



City of Lewiston, Maine

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

For the Fiscal Year Ended June 30, 2019

**Prepared by:
Heather A. Hunter, Finance Director/Treasurer**

INTRODUCTORY SECTION

City of Lewiston, Maine
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019

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City of Lewiston
Heather Hunter, Finance Director/Treasurer

December 24, 2019

Honorable Kristen S. Cloutier, 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, 2019 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, 2019. 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 unaudited, 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. Policymaking 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 two, 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 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 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 2,027 to 1,584 or 22%. 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 have also declined but at a much slower pace, going from 22,693, to 20,059. The statistics are aligning better as we are no longer comparing today's counts to the height of the economic boom. Although total employment within the City declined by 4.4%, total payroll grew by \$190 million or an average of 2.1% 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 4,025 employees and are the two largest employers. Viewing a 10-year snapshot comparison, employment at these hospitals shrank by 297 employees from 4,322 or 6.9%. 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. Close behind TD Bank in fourth position is Bates College employing 870 people.

Recent economic activity during the past year encompassed several diverse projects with the largest, most notable being the construction of the new STEM (Science, Technology, Engineering and Math) building at Bates College valued at \$39 million. St. Mary's Hospital, part of the Sisters of Charity Healthcare System, undertook the development of a new \$3.2 million infusion center. In spite of both entities being nonprofit, tax exempt, the City recognizes the economic spin-off in attracting people to Lewiston and the addition of high-paying jobs to the local economy.

Several area businesses undertook significant renovations/additions including: the construction of Dirigo Credit Union's new branch and headquarters at \$2.8 million; tenant fit-outs and improvements by Liberty Mutual Insurance Company (\$1.1 million) and Grand Rounds (\$3.3 million); Lepage Bakery adding additional loading docks valued at \$1.1 million; and the rehabilitation of a former fire substation to a Portland Pie restaurant and two market rate apartment (\$700,000). Grand Rounds, a high tech medical service provider who helps coordinate healthcare services amongst providers, not only grew in physical size but also in employment. The company began with 148 employees in 2017, and anticipates hitting 200 employees by January 2020 and another 100 employees the following year.

New home construction offered a dozen new starts totaling \$3.2 million. Sophia's House, an organization that assists recovering women, purchased and is renovating a former convent into a multi-bed and counseling center.

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 2018 Gross Tax Levy of \$53,472,370 is \$8,020,856).

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 13.08% 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 \$14,838,411 below the allowable limit of \$46,214,938 for FY2019. This practice will allow the City Council greater flexibility in times of economic downturn.

Financial Trends. Utilizing a three-year financial trend 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 was 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. More recently, the City has experience growth in nontax revenue and comfort with sparks of local economic expansion, but continues to lag behind FY10's amount. Since FY10, the operating budget rose by \$2,325,381 in spite of debt service falling by \$655,780 or 6.9%. Nontax revenue shrank by over \$1 million or 7.9% during the same period. Prerecession, the City's portion of the tax rate went from \$14.58 in FY2010 to a current rate of \$16.57. In the current fiscal year, the City anticipated a 3.72% increase in nontax revenue with a 2.1% increase in expenditures and is beginning to reinstate previously laid off positions. Despite adding two additional employees, one each to public works and police, the organization continues to be 18 positions down from FY10's count.

Cost of education has outpaced recent increases in General Purpose Aid revenue. Additional costs include personnel increase due to union contract settlements, and additional teachers needed given class size ratios; special education and English Language Learner demands; and expanded educational programming for summer school and Pre-K classes. 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 was \$9.02 in FY10. 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 and further to \$10.68 in FY19 – the minimum required amount to receive the full General Purpose Aid allocation.

Since FY10, the City's state equalized valuation has suffered from the recession. Valuation went from \$2,581,550,000 to a low of \$2,157,800,000 in FY15. Since that point, valuation has steadily risen to FY19's amount of \$2,235,850,000 or a 3.62% recovery. While still 13.4% below the peak, the growth has allowed the City Council to reinstate some discontinued programs.

Major Initiatives. The Library Department is this year's showcase department to highlight how they managed personnel attrition, challenges with being a service-center community, and a change in leadership while keeping pace with the department's many initiatives to preserve Lewiston's history, connect with the community, and enrich the life of the mind.

Lewiston Public Library (LPL) staff have been hard at work serving the community by building and growing a truly 21st century library. LPL is an information and research hub, a cultural and educational center, and above all, a place for learning and community for all

local residents.

Statistics are captured each month in order to measure trends in library use so that we can understand how best to serve the public. The most traditional of these is circulation, telling us how many library items are checked out each month. This year, thanks to an increased materials budget, circulation is up across quite a few categories. Notably, fiction and audiobook checkouts are up 27% and 18% from last year, respectively. Board books and picture books are up 16% and 17%, pointing to increased success in the library's ongoing efforts to promote early childhood literacy and the importance of reading in families.

This year, staff began tracking the number of reference, or informational questions they assist with daily at each of the three library public service desks. On average over the past year, staff answered 1,883 questions per month, approximately 9 questions per hour the library is open. These questions come through a variety of channels: in-person, by phone, letter, email, or through social media, especially Facebook messenger.

When staff are not busy assisting with questions, they are often hard at work planning the library's many recurring and one-time programs or events. Regular programming includes weekly story times for babies and preschool children, cooking clubs for kids and teens, gaming events for teens and adults, and a variety of adult programming spanning interests from book clubs, knitting, and language learning.

LPL prioritizes community-driven events in order to ensure offerings reflect the learning and cultural interests of area residents. As such, we routinely collaborate with local organizations to co-sponsor free programming at the library. Highlights of the past year include

- In July 2018 and 2019, Inside Dance community conversations with world-renowned choreographers hosted by the Bates Dance Festival.



- In November 2018, 140 seats were filled in the Callahan Hall event space when the Library hosted United States Poet Laureate Tracy K. Smith for a stop on her national tour, *American Conversations: Celebrating Poems in Rural Communities*, in partnership with the Maine Humanities Council's Maine Center for the Book, and the Library of Congress.

- In the fall, the Library hosted a film screening and discussion on *Welcome to Shelbyville* as part of Museum L-A's "Becoming American" series, funded by a grant

from the National Endowment for the Humanities. In conjunction with this event, LPL collaborated with the Auburn Public Library to co-host a book series examining American identity, moderated by a scholar facilitator through the Maine Humanities Council's Let's Talk About It program.

- The Library, in partnership with the Gypsy Lew Theatre Company, presented its second-annual Shakespeare in the Plaza public performance in Dufresne Plaza: *Much Ado About Nothing*. The 2019 play will be *As You Like It*. An average of 60 people were in attendance each of the four nights of the 2018 production.
- Photographer Ned Castle installed two murals on the Library's Park St. alley brick façade from his HIGHLOW Project, a collaboration with homeless youth in Vermont. In partnership with L/A Arts and New Beginnings, the Library hosted Castle to speak about his work as part of National Runaway & Homeless Youth Prevention Month.
- The Library's annual December Gingerbread Day continues to be an extremely popular event for families. This year's event, themed *Winter in Arendelle*, saw over three hundred in attendance. Children were able to participate in a variety of crafts and gingerbread decorating, listen to winter stories, and meet fairytale princesses.
- This year's Summer Reading Program theme "A Universe of Stories" saw hundreds of signups across all ages: kids, teens, and adult programs. In addition, the library partnered with Cornerstones of Science and Maine Campus Compact to present a twice-weekly science activity and free lunch program for elementary-aged children.

The library also hosted a variety of author talks over the past year, including Paul Doiron, Mark Griffin, Scott Douglass, and Theodora Goss. Planning has begun on a memoir event and workshop for the fall of 2019 featuring Suzanne Farrell Smith and Catharine Murray. In September 2019, LPL will host Edward Little alumnus Jim Linnell to speak about his forthcoming nationally acclaimed memoir, *Take It Lying Down: Finding My Feet After a Spinal Cord Injury*.



