred outflows of resources by \$61,505,017 at December 31, 2016.

**CITY OF PRESQUE ISLE'S Net Position**

	2016	2015 (Restated)
Current and other assets	\$14,356,307	\$11,404,703
Capital assets	70,944,926	61,912,069
Total assets	85,301,233	73,316,772
Total deferred outflows of resources	285,417	347,213
Current liabilities	1,767,051	1,251,804
Long term liabilities outstanding	21,070,735	13,267,916
Total liabilities	22,837,786	14,519,720
Total deferred inflows of resources	1,243,848	294,144
Net Position:		
Net investment in capital assets	56,466,655	54,101,413
Restricted	3,627,448	3,103,655
Unrestricted	1,410,914	1,647,134
Total net position	\$61,505,017	\$58,852,202

By far the largest portion of the City of Presque Isle's net position \$55,646,155 (91.81%) 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 of Presque Isle's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF PRESQUE ISLE**  
**Management's Discussion and Analysis**  
**December 31, 2016**

An additional portion of the City of Presque Isle's net position \$3,627,448 (5.90%) represents resources that are subject to external restrictions on how they may be spent. The remaining balance of \$1,410,914 (2.29%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

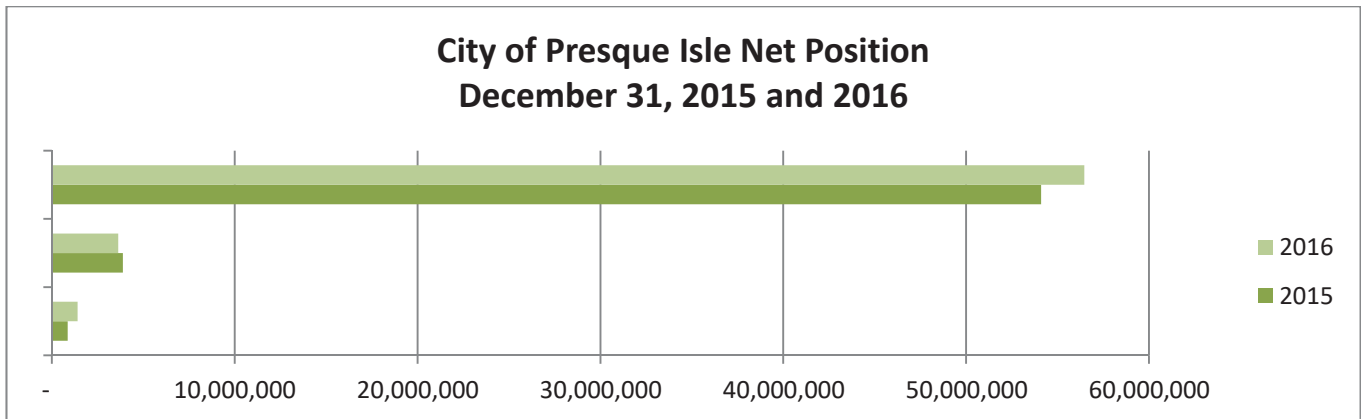
At the end of the current fiscal year, the City of Presque Isle is able to report a positive balance in all three reported categories of net position for the government as a whole. The same situation held true for the prior fiscal year.

**CITY OF PRESQUE ISLE'S Changes in Net Position**

	<b>2016</b>	<b>2015</b>
Revenue:		
Charges for services	\$ 2,703,374	\$ 2,939,736
Property taxes	13,696,050	13,171,030
Excise taxes	1,629,208	1,565,436
Intergovernmental	5,902,477	5,487,254
Licenses and permits	593,440	585,929
Interest	170,065	82,973
Other	3,127,186	3,027,389
Total revenue	\$ 27,821,801	\$ 26,859,717
Expenses:		
General government	\$ 6,327,967	\$ 5,483,764
Public safety	2,614,101	2,502,715
Public works	2,421,188	2,789,012
Airport	2,967,703	2,965,690
Recreation and culture	1,455,310	1,270,879
Solid Waste	1,749,569	1,627,681
Education	6,240,554	6,152,769
County	645,031	619,295
Miscellaneous	435,797	485,937
Interest on long term debt	311,766	193,075
Total expenses	\$ 25,168,986	\$ 24,090,817
Increase (decrease) in net position	2,652,815	1,221,118
Net Position January 1 Restated	\$ 58,852,202	\$ 56,083,272
Net position December 31	\$ 61,505,017	\$ 58,852,202

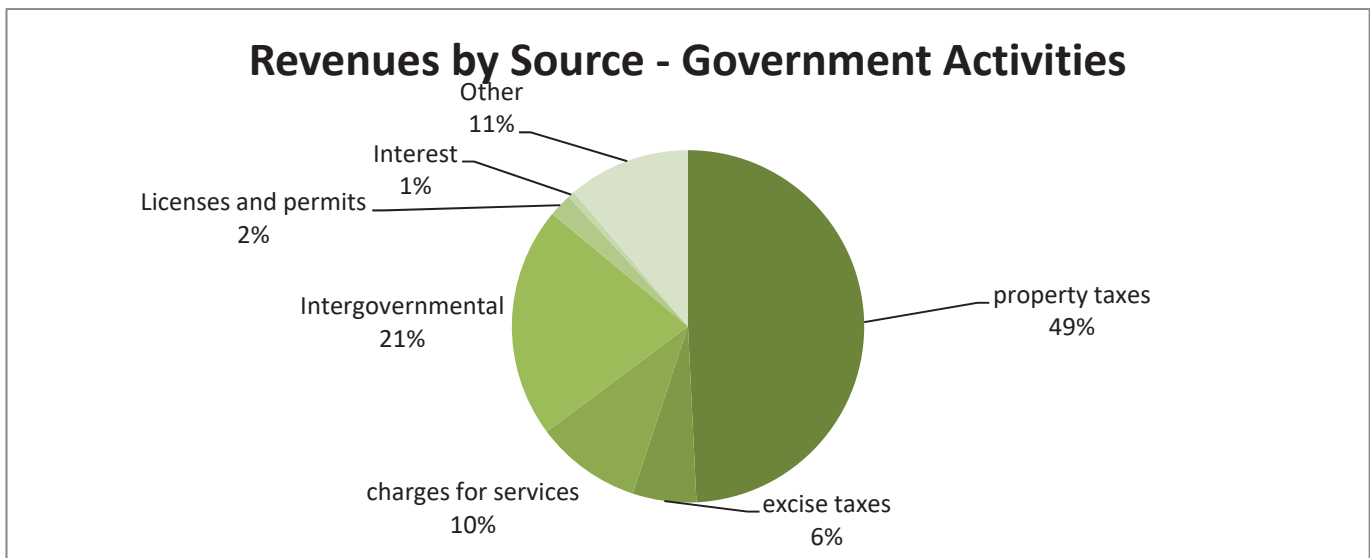
During the current fiscal year, net position for governmental activities increased \$2,652,815. The reasons for this overall increase are discussed in the following section for governmental activities.

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**Governmental Activities** The City's net position was restated as of January 1, 2016 to correctly reflect accrued interest payable as of December 31, 2015, a reduction of \$53,286 and to increase fixed assets for an unrecorded asset at year end, an increase of \$819,301. As a result, the beginning balance has been increased by a net of \$766,015 to a balance of \$58,852,202.

Governmental activities resulted in an increase in the City of Presque Isle's net position of \$2,652,816 from the restated beginning balance for an ending balance of \$61,505,017. The increase is primarily attributable to improvements to the runways at the airport financed 95% by the Federal Aviation Administration and 2.5% by Maine Department of Transportation.



### Financial Analysis of Governmental Funds

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

**Governmental Funds.** The 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

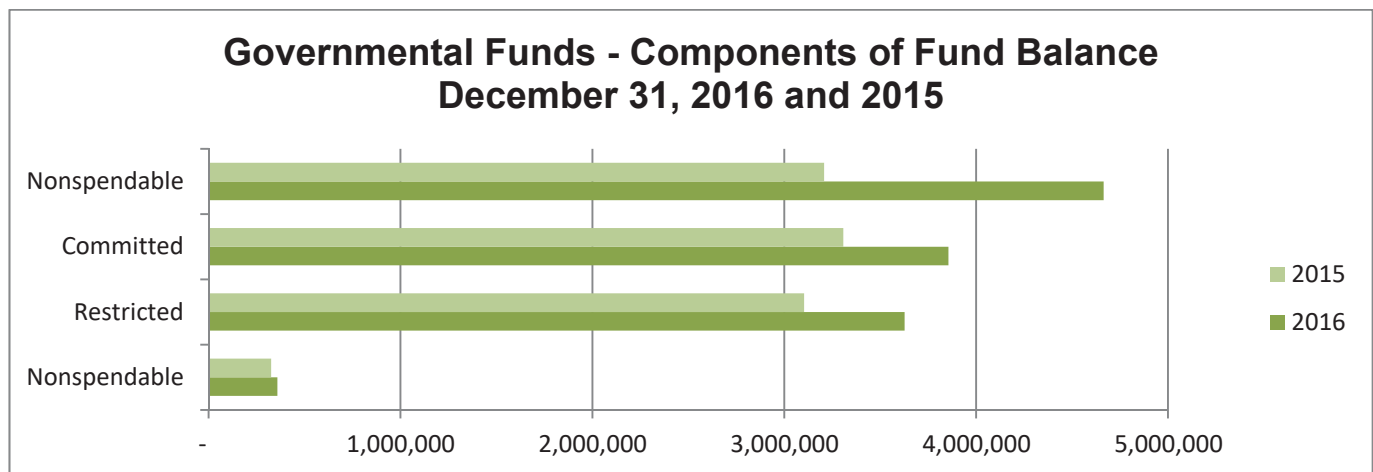


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financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a 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, 2016, the City of Presque Isle's governmental funds reported combined fund balance of \$12,507,408, an increase of \$2,652,815 from 2015. Approximately 37.30% (\$4,665,371) of the total amount constitutes *unassigned fund balance*, which is available to meet the future financial needs of the City. The remainder of the fund balance is either *nonspendable*, *restricted*, or *committed* to indicate the it is 1) not in spendable form (\$358,498), 2) restricted for a particular purpose (\$3,627,448), 3) committed for particular purposes (\$3,856,181).



The *general fund* is the central operating fund of the City of Presque Isle. In 2016 a change was made to the financial statements to include all non-major projects. Previously non-major special revenue funds, non-major capital projects and permanent funds were shown separately and are now combined into the General Fund. At the end of the current fiscal year, nonspendable fund balance is \$358,498, committed \$3,137,983 and unassigned is \$4,665,371.

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 14.21% of total general fund expenditures, while total fund balance represents approximately 38.10% of that same amount.

The *Community Center Construction Reserve* was created to monitor the funding and construction costs of the new community center project. The building and furnishings were completed in 2016 at a cost of \$9,230,816. The splash pad, pool house and ball fields will be completed in 2017. Total cost of the project is projected to be \$9,500,000 with \$7,500,000 financed by a bond and \$2,000,000 in citizens donations.

*The Special Revenue Fund* includes all other construction projects and projects funded by outside sources.

### General Fund Budgetary Highlights

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The General Fund budget overall (on a budgetary basis of accounting), ended the year with revenue \$1,066,392 above estimates and expenses were \$2,667 above estimates, for an increase to unassigned fund balance of \$1,067,949 at year end.

Resources (inflows) for the General Fund (on the budgetary basis of accounting) totaled \$22,491,983 for the year ended December 31, 2016, a decrease of \$137,005 or 0.61% from 2015.

For both the current and prior years, real estate and personal property taxes represent the largest revenue source--\$13,619,550 or 60.6% of all general fund revenues, an increase of \$613,650 or 4.72% from 2015. Excise tax collections of \$1,629,208, an increase of \$63,772 from 2015, represents 7.2% of total revenues.

Charges for services of \$2,703,375 or 12% of total revenue decreased \$236,361 from 2015 due to decreased cost and volume of fuel purchased for sale at General Aviation, (\$124,361); termination of a rental at the Industrial Park, (\$77,675), termination of EMS Co-op, (\$25,066), and a reduction in building permits (\$25,110).

Intergovernmental revenue of \$1,568,725 or 7.0% of total revenues increased \$98,054 from 2015. The increase is primarily from increases in BETE reimbursements supported by the improved economy causing businesses to increase their investment in personal property, and from the assessor's increased involvement in enrolling taxpayers in the program.

Miscellaneous revenue of \$2,241,912 or 10% of total revenue decreased \$729,900 from 2015 primarily due to a decrease in tip fees at the landfill, (\$173,370), and the sale of the prior community center in 2015 (\$528,219).

