



City of Lewiston, Maine

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

For the Fiscal Year Ended June 30, 2016

Prepared by:

Heather A. Hunter, Finance Director

INTRODUCTORY SECTION

City of Lewiston, Maine
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2016

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December 24, 2016

Honorable Robert E. Macdonald, Mayor
Members of the City Council, and
Citizens of Lewiston

The comprehensive annual financial report (CAFR) of the City of Lewiston for the year ended June 30, 2016 is hereby submitted as required by the City Charter. The Charter requires that the City of Lewiston issue a report annually on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The financial statements are presented in conformance with generally accepted accounting principles in the United States (GAAP) and audited in accordance with generally accepted auditing standards (GAAS).

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

The City of Lewiston's financial statements have been audited by RHR Smith & Company, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City of Lewiston's financial statements for the fiscal year ended June 30, 2016. The independent auditor's report is presented at the front of the financial section of this report.

The independent audit of the financial statements of the City of Lewiston was part of a broader, federally mandated audit in accordance with OMB Circular A-133 designed to meet the special needs of federal grantor agencies. The standards governing the OMB Circular A-133 engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Lewiston's separately issued report.

The 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. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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

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

GOVERNMENTAL PROFILE

Lewiston incorporated as a Town in 1795 and established as a City in 1863, is located on the east bank of the Androscoggin River in the south-central section of the State and is the second largest City in Maine with a population of 36,592, as of the 2010 census. The City is 34 miles north of Portland, Maine, 142 miles from Boston and 195 miles from Quebec City, Canada and encompasses an area of 34 square miles.

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

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

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

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

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

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

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

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

ASSESSING ECONOMIC CONDITION

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

Local Economy. Lewiston, along with the adjacent City of Auburn, is part of a broad and diverse economy. With a combined total population of 107,702, the Lewiston-Auburn area is the fourth largest Metropolitan Statistical Area in Maine. Considerable growth has occurred in the service sector over the past several decades which have increased the diversity of Lewiston's economy, from mainly manufacturing-based economy to a mixed economy. Over the past 10 years, the average number of manufacturing jobs has decreased from 2,004 to 1,585 or 21%. The steady reduction in manufacturing jobs had reversed itself for a couple of years before declining again during the economic slump. During the same 10 year period, the non-manufacturing jobs remained relatively flat, going from 20,543, to 20,535, recognizing we are comparing today's count to the height of the economic boom in the early 2000s. Although total employment within the City declined by 1.9%, total payroll grew by \$229.7 million or an average of 3.2% per year.

Major industries within the City's boundaries include health care, education and financial services, and specialized manufacturing. The City has two major regional hospitals and many health care service providers; and along with education service providers for a four-year liberal arts college, a state university, a two-year business college and the K-12 school system, they provide a great deal of stability to the City's workforce. The two hospitals employ a combined 4,791 employees and are the two largest employers. Viewing a 10-year snapshot comparison, employment at these major hospitals has grown by 900 employees from 3,892 or 23.1%. Professional and business services are the next largest

sector of our employment base. The third largest employer is TD Bank which has an operations center and retail banking outlets employing a combined total of 989 employees.

Recent economic activity during the past year encompassed several diverse projects including two expansions in the educational sector. Bates College continues to renovate and add to their campus making an additional million dollar investment. The City's school department completed their \$1.5 million, 6 classroom addition to Farwell Elementary School. Development to the tune of \$2.4 million continues at the Bates Mill for interior stairway and elevator improvements.

St. Mary's Health System, a 233-bed acute care facility, undertook two projects this fiscal year totaling a combined \$1.1 million. Renovations were made to their pediatric department and to their surgical suite.

A housing project known locally as Pierce Place, owned by Phyllis St. Laurent, lost 29 units in the 2013 arson spree that was featured in the FY13 transmittal letter. Given the need for affordable housing in the City and Pierce Place's possession of project based Section 8 Vouchers, there was a strong desire to rebuild the housing units lost. By combining city owned parcels adjacent to the Pierce Place land, the ground was laid to rebuild the complex under current code and zoning regulations. The approved project was permitted at a \$5,253,200 value which would restore all 29 units arranged in three buildings with off-street parking and a court yard. The project groundbreaking occurred this spring.

Long-term Financial Planning. Each year, the City Administrator submits a Capital Improvement Plan (CIP) which is submitted to the Finance Committee, Planning Board and City Council for review. The five-year plan includes an inventory of possible capital projects which may ultimately be included in the City's Capital Improvement Plan that may be financed through a variety of sources including federal or state grants; general operating fund; user fee revenue; or through the issuance of indebtedness. The issuance of debt is subject to specific authorization of the City Council and after a public hearing on the matter. If the total amount of a single-purpose project exceeds 15% of the previous year's tax levy, authorization to borrow must be approved by the voters at a referendum election (15% of FY 2015 Gross Tax Levy of \$50,672,650 is \$7,600,898).

The City Council formally adopted a Fund Balance Policy in fiscal year 2011, with the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The policy calls for the City to maintain a minimum unassigned fund balance in the general fund of 8% of general fund revenues and transfers in. At the close of the fiscal year, unassigned fund balance was 13.46% of revenues and transfers in, and is within the policy. Continuing to maintain adequate reserves is a priority of management and the City Council.

With the State's enactment of Public Law 1 which establishes municipal property tax levy limitations each year, the City's management is strategically planning utilization of less than the allowable growth each year in order to bank portions of the allowable growth for future carry overs which is allowed by law. The City was \$11,899,276 below the allowable limit of \$41,867,508 for FY2016. This practice will allow the City Council more flexibility in times of economic downturn.

Financial Trends. Utilizing a ten year financial trend snapshot comparison is not indicative of the financial stresses that the City has experienced as of late. With the recent recession coupled with flat or declining nontax revenues, the municipal side of the budget has been forced to contract through layoffs, expenditure curtailments and use of rainy day funds for one time capital purchases. FY2010 provides the line of demarcation between growth in a strong economy and the recession. Since the recession hit, the City's operating budget has remained virtually flat. While debt service fell by almost \$975,000 or roughly 10%, other operating cost rose by a miniscule \$125,000. Prerecession, the City's portion of the tax rate went from \$16.25 in FY07 to \$14.58 in FY2010. Since then, the City rate rose to \$15.83 in FY14, was flat in FY15, and rose to \$16.04 in FY16, due to a 26.7% loss in nontax revenue over that same period.

Cost of education has outpaced recent increases in General Purpose Aid revenue. Additional costs include personnel increase due to union contract settlement and additional teachers needed given enrollment growth (290 students in FY16); special education demands, and funding the burden of local MaineCare costs. The Essential Programs and Services (EPS) formula calculates a required local share in order to receive the full General Purposed Aid amount. Since FY11, the State provided a local share waiver to municipalities, thus lessen the impact on the tax rate. This waiver was phased out over a three year period concluding in FY17. Prerecession, the school's portion of the tax rate went from \$9.06 in FY07 to \$9.02 in FY2010. The rate further declined after the recession hit to a low of \$8.91 thanks to the EPS waiver. However, given the phase-out, the education portion of the FY16 tax rate rose to \$10.08 – the minimum required amount to receive the full General Purpose Aid allocation.

From FY07 to FY09, the City's State equalized valuation experienced growth of 13.9% or \$2.267 billion to \$2.582 billion, then the recession hit. From FY10, with a valuation of \$2.474 billion, to the current fiscal year's value of \$2.175 billion, valuation declined marginally each year or a total of 12.1%.

Major Initiatives. Given the numerous national public safety stories that have been in the news lately, this fiscal year the City's police and fire departments will be showcased.

Today, the communities that police departments serve rely on and expect more than just a response to a critical incident. Communities expect their police department to be connected and accessible to the community they are sworn to protect. Realizing this shift in public expectations long before it became a nightly media story, the Lewiston Police Department began proactively connecting with the community.

When it was evident that our crime rate started to increase from 31.94 in 2010 to a high of 40.75 in 2012, the department knew it needed to take multi-faceted action which included community collaboration. Collaboration began with the Hot Spot initiative which focused on addressing the influx of out of state drugs coming into Lewiston and strengthened community support by bringing teams of officers and K-9 units in the downtown area to patrol. Arrests were made, police presences were embraced and channels of communications were opened. Since the implantation of "Hot Spot" the crime rate in Lewiston decreased significantly from 40.75 (2012) to 22.56 (2015).

Realizing that enforcement and arrests would not fully address the underlying quality of life issues, the department hosted several community meetings, conducted a community survey, and received federal funds through Project Safe Neighborhood to partner with the Root Cellar, a local nonprofit that provides a variety of assistance to downtown residents to establish a restorative justice program.



Additionally, officers partnered with local service providers to develop a referral program which shares information on youth and families in need of help. This collaborative outreach is successful in matching those organizations equip to provide the assistance needed with those who needed assistance. This was extremely beneficial because people received assistance before they might have entered into the criminal justice system.

Interestingly, despite an increase in our youth population from 2000 to 2016, there has been a 77.88% decrease in juvenile arrests which the department attributes to the local collaborations and partnerships.



This summer the department created a new and innovative way to improve our accessibility by hosting a series of six outdoor movie nights. The goals of this project were to expand partnership activities; provide a conduit for local service providers and businesses to develop new relationships with community members; to provide an alternative activity to our youth and families to further reduce crime; and most importantly to strengthen the sense of community by bringing them together.

Our community oriented and collaborative approaches have served as model for other police agencies in the State of Maine and have been featured nationally by the International Chief of Police Association (I.A.C.P.) and the Community Oriented Policing Office Services (C.O.P.S.).

Acknowledging the aging multi-unit housing stock and blighted vacant buildings, the City has made significant strides through condemnation orders to demolish the worse buildings in the inventory. In order to avoid further deterioration of the stock, Lewiston Mayor Robert Macdonald appointed a Downtown Building Task Force in September 2015, with the charge of addressing fire and code compliance and related issues in the City's downtown residential neighborhood. The Committee was specifically charged with reviewing the City's current compliance efforts, evaluate the need for additional inspectors, and identify other steps that the City might take to address building conditions and safety concerns. Task members included both tenants and landlords in addition to public safety staff. Regular meetings improved lines of communication, provided changes to tenant solid waste disposal, and drafted compliance workout plans for buildings that were in noncompliance.

The Committee noted the shortage of staff hours available to inspect buildings, document

cases of noncompliance, and work with the property owner to rectify the issues. The Committee was successful with their recommendation to add three positions in FY2017 budget with the Lewiston City Council unanimously approving funding for an additional fire inspector, a code enforcement officer and increasing an administrative clerk to fulltime.

Focus points for the new positions include:

- Continue to develop and emphasize a close working relationship between Code and Fire Prevention in identifying and addressing code and life safety issues.
- Maintain and strengthen the recently adjusted enforcement approach of working with those who cooperate and taking firm action against those who do not, even if such action leads to building abandonment.
- Improve the tenement building inspection process for the city, owners and tenants.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lewiston for its comprehensive annual financial report for the year ended June 30, 2015. This was the forty-first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated services of the accounting and auditing division. Special thanks to Ralph Lenfestey, Chief Accountant and Allen Ward, Internal Auditor/Cost Accountant for their dedication and loyalty, and countless hours contributed in preparation of this report and to all the staff in the finance department for their valuable assistance. I would also like to acknowledge the firm of RHR Smith & Company for their efforts and guidance during the engagement. Credit must also be given to the Mayor and City Council for their interest and support in planning and conducting operations of the City in a responsible and progressive manner.

Respectfully submitted,

Heather A. Hunter

Heather A. Hunter, Finance Director

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Government Finance Officers Association

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

Presented to

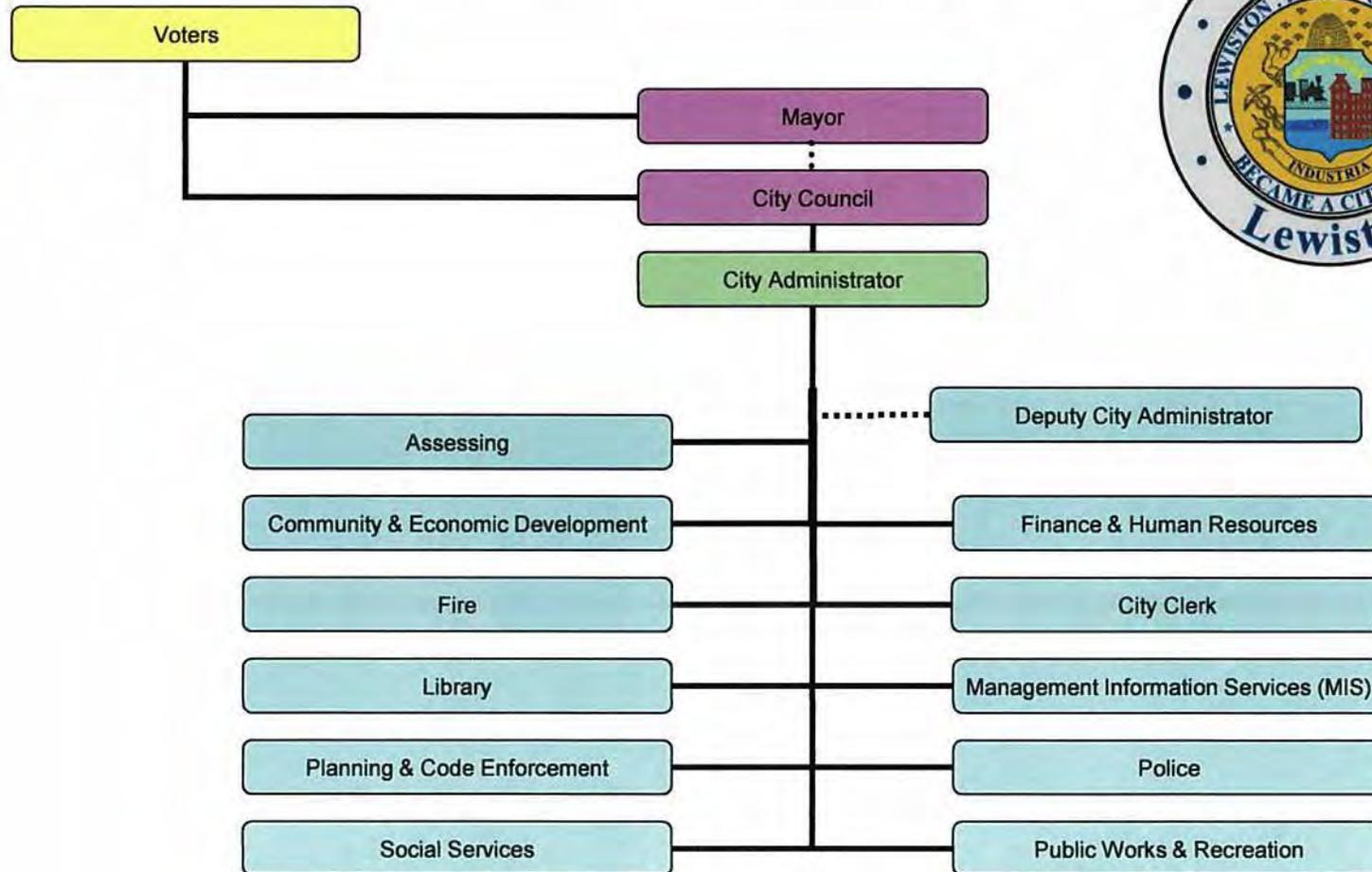
**City of Lewiston
Maine**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

City of Lewiston, Maine Organizational Chart



City of Lewiston, Maine

List of Principal Officials

June 30, 2016

Elected Officials

Robert E. Macdonald	Mayor
James Lysen	Council Member - Ward 1
Timothy J. Lajoie	Council Member - Ward 2
Isobel Golden	Council Member - Ward 3
Shane D. Bouchard	Council Member - Ward 4
Kristen S. Cloutier, Council President	Council Member - Ward 5
Joline Landry Beam	Council Member - Ward 6
Michael R. Lachance	Council Member - Ward 7

Appointed Officials and Department Heads

Edward A. Barrett, City Administrator

William Healey, Chief Assessor	Philippe J. Nadeau, Deputy City Administrator
Lincoln Jeffers, Community & Economic Dev. Director	Kathleen M. Montejo, City Clerk
Paul M. Leclair, Fire Chief	Heather A. Hunter, Finance Director
David A. Jones, Public Works Director	Michael Bussiere, Police Chief
Gildace J. Arsenault, Planning & Code Enforcement Director	Timothy J. Earle, MIS Director
Sue A. Charron, Social Services Director	Richard A. Speer, Library Director

FINANCIAL SECTION



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

City Council
City of Lewiston
Lewiston, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Lewiston, Maine as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Lewiston, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Lewiston, Maine as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof 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, retiree healthcare plan information and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing

and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2016, on our consideration of the City of Lewiston, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Lewiston, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
December 14, 2016

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CITY OF LEWISTON, MAINE
Management's Discussion and Analysis
June 30, 2016

As management of the City of Lewiston, we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 7 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City of Lewiston exceeded its liabilities at the close of the most recent fiscal year by \$155,100 (*net position*).
- The City's total net position increased by \$9,921, which represents a 6.8% increase.
- As of the close of the current fiscal year, the City of Lewiston's governmental funds reported combined ending fund balances of \$31,908 an increase of \$3,979 in comparison with the prior year. Approximately 52.5% of this total amount or \$16,740 is *available for spending* at the City's discretion (*assigned and unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15,509 or 13.46% of general fund revenues and transfers in.
- The City of Lewiston's total debt decreased by \$8,867 (6.5%) during the current fiscal year.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City of Lewiston's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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 of Lewiston is improving or deteriorating.

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

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

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

The government-wide financial statements can be found on pages 40-41 of this report.

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 42-44 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 48-51 of this report.

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

The basic fiduciary fund financial statements can be found on pages 52-53 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 54-84 of this report.

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

The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplementary information on pensions and other postemployment benefits. Combining and individual fund statements and schedules can be found on page 90 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lewiston, assets exceeded liabilities by \$155,100 at the close of the most recent fiscal year. A comparison of key government-wide components is found in the following table.

City of Lewiston's Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Assets:						
Current & Other Assets	\$44,948	\$39,913	\$10,324	\$13,755	\$55,271	\$53,668
Capital Assets	195,340	197,752	77,364	74,082	272,705	271,834
Total Assets	240,288	237,665	87,688	87,837	327,976	325,503
Deferred Outflows of Resources	10,326	4,387			10,326	4,387
Liabilities:						
Noncurrent Liabilities	110,783	109,832	35,430	37,374	146,214	147,206
Other Liabilities	24,073	24,722	5,059	4,941	29,131	29,663
Total Liabilities	134,856	134,554	40,489	42,315	175,345	176,869
Deferred Inflows of Resources	7,858	7,842			7,858	7,842
Net Position:						
Net Investment in Capital Assets	113,508	110,515	38,834	37,073	152,342	147,588
Restricted	14,145	10,510			14,145	10,510
Unrestricted	(19,752)	(21,369)	8,366	8,449	(11,387)	(12,920)
Total Net Position	\$107,901	\$99,656	\$47,199	\$45,522	\$155,100	\$145,178

By far the largest portion of the City of Lewiston's net position (\$152,342) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Lewiston uses the capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Lewiston's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Lewiston's net position (\$14,145) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, a deficit of \$11,387 is mainly due to recording all of the City's long-term liabilities that are not due and payable in the current period. Liabilities of this nature include noncapital bonds payable, bond premium, accrued interest payable, obligations for workers' compensation claims, unfunded actuarial pension liability, long-term compensated absences, other post-employment benefits, and landfill closure and postclosure care costs. A complete reconciliation, by item and amount, can be found in the notes to the financial statements.

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

The city's net position increased by \$9,921 during the course of the year. Contributing factors in the increase in governmental activities net position (\$8,245) were increases in combined grants and contributions of \$3,647, tax related revenues of \$1,921, which tempered the tempered the \$8,102 growth in expenses. Net position in business-type activities increased by \$1,676 due to charges for

services exceeding expenses in water by \$974, in sewer by the amount of \$126, and \$839 in storm water. The business-type activities' grants and contributions \$16 decline was offset by a \$27 growth in investment earnings.

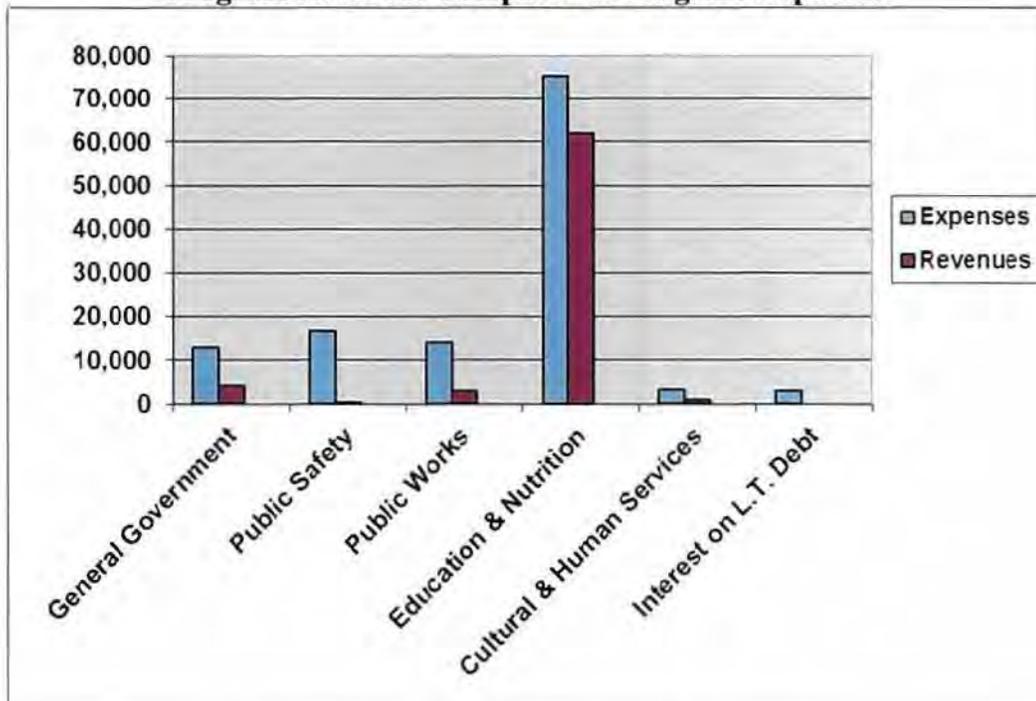
Governmental Activities. Governmental activities increased the City of Lewiston's net position by \$8,245. Key elements of the increase are as follows:

	City of Lewiston's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$4,715	\$5,487	\$13,057	\$13,061	\$17,772	\$18,548
Operating grants & contributions	63,966	61,125	122	139	64,088	61,264
Capital grants & contributions	1,651	1,149	28	27	1,679	1,176
General revenues:						
Property taxes	52,206	50,797			52,206	50,797
Other taxes	5,015	4,503			5,015	4,503
Grants & contributions not restricted to specific programs	5,288	4,984			5,288	4,984
Other	467	209	43	16	510	225
Total revenues	133,308	128,254	13,250	13,243	146,558	141,497
Expenses:						
General government	12,977	11,732			12,977	11,732
Public safety	16,700	16,353			16,700	16,353
Public works	14,123	11,483			14,123	11,483
Human services	1,263	1,314			1,263	1,314
Culture & recreation	1,934	2,063			1,934	2,063
Education & nutrition	75,439	70,761			75,439	70,761
Interest on long-term debt	3,082	3,711			3,082	3,711
Water			4,418	4,590	4,418	4,590
Sewer			4,935	4,819	4,935	4,819
Storm water			1,765	1,626	1,765	1,626
Total Expenses	125,519	117,417	11,118	11,035	136,637	128,452
Increase in net position before transfers	7,788	10,837	2,133	2,208	9,921	13,045
Transfers	457	471	(457)	(471)		
Increase in net position	8,245	11,308	1,676	1,737	9,921	13,045
Net position, July 1	99,656	88,348	45,523	43,786	145,178	132,133
Net position, June 30	\$107,901	\$99,656	\$47,199	\$45,523	\$155,100	\$145,178

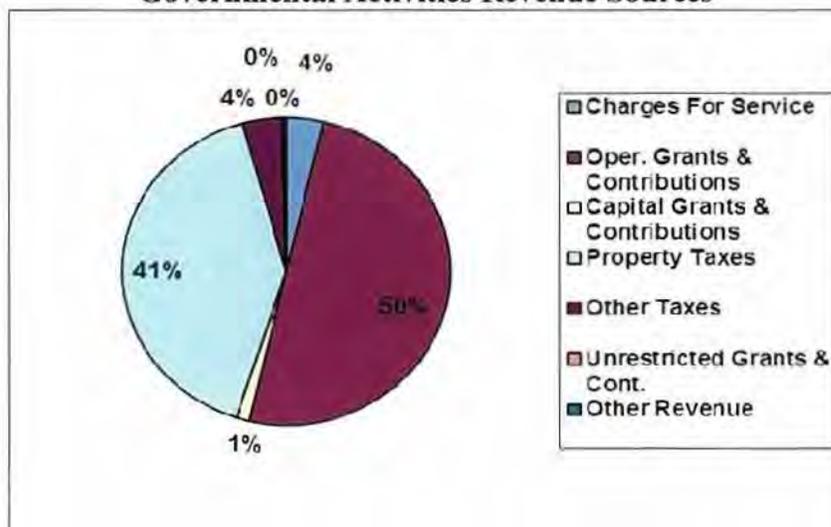
- Revenues received from the State Department of Education and various School Categorical grants rose by \$2,025

- A seventy-eight cent tax rate increase produced an additional \$1,409 of property tax revenue.
- Charges for service lagged behind the prior year by \$772, of which \$339 is attributed to a decline in Adult Education fees.