Library staff have tabled at multiple festivals and events throughout the community, including the inaugural Poutine Feast-ival, Pride L/A, Museum L-A's Innovation Expo, the Great Falls Comic Expo, and the Sunday Farmer's Market. At each of these, staff showcased library offerings, from coding robots for kids and teens to a sampling of available books, music, and DVDs, to leading story times.



New initiatives this year included the launch of the IDEA (Innovation, Design, Engineering, Art) Lab, the library's new makerspace. The IDEA Lab is a space for all ages to learn through hands-on experimentation and collaboration with others. Staff and community volunteers led STEAM (Science Technology Engineering Arts and Mathematics) programs such as beginner

sewing, origami flower pots, designing computer games using the Makey Makey invention kit, coding robots, and stop-motion Minecraft animation. Without additional staffing to monitor the tools, the library is currently unable to make the IDEA Lab a drop-in space to the public, but we hope to continue offering planned programs throughout the year.

This year saw many changes to the library's digital offerings. In late 2018, the Maine State Library unveiled the new Digital Maine Library suite of resources available statewide to all Maine residents. These resources can be accessed through LPL's online services website, LibraryLA.org along with a variety of supplemental offerings for Lewiston cardholders. One of these, Kanopy, is a new video streaming service LPL debuted in early 2019. Kanopy offers more than 30,000 films, including award winners, foreign films, and offerings for children. Lewiston residents can access 10 films per month for free with their library card.

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, 2018. This was the forty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated services of the accounting and auditing division. Special thanks to Ralph Lenfestey, Assistant Finance Director and Allen Ward, Purchasing Agent 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lewiston
Maine**

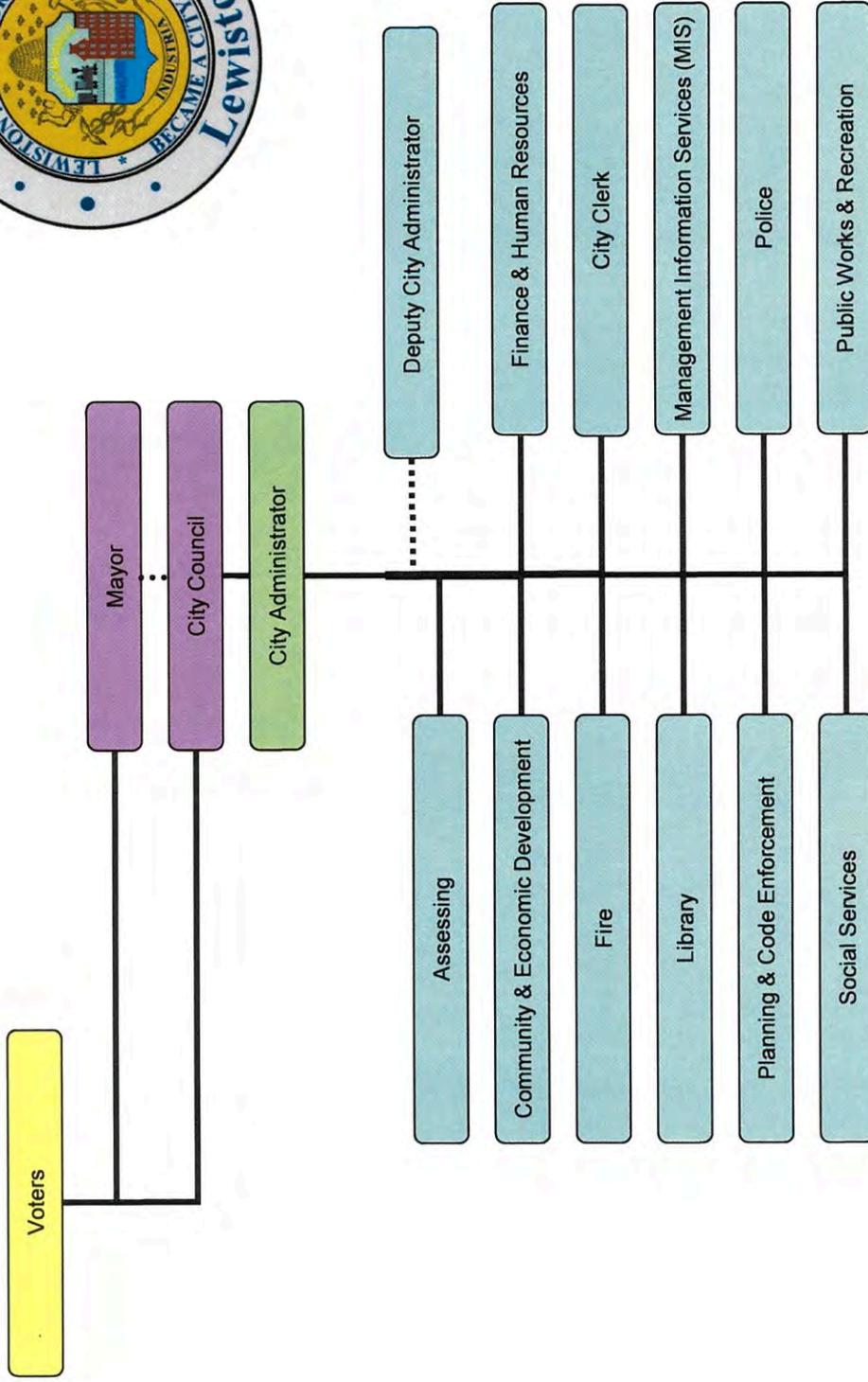
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

City of Lewiston, Maine Organizational Chart



City of Lewiston, Maine

List of Principal Officials

June 30, 2019

Elected Officials

Kristen S. Cloutier
James J. Lysen
Zachary Pettengill
Alicia Rea
Michel A. Lajoie
Kristen S. Cloutier, Council President
Joline Landry Beam
Michael J. Marcotte

Mayor
Council Member - Ward 1
Council Member - Ward 2
Council Member - Ward 3
Council Member - Ward 4
Council Member - Ward 5
Council Member - Ward 6
Council Member - Ward 7

Appointed Officials and Department Heads

Edward A. Barrett, City Administrator

William H. Healey, Chief Assessor

Lincoln Jeffers, Community & Economic Dev. Director

Brian D. Stockdale, Fire Chief

Dale F. Doughty, Public Works Director

David R. Hediger, Planning & Code Enforcement Director

Elaine Brackett, Acting Social Services Director

Denis A. D'Auteuil, Deputy City Administrator

Kathleen M. Montejo, City Clerk

Heather A. Hunter, Finance Director

Brian T. O'Malley, Police Chief

Craig S. Starr, MIS Manager

Marcela S. Peres, Library Director

FINANCIAL SECTION



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, 2019, 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.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lewiston, Maine, as of June 30, 2019, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 5, 2019, 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 5, 2019

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CITY OF LEWISTON, MAINE
Management's Discussion and Analysis
June 30, 2019

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, 2019. 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 and deferred outflows of resources of the City of Lewiston exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$170,325 (*net position*).
- The City's total net position increased by \$21,663, which represents a 14.6% increase.
- As of the close of the current fiscal year, the City of Lewiston's governmental funds reported combined ending fund balances of \$44,580 a decrease of \$17,538 in comparison with the prior year. Approximately 59.3% of this total amount or \$26,432 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 \$17,933 or 13.08% of general fund revenues and transfers in.
- The City of Lewiston's total debt decreased by \$16,892 (9.2%) 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 54-92 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 post-employment 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 93 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 \$170,325 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	
	2019	2018	2019	2018	2019	2018
Assets:						
Current & Other Assets	\$58,963	\$79,132	\$15,651	\$20,643	\$74,614	\$99,776
Capital Assets	232,386	218,601	90,293	84,812	322,679	303,413
Total Assets	291,349	297,733	105,944	105,455	397,293	403,189
Deferred Outflows of Resources	6,690	10,840			6,690	10,840
Liabilities:						
Noncurrent Liabilities	149,728	172,611	42,848	47,148	192,576	219,759
Other Liabilities	29,857	31,393	6,704	5,270	36,561	36,663
Total Liabilities	179,585	204,004	49,552	52,418	229,137	256,422
Deferred Inflows of Resources	4,521	8,945			4,521	8,945
Net Position:						
Net Investment in Capital Assets	112,708	84,930	44,929	33,866	157,637	118,796
Restricted	15,709	36,966			15,709	36,966
Unrestricted	(14,485)	(26,273)	11,463	19,172	(3,021)	(7,101)
Total Net Position	\$113,932	\$95,623	\$56,392	\$53,038	\$170,325	\$148,661