The following schedule provides a summary of the General Fund revenue and expenditures on the budgetary basis of accounting for the year 2016, the per cent of total revenue collected, and the amount of increase (decrease) in comparison with the prior year.

**General Fund Revenue**

	Amount	% of Total	Change from 2015
<b>Revenue:</b>			
Taxes			
Real Estate	\$ 13,619,550	60.6%	613,520
Excise	1,629,208	7.2%	63,772
Intergovernmental	1,568,725	7.0%	98,054
Licenses, permits, and fees	593,440	2.6%	7,511
Charges for services	2,703,375	12.0%	(236,361)
Investment Income	135,773	0.6%	46,489
Other revenue	2,241,912	10.0%	(729,990)
<b>Total revenue</b>	<b>\$ 22,491,983</b>	<b>100.0%</b>	<b>\$ (137,005)</b>
<b>Expenses:</b>			
General government	\$ 3,999,047	18.3%	\$ 8,021
Public safety	2,320,443	10.6%	31,074
Solid waste	1,326,777	6.1%	153,386
Public works	1,551,102	7.1%	(78,169)
Recreation and culture	1,124,606	5.2%	33,771

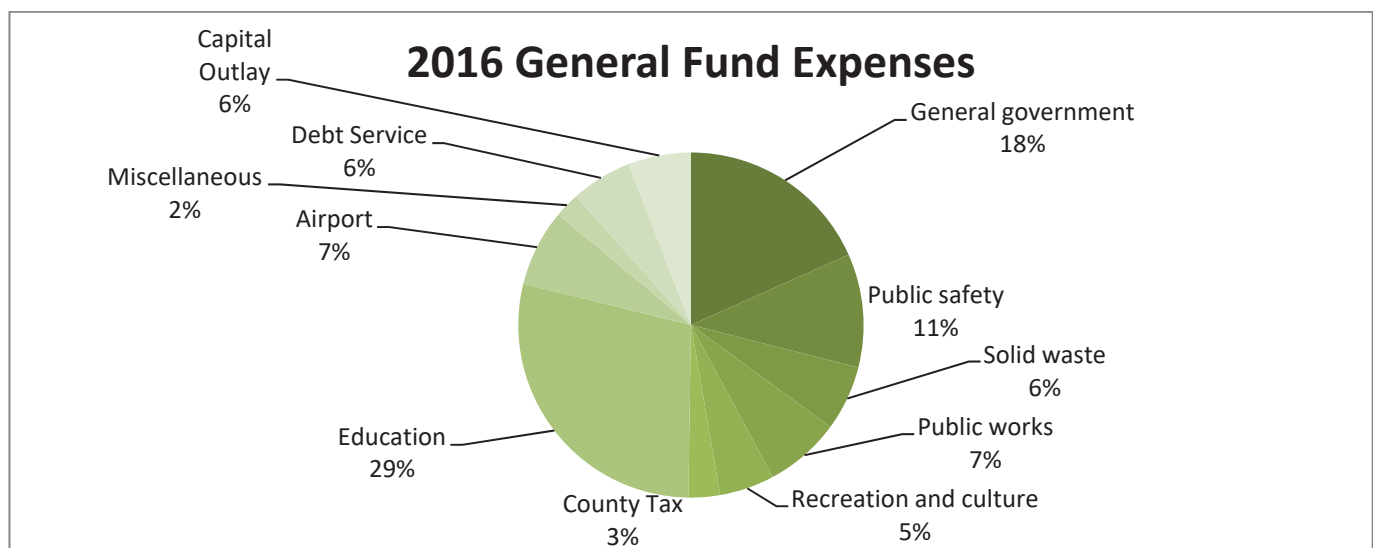
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Education	6,240,554	28.6%	90,258
County tax	645,031	3.0%	41,429
Airport	1,573,843	7.2%	(29,071)
Outside requests	60,825	0.3%	19,700
Miscellaneous	451,677	2.1%	41,342
Debt service	1,242,345	5.6%	612,888
Capital Outlay	1,287,784	5.9%	31,743
<b>Total expenses</b>	<b>21,824,034</b>	<b>100.0%</b>	<b>\$ 972,941</b>

Charges to Appropriations (outflows) from the General Fund (on the budgetary basis of accounting) totaled \$21,824,034 for the year ended December 31, 2016, an increase of \$972,941 from 2015.

Major causes of this increase include:

- Debt service increased \$612,888 due to payments on 2 additional bonds: \$471,188 on a bond issue to help finance the new community center; and \$31,395 on a bond to finance rehabilitation of the ice making system at The Forum.
- Solid waste expenditures increased \$153,386 due to decreases in the net profit from landfill operations.
- Public works showed a reduction in cost of \$78,169 due to the milder winter.
- Miscellaneous increased \$41,342 caused by an increase in retirement pay-outs for senior personnel.
- Outside requests are various local organizations requesting support from the City. For example the local Chamber of Commerce and the Aroostook Area Agency for the Aging. Wintergreen Arts Center was added in 2016 which provides various cultural activities for children.



### Capital Asset and Debt Administration

**Capital Assets** As of December 31, 2016, the City of Presque Isle's investment in capital assets was \$70,944,926 (net of depreciation), an increase of \$9,032,856 or 14.6% from December 31, 2015. Physical assets increased

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\$11,400,769 less depreciation and deletions of \$2,367,910. This investment in capital assets includes building, improvements, machinery, equipment, roads and airport improvements and airport runways.

**CITY OF PRESQUE ISLE'S Capital Assets**

	2016	2015
Land	\$ 5,550,788	\$ 5,491,541
Works of art and historical treasures	698,990	698,990
Buildings and improvements	22,827,782	14,853,804
Improvements other than buildings	,068,033	1,167,916
Machinery, equipment and vehicles	4,667,534	4,690,828
Infrastructure	32,188,085	30,188,237
Construction in progress	3,993,714	4,820,754
Total assets net of depreciation	\$ 70,944,926	\$ 61,912,071

Major capital asset events during the current fiscal year include:

- Construction was completed on the new Community Center costing \$5,508,255. Total cost of the building was \$8,782,510, furnishings were \$222,422. The total project will include a splash pad, changing facility renovations and improvements to ball field.
- Improvements to municipal buildings totaled \$234,831 including City Hall, \$33,558, The Forum, \$63,877, and buildings at the Industrial Park, \$137,396.
- Equipment purchases for all departments totaled \$806,609 which included two police cruisers \$59,401, equipment for the new 911EMS ambulance service \$272,215, a loader/snow plow \$181,992, a forklift \$29,296, 2 tractors and 2 mowers \$133,292, a pick-up \$38,445 and technology improvements \$45,853.
- Road improvements totaled \$512,383.
- Improvements to runways at the airport totaled \$4,294,810. These projects are funded 95% by the Federal Aviation Administration and 2.5% by the Maine Department of Transportation.

Additional information about the City of Presque Isle's capital assets can be found in the notes to the financial statements on page 20 of this report.

**Long-term Debt** At the end of the current fiscal year, the City of Presque Isle had total bonded debt outstanding of \$14,232,573, an increase of \$6,694,744 from 2015. This represents an additional bond in the amount of \$7,500,000 less principal pay-downs of \$805,256. The bond proceeds were used to finance 80% of the construction cost of the new Community Center. The balance was funded through donations.

State statutes limit the amount of general obligation debt a municipality may issue to 15% of its total state assessed valuation. The current debt limitation of the City of Presque Isle is \$42,135,000 which is well in excess of the City's outstanding general obligation debt.

The City of Presque Isle's rating was set at A+ by Standard and Poor's for its general obligation debt. Pension related debt consists of pension liabilities that exceeded pension assets.

**CITY OF PRESQUE ISLE'S Outstanding Debt**

	2016	2015
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Management's Discussion and Analysis  
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General obligation bonds	\$ 14,232,573	\$ 7,537,799
Notes payable	245,698	221,652
Pension liabilities net of pension assets	5,071,939	4,102,796
Total	19,550,210	\$ 11,862,247

### **Economic Factors and Next Year's Budget**

In preparing the City's 2016 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 2016 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;
- The new 911EMS Ambulance Service at the Fire Department will result a significant increase in 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 73.4% 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.
- Consolidation of the City's landfill with another regional landfill is expected to reduce expenses in the future.

### **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.

CITY OF PRESQUE ISLE, MAINE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2016

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 10,425,065
Investments	730,085
Accounts receivable (net)	1,326,533
Taxes receivable (net)	1,047,333
Tax liens	468,794
Due from other governments (net)	-
Due from other funds	-
Inventory	71,352
Prepaid expenses	251,069
Tax acquired property	36,077
Capital assets:	
Land, works of art, construction in progress	10,193,492
Other capital assets, net of depreciation	60,751,434
Total capital assets	<u>70,944,926</u>
<b>TOTAL ASSETS</b>	<u>85,301,234</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	285,417
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>285,417</u>
<b>LIABILITIES</b>	
Accounts payable	343,489
Accrued expenses	-
Accrued payroll	97,230
Accrued interest	49,480
Due to other governments	48,792
Due to other funds	-
Tax anticipation note	-
Long term liabilities	
Due within one year	1,228,060
Due in more than one year	21,070,735
<b>TOTAL LIABILITIES</b>	<u>22,837,786</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property taxes	-
Prepaid property taxes	27,799
Deferred inflows related to pensions	1,216,049
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,243,848</u>
<b>NET POSITION</b>	
Net investment in capital assets	56,466,655
Restricted	3,627,448
Unrestricted	1,410,914
<b>TOTAL NET POSITION</b>	<u>\$ 61,505,017</u>

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

CITY OF PRESQUE ISLE, MAINE  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Governmental activities:					
General government	\$ 6,327,967	\$ 634,948	\$ -	\$ -	\$ (5,693,019)
Public safety	2,614,101	153,832	-	-	(2,460,269)
Solid waste	1,749,569	477,679	-	-	(1,271,890)
Public works	2,421,188	-	-	-	(2,421,188)
Recreation and culture	1,455,310	324,227	-	-	(1,131,083)
County tax	645,031	-	-	-	(645,031)
Education	6,240,554	-	-	-	(6,240,554)
Airport	2,967,703	1,112,688	-	-	(1,855,015)
Outside requests	60,825	-	-	-	(60,825)
Program expenditures	-	-	-	-	-
Miscellaneous	451,677	-	-	-	(451,677)
Debt Service:					
Principal	-	-	-	-	-
Interest expense	311,766	-	-	-	(311,766)
Capital outlay	(76,705)	-	-	-	76,705
Total governmental activities	<u>\$ 25,168,986</u>	<u>\$ 2,703,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(22,465,612)</u>

General revenues:	
Property tax	13,696,050
Excise tax	1,629,208
Intergovernmental	5,902,477
License, permits and fees	593,440
Interest	170,066
Miscellaneous revenues	3,127,186
Total general revenues	<u>25,118,427</u>

Change in net position	<u>2,652,815</u>
Net position - January 1 - original	<u>58,086,187</u>
Prior Period Adjustment	766,015
Net position - January 1 - revised	<u>58,852,202</u>
Net position - December 31	<u>\$ 61,505,017</u>

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

CITY OF PRESQUE ISLE, MAINE  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	Major General	Major Community Center	Major Special Revenue	Total
<b>ASSETS</b>				
Cash	\$ 10,425,065	\$ -	\$ -	\$ 10,425,065
Investments	730,085	-	-	730,085
Accounts receivable (net)	715,114	-	611,419	1,326,533
Tax receivable (net)	1,047,333	-	-	1,047,333
Tax liens	468,794	-	-	468,794
Due from other governments (net)	-	-	-	-
Due from other funds	-	718,198	3,016,029	3,734,227
Inventory	71,352	-	-	71,352
Prepaid expenses	251,069	-	-	251,069
Tax acquired property	36,077	-	-	36,077
<b>TOTAL ASSETS</b>	<b>\$ 13,744,889</b>	<b>\$ 718,198</b>	<b>\$ 3,627,448</b>	<b>\$ 18,090,535</b>
<b>LIABILITIES</b>				
Accounts payable	343,489	-	-	343,489
Accrued expenses	-	-	-	-
Accrued payroll	97,230	-	-	97,230
Due to other governments	48,792	-	-	48,792
Due to other funds	3,734,227	-	-	3,734,227
Tax anticipation note	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>4,223,738</b>	<b>-</b>	<b>-</b>	<b>4,223,738</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred property tax	1,331,500	-	-	1,331,500
Prepaid property taxes	27,799	-	-	27,799
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>1,359,299</b>	<b>-</b>	<b>-</b>	<b>1,359,299</b>
<b>FUND BALANCES</b>				
Nonspendable	358,498	-	-	358,498
Restricted	-	-	3,627,448	3,627,448
Committed	3,137,983	718,198	-	3,856,181
Assigned	-	-	-	-
Unassigned	4,665,371	-	-	4,665,371
<b>TOTAL FUND BALANCES</b>	<b>8,161,852</b>	<b>718,198</b>	<b>3,627,448</b>	<b>12,507,498</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 13,744,889</b>	<b>\$ 718,198</b>	<b>\$ 3,627,448</b>	<b>\$ 18,090,535</b>