Program Revenues Compared to Program Expenses



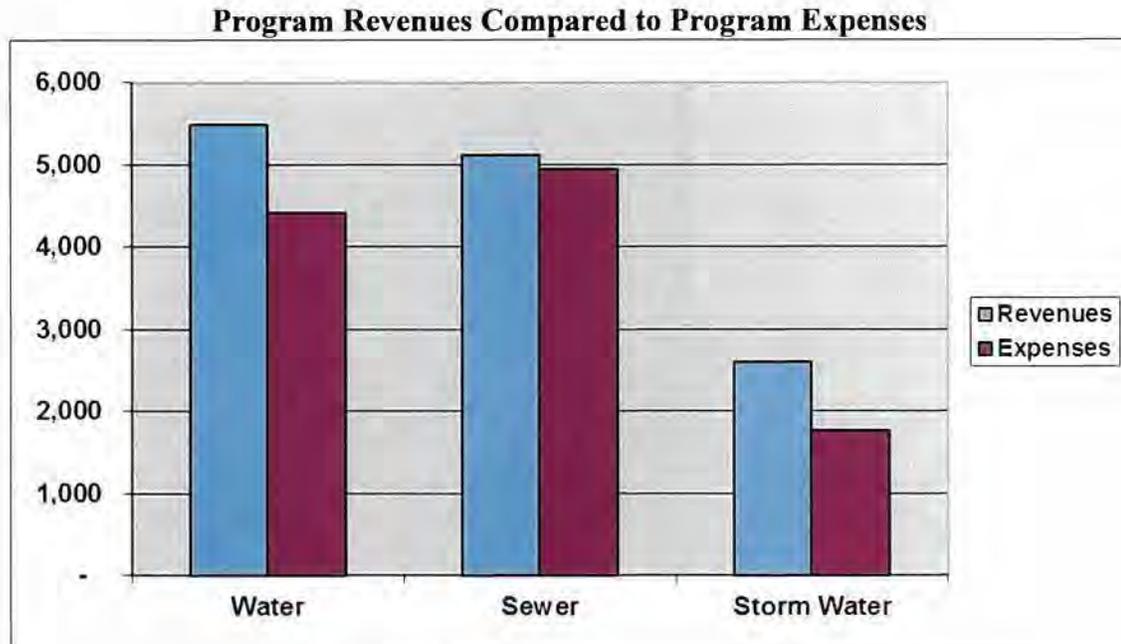
Governmental Activities Revenue Sources



Business-type Activities. The City of Lewiston’s net position for business-type activities increased by \$1,676. Key financial elements are as follows:

- Increase in fund equity from joint ventures with the Auburn Water & Sewer Districts in Sewer (\$54) and in Water (\$68).

- Income from operations continues to be strong at \$3,144, although declined slightly from the prior year by \$241.
- Interest expense decline by a total of \$93.



Financial Analysis of the Government’s Funds

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

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

As of the end of the current fiscal year, the City of Lewiston’s governmental funds reported combined ending fund balances of \$31,908, an increase of \$3,979 in comparison with the prior year. Approximately 52.5% of this total amount (\$16,740) constitutes *assigned and unassigned fund balance*, which is available for spending at the city’s discretion. The remainder of the fund balance is either restricted (\$10,855) to indicate that it is not available for spending due to constraints placed on the use of resources which are either externally imposed by creditors, grantors, contributors, or other governments or imposed by law through constitutional provisions or enabling legislation or; nonspendable because they are not in spendable form (\$3,094) or are legally or contractually required to be maintained intact (\$1,218).

The general fund is the primary operating fund of the City of Lewiston and, by definition, is the only fund that may have a positive unassigned fund balance. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,509, while total fund balance was \$25,326. 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 fund revenues. Unassigned fund balance represents 13.5% of total general fund revenues and transfers in (\$115,228), while total fund balance represents 22% of that same amount. To provide for unforeseen events and liquidity preservation, the City adopted a fund balance policy that targets the unassigned general fund balance at a floor of 8% and a ceiling of 12%. The current unassigned fund balance of 13.46% falls well above the prescribed range.

The fund balance of the City of Lewiston's general fund increased by \$5,480 during the current fiscal year. Key factors contributing to this change are as follows:

- Total revenues of \$111,077 on a budgetary basis exceeded budget estimates by \$2,268.
- On a budgetary basis, total operating expenditures were less than budgetary appropriations by \$3,143, of which \$1,723 was attributed to education.
- Transfers in to the general fund were \$122 above projections.

The school categorical grants fund has a fund balance of \$1,603. The fund balance increased by \$1,105 during the year due to a million dollar rise in grant revenue which offset a \$244 decline in charges for service. Grant funded operating expenses decline by \$904 tempering the \$446 increase in costs of the school nutrition program.

The debt service fund has a zero fund balance.

The capital projects fund has a total deficit fund balance of \$3,503. Expenditures for capital projects amounted to \$7,220 during the year. The City elected to defer the sale of \$6,559 in bonds for a portion of the FY2015 and most of the FY2016 capital improvement plan until early in FY2017. Thus, no additional bond proceeds were available to cover costs. Grant funds received from the Maine Department of Transportation totaled \$448, a \$334 reduction from 2015. Total fund balance decreased by \$3,082.

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

Unrestricted net position of the water fund at the end of the year was \$3,587; for the sewer fund \$3,910; and for the storm water fund \$869. The total growth in net position for the water fund was \$1,048, while the increase in net position of the sewer fund was \$154, and \$474 for the storm water fund. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Lewiston's business-type activities.

General Fund Budgetary Highlights

The City Council approved one supplemental budget adjustment during the fiscal year. A supplemental appropriation was approved to fund \$1,977 of one time capital items for various departments. The only other changes to the original budget approved by the City Council during the course of the year were transfers within and between departments. The majority of the transfers made were to allocate the salary reserve and fringe benefits to specific departments, as well as pay for the cost of repairs or projects that were unanticipated when the budgets were originally submitted. The total amount of transfers made was \$2,313.

The overall general fund budget (on a budgetary basis of accounting) ended the year with an increase in fund balance of \$3,602, in spite of the planned use of \$1,977 of fund balance noted above.

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

Revenues	Amount	Percentage of Total	Increase/ (Decrease) from 2015
Taxes:			
Real Estate	\$ 52,469	47.0%	\$ 1,531
Excise	4,547	4.1%	304
Licenses and Permits	396	0.4%	4
Intergovernmental	49,983	44.8%	3,109
Charges for Services	1,796	1.6%	94
Fines	181	0.2%	10
Interest, Rents & Royalties	1,588	1.4%	158
Miscellaneous	118	0.1%	(212)
Transfers from Other Funds	538	0.5%	(38)
Total	\$ 111,617	100.0%	\$ 4,960

Fiscal year 2016 revenues for the general fund (on the budgetary basis of accounting) totaled \$111,617 or a 4.65% increase.

Current and prior year real estate and personal property taxes continue to represent the largest revenue source, with \$52.5 million or 47% of all general fund revenues. The increase of \$1,531 in the amount collected is a result of a seventy-eight cent tax rate increase. Excise tax revenue which amounted to \$4,547, outpaced the prior year by \$304 or 7.2%, and represents 4.1% of the revenues.

Intergovernmental revenues amounted to \$49,983 or 44.8%, the city's second largest revenue source. The increase of \$3,109 from the previous year was largely due to additional school aid and state revenue sharing.

Charges for services increased \$94 from \$1,702 to \$1,796 with all of the growth noted in tipping fees at the solid waste facility (\$115).

Investment and rental income increased by \$69 to \$169, and \$57 to \$1,291 respectively. Combined parking garage revenues climbed by \$94 and franchise fees rose slightly by \$2 in the current fiscal year.

Miscellaneous revenues increase by the sale of surplus property (\$4), and unclassified revenue (\$29), which offset decline in sale of recyclable materials and metals (\$14).

Transfers from other funds decreased by \$38 due to the annual fluctuation that occurs from the school categorical special revenue fund to the general fund for reimbursed costs and a reduction in operating reimbursements from the enterprise funds.

Expenditures	Amount	Percentage of Total	Increase/ (Decrease) from 2015
General government	\$ 3,270	3.0%	\$ 253
Public safety	13,041	12.1%	324
Public works	6,763	6.3%	(507)
Human services	935	0.9%	(3)
Recreation	458	0.4%	190
Library	993	0.9%	4
Intergovernmental	3,936	3.6%	158
Education	58,121	53.8%	4,523
Insurances & pensions	4,455	4.1%	8
Miscellaneous	1,959	1.8%	449
Transfers to other funds	14,082	13.0%	(4,017)
Total	\$ 108,014	100.0%	\$ 1,382

Expenditures for the general fund (on the budgetary basis of accounting) totaled \$108,014 in fiscal year ended June 30, 2016.

The net increase in general government expenditures of \$253 were attributed to the settlement of some of the City's collective bargaining agreements (\$20), higher election costs (\$23) due to a mayoral runoff election and petition verifications, and the purchases of capital items funded through the City Council's supplemental appropriations (\$240). The City incurred \$20 in additional costs to return the human resource function back to city hall from the joint City-School collaborative effort. Given the mild winter and other operational savings, the City reduced their general government telephone and utility costs by \$46 and snow removal costs by \$40.

Public safety increased by \$324 to \$13,041. The cost of police and fire operations rose by \$263 and \$150 respectively primarily resulting from personnel and benefit costs and \$214 in additional capital costs for emergency vehicle replacement. The departments found some relief in gas prices which provided an overall savings of \$20 and in a \$103 savings in overtime of which \$67 which attributed to police and the balance to fire. Code Enforcement rose by \$16 due to additional labor and training costs.

Education expenditures of \$58,121 represent 53.8% of the total expenditures. Expenditures rose by \$4,523 due to additional personnel costs, and staffing and operational needs in order to meet the rise in student enrollment.

Cultural and recreation had a combined increase of \$194. Personnel costs and benefits rose by \$54 which were tempered by a \$34 savings in utilities. Capital improvements to the City's Armory building accounts for another \$176 increase in costs.

The public works department also benefited from the mild winter and favorable gas prices which provided a \$652 and \$318 savings respectively, and a \$507 overall net decrease from 2015. As experienced in other departments, personal costs rose by \$202. The Council's supplemental appropriation provided \$791 in additional capital and one-time repair funds which included: \$162 for the street light replacement program, \$103 in canal improvements, \$121 in additional municipal

garage vehicles and equipment, and \$97 in city park improvements. The replacement of most of the City's mercury street lights with energy saving LEDs provided an \$11 savings in electricity.

Intergovernmental expenditures rose by \$158 resulting from an increase in the county tax (\$81), additional capital funding for the municipal airport (\$22), and operational increases for the 911 operation center (\$20) and the transit agency (\$35).

Insurance and pension costs grew by \$8. Healthcare costs represented a \$136 increase as the City's 5.06% rate increase was dampened by the conversion of some bargaining units from the POS plan to the PPO plan. The City contracts with a third party provider to assist with their wellness program – this year that service rose by \$14. Both severance pay benefits and the cost of the City pension plan dropped by \$96 and \$25 respectively. The workers compensation fund is merged with the City's miscellaneous expenditures. Total miscellaneous costs climbed by \$449, of which \$252 is attributed to workers compensation and the settlement of some legacy cases. A reservation for salaries increased by \$82 to provide funding for the remaining unsettled labor contracts.

Debt transfers to the debt service fund plummeted by \$2,725. In FY2015, the City elected to pay-off the outstanding \$3,064 taxable Colisee callable bond. The executed call option provided a \$1,051 cash savings and a \$2,081 present value savings in interest.

Capital Asset and Debt Administration

Capital Assets. The City of Lewiston's investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$272,705 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, bridges and water and sewer systems. The total increase in the City of Lewiston's investment in net capital assets for the current fiscal year was .3% (a 1.2% decrease for governmental activities and a 4.4% increase for business-type activities).

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

- Municipal building improvements totaled \$3,221, of which the addition to Farwell Elementary School amounted to \$896, Armory upgrades of \$323, and Montello School roof replacement at \$370.
- Improvements to streets, signals and sidewalks totaled \$1,745, \$251, and \$204 respectively.
- Park and playground improvements totaled \$621 which included the addition of an amphitheater (\$421) and Kennedy Park Gazebo improvements of \$136.
- Equipment added for all departments during the year amounted to \$1,691, which included vocational school equipment at \$80, a bulldozer at \$198, a vehicle wash station at \$35, a fire response vehicles and equipment at \$59, variety of city and school technology upgrades of \$837, eight police vehicles at \$262, and a variety of municipal garage equipment totaling \$133.
- The Hart Brook Water Quality Project added drainage improvements of \$242.
- The water utility replaced 11,363 feet of water mains at a cost of \$1,888.
- The Sanitary Sewer Line Rehabilitated Project lined 10,626 feet of sewer mains at a cost of \$1,329.
- Various storm drainage and culvert improvements added infrastructure additions of \$232.

City of Lewiston's Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$14,164	\$13,940	\$1,295	\$1,295	\$15,459	\$15,235
Buildings	62,810	65,366	6,394	6,596	69,204	71,962
Improvements Other Than Buildings	18,750	19,910			18,750	19,910
Machinery & Equipment	22,195	23,397	762	681	22,957	24,078
Infrastructure	72,197	73,657	66,493	64,191	138,691	137,848
Construction in Progress	5,224	1,482	2,420	1,319	7,644	2,802
Total Capital Assets	\$195,341	\$197,752	\$77,364	\$74,082	\$272,705	\$271,834

Additional information on the City of Lewiston's capital assets can be found in note IV.C on pages 64-66 of this report.

Long-term Debt. At the end of the current fiscal year, the City of Lewiston had total bonded debt outstanding of \$126,906, which was a decrease from 2015 of \$8,867 or 6.5%. The entire amount is backed by the full faith and credit of the City. The following schedule represents a breakdown of the debt by governmental and business-type activities and comparisons with the previous fiscal year.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Bonds Payable	\$88,812	\$95,834	\$38,094	\$39,939	\$126,906	\$135,773

The City of Lewiston's rating was affirmed at an AA- with a stable outlook from Moody's for its general obligation debt. Please refer to Moody's report for a comprehensive explanation of their rating assessment.

State statutes limit the amount of general obligation debt a municipality may issue to 15% of its total state assessed valuation. The current debt limitation of the City of Lewiston is \$326,220 which is significantly in excess of the City of Lewiston's outstanding general obligation debt.

Additional information on the City of Lewiston's long-term debt can be found in note IV. F on pages 68-73 of this report.

Economic Factors and Next Year's Budgets and Rates

During the past year, the City of Lewiston experienced an increase in real estate value of \$15.1 million which was usurped by the decline in personal property value of \$24.4 million due to depreciation of assets. The residential market experienced a slight uptick this year by \$4,210 for the second year in a row and growth continued in utilities by \$14,137. Commercial value continued to decline in the current year by \$27,658, which was attributed to the reduction in personal property value. The industrial segment remained flat at \$200,535. Fluctuations in value during FY2016

produced an 87.2% assessed value to state equalized value ratio, which was a slight reduction from last year's 88.3% and is above the minimum rate of 75% of market value. For the second year in a row since the decline from 2009, the state equalized value or market value grew by \$17.7 million to \$2.175 million, but still fell well short of the peak of \$2.58 million in FY2009.

FY17's budget marked a turning point in the local economic climate with a \$469 or 4.23% growth in municipal nontax revenue. The municipal operating expenses and county tax rose by \$716 or 2.19% and \$64 or 2.69% respectively. The \$908 increase in personnel services including fringe benefits was the sole cost driver. A \$414 or 5% reduction in debt service reduced the impact of the increase to \$366 or .84%. The impact on the tax rate was a nine cent reduction for the municipality and a four cent increase to cover the growth in the county budget.

The 290 student enrollment increase impacted many areas of the school budget from additional staffing to increases in supplies and contractual services particularly in the area of special education. The FY17 budget also marked the final year of the state's minimum local share requirement phase-in. Thus, school expenditures rose by \$4,074 or 6.3%, the minimum required amount in order to receive 100% of the state's educational subsidy. Given the two-year delay by the state, the department is now seeing \$1,705 in additional funding from the Maine Department of Education for prior years' enrollment growth. To temper the impact on the tax rate, the school department used \$1,938 from their rainy day fund to offset the cost increase. The net effect on the tax rate was a twenty-two cent or 2.16% increase.

Additional highlights of the FY2017 budget include the following:

- The City Council cut an additional \$647 of expenditures from the City Administrator's recommended budget.
- The rise in contractual services of \$156 was offset by the decline in supplies of \$288.
- General government, public safety, public works, and library budgets all rose by \$66, \$205, \$141, and \$84 respectively.
- The overall tax rate increased from \$27.37 to \$27.54 or a combined seventeen cents. However, the state's homestead exemption rose from \$9 to \$13.7 which produced a tax savings for those home owners who have real estate values under \$700.

Public Law 1 adopted in 2005, imposes a property tax levy limit which is based on a combination of the State's average personal income growth factor and the property growth factor of each individual municipality. The limit is on the municipal tax levy only, excluding schools and the County which has its own limitations. The total growth factor for the City on the 2017 fiscal year budget is 4.47%. The growth limitation factor is cumulative each year and allows municipalities to utilize unused growth in previous years. The budget adopted by the City Council was well within the limits established by the law and has been since the City has been under this limitation.

The water, sewer and storm water department budgets are separately funded with user fees. The approved 2017 fiscal year water department budget of \$5.39 million was 1.3% more than the previous year, and no water rate increase was required. The sewer department budget of \$5.7 million was an increase of 4.9%. An 18% rate increase was necessary due to operational cash deficits. The storm water budget of \$2.8 million rose by \$33 over the previous year. Again, projected cash flows were sufficient to cover the additional costs, therefore no rate increase was required.

The unemployment rate for the City of Lewiston is currently 3.5% which is a decrease of .6% from the rate of 4.1% a year ago. This rate is below the state and national average unemployment rate of 3.7% and 4.9%, respectively.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Comparative Statement of Net Position
June 30, 2016

	Primary Government			
	Governmental Activities	Business-Type Activities	Total 2016	Total 2015
ASSETS				
Cash and Cash Equivalents	\$ 5,776,596	\$ 863,181	\$ 6,639,777	\$ 9,452,831
Investments	26,226,356	1,656,097	27,882,453	23,244,948
Receivables:				
Taxes	1,914,902		1,914,902	1,907,180
Accounts (Net of Allowance for Uncollectibles)	1,060,415	2,567,455	3,627,870	4,663,049
Interfund	2,064,772	(2,064,772)	0	
Intergovernmental	3,529,286		3,529,286	3,238,983
Loans (Net of Allowance for Uncollectibles)	3,741,037		3,741,037	3,969,836
Prepaid Items	263,011		263,011	317,370
Inventory	371,266		371,266	327,345
Restricted Cash & Investments		439,344	439,344	412,563
Intangible Assets (Net of Amortization)		1,259,626	1,259,626	653,835
Investment in Joint Ventures		5,602,870	5,602,870	5,480,727
Capital Assets:				
Land	14,164,411	1,294,710	15,459,121	15,234,322
Buildings	103,132,105	10,765,114	113,897,219	113,646,346
Improvements Other Than Buildings	30,842,544		30,842,544	30,954,127
Machinery and Equipment	42,768,316	2,828,970	45,597,286	45,068,700
Infrastructure	128,136,171	86,421,806	214,557,977	209,442,971
Less: Accumulated Depreciation	(128,927,322)	(26,366,756)	(155,294,078)	(145,313,765)
Construction In Progress	5,224,359	2,420,577	7,644,936	2,801,629
Total Net Capital Assets	<u>195,340,584</u>	<u>77,364,421</u>	<u>272,705,005</u>	<u>271,834,330</u>
Total Assets	<u>240,288,223</u>	<u>87,688,222</u>	<u>327,976,445</u>	<u>325,502,997</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pensions	10,325,971		10,325,971	4,387,002
Total Deferred Outflows of Resources	<u>10,325,971</u>		<u>10,325,971</u>	<u>4,387,002</u>
LIABILITIES				
Accounts Payable	4,413,841	887,749	5,301,590	4,832,412
Accrued Wages and Taxes Payable	6,200,731	46,470	6,247,201	5,640,889
Customers' Deposits	2,594		2,594	935
Accrued Interest Payable	417,364	308,042	725,406	906,763
Unearned Revenue	729,427		729,427	748,876
Liabilities Payable From Restricted Assets		439,344	439,344	412,563
Noncurrent Liabilities:				
Due Within One Year	12,308,739	3,377,240	15,685,979	17,120,913
Due in More Than One Year	110,783,322	35,430,460	146,213,782	147,205,899
Total Liabilities	<u>134,856,019</u>	<u>40,489,305</u>	<u>175,345,326</u>	<u>176,869,252</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pensions	7,857,530		7,857,530	7,842,431
Total Deferred Inflows of Resources	<u>7,857,530</u>		<u>7,857,530</u>	<u>7,842,431</u>
NET POSITION				
Net Investment in Capital Assets	113,507,799	38,833,518	152,341,317	147,588,014
Restricted For:				
Recreation and Human Services	6,837,286		6,837,286	6,342,496
Nonexpendable Portion of Permanent Funds	1,218,385		1,218,385	1,218,385
Expendable Portion of Permanent Funds	425,168		425,168	443,609
Education	5,664,246		5,664,246	2,505,583
Unrestricted	(19,752,241)	8,365,399	(11,386,842)	(12,919,767)
Total Net Position	<u>\$ 107,900,643</u>	<u>\$ 47,198,917</u>	<u>\$ 155,099,552</u>	<u>\$ 145,178,312</u>

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

**Comparative Statement of Activities
For the Year Ended June 30, 2016**

Functions and Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Primary Government Total	
							2016	2015
Primary Government:								
Governmental Activities:								
General Government	\$ 12,977,354	\$ 2,289,724	\$ 1,799,062		\$ (8,888,568)	\$ (8,888,568)	\$ (7,909,047)	
Public Safety	16,699,928	453,991			(16,245,937)	(16,245,937)	(16,038,467)	
Public Works	14,122,962	1,177,027		\$ 1,650,909	(11,295,026)	(11,295,026)	(8,890,990)	
Human Services	1,263,360		685,384		(577,976)	(577,976)	(812,306)	
Culture & Recreation	1,933,789	147,273	38,537		(1,747,979)	(1,747,979)	(1,936,707)	
Education & Nutrition	75,439,391	646,587	61,443,174		(13,349,629)	(13,349,629)	(10,357,076)	
Interest on Long-Term Debt	3,082,226				(3,082,226)	(3,082,226)	(3,710,810)	
Total Governmental Activities	125,519,010	4,714,603	63,966,157	1,650,909	(55,187,341)	(55,187,341)	(49,655,403)	
Business-Type Activities:								
Water	4,417,398	5,391,606	67,872	28,079		\$ 1,070,159	1,070,159	936,862
Sewer	4,934,988	5,061,250	54,270			180,532	180,532	316,193
Storm Water	1,765,316	2,604,641				839,325	839,325	938,899
Total Business-Type Activities	11,117,702	13,057,497	122,142	28,079		2,090,016	2,090,016	2,191,954
Total Primary Government	\$ 136,636,712	\$ 17,772,100	\$ 64,088,299	\$ 1,678,988	\$ (55,187,341)	\$ 2,090,016	\$ (53,097,325)	\$ (47,463,449)
General Revenues:								
Property Taxes					52,205,919	52,205,919	50,797,064	
Payment in Lieu of Taxes					340,341	340,341	134,536	
Motor Vehicle Excise Taxes					4,547,032	4,547,032	4,243,107	
Franchise Taxes					127,611	127,611	125,144	
Grants and Contributions Not Restricted to Specific Programs:								
Homestead Exemption & BETE Reimbursement					2,410,040	2,410,040	2,218,958	
State Revenue Sharing					2,878,000	2,878,000	2,765,034	
Unrestricted Investment Earnings					466,641	42,981	509,622	224,512
Transfers					456,706	(456,706)	-	
					63,432,290	(413,725)	63,018,565	60,508,356
					8,244,949	1,676,291	9,921,240	13,044,908
					99,655,694	45,522,626	145,178,312	132,133,402
					\$ 107,900,643	\$ 47,198,917	\$ 155,099,552	\$ 145,178,312