By far the largest portion of the City of Lewiston's net position (\$157,637) 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 (\$15,709) represents resources that are subject to external restrictions on how they may be used. The remaining category of net position is the unrestricted net deficit position of \$3,021; a reduced amount attributed to the deficit in the governmental activities that is 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 \$21,663 during the course of the year. Contributing factors in the increase in governmental activities net position (\$18,309) were increases in combined grants and contributions of \$6,692, tax related revenues of \$1,500, and an overall decrease of \$18,038 in

expenses. Net position in business-type activities increased by \$3,355 due to charges for services and contributions exceeding expenses in water by \$1,000, in sewer by the amount of \$1,383, and \$1,190 in storm water. The business-type activities' grants and contributions rose by \$98 and investment earnings increased by \$123.

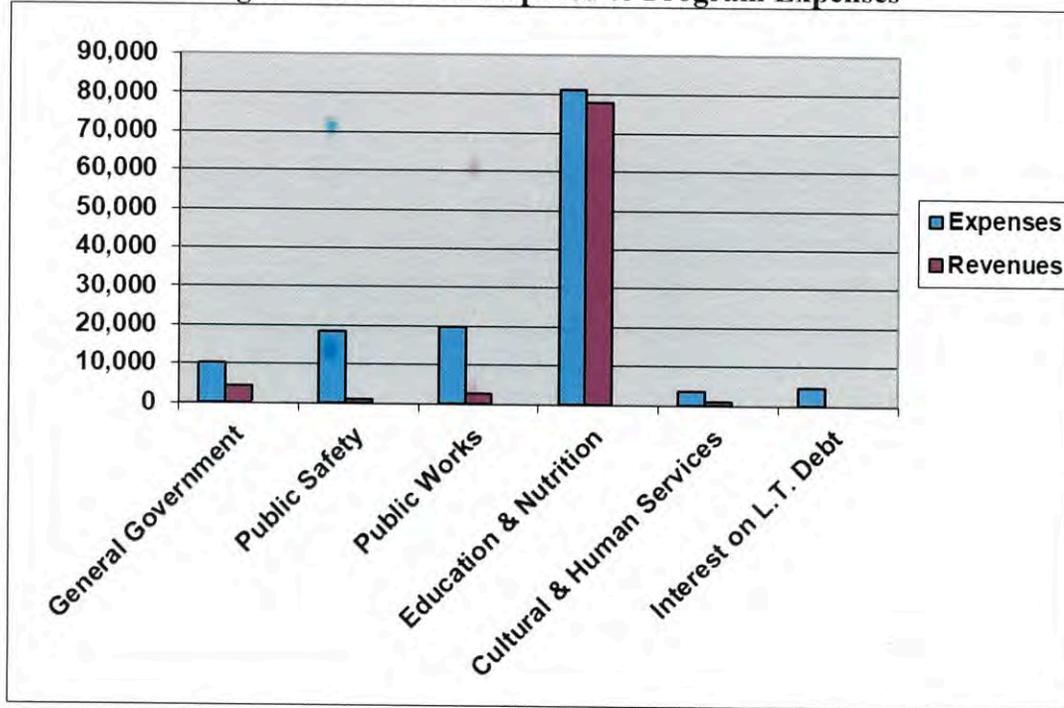
Governmental Activities. Governmental activities increased the City of Lewiston's net position by \$18,309. Key elements of the increase are as follows:

	City of Lewiston's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$4,715	\$5,013	\$15,347	\$15,265	\$20,062	\$20,278
Operating grants & contributions	80,778	71,296	499	381	81,277	71,677
Capital grants & contributions	1,769	2,761	115	135	1,884	2,896
General revenues:						
Property taxes	54,900	53,590			54,900	53,590
Other taxes	5,718	5,528			5,718	5,528
Grants & contributions not restricted to specific programs	7,137	6,041			7,137	6,041
Other	941	934	205	82	1,146	1,016
Total revenues	155,958	145,163	16,166	15,863	172,124	161,026
Expenses:						
General government	10,278	14,554			10,278	14,554
Public safety	18,456	16,443			18,456	16,443
Public works	19,616	19,729			19,616	19,729
Human services	850	1,263			850	1,263
Culture & recreation	2,858	2,536			2,858	2,536
Education & nutrition	81,399	97,773			81,399	97,773
Interest on long-term debt	4,617	3,813			4,617	3,813
Water			4,632	4,621	4,632	4,621
Sewer			5,903	5,553	5,903	5,553
Storm water			1,852	1,722	1,852	1,722
Total Expenses	138,073	156,111	12,387	11,896	150,461	168,007
Increase/ (Decrease) in net position before transfers	17,885	(10,949)	3,779	3,967	21,663	(6,982)
Transfers	423	412	(423)	(412)		
Increase/ (Decrease) in net Position	18,309	(10,537)	3,355	3,556	21,663	(6,982)
Net position, July 1	95,623	106,161	53,038	49,482	148,661	155,643
Net position, June 30	\$113,932	\$95,623	\$56,393	\$53,038	\$170,325	\$148,661

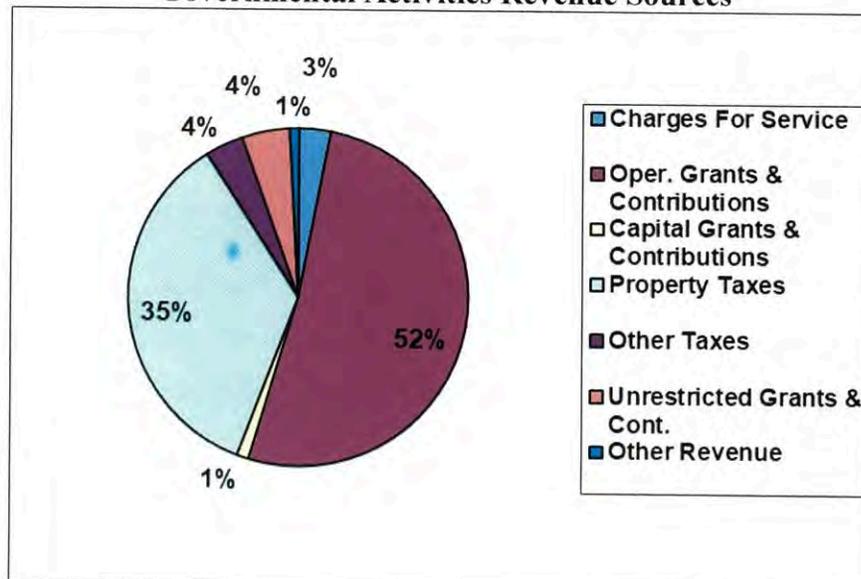
- Revenues received from the Maine Department of Transportation grants shrank by \$1,145.

- Operating grants climbed by \$9,482, primarily from the State Department of Education (\$8,094).
- A sixty-five cent tax rate increase provided additional property tax revenue of \$1,310.
- Charges for service declined by \$298 from the prior year of which \$238 is attributed to a decrease in adult education and school lunch fees.