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



CITY OF PRESQUE ISLE, MAINE  
 RECONCILIATION OF THE BALANCE SHEET-  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
 YEAR ENDED DECEMBER 31, 2016

Fund balances - total governmental funds	\$ 12,507,498
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets	70,944,926
Deferred outflows related to pensions	285,417
Accrued interest	(49,480)
Short-term liabilities	(1,228,060)
Long-term liabilities	(21,070,735)
Deferred property tax	1,331,500
Deferred inflows related to pensions	(1,216,049)
Net position of governmental activities	<u>\$ 61,505,017</u>

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

CITY OF PRESQUE ISLE, MAINE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2016

	Major	Major	Major	
	General	Community Center	Special Revenue	Total
<b>REVENUES</b>				
Property tax	\$ 13,619,550	\$ -	\$ -	\$ 13,619,550
Excise taxes	1,629,208			1,629,208
Intergovernmental	1,568,725	-	4,333,752	5,902,477
License, permits and fees	593,440	-	-	593,440
Charges for services	2,703,375	-	-	2,703,375
Interest earned	135,773	27,068	7,224	170,065
Miscellaneous	2,241,912	112,646	772,626	3,127,184
<b>TOTAL REVENUES</b>	<b>22,491,983</b>	<b>139,714</b>	<b>5,113,602</b>	<b>27,745,299</b>
<b>EXPENDITURES</b>				
Current:				
General government	3,999,047	-	-	3,999,047
Public safety	2,320,443	-	-	2,320,443
Solid waste	1,326,777	-	-	1,326,777
Public works	1,551,102	-	-	1,551,102
Recreation and culture	1,124,606	-	-	1,124,606
County tax	645,031	-	-	645,031
Education	6,240,554	-	-	6,240,554
Airport	1,573,843	-	-	1,573,843
Outside requests	60,825	-	-	60,825
Program expenditures	-	-	-	-
Miscellaneous	451,677	-	-	451,677
Debt Service:				
Principal	926,773	-	-	926,773
Interest expense	315,572	-	-	315,572
Capital outlay	1,287,784	5,956,562	5,047,878	12,292,224
<b>TOTAL EXPENDITURES</b>	<b>\$ 21,824,034</b>	<b>\$ 5,956,562</b>	<b>\$ 5,047,878</b>	<b>\$ 32,828,474</b>

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

CITY OF PRESQUE ISLE, MAINE  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2016

	Major General	Major Community Center	Major Special Revenue	Total
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	\$ 667,949	\$ (5,816,848)	\$ 65,724	\$ (5,083,175)
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	145,594	7,500,000	-	7,645,594
Transfers in	400,000	-	280,983	680,983
Transfers out	(280,983)	(400,000)	-	(680,983)
TOTAL OTHER FINANCING SOURCES (USES)	264,611	7,100,000	280,983	7,645,594
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AFTER OTHER FINANCING SOURCES (USES)	932,560	1,283,152	346,707	2,562,419
FUND BALANCE - JANUARY 1 - ORIGINAL	7,229,292	(564,954)	3,280,741	9,945,079
PRIOR PERIOD ADJUSTMENT	-	-	-	-
FUND BALANCE - JANUARY 1 - REVISED	7,229,292	(564,954)	3,280,741	9,945,079
FUND BALANCE - DECEMBER 31	\$ 8,161,852	\$ 718,198	\$ 3,627,448	\$ 12,507,498

See accompanying independent auditors' report and management's 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  
 YEAR ENDED DECEMBER 31, 2016

Net change in fund balances - total governmental funds	\$ 2,562,419
Amounts reported for governmental activities in the statement of activities 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 of capital outlays.	17,892,520
This is the amount of contributed capital assets.	-
This is the amount of depreciation expense.	(3,609,959)
This is the amount of capital assets (net) deleted.	(5,249,704)
Expenses for accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	3,806
Proceeds from debt is a revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	(10,249,851)
Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,255,807
Changes in related deferred outflows and inflows do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(1,028,723)
Change in deferred tax revenue	<u>76,500</u>
Change in net position of governmental activities.	<u><u>\$ 2,652,815</u></u>

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



CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Presque Isle, Maine (the City), was incorporated as a City in 1940. The City operates under a City Council form of government.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

**A. REPORTING ENTITY**

These financial statements present the City (the primary government) and its component units, if any. As defined by GASB No. 14, component units are legally separate entities that are included in the City's reporting entity because of the significance of the operating or financial relationships with the City.

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues (property, certain intergovernmental revenues, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net cost (by function or business-type activity) are normally covered by general revenue (property, intergovernmental revenues, interest income, etc).

The City does not allocate indirect costs.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

**1. Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The City reports these major governmental funds and fund types:

- a. The general fund is the City's primary operating fund. It is used to account for and report all financial resources except those required to be accounted for in another fund.
- b. The Community Center fund is used to account for and report all financial resources related to the construction of a new Community Center. The fund's primary revenue source is the proceeds from the issuance of a bond.
- c. The Special Revenue fund is used to account for and report all financial resources related to state and federal grant awards. The fund's primary revenue source is state and federal grants.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Proprietary Funds:

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

- a.) Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements. The City does not have an enterprise fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. FINANCIAL STATEMENTS ACCOUNTS

1. Cash and investments:

Nearly all of the cash balances of the City's funds are pooled for investment purposes. The individual funds' portions of the pool's cash and investments are reported as "pooled cash and investments." Investments, including those reported in pension trust funds, are stated at fair value, (quoted market price or the best available estimate).

2. Cash:

The City has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent. Additionally, each fund's equity in the City's investment pool is treated as cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the City's use and are carried at cost using the first-in, first-out method.

4. Receivables:

All receivables are reported net of estimated uncollectible amounts.

5. Capital assets:

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The City reports all major general infrastructure assets constructed or acquired in fiscal years ending after June 30, 1980, or that received major renovations, restorations, or improvements during that period. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	7-40 years
Machinery and Equipment	5-20 years
Vehicles	5-15 years
Infrastructure	40 years

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Deferred Outflows of Resources:

The City reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. Deferred outflows of resources reported in this year's financial statements include (1) Deferred outflows related to pensions. No deferred outflows of resources affect the governmental funds financial statements in the current year.

7. Deferred Inflows of Resources:

The City reports increases in net assets that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. Deferred inflows of resources reported in this year's financial statements include (1) Deferred inflows related to pensions, (2) Prepaid Property Taxes.

Deferred inflows of resources that affect the governmental funds financial statements in the current year include (1) Prepaid Property Taxes, (2) Deferred Property Tax.

8. Property Tax Calendar and Revenues:

The City's property tax for the current year was levied June 30, 2016 on the assessed value listed as of April 1, 2016, for all real estate and personal property located in the City. Taxes were due on September 19, 2016. Interest on unpaid taxes commenced on October 15, 2016, at 7% per annum.

9. Compensated Absences:

The City accrues accumulated unpaid vacation and sick leave when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide statement of net position and represents a reconciling item between the fund and government-wide presentations.



CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Government-wide and Proprietary Fund Net Position:

Government-wide and proprietary fund net positions are divided into three components:

- Net investments in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position – consist of assets that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (though restrictions on shared revenues), by grantors (both federal and state), and by other contributors (including those who have donated to the City's parks endowment less related liabilities and deferred inflows of resources).
- Unrestricted – all other net position is reported in this category.

11. Governmental Fund Balances:

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

- Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed – Amounts that can be used only for specific purposes determined by a formal action by vote of the City Council.
- Assigned – Amounts that are designated by the City Manager for a particular purpose.
- Unassigned – All amounts not included in other spendable classifications.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Use of Restricted Resources:

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

13. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 2 - CASH

The total amount of the City's cash consists of the following at December 31, 2016:

Cash	\$10,425,065
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The total amount of the City's deposits in financial institutions, per the bank statements, at December 31, 2016 was \$11,057,571, of which \$733,416 was covered by federal depository insurance. The deposits of \$10,269,782 were collateralized by a bank, and the remaining deposits of \$54,373 were uncollateralized.

NOTE 3 - INVESTMENTS

Investments are reported at their fair value at year end. Although the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at year end.

The fair value measurement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy has three levels which are described below.

*Level 1 Fair Value Measurements*

The fair value of stocks is based on quoted prices of the shares held by the City at year-end. The fair values of common stock, mutual funds, corporate bonds, and U.S. Government securities are based on the closing price reported on the active market where the individual securities are traded.

*Level 2 Fair Value Measurements*

Investments in certain preferred stocks are valued on the market approach using the quoted market price of the issuer's unrestricted common stock less an appropriate discount.

*Level 3 Fair Value Measurements*

The fair value of certain investments is not actively traded and significant other observable inputs are not available. In this case, management decides what the best valuation technique to use is.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 3 – INVESTMENTS (CONTINUED)

The investments of the City consisted of the following as of:

		December 31, 2016		
Description	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant un- observable inputs (Level 3)
Common stock	\$ 488,427	\$ 488,427	\$ -	\$ -
Mutual funds	241,658	241,658	-	-
Total	<u>\$ 730,085</u>	<u>\$ 730,085</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 - ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible taxes receivable at December 31, 2016 is estimated to be:

General Fund	\$ -
Other Governmental Funds	-
Governmental Activities	<u>\$ -</u>

The allowance for uncollectible accounts due from other governments at December 31, 2016 is estimated to be:

General Fund	\$ -
Other Governmental Funds	-
Governmental Activities	<u>\$ -</u>

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets:

GOVERNMENTAL ACTIVITIES

	Balance 01/01/16	Additions	Deletions	Balance 12/31/16
Capital assets (non-depreciable):				
Works of Art	\$ 698,990	\$ -	\$ -	\$ 698,990
Land	5,491,541	13,927	4,680	5,500,788
Construction in progress	4,820,754	3,830,120	4,657,160	3,993,714
Total capital assets (non-depreciable)	11,011,285	3,844,047	4,661,840	10,193,492
Other capital assets (depreciable):				
Land Improvements	8,296,211	-	-	8,296,211
Buildings	24,575,424	8,934,535	686,600	32,823,359
Building Improvements	10,756,395	73,308	504,462	10,325,241
Furniture & Fixtures	159,886	222,424	8,076	374,234
Machinery & Equipment	5,635,369	180,865	113,499	5,702,735
Vehicles	5,970,611	279,839	55,879	6,194,571
Infrastructure	49,234,133	4,357,502	461,395	53,130,240
Total other capital assets at historical cost	104,628,029	14,048,473	1,829,911	116,846,591
Less accumulated depreciation				
Land Improvements	(7,128,295)	(99,883)	-	(7,228,178)
Buildings	(14,952,630)	(547,774)	(686,600)	(14,813,804)
Building Improvements	(5,525,385)	(364,115)	(382,486)	(5,507,014)
Furniture & Fixtures	(106,340)	(12,531)	(5,653)	(113,218)
Machinery & Equipment	(3,617,710)	(344,015)	(111,429)	(3,850,296)
Vehicles	(3,350,989)	(345,382)	(55,879)	(3,640,492)
Infrastructure	(19,045,896)	(1,896,259)	-	(20,942,155)
Total accumulated depreciation	(53,727,245)	(3,609,959)	(1,242,047)	(56,095,157)
Other capital assets, net	50,900,784	10,438,514	587,864	60,751,434
Net capital assets	\$61,912,069	\$14,282,561	\$5,249,704	\$70,944,926

Depreciation was charged to governmental functions as follows:

General Government	\$ 331,052
Public Safety	261,465
Public Works	870,086
Airport	1,393,860
Solid Waste	422,792
Recreation	330,704
	<u>\$ 3,609,959</u>

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 6 - SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANs or TANs).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANs) or grant anticipation notes (GANs).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the General Fund.