**Comparative Balance Sheet
Governmental Funds
June 30, 2016**

	School Categorical			Other	Total Governmental Funds	
	General	Grants Special Revenue Fund	Capital Projects	Governmental Funds	2016	2015
ASSETS						
Cash and Cash Equivalents	\$ 3,748,730	\$ 149,549	\$ 326,555	\$ 1,551,762	\$ 5,776,596	\$ 7,802,982
Investments	20,620,432	288,280	632,491	4,685,153	26,226,356	20,162,836
Receivables:						
Taxes	1,914,902				1,914,902	1,907,180
Accounts (Net of Allowance for Uncollectibles)	677,064	2,138		381,213	1,060,415	2,215,820
Intergovernmental	892,433	1,559,202	327,556	750,096	3,529,286	3,238,983
Loans (Net of Allowance for Uncollectibles)	1,864,547			1,876,490	3,741,037	3,969,836
Interfund Receivable	5,676,710			22,702	5,699,412	3,558,832
Prepaid Items	263,011				263,011	317,370
Inventory	273,593	97,673			371,266	298,250
Total Assets	\$ 35,931,421	\$ 2,096,842	\$ 1,286,602	\$ 9,267,415	\$ 48,582,279	\$ 43,472,090
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 2,370,704	\$ 122,914	\$ 1,579,319	\$ 340,904	\$ 4,413,841	\$ 4,005,467
Accrued Wages and Taxes Payable	5,826,731	353,102		20,898	6,200,731	5,540,655
Interfund Payable			3,209,866	424,774	3,634,640	3,558,832
Unearned Revenue	711,635	17,793			729,427	748,876
Customer's Deposits	2,594				2,594	935
Total Liabilities	8,911,664	493,809	4,789,185	786,576	14,981,234	13,854,765
Deferred Inflows of Resources:						
Deferred Tax Revenue	1,693,298				1,693,298	1,688,956
Total Deferred Inflows of Resources	1,693,298				1,693,298	1,688,956

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2016

					Total Governmental Funds		
	General	School Grants Special Revenue Fund	Debt Service Fund	Capital Projects	Other Governmental Funds	2016	2015
REVENUES							
Taxes	\$ 57,015,724				\$ 2,142,925	\$ 59,158,648	\$ 57,366,216
Licenses and Permits	395,564					395,564	392,355
Intergovernmental	53,595,980	\$ 12,026,129		\$ 447,771	2,770,618	68,840,497	63,934,033
Charges For Services	1,795,925	190,735			88,766	2,075,426	2,214,465
Fines	181,372					181,372	170,495
Interest, Rents and Royalties	1,587,641			209,647	492,819	2,290,107	2,021,920
Donations					92,703	92,703	117,949
Miscellaneous	117,650	3,728			147,214	268,592	726,608
Total Revenues	<u>114,689,856</u>	<u>12,220,592</u>		<u>657,418</u>	<u>5,735,044</u>	<u>133,302,910</u>	<u>126,944,042</u>
EXPENDITURES							
Current:							
General Government	2,815,220				4,279,559	7,094,779	6,885,591
Public Safety	12,823,752					12,823,752	12,680,382
Public Works	5,971,893					5,971,893	6,924,704
Human Services	935,260				149,202	1,084,462	1,142,913
Culture and Recreation	1,239,633				214,471	1,454,104	1,404,367
Intergovernmental	3,811,611					3,811,611	3,700,698
Education	61,661,206	7,511,484				69,172,690	65,655,234
Nutrition		3,540,121				3,540,121	3,093,917
Miscellaneous	6,407,935		\$ 61,037	68,388		6,537,360	5,955,364
Debt Service:							
Redemption of Serial Bonds			10,746,961			10,746,961	14,485,076
Interest on Serial Bonds			3,058,293			3,058,293	3,578,000
Capital Lease Debt			181,664			181,664	205,644
Capital Outlay				7,151,310	819,273	7,970,583	6,565,001
Total Expenditures	<u>95,666,511</u>	<u>11,051,605</u>	<u>14,047,955</u>	<u>7,219,698</u>	<u>5,462,505</u>	<u>133,448,273</u>	<u>132,276,891</u>
Excess (Deficiency) of Revenues Over							
(Under) Expenditures	19,023,346	1,168,987	(14,047,955)	(6,562,280)	272,539	(145,363)	(5,332,849)
OTHER FINANCING SOURCES (USES)							
Transfers In	537,888		13,986,918	200,000	867,107	15,591,913	19,356,001
Transfers Out	(14,081,550)	(63,574)		(326,787)	(663,295)	(15,135,207)	(18,885,085)
Issuance of Refunded Bonds			3,995,000			3,995,000	
Premium from Bond Issuance			248,339			248,339	
Payment to Refunded Bond Escrow Agent			(4,182,302)			(4,182,302)	
Issuance of General Obligation Bonds				3,607,000		3,607,000	
Total Other Financing Source (Uses)	<u>(13,543,662)</u>	<u>(63,574)</u>	<u>14,047,955</u>	<u>3,480,213</u>	<u>203,811</u>	<u>4,124,743</u>	<u>470,915</u>
Net Change in Fund Balances	5,479,684	1,105,413	0	(3,082,067)	476,350	3,979,380	(4,861,932)
Fund Balance, July 1	19,846,776	497,618		(420,515)	8,004,486	27,928,370	32,790,302
Fund Balance, June 30	<u>\$ 25,326,460</u>	<u>\$ 1,603,031</u>	<u>\$ 0</u>	<u>\$ (3,502,582)</u>	<u>\$ 8,480,834</u>	<u>\$ 31,907,750</u>	<u>\$ 27,928,370</u>

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

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2016**

Net Change in Fund Balances - Total Governmental Funds Reported on Statement 4	\$	3,979,380
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$6,633,203 was reduced by depreciation expense of \$8,610,450.		(1,977,247)
The net effect of the disposition of capital assets which resulted in a loss that decreased net position. Disposed assets were historically valued at \$988,024, with accumulated depreciation of \$553,789.		(434,235)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		4,342
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position. This amount is the net effect of these differences in the treatment of long-term debt.		7,178,951
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(506,243)</u>
Change in net position of governmental activities (see Statement 2)	\$	<u>8,244,949</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
General Fund
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		Actual & Year End Encumbrances	Variance With Final Budget - Positive (Negative)
	Original & 2015 Encumbrances	Final & 2015 Encumbrances		
REVENUES				
Taxes:				
Real Estate	\$ 52,386,585	\$ 52,386,585	\$ 52,468,692	\$ 82,107
Excise	3,897,000	3,897,000	4,547,032	650,032
Licenses and Permits	348,568	348,568	395,564	46,996
Intergovernmental	49,091,634	49,091,634	49,983,115	891,481
Charges For Services	1,491,180	1,491,180	1,795,925	304,745
Fines	158,100	158,100	181,372	23,272
Interest, Rents and Royalties	1,332,957	1,332,957	1,587,641	254,684
Miscellaneous	102,939	102,939	117,650	14,711
Total Revenues	<u>108,808,963</u>	<u>108,808,963</u>	<u>111,076,991</u>	<u>2,268,028</u>
EXPENDITURES				
Current:				
General Government:				
Mayor and City Council	29,300	31,931	33,080	(1,149)
City Administrator	353,409	408,796	404,651	4,145
City Attorney	85,740	85,740	79,821	5,919
City Clerk	275,970	351,698	343,767	7,931
Human Resources	147,201	164,592	162,498	2,094
Finance and Administration	1,359,175	1,557,064	1,533,244	23,820
Buildings and Parking Facilities	412,329	781,887	712,496	69,391
Total General Government	<u>2,663,124</u>	<u>3,381,708</u>	<u>3,269,559</u>	<u>112,149</u>
Public Safety:				
Police	5,623,551	6,444,543	6,282,235	162,308
Fire	5,869,153	6,362,812	6,314,611	48,201
Inspection	382,565	446,202	444,351	1,851
Total Public Safety	<u>11,875,269</u>	<u>13,253,557</u>	<u>13,041,198</u>	<u>212,359</u>
Public Works:				
Administration	137,036	161,353	162,959	(1,606)
Engineering	116,933	154,337	140,176	14,161
Maintenance and Sanitation	6,077,562	6,986,341	6,459,671	526,670
Total Public Works	<u>6,331,531</u>	<u>7,302,031</u>	<u>6,762,806</u>	<u>539,225</u>
Human Services	1,046,563	1,065,633	935,260	130,373
Recreation	244,521	482,241	457,964	24,277
Library	892,055	1,006,550	993,551	12,999
Intergovernmental	3,888,921	3,935,721	3,935,721	-
Education	59,843,333	59,843,333	58,120,636	1,722,697

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
General Fund
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual & Year End Encumbrances</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original & 2015 Encumbrances</u>	<u>Final & 2015 Encumbrances</u>		
Miscellaneous:				
Insurances	4,633,722	4,643,135	4,363,317	279,818
Pensions and Retirement	2,727,064	770,956	91,815	679,141
Reserves and Contingencies	324,562	279,318	315,270	(35,952)
Other Miscellaneous	1,080,172	1,110,380	1,644,202	(533,822)
Total Miscellaneous	<u>8,765,520</u>	<u>6,803,789</u>	<u>6,414,605</u>	<u>389,184</u>
Total Expenditures	<u>95,550,837</u>	<u>97,074,563</u>	<u>93,931,301</u>	<u>3,143,262</u>
Excess of Revenues Over Expenditures	13,258,126	11,734,400	17,145,690	5,411,290
OTHER FINANCING SOURCES (USES)				
Transfers In	416,061	416,061	537,888	121,827
Transfers Out	(13,628,551)	(14,081,550)	(14,081,550)	0
Total Other Financing Sources and Uses	<u>(13,212,490)</u>	<u>(13,665,489)</u>	<u>(13,543,662)</u>	<u>121,828</u>
Net Change in Fund Balance - Budgetary Basis	45,637	(1,931,089)	3,602,028	5,533,118
Add Back Encumbrances	<u>771,004</u>	<u>771,004</u>	<u>1,877,655</u>	<u>1,106,651</u>
Net Change in Fund Balance - GAAP Basis	816,641	(1,160,084)	5,479,684	6,639,769
Fund Balance, July 1,	19,846,776	19,846,776	19,846,776	
Fund Balance, June 30	<u>\$ 20,663,417</u>	<u>\$ 18,686,692</u>	<u>\$ 25,326,460</u>	<u>\$ 6,639,769</u>

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

Comparative Statement of Net Position
Proprietary Funds
June 30, 2016
Business-Type Activities - Enterprise Funds

	Water	Sewer	Storm Water	Total	
	Enterprise Fund	Enterprise Fund	Enterprise Fund	2016	2015
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 331,034	\$ 18,157	\$ 513,990	\$ 863,181	\$ 1,649,849
Investments	628,835	35,167	992,095	1,656,097	3,082,112
Restricted Cash - Customer Deposits	12,331	423,583	3,430	439,344	412,563
Inventory					29,095
Accounts Receivable (Net of Allowance for Uncollectibles)	<u>1,175,343</u>	<u>1,013,519</u>	<u>378,593</u>	<u>2,567,455</u>	<u>2,447,229</u>
Total Current Assets	2,147,543	1,490,426	1,888,108	5,526,077	7,620,848
Noncurrent Assets:					
Other Assets:					
Intangible Assets (Net of Amortization)	48,298	802,824	408,504	1,259,626	653,835
Investment in Joint Ventures	<u>2,673,362</u>	<u>2,929,508</u>	<u></u>	<u>5,602,870</u>	<u>5,480,727</u>
Total Other Assets	2,721,660	3,732,332	408,504	6,862,496	6,134,562
Capital Assets:					
Land	71,850	711,837	511,023	1,294,710	1,294,710
Buildings	6,546,294	4,218,820		10,765,114	10,765,114
Infrastructure	51,044,766	24,555,366	10,821,674	86,421,806	82,430,643
Machinery and Equipment	1,490,429	1,316,913	21,628	2,828,970	2,715,610
Less: Accumulated Depreciation	(16,020,340)	(9,373,480)	(972,936)	(26,366,756)	(24,443,104)
Construction in Progress	<u>739,906</u>	<u>933,484</u>	<u>747,187</u>	<u>2,420,577</u>	<u>1,319,293</u>
Total Net Capital Assets	43,872,905	22,362,940	11,128,576	77,364,421	74,082,266
Total Noncurrent Assets	46,594,565	26,095,272	11,537,080	84,226,917	80,216,828
Total Assets	\$ 48,742,108	\$ 27,585,698	\$ 13,425,188	\$ 89,752,994	\$ 87,837,676

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

Comparative Statement of Net Position
Proprietary Funds
June 30, 2016
Business-Type Activities - Enterprise Funds

	Water	Sewer	Storm Water	Total	
	Enterprise Fund	Enterprise Fund	Enterprise Fund	2016	2015
LIABILITIES					
Current Liabilities:					
Net Revenue Bonds Payable - Current	\$ 1,603,424	\$ 1,059,206	\$ 704,630	\$ 3,367,260	\$ 3,238,725
Accounts Payable	452,487	196,682	238,580	887,749	826,948
Accrued Wages and Taxes Payable	21,114	16,788	8,568	46,470	100,234
Compensated Absences Payable - Current	5,366	4,614		9,980	8,532
Accrued Interest Payable	128,040	103,630	76,372	308,042	319,603
Interfund Payable	2,064,772			2,064,772	
Customer Deposits Payable	12,331	423,583	3,430	439,344	412,563
Total Current Liabilities	<u>4,287,534</u>	<u>1,804,503</u>	<u>1,031,580</u>	<u>7,123,617</u>	<u>4,906,605</u>
Noncurrent Liabilities:					
Compensated Absences Payable	117,148	45,093		162,241	150,258
Net Revenue Bonds Payable	16,122,020	11,267,085	7,879,114	35,268,219	37,223,359
Total Noncurrent Liabilities	<u>16,239,168</u>	<u>11,312,178</u>	<u>7,879,114</u>	<u>35,430,460</u>	<u>37,373,617</u>
Total Liabilities	<u>20,526,702</u>	<u>13,116,681</u>	<u>8,910,694</u>	<u>42,554,077</u>	<u>42,280,222</u>
NET POSITION					
Net Investment in Capital Assets	24,628,133	10,559,459	3,645,926	38,833,518	37,073,340
Unrestricted	3,587,273	3,909,558	868,568	8,365,399	8,449,286
Total Net Position	<u>\$ 28,215,406</u>	<u>\$ 14,469,017</u>	<u>\$ 4,514,494</u>	<u>\$ 47,198,917</u>	<u>\$ 45,522,626</u>

Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016
Business-Type Activities - Enterprise Funds

	Water	Sewer	Storm Water	Total	
	Enterprise Fund	Enterprise Fund	Enterprise Fund	2016	2015
OPERATING REVENUES					
Charges for Services	\$ 5,391,606	\$ 5,061,250	\$ 2,604,641	\$ 13,057,497	\$ 13,060,944
Total Operating Revenues	<u>5,391,606</u>	<u>5,061,250</u>	<u>2,604,641</u>	<u>13,057,497</u>	<u>13,060,944</u>
OPERATING EXPENSES					
Cost of Sales and Services	1,853,277	3,223,800	868,510	5,945,587	6,014,431
Administration	855,678	631,654	350,066	1,837,398	1,735,219
Depreciation	1,247,349	663,533	220,113	2,130,995	2,039,761
Total Operating Expenses	<u>3,956,304</u>	<u>4,518,987</u>	<u>1,438,689</u>	<u>9,913,980</u>	<u>9,789,411</u>
Operating Income	1,435,302	542,263	1,165,952	3,143,517	3,271,533
NONOPERATING REVENUES					
(EXPENSES)					
Interest Revenues	147	18,619	24,215	42,981	15,852
Increase in Fund Equity of Joint Ventures	67,872	54,270		122,142	139,024
Interest Expense	(447,295)	(347,406)	(239,163)	(1,033,864)	(1,127,326)
Gain (Loss) on Sale of Capital Assets					(18,379)
Amortization of Deferred Charges	(13,799)	(68,595)	(87,464)	(169,858)	(100,259)
Total Nonoperating Revenue (Expenses)	<u>(393,075)</u>	<u>(343,112)</u>	<u>(302,412)</u>	<u>(1,038,599)</u>	<u>(1,091,088)</u>
Income Before Contributions & Transfers	1,042,227	199,151	863,540	2,104,918	2,180,445
Transfers Out	(22,548)	(44,685)	(389,473)	(456,706)	(470,919)
Capital Contributions	<u>28,079</u>			<u>28,079</u>	<u>27,361</u>
Change in Net Position	1,047,758	154,466	474,067	1,676,291	1,736,887
Total Net Position, July 1	<u>27,167,648</u>	<u>14,314,551</u>	<u>4,040,427</u>	<u>45,522,626</u>	<u>43,785,739</u>
Total Net Position, June 30	<u>\$ 28,215,406</u>	<u>\$ 14,469,017</u>	<u>\$ 4,514,494</u>	<u>\$ 47,198,917</u>	<u>\$ 45,522,626</u>

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

Comparative Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2016
Business-Type Activities - Enterprise Funds

	Water	Sewer	Storm Water	Total	
	Enterprise Fund	Enterprise Fund	Enterprise Fund	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received From Customers	\$ 5,281,559	\$ 5,050,004	\$ 2,632,488	\$ 12,964,051	\$ 12,846,935
Cash Paid to Suppliers for Goods and Services	(1,597,837)	(3,244,527)	(627,212)	(5,469,576)	(5,816,241)
Cash Paid to Employees for Services	(1,078,021)	(656,940)	(528,885)	(2,263,846)	(1,943,245)
Net Cash Provided by Operating Activities	<u>2,605,701</u>	<u>1,148,537</u>	<u>1,476,391</u>	<u>5,230,629</u>	<u>5,087,449</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to Other Funds	(22,548)	(44,685)	(389,473)	(456,706)	(470,919)
Net Cash (Used For) Noncapital Financing Activities	<u>(22,548)</u>	<u>(44,685)</u>	<u>(389,473)</u>	<u>(456,706)</u>	<u>(470,919)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds From Sale of Revenue Bonds	628,128	567,069	261,979	1,457,176	
Proceeds Advance from General Fund	2,064,772			2,064,772	
Acquisition and Construction of Capital Assets	(2,336,692)	(2,669,905)	(1,182,203)	(6,188,800)	(6,378,852)
Principal Paid on Revenue Bonds	(1,575,275)	(1,019,245)	(668,179)	(3,262,699)	(3,290,209)
Interest Paid on Revenue Bonds	(475,313)	(355,953)	(248,987)	(1,080,253)	(1,150,743)
Cost of Issuing Revenue Bonds	(10,692)	(7,030)	(3,359)	(21,081)	
Capital Contributions	28,079			28,079	27,361
Net Cash (Used For) Capital & Related Financing Activities	<u>(1,676,993)</u>	<u>(3,485,064)</u>	<u>(1,840,749)</u>	<u>(7,002,806)</u>	<u>(10,792,443)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Earned on Investments	147	18,619	24,215	42,981	15,852
Net Cash Provided By Investing Activities	<u>147</u>	<u>18,619</u>	<u>24,215</u>	<u>42,981</u>	<u>15,852</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	906,307	(2,362,593)	(729,616)	(2,185,902)	(6,160,061)
Cash and Cash Equivalents, July 1	<u>65,893</u>	<u>2,839,500</u>	<u>2,239,131</u>	<u>5,144,524</u>	<u>11,304,585</u>
Cash and Cash Equivalents, June 30	<u>\$ 972,200</u>	<u>\$ 476,907</u>	<u>\$ 1,509,515</u>	<u>\$ 2,958,622</u>	<u>\$ 5,144,524</u>
Cash and Cash Equivalents	331,034	18,157	513,990	863,181	1,649,849
Investments	628,835	35,167	992,095	1,656,097	3,082,112
Restricted Cash	12,331	423,583	3,430	439,344	412,563
Total Cash and Cash Equivalents	<u>\$ 972,200</u>	<u>\$ 476,907</u>	<u>\$ 1,509,515</u>	<u>\$ 2,958,622</u>	<u>\$ 5,144,524</u>

Reconciliation of Operating Income to Net Cash Provided By Operating Activities					
Operating Income	\$ 1,435,302	\$ 542,263	\$ 1,165,952	\$ 3,143,517	\$ 3,271,533
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:					
Depreciation and Amortization	1,247,349	663,533	220,113	2,130,995	2,039,761
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(108,222)	(39,851)	27,847	(120,226)	(208,449)
(Increase) Decrease in Inventory		29,095		29,095	(29,095)
Increase (Decrease) in Customer Deposits	(1,824)	28,604		26,780	(5,559)
Increase (Decrease) in Accounts Payable	42,196	(66,450)	85,055	60,801	(24,476)
Increase (Decrease) in Accrued Payroll	(20,000)	(11,188)	(22,576)	(53,764)	35,034
Increase (Decrease) in Compensated Absences Payable	10,900	2,531		13,431	8,700
Total Adjustments	<u>1,170,399</u>	<u>606,274</u>	<u>310,439</u>	<u>2,087,112</u>	<u>1,815,916</u>
Net Cash Provided By Operating Activities	<u>\$ 2,605,701</u>	<u>\$ 1,148,537</u>	<u>\$ 1,476,391</u>	<u>\$ 5,230,629</u>	<u>\$ 5,087,449</u>

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

Comparative Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Private Purpose Trust Funds</u>		<u>Agency Funds</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
ASSETS				
Cash			\$ 715,290	\$ 683,662
Investments	\$ 134,873	\$ 137,279		
Accounts Receivable	9			
Total Assets	<u>\$ 134,883</u>	<u>\$ 137,279</u>	<u>\$ 715,290</u>	<u>\$ 683,662</u>
LIABILITIES				
Accounts Payable			\$ 395	\$ 216
Accrued Payroll			15	35
School Activities Payable			425,184	411,041
Lewiston Senior Citizens Payable			14,115	16,325
Franklin Pasture Payable			258,375	241,063
Holiday Parade Committee Payable			204	
SSI Client Payable			17,002	14,983
Total Liabilities			<u>\$ 715,290</u>	<u>\$ 683,662</u>
NET POSITION				
Held in trust for scholarships and other purposes	<u>\$ 134,883</u>	<u>\$ 137,279</u>		

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

**Comparative Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016**

	Private Purpose Trust Funds	
	2016	2015
ADDITIONS		
Investment Earnings	\$ 93	\$ 87
Total Additions	93	87
DEDUCTIONS		
Medical Disbursements	2,490	2,500
Scholarship Awards	7,033	7,033
Total Deductions	2,490	9,533
Change in Net Position	(2,396)	(9,446)
Net Position - Beginning	137,279	146,725
Net Position - Ending	\$ 134,883	\$ 137,279

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

CITY OF LEWISTON, MAINE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Lewiston is a municipal corporation governed by an elected mayor and a seven-member council. In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by accounting principles generally accepted in the United States. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of the type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. As required by accounting principles generally accepted in the United States, these financial statements present the City with one blended component unit, an entity for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are combined with data of the City.

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements, which encompass the Statement of Net Position and the Statement of Activities, report financial information on the City of Lewiston's nonfiduciary activities. The effect of significant interfund activity has been removed from these statements. Governmental Activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from Business-Type Activities, which rely to a significant extent on user fees and charges for service for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1.) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2.) grants and contributions that are restricted to meeting the operational or capital

requirements of the respective function or segment. Taxes and other items not directly applicable to one function or segment are reported as general revenues.

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

C. Measurement Focus, Basis of Accounting and Presentation

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

The modified accrual basis of accounting and the current financial resources measurement focus is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized only when they become available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A six month or less availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as expenditures deriving from long-term compensated absences, claims, and judgments are recorded as fund liabilities when due or when amounts have been accumulated for payments to be made early in the following year.

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

The City of Lewiston reports the following major governmental funds:

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

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

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

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

The City of Lewiston discloses the following major proprietary funds:

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

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

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

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

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

Agency Funds – account for assets held by the City as an agent for individuals, private organizations, other governments and/or funds. The City of Lewiston serves as an agent for: various school activity accounts, private funding for the downtown holiday parade and celebration, the Franklin Pasture Sports Complex, the local senior citizens group, and the Social Security pass-through client program.

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

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

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1. Cash and Investments

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

2. Receivables and Payables

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

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

3. Inventories

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

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

6. Compensated Absences

Under terms of union contracts and employment agreements, City employees are granted vacation and sick leave in varying amounts. City employees, including teachers, may accumulate up to 180 days of unused sick leave. Teachers are reimbursed for up to 50 days of accumulated sick leave upon retirement; all other City employees are reimbursed for up to 90 days of accumulated sick leave upon retirement. Employees, with the exception of teachers, may accumulate up to 40 vacation days and are entitled to full payment upon termination.

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

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental

activities, business-type activities, or proprietary fund type statement of net position. In the fund financial statements, governmental fund types recognized long-term obligations as a liability when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The individual fund that incurred the original long-term debt obligation will provide the financial resources to liquidate the liability. The General Fund has the primary funding role in the liquidation of the net pension and other postemployment benefit obligations, and the liability for compensated absences.

The City implemented GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities"; as a result, bond issuance costs are recognized and expensed in the current period for both governmental and proprietary funds.

8. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position and the Governmental Fund Balance Sheet will sometimes report a separate section for deferred outflows and inflows of resources. Deferred outflows of resources represent the future reporting of the consumption of the government's net position. Conversely, deferred inflows of resources will increase net position in a future period. The City of Lewiston has a deferred inflow on its Governmental Fund Balance Sheet, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Deferred tax revenue of \$1,693,298 is deferred and recognized as an inflow of resources in the period that the amounts become available.