Program Revenues Compared to Program Expenses

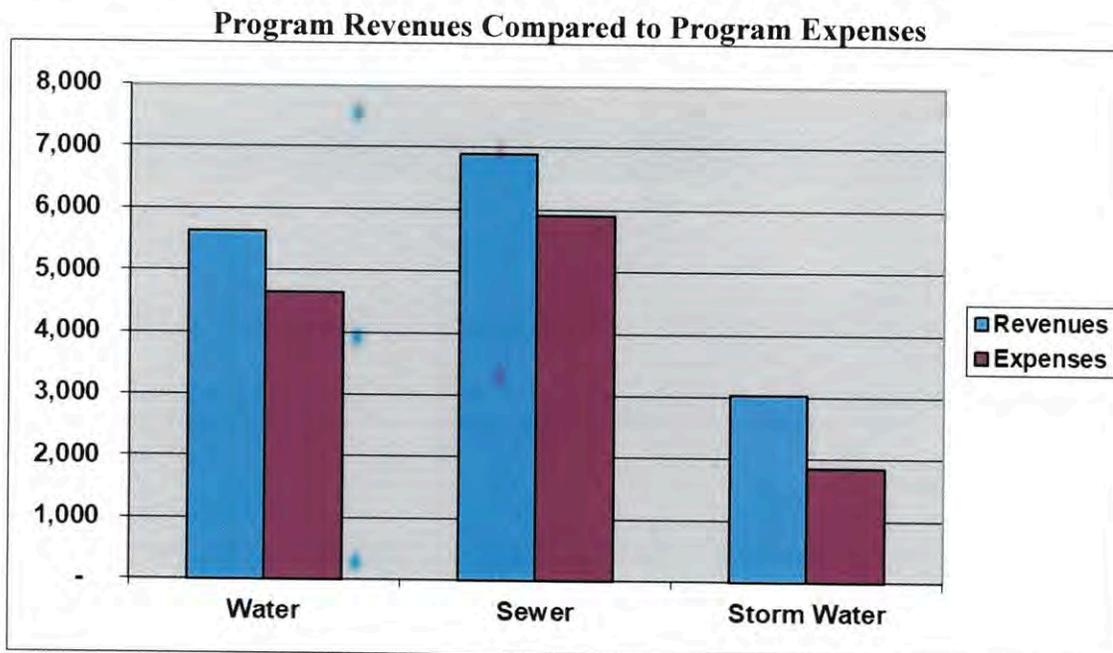


Governmental Activities Revenue Sources



Business-type Activities. The City of Lewiston’s net position for business-type activities increased by \$3,355. Key financial elements are as follows:

- Increase in fund equity from joint ventures with the Auburn Water & Sewer Districts in Sewer (\$441) and in Water (\$58).
- Income from operations continues to be strong at \$15,347, an increase from the prior year of \$82.
- Operating Expense rose slightly by 4.13% or \$492.



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 \$44,580, a decrease of \$17,538 in comparison with the prior year. Approximately 59.3% of this total amount (\$26,432) 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 (\$13,256) 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 (\$3,640) or are legally or contractually required to be maintained intact (\$1,252).

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 \$17,933 while total fund balance was \$33,514. 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 13.08% of total general fund revenues and transfers in (\$137,067), while total fund balance represents 24.45% 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 13.08% falls well above the prescribed range.

The fund balance of the City of Lewiston's general fund increased by \$4,323 during the current fiscal year. Key factors contributing to this change are as follows:

- Total revenues including transfers in, rose by \$9,735 or 7.65% of which \$7,509 reflects the increase in intergovernmental revenue primarily from the State Department of Education.
- Expenditures grew by \$7,364 with \$5,491 attributed to a rise in educational costs.
- Transfers out which is comprised primarily of debt service rose by \$3,030.

The school categorical grants fund has a fund balance of \$613. The fund balance decreased by \$42 during the year due to a \$590 increase in grant revenue netted against decreases in charges for services of \$241 and miscellaneous revenues of \$33. Grant funded operating expenses rose by \$187 and the cost of the school nutrition program rose by \$166.

The debt service fund has a zero fund balance.

The capital projects fund has a total fund balance of \$1,641. Activity in this fund fluctuates significantly from year to year depending on the number and status of various projects. Expenditures for capital projects amounted to \$24,167. The City delayed the issuance of bonds for the FY19 capital projects until the fall of FY20. Grant funds received from the Maine Department of Transportation totaled \$1,206, a \$13 decrease from 2018. Total fund balance dropped by \$22,800.

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 \$4,968; \$6,936 for the sewer fund; and \$1,176 for the storm water fund. The total growth in net position for the water fund was \$1,058, while the increase in net position of the sewer fund was \$1,393, and \$904 for the storm water fund. Other factors concerning the finances of these three funds have already been addressed above 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 \$3,745 of one time expenditures and 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 \$2,462.

The overall general fund budget (on a budgetary basis of accounting) ended the year with a decrease in fund balance of \$1,245 – more favorable than the planned use of \$6,685 of fund balance.

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	Final Budget	Actual Amount	Percentage of Total	Increase/ (Decrease) from 2018
Taxes:				
Real Estate	\$ 56,890	\$ 56,859	42.8%	\$ 2,143
Excise	4,345	5,202	3.9%	209
License and Permits	375	451	0.3%	(41)
Intergovernmental	66,520	66,256	49.8%	8,092
Charges for Services	1,124	1,299	1.0%	(37)
Fines	181	261	0.2%	50
Interest, Rents & Royalties	1,522	1,932	1.5%	232
Miscellaneous	113	163	0.1%	(102)
Transfers from Other Funds	382	497	0.4%	(227)
Total	\$ 131,452	\$ 132,920	100.0%	\$ 10,319

Fiscal year 2019 revenues for the general fund (on the budgetary basis of accounting) totaled \$132,920 or an 8.4% increase.

Current and prior year real estate and personal property taxes continue to represent one of the largest revenue source, with \$55.9 million or 42.8% of all general fund revenues. The increase of \$2,143 in the amount collected is a result of a sixty-five cent tax rate increase. Excise tax revenue which amounted to \$5,202, outpaced the prior year by \$209 or 4.2%, and represents 3.9% of the revenues.

Intergovernmental revenues, the largest revenue source, amounted to \$66,256 or 49.8% of the total. The increase of \$8,092 from the previous year was largely due to additional school aid (\$8,087), and State Revenue Sharing of \$234, which offset the \$197 decrease in general assistance aid.

Charges for services decreased \$37 from \$1,336 to \$1,299. In FY18, the City received additional revenue of \$148 in one-time tipping fees at the solid waste facility. An increase in current year tipping fee activity reduced that loss to \$52. Combined daily parking fees rose by \$20 between the seven municipal parking garages and lots.

Interest, rents, and royalties increased by \$232 to \$1,932. Return on investments rose by \$276 given the rising interest rate environment and the City taking advantage of local banks' investment specials. The State of Maine elected not to renew their lease of the Violations Bureau building, thus reducing rental income by \$70.

Miscellaneous revenues shrank by \$102 due to reductions in the sale of surplus property (\$371), sale of ferrous metals (\$29), offset slightly by an increase in miscellaneous education revenue.

Licenses and permits fell by 8.3% to \$451. Given the nature of local economic development starts in FY18, constructions permits decreased by a combined \$35 between building, electrical, and plumbing permits.

Expenditures	Final Budget & FY18 Encum.	Actual Amount	Percentage of Total	Increase/ (Decrease) from 2018
General government	\$ 4,572	\$ 4,566	3.4%	\$ 529
Public safety	15,414	15,408	11.5%	971
Public works	11,737	11,384	8.5%	1,387
Human services	1,222	566	0.4%	(310)
Recreation	480	413	0.3%	(180)
Library	1,386	1,377	1.0%	81
Intergovernmental	4,975	4,941	3.7%	435
Education	74,274	71,744	53.5%	4,054
Insurances & pensions	5,519	5,035	3.8%	(903)
Miscellaneous	1,879	1,586	1.2%	630
Transfers to other funds	16,640	17,144	12.8%	3,030
Total	\$ 138,098	\$ 134,165	100.0%	\$ 9,724

Expenditures for the general fund (on the budgetary basis of accounting) totaled \$134,165 in fiscal year ended June 30, 2019.