Details related to the short-term debt activity for the fiscal year ended December 31, 2016, is as follows:

Type	Purpose	Rate	Due Date	Balance 01/01/16	Issued	Retired	Balance at 12/31/16
TAN	Cash flow	N/A	N/A	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -



CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 7 - LONG-TERM DEBT**

The following is a summary of bonds outstanding at December 31, 2016

\$2,600,000 - 2001 General Obligation Bond due in annual installments and semi-annual payments through November 2021. Interest is charged at a varying rate of 3.25% to 5.125% per annum. Annual principal installments are \$130,000.	\$ 650,000
\$1,145,000, 2007 General Obligation Bond due in annual installments and semi-annual interest installments through November 2025. Interest is charged at a varying rate of 2.00% to 6.00% per annum. Annual principal installments vary from \$42,999 to \$91,297.	681,962
\$6,225,000, 2013 General Obligation Bond due in annual installments and semi-annual interest installments through April 2033. Interest is charged at a varying rate of 0.7% per annum. Annual principal installments vary from \$291,057 to \$332,306.	5,345,702
\$375,000, 2015 General Obligation Bond due in annual installments and semi-annual interest installments through July 2030. Interest is charged at a varying rate of 2.99% per annum. Annual principal installments vary from \$20,091 to \$30,563.	354,909
\$7,500,000, 2016 General Obligation Bond due in annual installments and semi-annual interest installments through October 2040. Interest is charged at a varying rate of 2.00% to 3.25% per annum. Annual principal installments are \$300,000.	7,200,000
	<u>\$ 14,232,573</u>

The following is a summary of Notes outstanding at December 31, 2016

\$38,200 Note Payable to Katahdin Trust Company for a tractor with interest at 3.25%. Note matures on February 7, 2016 with annual interest installments of \$10,347.	\$ 15,672
\$60,000 Note Payable to Katahdin Trust Company for an excavator with interest at 3.25%. Note matures on January 7, 2017 with annual interest installments of \$16,256	-
\$500,000 Note Payable to KeyBank National Association for a fire truck with interest at 1.99%. Note matures on October 1, 2018 with annual interest installments that vary from \$5,697 to \$224,799.	84,432
\$145,000 Note Payable to KeyBank National Association for a Public Works plow truck with interest at 2.49%. Note matures on October 1, 2018 with annual interest installments that vary from \$5,697 to \$224,799.	145,594
	<u>\$ 245,698</u>

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

Long-term liability activity for the year ended December 31, 2016 is as follows:

	Balance 01/01/16	Additions	Deletions	Balance 12/31/16	Current Portion
<b>Governmental Activities:</b>					
Bonds and notes payable:					
2001 Bond	\$ 780,000	\$ -	\$ (130,000)	\$ 650,000	\$ 130,000
2007 Bond	741,950	-	(59,988)	681,962	62,388
2012 Note	9,974	-	(9,974)	-	-
2013 Note	30,923	-	(15,251)	15,672	15,672
2013 Note	180,754	-	(96,322)	84,432	84,431
2013 Bond	5,640,849	-	(295,147)	5,345,702	297,212
2015 Bond	375,000	-	(20,091)	354,909	20,731
2016 Note	-	145,594	-	145,594	35,049
2016 Bond	-	7,500,000	(300,000)	7,200,000	144,000
Total bonds and notes payable	<u>\$ 7,759,450</u>	<u>\$ 7,645,594</u>	<u>\$ (926,773)</u>	<u>\$ 14,478,271</u>	<u>\$ 789,483</u>
Other liabilities					
Landfill closure	\$ 1,068,214	\$ 233,313	\$ -	\$ 1,301,527	\$ -
Other postemployment benefits	1,030,186	132,550	(91,976)	1,070,760	-
Compensated absences	344,105	53,202	(21,009)	376,298	376,297
Net pension liability	4,102,796	2,185,192	(1,216,049)	5,071,939	62,280
Total other liabilities	<u>\$ 6,545,301</u>	<u>\$ 2,604,257</u>	<u>\$ (1,329,034)</u>	<u>\$ 7,820,524</u>	<u>\$ 438,577</u>
Governmental activities long-term liabilities	<u>\$14,304,751</u>	<u>\$ 10,249,851</u>	<u>\$ (2,255,807)</u>	<u>\$ 22,298,795</u>	<u>\$ 1,228,060</u>

The annual principal and interest requirements to maturity for bonds payable are as follows:

	Principal	Interest	Total Debt Service
2017	\$ 810,331	\$ 271,473	\$ 1,081,804
2018	815,534	252,423	1,067,957
2019	821,522	233,094	1,054,616
2020	827,680	213,583	1,041,263
2021	834,092	194,352	1,028,444
2022-2026	3,528,269	758,764	4,287,033
2027-2031	3,232,844	594,745	3,827,589
2032-2036	2,162,302	352,992	2,515,294
2037-2041	1,200,000	92,625	1,292,625
	<u>\$ 14,232,574</u>	<u>\$ 2,964,051</u>	<u>\$ 17,196,625</u>

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The annual principal and interest requirements to maturity for notes payable are as follows:

	Principal	Interest	Total Debt Service
2017	\$ 135,152	\$ 5,865	\$ 141,017
2018	35,934	2,791	38,725
2019	36,841	1,884	38,725
2020	37,769	956	38,725
2021	-	-	-
	<u>\$ 245,696</u>	<u>\$ 11,496</u>	<u>\$ 257,192</u>

NOTE 8 - CAPITAL LEASES

The City does not have any Capital leases.

NOTE 9 – LANDFILL CLOSURE

The City records a liability for the estimated costs of landfill closure and post-closure care, as required by U.S. generally accepted accounting principles. Two sides of the original landfill (Phase 1) received a final cover system during the landfill expansion project, which occurred from 2007-2010. A final cover system was installed in accordance with Maine Department of Environmental Protection (MDEP) regulations on the top and west side of Phase 1 in 2014. Phase 1 will not be accepting any more waste. The Construction/Demolition Debris (CDD) landfill was permanently closed in 2012 in accordance with MDEP regulations.

The new expansion known as Phase 2, began accepting waste in December of 2010. In the future, the City will also construct new expansions to the landfill as Phase 3 and Phase 4.

The estimated closure cost for Phase 2 is, \$1,464,954 and the estimated post closure cost is \$ 3,007,650 (\$100,255 per year) for a total estimated liability of \$4,472,604. Actual cost may be higher due to inflation, changes in technology, or changes to regulations. A portion of the Phase 1 and CDD closure costs is being reimbursed by the State of Maine and is being credited to the closure reserve.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 9 – LANDFILL CLOSURE (CONTINUED)

The Phase 2 landfill has an estimated remaining life of 15.2 years. An estimated 29.1% of the landfill capacity has been used as of December 31, 2016. The City has recognized a liability in the government-wide financial statements based on percentage used as of December 31, 2016 of \$426,301 for closure, and \$875,226 for post-closure costs for a total liability of \$1,301,527.

The City voluntarily funds a reserve account for landfill closure and post-closure care, which had a balance of \$1,048,616. The City also maintains a reserve account for solid waste activities, which had a balance of \$1,102,404 at the end of 2016. The total amount available in the reserve accounts is \$2,151,020.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund transfers at December 31, 2016 consisted of the following:

		Transfers In:			
Transfers Out		General Fund	Community Center Fund	Special Revenue Funds	Total
	General Fund	\$ -	\$ -	\$ 280,983	\$ 280,983
	Community Center	400,000	-	-	400,000
	Special Revenue Funds	-	-	-	-
	Total	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 280,983</u>	<u>\$ 680,983</u>

		Due From:			
Due To:		General Fund	Community Center Fund	Special Revenue Funds	Total
	General Fund	\$ -	\$ -	\$ -	\$ -
	Community Center	718,198	-	-	718,198
	Special Revenue Funds	3,016,029	-	-	3,016,029
	Total	<u>\$ 3,734,227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,734,227</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 11 - FUND BALANCE**

At December 31, 2016, the fund balances consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund				
Inventory	\$ 71,352	\$ -	\$ -	\$ -
Tax Acquired Property	36,077	-	-	-
Prepaid Expenses	251,069			
Street Overlay Reserve	-	-	76,275	-
Solid Waste Reserve	-	-	2,193,712	-
Special Program Reserve	-	-	71,777	-
Capital Reserves	-	-	796,219	-
Other Governmental Funds				
Community Center	-	-	718,198	-
Special Revenue	-	3,627,448	-	-
Total	<u>\$ 358,498</u>	<u>\$ 3,627,448</u>	<u>\$ 3,856,181</u>	<u>\$ -</u>

**NOTE 12 - EMERGENCY RESERVE ACCOUNT**

The Council has established an Emergency Reserve Account. That Account may not accumulate to more than 0.5% of the City's then current State Valuation.

The account must be funded each year as a budget line item, at a rate of 1.5% of the City's net annual budget appropriations. If there is a surplus at the end of any fiscal year, the council may supplement the appropriation by directing a portion of that surplus for deposit in the Emergency Reserve Account. Expenditure from the account may only be made upon unanimous vote of all Councilors, and only to meet unanticipated, extraordinary needs.

The Stabilization account has a balance of \$ 2,074,943.

This account is part of unassigned fund balance.



CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 13 - EMPLOYEE BENEFIT PLANS

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

A. Plan Description

City employees contribute to the Maine Public Employees Retirement System (MEPERS), an agent multi-employer defined benefit public employee pension plan (The Plan) that acts as a common investment and administrator for its participants.

The MEPERS provides retirement, annual cost-of-living adjustments, and death and disability benefits to members and beneficiaries. These benefit provisions and all other requirements are established by state statute. The MEPERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine, 04333-0046.

The Plan membership consists of the following:

Membership	Number of Active Employees	Annual Payroll	Number of Retirees	Annual Benefit	Number of Vested Inactives
Regular employees	10	\$ 490,809	53	\$ 855,771	11
Fire	2	141,656	27	534,037	-
Police	4	267,666	20	427,190	-
Total	16	\$ 900,131	100	\$1,816,998	11

B. Funding Policy

The contribution requirements of plan members are established and may be amended by the state statute. This year, members contributed 6.5% (Regular) and 8.0% (Fire and Police) of gross earnings. The City is required to contribute the remaining amounts necessary to fund the system, using the actuarial basis specified by the statute.

The Plan's fiduciary net position uses the same basis as the plan. The Plan uses the accrual basis of accounting, and benefits and refunds are recognized when due and payable. Plan investments are measured at fair value.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 13 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Net Pension Liability assumptions:

- 1) Investment rate of return 6.875%
- 2) Price inflation 2.20%
- 3) Salary increases 2.75%
- 4) Mortality source was the RP-2014 mortality table
- 5) Experience studies were from 2010-2015

Discount rate assumptions:

- 1) Rate equals investment rate of return
- 2) Projected cash flows assume required contributions
- 3) Long-term expected rate of return equals investment rate of return and is applied to all periods
- 4) Asset allocation is as follows: 30% domestic equity, 20% international equity, 25% fixed income, and 25% real assets

Net Pension Liability Sensitivity:

- 1) Discount rate 1% higher: \$2,490,855
- 2) Discount rate 1% lower: \$7,911,130

The actuarial valuation date is June 30, 2016.

Changes in net pension liability are as follows:

<b>Total pension liability</b>	
Service cost	\$ 126,831
Interest	1,975,016
Changes of benefit terms	-
Differences between expected and actual experience	(158,217)
Changes of assumptions	(193,153)
Benefit payments, including refunds	(1,939,722)
<b>Net change in total pension liability</b>	<b>\$ (189,245)</b>
<b>Total pension liability - beginning</b>	<b>28,581,162</b>
<b>Total pension liability - ending</b>	<b><u>\$ 28,391,917</u></b>

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 13 - EMPLOYEE BENEFIT PLANS (CONTINUED)

**Fiduciary net position**

Contributions - employer	\$ 651,488
Contributions - member	69,399
Net investment earnings	81,119
Benefit payments, including refunds	(1,939,722)
Other	(20,671)
<b>Net change in fiduciary net position</b>	<b>\$ (1,158,387)</b>

<b>Fiduciary net position - beginning</b>	<b>24,478,366</b>
<b>Fiduciary net position - ending</b>	<b>\$ 23,319,979</b>

<b>Net pension liability (asset) - beginning</b>	<b>\$ 4,102,796</b>
<b>Net pension liability (asset) - ending</b>	<b>\$ 5,071,938</b>

Pension expense recognized during December 31, 2016 was \$155,461.

The following is the composition of deferred outflows related to pension:

Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Contributions subsequent to the measurement date	Total Deferred Outflows Related to Pension
\$-	\$-	\$-	\$-	\$285,417	\$285,417
Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Total Deferred Inflows Related to Pension	
(\$-)	(\$1,216,049)	(\$-)	(\$-)	(\$1,216,049)	

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 13 - EMPLOYEE BENEFIT PLANS (CONTINUED)**

The following is a 5 year schedule of changes in Deferred Outflows and Deferred Inflows related to pensions:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Deferred Outflows and (Inflows)	(\$304,012)	(\$304,012)	(\$304,012)	(\$304,012)	(\$-)

**NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS**

The City, in accordance with its current health insurance company agreement, provides a single-employer plan that offers optional health and other benefits to eligible retirees. Benefit provisions for contractual employees are established and amended through negotiations between the City Council and the respective unions. For all other employees, benefit provisions are established and amended by the City Council.