The City recorded a deferred outflow related to the net pension liability, which include the City's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. The differences between expected and actual experience, and changes in the proportion and differences between City contributions and the proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

The separate financial statement element, deferred inflows of resources, represents an acquisition of net pension that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflow relates to the net pension liability, which includes the net difference between the projected and the actual investment earnings on the pension plan investments, which is deferred and amortized over a five year period.

9. Fund Equity

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. Some of the City's Nonmajor Special Revenue Funds include Federal and State grants which require fund balance to be restricted for those purposes.

Committed – resources which are subject to limitations the government imposes upon itself at its highest level of decision making, for Lewiston, it's through City Council order, and that remains binding unless removed in the same manner.

Assigned – resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes. The City Council has delegated through its Fund Balance Policy, this authority to the City Administrator and the Finance Director. The City Council has assigned the Lewiston Mill Redevelopment Corp. and the

Recreation Activity Nonmajor Special Revenue Funds' fund balance to be retained for those purposes.

Unassigned – resources which cannot be properly classified in one of the other four categories. The General Fund should be the only fund that reports a positive unassigned fund balance.

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

10. Pensions

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

11. Comparative Data and Reclassifications

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The Governmental Fund Balance Sheet includes a reconciliation between total governmental fund balance and governmental activities net position as reported in the Government-wide Statement of Net Position. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds. The components of this \$123,509,425 difference are as follows:

Bonds Payable	\$ 88,811,832
Bond Premium	2,312,523
Accrued Interest Payable	417,364
Obligation for Workers Compensation Claims	4,154,573
City Pension Plan Net Pension Obligation	380,906
Compensated Absences Payable – Sick	2,666,370
OPEB UAAL	1,620,844
MEPERS Net Pension Liability	16,630,371
MainePERS IUUAL	1,320,753
Compensated Absences Payable – Vacation	1,745,875
Capital Lease Payable	419,915
Landfill Closure and Post-Closure Care Costs	<u>3,028,099</u>
Net adjustment to reduce total governmental fund balances to arrive at governmental activities net position	\$ <u>123,509,425</u>

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

Statement 5 provides a reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities. One element of that reconciliation explains that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt uses current financial resources of governmental funds." Neither transaction, however, has any effect on the net position. The details of this \$7,178,951 difference are as follows:

Debt Issued:	
Issuance of General Obligation Bonds	\$ (3,724,168)
Principal Repayments:	
General Obligation Debt	10,746,961
Capital Lease Payments	<u>156,158</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	\$ <u>7,178,951</u>

Another component of the reconciliation states that "Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The elements that comprise the \$506,243 reconciling item are noted below:

Accrued Interest Adjustment	\$ 169,829
Workers Compensation Claims	996,150
Bond Premium	44,066
OPEB UAAL	(155,488)
Compensated Absences – Sick	(68,410)
Compensated Absences – Vacation	(17,498)
Landfill Closure & Postclosure Care	(176,892)
MainePERS IUUAL	171,059
MEPERS Pension Liability	(1,488,296)
City Pension Plan Costs	<u>19,237</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	\$ <u>(506,243)</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

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

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in governmental funds. Encumbrances outstanding at year end are reported as assigned fund balance and

do not constitute expenditures or liabilities because goods and services have not been received in the current year. However, for budgetary purposes, encumbrances are treated as expenditures.

Each year, on or before April 1, the City Administrator submits to the City Council a budget for the ensuing fiscal year along with an accompanying message. The Administrator's message explains the budget both in fiscal terms and in terms of work programs. It outlines the proposed financial policies of the City for the coming fiscal year, describes the important features of the budget; indicates any major changes from the current year's financial policies, expenditures, and revenues, together with the reasons for such changes; summarizes the City's debt position; and includes such other materials as the Administrator deems desirable. It also describes the tax impact of the proposed budget.

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

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

The Administrator makes allotments to various City departments in accordance with needs. No expenditures may be made or obligation incurred without his certification. The level of budgetary control is at the department level for the General Fund and Water, Sewer and Storm Water Enterprise Funds and at the federal program level for the CDBG Special Revenue Fund. The federal program level is established by HUD for program categories serviced by CDBG funds. Within each of these categories, the City of Lewiston outlines projects to be completed to satisfy HUD's national objectives. At any time during the fiscal year, the Administrator may transfer part or all of any unencumbered appropriation balance among programs within a department. Also, upon written request by the Administrator, the City Council may, by resolution, transfer part or all of any unencumbered balance to another department. If, during the fiscal year, the Administrator certifies that there are revenues in excess of the total estimated budget, the Council may make, after a public hearing, supplemental resolutions up to the amount of the excess revenues. Also, to meet a public emergency, the Council may make emergency appropriations by resolution. During the fiscal year ended June 30, 2016, there was one general fund supplemental appropriation totaling \$1,976,725. The City Council authorized the supplemental appropriation to purchase various one time capital items and/or repairs.

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

B. Budgetary Basis vs. GAAP Basis

The City's budget is reported on a modified accrual basis, except that current year encumbrances are treated as expenditures for budgetary purposes. For financial reporting on the budgetary basis, funds

encumbered in the previous year are added to the current year's budgeted figures. Expenditures against the prior year's encumbrances are included with current year expenditures.

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

As required by accounting principles generally accepted in the United States, the City has recorded a revenue and expenditure for Maine Public Employees Retirement contributions made by the State of Maine on behalf of the City of Lewiston School Department. This amount has not been budgeted in the General Fund and results in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States. An intergovernmental revenue of \$3,612,865 and additional expenditure of \$3,612,865 in education have been included on Statement 2, Statement of Activities, and in the General Fund, and on Statement 4, Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (GAAP basis) and have not been reported on Statement 6 (Budgetary Basis). Outstanding encumbrances are treated as expenditures under the Budgetary Basis. Total encumbrances amount to \$1,877,655 for General Fund on Statement 6, but have been properly excluded on Statement 4, under the GAAP basis of accounting. For the current year, the Community Development Block Grant Special Revenue Fund had \$157,324 of encumbered program balances.

Significant budget deficits resulting from operations were experienced in the reserves and contingencies line item (\$35,952) due to additional accruals made to settle outstanding labor contracts; and other miscellaneous (\$533,822) resulting from additional worker compensation costs.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City of Lewiston has formally adopted an investment policy, whereby all available funds are invested at the highest possible rates, in conformance with legal requirements, while avoiding unreasonable risk. The current investment policy does not specifically address concentration of investment risk.

Deposits. At June 30, 2016, the carrying amount of the City's deposits was \$7,794,411 and the related bank balance was \$8,849,400.

Custodial Credit Risk for Deposits – The City of Lewiston does not have a formal policy that addresses custodial risk for deposits, which is the risk that the funds may not be returned in the case of bank failure. A portion of this risk is mitigated by the fact the financial institutions holding these deposits are F.D.I.C insured. Of the \$8,849,400 bank balance noted above, 100% of the balance was insured by federal depository insurance or collateralized. There were no remaining deposits held in the City's name that were exposed to custodial credit risk by being uninsured and uncollateralized.

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

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

	June 30, 2016 Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)
Investments by Fair Value Level			
Debt Securities:			
U.S. Agency Securities	\$3,783,346		\$3,783,346
Corporate Bonds	407,588		407,588
Brokered Certificates of Deposit	3,933,228		3,933,228
Total Debt Securities	<u>8,124,162</u>		<u>8,124,162</u>
Equity Securities:			
Common Stock	1,011,986	\$1,011,986	
Mutual Funds and Exchange-Traded Funds	99,623	99,623	
Real Estate Investment Trusts	11,361	11,361	
Total Equity Securities	<u>1,122,970</u>	<u>1,122,970</u>	
Total Investments by Fair Value Level	<u>9,247,132</u>	<u>\$1,122,970</u>	<u>\$8,124,162</u>
Investments Measured at the Net Asset Value (NAV):			
Money Market Mutual Funds	15,995,437		
Total Investments Measured at the NAV	<u>15,995,437</u>		
Total Investments Measured at Fair Value	<u>\$25,242,569</u>		

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The City has no Level 3 investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2016 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Certificates of Deposit held with local financial institutions for \$2,774,757 are excluded from the hierarchy as these investments are considered held to maturity and are therefore not measured at fair value. It is the intent of the City to hold the brokered certificates of deposit listed above to maturity as well.

	Fair Value	Wt. Average Maturity in Years
Certificates of Deposits	\$6,707,985	.71
Treasury Bonds	3,783,346	3.77
Corporate Stocks	1,122,970	N/A
Corporate Bonds	407,588	2.58
Money Market	<u>15,995,437</u>	Less than 1 year
Total Fair Value	<u>\$28,017,326</u>	

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

Credit Risk – Maine statutes authorizes the City to invest in U.S. Treasury and agencies, repurchase agreements and certain corporate stocks and bonds. The Library Endowment Permanent Fund is the only fund that utilizes equity investments. The Library Board of Directors contracted with R.M. Davis to manage and invest the endowment funds through Charles Schwab in safe and secure equities. In accordance with City policy, investments in certificates of deposits must be F.D.I.C insured and the principal shall not exceed the amount covered by the insurance at a single financial institution. The City held \$26,212 of corporate bonds with a bond rating of AA+, \$121,460 rated at an A+, \$208,875 rated at an A, \$30,125 rated at an A-, and \$20,916 rated at a BBB+. The City did not invest in perfected repurchase agreements as a cash management tool during the current year.

Custodial Credit Risk for Investments – This is the investment risk taken by the City of Lewiston in the event that we will not be able to recover the value of our investments or collateral securities that are in the possession of an outside entity. The City limits its custodial risk by occasionally purchasing perfected repurchase agreements through the trust departments of TD Bank and Bangor Savings Bank, in the City's name and is held at the Federal Reserve Bank in Boston. Of the \$5,313,904 investment in corporate equities, bonds, and U.S. Treasuries, \$1,551,014 has custodial credit risk because those securities are uninsured, unregistered and are held by the City's brokerage firm.

B. Receivables

Receivables at June 30, 2016, for the City of Lewiston's individual major funds, nonmajor, and Business-type - Enterprise funds consist of the following:

	General	School Categorical	Capital Projects	Other Gov. Funds	Enterprise Funds			Total
					Water	Sewer	Storm Water	
Taxes	\$1,914,902							\$1,914,902
Accounts	708,724	\$2,138		\$381,213	\$1,201,775	\$1,047,646	\$416,875	3,758,371
Notes\Loans	1,864,547			2,751,181				4,615,728
Intergovernmental	892,433	1,559,202	\$327,556	750,096				3,529,287
Gross Receivables	5,380,606	1,561,340	\$327,556	3,882,490	1,201,775	1,047,646	416,875	13,818,288
Less: Allowance for Uncollectibles	(31,660)			(874,691)	(26,432)	(34,127)	(38,282)	(1,005,192)
Net Receivables	\$5,348,946	\$1,561,340	\$327,556	\$3,007,799	\$1,175,343	\$1,013,519	\$378,593	\$12,813,096

Property taxes for the current year were committed July 30, 2015, on the assessed value listed as of April 1, 2015, for all real and personal property located in the City. Taxes were due in two installments: September 15, 2015, and March 15, 2016. Interest was charged at 7% on all taxes unpaid as of the due date. Under state statute, the Tax Collector, after the expiration of eight (8) months, and within one year after the date of the original tax commitment, records a tax lien certificate against any unpaid real estate property tax.

The last complete revaluation occurred in 1988 and was effective for the 1988 assessment. A revaluation of land values occurred in 2003 for fiscal year 2004. The assessed value for the list of April 1, 2015, upon which the 2016 levy was based, was at approximately 87.2% of the estimated market value.

Property taxes levied during fiscal year 2016 are recorded as receivables. The receivables collected during the fiscal year ended June 30, 2016 and during the 1st 60 days of fiscal year 2017 are recognized as revenues in the Governmental Funds, in fiscal year 2016. Receivables of \$1,693,298, estimated to be collectible subsequent to the 60 day period are considered to be deferred inflows of resources. Prior year tax levies were recorded using this same principle.

The non-current portion of the notes/loans receivable in the General Fund and Special Revenue Funds are categorized in the nonspendable portion of fund balance in that fund because these assets are not in spendable form.

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

On the Statement of Net Position, the Governmental Funds reported \$729,427 as unearned revenue. This amount represents the prepayment of fiscal year 2017 taxes, solid waste removal for multi-unit apartment buildings, 2017 school lunches, and monthly parking billing. The unearned revenue reflects the recognition of resources that have been received but yet to be earned.

C. Capital Assets

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

	Balance			Balance
	July 1, 2015	Additions	Retirement	June 30, 2016
Capital Assets Not Depreciated:				
Land	\$ 13,939,612	\$ 443,378	\$ 218,579	\$ 14,164,411
Construction in Progress	1,482,336	4,178,621	436,597	5,224,359
Total Capital Assets Not Depreciated	15,421,948	4,621,999	655,176	19,388,770
Capital Assets Being Depreciated:				
Buildings	102,881,232	250,873		103,132,105
Improvements Other Than Buildings	30,954,127	81,789	193,372	30,842,544
Machinery and Equipment	42,353,090	991,297	576,073	42,768,316
Infrastructure	127,012,328	1,123,843		128,136,171
Total Capital Assets Being Depreciated	303,200,778	2,447,802	769,445	304,879,136
Less Accumulated Depreciation for:				
Buildings	(37,515,610)	(2,806,746)		(40,322,356)
Improvements Other Than Buildings	(11,043,913)	(1,064,392)	(15,646)	(12,092,659)
Machinery and Equipment	(18,955,837)	(2,155,694)	(538,143)	(20,573,388)
Infrastructure	(53,355,301)	(2,583,618)		(55,938,919)
Total Accumulated Depreciation	(120,870,661)	(8,610,450)	(553,789)	(128,927,322)
Total Net Capital Assets				
Being Depreciated	182,330,117	(6,162,648)	215,656	175,951,814
Governmental Activities Capital Assets, Net	\$ 197,752,065	\$ (1,540,649)	\$ 870,832	\$ 195,340,584

Depreciation expense was charged to the various governmental functions as follows: general government, \$1,067,374; public safety, \$483,281; public works, \$3,913,245; culture and recreation, \$257,924; and education and nutrition, \$2,888,626.

At June 30, 2016, the City had entered into contracts for, or had otherwise committed to, the construction or renovation of various facilities as follows:

	Project Authorization	Expended To Date	Commitment	Required Further Financing
General Street Rehab.	\$ 5,160,436	\$ 1,596,759	\$ 1,429,856	None
City Building Improvements	2,855,705	1,489,182	180,352	None
Riverfront Master Plan	75,000	43,164	6,120	None
Street Lights & Signals	1,570,000	355,676	1,120,829	None
Municipal Vehicles	587,700	261,025	237,664	None
City Signage	108,259	43,765	25,214	None
Software & Technology Upgrades	785,456	347,831	455,222	\$ 17,577

The following is a summary of the Primary Government's Business-type capital assets for the City's Enterprise Funds at June 30, 2016:

	Balance			Balance
	July 1, 2015	Additions	Deletions	June 30, 2016
Capital Assets Not Depreciated:				
Land	\$ 1,294,710			\$ 1,294,710
Construction in Progress	1,319,293	\$ 5,667,110	\$ 4,565,826	2,420,577
Total Capital Assets Not Depreciated	2,614,003	5,667,110	4,565,826	3,715,287
Capital Assets Being Depreciated:				
Buildings	10,765,114			10,765,114
Equipment	2,715,610	294,356	180,996	2,828,970
Sewer and Water Lines	82,430,643	4,017,511	26,348	86,421,806
Total Capital Assets Being Depreciated	95,911,367	4,311,867	207,344	100,015,890
Less Accumulated Depreciation for:				
Buildings	(4,169,196)	(202,330)		(4,371,526)
Equipment	(2,034,200)	(213,582)	(180,966)	(2,066,786)
Sewer and Water Lines	(18,239,708)	(1,715,084)	(26,348)	(19,928,444)
Total Accumulated Depreciation	(24,443,104)	(2,130,995)	(207,344)	(26,366,756)
Total Net Capital Assets Being Depreciated	71,468,263	2,180,871		73,649,134
Business-type Capital Assets, Net	\$ 74,082,266	\$ 7,847,981	\$ 4,565,826	\$ 77,364,421
	Balance	Additions	Deletions	Balance
	July 1, 2015			June 30, 2016
Intangible Assets Being Amortized:				
Intangible Asset Costs	\$ 1,111,547	\$ 775,650	\$ 76,628	\$ 1,810,568
Less Accumulated Amortization	(457,712)	(169,859)	(76,628)	(550,942)
Business-type Intangible Assets, Net	\$ 653,835	\$ 605,791		\$ 1,259,626

Depreciation expense was charged to the various business-type activities as follows: water enterprise fund, \$1,247,349; sewer enterprise fund, \$663,533, and the storm water enterprise fund, \$220,113. The water, sewer and storm water enterprise funds incurred amortized deferred charges of \$13,799, \$68,595, and \$87,464 respectfully.

D. Interfund Transactions

As of June 30, 2016, the balances of interfund activity were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 5,676,710	
Water Enterprise Fund		\$ 2,064,772
Capital Projects Fund		3,209,866
Nonmajor Governmental Funds	22,702	424,774
Total	\$ 5,699,412	\$ 5,699,412

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

Transfers In/Out:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 537,888	\$ 14,081,550
School Categorical Grants		63,574
Debt Service Fund	13,986,918	
Capital Projects Fund	200,000	326,787
Nonmajor Governmental Funds	867,107	663,295
Water Enterprise Fund		22,548
Sewer Enterprise Fund		44,685
Storm Water Enterprise Fund		389,473
Total	\$ 15,591,913	\$ 15,591,913

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

E. Leases

Operating Leases. The City of Lewiston renovated the old District Court Building in order to prepare for the State of Maine's Violation Bureau's operations. The City has a 15 year lease with the Judicial Department, with a 5 year renewal option. Rental income from this operating lease in 2016 was \$139,904. The cost of the building and associated improvements was \$735,889 and accumulated depreciation at the end of this fiscal year was \$604,229 resulting in the net carrying value of \$131,660.

Lewiston CellTelCo. Partnership has contracted with the City of Lewiston, the lessor, to rent a portion of roof and ground space at the Lewiston Armory to construct a mobile telephone base station. The agreement is for five years, with 3 five-year renewal options, in the amount of \$22,018 per year.

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

The City of Lewiston leased 10,000 square feet of land to Mariner Tower II, LLC, the lessee, to construct a communications tower and related infrastructure. This is a five year lease with 5 five-year renewal provisions. Rental income of \$15,302 was received in fiscal year 2016.

The City entered into an agreement with Casella Recycling LLC to lease surplus building space at the City's solid waste facility to process their zero-sort recycling materials. The lease's term is 20 years with a five year extension. The annual base rent is \$67,656 with a minimum annual price inflator of 2%. Rental income for FY2016 was \$68,792.

As part of the Southern Gateway Development, the municipality, as a lessee, entered into two operating leases for four parcels of land. The security of this land afforded the City the opportunity to construct a new municipal parking garage and a parking area in our targeted development area. Rental expenditures for this lease were \$38,433, and \$3,960 respectfully for each lease.

The City is leasing eight voting machines from the State of Maine for a five year period with lease payments amounting to \$4,868 annually.

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

The following is a schedule by year, of minimum future rental income and expenditures on the City's non-cancelable operating leases as of June 30, 2016:

Fiscal Year Ended June 30	General Fund Rental Income	General Fund Rental Expenditures
2017	\$ 268,234	\$ 47,261
2018	251,644	47,261
2019	246,216	47,261
2020	183,259	42,393
2021	75,385	39,423
Thereafter	919,669	1,271,484
TOTAL	\$ 1,944,407	\$ 1,495,083

Minimum future rentals do not include contingent rentals which may be received as stipulated in the lease contracts. There were no contingent rental payments received in fiscal year 2016.

Capital Leases. The City has entered into four capital lease agreements as a lessee for financing municipal equipment. These leases have given rise to property rights and qualify as a capital lease for accounting purposes. These assets acquired through capital leases included machinery and equipment of \$2,331,145 less \$407,444 of accumulated depreciation, were recorded in the Governmental Activities Fund.

Payment obligations for these capital leases have been satisfied as of year end. The future minimum lease obligations of the remaining leases, and the net present value (PV) of these minimum lease payments as of June 30, 2016, were as follows:

Fiscal Year Ended June 30	Lease Payment Amount
2017	\$181,072
2018	178,148
2019	93,319
Less: Amount of Interest	(32,623)
PV of Lease Payments	\$419,915

F. Long-Term Debt

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 15 year serial bonds with equal amounts of principal maturing annually.

The general obligation bonds currently outstanding, of the original \$177,696,817 issued, are as follows:

Municipal Improvements	Interest Rate	Balance At 6/30/16
Capital Improvement – 1997	5.1%	\$ 22,927
Capital Improvement – 1998	4.6%	65,000
Capital Improvement – 1999	4.5%	304,311
Capital Improvement – 2000	5.2%	397,366
Capital Improvement – 2001	4.3 & 6.9%	2,187,370
Capital Improvement – 2002	4.3%	789,488
Municipal Pension Bonds	3.17%	6,090,000
Qualified Zone Academy Bonds – 2003	0%	148,600
Capital Improvement – 2003	3.2%	1,523,712
Capital Improvement – 2004	4.25%	8,128,830
Capital Improvement – 2005	4.01%	2,922,652
Capital Improvement – 2006	4.17%	3,551,682
Capital Improvement – 2007	4.46%	4,037,415
Education Bonds – 2008	3.5 & 4.2%	6,939,783
Capital Improvement – 2008	5.1%	15,674,902
Capital Improvement – 2009	3.6%	3,877,500
McMahon Expansion Project – 2009	0%	2,055,477
Capital Improvement – 2010	2.8%	4,769,700
School Renovation Loan Fund - 2010	0%	159,726
School Qualified Construction Bonds	2%	1,007,218
Capital Improvement – 2011	2.94%	2,498,500
Capital Improvement – 2012	1.89%	1,836,932
Capital Improvement – 2013	2.1%	13,898,751
Capital Improvement – 2014	2.4%	2,316,989
Capital Improvement – 2015	2.23%	3,607,000
		\$ 88,811,832

Annual debt service requirements to maturity for general obligation bonds, including interest of \$16,924,411 are as follows:

Fiscal Year	Total Debt		
Ended	Principal	Interest	Service
June 30	Requirements	Requirements	Requirements
2017	\$ 10,430,240	\$ 2,850,228	\$ 13,280,468
2018	10,082,292	2,548,708	12,631,000
2019	9,610,773	2,244,179	11,854,952
2020	9,355,105	1,923,970	11,279,075
2021	9,274,057	1,621,595	10,895,652
2022-2026	28,525,415	4,667,964	33,193,380
2027-2031	10,053,949	999,934	11,053,883
2032-2035	1,480,000	67,833	1,547,833
Total	\$ 88,811,832	\$ 16,924,411	\$ 105,736,243

Revenue Bonds. The City also issues bonds through its Enterprise Fund, where the City pledges income derived from acquired or constructed assets to pay debt service. Revenue bonds outstanding at June 30, 2016, of the total \$62,674,840 originally issued, are as follows:

Municipal	Interest	Balance
Improvements	Rate	at 6/30/16
<u>Water Division:</u>		
Water Improvement – 1997	5.1%	\$ 40,488
Water Improvement – 1998	4.6%	35,000
Water Improvement – 1999	4.5%	71,250
Water Improvement – 2000	5.4%	18,397
Water Improvement – 2001	4.3%	58,851
Water Improvement – 2002	4.3%	197,372
Water Improvement – 2003	3.2%	1,583,077
Water Improvement – 2004	4.25%	206,364
Water Improvement – 2005	4.02%	2,243,039
Water Improvement – 2006	4.17%	187,781
Water Improvement – 2007	4.46%	750,313
Water Improvement – 2008	5.1%	652,526
U.V. Treatment Facility	0%	1,829,000
Water Improvement – 2009	3.6%	852,000
Water Improvement – 2010	2.8%	825,300
Chlorination Facility	0%	954,563
Water Improvement – 2011	2.7%	1,559,000
Water Improvement – 2012	2.1%	971,732
Water Improvement – 2013	2.5%	1,955,000
Water Improvement – 2014	2.6%	1,836,447
Water Improvement – 2015	2.43%	590,000
		17,417,500

<u>Sewer Division:</u>		
Sewer Improvement – 1997	5.1%	4,878
Sewer Improvement – 1999	4.5%	14,250
Sewer Improvement – 2000	5.4%	80,945
Sewer Improvement – 2001	4.3%	318,779
Sewer Improvement – 2002	4.3%	243,140
Sewer Improvement – 2003	3.2%	323,212
Sewer Improvement – 2004	4.25%	294,806
Sewer Improvement – 2005	4.02%	139,308
Sewer Improvement – 2006	4.17%	360,537
Sewer Improvement – 2007	4.46%	1,754,809
Sewer Improvement – 2008	5.1%	273,150
Clean Water Act	0%	211,768
Sewer Improvement – 2009	3.6%	217,750
Sewer Improvement – 2010	2.8%	534,375
Sewer Improvement – 2011	3.1%	1,337,500
Sewer Improvement – 2012	2.1%	1,608,004
Sewer Improvement – 2013	2.5%	1,763,750
Sewer Improvement – 2014	2.6%	2,163,532
Sewer Improvement – 2015	2.25%	542,000
		12,186,493
<u>Storm Water Division:</u>		
Storm Water Improvement – 2007	4.46%	1,696,463
Storm Water Improvement – 2008	5.1%	139,610
Clean Water Act	0%	211,768
Storm Water Improvement – 2009	3.6%	282,750
Storm Water Improvement – 2010	2.8%	815,625
Storm Water Improvement – 2011	3.1%	800,000
Storm Water Improvement – 2012	2.1%	1,373,332
Storm Water Improvement – 2013	2.3%	1,437,499
Storm Water Improvement – 2014	2.6%	1,483,332
Storm Water Improvement – 2015	1.93%	250,000
		8,490,379
Total Revenue Bond Debt		38,094,372
Less: Current Installments		3,331,847
Long-Term Revenue Bond Debt		\$ 34,762,525

Revenue bond debt service requirements to maturity, including \$7,507,256 of interest, are as follows:

Fiscal Year Ended June 30	Annual Debt		
	Principal	Interest	Service
	Requirements	Requirements	Requirements
2017	\$ 3,331,847	\$ 1,028,154	\$ 4,360,001
2018	3,260,668	947,148	4,207,816
2019	3,205,559	866,934	4,072,493
2020	3,116,805	776,641	3,893,447
2021	3,068,192	686,180	3,754,372
2022-2026	12,928,071	2,289,376	15,217,446
2027-2031	7,798,229	841,872	8,640,101
2032-2035	1,385,000	70,952	1,455,952
TOTAL	\$ 38,094,371	\$ 7,507,257	\$ 45,601,626

At June 30, 2016, the City had \$83,056,333 bonds authorized by the City Council but have not been issued. There are no restrictive bond covenants with which the City must comply.