The net increase in general government expenditures of \$529 was attributed to increases in executive contractual services for a new branding initiative (\$75); MIS related licensing and equipment (\$563); salaries and fringe in finance (\$8); and building improvements (\$130) of which the lion's share is attributed to renovating the former Violations Bureau building vacated by the State of Maine (\$82). The City is repurposing the building to provide the police department with additional task force and evidence space.

Public safety increased by \$971 to \$15,408. The cost of police operations rose by \$753, fire by \$183, and inspection by \$26. Salaries and fringe benefits rose by \$778, of which \$189 relates to increased overtime costs due to vacancies and increased police patrols. The replacement of five police vehicles (\$143), increases in public safety supplies and equipment (\$25), and improvements to the fire substation (\$22) and police building security (\$152) also negatively affected the variance between fiscal years.

Education expenditures of \$71,744 represent 53.5% of the total expenditures. Expenditures rose by \$4,054 due to additional personnel costs, new programming, special education, and increased staffing primarily funded by the additional revenue received from the Department of Education.

The number of clients and the assistance provided decreased in FY19 producing a surplus in the current year and a \$310 decline from FY18 in human services.

Cultural and recreation had a combined decrease of \$99. Fluctuations between capital improvements to the City's Armory building and library between fiscal years accounts for \$69 of that variance. The City is benefitting from the installation of LED lights at both buildings with a \$9 reduction in utilities.

The City Council has made great strides in converting the funding of some capital items from bonded debt to the operational budget primarily through the use of fund balance surplus. This changing in funding source is best illustrated in public works. Almost all of the \$1,387 increase is attributed to capital purchases and encumbrances totaling \$1,332. Of that amount, \$1,187 represents vehicle and equipment replacement in the municipal garage, \$250 for scale house software, and \$117 in inspecting and cleaning the leachate system at the landfill. Public works further benefited by reductions in personnel services (\$143), and repairs to vehicles and equipment (\$59), which tempered increases utilities (\$50), and gasoline (\$157).

Intergovernmental expenditures rose by \$435 resulting from an increase in the county tax (\$127), additional operating and capital funding for the 911 center (\$61), the municipal airport (\$185), and the transit agency (\$62).

Insurance and pension shrank by \$903 or 15.2%. Healthcare related costs shrank by \$26 in spite of a 6.4% rate increase. In FY18, the City experienced a significant number of retirements in comparison to the current year, which produced a \$648 reduction in severance pay and a \$130 reduction in retirement benefits.

The workers compensation fund is merged with the City's miscellaneous expenditures and represents \$301 of the \$630 increase. Miscellaneous contractual services for training and a public safety study rose by \$83.

Debt transfers to the debt service fund grew by \$303 to \$17,144 reflecting the additional principal payments resulting from FY18's bond sales.

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, 2019, amounts to \$322,679 (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 6.3% (a 6.3% increase for governmental activities and a 6.5% increase for business-type activities).

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

- The increase in governmental activities' due to the new elementary school construction totaling \$7,191.
- Improvements to streets, streetlights and sidewalks totaled \$1,108, \$969, and \$619 respectively.
- The replacement of the Beech Street Bridge cost \$1,073.
- Improvements to the high school parking lot at \$371, and the installation of two artificial turfs (\$1,391) and a new track (\$410) at the sports complex.
- Equipment added for all departments during the year amounted to \$3,230, which included equipment for the new sports complex (\$349) and school (\$1,188), variety of city and school technology upgrades of \$127, police vehicles at \$189, and a variety of municipal garage equipment including a sidewalk sweeper (\$157), bulldozer (\$107), two service vehicles/pick-ups (\$64), two combination plow and sanding trucks (\$357) and a dump truck at \$52.

- The water utility replaced 7,191 feet of water mains at a cost of \$1,352.
- The sanitary sewer line rehabilitation projects cost \$914.
- The collection system inspection and capital repairs to sewer lines totaled \$571.
- There was \$608 of CSO infrastructure improvements to the College and Frye Street neighborhoods.
- Storm water spent \$531 on the North Lisbon Road storm drain.

City of Lewiston's Capital Assets (Net of Accumulated Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$16,029	\$15,989	\$1,295	\$1,295	\$17,323	\$17,284
Buildings	66,463	61,847	6,534	6,298	72,997	68,145
Improvements Other Than Buildings	19,067	17,445			19,067	17,445
Machinery & Equipment	24,117	23,094	864	887	24,981	23,981
Infrastructure	71,993	71,020	75,713	73,447	147,706	144,467
Construction in Progress	34,718	29,206	5,887	2,885	40,605	32,091
Total Capital Assets	\$232,386	\$218,601	\$90,293	\$84,812	\$322,679	\$303,413

Additional information on the City of Lewiston's capital assets can be found in note IV.C on pages 65-67 of this report.

Long-term Debt. At the end of the current fiscal year, the City of Lewiston had total bonded debt outstanding of \$182,972, which was an increase from 2018 of \$58,156 or 46.6%. 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:

City of Lewiston's Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Bonds Payable	\$120,474	\$133,510	\$45,606	\$49,462	\$166,080	\$182,972

The City of Lewiston's rating was affirmed at an AA- with a stable outlook from Standard & Poor's for its general obligation debt. Please refer to Standard & Poor'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 \$335,378, 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 69-74 of this report.

Economic Factors and Next Year's Budgets and Rates

During the past year, the City of Lewiston's assessed value grew by \$3,829 with real estate's growth of \$24,554 compensating for the \$20,725 drop in personal property values. Valuation growth continues in the utility category by \$13,897. The commercial sector grew in the current year by \$5,954 tempering reductions in residential (\$2,253), and industrial (\$13,769) segments. Fluctuations in value during FY2019 produced an 85.52% assessed value to state equalized value ratio, which was a slight increase from last year's 85.3% and is above the minimum rate of 75% of market value. After posting increases for four years in a row since 2009, the state equalized value or market value contradicted by \$1,400 to \$2,236 billion, but still falls well short of the peak of \$2.58 billion in FY2009.

FY20's budget offered an overall expansion in nontax municipal revenues of \$4,408. The nontax city revenue portion of the budget estimates rose by \$1,436 or 12%, with the bulk of the increase credited to \$1,182 in additional State Revenue Sharing. The estimated State Subsidy for Education rose by \$1,408. Municipal operating expenses and county tax rose by \$2,640 or 6.1% and \$164 or 6.1% respectively. Municipal budget category fluctuations are noted in the table below. The impact on the tax rate was a 10 cent increase for the municipality and a 4 cent increase to cover the growth in the county budget.

Category	FY19 Approved Budget	FY20 Approved Budget	Increase/ (Decrease)	% Change
Personnel Services (including fringe)	\$24,125,926	\$26,120,499	\$1,994,573	8.3%
Contractual Services	5,073,326	5,409,839	336,513	6.6%
Supplies & Materials	2,222,228	2,247,476	25,248	1.1%
Fixed Costs	14,686,522	15,135,483	448,961	3.1%
Total Municipal Budget	\$46,108,002	\$48,913,297	\$2,805,295	6.1%

Past increases in student enrollment continue to affect many areas of the school budget from additional staffing to increases in contractual services particularly in the area of special education, transportation, and English Language Learner resources. Additionally, the school budget was also plagued by the opening of the new elementary school and upgrades to building security district-wide. For the first time in over a decade, the City Council approved a budget in excess of the required local share needed to receive the full amount of state subsidy, providing an additional \$316 to reduce class sizes and provide for additional school nurses. The school operating budget rose by \$3,911 or 5.24% to \$78,548, and debt service shrank slightly by \$76. Given the two-year delay by the state, the department is now receiving \$1,408 in additional funding from the Maine Department of Education for prior years' enrollment growth and additional earmarked funds and carried forward \$1,565 in fund balance surplus. The net result produced a 10 cent increase to \$10.78 in their portion of tax rate.