Funding policy – The City currently funds claims and administrative costs for postemployment benefits through its health insurance company or through current year expenditures.

Active members	83
Retirees	<u>32</u>
Total	115

**Annual OPEB Cost and Net OPEB Obligations**

The City of Presque Isle, Maine's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Assumptions include future employment, mortality, and healthcare and other benefit cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset):

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	2016
Annual required contribution (ARC)	\$ 150,919
Interest on net OPEB obligation	41,207
Adjustment to annual required contribution	(59,576)
Annual OPEB cost	132,550
Contributions made	(91,976)
Increase in net OPEB obligation	40,574
Net OPEB obligation, beginning of year	1,030,186
Net OPEB obligation, end of year	\$ 1,070,760

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended December 31, 2011 through 2016 is presented below:

Fiscal Year Ending	Annual OPEB Cost (AOC)	Employer Contributions	Percentage Of AOC Contributed	Net OPEB Obligation
12/31/11	\$152,775	-	0.0%	\$642,449
12/31/12	150,051	-	0.0%	792,500
12/31/13	147,376	-	0.0%	939,876
12/31/14	134,161	87,699	65.4%	986,338
12/31/15	133,333	89,485	67.1%	1,030,186
12/31/16	132,550	91,976	69.4%	1,070,760

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

In the January 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

An annual healthcare cost blended trend rate of 8.9% is used initially, decreasing at a variable rate per year to an ultimate rate of 4.6% for 2029 and later. The remaining amortization period at December 31, 2016 was 30 years. As of January 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$1,730,326, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$1,730,326.

The required schedule of funding progress, presented as required supplementary information, provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

These numbers are based on information that was presented on January 1, 2014 for December 31, 2016. The amortization method that was used to calculate the numbers is presented below.

	2016
Discount rate	4.0%
Payroll growth assumption	3.0%
Accrued liability	\$1,730,326
Value of assets	-
Unfunded liability	1,730,326
Normal cost	48,898
Amortization of unfunded	96,216
Interest	5,805
Annual required contribution	150,919

**NOTE 15 - DEFERRED COMPENSATION PLAN**

There is a deferred compensation 457 plan administered by ICMA Retirement Corporation in the City's name. The plan is a defined contribution plan that can be modified by the City Council at any time. The employees may contribute a portion of their compensation into the plan up to the maximum established by the Internal Revenue Code. The City is required to contribute 1% of the employee's compensation into the plan. During 2016, the City contributed \$276,409.



CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 16 - 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, injuries to employees, and natural disasters. The City is a member of the Maine Municipal Association (MMA) Property and Casualty Pool. The pools provide coverage for worker's compensation, unemployment insurance, and property liability insurance. There were no unpaid contributions at year-end. There were no deductible claims for the fiscal year.

The pool agreement permits the pool to make additional assessments to members should there be deficiency in pool assets to meet its liabilities. At this time, the pool foresees no likelihood of an additional assessment for past years.

**NOTE 17 - COMMITMENTS AND CONTINGENCIES**

The City participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2016 may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective agents; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

**NOTE 18 - OVERLAPPING DEBT**

Aroostook County

The City is subject to an annual assessment of its proportional share of Aroostook County expenses, including debt repayment. The City's share is determined as the percentage of its equalized state valuation of the total equalized state valuation of all municipalities in the County. At December 31, 2016, the City's share was 0% of the County's equalized state valuation. The City's share of Aroostook County's principal debt, as of December 31, 2016, is \$0 or 0% of the total outstanding long-term County debt of \$0.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 18 - OVERLAPPING DEBT (CONTINUED)

MSAD #1

The City is subject to an annual assessment of its proportional share of MSAD #1's expenses, including debt repayment. The City's share is determined as the percentage of its equalized state valuation of the total equalized state valuation of all municipalities in the MSAD #1 district. At December 31, 2016, the City's share was 72.95% of the MSAD #1's equalized state valuation. The City's share of MSAD #1's principal debt, as of December 31, 2016, is \$2,732,001 or 72.95% of the total outstanding long-term MSAD #1 debt of \$3,745,032.

NOTE 19 – PRIOR PERIOD ADJUSTMENTS

Governmental Activities: Beginning net position was decreased by \$53,286 for Accrued interest that was not properly accounted for in the prior year.

Governmental Activities: Beginning net position was increased by \$532,686 and capital assets were increased by \$532,686 for an amount which was incorrectly posted.

Governmental Activities: Beginning net position was increased by \$286,615 and capital assets were increased by \$286,615 for an amount which was not posted.

NOTE 20 - MANAGEMENT REVIEW

Management has reviewed subsequent events as of June 28, 2017, the date the financial statements were available to be issued. At that time, there were no material subsequent events.

CITY OF PRESQUE ISLE, MAINE  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property tax	\$ 13,659,140	\$ 13,659,140	\$ 13,619,550	\$ (39,590)
Excise taxes	1,556,500	1,556,500	1,629,208	72,708
Intergovernmental	1,504,451	1,504,451	1,568,725	64,274
License, permits and fees	582,516	582,516	593,440	10,924
Charges for services	3,402,103	3,402,103	2,703,375	(698,728)
Interest earned	86,000	86,000	135,773	49,773
Miscellaneous	635,881	635,881	2,241,912	1,606,031
<b>TOTAL REVENUES</b>	<b>21,426,591</b>	<b>21,426,591</b>	<b>22,491,983</b>	<b>1,065,393</b>
<b>EXPENDITURES</b>				
Current:				
General government	4,111,248	4,111,248	3,999,047	112,201
Public safety	2,356,286	2,356,286	2,320,443	35,843
Solid waste	1,233,409	1,233,409	1,326,777	(93,368)
Public works	1,636,959	1,636,959	1,551,102	85,857
Recreation and culture	1,145,486	1,145,486	1,124,606	20,880
County tax	645,031	645,031	645,031	-
Education	6,240,554	6,240,554	6,240,554	-
Airport	2,093,087	2,093,087	1,573,843	519,244
Outside requests	61,125	61,125	60,825	300
Program expenditures	-	-	-	-
Miscellaneous	423,795	423,795	451,677	(27,882)
Debt service:				
Principal	815,455	815,455	926,773	(111,318)
Interest expense	8,000	8,000	315,572	(307,572)
Capital outlay	1,056,156	1,056,156	1,287,784	(231,628)
<b>TOTAL EXPENDITURES</b>	<b>21,826,591</b>	<b>21,826,591</b>	<b>21,824,034</b>	<b>2,557</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES BEFORE OTHER</b>				
<b>FINANCING SOURCES (USES)</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>667,949</b>	<b>1,067,949</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Prior year fund balance utilization	400,000	400,000	-	(400,000)
Long term debt issued	-	-	145,594	145,594
Transfers in	-	-	400,000	400,000
Transfers out	-	-	(280,983)	(280,983)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>400,000</b>	<b>400,000</b>	<b>264,611</b>	<b>(135,389)</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES AFTER OTHER</b>				
<b>FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 932,560</b>	<b>\$ 932,560</b>

See accompanying independent auditors' report and management's notes to required supplementary information.

**CITY OF PRESQUE ISLE, MAINE**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RATIOS**  
**YEAR ENDED DECEMBER 31, 2016**

	2016	2015	2014	2013	2012
<b>Total pension liability</b>					
Service cost	\$ 126,831	\$ 124,786	\$ 128,547	*	*
Interest	1,975,016	2,046,607	2,032,234	*	*
Changes of benefit terms	-	-	-	*	*
Differences between expected and actual experience	(158,217)	(1,240,226)	58,985	*	*
Changes of assumptions	(193,153)	416,189	-	*	*
Benefit payments, including refunds	(1,939,722)	(1,943,291)	(1,889,865)	*	*
<b>Net change in total pension liability</b>	<b>\$ (189,245)</b>	<b>\$ (595,935)</b>	<b>\$ 329,901</b>	<b>*</b>	<b>*</b>
<b>Total pension liability - beginning</b>	<b>28,581,162</b>	<b>29,177,097</b>	<b>28,847,196</b>	<b>*</b>	<b>*</b>
<b>Total pension liability - ending</b>	<b>\$ 28,391,917</b>	<b>\$ 28,581,162</b>	<b>\$ 29,177,097</b>	<b>*</b>	<b>*</b>
<b>Fiduciary net position</b>					
Contributions - employer	\$ 651,488	\$ 697,879	\$ 507,333	*	*
Contributions - member	69,399	76,352	70,439	*	*
Net investment earnings	81,119	457,533	3,748,995	*	*
Benefit payments, including refunds	(1,939,722)	(1,943,291)	(1,889,865)	*	*
Other	(20,671)	(22,206)	(18,343)	*	*
<b>Net change in fiduciary net position</b>	<b>\$ (1,158,387)</b>	<b>\$ (733,733)</b>	<b>\$ 2,418,559</b>	<b>*</b>	<b>*</b>
<b>Fiduciary net position - beginning</b>	<b>24,478,366</b>	<b>25,212,099</b>	<b>22,793,540</b>	<b>*</b>	<b>*</b>
<b>Fiduciary net position - ending</b>	<b>\$ 23,319,979</b>	<b>\$ 24,478,366</b>	<b>\$ 25,212,099</b>	<b>*</b>	<b>*</b>
<b>Net pension liability (asset) - beginning</b>	<b>\$ 4,102,796</b>	<b>\$ 3,964,998</b>	<b>\$ 6,053,656</b>	<b>*</b>	<b>*</b>
<b>Net pension liability (asset) - ending</b>	<b>\$ 5,071,938</b>	<b>\$ 4,102,796</b>	<b>\$ 3,964,998</b>	<b>*</b>	<b>*</b>
Fiduciary net position as a percentage of the total pension liability	82.14%	85.65%	86.41%	*	*
Covered-employee payroll	\$ 923,352	\$ 962,341	\$ 952,531	*	*
Net pension liability (asset) as a percentage of covered-employee payroll	549.30%	426.33%	416.26%	*	*
	2011	2010	2009	2008	2007
<b>Total pension liability</b>					
Service cost	*	*	*	*	*
Interest	*	*	*	*	*
Changes of benefit terms	*	*	*	*	*
Differences between expected and actual experience	*	*	*	*	*
Changes of assumptions	*	*	*	*	*
Benefit payments, including refunds	*	*	*	*	*
<b>Net change in total pension liability</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Total pension liability - beginning</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Total pension liability - ending</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Fiduciary net position</b>					
Contributions - employer	*	*	*	*	*
Contributions - member	*	*	*	*	*
Contributions - nonemployer	*	*	*	*	*
Transfers from other systems	*	*	*	*	*
Net investment earnings	*	*	*	*	*
Benefits paid	*	*	*	*	*
Refunds of contributions	*	*	*	*	*
Transfers to other systems	*	*	*	*	*
Administrative expenses	*	*	*	*	*
<b>Net change in fiduciary net position</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Fiduciary net position - beginning</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Fiduciary net position - ending</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Net pension liability (asset) - beginning</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Net pension liability (asset) - ending</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
Fiduciary net position as a percentage of the total pension liability	*	*	*	*	*
Covered-employee payroll	*	*	*	*	*
Net pension liability (asset) as a percentage of covered-employee payroll	*	*	*	*	*

\*- Information not available.

See accompanying independent auditors' report and management's notes to required supplementary information.

**CITY OF PRESQUE ISLE, MAINE**  
**SCHEDULE OF CONTRIBUTIONS**  
**YEAR ENDED DECEMBER 31, 2016**

	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 628,253	\$ 736,961	\$ 534,465	*	*
Contributions in relation to the actuarially determined contribution	(628,253)	(736,961)	(534,465)	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>
Covered-employee payroll	\$ 923,352	\$ 962,341	\$ 952,531	*	*
Contributions as a percentage of covered-employee payroll	68.0%	76.6%	56.1%	*	*

	2011	2010	2009	2008	2007
Actuarially determined contribution	*	*	*	*	*
Contributions in relation to the actuarially determined contribution	*	*	*	*	*
Contribution deficiency (excess)	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Covered-employee payroll	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	*	*	*	*	*

\*- Information not available.

See accompanying independent auditors' report and management's notes to required supplementary information.

CITY OF PRESQUE ISLE, MAINE  
SCHEDULE OF INVESTMENT RETURNS  
YEAR ENDED DECEMBER 31, 2016

	2016	2015	2014	2013	2012
Annual money-weighted rate of return, net of investment expenses	0.35%	7.13%	*	*	*
	2011	2010	2009	2008	2007
Annual money-weighted rate of return, net of investment expenses	*	*	*	*	*

\*- Information not available.