Changes in Long-Term Liabilities. During the year ended June 30, 2016, the following changes occurred in long-term liabilities for the City of Lewiston:

	Balance July 1	Additions	Reductions	Balance June 30	Due Within One Year
Governmental Activities:					
General Obligation Debt	\$95,834,625	\$3,724,168	\$10,746,961	\$88,811,832	\$10,430,240
Bond Premium	2,356,589	152,050	196,116	2,312,523	195,203
Workers Comp Claims	5,150,723	167,996	1,164,146	4,154,573	1,000,000
Compensated Absences - Sick	2,597,959	81,408	12,998	2,666,369	150,000
Capital Leases	576,073		156,158	419,915	162,677
Comp. Absences - Vacation	1,728,377	108,125	90,627	1,745,875	70,000
OPEB UAAL	1,465,396	361,571	206,123	1,620,844	
Net Pension Liability	9,618,348	10,414,054	3,021,125	17,011,277	
MainePERS IUUAL	1,491,812	98,557	269,616	1,320,753	269,616
Landfill Closure and Post- closure Care	2,851,207	207,892	31,000	3,028,099	31,000
Total Governmental Activities	123,671,109	15,315,821	15,894,870	123,092,061	12,308,736
Business-Type Activities:					
Revenue Bond Debt	39,938,809	1,418,261	3,262,699	38,094,371	3,331,847
Bond Premium	604,831	54,094	45,706	613,219	49,312
Bond Discount	(46,728)	(36,261)	(10,878)	(72,111)	(13,899)
Comp. Absences - Vacation	158,790	23,410	9,980	172,220	9,980
Total Business-Type Activities	40,655,702	1,459,504	3,307,507	38,807,699	3,377,240
Total Liabilities	\$164,326,812	\$16,775,325	\$19,202,377	\$161,899,760	\$15,685,976

The City is subject to the laws of the State of Maine which limits the amount of long-term debt to 15% of the state's assessed valuation of the City. At June 30, 2016, the statutory limit for the City was \$326,220,000.

The City's General Fund is used to liquidate the net pension obligation and other post-employment benefit obligation.

In accordance with the Tax Reform Act of 1986, governments issuing tax-exempt bonds or entering into note or lease obligations are required to perform an arbitrage rebate calculation upon the fifth anniversary of the obligation and to remit the rebate to the federal government, subject to certain exceptions. Since the effective date of these rules, the City has been subject to one arbitrage refund due to a spend-down exception on its 2006 bond issue. The rebate amount remitted was \$13,604 and has satisfied the requirement for that issuance. The City has issued bonds which may be subject to an arbitrage calculation. The amount will not be determined until the related projects are completed or the five year anniversary has lapsed.

Advance Refundings. On August 5, 2015, the City sold \$3,995,000 of general obligation refunding bonds to advance refund the outstanding callable maturities of the City's 2008 general obligation bonds. Advance refunding proceeds and reoffering premium of \$4,182,302 were placed in an irrevocable trust for the purpose of generating resources to satisfy the remaining debt obligations for the 2008 bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the City's financial statements. The reacquisition price exceeded the prior principal carrying value of those bonds by \$147,002. The true interest cost (TIC) on the 2008 refunding was 2.127%. The economic gain was \$516,458. There was a \$597,687 reduction in cashflow required between the old debt and the new debt.

In prior years the City defeased certain general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2016, \$40,356,200 of bonds outstanding are considered defeased.

Overlapping Debt. The actual direct and overlapping debt at June 30, 2016, of \$138,338,079 was \$187,881,921 less than the statutory limit. The City's proportionate share of all local governmental units which provide services within the City and which must be borne by properties in the City, is summarized below:

	Debt	Percentage	
	Outstanding	Applicable to the City	City's Share of Debt
Municipal & School Debt	\$89,231,747	100.0%	\$89,231,747
Water, Sewer & Storm Water Debt	38,094,371	100.0%	38,094,371
L.A. Water Pollution Control Authority	20,402,803	53.9%	10,997,111
L.A. 911 Committee	29,700	50.0%	14,850
			<u>\$138,338,079</u>

This results in a ratio of City debt to April 1, 2015 assessed valuation of 6.71% and a ratio of overlapping debt to April 1, 2015 valuation of 7.29%.

Conduit Debt. The City has from time to time, assisted third parties in financing capital activities by participating in conduit debt transactions. The City is not obligated in any manner for this debt, and as a result has not reported these liabilities or any related assets in the basic financial statements. The outstanding principal balance of conduit debt, as of June 30, 2016, was \$3,550,889.

V. OTHER INFORMATION

A. Tax Increment Financing Districts

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

TIF District	Original Assessed Value	Current Assessed Value	New Taxes	Expended for Debt or Credit Enhancement
Birch Hill Housing	\$30,700	\$650,000	\$5,798	\$11,152
Lofts at Bates Mill	\$402,450	\$2,150,440	\$47,842	\$23,921
CMP Power Reliability	\$474,500	\$51,225,130	\$965,322	\$423,723
Gendron Business Park	\$300,000	\$784,030	\$12,798	None
Bates St. Housing	\$187,000	\$1,600,000	\$13,536	\$25,138
81 Ash Street	\$519,750	\$1,585,000	\$11,662	\$17,494
Franklin Property Trust	\$443,800	\$7,279,300	None	\$187,088
Argo Marketing	\$268,750	\$1,390,000	None	\$30,689
Riverfront Island Hotel	\$0	\$5,382,000	\$27,305	\$120,000
CMP Sub-station	\$16,950	\$3,225,500	\$18,691	\$69,127
Wal-Mart	\$1,333,700	\$47,290,600	\$1,257,840	\$876,657

B. Risk Management

The City is self-insured in the areas of workers' compensation and unemployment compensation, and accounts for and finances its uninsured risks of loss in the General Fund. The City established a limited risk management program for Workers' Compensation in 1979. The program is self-insured for up to \$500,000 per occurrence on all employees. Excess coverage is purchased above this retained level. The City has contracted with outside parties for claims administration. All funds of the City participate in the program. Funds are appropriated in the General Fund and premiums are assessed to all other participating funds to pay claims, claim reserves and administrative costs of the program. These payments are based primarily on rates established by the State of Maine for various job classifications and are adjusted to cover the liability for future claims, as determined by annual actuarial estimates. The actuarial estimates reflect discounting at .8% to recognize the time lag between when claim obligations are recognized by the City and when claims are paid. The safety margin confidence level is set at 75%.

During the fiscal year ended June 30, 2016, a total of \$1,452,169, net of insurance proceeds, was paid in benefits and administrative costs. The outstanding future claim settlements estimation is reported on the Statement of Net Position-Governmental Activities as a noncurrent liability. Consistent with accounting principles generally accepted in the United States, a liability for claims is reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Workers' Compensation claims liability amount in fiscal years 2015 and 2016 were as follows:

	<u>2016</u>	<u>2015</u>
Beginning Liability Balance	\$5,150,723	\$4,849,236
Current Year Changes in Estimates	167,996	913,198
Claims Payments	<u>(1,164,146)</u>	<u>(611,711)</u>
Ending Balance	<u>\$4,154,573</u>	<u>\$5,150,723</u>

Currently, there is a shortfall of \$2,988,218 between the amount available to pay the noncurrent workers' comp claims and the noncurrent workers' comp. liability. The City decreased the shortfall by \$665,274 during this fiscal year due to its safety incentive program, aggressive settlement of cases, and other cost savings measures. The City will continue to fund this shortfall over the next few years through increased budget appropriations. Claims for unemployment compensation do not represent a material amount and therefore have not been accrued at year end.

Other. Additionally, the City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the City either carries commercial insurance or participates in a public entity risk pool. Currently, the City participates in a public entity risk pool sponsored by the Maine Municipal Association (MMA) for property and casualty. Based on the coverage provided by the pool, the City is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2016, nor were there any additional settlements that exceeded the maximum limitation.

C. Contingent Liabilities

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

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

D. Related Organizations

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

E. Joint Ventures

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

1. Lewiston-Auburn Water Pollution Control Authority

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

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

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

The City's share of the net change in the Authority's net position is reported as a nonoperating revenue in its Sewer Enterprise Fund. At June 30, 2016, the City's equity interest in the LAWPCA was recorded at \$2,929,508, an increase of \$54,270 from 2015. In the fiscal year ended June 30, 2016, \$2,536,744 was paid to the Authority out of the City's Sewer Enterprise Fund. At December 31, 2015, the Authority was liable for unsecured bonds payable totaling \$20,402,803, an increase of \$1,662,829 from 2014. The City's liability for the Authority's debt is limited to its share of the operations. In 2016, Lewiston's share was set at 53.9%. Complete financial statements can be obtained from the LAWPCA's main office at 535 Lincoln Street, Lewiston, Maine, 04240.

2. Auburn-Lewiston Municipal Airport

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

The City of Lewiston contributed \$105,000 for operating expenditures and \$15,500 for capital contributions. In addition to contributions from the two municipalities, the Airport derives revenue through rents, user fees, interest from investments in time deposits, and from federal and state grants. In the year ended June 30, 2016, the Airport's unrestricted net position decreased by \$178,716 to \$224,018. Complete financial statements can be obtained from the Airport's main office at Lewiston Junction Rd, Auburn, Maine, 04210.

3. Lewiston-Auburn Transit Committee

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

The Committee's sources of revenue include rentals, federal and state grants, and contributions from the Cities of Lewiston and Auburn. For the fiscal year ended June 30, 2016, the City of Lewiston contributed \$249,244 for operating expenses. In the year ended September 30, 2015, the Committee's unrestricted net position increased by \$97,824 to \$311,679. Complete financial statements can be obtained from the Androscoggin Valley Council of Governments, 125 Manley Rd, Auburn, Maine, 04210.

4. Lewiston-Auburn Economic Growth Council

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

The Council derives the bulk of its revenues from the participants, but also receives some funds from user fees. In fiscal year 2016, the City of Lewiston contributed \$160,610. In the year ended June 30, 2015, the LAEGC's unrestricted net assets decreased by \$25,856 to \$425,000. Complete financial statements may be obtained at the LAEGC's main office at 415 Lisbon St., Lewiston, Maine, 04240.

5. Lewiston-Auburn 9-1-1 Committee

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

The committee's primary source of revenues consists of equal contributions from the Cities of Lewiston and Auburn. In the fiscal year ended June 30, 2016, the City of Lewiston contributed \$1,069,122. In the year ended June 30, 2016, the Committee's unassigned fund balance increased by \$110,639 to \$309,841. Complete financial statements may be obtained from the Lewiston-Auburn 9-1-1 Manager at 550 Minot Ave. Auburn, Maine, 04210.

6. Lake Auburn Watershed Protection Commission

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

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

The Commission derives its revenues solely from equal contributions from the City of Lewiston and the Auburn Water District. The Lake Auburn Watershed Protection Commission meets the criteria for a joint venture of the Business-type Fund and is included as an investment in the City's Water Enterprise Fund. At June 30, 2016, the City's equity interest in the Commission was \$2,673,362, an increase of \$67,872. The City also contributed \$161,320 as its share of the Commission's operating expenses for the year. Complete financial statements can be obtained from the City of Lewiston's Finance Department, 27 Pine St., Lewiston, Maine, 04240.

F. Landfill Closure and Postclosure Care Cost

Under state and federal laws and regulations, the City is required to place a final cover on its landfills when waste is no longer accepted, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. In addition to operating expenditures related to current activities of the landfills, the City is recognizing a related liability based on estimated future closure and postclosure care costs that will be paid near or after the date that the landfills stop accepting waste and ash. The City reports a portion of these closure and postclosure care costs as a long-term liability on the Statement of Net Position under Governmental Activities based on landfill capacity used as of each balance sheet date.

In December 1992, the then existing River Road landfill stopped accepting waste. Work on the final cover was completed in the fiscal year ended June 30, 1995. The new landfill began accepting waste in April 1992 and is currently a recipient of ash, as part of an Ash for Trash Program. This landfill is expected to remain operational until 2025. The cumulative amount estimated to date for post-closure care costs of the closed landfill totals \$349,600. The closure and postclosure care costs, based on the usage to date of 56.02% of total estimated capacity of the new landfill, amount to \$2,678,499. The total liability of \$3,028,099 is reported as a noncurrent liability of the Statement of Net Position. The liability increased by a net of \$176,892 based on utilization of the new landfill and the amortization of the postclosure landfill costs during the year. The balance of estimated closure and postclosure care costs for the new landfill, of \$4,916,556 will be recognized as the remaining capacity of the landfill is utilized. The estimated total

current cost of the landfill closure and post closure care, of \$5,276,156, is based on the amount that would be paid for all equipment, facilities, and services required to close, monitor, and maintain the landfill as of June 30, 2016.

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

G. Subsequent Events

On September 1, 2016, the City issued \$15,012,203 of general obligation public improvement and refunding bonds to fund portions of the 2014, 2015 and 2016 Capital Improvement Programs in the amount of \$11,857,203. The remaining balance of the proceeds coupled with the reoffering premium was used to advance refund the City's general obligation bonds dated November 1, 2009. The terms of the sale require varying maturities of principal beginning April 15, 2017 through 2037, with an overall true interest cost of 2.04%.

H. Deferred Compensation Plans

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

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

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

I. Other Post Employment Benefits

The City of Lewiston is a member of the Maine Municipal Employees Health Trust. The Health Trust is an agent multiple-employer association. The City is an individually rated member of the Association. The Health Trust contracted with an outside consultant, Cheiron, to assist in the valuation of the City's OPEB liability under GASB Statement No. 45. An OPEB liability actuarial valuation was completed by Cheiron using a January 1, 2015 valuation date. The Trust issues a publicly available financial report which may be obtained by contacting the Maine Municipal Association at 60 Community Drive, Augusta, Maine 04332.

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

Description of Funding Policy. GASB Statement No. 45 does not mandate the prefunding of postemployment benefits liability. The City currently plans to utilize a pay-as-you-go program to fund these benefits. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year. The unfunded actuarial liability is amortized as a level dollar open over an open period of 30 years, using a projected unit credit cost method.

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

Normal Cost	\$80,474
Amortization of Unfunded Liability	191,399
Interest	<u>5,384</u>
Annual Required Contribution (ARC)	\$277,257

Funding Status and Unfunded Actuarial Liability. The City of Lewiston's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016, 2015 and 2014 are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual OPEB Cost	\$249,124	\$251,326	\$302,609
Actual Contribution	\$206,123	\$240,295	\$198,169
Percentage Contributed	82.7%	95.6%	65.5%
Net OPEB Obligation	\$1,508,397	\$1,465,396	\$1,454,365

Actuarial Accrued Liability	\$3,442,071
Plan Assets	<u>0</u>
Unfunded Actuarial Accrued Liability	\$3,442,071
Covered Payroll	\$17,653,318
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	19.4%
Reconciliation of Actuarial Liability	
Expected Actuarial Liability, 1/1/2015	\$4,377,727
Actuarial Liability:	
Retirees & Beneficiaries	1,995,736
Active Employees	<u>1,446,335</u>
Total	<u>3,442,071</u>
Gain/(Loss)	\$935,656
Changes due to:	
Medical Costs	\$923,951
Updated Demographics	224,403
Benefit Changes & Enrollment Shifts	(225)
Inclusion of Life Insurance	0
Trends	<u>(212,473)</u>
Total Changes	\$935,656

Sensitivity to Healthcare Trend Rates

	<u>-1%</u>	<u>Base</u>	<u>+1%</u>
Actuarial Liability:			
Retirees & Beneficiaries	\$1,806,063	\$1,995,736	\$2,219,694
Active Employees	<u>1,214,769</u>	<u>1,446,335</u>	<u>1,742,792</u>
Total	3,020,832	3,442,071	3,962,486
Actuarial Value of Assets	<u>0</u>	<u>0</u>	<u>0</u>
Unfunded Actuarial Liability	\$3,020,832	\$3,442,071	\$3,962,486
Annual Required Contribution:			
Normal Costs	\$65,922	\$80,474	\$99,661
UAL Amortization	167,975	191,399	220,337
Interest	<u>4,632</u>	<u>5,384</u>	<u>6,337</u>
Total ARC	\$238,529	\$277,257	\$326,335

Projections of benefits are based on the substantive plan as understood by the employer and plan members and include the benefits in force at the valuation date of January 1, 2015, and the cost sharing arrangement at that time. Actuarial calculations reflect a long-term perspective and utilize methods that reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. It should

be noted, however, actuarial valuations for our OPEB plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These estimated amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The actuarial assumptions used in the plan evaluation include: projected unit credit actuarial cost method, a 3% general inflation rate, a 4% return on investment, 4.25% ultimate rate of medical inflation, and a 3% future cost-of-living adjustment. The unfunded actuarial accrued liability is being recognized as a level dollar open amount over an open 30 year period.

J. Employee Retirement Systems

Consolidated Plan

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

Benefits Provided. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

Description of Funding Policy. Plan members are required to contribute 7.5% of their annual covered salary and the City of Lewiston is required to contribute an actuarially determined rate. The current rate is 8.9% for municipal employees under Plan A, and 8.9% for certain public safety employees under Special Plan Option #2C, of annual covered payroll. The contribution rates of plan members and the City of Lewiston are established and may be amended by the MainePERS Board of Trustees. The City's contributions to the MainePERS Consolidated Plan for the years ended June 30, 2016, 2015, and 2014 were \$1,662,802, \$1,454,623, and \$1,312,009, respectively, equal to the required contributions for each year.

Unfunded Actuarial Liability. Upon joining the consolidated plan on July 1, 1997, the City's initial unfunded unpooled actuarial liability (IUUAL) was calculated. The IUUAL represents the remaining amount of the City's pension liability upon transitioning to the consolidated plan from a participating local district (PLD). The outstanding IUUAL at that time was amortized over a 20 year period, with the annual payment increasing by 6%, until the IUUAL is paid in full. In December 2001, the City issued general obligation pension bonds, with a total par value of \$16,395,000, to pay off its outstanding IUUAL. As of June 30, 2016, the outstanding balance of the original general obligation pension bonds was \$6,090,000.

Effective July 1, 2006, the City amended its Special Plan Option #2C to include full retirement benefits for all firefighters serving 25 years of service with a no age provision. This modification resulted in an IUUAL

of \$2,467,807 to be amortized over a 15 year period. As of June 30, 2016, the City remitted IUUAL payments of \$269,616 as contractually agreed upon and the outstanding balance of the IUUAL was \$1,320,753 to be funded over the remaining 6 years.

Teachers Plan

Description of the Plan. All of the City's teachers, plus other qualified educators, participate in the MPERS teacher group. The State Education Teacher's group (SET) is a cost sharing plan with a special funding situation established by the Maine State legislature. MainePERS provides the retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the Maine State Legislature. MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the teacher's group. That report may be obtained by writing to MainePERS, 46 State House Station, Augusta, Maine 04333-0046, or by calling 1-800-451-9800 or by visiting their website at www.maineopers.org.

Benefits Provided. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

Description of Funding Policy. Employees are required, by state statute, to contribute 7.65% of their compensation to the retirement system. For employees compensated through federal pass-through grants, the City contributes amounts determined by the State of Maine. The Maine State Department of Education is required, by the same statute, to contribute the employer contribution. This amount has been reported as an intergovernmental revenue and education expenditure on the GAAP basis financial statements (Statement 4). The City contributed \$1,324,227 (13.93%) for the federally funded teacher's employer contribution and 3.36% for state teacher's normal costs. In the year ended June 30, 2016, employees contributed \$2,399,767, while the State of Maine Department of Education contributed \$3,612,865 or 12.55%, and \$728,330 for other costs on behalf of the City's educators. In addition, the City is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 10.57% of compensation and totaled \$272,890 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to MEPERS Pensions. At June 30, 2016, the City reported a liability of \$16,630,371 for its share of the net pension liability (NPL) of which \$11,353,542 was attributed to the City's plan and \$5,276,829 was attributed to the City's proportionate share for the SET plan. The State's proportionate share of the SET net pension liability attributed to the City is \$31,169,079, for a total of \$36,445,908. The net pension liability was measured as of June, 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City and School's proportion of the net pension liability was based on an actuarial projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating members. As of June 30, 2015, the City's

PLD proportion was 3.558584%, a decrease of .226086% from June 30, 2014. For that same period, the City's proportion share of the SET was .0390843%, which was an increase of .076651%.

For the year ended June 30, 2016, the City recognized total pension expense of \$959,724 for the PLD plan and pension expense of \$1,945,805 and revenue of \$1,417,233 for support provided by the State of Maine for the SET plan. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan		SET Plan	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between Expected & Actual Experience	\$458,414	\$1,458,171		\$36,637
Changes of Assumptions	1,003,350		\$145,395	
Changes in Proportion & Differences between Contributions & Proportionate Share of Contributions		\$630,331	1,125,288	15,321
Contributions Subsequent to the Measurement Date	1,662,802		1,310,028	
Net Difference between Projected & Actual Plan Investment Earnings	3,504,119	4,361,886	1,116,575	1,355,184
Total Deferred Outflows & Inflows	\$6,628,685	\$6,450,388	\$3,697,286	\$1,407,142

\$1,662,802 for the PLD plan and \$1,310,028 for the SET plan were reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Projected Deferred Outflows/(Inflows) to be Recognized as Pension Expense	
	PLD Plan	SET Plan
Fiscal Year 2017	(\$731,284)	\$690,327
Fiscal Year 2018	(731,284)	183,231
Fiscal Year 2019	(897,969)	(172,584)
Fiscal Year 2020	897,060	279,144
Fiscal Year 2021	-	-
Thereafter	-	-

Actuarial Methods and Assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

PLD NPL Plan Amortization Method	Open basis over a 15 year period
SET NPL Plan Amortization Method	Level percentage of payroll amortized over the period in effect under statutory & constitutional requirements
Salary Increases, Merit & Inflation	3.5% to 9.5% per year for PLD and 3.50% to 13.5% for SET
Investment Rate of Return – PLD	7.125% per annum for FY2015 and 7.25% for FY2014, compounded annually
Investment Rate of Return – SET	7.125% per annum, compounded annually
Cost of Living Benefit Increases	2.55% per annum for the year ended June 30, 2015 and 3.12% per annum for the year ended June 30, 2014 for PLD and 2.55% per annum for SET
Mortality Rates Table	RP2000 Combined Mortality projected forward to 2015 using Scale AA; for active members and non-disabled retirees, ages are set back 2 years; for disabled recipients the Revenue Ruling 96-7 Disabled Mortality Table for Males & Females is used
Actuarial Experience Study Period	July 1, 2005 to June 30, 2010

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	L.T. Expected Real Rate of Return
U.S. Equities	20%	5.2%
Non-U.S. Equities	20%	5.5%
Private Equity	10%	7.6%
Real Estate	10%	3.7%
Infrastructure	10%	4.0%
Hard Assets	5%	4.8%
Fixed Income	25%	0.7%
Total	100%	

The discount rate used to measure the collective total pension liability was 7.125% for each of the Plans in 2015 and 7.25% in 2014 for the PLD Plan and 7.125% in 2014 for the SET Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability/ (asset) as of June 30, 2015 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 7.125% for each of the Plans.

Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

	-1% Decrease	Current Rate	+1% Increase
PLD Plan Discount Rate	6.125%	7.125%	8.125%
Net Pension Liability – City's PLD Portion	\$22,619,618	\$11,353,542	\$672,605
Set Plan Discount Rate	6.125%	7.125%	8.125%
Net Pension Liability – City's SET Portion	\$9,238,479	\$5,276,829	\$1,977,233

Changes in Net Pension Liability. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2015 with the following exceptions.