Additional highlights of the FY2020 budget include the following:

- The overall tax rate rose by 24 cents to \$28.91.
- The City Council cut an additional \$259 of expenditures from the City Administrator's recommended budget, prior to restoring eight position eliminating during the great recession at a cost of \$261.
- The rise in debt service of \$573 and intergovernmental agencies of \$230 made up the increase in fixed costs.

- General government, public safety, public works, and combined insurance and retirement budgets all rose by \$253, \$1,018, \$284 and \$380 respectively.
- The City Council approved the use of \$3,745 in surplus funds to purchase capital related items.

Public Law 1 adopted in 2005, imposes a property tax levy limit that 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 that has its own limitations. The total growth factor for the City on the 2020 fiscal year budget is 5.16%. 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 2020 fiscal year water department budget of \$5,833 was 2% more than the previous year. The sewer department budget of \$6,862 was an increase of 1.7%. The storm water budget of \$3,097 rose by \$188 over the previous year. Projected cash flows were sufficient to cover the additional costs therefore no rate increase was required by the three utilities.

The unemployment rate for the City of Lewiston is currently 2.5%, a .6% decrease compared to a year ago. This rate is above the state's rate of 2.1%, but below the national average unemployment rate of 3.8%.

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, 2019

	Primary Government			Total 2018 Restated
	Governmental Activities	Business-Type Activities	Total 2019	
ASSETS				
Cash and Cash Equivalents	\$ 17,418,973	\$ 3,448,009	\$ 20,866,982	\$ 25,805,962
Investments	31,027,425	356,541	31,383,966	52,073,210
Receivables:				
Taxes	1,884,135		1,884,135	1,832,923
Accounts (Net of Allowance for Uncollectibles)	748,573	3,190,004	3,938,577	4,000,055
Interfund	0	0	0	0
Intergovernmental	3,018,356		3,018,356	3,723,451
Loans (Net of Allowance for Uncollectibles)	4,165,354		4,165,354	4,070,081
Prepaid Items	183,054		183,054	145,703
Inventory	345,287		345,287	343,344
Restricted Cash & Investments		404,907	404,907	398,229
Intangible Assets (Net of Amortization)	171,693	1,617,050	1,788,743	1,246,641
Investment in Joint Ventures		6,635,055	6,635,055	6,136,118
Capital Assets:				
Land	16,028,713	1,294,710	17,323,423	17,283,893
Buildings	116,829,358	11,594,408	128,423,766	120,062,843
Improvements Other Than Buildings	39,311,419		39,311,419	36,406,859
Machinery and Equipment	50,104,412	3,335,200	53,439,612	50,803,713
Infrastructure	134,871,040	100,157,074	235,028,114	228,145,343
Less: Accumulated Depreciation	(159,476,549)	(31,975,677)	(191,452,226)	(181,380,638)
Construction In Progress	34,717,788	5,886,866	40,604,654	32,091,090
Total Net Capital Assets	<u>232,386,181</u>	<u>90,292,581</u>	<u>322,678,762</u>	<u>303,413,103</u>
Total Assets	<u>291,349,030</u>	<u>105,944,147</u>	<u>397,293,177</u>	<u>403,188,818</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions and OPEB	6,689,522		6,689,522	10,839,954
Total Deferred Outflows of Resources	<u>6,689,522</u>		<u>6,689,522</u>	<u>10,839,954</u>
LIABILITIES				
Accounts Payable	5,277,836	1,522,302	6,800,138	9,036,443
Accrued Wages and Taxes Payable	6,449,581	63,513	6,513,094	6,130,632
Customers' Deposits	41,245		41,245	39,500
Accrued Interest Payable	1,761,816	393,348	2,155,164	1,169,378
Unearned Revenue	788,145		788,145	770,610
Liabilities Payable From Restricted Assets		404,907	404,907	338,736
Noncurrent Liabilities:				
Due Within One Year	15,538,914	4,319,707	19,858,621	19,177,731
Due in More Than One Year	149,727,759	42,847,791	192,575,550	219,759,329
Total Liabilities	<u>179,585,208</u>	<u>49,551,568</u>	<u>229,136,866</u>	<u>256,422,360</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions and OPEB	4,521,423		4,521,423	8,945,348
Total Deferred inflows of Resources	<u>4,521,423</u>		<u>4,521,423</u>	<u>8,945,348</u>
NET POSITION				
Net Investment in Capital Assets	112,707,675	44,929,267	157,636,942	118,795,974
Restricted For:				
Recreation and Human Services	6,761,481		6,761,481	6,080,544
Nonexpendable Portion of Permanent Funds	1,251,814		1,251,814	1,249,016
Expendable Portion of Permanent Funds	798,417		798,417	658,134
Capital Projects			-	24,284,799
Education	6,897,185		6,897,185	4,693,122
Unrestricted	(14,484,650)	11,463,312	(3,021,338)	(7,100,522)
Total Net Position	<u>\$ 113,931,922</u>	<u>\$ 56,392,579</u>	<u>\$ 170,324,501</u>	<u>\$ 148,661,067</u>

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

Comparative Statement of Activities
For the Year Ended June 30, 2019

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
Primary Government:							
Governmental Activities:							
General Government	\$ 10,278,118	\$ 2,309,575	\$ 2,123,484		\$ (5,845,059)	\$	\$ (5,845,059)
Public Safety	18,455,549	624,732	257,123	152,005	(17,421,690)		(17,421,690)
Public Works	19,615,848	938,571		1,616,761	(17,060,515)		(17,060,515)
Human Services	850,223		372,042		(478,181)		(478,181)
Culture & Recreation	2,858,347	269,045	538,185		(2,051,117)		(2,051,117)
Education & Nutrition	81,398,645	573,112	77,487,022		(3,338,511)		(3,338,511)
Interest on Long-Term Debt	4,616,725				(4,616,725)		(4,616,725)
Total Governmental Activities	138,073,456	4,715,035	80,777,856	1,768,766	(50,811,798)		(50,811,798)
Business-Type Activities:							
Water	4,632,572	5,459,790	57,922	114,980		\$ 1,000,120	\$ 1,000,120
Sewer	5,903,349	6,845,754	441,015			1,383,420	1,383,420
Storm Water	1,851,510	3,041,376				1,189,866	1,189,866
Total Business-Type Activities	12,387,431	15,346,920	498,937	114,980		3,573,406	3,573,406
Total Primary Government	\$ 150,460,887	\$ 20,061,955	\$ 81,276,793	\$ 1,883,746	\$ (50,811,798)	\$ 3,573,406	\$ (47,238,392)
General Revenues:							
Property Taxes					54,900,354		54,900,354
Payment in Lieu of Taxes					376,147		376,147
Motor Vehicle Excise Taxes					5,201,612		5,201,612
Franchise Taxes					140,385		140,385
Grants and Contributions Not Restricted to Specific Programs:							
Homestead Exemption & BETE Reimbursement					4,096,756		4,096,756
State Revenue Sharing					3,040,443		3,040,443
Unrestricted Investment Earnings					941,333	204,794	1,146,127
Transfers					423,446	(423,446)	
Total General Revenues and Transfers					69,120,477	(218,652)	68,901,825
Change in Net Position					18,308,680	3,354,754	21,663,434
Net Position, July 1					95,623,242	53,037,825	148,661,067
Net Position, June 30					\$ 113,931,922	\$ 56,392,579	\$ 170,324,501
							\$ 148,661,067