See accompanying independent auditors' report and management's notes to required supplementary information.



CITY OF PRESQUE ISLE, MAINE  
SCHEDULE OF FUNDING PROGRESS  
YEAR ENDED DECEMBER 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
1/1/2009	-	\$ 1,674,527	\$ 1,674,527	0.0%	\$ 4,097,354	40.87%
10/1/2011	-	\$ 2,002,819	\$ 2,002,819	0.0%	\$ 3,757,277	53.31%
1/1/2014	-	\$ 1,730,326	\$ 1,730,326	0.0%	\$ 3,838,726	45.08%

See accompanying independent auditors' report and management's notes to required supplementary information.

CITY OF PRESQUE ISLE, MAINE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The City is required to have a budget for the General Fund. The City is not required to adopt an annual budget for its other funds.

Basis of Accounting

The modified accrual basis of accounting (GAAP basis) is used in preparing budgets except when non-cash items are involved. In that case, the non-cash items are omitted from the budget.

NOTE 2 – ACTUAL (BUDGET BASIS) TO GAAP BASIS RECONCILIATION

Revenues:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 22,491,983
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Differences - budget to GAAP:

Employee health insurance withholdings are budgeted as a revenue, but are reductions to insurance expenditures for GAAP.	<u>-</u>
--	----------

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 22,491,983</u></u>
--	-----------------------------

Expenditures:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 21,824,034
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Differences - budget to GAAP:

Purchases of equipment with debt are not budgeted as a expenditures, but are posted as expenditures for GAAP.	-
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Accrued wages are not budgeted for and therefore are removed for the budgetary comparison schedule	<u>-</u>
--	----------

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 21,824,034</u></u>
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NOTE 3 – OVERSPENT APPROPRIATIONS

There are no materially overspent appropriations.

## *Additional Information*

CITY OF PRESQUE ISLE, MAINE  
BUDGETARY COMPARISON BY DEPARTMENT  
LEGAL LEVEL OF BUDGTARY CONTROL  
DECEMBER 31, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 13,659,140	\$ 13,659,140	\$ 13,619,550	\$ (39,590)
Excise taxes	1,556,500	1,556,500	1,629,208	72,708
Intergovernmental	1,504,451	1,504,451	1,568,725	64,274
Licenses, permits and fees	582,516	582,516	593,440	10,924
Charges for services	3,402,103	3,402,103	2,703,375	(698,728)
Interest earned	86,000	86,000	135,773	49,773
Miscellaneous	635,881	635,881	2,241,912	1,606,031
<b>TOTAL REVENUES</b>	<b>21,426,591</b>	<b>21,426,591</b>	<b>22,491,983</b>	<b>1,065,393</b>
<b>EXPENDITURES</b>				
Current:				
Assessing	128,469	128,469	125,941	2,528
Planning & development	65,557	65,557	63,512	2,045
Finance department	282,329	282,329	287,803	(5,474)
Fire department	921,627	921,627	908,812	12,815
General government	287,152	287,152	275,136	12,016
Airport	2,093,087	2,093,087	1,573,843	519,244
Library	362,872	362,872	359,030	3,842
Police department	1,296,588	1,296,588	1,255,226	41,362
Public works	1,636,959	1,636,959	1,551,102	85,857
Recreation & parks	782,614	782,614	765,577	17,038
Resource management	104,636	104,636	87,718	16,918
Solid waste	1,228,345	1,228,345	1,321,713	(93,368)
Industrial council	353,740	353,740	353,740	-
Employee benefits	1,893,061	1,893,061	1,848,535	44,526
Public safety building	138,071	138,071	156,404	(18,333)
Insurances	130,345	130,345	128,383	1,962
Utilities	605,813	605,813	605,975	(162)
Echo lake	5,064	5,064	5,064	-
Unclassified	423,794	423,794	451,677	(27,882)
Outside requests	61,125	61,125	60,825	300
Information technology	58,275	58,275	55,234	3,041
City clerk	59,842	59,842	59,830	12
General assistance	70,000	70,000	29,512	40,488
County tax	645,031	645,031	645,031	-
Education	6,240,554	6,240,554	6,240,554	-
Capital reserve appropriations	1,056,156	1,056,156	1,287,784	(231,628)
	895,485	895,485	1,320,073	(424,588)
<b>Total Expenditures</b>	<b>21,826,591</b>	<b>21,826,591</b>	<b>21,824,034</b>	<b>2,557</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES BEFORE OTHER</b>				
<b>FINANCING SOURCES (USES)</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>667,949</b>	<b>1,067,950</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Prior year fund balance utilization	400,000	400,000	-	(400,000)
Long term debt issued	-	-	145,594	145,594
Transfers in	-	-	400,000	400,000
Transfers out	-	-	(280,983)	(280,983)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>400,000</b>	<b>400,000</b>	<b>264,611</b>	<b>(135,389)</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES AFTER OTHER</b>				
<b>FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 932,560</b>	<b>\$ 932,560</b>

## Statistical Section

This part of the City of Presque Isle, Maine'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.

<u>Contents</u>	<u>Pages</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	43-47
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	48-51
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's ability to issue additional debt in the future.</i>	52-54
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	55-56
Operating Information <i>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.</i>	57-60

CITY OF PRESQUE ISLE, MAINE  
FINANCIAL TRENDS  
NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS  
DECEMBER 31,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets, net of										
related debt	\$ 41,075,258	\$ 47,124,474	\$ 52,403,992	\$ 53,914,937	\$ 52,297,509	\$ 51,509,110	\$ 50,931,088	\$ 51,001,689	\$ 53,333,316	\$ 56,466,655
Restricted (a)	657,080	540,361	607,019	645,630	3,389,997	3,322,212	3,556,999	3,404,836	3,887,064	3,627,448
Unrestricted	8,459,355	7,874,580	6,707,081	5,149,664	3,444,455	3,242,563	4,194,578	5,497,287	863,725	1,410,914
Total governmental activities										
net position	\$ 50,191,693	\$ 55,539,415	\$ 59,718,092	\$ 59,710,231	\$ 59,131,961	\$ 58,073,885	\$ 58,682,665	\$ 59,903,812	\$ 58,084,105	\$ 61,505,017

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

(b) Beginning in 2015 due to the implementation of GASB Statement No. 68 Accounting and Financial Reporting for Pensions, the City's Unfunded Pension Liability of \$4,102,796 is listed on the financial statements, which results in a decrease to unrestricted fund balance.

**CITY OF PRESQUE ISLE, MAINE**  
**FINANCIAL TRENDS**  
**CHANGES IN NET POSITION, LAST TEN FISCAL YEARS**  
**DECEMBER 31,**

	Fiscal Year										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 (a)	
<b>Expenses</b>											
Governmental activities:											
General government											
Public safety	\$ 4,450,939	\$ 4,394,842	\$ 4,318,921	\$ 4,941,896	\$ 4,674,607	\$ 4,889,842	\$ 4,716,128	\$ 4,067,679	\$ 4,180,348	\$ 6,327,967	
Public works	2,651,781	2,622,451	2,526,579	2,597,925	2,634,579	2,486,138	2,751,289	2,508,598	2,502,715	2,614,101	
Airport	2,653,500	2,773,241	2,511,224	2,588,693	2,815,777	3,077,507	1,168,012	2,741,027	2,789,012	2,421,188	
Solid waste	2,184,548	2,322,768	2,437,749	2,489,402	2,712,857	3,064,007	3,342,171	2,031,029	2,965,690	2,967,703	
Recreation and culture	1,200,123	1,175,127	1,069,839	1,536,356	2,355,571	2,319,919	1,221,998	1,573,640	1,627,681	1,749,569	
Education	1,511,065	1,533,570	1,501,938	1,490,592	1,544,757	1,430,088	1,515,441	1,237,803	1,270,879	1,455,310	
County Tax	5,017,959	4,981,055	5,218,390	5,375,744	5,379,470	5,379,470	5,790,920	6,150,296	6,152,769	6,240,554	
TIF	-	-	-	-	-	-	-	603,602	619,295	645,031	
Miscellaneous	-	-	-	-	-	-	-	131,373	68,832	-	
Outside requests	-	-	-	-	-	-	-	-	-	451,677	
Program Expenditures	-	-	-	-	-	-	-	-	-	60,825	
Interest on debt service	164,097	163,307	196,329	151,761	398,620	374,636	623,921	96,865	1,720,521	-	
Capital Outlay	-	-	-	-	-	-	-	129,953	139,789	311,766	
Total governmental activities expenses	19,834,012	19,966,361	19,780,969	21,172,369	22,512,512	23,021,607	21,129,880	21,271,865	24,037,531	(76,705)	25,168,986
<b>Program Revenues</b>											
Governmental activities:											
Charges for services:											
General government	\$ 754,874	\$ 775,474	\$ 732,549	\$ 669,519	\$ 702,109	\$ 753,999	\$ 871,603	\$ 202,119	\$ 194,965	\$ 634,948	
Public safety	94,884	98,440	152,242	100,483	92,737	44,691	59,349	89,871	84,037	153,832	
Public works	15,169	13,017	15,623	10,056	12,012	5,526	6,795	-	-	-	
Airport	1,234,121	1,430,242	1,117,367	1,114,214	1,439,342	1,644,060	1,646,208	1,936,977	-	1,112,688	
Solid Waste	1,016,077	761,725	733,021	783,478	1,596,920	1,670,927	1,672,625	1,720,313	1,443,138	477,679	
Recreation and culture	427,289	415,189	440,594	437,898	436,168	430,395	403,917	336,046	331,340	324,227	
Program Revenues	-	-	-	-	-	-	-	614,048	2,325,076	-	
Operating grants and contributions	745,551	233,590	327,278	872,228	545,679	663,864	474,687	1,042,892	2,974,744	-	
Capital grants and contributions	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	9,080,934	10,995,745	8,439,182	5,770,280	6,601,663	6,701,772	5,893,120	5,942,266	7,353,300	2,703,374	
<b>Net (expense)/revenue</b>											
Governmental activities	(10,753,078)	(8,970,616)	(11,341,787)	(15,402,089)	(15,910,849)	(16,319,835)	(15,236,760)	(15,329,599)	(16,684,231)	(22,465,612)	
<b>Total primary government net (expense)/revenue</b>	\$ (10,753,078)	\$ (8,970,616)	\$ (11,341,787)	\$ (15,402,089)	\$ (15,910,849)	\$ (16,319,835)	\$ (15,236,760)	\$ (15,329,599)	\$ (16,684,231)	\$ (22,465,612)	
<b>General Revenues and other Changes in Net Position</b>											
Governmental activities:											
Taxes:											
Property taxes, levied for general purposes	\$ 10,558,300	\$ 10,693,926	\$ 11,603,254	\$ 12,021,452	\$ 12,050,893	\$ 11,955,543	\$ 12,534,949	\$ 13,076,652	\$ 13,171,030	\$ 13,696,050	
Motor vehicle excise tax	1,472,532	1,452,219	1,433,630	1,419,911	1,421,656	1,454,296	1,536,329	1,526,280	1,565,436	1,629,208	
Cable television franchise	51,284	56,916	60,017	62,669	64,744	64,438	61,755	59,836	56,541	-	
Intergovernmental	-	-	-	-	-	-	-	-	-	5,902,477	
License, permits and fees	-	-	-	-	-	-	-	-	-	593,440	
Unrestricted grants and contributions	2,202,873	2,360,645	1,845,885	1,625,123	1,607,047	1,562,793	1,405,817	1,428,254	1,691,127	-	
Miscellaneous	328,493	491,266	218,003	102,981	92,815	83,345	113,755	363,671	2,189,663	3,127,186	
Interest and investment earnings	427,397	271,354	359,675	162,092	95,424	141,344	192,935	96,053	11,267	170,066	
<b>Total governmental activities</b>	\$ 15,040,879	\$ 15,376,326	\$ 15,520,464	\$ 15,394,228	\$ 15,332,579	\$ 15,261,759	\$ 15,845,540	\$ 16,550,746	\$ 18,685,064	\$ 25,118,427	
<b>Change in Net Position</b>											
Governmental activities	\$ 4,287,801	\$ 6,355,710	\$ 4,178,677	\$ (7,861)	\$ (578,270)	\$ 1,058,076	\$ 608,780	\$ 1,221,147	\$ 2,000,833	\$ 2,652,815	
<b>Total primary government</b>	\$ 4,287,801	\$ 6,355,710	\$ 4,178,677	\$ (7,861)	\$ (578,270)	\$ 1,058,076	\$ 608,780	\$ 1,221,147	\$ 2,000,833	\$ 2,652,815	

(a) Beginning in the fiscal year ending December 31, 2016, the City changed certain groupings and formatting for governmental activities revenues and expenses.