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For 2015, this was 4 years for the PLD Consolidated Plan and 3 years for the SET Plan.

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. There were no changes in assumptions for the SET Plan. For the PLD Consolidated Plan, the discount rate was decreased from 7.25% to 7.125% and the cost of living benefit increase assumption was changed from 3.12% to 2.55%.

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

City Pension Plan

Description of the Plan. The City Pension Plan is non-contributory, single-employer, defined benefit pension plan administered by the City and covers certain police, fire and public works employees who joined prior to the City's participation in the Maine Public Employees Retirement System. Once the City elected to participate in the MainePERS, employees were no longer eligible to join this plan. Retirement benefits of 1/2 of the average, final compensation, are paid upon an employee attaining the age of 65, or having served not less than 25 years. Beneficiaries of fire and police retirees are also entitled to survivor benefits. Cost-of-living adjustments provided to the members and beneficiaries, and plan benefit revisions are made through City Council's authorization. At June 30, 2016, the plan consisted of 2 retirees and beneficiaries. There are no active employees in the plan. This plan is provided for and administrated by the City of Lewiston, therefore separate financial statements are not available.

Funding Policy and Status. The City funds the plan on a pay-as-you-go basis and budgets sufficient funds, each year, to meet the annual pension cost. As a result, no funds have been accumulated, nor are any funds expected to be accumulated for the payment of these benefits. All benefits are paid directly by the City when they become due. The actual contributions by the City in fiscal year 2016 were \$58,626.

At June 30, 2016, the pension plan membership consisted of the following:

Department	# of Participants	Annual Benefit	Present Actuarial Value of Benefits
Fire	1	\$32,492	\$257,657
Police	1	27,177	123,249
Totals	2	\$59,669	\$380,906

There were no active employees in the plan. All inactive plan members and beneficiaries were currently receiving benefits. There were no beneficiaries entitled to but not yet receiving benefits.

Net Pension Liability, Methods and Assumptions. The City's total and net pension liability is \$380,906 as of June 30, 2016, a decrease of \$19,237. As there is no plan fiduciary net position, the ratio of plan fiduciary net position to total pension liability is 0%.

Projected Pension Expense

Fiscal Year 2017	\$59,669
Fiscal Year 2018	61,459
Fiscal Year 2019	63,303
Fiscal Year 2020	65,202
Fiscal Year 2021	30,588
Thereafter	-

Since the City's pension plan is a pay-as-you-go plan with no active employees, there are no accumulated assets which results in a zero funded ratio. Likewise, the ratio of liabilities to covered payroll is also zero. The actuarial assumptions used in the plan evaluation to comply with GASB #68, include: using the entry age normal actuarial cost method; a 2.6% return on investment, which decreased from 3.5% last year, resulting in an increase to the liability of \$14,961; a 1.5% retroactive cost of living increase in 2016, with a 2% cost of living expected next fiscal year, and 3% future cost of living adjustments thereafter. The amortization method used is the level percentage method of payroll. The unfunded actuarial accrued liability is being recognized as a projected unit credit actuarial cost method. The actuary used the RP 2014 Mortality Table Adjusted to 2006 projected with Scale MP 2015 for Blue Collar Workers which was a change from prior year's, to account for mortality. This change resulted in a decrease to the liability of \$11,872. The remaining amortization period for this liability is closed, over 10 years as of June 30, 2016. Other than the approved City Council cost-of-living adjustment, which for the year ending June 30, 2016 was 0%, postretirement benefits are not expected to change.

Sensitivity to the Net Pension Liability to Changes in the Discount Rate

	<u>-1% Decrease – 1.6%</u>	<u>Current Rate – 2.6%</u>	<u>+1% Increase – 3.6%</u>
Net Pension Liability	\$398,942	\$380,906	\$364,351

CITY OF LEWISTON, MAINE
Required Supplementary Information
June 30, 2016

I. Retiree Healthcare Plan

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

Fiscal Year	Actuarial Valuation Date	Plan Assets	Actuarial Liability (AL)	Unfunded Actuarial Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
2010	1/1/2009	0	\$8,495,534	\$8,495,534	0.00%	\$16,697,557	50.9%
2011	1/1/2011	0	\$6,984,012	\$6,984,012	0.00%	\$16,086,265	43.4%
2012	1/1/2011	0	\$6,984,012	\$6,984,012	0.00%	\$14,079,819	49.6%
2013	1/1/2013	0	\$4,191,155	\$4,191,155	0.00%	\$16,462,427	25.5%
2014	1/1/2013	0	\$4,191,155	\$4,191,155	0.00%	\$16,580,919	25.2%
2015	1/1/2015	0	\$3,442,071	\$3,442,071	0.00%	\$16,674,354	20.6%
2016	1/1/2015	0	\$3,442,071	\$3,442,071	0.00%	\$17,653,318	19.4%

Schedule of Employer Contributions.

Fiscal Year	Annual OPEB Cost (AOC)	% of AOC Contributed	Net OPEB Obligation
2010	\$703,303	17.5%	\$1,131,905
2011	\$506,593	33.7%	\$1,035,042
2012	\$500,604	51.4%	\$1,278,434
2013	\$307,467	76.7%	\$1,349,925
2014	\$302,609	65.5%	\$1,454,365
2015	\$251,325	95.6%	\$1,465,396
2016	\$249,124	82.7%	\$1,508,397

II. Maine Public Employees Retirement System Consolidated Plans

Schedule of Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years as of June 30 (for the only years available)

	2016	2015	2014
PLD Plan:			
Proportion of the Net Pension Liability	3.56%	3.78%	3.87%
Proportionate Share of the Net Pension Liability	\$11,353,542	\$5,823,895	\$11,916,680
Covered Employee Payroll	\$18,683,164	\$18,047,694	\$18,107,800
Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	60.77%	37.78%	76.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.30%	94.10%	87.50%

SET Plan:

City's Proportion of the Net Pension Liability	0.39%	0.31%
City's Proportionate Share of the Net Pension Liability	\$5,276,829	\$3,394,310
State's Proportionate Share of the City's Net Pension Liability	31,169,079	24,371,793
Total	\$36,445,908	\$27,766,103
City's Covered Employee Payroll	\$31,369,502	\$30,253,436
Percentage of City's Proportionate Share of the Net Pension Liability to Covered Payroll	16.82%	11.22%
Percentage of Plan Fiduciary Net Position to the Total Pension Liability	81.20%	83.91%

Schedule of Contributions for the Last Ten Fiscal Years (for the only years available)

	2016	2015	2014
PLD Plan:			
Contractually Required Contribution	\$1,662,802	\$1,454,623	\$1,312,009
Contributions Made in Relation to Required Contributions	(1,662,802)	(1,454,623)	(1,312,009)
Contributions Deficiency/(Excess)	-	-	-
Covered Employee Payroll	\$18,683,164	\$18,047,694	\$18,107,800
Percentage of Contributions to Covered Payroll	8.90%	8.06%	7.25%
SET Plan:			
Contractually Required Contribution	\$1,310,028	\$1,430,398	\$1,234,565
Contributions Made in Relation to Required Contributions	(1,310,028)	(1,430,398)	(1,234,565)
Contributions Deficiency/(Excess)	-	-	-
Covered Employee Payroll	\$31,369,502	\$30,253,436	\$28,851,036
Percentage of Contributions to Covered Payroll	4.18%	4.73%	4.28%

Notes to Required Supplementary Information

Changes of Assumptions. There was a change in the investment rate of return assumption this year from 7.25% to 7.125%. This change was made in the other MainePERS Programs with the 2014 valuation, but is first being recognized in the PLD Consolidated Plan in 2015. In addition to this change, the cost of living benefit increase assumption was changed from 3.12% to 2.55%. Further, those PLDs who had an IUUAL surplus account received a refund of that account. As a result, there will be no more IUUAL surplus payments reflected beginning with the 2015 valuation. Finally, the amortization methodology for the Pooled Unfunded Actuarial Liability (PUAL) was changed from a fifteen-year open level dollar method to a method where a separate twenty-year closed period is established annually for the gain or loss in that year with these amortizations being developed as a level percentage of payroll and amortizing the existing PUAL at the time of this change, July 1, 2015, over a closed fifteen-year period beginning on this date.

III. City Pension Plan

Schedule of Funding Progress & Employer Contributions. The City Pension Plan is a pay-as-you-go, defined benefit plan with no active employees to determine covered payroll. This plan is provided for and administered by the City of Lewiston, therefore separate financial statements are not available for this plan.

**Changes in the City's Net Pension Liability & Related Ratios
Last Ten Years (the only years available)**

	2016	2015	2014
Total Pension Liability:			
Service Cost	\$0	\$0	\$0
Interest	12,979	17,699	44,814
Changes in Benefit Terms	0	0	0
Difference in Expected and Actual Experience	23,321	(114,279)	(364,001)
Changes in Assumptions	3,089	33,820	29,499
Benefit Payments & Employer Contributions	(58,626)	(85,586)	(116,209)
Net Change in Total Pension Liability	(19,237)	(148,346)	(405,897)
Beginning Total Pension Liability	400,143	548,489	954,386
Ending Total Pension Liability	\$380,906	\$400,143	\$548,489

Schedule of Contributions for the Last Ten Years (the only years available)

	2016	2015	2014
Actuarially Determined Contributions	\$85,586	\$85,586	\$116,209
Employer Contributions Made	(85,586)	(85,586)	(116,209)
Contributions Deficiency/(Excess)	0	0	0
Covered Payroll	0	0	0
Percentage of Contributions to Covered Payroll	0.00%	0.00%	0.00%

Notes to Required Supplementary Information

Changes of Assumptions. The discount rate changed from 3.5% in 2015, to 2.6% in the current year to reflect the current yields. This change in the discount rate increased the net pension liability by \$14,961. The mortality table is the RP 2014 Mortality Table adjusted to 2006 projected with the Scale MP 2015 for Blue Collar Workers to account of mortality improvements. The prior table was the RP 2014 Mortality Table projected with Scale MP 2015 for Blue Collar for Blue Collar Workers. This change resulted in a decrease to the net pension liability of \$11,872. Lastly, there was a retroactive cost of living increase reported of 1.5% for 2016, with an expected cost of living increase of 2% for the next fiscal year.

Other Information. Contributions are pay-as-you-go based on payments through the year and are paid out of the City's general fund. The City of Lewiston City Pension Plan has no assets, employee contributions, investment income or administrative expenses.

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

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

Community Development Block Grants

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

Urban Development Action Grant

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

Rehabilitation Loan Program

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

Lewiston Mill Redevelopment Corporation

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

Urban Development Fund

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

Recreational Activity Programs

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

Public Safety, Culture and Other Grants

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

PERMANENT FUNDS

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

GAR Cemetery Care Fund

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

Library Endowment Fund

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

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016
(With Comparative Totals for June 30, 2015)

	Special Revenue Funds	Permanent Funds			Total Nonmajor Governmental Funds	
		GAR Cemetery	Library Endowment	Total	2016	2015
ASSETS						
Cash and Cash Equivalents	\$ 1,551,762				\$ 1,551,762	\$ 1,377,319
Investments	2,971,490	\$ 23,607	\$ 1,690,056	\$ 1,713,663	4,685,153	4,603,229
Receivables:						
Accounts	381,213				381,213	529,394
Rehabilitation Loans (Net of Allowance for Uncollectibles)	1,876,490				1,876,490	2,002,130
Interfund	22,702				22,702	69
Intergovernmental	750,096				750,096	505,231
Total Assets	\$ 7,553,753	\$ 23,607	\$ 1,690,056	\$ 1,713,663	\$ 9,267,415	\$ 9,017,372
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts Payable	\$ 339,830		\$ 1,074	\$ 1,074	\$ 340,904	\$ 437,036
Interfund Payables	355,738		69,036	69,036	424,774	554,471
Accrued Payroll	20,898				20,898	21,375
Total Liabilities	716,466		70,110	70,110	786,576	1,012,882
Fund Balances:						
Nonspendable:						
Permanent Fund Principal		\$ 12,043	1,206,342	1,218,385	1,218,385	1,218,385
Long-Term Notes Receivable	1,606,112				1,606,112	1,550,470
Restricted for:						
Community Development Block Grant	1,261,430				1,261,430	956,754
Urban Development Action Grant	79,248				79,248	254,311
Rehabilitation Loan Programs	115,415				115,415	121,656
Urban Development	3,062,445				3,062,445	2,554,636
Permanent Fund Unexpended Income		11,564	413,604	425,168	425,168	443,609
Public Safety and Culture Grants	344,960				344,960	246,893
Assigned to:						
Lewiston Mill Redevelopment Corp.	201,297				201,297	490,495
Recreation Activity Programs	166,378				166,378	167,281
Total Fund Balances	6,837,285	23,607	1,619,946	1,643,551	8,480,834	8,004,486
Total Liabilities & Fund Balances	\$ 7,553,753	\$ 23,607	\$ 1,690,056	\$ 1,713,663	\$ 9,267,415	\$ 9,017,372

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016
(With Comparative Totals for Year Ended June 30, 2015)

	Special Revenue Funds	Permanent Funds			Total Nonmajor Governmental Funds	
		GAR Cemetery	Library Endowment	Total	2016	2015
REVENUES						
Taxes	\$ 2,142,925				\$ 2,142,925	\$ 2,184,837
Intergovernmental	2,770,618				2,770,618	1,360,456
Charges For Services	88,766				88,766	77,199
Interest, Rents and Gain on Investments	457,533	\$ 40	\$ 35,246	\$ 35,286	492,819	588,155
Miscellaneous	147,214				147,214	396,306
Donations	91,081		1,622	1,622	92,703	117,949
Total Revenues	<u>5,698,137</u>	<u>40</u>	<u>36,868</u>	<u>36,907</u>	<u>5,735,044</u>	<u>4,724,902</u>
EXPENDITURES						
Current:						
General Government	4,279,559				4,279,559	3,926,203
Human Services	149,202				149,202	204,579
Culture & Recreation	160,155		54,316	54,316	214,471	148,915
Capital Outlay	818,242		1,031	1,031	819,273	524,615
Total Expenditures	<u>5,407,158</u>		<u>55,347</u>	<u>55,347</u>	<u>5,462,505</u>	<u>4,804,312</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	290,978	40	(18,479)	(18,439)	272,539	(79,410)
OTHER FINANCING SOURCES (USES)						
Transfers In	867,107				867,107	200,000
Transfers Out	(663,295)				(663,295)	(388,028)
Total Other Financing Sources (Uses)	<u>203,811</u>				<u>203,811</u>	<u>(188,028)</u>
Net Change in Fund Balances	494,790	40	(18,479)	(18,439)	476,350	(267,438)
Fund Balance, July 1	<u>6,342,495</u>	<u>23,568</u>	<u>1,638,425</u>	<u>1,661,992</u>	<u>8,004,486</u>	<u>8,271,924</u>
Fund Balance, June 30	<u>\$ 6,837,285</u>	<u>\$ 23,607</u>	<u>\$ 1,619,946</u>	<u>\$ 1,643,551</u>	<u>\$ 8,480,834</u>	<u>\$ 8,004,486</u>

**Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2016
(With Comparative Totals for June 30, 2015)**

	Community	Urban	Rehab	Lewiston Mill	Urban	Recreation	Public Safety,	Total All Funds	
	Development Block Grant	Development Action Grant	Loan Programs	Redevelopment Corporation	Development	Activity Fund	Culture & Other Grants	2016	2015
ASSETS									
Cash and Cash Equivalents	\$ 332,925	\$ 60,796	\$ 38,517	\$ 70,308	\$ 897,979	\$ 58,154	\$ 93,084	\$ 1,551,762	\$ 1,377,319
Investments	644,826	117,752	74,601	103,291	1,739,256	112,635	179,128	2,971,490	2,916,140
Interfund Receivables	22,585				117			22,702	69
Receivables:									
Accounts	18,229			56,362	290,600	3,641	12,380	381,213	529,394
Rehabilitation Loans (Net of Allowance for Uncollectibles)	1,181,261	266,274	16,957		411,998			1,876,490	2,002,130
Intergovernmental	235,353		307,046		130,503		77,194	750,096	505,231
Total Assets	\$ 2,435,180	\$ 444,822	\$ 437,121	\$ 229,961	\$ 3,470,453	\$ 174,430	\$ 361,785	\$ 7,553,753	\$ 7,330,283
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ 128,623	\$ 21,240	\$ 131,273	\$ 28,664	\$ 16,280	\$ 3,135	\$ 10,615	\$ 339,830	\$ 436,769
Interfund Payables	51,856	5,383	173,350		125,089		60	355,738	529,642
Accrued Payroll	4,018		1,284		4,528	4,917	6,150	20,898	21,375
Total Liabilities	184,497	26,623	305,907	28,664	145,897	8,052	16,826	716,466	987,786
Fund Balances:									
Nonspendable:									
Long-Term Notes Receivable	989,253	338,950	15,799		262,110			1,606,112	1,550,470
Restricted for:									
Community Development Block Grant	1,261,430							1,261,430	956,754
Urban Development Action Grant		79,248						79,248	254,311
Rehabilitation Loan Programs			115,415					115,415	121,656
Urban Development					3,062,445			3,062,445	2,554,636
Public Safety and Culture Grants							344,960	344,960	246,893
Assigned to:									
Lewiston Mill Redevelopment Corp.				201,297				201,297	490,495
Recreation Activity Programs						166,378		166,378	167,281
Total Fund Balances	2,250,683	418,198	131,214	201,297	3,324,556	166,378	344,960	6,837,285	6,342,495
Total Liabilities and Fund Balances	\$ 2,435,180	\$ 444,822	\$ 437,121	\$ 229,961	\$ 3,470,453	\$ 174,430	\$ 361,785	\$ 7,553,753	\$ 7,330,283

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2016
(With Comparative Totals for June 30, 2015)

	Community	Urban	Rehab	Lewiston Mill	Urban	Recreation	Public Safety,	Total All Funds	
	Development	Development	Loan	Redevelopment	Development	Activity	Culture &	2016	2015
	Block Grant	Action Grant	Programs	Corporation		Fund	Other Grants		
REVENUES									
Taxes					\$ 2,142,925			\$ 2,142,925	\$ 2,184,837
Intergovernmental	\$ 1,078,572		\$ 758,399		349,527		\$ 584,120	2,770,618	1,360,456
Charges For Services						\$ 88,766		88,766	77,199
Interest and Rents	25,767	\$ 6,288	1,066	\$ 404,697	15,108	1,697	2,910	457,533	528,779
Donations						5,910	85,171	91,081	116,399
Miscellaneous	72,969	75	93		74,077			147,214	396,306
Total Revenues	<u>1,177,308</u>	<u>6,363</u>	<u>759,558</u>	<u>404,697</u>	<u>2,581,637</u>	<u>96,373</u>	<u>672,201</u>	<u>5,698,137</u>	<u>4,663,976</u>
EXPENDITURES									
Current:									
General Government	422,342	3,585	776,069	496,410	2,263,391		317,762	4,279,559	3,926,203
Human Services	149,202							149,202	204,579
Culture and Recreation	38,537	24,342				97,276		160,155	93,480
Capital Outlay	235,739				326,131		256,372	818,242	521,137
Total Expenditures	<u>845,820</u>	<u>27,927</u>	<u>776,069</u>	<u>496,410</u>	<u>2,589,522</u>	<u>97,276</u>	<u>574,134</u>	<u>5,407,158</u>	<u>4,745,398</u>
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	331,488	(21,564)	(16,511)	(91,713)	(7,885)	(903)	98,067	290,978	(81,422)
OTHER FINANCING SOURCE (USES)									
Transfers In					867,107			867,107	200,000
Transfers Out	(91,712)		(140)	(197,485)	(373,959)			(663,295)	(388,028)
Total Other Financing Sources (Uses)	<u>(91,712)</u>		<u>(140)</u>	<u>(197,485)</u>	<u>493,148</u>			<u>203,811</u>	<u>(188,028)</u>
Net Change in Fund Balances	239,776	(21,564)	(16,651)	(289,198)	485,263	(903)	98,067	494,790	(269,450)
Fund Balance, July 1	2,010,907	439,762	147,865	490,495	2,839,293	167,281	246,893	6,342,495	6,611,945
Fund Balance, June 30	<u>\$ 2,250,683</u>	<u>\$ 418,198</u>	<u>\$ 131,214</u>	<u>\$ 201,297</u>	<u>3,324,556</u>	<u>\$ 166,378</u>	<u>\$ 344,960</u>	<u>\$ 6,837,285</u>	<u>\$ 6,342,495</u>

Community Development Block Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual & Year End Encumbrances</u>	<u>Variance Positive (Negative)</u>
	<u>Original & 2015 Encumbrances</u>	<u>Final & 2015 Encumbrances</u>		
REVENUES				
Intergovernmental	\$ 1,236,360	\$ 1,236,360	\$ 1,078,572	\$ (157,788)
Interest and Misc. Revenue			98,736	98,736
Total Revenues	<u>1,236,360</u>	<u>1,236,360</u>	<u>1,177,308</u>	<u>(59,052)</u>
EXPENDITURES				
Public Service Activities	140,220	140,220	131,027	9,193
Administration and Planning	195,027	145,027	187,445	(42,418)
Economic Development	46,449	46,449		46,449
Housing Rehabilitation	361,646	361,646	328,678	32,968
Neighborhood Improvements	330,306	380,306	317,456	62,850
Parks and Recreation	71,000	71,000	38,537	32,463
Total Expenditures	<u>1,144,648</u>	<u>1,144,648</u>	<u>1,003,143</u>	<u>141,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	91,712	91,712	174,165	82,453
OTHER FINANCING (USES)				
Transfers Out	<u>(91,712)</u>	<u>(91,712)</u>	<u>(91,712)</u>	
Total Other Financing (Uses)	<u>(91,712)</u>	<u>(91,712)</u>	<u>(91,712)</u>	
Net Change in Fund Balance - Budgetary Basis			82,453	82,453
Add Back Encumbrances			<u>157,324</u>	<u>157,324</u>
Net Change in Fund Balance - GAAP Basis			239,776	239,776
Fund Balance, July 1	<u>2,010,907</u>	<u>2,010,907</u>	<u>2,010,907</u>	
Fund Balance, June 30	<u>\$ 2,010,907</u>	<u>\$ 2,010,907</u>	<u>\$ 2,250,683</u>	<u>\$ 239,776</u>

Schedule of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds - Budget and Actual
For the Fiscal Year Ended June 30, 2016
Business-Type Activities - Enterprise Funds

	Water Enterprise Fund			Sewer Enterprise Fund			Storm Water Enterprise Fund		
	Original & Final Budget	Actual	Variance Positive (Negative)	Original & Final Budget	Actual	Variance Positive (Negative)	Original & Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES									
Charges for Services	\$ 5,408,874	\$ 5,391,606	\$ (17,268)	\$ 5,100,000	\$ 5,061,250	\$ (38,750)	\$ 2,501,000	\$ 2,604,641	\$ 103,641
Total Operating Revenue	5,408,874	5,391,606	(17,268)	5,100,000	5,061,250	(38,750)	2,501,000	2,604,641	103,641
OPERATING EXPENSES									
Cost of Sales and Services	2,028,260	1,853,277	174,983	3,248,230	3,223,800	24,430	846,926	868,510	(21,584)
Administration	924,688	855,678	69,010	663,640	631,654	31,986	362,587	350,066	12,521
Depreciation	245,000	1,247,349	(1,002,349)	75,000	663,533	(588,533)	226,500	220,113	6,387
Total Operating Expenses	3,197,948	3,956,304	(758,356)	3,986,870	4,518,987	(532,117)	1,436,013	1,438,689	(2,676)
Operating Income (Loss)	2,210,926	1,435,302	(775,624)	1,113,130	542,263	(570,867)	1,064,987	1,165,952	100,965
NONOPERATING REVENUES (EXPENSES)									
Interest Revenue		147	147		18,619	18,619		24,215	24,215
Increase in Fund Equity of Joint Ventures		67,872	67,872		54,270	54,270			
Interest Expense	(538,591)	(447,295)	91,296	(383,759)	(347,406)	36,353	(261,889)	(239,163)	22,726
Amortization of Deferred Charges		(13,799)	(13,799)		(68,595)	(68,595)		(87,464)	(87,464)
Total Nonoperating Revenue (Expenses)	(538,591)	(393,075)	145,516	(383,759)	(343,112)	40,647	(261,889)	(302,412)	(40,523)
Income (Loss) Before Contributions & Transfers	1,672,335	1,042,227	(630,108)	729,371	199,151	(530,220)	803,098	863,540	60,442
Transfers Out	(22,548)	(22,548)		(44,685)	(44,685)		(389,473)	(389,473)	
Capital Contributions		28,079	28,079						
Change in Net Position	1,649,787	1,047,758	(602,029)	684,686	154,466	(530,220)	413,625	474,067	60,442
Total Net Position, July 1	27,167,648	27,167,648		14,314,551	14,314,551		4,040,427	4,040,427	
Total Net Position, June 30	\$ 28,817,435	\$ 28,215,406	\$ (602,029)	\$ 14,999,237	\$ 14,469,017	\$ (530,220)	\$ 4,454,052	\$ 4,514,494	\$ 60,442