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

Comparative Balance Sheet
Governmental Funds
June 30, 2019

	School Categorical				Other Governmental Funds	Total Governmental Funds	
	General	Grants Special Revenue Fund	Capital Projects			2019	Restated 2018
ASSETS							
Cash and Cash Equivalents	\$ 11,322,735	\$ 710	\$ 2,331,708	\$ 3,763,819	\$ 17,418,973	\$ 20,962,026	
Investments	28,362,097		215,772	2,449,556	31,027,425	46,967,295	
Receivables:							
Taxes	1,884,135				1,884,135	1,832,923	
Accounts (Net of Allowance for Uncollectibles)	613,692	9,856		125,025	748,573	1,087,592	
Intergovernmental	565,703	1,913,814	74,589	464,249	3,018,356	3,723,451	
Loans (Net of Allowance for Uncollectibles)	1,436,891			2,728,464	4,165,354	4,070,081	
Interfund Receivable	1,079,806				1,079,806	899,076	
Prepaid Items	183,054				183,054	145,703	
Inventory	249,615	95,672			345,287	343,344	
Total Assets	\$ 45,697,817	\$ 2,020,052	\$ 2,622,069	\$ 9,531,114	\$ 59,870,962	\$ 80,031,488	

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES, AND FUND BALANCES**

Liabilities:						
Accounts Payable	\$ 3,720,901	\$ 235,648	\$ 980,667	\$ 340,620	\$ 5,277,836	\$ 8,460,978
Accrued Wages and Taxes Payable	5,994,367	428,605		26,609	6,449,581	6,074,485
Interfund Payable		727,634		352,171	1,079,806	899,075
Unearned Revenue	772,865	15,280			788,145	770,610
Customer's Deposits	41,245				41,245	39,500
Total Liabilities	10,529,378	1,407,167	980,667	719,400	13,636,613	16,244,648
Deferred Inflows of Resources:						
Deferred Tax Revenue	1,654,324				1,654,324	1,668,607
Total Deferred Inflows of Resources	1,654,324				1,654,324	1,668,607

Fund Balances:									
Nonspendable:									
Permanent Fund Principal								1,251,814	1,249,016
Prepaid Items	183,054							183,054	145,703
Inventory	249,615	95,672						345,287	343,344
Long-Term Notes Receivable	641,500							3,112,001	715,000
Restricted for:									
Capital Projects									
School Education	6,284,300	517,213			1,641,404			1,641,404	24,284,799
Permanent Fund Unexpended Income								6,801,513	4,574,643
Nonmajor Special Revenue Funds								798,417	658,134
Assigned to:								4,014,827	5,766,238
Asset Acquisition	16,722							16,722	15,821
Future Workers Comp. Expenditures	1,028,138							1,028,138	1,248,501
Future Unemployment Comp. Expenditures	28,054							28,054	19,558
Compensated Absences	1,582,300							1,582,300	1,442,877
Future General Fund Expenditures	5,567,131							5,567,131	4,864,130
Nonmajor Special Revenue Funds								276,153	314,305
Unassigned	17,933,301							17,933,301	16,476,169
Total Fund Balances	33,514,115	612,885		1,641,404			8,811,710	44,580,122	62,118,239
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 45,697,817	\$ 2,020,052	\$ 2,622,069	\$ 9,531,114					

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

Deferred outflows of resources related to pension	6,689,522	10,839,954
Deferred inflows of resources related to pension	(4,521,423)	(8,945,348)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	232,386,181	218,600,850
Intangible assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	171,693	
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.	1,654,324	1,668,607
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(167,028,489)	(188,659,056)
Net position of governmental activities	\$ 113,931,922	\$ 95,623,242

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

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	School Categorical		Debt	Capital	Other	Total Governmental Funds	
	General	Grants Special Revenue Fund	Service Fund			Governmental Funds	2019
REVENUES							
Taxes	\$ 62,061,037				\$ 2,151,968	\$ 64,213,005	\$ 61,849,035
Licenses and Permits	450,598					450,598	492,010
Intergovernmental	70,403,030	\$ 11,136,416		\$ 1,206,312	3,034,693	85,780,451	77,241,444
Charges For Services	1,299,398	108,492			154,965	1,562,855	1,817,834
Fines	260,622					260,622	210,518
Interest, Rents and Royalties	1,931,841			160,907	763,765	2,856,512	2,448,945
Donations					243,730	243,730	105,272
Miscellaneous	163,353	312,417			129,429	605,199	1,037,889
Total Revenues	<u>136,569,878</u>	<u>11,557,325</u>		<u>1,367,219</u>	<u>6,478,549</u>	<u>155,972,971</u>	<u>145,202,946</u>
EXPENDITURES							
Current:							
General Government	3,283,588				4,194,045	7,477,633	7,494,525
Public Safety	15,022,673					15,022,673	14,076,322
Public Works	8,332,773					8,332,773	7,173,522
Human Services	566,244				163,365	729,609	1,081,430
Culture and Recreation	1,441,945				731,541	2,173,486	1,956,995
Intergovernmental	4,541,847					4,541,847	4,068,832
Education	75,999,687	7,592,597				83,592,284	77,914,254
Nutrition		3,934,467				3,934,467	3,768,815
Miscellaneous	6,520,302					6,520,302	6,961,312
Debt Service:							
Redemption of Serial Bonds			\$ 13,036,035			13,036,035	10,637,217
Interest on Serial Bonds			4,140,932			4,140,932	3,625,471
Capital Lease Debt			131,902			131,902	179,662
Capital Outlay				24,167,114	242,529	24,409,644	32,171,837
Total Expenditures	<u>115,709,061</u>	<u>11,527,064</u>	<u>17,308,869</u>	<u>24,167,114</u>	<u>5,331,480</u>	<u>174,043,587</u>	<u>171,110,194</u>
Excess (Deficiency) of Revenues Over							
(Under) Expenditures	20,860,818	30,261	(17,308,869)	(22,799,895)	1,147,069	(18,070,616)	(25,907,248)
OTHER FINANCING SOURCES (USES)							
Transfers In	497,145		17,308,869	1,101,576		18,907,591	16,707,494
Transfers Out	(17,143,632)	(72,389)		(945,076)	(323,046)	(18,484,144)	(16,295,943)
Proceeds from Direct Borrowing Agreements	109,053					109,053	7,114
Issuance of Refunded Bonds							
Premium from Bond Issuance							902,427
Payment to Refunded Bond Escrow Agent							
Issuance of General Obligation Bonds							59,342,394
Total Other Financing Source (Uses)	<u>(16,537,434)</u>	<u>(72,389)</u>	<u>17,308,869</u>	<u>156,500</u>	<u>(323,046)</u>	<u>532,500</u>	<u>60,663,486</u>
Net Change in Fund Balances	4,323,384	(42,128)	(0)	(22,643,395)	824,023	(17,538,116)	34,756,238
Fund Balance, July 1 - Restated	29,190,731	655,013		24,284,799	7,987,687	62,118,239	27,362,002
Fund Balance, June 30	\$ 33,514,115	\$ 612,885	\$ (0)	\$ 1,641,404	\$ 8,811,710	\$ 44,580,122	\$ 62,118,239

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, 2019**

Net Change in Fund Balances - Total Governmental Funds Reported on Statement 4	\$ (17,538,116)
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 \$23,634,804 was reduced by depreciation expense of \$9,576,723.	14,058,081
The net effect of the disposition of capital assets which resulted in a loss that decreased net position. Disposed assets were historically valued at \$1,893,732, with accumulated depreciation of \$1,792,672.	(101,060)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(14,283)
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.	13,055,463
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>8,848,598</u>
Change in net position of governmental activities (see Statement 2)	<u>\$ 18,308,680</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, 2019