CITY OF PRESQUE ISLE, MAINE  
FINANCIAL TRENDS  
PROGRAM REVENUES BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS  
DECEMBER 31,

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
General government	\$ 1,009,704	\$ 794,704	\$ 732,549	\$ 1,063,659	\$ 964,890	\$ 1,092,166	\$ 1,077,645	\$ 277,191	\$ 245,065	\$ 634,948
Public safety	401,175	160,295	346,498	334,585	378,506	369,451	292,402	177,607	207,189	153,832
Public works	383,722	1,773,055	203,931	223,774	215,189	208,976	311,125	184,284	-	-
Airport	5,658,537	6,938,272	5,849,567	2,522,082	1,670,575	2,648,069	2,003,861	1,936,977	-	1,112,688
Solid waste	1,147,579	893,196	861,674	925,702	1,705,536	1,906,276	1,748,859	1,720,313	1,443,138	477,679
Recreation and culture	480,217	436,223	444,963	700,478	1,666,967	476,834	459,228	336,046	331,340	324,227
Programs	-	-	-	-	-	-	-	1,309,848	5,126,568	-
Total governmental activities	9,080,934	10,995,745	8,439,182	5,770,280	6,601,663	6,701,772	5,893,120	5,942,266	7,353,300	2,703,374
Total primary government	\$ 9,080,934	\$ 10,995,745	\$ 8,439,182	\$ 5,770,280	\$ 6,601,663	\$ 6,701,772	\$ 5,893,120	\$ 5,942,266	\$ 7,353,300	\$ 2,703,374

CITY OF PRESQUE ISLE, MAINE  
FINANCIAL TRENDS  
FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS  
DECEMBER 31,

	2007	2008	2009	2010	2011 (a)	2012	2013	2014	2015	2016 (b)
General fund										
Nonspendable										
Committed					\$ 1,712,886	\$ 1,792,142	\$ 1,892,560	\$ 170,500	\$ 224,447	\$ 358,498
Assigned					51,165	51,431	177,247	-	-	3,137,983
Unassigned					2,146,195	2,089,444	1,824,405	107,232	32,200	-
Reserved								1,220,800	1,300,507	4,665,371
Unreserved	\$ -	\$ -	\$ -	\$ -						-
	3,464,879	3,108,754	2,840,081	2,291,584						-
Total general fund	\$ 3,464,879	\$ 3,108,754	\$ 2,840,081	\$ 2,291,584	\$ 3,910,246	\$ 3,933,017	\$ 3,894,212	\$ 1,498,532	\$ 1,557,154	\$ 8,161,852
All other governmental funds										
Nonspendable					\$ 1,651,696	\$ 1,499,348	\$ 1,499,348	\$ 1,052,194	\$ 69,398	\$ -
Restricted					1,738,301	1,822,864	1,822,864	3,384,836	3,877,064	3,627,448
Committed					4,368,662	4,250,602	4,250,602	4,268,174	5,276,690	718,198
Unassigned					(337,403)	(310,744)	(310,744)	(344,579)	(837,310)	-
Reserved										-
Unreserved, reported in:										
Special revenue funds	\$ 960,231	\$ 939,958	\$ 1,159,491	\$ 1,487,382						-
Capital projects funds	3,949,102	4,102,489	3,727,446	3,338,726						
Permanent Funds	1,770,159	736,590	(578,180)	(3,046,391)						
	657,080	520,361	587,019	625,630						
Total all other governmental funds	\$ 7,336,572	\$ 6,299,398	\$ 4,895,776	\$ 2,405,347	\$ 7,421,256	\$ 7,262,070	\$ 7,262,070	\$ 8,360,625	\$ 8,385,842	\$ 4,345,646

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

(b) Beginning in the fiscal year ending December 31, 2016, the City changed reporting of certain other governmental funds.

**CITY OF PRESQUE ISLE, MAINE**  
**FINANCIAL TRENDS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS**  
**DECEMBER 31,**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Taxes	\$ 10,501,675	\$ 10,454,926	\$ 11,572,254	\$ 11,918,452	\$ 12,038,893	\$ 11,914,543	\$ 12,497,949	\$ 13,041,652	\$ 13,006,030	\$ 13,619,550
Excise taxes	1,472,532	1,452,219	1,433,630	1,419,911	1,421,656	1,454,296	1,536,329	1,526,280	1,565,436	1,629,208
Intergovernmental	7,741,393	8,332,303	7,093,671	3,932,546	2,667,110	3,602,143	2,625,900	2,474,146	4,665,871	5,902,477
Licenses, permits, and fees	269,051	342,446	293,894	280,373	202,278	177,665	234,170	-	-	593,440
Charges for services	2,841,771	2,983,408	2,682,627	2,767,521	4,021,333	4,266,264	4,275,953	4,899,374	4,378,556	2,703,375
Unclassified	811,369	716,415	492,895	745,613	1,475,548	366,276	338,424	-	-	-
Interest/Investment Income	427,397	271,354	359,675	162,092	95,424	141,344	192,935	69,980	11,267	170,065
Other Revenue	-	-	-	-	-	-	-	449,580	2,246,204	3,127,184
<b>Total revenues</b>	<b>24,065,188</b>	<b>24,553,071</b>	<b>23,928,646</b>	<b>21,226,508</b>	<b>21,922,242</b>	<b>21,922,531</b>	<b>21,701,660</b>	<b>22,458,012</b>	<b>25,873,364</b>	<b>27,745,299</b>
<b>Expenditures</b>										
General government	3,219,552	3,368,689	3,231,315	3,411,839	3,590,133	3,669,662	3,474,156	3,359,133	3,372,955	3,999,047
Public safety	2,464,973	2,369,920	2,360,922	2,446,174	2,415,255	2,379,866	2,478,214	2,216,973	2,243,880	2,320,443
Public works	1,916,205	2,102,537	2,005,386	2,132,829	2,062,078	2,076,095	2,080,725	2,034,957	2,035,532	1,551,102
Airport	6,085,012	7,272,965	6,181,632	2,667,398	1,727,426	1,854,421	2,035,279	2,031,029	1,583,008	1,573,843
Solid waste	919,156	1,283,177	856,831	991,795	1,699,742	1,799,471	1,361,812	3,820,663	1,202,454	1,326,777
Recreation and culture	1,376,823	1,962,418	1,554,563	1,398,408	1,367,469	1,270,469	1,331,972	1,057,313	1,053,791	1,124,606
County tax	-	-	-	-	-	-	-	-	-	645,031
Education	5,017,959	4,981,055	5,218,390	5,375,744	5,375,744	5,379,470	5,790,920	6,150,296	6,152,769	6,240,554
Outside requests	58,400	58,620	59,915	64,250	64,250	39,850	41,600	41,125	60,825	-
Intergovernmental	514,577	554,661	560,973	562,365	574,757	605,109	613,702	603,602	619,295	-
TIF	-	-	-	-	-	-	-	131,373	68,832	-
Miscellaneous	-	-	-	-	-	-	-	-	-	451,677
Unclassified	214,173	139,960	129,306	169,554	146,798	126,384	133,477	372,074	250,341	-
Program expenditures	-	-	-	-	-	-	-	145,010	1,162,164	-
Capital outlay	3,217,837	2,309,536	1,871,414	4,577,327	2,020,841	2,192,123	1,191,220	1,682,733	5,783,345	12,292,224
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	214,972	279,319	1,319,138	314,910	394,423	324,672	417,238	382,069	480,776	926,773
Interest Expense	160,436	192,047	251,156	152,841	158,755	379,551	268,350	248,114	258,716	315,572
<b>Total expenditures</b>	<b>25,380,075</b>	<b>26,874,904</b>	<b>25,600,941</b>	<b>24,265,434</b>	<b>21,597,671</b>	<b>22,097,143</b>	<b>21,218,665</b>	<b>24,276,939</b>	<b>26,308,983</b>	<b>32,828,474</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,314,887)</b>	<b>(2,321,833)</b>	<b>(1,672,295)</b>	<b>(3,038,926)</b>	<b>324,571</b>	<b>(174,612)</b>	<b>482,995</b>	<b>(1,818,927)</b>	<b>(435,619)</b>	<b>(5,083,175)</b>
<b>Other financing sources (uses)</b>										
Issuance of debt	1,145,000	928,534	-	-	6,310,000	38,200	-	-	375,000	7,645,594
Transfers in	1,668,655	2,227,856	2,576,187	2,259,924	2,074,819	1,882,525	2,221,242	2,537,993	4,626,590	680,983
Transfers out	(1,668,655)	(2,227,856)	(2,576,187)	(2,259,924)	(2,074,819)	(1,882,525)	(2,221,242)	(2,537,993)	(4,626,590)	(680,983)
<b>Total other financing sources (uses)</b>	<b>1,145,000</b>	<b>928,534</b>	<b>-</b>	<b>-</b>	<b>6,310,000</b>	<b>38,200</b>	<b>-</b>	<b>-</b>	<b>375,000</b>	<b>7,645,594</b>
<b>Net change in fund balances</b>	<b>\$ (169,887)</b>	<b>\$ (1,393,299)</b>	<b>\$ (1,672,295)</b>	<b>\$ (3,038,926)</b>	<b>\$ 6,634,571</b>	<b>\$ (136,412)</b>	<b>\$ 482,995</b>	<b>\$ (1,818,927)</b>	<b>\$ (60,619)</b>	<b>\$ 2,562,419</b>
Debt service as a percentage of noncapital expenditures	1.69%	1.92%	6.62%	2.38%	2.83%	3.54%	3.42%	2.79%	3.60%	6.05%

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

TABLE 6

CITY OF PRESQUE ISLE, MAINE  
REVENUE CAPACITY  
ASSESSED VALUE OF TAXABLE PROPERTY, LAST TEN FISCAL YEARS  
DECEMBER 31,

<b>Tax Roll Year</b>	<b>Real Property</b>	<b>Taxable Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value (a)</b>	<b>Assessed Value as a Percentage of Actual Value</b>
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%
2014	463,947,280	46,633,100	510,580,380	12.19	565,700,000	90.26%
2015	464,908,780	48,747,300	513,656,080	12.52	565,050,000	90.90%
2016	484,358,700	46,215,300	530,574,000	12.70	561,800,000	94.44%

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

TABLE 7

CITY OF PRESQUE ISLE, MAINE  
 REVENUE CAPACITY  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES (Per \$1,000 of Assessed Value)  
 DIRECT AND OVERLAPPING GOVERNMENTS, LAST TEN FISCAL YEARS  
 DECEMBER 31,

Tax Year	Direct Rates			Overlapping Rates		Total
	Basic Rate	Debt Service	Total Direct	Aroostook County	M.S.A.D. #1	Total Tax rate
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
2014	11.02	1.17	12.19	1.18	12.05	25.42
2015	11.85	0.67	12.52	1.18	11.75	25.45
2016	10.36	2.34	12.70	1.22	11.76	25.68

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

Source: City Finance Department

TABLE 8

CITY OF PRESQUE ISLE, MAINE  
REVENUE CAPACITY  
PRINCIPAL PROPERTY TAXPAYERS, CURRENT YEAR AND NINE YEARS AGO  
DECEMBER 31,

Taxpayer	2016			2007		
	Assessed Valuation	Rank	Percentage of Total Assessed Value	Assessed Valuation	Rank	Percentage of Total Assessed Value
EMERA MAINE	\$ 24,988,200	1	4.71%	\$ 13,100,000	2	3.26%
Aroostook Centre LLC	15,093,700	2	2.84%	14,623,000	1	3.63%
Wal-Mart	13,973,200	3	2.63%	10,764,500	3	2.68%
R & L Real Estate	11,272,900	4	2.12%	3,250,400	8	0.81%
Lowe's Home Centers, Inc	7,486,200	5	1.41%	5,831,100	4	1.45%
Leisure Gardens, Inc	6,194,900	6	1.17%	3,492,900	6	0.87%
Columbia Forest Products, Inc	5,742,500	7	1.08%	4,898,400	5	1.22%
MMG Insurance Co	5,581,400	8	1.05%	3,273,700	7	0.81%
BLD Hospitality, LLC	4,848,000	9	0.91%			
Northeast Packaging, Co	4,256,500	10	0.80%			
Juster, Doris & Ann				2,948,500	9	0.73%
MPG				2,865,400	10	0.71%
	<u>99,437,500</u>		<u>18.74%</u>	<u>65,047,900</u>		<u>16.17%</u>
Total Assessed Valuation	\$ 530,574,000			\$ 402,308,610		