**Combining Statement of Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
June 30, 2016**

	Private Purpose Trust Funds		
	Farrar Fund	Scholarship Fund	Total
ASSETS			
Investments	\$ 34,550	\$ 100,324	\$ 134,873
Accounts Receivable	9		9
Total Assets	<u>\$ 34,559</u>	<u>\$ 100,324</u>	<u>\$ 134,883</u>
NET POSITION			
Held in trust for scholarships and other purposes	<u>\$ 34,559</u>	<u>\$ 100,324</u>	<u>\$ 134,883</u>

**Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
For the Fiscal year Ended June 30, 2016**

	Private Purpose Trust Funds		
	Farrar Fund	Scholarship Fund	Total
ADDITIONS			
Investment Earnings	\$ 62	\$ 31	\$ 93
Total Additions	<u>62</u>	<u>31</u>	<u>93</u>
DEDUCTIONS			
Medical Costs	<u>2,490</u>		<u>2,490</u>
Total Deductions	<u>2,490</u>		<u>2,490</u>
Change in Net Position	(2,428)	31	(2,396)
Net Position - Beginning	<u>36,987</u>	<u>100,292</u>	<u>137,279</u>
Net Position - Ending	<u>\$ 34,559</u>	<u>\$ 100,324</u>	<u>\$ 134,883</u>

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Agency Funds
June 30, 2016

	Agency Funds					Total
	School Activities	Franklin Pasture	Lewiston Senior Citizens	Holiday Parade	Social Security Client Program	
ASSETS						
Cash	\$ 425,184	\$ 258,375	\$ 14,524	\$ 204	\$ 17,002	\$ 715,290
Total Assets	<u>\$ 425,184</u>	<u>\$ 258,375</u>	<u>\$ 14,524</u>	<u>\$ 204</u>	<u>\$ 17,002</u>	<u>\$ 715,290</u>
LIABILITIES						
Accounts Payable			\$ 395			\$ 395
Accrued Payroll			15			15
School Activities Payable	\$ 425,184					425,184
Franklin Pasture Payable		\$ 258,375				258,375
Lewiston Senior Citizens Payable			14,115			14,115
Holiday Parade Committee Payable				\$ 204		204
SSI Client Payable					\$ 17,002	17,002
Total Liabilities	<u>\$ 425,184</u>	<u>\$ 258,375</u>	<u>\$ 14,524</u>	<u>\$ 204</u>	<u>\$ 17,002</u>	<u>\$ 715,290</u>

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal year Ended June 30, 2016**

	Balance 07/01/2015	Additions	Deletions	Balance 06/30/2016
School Activities				
Assets				
Cash	\$ 411,041	\$ 886,618	\$ 872,475	\$ 425,184
Liabilities				
Payable to Student Groups	\$ 411,041	\$ 886,618	\$ 872,475	\$ 425,184
Franklin Pasture Trustees				
Assets				
Cash	\$ 241,063	\$ 23,292	\$ 5,980	\$ 258,375
Liabilities				
Payable to Franklin Pasture Trust	\$ 241,063	\$ 23,292	\$ 5,980	\$ 258,375
Lewiston Senior Citizens				
Assets				
Cash	\$ 16,575	\$ 44,077	\$ 46,128	\$ 14,524
Liabilities				
Accounts Payable	\$ 216	\$ 395	\$ 216	\$ 395
Accrued Payroll	35	15	35	15
Payable to Lewiston Senior Citizens	16,325	44,077	46,287	14,115
Total Liabilities	\$ 16,575	\$ 44,487	\$ 46,538	\$ 14,524
Holiday Parade				
Assets				
Cash		\$ 1,604	\$ 1,400	\$ 204
Liabilities				
Payable to Holiday Parade Committee		\$ 1,604	\$ 1,400	\$ 204
Social Security Client Program				
Assets				
Cash	\$ 14,983	\$ 106,352	\$ 104,333	\$ 17,002
Liabilities				
Client Disbursements Payable	\$ 14,983	\$ 106,352	\$ 104,333	\$ 17,002
Total - Agency Funds				
Assets				
Cash	\$ 683,663	\$ 1,061,943	\$ 1,030,316	\$ 715,290
Total Assets	\$ 683,663	\$ 1,061,943	\$ 1,030,316	\$ 715,290
Liabilities				
Accounts Payable	\$ 216	\$ 395	\$ 216	\$ 395
Accrued Payroll	35	15	35	15
Payable to Student Groups	411,041	886,618	872,475	425,184
Payable to Franklin Pasture	241,063	23,292	5,980	258,375
Payable to Lewiston Senior Citizens	16,325	44,077	46,287	14,115
Payable to Holiday Parade Committee		1,604	1,400	204
Client Disbursements Payable	14,983	106,352	104,333	17,002
Total Liabilities	\$ 683,663	\$ 1,062,353	\$ 1,030,726	\$ 715,290

STATISTICAL SECTION

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

Financial Trends

Tables 1-4, found on pages 101-107, contain trend information to help the user gain an understanding of how the City's financial performance and strength have changed over time.

Revenue Capacity

Information about the City's most significant revenue source, property taxes, and other sources can be located on Tables 5 and 6, or pages 108 and 109.

Debt Capacity

These tables provide information that allows the user to assess the affordability of the City's current levels of outstanding debt and the ability to issue additional debt in the future. Debt capacity tables are located on pages 110-112 or Tables 7-9.

Demographic and Economic Information

Local demographic and economic statistics are presented on Table 10, or page 113. Information noted on this table helps facilitate the understanding of our local environment as it pertains to our financial activities.

Operating Information

Tables 11-13, located on pages 114-116, disclose service and infrastructure information to assist in the comparison of how the City of Lewiston's financial reports correlate with the services the City provides and activities performed.

NET POSITION BY CATEGORY
Last Ten Fiscal Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities										
Net Investment in Capital Assets	\$ 113,507,799	\$ 110,514,674	\$ 102,525,020	\$ 100,553,266	\$ 98,090,353	\$ 91,955,091	\$ 94,261,940	\$ 93,135,486	\$ 88,644,179	\$ 86,416,881
Restricted for:										
Recreation and Human Services	6,837,286	6,342,496	6,611,945	5,798,132	5,944,371	5,839,864	7,542,483	8,405,427	7,636,032	6,780,548
Debt Service						11,003,120				5,710,000
Capital Projects			4,872,789	11,822,217	2,996,325	4,726,269	2,492,689	4,117,195	6,543,754	8,397,281
Perpetual Care	23,607	23,568	23,534	23,501	23,473	23,383	23,308	23,228	22,760	21,785
Endowment Fund	1,619,946	1,638,425	1,636,447	1,469,458	1,348,013	1,300,352	1,099,174	1,005,629	1,233,000	1,296,504
Education	5,664,246	2,505,583	665,658	2,348,228	3,823,905	2,084,777				
Unrestricted Net Position	(19,752,241)	(21,369,053)	(27,987,724)	(22,622,233)	(11,165,253)	(25,516,226)	(17,031,840)	(25,363,260)	(27,135,948)	(30,019,193)
Total Governmental Activities Net Position	107,900,643	99,655,693	88,347,669	99,392,569	101,061,188	91,416,631	88,387,754	81,323,704	76,943,777	78,603,807
Business-Type Activities										
Net Invested in Capital Assets	38,833,518	37,073,340	35,660,028	33,821,418	31,998,340	25,157,754	27,837,898	24,177,613	27,491,394	19,403,282
Unrestricted Net Position	8,365,399	8,449,286	8,125,711	7,887,234	18,206,678	21,963,882	15,862,109	16,163,513	11,228,032	16,722,639
Total Business-Type Activities Net Position	47,198,917	45,522,626	43,785,739	41,708,652	50,205,018	47,121,636	43,700,007	40,341,126	38,719,427	36,125,921
Primary Government										
Net Investment in Capital Assets	152,341,317	147,588,014	138,185,048	134,374,684	130,088,693	117,112,845	122,099,838	117,313,099	116,135,573	105,820,163
Restricted for:										
Recreation and Human Services	6,837,286	6,342,496	6,611,945	5,798,132	5,944,371	5,839,864	7,542,483	8,405,427	7,636,032	6,780,548
Debt Service						11,003,120				5,710,000
Capital Projects			4,872,789	11,822,217	2,996,325	4,726,269	2,492,689	4,117,195	6,543,754	8,397,281
Perpetual Care	23,607	23,568	23,534	23,501	23,473	23,383	23,308	23,228	22,760	21,785
Endowment Fund	1,619,946	1,638,425	1,636,447	1,469,458	1,348,013	1,300,352	1,099,174	1,005,629	1,233,000	1,296,504
Education	5,664,246	2,505,583	665,658	2,348,228	1,478,557	2,084,777				
Unrestricted Net Position	(11,386,842)	(12,919,767)	(19,862,013)	(14,734,999)	5,562,868	(3,552,344)	(1,169,731)	(9,199,747)	(15,907,916)	(13,296,554)
Total Primary Government Net Position	\$ 155,099,552	\$ 145,178,311	\$ 132,133,402	\$ 141,101,216	\$ 147,442,299	\$ 138,538,266	\$ 132,087,759	\$ 121,664,825	\$ 115,663,203	\$ 114,729,725

CHANGES IN NET POSITION
Last Ten Fiscal Years

	2016	2015	2014	2013
Expenses - Governmental Activities				
General Government	\$ 12,977,354	\$ 11,731,868	\$ 20,221,360	\$ 12,129,951
Public Safety	16,699,928	16,352,762	16,587,755	16,096,995
Public Works	14,122,962	11,482,613	15,296,131	17,408,677
Human Services	1,263,360	1,314,495	1,319,451	1,271,915
Culture and Recreation	1,933,789	2,063,333	2,220,267	2,318,516
Joint Ventures and Subsidies*				
Education and Nutrition	75,439,391	70,760,789	73,203,793	67,767,929
Other Unallocated Costs				
Interest on Long-Term Debt	3,082,226	3,710,810	3,789,775	4,681,379
Total Governmental Activities Expenses	125,519,010	117,416,670	132,638,532	121,675,362
Expenses - Business-Type Activities				
Water	4,417,398	4,590,107	4,582,503	4,189,697
Sewer	4,934,988	4,819,152	4,635,675	4,724,350
Storm Water	1,765,316	1,626,116	1,474,555	1,523,224
Total Business-Type Activities Expenses	11,117,702	11,035,375	10,692,733	10,437,271
Total Primary Government Expenses	136,636,712	128,452,045	143,331,265	132,112,633
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	2,289,724	2,999,794	1,776,482	1,878,721
Public Works	1,177,027	1,061,255	1,886,360	947,158
Education & Nutrition	646,587	985,123	778,580	928,760
Other	601,264	440,920	470,484	455,014
Operating Grants and Contributions	63,966,157	61,124,783	55,828,875	51,694,985
Capital Grants and Contributions	1,650,909	1,149,393	84,163	4,452,701
Total Governmental Activities Revenues	70,331,669	67,761,267	60,824,944	60,357,339
Business-Type Activities:				
Charges for Services	13,057,497	13,060,944	13,081,381	12,287,012
Grants and Contributions	150,221	166,385	165,514	708,319
Total Business-Type Activities Revenues	13,207,718	13,227,329	13,246,895	12,995,331
Total Primary Government Program Revenues	83,539,387	80,988,596	74,071,839	73,352,670
Net (Expenses)/Revenue - Governmental Activities	(55,187,341)	(49,655,403)	(71,813,588)	(61,318,023)
Net (Expenses)/Revenue - Business-Type Activities	2,090,016	2,191,954	2,554,162	2,558,060
General Revenues				
Governmental Activities:				
Property Taxes	52,205,919	50,797,064	50,296,061	48,291,793
Payment in Lieu of Taxes	340,341	134,536	138,437	134,140
Motor Vehicle Excise Taxes	4,547,032	4,243,107	3,972,502	3,852,282
Franchise Taxes	127,611	125,144	168,001	139,060
Proceeds from Note				
Homestead Exemption & BETE Reimbursement	2,410,040	2,218,958	1,980,634	1,741,922
State Revenue Sharing	2,878,000	2,765,034	2,910,572	4,187,759
Unrestricted Investment Earnings	466,641	208,660	799,322	753,696
Transfers	456,706	470,919	503,155	548,748
Total Governmental Activities Revenues	63,432,290	60,963,423	60,768,684	59,649,400
Business-Type Activities				
Unrestricted Investment Earnings	42,981	15,852	26,081	
Transfers	(456,706)	(470,919)	(503,155)	(548,748)
Total Business-Type Activities Revenues	(413,725)	(455,067)	(477,074)	(548,748)
Total Primary Government General Revenues	63,018,565	60,508,356	60,291,610	59,100,652
Change in Net Position				
Governmental Activities	8,244,949	11,308,021	(11,044,904)	(1,668,623)
Business-Type Activities	1,676,291	1,736,887	2,077,088	2,009,312
Total Primary Government Change in Net Position	\$ 9,921,240	\$ 13,044,908	\$ (8,967,816)	\$ 340,689

* In 2013, the joint ventures and subsidiaries line was combined with the general government and public safety lines.

Table 2

Fiscal Year						
	2012	2011	2010	2009	2008	2007
\$	10,058,128	\$ 9,622,871	\$ 7,601,484	\$ 7,929,648	\$ 7,460,064	\$ 6,892,345
	14,003,128	13,006,369	13,193,880	12,647,584	13,257,287	10,799,866
	16,363,859	20,807,401	13,220,749	26,240,483	23,081,077	13,143,865
	1,509,724	1,428,094	1,703,001	1,289,516	760,370	687,907
	2,264,596	1,856,395	2,040,508	2,390,527	1,920,219	2,732,444
	3,631,678	3,491,952	3,461,371	3,608,601	840,196	4,323,641
	58,015,493	60,569,773	61,123,379	49,131,700	44,763,336	53,707,928
					11,092,886	4,962,208
	5,196,488	5,608,076	5,429,024	5,135,117	4,784,698	4,015,155
	111,043,094	116,390,931	107,773,396	108,373,175	107,960,133	101,265,360
	3,754,861	3,757,388	3,493,405	3,599,988	3,124,947	3,289,630
	4,624,232	4,546,256	4,600,726	4,546,496	4,143,408	4,089,047
	1,382,441	1,424,138	1,381,598	1,225,926	1,046,206	706,750
	9,761,534	9,727,782	9,475,729	9,372,410	8,314,561	8,085,427
	120,804,628	126,118,713	117,249,125	117,745,585	116,274,694	109,350,787
	1,914,534	1,448,471	1,408,160	1,370,012	988,755	1,487,280
	1,162,560	498,377	1,256,058	1,402,349	1,354,874	1,234,428
	1,628,968	1,343,402	1,092,530	1,271,983	1,156,303	1,223,183
	657,679	869,450	699,607	615,623	649,967	613,417
	52,180,117	53,353,911	50,407,165	46,180,177	43,168,754	40,581,711
	4,423,315	3,545,323	2,622,108	2,927,290	842,045	1,953,408
	61,967,173	61,058,934	57,485,628	53,767,434	48,160,698	47,093,427
	12,043,174	12,223,704	11,293,661	10,794,444	10,652,565	9,483,535
	1,388,172	1,544,902	2,232,278	904,430	896,825	858,955
	13,431,346	13,768,606	13,525,939	11,698,874	11,549,390	10,342,490
	75,398,519	74,827,540	71,011,567	65,466,308	59,710,088	57,435,917
	(49,075,921)	(55,331,997)	(50,287,769)	(54,605,742)	(59,799,435)	(54,171,933)
	3,669,812	4,040,824	4,050,210	2,326,464	3,234,829	2,257,063
	47,437,697	47,126,402	46,012,452	46,428,088	44,878,859	41,151,357
	135,464	127,962	111,604	104,331	385,228	554,107
	3,743,862	3,703,703	3,779,991	3,860,605	4,056,671	4,121,536
	140,931	219,207	114,030	117,247	104,218	95,763
				1,000,000		
	1,660,390	1,462,070	1,635,543	802,214	794,868	849,018
	4,184,510	3,943,411	3,932,756	4,701,804	5,187,836	5,120,501
	800,957	1,104,533	1,055,001	1,241,455	1,909,790	2,363,010
	616,663	673,575	710,441	729,921	821,935	932,077
	58,720,474	58,360,863	57,351,818	58,985,664	58,139,405	55,187,369
	30,233	54,380	19,112	25,156	180,611	73,097
	(616,663)	(673,575)	(710,441)	(729,921)	(821,935)	(932,077)
	(586,430)	(619,195)	(691,329)	(704,765)	(641,324)	(858,980)
	58,134,044	57,741,668	56,660,489	58,280,899	57,498,081	54,328,389
	9,644,553	3,028,866	7,064,048	4,379,921	(1,660,031)	1,015,438
	3,083,382	3,421,629	3,358,881	1,621,699	2,593,505	1,398,083
\$	12,727,935	\$ 6,450,495	\$ 10,422,934	\$ 6,001,620	\$ 933,474	\$ 2,413,519

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

	2016	2015	2014	2013
General Fund:				
Nonspendable:				
Inventory	\$273,593	\$197,207	\$180,924	\$324,371
Long-Term Note Receivable	854,000	911,000	940,000	940,000
Prepaid Expenditures	263,011	91,854	120,468	79,507
Long-Term Advances				
Restricted for:				
School Education	4,061,215	2,007,965	71,058	1,715,737
Assigned to:				
Asset Acquisition	21,644	21,690	21,830	13,764
Future General Fund Expenditures	1,805,360	771,004	1,557,392	1,839,675
Component Unit				
Subsequent Year's Expenditures				
Future Workers Comp. Expenditures	1,093,207	1,453,497	1,341,370	1,792,451
Future Unemployment Comp. Expenditures	10,153	10,962	52,063	56,154
Compensated Absences	1,435,767	1,409,239	1,410,071	1,432,184
Unassigned	15,508,510	12,972,357	13,355,807	12,937,935
Total General Fund	25,326,460	19,846,776	19,050,984	21,131,778
All Other Governmental Funds:				
Nonspendable:				
Special Revenue Funds	1,703,785	1,877,029	2,009,287	1,965,431
Permanent Funds	1,218,385	1,218,385	1,216,835	1,206,350
Restricted for:				
Capital Projects			4,872,789	11,822,217
Special Revenue Funds	6,368,857	4,305,309	4,465,765	3,736,347
Permanent Funds	425,168	443,609	443,145	286,609
Debt Service Fund				
Assigned to:				
Special Revenue Funds	367,675	657,776	731,493	801,436
Unassigned	(3,502,582)	(420,515)		(68,318)
Total All Other Governmental Funds	6,581,288	8,081,593	13,739,314	19,750,072
Total Governmental Funds	\$31,907,750	\$27,928,370	\$32,790,299	\$40,881,850

Beginning with the year ended June 30, 2011, the City reported governmental fund balances in accordance with categories defined in GASB No. 54. Prior years have been restated to reflect GASB 54 categories.

Table 3

Fiscal Year					
2012	2011	2010	2009	2008	2007
\$478,557	\$580,511	\$526,107	\$419,446	\$406,849	\$478,396
1,000,000	1,000,000	1,000,000	1,000,000		
					1,950,000
2,678,516	1,211,843				
8,963		55,000	55,000	55,000	156,000
274,004	821,097	474,746	603,939	1,067,521	1,041,868
				175,000	
	704,050	972,135	1,898,091	1,165,000	753,000
2,076,039	2,386,718	2,407,900	2,421,818	2,396,303	2,192,837
61,350	63,290	11,546	285	286	13,370
1,365,622	1,328,618	1,346,716	1,372,170	1,306,676	1,114,424
11,595,987	9,207,486	8,031,352	8,541,403	8,022,245	7,428,704
19,539,038	17,303,613	14,825,502	16,312,152	14,594,880	15,128,599
2,336,554	2,712,993	2,707,357	3,035,391	2,985,986	3,138,250
1,148,208	1,148,208	1,111,217	1,017,672	1,137,428	1,129,139
2,996,325	4,726,269	2,492,689	4,117,195	6,543,754	8,397,281
4,000,715	3,189,756	4,467,827	5,025,453	4,339,515	3,390,138
223,278	175,527	11,265	11,185	118,303	189,149
	11,003,120				5,710,000
897,097	810,054	312,086	344,579	310,556	252,160
(144,605)					
11,457,572	23,765,927	11,102,441	13,551,475	15,435,542	22,206,117
\$30,996,605	\$41,069,536	\$25,927,943	\$29,863,627	\$30,030,422	\$37,334,714

GOVERNMENTAL FUNDS
Last Ten Fiscal

	2016	2015	2014	2013
Revenues				
Taxes	\$ 59,158,648	\$ 57,366,216	\$ 55,977,941	\$ 53,734,557
Licenses and Permits	395,564	392,355	369,015	359,835
Intergovernmental	68,840,497	63,934,033	58,740,144	60,751,975
Charges For Services	2,075,426	2,214,465	2,130,398	2,180,207
Fines	181,372	170,495	169,775	197,249
Interest, Rents and Gains	2,290,107	2,021,920	2,034,957	2,111,341
Donations	92,703	117,949	242,977	10,865
Miscellaneous	268,592	726,608	1,368,742	724,696
Total Revenues	133,302,910	126,944,041	121,033,950	120,070,724
Expenditures				
Current:				
General Government	7,094,779	6,885,591	6,262,405	5,855,344
Public Safety	12,823,752	12,680,382	12,927,886	12,370,953
Public Works	5,971,893	6,924,704	7,129,282	7,037,063
Human Services	1,084,462	1,142,913	1,159,967	1,098,251
Culture and Recreation	1,454,104	1,404,367	1,552,810	1,608,515
Intergovernmental	3,811,611	3,700,698	3,652,352	3,691,051
Education	69,172,690	65,655,234	64,935,289	61,541,053
Nutrition	3,540,121	3,093,917	2,578,770	2,511,394
Miscellaneous	6,537,360	5,955,364	6,139,688	6,829,419
Debt Service:				
Redemption of Serial Bonds	10,746,961	14,485,076	10,884,147	9,671,065
Interest on Bond Ant. Notes				
Interest on Serial Bonds	3,058,293	3,578,000	3,796,517	3,770,473
Capital Lease Debt	181,664	205,644	205,644	205,644
Bond Issuance Costs				
Capital Outlay	7,970,583	6,565,001	11,128,912	12,332,307
Total Expenditures	133,448,273	132,276,890	132,353,667	128,522,531
Excess (Deficiency) of Revenues Over (Under) Expenditures	(145,363)	(5,332,849)	(11,319,717)	(8,451,807)
Other Financing Sources/(Uses)				
Transfers In	15,591,913	19,356,001	16,748,191	14,860,378
Transfers Out	(15,135,207)	(18,885,085)	(16,245,035)	(14,311,630)
Proceeds From Capital Lease				
Issuance of Bond Anticipation Notes				
Redemption of Bond Ant. Notes				
Premium from Bond Issuance	248,339		226,285	2,937,872
Issuance of General Obligation Bonds	3,607,000		2,886,625	16,721,400
Redemption of Refunded Bond	(4,182,302)		(9,382,906)	(31,440,976)
Issuance of Refunded Bonds	3,995,000		8,995,000	29,570,000
Total Other Financing Source (Uses)	4,124,743	470,917	3,228,159	18,337,044
Net Change in Fund Balances	\$ 3,979,380	\$ (4,861,932)	\$ (8,091,558)	\$ 9,885,238
Debt Services as a Percentage of Noncapital Expenditures	10.9%	15.7%	12.0%	11.3%

CHANGE IN FUND BALANCE
Years

		Fiscal Year					
		2012	2011	2010	2009	2008	2007
\$	52,812,697	\$ 52,028,215	\$ 51,194,449	\$ 50,988,225	\$ 49,359,103	\$ 45,980,978	
	338,645	388,153	480,254	339,859	389,997	410,631	
	60,928,936	60,196,459	57,246,889	53,746,030	49,080,684	48,405,489	
	2,947,749	2,341,240	2,593,555	2,370,396	2,387,869	2,348,448	
	205,063	232,301	172,460	223,871	199,128	184,388	
	2,116,005	2,223,301	2,029,096	2,235,383	2,829,328	3,323,076	
	58,958	32,833	178,893	173,430	534,585	211,634	
	633,680	475,107	245,532	1,843,300	474,655	343,142	
	120,041,734	117,917,609	114,141,128	111,920,492	105,255,350	101,207,786	
	7,498,833	7,604,022	6,471,320	6,170,962	8,677,380	6,040,612	
	11,823,001	11,658,967	11,666,010	11,262,646	10,638,498	10,279,738	
	6,623,827	6,235,791	6,986,370	7,410,330	8,195,303	6,587,772	
	1,292,533	1,262,706	1,500,318	1,149,439	770,619	686,664	
	1,648,175	1,713,642	1,879,000	1,857,948	1,865,611	2,290,066	
	3,539,498	3,521,588	3,573,750	3,608,601	3,408,974	3,119,615	
	58,039,922	58,170,565	58,745,376	54,301,915	51,782,514	50,710,337	
	2,570,702	2,270,777	2,294,884	2,060,035	1,970,307	2,070,276	
	6,217,582	5,491,947	5,459,117	5,694,280	11,179,149	5,803,315	
	9,694,176	9,755,017	10,116,649	8,567,710	7,439,287	6,935,431	
				176,231	675,143		
	4,421,727	5,185,659	5,260,880	4,889,391	4,231,563	3,921,987	
	207,525	319,903	319,903	245,086	32,669	106,876	
						48,870	
	8,375,578	14,094,459	15,958,177	23,452,855	14,896,397	16,629,106	
	121,953,080	127,285,043	130,231,755	130,847,430	125,763,415	115,230,664	
	(1,911,346)	(9,367,434)	(16,090,627)	(18,926,938)	(20,508,065)	(14,022,878)	
	17,038,172	17,513,772	18,815,102	36,972,145	44,374,985	13,045,913	
	(16,421,509)	(16,840,197)	(18,104,660)	(36,242,224)	(43,553,049)	(12,113,836)	
	108,856		800,000	668,142	402,841		
				10,800,000	29,025,000	10,519,281	
				(20,225,000)	(30,119,281)		
	2,584,000	13,835,452	10,741,917	26,787,080	13,073,279	8,680,000	
	(13,653,840)	(5,555,000)	(2,722,417)	(675,000)			
	2,182,738	15,555,000	2,625,000	675,000			
	(8,161,583)	24,509,027	12,154,942	18,760,142	13,203,774	20,131,358	
\$	(10,072,929)	\$ 15,141,593	\$ (3,935,685)	\$ (166,795)	\$ (7,304,291)	\$ 6,108,481	
	12.7%	13.2%	13.4%	11.6%	10.3%	10.2%	

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

Fiscal Year	Tax Rate	Total Tax Levy	Collected in Year of Levy	Ratio of Collections in Levy Year to Tax Levy	Collected in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
2007*	26.65	\$41,824,780	\$40,834,740	97.63%	\$989,333	\$41,824,073	100.00%	\$706	0.00%
2008*	24.60	\$45,569,797	\$44,224,812	97.05%	\$1,342,836	\$45,567,648	100.00%	\$2,149	0.00%
2009*	24.90	\$47,147,509	\$45,821,683	97.19%	\$1,322,092	\$47,143,775	99.99%	\$3,734	0.01%
2010*	24.90	\$47,125,353	\$45,769,770	97.12%	\$1,264,601	\$47,034,371	99.81%	\$90,982	0.19%
2011*	25.40	\$48,180,554	\$46,785,643	97.10%	\$1,376,848	\$48,162,491	99.96%	\$18,063	0.04%
2012*	25.79	\$47,256,587	\$45,946,324	97.23%	\$1,265,661	\$47,211,985	99.91%	\$44,602	0.09%
2013*	25.79	\$47,849,733	\$46,712,891	97.62%	\$1,063,477	\$47,776,368	99.85%	\$73,365	0.15%
2014*	26.44	\$50,004,815	\$48,803,178	97.60%	\$1,074,614	\$49,877,792	99.75%	\$127,023	0.25%
2015*	26.59	\$50,706,360	\$49,637,385	97.89%	\$592,645	\$50,230,030	99.06%	\$476,330	0.94%
2016*	27.37	\$54,438,839	\$53,360,892	98.02%		\$53,360,892	98.02%	\$1,077,947	1.98%

Note: Current taxes are due semiannually on September 15th and March 15th, with a 7% interest rate charged on taxes outstanding, after each respective due date. Outstanding delinquent real estate taxes are subject to tax liens pursuant to State Statutes.

* Includes state homestead and business equipment tax exemptions.

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

Fiscal Year	Assessed Value				Assessed Value	Total		Direct Tax Rate	Ratio of Assessed Value to Estimated Actual Value
	Residential	Commercial	Industrial	Utilities		Estimated Actual Value	Direct Tax Rate		
2007	\$795,580	\$481,493	\$160,299	\$100,243	\$1,537,615	\$1,948,850	\$25.31	78.90%	
2008	\$984,852	\$523,270	\$208,138	\$103,859	\$1,820,119	\$2,266,700	\$23.33	80.30%	
2009	\$1,027,474	\$533,030	\$182,091	\$108,050	\$1,850,645	\$2,499,200	\$23.63	74.05%	
2010	\$1,029,500	\$507,042	\$182,434	\$107,924	\$1,826,900	\$2,581,550	\$23.60	70.77%	
2011	\$995,772	\$551,824	\$184,302	\$107,413	\$1,839,310	\$2,473,650	\$24.14	74.36%	
2012	\$1,032,963	\$483,464	\$195,358	\$120,575	\$1,832,361	\$2,334,250	\$24.53	78.50%	
2013	\$1,028,415	\$492,757	\$192,486	\$141,702	\$1,855,360	\$2,285,400	\$24.53	81.18%	
2014	\$987,340	\$512,320	\$213,178	\$178,418	\$1,891,256	\$2,196,750	\$25.22	86.09%	
2015	\$1,024,658	\$489,868	\$200,535	\$190,643	\$1,905,703	\$2,157,100	\$25.37	88.35%	
2016	\$1,028,868	\$462,210	\$200,535	\$204,780	\$1,896,393	\$2,174,800	\$26.12	87.20%	

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

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

Fiscal Year	City Rate*	Education Rate*	Total Direct Rate*	Overlapping Rate* County Govt.	Total Tax Rate*	Water Rates Per Cubic Feet**	Sewer Rates Per Cubic Feet
2007	\$16.25	\$9.06	\$25.31	\$1.34	\$26.65	\$30.60	\$1.54-2.54
2008	\$14.79	\$8.54	\$23.33	\$1.27	\$24.60	\$33.60	\$1.70-2.80
2009	\$14.62	\$9.01	\$23.63	\$1.27	\$24.90	\$33.60	\$1.00-2.97
2010	\$14.58	\$9.02	\$23.60	\$1.30	\$24.90	\$33.60	\$2.12-3.51
2011	\$15.17	\$8.97	\$24.14	\$1.26	\$25.40	\$38.40	\$2.12-3.51
2012	\$15.62	\$8.91	\$24.53	\$1.25	\$25.79	\$38.40	\$2.12-3.51
2013	\$15.62	\$8.91	\$24.53	\$1.25	\$25.79	\$38.40	\$2.12-3.51
2014	\$15.83	\$9.39	\$25.22	\$1.22	\$26.44	\$38.40	\$2.12-3.51
2015	\$15.83	\$9.54	\$25.37	\$1.22	\$26.59	\$38.40	\$2.12-3.51
2016	\$16.04	\$10.08	\$26.12	\$1.25	\$27.37	\$38.40	\$2.12-3.51

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

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

**PRINCIPAL TAXPAYERS
As of June 30, 2016 and Nine Years Ago**

Taxpayer	Type of Business	2016		2007	
		Assessed Valuation	Percentage of Total Assessed Valuation	Assessed Valuation	Percentage of Total Assessed Valuation
Central Maine Power	Utility	\$110,517,040	5.83%	\$31,136,550	2.02%
Wal-Mart Stores East LP	Distribution Center	\$72,290,600	3.81%	\$65,073,700	4.23%
Brookfield	Utility	\$68,343,420	3.60%	\$56,376,600	3.67%
Northern Utilities	Utility	\$22,929,770	1.21%	\$12,729,600	0.83%
Lepage Bakeries	Bakery	\$21,669,520	1.14%	\$19,572,750	1.27%
T D Bank	Banking	\$17,433,160	0.92%	\$31,680,650	2.06%
L.L. Bean	Call Center	\$12,628,510	0.67%	\$10,636,900	0.69%
Elmet Technology	Metal/Wire Mfg.	\$12,234,600	0.65%	\$18,924,450	1.23%
Gendron & Gendron	Construction	\$11,733,580	0.62%		
Lewiston Prop. LLC	Real Estate	\$9,834,360	0.52%		
Donald Toussaint	Real Estate			\$13,327,750	0.87%
Geiger	Specialty Item Mfg.			\$10,980,100	0.71%
	Total	\$359,614,560	18.96%	\$270,439,050	17.59%

Source: City of Lewiston Assessment Records

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

Fiscal Year	General Obligation Bonds****	Capital Leases	Total Governmental Activities	Water Revenue Bonds****	Sewer Revenue Bonds****	Storm** Water Bonds****	Total Business-Type Activities	Total Primary Government	Ratio of Bonded Debt to		Per Capita*
									Estimated Actual Prop. Value***	Percentage of Personal Income	
2007	\$91,347,725	\$50,500	\$91,398,225	\$14,074,508	\$8,029,578	\$3,180,000	\$25,284,086	\$116,682,311	5.99%	19.20%	\$3,269
2008	\$96,981,717	\$421,007	\$97,402,724	\$12,982,272	\$7,479,068	\$3,020,000	\$23,481,340	\$120,884,064	5.33%	19.89%	\$3,387
2009	\$115,230,906	\$854,018	\$116,084,924	\$15,669,979	\$7,365,719	\$3,078,500	\$26,114,198	\$142,199,122	5.69%	23.39%	\$3,984
2010	\$115,856,173	\$1,378,945	\$117,235,118	\$15,752,732	\$7,428,007	\$3,626,137	\$26,806,876	\$144,041,994	5.58%	23.70%	\$4,036
2011	\$130,242,592	\$1,120,923	\$131,363,515	\$18,970,564	\$9,441,419	\$5,624,700	\$34,036,683	\$165,400,198	6.69%	26.54%	\$4,520
2012	\$111,661,314	\$1,072,992	\$112,734,306	\$18,791,591	\$10,805,326	\$7,022,389	\$36,619,306	\$149,353,612	6.40%	20.39%	\$4,082
2013	\$120,989,562	\$914,251	\$121,903,813	\$19,416,192	\$12,065,572	\$8,357,161	\$39,838,925	\$161,742,738	7.08%	22.09%	\$4,420
2014	\$112,857,201	\$748,734	\$113,605,935	\$20,297,481	\$13,834,395	\$9,690,073	\$43,821,949	\$157,427,884	7.17%	21.50%	\$4,302
2015	\$98,191,214	\$576,073	\$98,767,287	\$18,703,623	\$12,792,776	\$9,000,513	\$40,496,912	\$139,264,199	5.27%	19.02%	\$3,806
2016	\$91,124,355	\$419,915	\$91,544,270	\$17,725,444	\$12,326,291	\$8,583,744	\$38,635,479	\$130,179,749	4.54%	17.78%	\$3,558

* Source: The Federal 2000 Census used for years 2006-2010 and the 2010 Census used thereafter. Personal income was \$35,690 thru FY2010, then \$36,592 used thereafter.

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

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

****Includes bond premiums and discounts where applicable.

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds****	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Property Tax Value	Per Capita*
2007	\$91,347,725	\$5,885,000	\$85,462,725	4.39%	\$2,395
2008	\$96,981,717	\$5,710,000	\$91,271,717	4.03%	\$2,557
2009	\$115,230,906	\$0	\$115,230,906	4.61%	\$3,229
2010	\$115,856,173	\$0	\$115,856,173	4.49%	\$3,246
2011	\$130,242,592	\$11,003,120	\$119,239,472	4.82%	\$3,259
2012	\$111,661,314	\$0	\$111,661,314	4.78%	\$3,052
2013	\$120,989,562	\$0	\$120,989,562	5.29%	\$3,306
2014	\$112,857,201	\$0	\$112,857,201	5.14%	\$3,084
2015	\$98,191,214	\$0	\$98,191,214	4.55%	\$2,683
2016	\$91,124,355	\$0	\$91,124,355	4.19%	\$2,490

* Source: The Federal 2000 Census used for years 2006-2010 and the 2010 Census used thereafter.

LEGAL DEBT MARGIN CALCULATION
June 30, 2016 and for the Last Ten Fiscal Years

Total Estimated Actual Valuation Per State	\$ 2,174,800,000
Legal Debt Margin Limit of 15% of Estimated Actual Valuation	\$326,220,000

Debt Applicable to Debt Limit:

Purpose	Legal Maximum	Principal Debt Outstanding	Percentage Applicable to the City	Amount Applicable to the City	
<u>Direct Debt Repaid with Property Taxes:</u>					
Municipal	7.5% \$163,110,000	\$49,554,800	100%	\$49,554,800	
School	10.0% \$217,480,000	\$39,676,947	100%	\$39,676,947	
					\$89,231,747
<u>Overlapping Debt:</u>					
L.A. Water Pollution Control Authority		\$20,402,803	53.90%	\$10,997,111	
L.A. 9-1-1 Committee		\$29,700	50%	\$14,850	
Total	<u>\$380,590,000</u>				<u>\$11,011,961</u>
Total Bonded Debt Applicable to Debt Limit					<u>\$100,243,708</u>
Legal Debt Margin					<u>\$225,976,292</u>

Debt Repaid with User Fees:

Water	3.0%	\$65,244,000	\$17,417,499	100%	\$17,417,499
Sewer	7.5%	\$163,110,000	\$12,186,492	100%	\$12,186,492
Storm Water	7.5%	\$163,110,000	\$8,490,379	100%	\$8,490,379

Note: Statutory debt limit is in accordance with 30 MRSA, Section 5061, as amended. For overlapping debt, the City's portion reflects the required funding percentage as outlined in the interlocal agreement.

Fiscal Year	Debt Limit	Total Debt Applicable to Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of Debt Limit
2007	\$292,327,500	\$97,469,009	\$242,535,991	28.67%
2008	\$340,005,000	\$102,281,092	\$272,598,908	27.28%
2009	\$374,880,000	\$120,504,440	\$266,728,059	31.12%
2010	\$387,232,500	\$120,391,434	\$250,656,066	32.45%
2011	\$371,047,500	\$135,698,461	\$214,439,039	38.76%
2012	\$350,137,500	\$123,955,690	\$218,854,310	36.16%
2013	\$342,810,000	\$129,891,423	\$199,621,077	39.42%
2014	\$329,512,500	\$121,638,149	\$201,926,851	37.59%
2015	\$323,565,000	\$106,498,871	\$217,066,129	32.91%
2016	\$326,220,000	\$100,243,708	\$225,976,292	30.73%

REVENUE BOND COVERAGE
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
Water Enterprise Fund:							
2007	\$3,540,549	\$1,989,200	\$1,551,349	\$1,077,286	\$513,341	\$1,590,627	98%
2008	\$4,153,509	\$1,776,481	\$2,377,028	\$1,092,235	\$530,308	\$1,622,543	147%
2009	\$4,166,609	\$2,240,678	\$1,925,931	\$1,096,923	\$531,569	\$1,628,492	118%
2010	\$4,011,649	\$2,116,813	\$1,894,836	\$1,230,372	\$547,534	\$1,777,906	107%
2011	\$4,520,359	\$2,344,232	\$2,176,127	\$1,277,461	\$535,571	\$1,813,032	120%
2012	\$4,593,604	\$2,213,079	\$2,380,525	\$1,404,788	\$592,243	\$1,997,031	119%
2013	\$4,547,881	\$2,564,988	\$1,982,893	\$1,432,327	\$496,648	\$1,928,975	103%
2014	\$5,362,908	\$2,962,343	\$2,400,565	\$1,523,904	\$526,095	\$2,049,999	117%
2015	\$5,393,146	\$2,864,030	\$2,529,116	\$1,580,379	\$526,191	\$2,106,570	120%
2016	\$5,391,606	\$2,708,955	\$2,682,651	\$1,589,074	\$475,313	\$2,064,387	130%
Sewer Enterprise Fund:							
2007	\$4,010,870	\$3,528,921	\$481,949	\$384,438	\$206,724	\$591,162	82%
2008	\$4,421,191	\$3,451,422	\$969,769	\$550,510	\$279,024	\$829,534	117%
2009	\$4,577,420	\$3,808,835	\$768,585	\$563,349	\$322,951	\$886,300	87%
2010	\$5,182,587	\$3,806,605	\$1,375,982	\$588,400	\$325,234	\$913,634	151%
2011	\$5,428,221	\$3,753,516	\$1,674,705	\$531,867	\$294,451	\$826,318	203%
2012	\$5,184,843	\$3,700,612	\$1,484,231	\$664,379	\$347,201	\$1,011,580	147%
2013	\$5,194,399	\$3,731,791	\$1,462,608	\$762,430	\$328,333	\$1,090,763	134%
2014	\$5,150,572	\$3,667,686	\$1,482,886	\$871,274	\$370,496	\$1,241,770	119%
2015	\$5,102,783	\$3,772,538	\$1,330,245	\$1,057,706	\$370,903	\$1,428,609	93%
2016	\$5,061,250	\$3,855,454	\$1,205,796	\$1,087,840	\$355,953	\$1,443,793	84%
Storm Water Enterprise Fund:							
2007	\$1,977,298	\$706,750	\$1,270,548				
2008	\$2,100,793	\$832,674	\$1,268,119	\$160,000	\$81,958	\$241,958	524%
2009	\$2,135,082	\$1,107,063	\$1,028,019	\$171,500	\$136,578	\$308,078	334%
2010	\$2,099,425	\$1,121,537	\$977,888	\$201,093	\$148,329	\$349,422	280%
2011	\$2,275,124	\$1,106,683	\$1,168,441	\$208,937	\$161,334	\$370,271	316%
2012	\$2,264,727	\$997,065	\$1,267,662	\$327,312	\$202,230	\$529,542	239%
2013	\$2,544,732	\$1,047,463	\$1,497,269	\$415,229	\$216,647	\$631,876	237%
2014	\$2,567,901	\$1,014,900	\$1,553,001	\$596,590	\$263,247	\$859,837	181%
2015	\$2,565,015	\$1,113,082	\$1,451,933	\$752,383	\$253,649	\$1,006,032	144%
2016	\$2,604,641	\$1,218,576	\$1,386,065	\$755,643	\$248,987	\$1,004,630	138%

NOTE: Operating expenses are exclusive of depreciation

DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Income (1)	Median Family Income (1)	Median Age (1)	School Enrollment (3)	Unemployment Rate (2)
2007	35,690	\$17,032	\$30,033	37.6	4,626	4.9%
2008	35,690	\$17,032	\$30,033	37.6	4,772	5.1%
2009	35,690	\$17,032	\$30,033	37.6	4,822	9.1%
2010	35,690	\$17,032	\$30,033	37.6	4,850	8.1%
2011	36,592	\$20,014	\$36,743	37.0	5,000	7.7%
2012	36,592	\$20,014	\$36,743	37.0	5,088	7.6%
2013	36,592	\$20,014	\$36,743	37.0	5,158	6.9%
2014	36,592	\$20,014	\$36,743	37.0	5,234	5.2%
2015	36,592	\$20,014	\$36,743	37.0	5,264	4.4%
2016	36,592	\$20,014	\$36,743	37.0	5,554	3.5%

Sources:

(1) The Federal 2000 Census used for years 2006-2010 and the 2010 Census used thereafter.

(2) Maine Department of Labor

(3) Lewiston School Department

PRINCIPAL EMPLOYERS
As of June 30, 2016 and Nine Years Ago

Employer	Industry	2016		2007	
		Number of Employees	Rank & Percentage of Employment	Number of Employees	Rank & Percentage of Employment
Central Maine Medical Center	Health Care	2,752	1 - 12.4%	1,955	1 - 8.5%
Sisters of Charity Health Care Systems	Health Care	2,039	2 - 9.2%	1,937	2 - 8.4%
T D Bank	Banking	989	3 - 4.5%	1,121	3 - 4.9%
Bates College	Education	838	4 - 3.8%	764	4 - 3.3%
Wal-Mart Stores East LP	Distribution Center	783	5 - 3.5%	660	5 - 2.9%
McKesson	Health Care Admin.	465	6 - 2.1%	390	6 - 1.7%
LePage Bakeries	Bakery Goods	300	7 - 1.4%	303	10 - 1.3%
Carbonite	Computer Data Center	250	8 - 1.1%		
Androscoggin Home Health	Health Services	250	9 - 1.1%		
State of Maine	Human Services	247	10 - 1.1%		
Gieger Brothers	Printed Products			353	7 - 1.5%
L.L. Bean	Call Center			315	8 - 1.4%
Liberty Mutual	Insurance			312	9 - 1.4%

Source: Androscoggin Chamber of Commerce and Maine Department of Labor

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

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Administration	5	5	5	4	4	4	4	5	4	4
City Clerk	4	4	4	4	5	5	5	5	5	5
Economic Dev.	2	2	2	1	1	1	1	1	1	2
Finance	17	17	17	16	12	13	13	13	13	15
M.I.S.	5	5	5	5	5	5	5	5	6	6
Assessor	6	6	6	6	6	6	6	6	6	6
Dev./Code Enf.	9	9	8	7	7	7	7	7	8	8
Human Resources	0	0	0	3	3	3	4	4	4	4
Police	95	95	95	95	94	96	97.5	98	99	103.5
Fire	73.5	73.5	73.5	72.5	72.5	72.5	78	78	79	79
Public Works	78.5	78.5	80.6	81.6	84.6	83.7	88.7	93.7	92.7	93.2
Water & Sewer	23	23	23	23	25	29.7	25	25	25	25
Social Services	5	5	5	5	5	5	4.5	4.5	5	5
Recreation/MPC	3	3	6	6	6	6	7	8	9	14
Library	13.5	13.5	13.5	13.5	13.5	13.5	14.5	14.5	14.5	14.5
Education	926	879	880	866	828	796	762	748	764	730
Total Employees	1,266	1,219	1,224	1,209	1,172	1,146	1,122	1,116	1,135	1,114

Source: City of Lewiston Budget

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Indicator	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
City Clerk:										
Marriage Licenses Issued	228	212	235	232	238	221	236	230	231	272
Birth Certificates Filed	1,273	1,345	1,342	1,371	1,395	1,441	1,464	1,490	1,540	1,434
Death Certificates Filed	614	621	550	551	599	562	630	745	765	509
Finance:										
Number of Tax Bills Generated	13,022	13,080	13,104	13,163	13,167	13,180	13,202	13,193	13,283	13,250
Number of Liens Recorded	535	532	574	542	542	616	507	514	517	515
Police:										
Number of Service Calls	51,819	50,119	50,349	50,287	53,035	49,731	45,436	43,094	41,890	37,608
Number of Physical Arrests	1,765	1,999	2,209	2,271	2,242	2,439	2,870	2,580	2,599	2,688
Fire:										
Number of Service Calls	1,856	1,819	1,870	1,953	1,812	1,665	1,700	1,800	1,830	1,857
Number of Inspections	492	449	465	348	875	915	1,020	1,126	1,306	1,331
Code Enforcement:										
Number of Commercial Permits Issued	204	91	144	80	80	122	77	76	100	108
Number of Residential Permits Issued	377	382	381	534	453	387	330	425	410	596
Public Works:										
Cubic Yards Utilized at the Landfill*	46,039	17,959	15,402	18,738	15,405	18,576	15,138	19,938	15,520	13,900
Social Services:										
Number of Families Served	443	484	573	635	636	725	732	666	601	589
Number of People Served	780	784	934	977	921	1,073	1,111	1,135	1,081	1,126
Library:										
Number of Adult Books Borrowed	92,215	96,935	115,457	125,198	124,108	128,550	134,690	131,545	122,566	127,996
Number of Children Books Borrowed	61,328	68,289	70,630	76,407	80,125	86,090	95,311	92,859	89,853	95,465
Children's Program Attendance	5,702	5,847	7,011	7,015	7,030	6,752	8,247	6,341	7,085	6,674
Number of Cardholders	9,816	11,096	12,068	11,415	9,622	9,596	10,420	13,433	13,152	13,955

Source: Lewiston Municipal Departments

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

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Number of Patrol Units	36	33	33	33	33	33	34	31	31	31
Fire:										
Number of Stations	4	4	4	4	4	4	4	4	4	4
Public Works:										
Miles of Streets	188.04	188.04	188.04	188.04	188.04	188.04	188.29	188.23	187.5	187
Number of Street Lights	3,355	3,355	3,355	3,355	3,355	3,000	3,000	3,300	3,300	3,300
Water:										
Miles of Water Mains	158	158	158	158	158	158	164	159	159	159
Number of Service Connections	9,308	9,272	9,349	9,206	9,232	9,317	9,223	9,253	9,260	9,306
Number of Fire Hydrants	754	751	743	743	743	743	742	735	730	718
Average Daily Consumption -gals.	3,769,392	4,154,811	4,488,726	4,361,340	4,564,104	4,442,603	4,285,945	4,449,647	4,541,121	4,787,830
Thousand Gallons Pumped	1,137,828	1,516,506	1,638,385	1,591,889	1,665,898	1,621,550	1,564,370	1,624,121	1,657,509	1,747,558
Sewer:										
Miles of Sanitary & Storm Sewers	152	152	152	152	152	152	233	212	212	212
Number of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Number of Service Connections	8,658	8,662	8,684	8,705	8,732	8,724	8,707	8,727	8,745	8,741
Average Daily Consumption -gals.	3,769,392	4,154,811	4,488,726	4,361,340	4,564,104	4,442,603	4,285,945	4,449,647	4,541,121	4,787,830
Recreation:										
Number of Parks	23	23	17	17	16	16	16	16	16	16
Park Acreage*	59	59	36	36	36	36	32	32	32	32
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Education:										
Number of Schools	7	7	7	7	7	7	7	7	7	7

* Note: Prior to 2015, general green space and sports fields were not included in the total acreage.

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