Source: City Assessment Records

TABLE 9

CITY OF PRESQUE ISLE, MAINE  
REVENUE CAPACITY  
PROPERTY TAX LEVIES AND COLLECTIONS, LAST TEN FISCAL YEARS  
DECEMBER 31,

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	912,369	12,089,329	99.96%
2011	12,094,998	11,146,701	92.16%	947,288	12,085,885	99.92%
2012	11,986,966	11,098,299	92.59%	880,655	11,972,819	99.88%
2013	12,565,677	11,635,946	92.60%	619,959	12,512,043	99.57%
2014	12,996,655	12,097,575	93.08%	492,000	12,589,575	96.87%
2015	13,077,684	12,200,005	93.29%	371,905	12,571,910	96.13%
2016	13,625,140	12,612,980	92.57%	-	12,612,980	92.57%

Source: City Assessment and Accounting Records



TABLE 10

CITY OF PRESQUE ISLE, MAINE  
DEBT CAPACITY  
RATIO OF OUTSTANDING DEBT BY TYPE, LAST TEN FISCAL YEARS  
DECEMBER 31,

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 )
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	291,575,732	2.91%	9,596	884.16	1.42%
2014	7,643,574	-	340,580	7,984,154	291,396,165	2.74%	9,402	849.20	1.35%
2015	7,537,799	-	221,650	7,759,449	273,221,025	2.84%	9,317	832.83	1.33%
2016	14,232,573	-	245,698	14,478,271	277,495,702	5.22%	9,228	1,568.95	2.53%

(a) See Table 14

(b) See Table 14

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

CITY OF PRESQUE ISLE, MAINE  
DEBT CAPACITY  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2016

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of Presque Isle General Obligation	\$ 14,232,573	100.00%	\$ 14,232,573
City of Presque Isle Notes Payable	245,698	100.00%	245,698
Total direct debt	14,478,271		14,478,271
Overlapping:			
M.S.A.D. #1	3,745,032	72.95%	2,732,001
Aroostook County	-	0.00%	-
Total overlapping debt	3,745,032		2,732,001
Total direct and overlapping debt	\$ 18,223,303		\$ 17,210,272

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  
DEBT CAPACITY  
LEGAL DEBT MARGIN INFORMATION, LAST TEN FISCAL YEARS  
DECEMBER 31,

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 2017 State Valuation of \$561,800,000 the City is in compliance with the total and categorical debt limits:									
Legal Debt Margin Calculation for Fiscal Year 2016									
State Valuation		\$	561,800,000						
Debt Limit - 7.5% of State Valuation			42,135,000						
Less outstanding debt applicable to debt limit			(14,478,271)						
Legal Debt Margin		\$	27,656,729						
				Debt Limit by Category					
				Type of Debt	Maximum Percent Allowable	Maximum Amount Allowable	Principal Amount Outstanding	Legal Debt Margin	
Debt limit				Municipal	7.50%	\$ 42,135,000	\$ 14,478,271	\$ 27,656,729	
Total debt applicable to limit				Total Maximum Debt	7.50%	\$ 42,135,000	\$ 14,478,271	\$ 27,656,729	
Legal debt margin									
Total debt applicable to the limit as a percentage of debt limit									

CITY OF PRESQUE ISLE, MAINE  
DEMOGRAPHIC AND ECONOMIC INFORMATION  
PRINCIPAL EMPLOYERS, CURRENT YEAR AND NINE YEARS AGO  
DECEMBER 31,

	2016			2007		
	Employer	Employees	Rank	Employees	Rank	
	Aroostook Medical Center	1000-4999	1	1000-4999	1	1
	Wal-Mart Superstore	500-999	2	250-499	3	3
	Burrelle's Press Clipping Service	100-249	3	500-999	2	2
	University of Maine at Presque Isle	100-249	4	250-499	4	4
	Columbia Forest Products	100-249	5	250-499	5	5
	Maine Public Service/EMERA	100-249	6			
	MSAD #1			250-499	6	6
	Northern Maine Community College	100-249	7	100-249	7	7
	Maine Mutual Insurance Group	100-249	8			
	NE Publishing	100-249	9	100-249	8	8
	ACAP	100-249	10	100-249	9	9
	K-Mart			100-249	10	10

Source: Aroostook Partnership for Progress

CITY OF PRESQUE ISLE, MAINE  
DEMOGRAPHIC AND ECONOMIC INFORMATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS, LAST TEN FISCAL YEARS  
DECEMBER 31,

Fiscal Year	Per Capita					Unemployment Rate ( c )
	Population (a)	Personal Income (b)	Personal Income (a)	School Enrollment (d)		
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%	
2014	9,402	291,396,165	30,993	1,548	6.60%	
2015	9,317	273,221,025	29,325	1,727	6.70%	
2016	9,228	277,495,702	30,071	1,739	4.20%	

(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

CITY OF PRESQUE ISLE, MAINE  
OPERATING INFORMATION  
FULL – TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES  
BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS  
DECEMBER 31,

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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
Deputy City Manager	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	0.00
Human Resources Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00
Planning	1.00	2.00	2.00	2.00	1.00	0.00	1.00	1.00	1.00	1.00
Administration	2.00	2.00	1.00	2.00	3.00	3.00	2.50	2.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Custodian	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
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	3.00	3.00	3.40	3.40	3.50
Welfare/Clerk	0.50	0.75	0.75	0.50	0.50	0.50	0.50	0.60	0.60	0.50
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	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75
Detective	2.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
MDEA	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00
Sergeant	4.00	5.00	5.00	5.00	3.00	2.00	2.00	2.00	2.00	2.00
Corporal	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Patrol Officer	12.00	12.00	12.00	12.00	11.00	11.00	10.00	10.00	10.00	10.00
Dispatcher	2.00	2.00	1.00	1.00	3.00	3.00	4.00	4.00	4.00	4.00
Animal Control Officer	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.63	0.63
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	9.00	8.00	8.00	8.00	9.00	9.00
Code Enforcement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	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	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance	5.00	5.00	5.00	5.00	5.00	5.00	5.50	5.50	5.50	5.50
Custodian	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Page Total	63	64.25	62.75	63	59	57.25	57.25	57.25	57.38	57.38

CITY OF PRESQUE ISLE, MAINE  
OPERATING INFORMATION  
FULL – TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES  
BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS (CONTINUED)  
DECEMBER 31,

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tax Assessing										
Assessor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Assessor(s)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.00
Public Services:										
Director	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Solid Waste:										
Director	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Supervisor	0.00	0.00	0.00	1.00	1.00	1.00	0.35	2.00	2.00	2.00
Equipment Operations	5.00	5.00	5.00	6.00	5.00	5.00	5.00	3.50	3.00	3.00
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	0.00	0.00	0.00	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/Equip Operators	9.00	9.00	9.00	9.00	8.00	8.00	8.00	10.00	10.00	10.00
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	0.00	0.00	0.00
Custodian	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50
Facilities	0.00	0.00	0.00	0.00	1.00	1.00	0.50	0.00	0.00	0.00
Library:										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Librarians	6.00	6.00	6.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00
Custodian	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	1.00	1.00
Recreation:										
Director	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Director	0.00	0.00	0.00	0.00	1.00	1.00	0.00	1.00	0.00	0.00
Programmer	1.00	1.00	1.00	0.50	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Staff	2.00	2.00	2.00	2.00	2.00	3.00	4.00	2.50	3.50	3.68
Event Facility Staff	2.00	2.00	2.00	2.00	2.00	1.00	1.50	1.60	1.50	2.00
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	3.50	3.50	3.00	3.50	3.50	4.75
Aquatics Director	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	0.75
Indoor Pool Staff	4.00	3.50	3.50	3.50	3.00	3.00	2.00	0.60	0.50	0.50
<b>Total</b>	<b>114.00</b>	<b>114.75</b>	<b>113.25</b>	<b>117.50</b>	<b>109.00</b>	<b>106.75</b>	<b>104.60</b>	<b>103.45</b>	<b>103.38</b>	<b>104.56</b>
In addition there are:										
On-Call Fire Fighters	33.00	33.00	34.00	33.00	33.00	33.00	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



CITY OF PRESQUE ISLE, MAINE  
OPERATING INFORMATION  
OPERATING INDICATORS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS  
DECEMBER 31,

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government:										
Code enforcement:										
Residential construction value	\$ 2,649,484	\$ 2,745,577	\$ 2,117,074	\$ 1,531,791	\$ 607,185	\$ 1,360,521	\$ 1,953,974	\$ 1,181,655	\$ 3,046,886	\$ 908,639
Number of permits	100	123	99	99	59	64	76	71	75	54
Commercial construction value	\$ 3,985,871	\$ 13,184,277	\$ 4,716,826	\$ 2,512,070	\$ 3,778,926	\$ 2,008,102	\$ 8,517,064	\$ 7,471,636	\$ 13,000,944	\$ 3,878,896
Number of permits	74	66	79	51	55	50	72	68	68	62
Public Safety:										
Fire Department:										
Fire Calls	252	305	275	293	241	319	354	329	305	287
First Response Calls	71	59	78	63	53	52	49	-	-	-
EMS								569	1,288	868
Inspections	580	552	375	410	423	418	414	375	360	370
Police Department:										
Calls for Service	6,176	6,184	5,685	5,461	10,366	12,201	15,318	14,377	13,594	18,821
Criminal Arrests	436	648	668	404	687	680	673	655	689	645
Vehicle Stops	4,819	5,173	5,449	3,689	2,993	1,743	1,892	1,681	3,609	2,804
Accidents	373	327	251	253	385	253	347	601	531	536
Public Works:										
Street Paving (miles)	12.04	6.34	3.01	4.67	1.86	3.50	3.62	3.76	4.03	4.08
Solid Waste:										
Refuse Collected (tons)	21,433	13,873	14,993	13,047	12,081	10,564	9,417	11,873	13,720	10,884
Recyclable Collected (tons)	7,995	7,958	7,566	7,262	8,125	6,559	6,907	7,259	6,674	4,774
Municipal Recycling Rate (a)	51.8%	53.3%	51.3%	52.7%	47.2%	45.4%	49.3%	49.3%	47.1%	38.8%

Note: Beginning in July 2014, the Fire Department entered into a co-op with the local ambulance service whereby an ambulance will be housed at the fire station and firefighters (all EMS trained and certified) will go out on ambulance calls.

CITY OF PRESQUE ISLE, MAINE  
OPERATING INFORMATION  
OPERATING INDICATORS BY FUNCTION/PROGRAM, LAST TEN FISCAL YEARS (CONTINUED)  
DECEMBER 31,

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Airport:										
Enplanements	15,866	13,496	13,238	15,204	14,453	12,379	11,555	12,122	12,878	12,398
Deplanements	15,662	13,768	13,151	15,250	14,353	12,048	11,422	12,183	12,918	12,094
Landing Fees	\$ 20,303	\$ 46,103	\$ 57,489	\$ 55,355	\$ 55,618	\$ 50,292	\$ 65,199	\$ 154,747	\$ 298,324	\$ 285,370
Recreation:										
Library:										
Total materials circulated	122,792	130,498	153,969	160,946	96,332	81,899	85,240	75,350	72,777	89,033
Total materials borrowed	61,048	62,608	78,970	85,917	50,220	63,345	64,540	55,005	63,290	81,033
Total print items in collection	60,634	63,560	56,212	55,601	57,366	61,265	52,794	50,500	50,251	61,085
Total program participants	4,591	4,736	5,504	5,197	4,085	5,423	5,226	4,390	6,022	7,835
Total library visits										45,835
Forum:										
Major Events	15	15	15	15	15	14	14	12	11	13
Support for Events	11	15	12	12	12	11	11	12	12	12
Weeks of Ice	23	23	23	23	23	23	23	22	22	22
Parks and Recreation:										
Non-Aquatic Programs:										
Youth Participants	4,084	3,878	3,946	5,159	4,443	4,430	4,377	4,531	5,196	7,447
Adult Participants	1,466	1,345	1,389	1,606	1,103	1,147	1,084	1,101	1,196	1,265
Aquatic Programs:										
Indoor Pool Participants	41,179	32,033	25,634	27,278	23,483	21,475	19,630	1,230	1,345	1,124
Outdoor Pool Participants	6,905	5,641	6,570	8,032	5,607	7,460	-	-	-	-
Mantle Lake Park Attendance	15,195	14,093	12,440	13,025	12,286	12,687	12,441	13,240	13,122	12,680

**Sources:** Various City Departments

n/a ---- information not available

(a) Percentages provided by the State Planning Office

Outdoor pool was closed in 2013;

Indoor pool was closed in 2014; swimming lessons continue at the local college pool.