	Budgeted Amounts		Actual & Year End Encumbrances	Variance With Final Budget - Positive (Negative)
	Original & 2018 Encumbrances	Final & 2018 Encumbrances		
REVENUES				
Taxes:				
Real Estate	\$ 56,890,192	\$ 56,890,192	\$ 56,859,425	\$ (30,767)
Excise	4,345,300	4,345,300	5,201,612	856,312
Licenses and Permits	375,249	375,249	450,598	75,349
Intergovernmental	66,520,461	66,520,461	66,255,541	(264,920)
Charges For Services	1,123,595	1,123,595	1,299,398	175,803
Fines	181,230	181,230	260,622	79,392
Interest, Rents and Royalties	1,521,600	1,521,600	1,931,841	410,241
Miscellaneous	113,450	113,450	163,353	49,903
Total Revenues	<u>131,071,077</u>	<u>131,071,077</u>	<u>132,422,389</u>	<u>1,351,312</u>
EXPENDITURES				
Current:				
General Government:				
Mayor and City Council	29,925	32,546	30,881	1,665
City Administrator	393,312	528,862	526,176	2,686
City Attorney	85,000	85,000	77,191	7,809
City Clerk	308,256	340,462	335,728	4,734
Human Resources	127,723	138,121	137,657	464
Finance and Administration	1,785,920	2,460,609	2,416,017	44,592
Buildings and Parking Facilities	809,771	985,987	1,042,482	(56,495)
Total General Government	<u>3,539,907</u>	<u>4,571,587</u>	<u>4,566,134</u>	<u>5,453</u>
Public Safety:				
Police	6,461,109	7,610,797	7,619,465	(8,668)
Fire	6,519,875	7,255,854	7,248,855	6,999
Inspection	479,507	547,271	539,479	7,792
Total Public Safety	<u>13,460,491</u>	<u>15,413,922</u>	<u>15,407,799</u>	<u>6,123</u>
Public Works:				
Administration	184,254	204,002	201,399	2,603
Engineering	135,553	115,169	168,086	(52,917)
Maintenance and Sanitation	8,930,228	11,417,507	11,014,561	402,946
Total Public Works	<u>9,250,035</u>	<u>11,736,678</u>	<u>11,384,046</u>	<u>352,632</u>
Human Services	1,222,717	1,221,926	566,244	655,682
Recreation	435,330	479,939	413,343	66,596
Library	1,257,573	1,386,152	1,376,969	9,183
Intergovernmental	4,716,359	4,975,109	4,940,777	34,332
Education	74,273,667	74,273,667	71,743,990	2,529,677

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
General Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual & Year End Encumbrances</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original & 2018 Encumbrances</u>	<u>Final & 2018 Encumbrances</u>		
Miscellaneous:				
Insurances	4,849,342	4,829,453	4,548,714	280,739
Pensions and Retirement	3,111,733	689,418	486,076	203,342
Other Miscellaneous	1,594,870	1,879,362	1,586,402	292,961
Total Miscellaneous	<u>9,555,945</u>	<u>7,398,233</u>	<u>6,621,192</u>	<u>777,041</u>
Total Expenditures	<u>117,712,024</u>	<u>121,457,214</u>	<u>117,020,495</u>	<u>4,436,719</u>
Excess of Revenues Over Expenditures	13,359,053	9,613,863	15,401,895	5,788,031
OTHER FINANCING SOURCES (USES)				
Transfers In	341,804	341,804	497,145	155,341
Transfers Out	<u>(16,640,468)</u>	<u>(16,640,468)</u>	<u>(17,143,632)</u>	<u>(503,165)</u>
Total Other Financing Sources and Uses	<u>(16,298,664)</u>	<u>(16,298,664)</u>	<u>(16,646,487)</u>	<u>(347,824)</u>
Net Change in Fund Balance - Budgetary Basis	(2,939,611)	(6,684,800)	(1,244,593)	5,440,208
Add Back Encumbrances	<u>4,919,590</u>	<u>8,664,779</u>	<u>5,567,976</u>	<u>(3,096,803)</u>
Net Change in Fund Balance - GAAP Basis	1,979,979	1,979,979	4,323,384	2,343,405
Fund Balance, July 1, Restated	29,190,731	29,190,731	29,190,731	
Fund Balance, June 30	<u>\$ 31,170,710</u>	<u>\$ 31,170,710</u>	<u>\$ 33,514,115</u>	<u>\$ 2,343,405</u>

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

Comparative Statement of Net Position
Proprietary Funds
June 30, 2019
Business-Type Activities - Enterprise Funds

	Water Enterprise Fund	Sewer Enterprise Fund	Storm Water Enterprise Fund	Total	
				2019	2018
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 2,177,643	\$ 651,934	\$ 618,432	\$ 3,448,009	\$ 4,843,936
Investments	202,756	95,517	58,268	356,541	5,105,915
Restricted Cash - Customer Deposits	13,415	380,256	11,236	404,907	398,229
Accounts Receivable (Net of Allowance for Uncollectibles)	1,196,082	1,547,701	446,221	3,190,004	2,912,463
Total Current Assets	<u>3,589,896</u>	<u>2,675,408</u>	<u>1,134,157</u>	<u>7,399,461</u>	<u>13,260,543</u>
Noncurrent Assets:					
Other Assets:					
Intangible Assets (Net of Amortization)	6,900	1,205,435	404,715	1,617,050	1,246,641
Investment in Joint Ventures	2,806,908	3,828,147		6,635,055	6,136,118
Total Other Assets	<u>2,813,808</u>	<u>5,033,582</u>	<u>404,715</u>	<u>8,252,105</u>	<u>7,382,759</u>
Capital Assets:					
Land	71,850	711,837	511,023	1,294,710	1,294,710
Buildings	6,567,263	5,027,145		11,594,408	11,122,928
Infrastructure	55,240,109	30,380,540	14,536,425	100,157,074	95,966,243
Machinery and Equipment	1,571,396	1,497,762	266,042	3,335,200	3,221,985
Less: Accumulated Depreciation	(18,663,888)	(11,501,196)	(1,810,593)	(31,975,677)	(29,679,105)
Construction in Progress	1,714,527	1,675,430	2,496,909	5,886,866	2,885,492
Total Net Capital Assets	<u>46,501,257</u>	<u>27,791,518</u>	<u>15,999,806</u>	<u>90,292,581</u>	<u>84,812,253</u>
Total Noncurrent Assets	<u>49,315,065</u>	<u>32,825,100</u>	<u>16,404,521</u>	<u>98,544,686</u>	<u>92,195,012</u>
Total Assets	<u>\$ 52,904,961</u>	<u>\$ 35,500,508</u>	<u>\$ 17,538,678</u>	<u>\$ 105,944,147</u>	<u>\$ 105,455,555</u>

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

Comparative Statement of Net Position
Proprietary Funds
June 30, 2019
Business-Type Activities - Enterprise Funds

	Water	Sewer	Storm Water	Total	
	Enterprise Fund	Enterprise Fund	Enterprise Fund	2019	2018
LIABILITIES					
Current Liabilities:					
Net Revenue Bonds Payable - Current	\$ 1,897,002	\$ 1,469,316	\$ 920,947	\$ 4,287,265	\$ 3,966,060
Accounts Payable	1,117,363	170,429	234,510	1,522,302	575,465
Accrued Wages and Taxes Payable	30,844	14,321	18,348	63,513	56,147
Compensated Absences Payable - Current	21,786	10,656		32,442	18,908
Accrued Interest Payable	148,249	146,510	98,589	393,348	314,252
Customer Deposits Payable	13,415	380,256	11,236	404,907	338,736
Total Current Liabilities	<u>3,228,659</u>	<u>2,191,488</u>	<u>1,283,630</u>	<u>6,703,777</u>	<u>5,269,568</u>
Noncurrent Liabilities:					
Compensated Absences Payable	104,279	50,414		154,693	167,799
Net Revenue Bonds Payable	18,373,847	15,033,837	9,285,414	42,693,098	46,980,363
Total Noncurrent Liabilities	<u>18,478,126</u>	<u>15,084,251</u>	<u>9,285,414</u>	<u>42,847,791</u>	<u>47,148,162</u>
Total Liabilities	<u>21,706,785</u>	<u>17,275,739</u>	<u>10,569,044</u>	<u>49,551,568</u>	<u>52,417,730</u>
NET POSITION					
Net Investment in Capital Assets	26,237,309	12,493,799	6,198,159	44,929,267	33,865,832
Unrestricted	4,960,867	5,730,970	771,475	11,463,312	19,171,993
Total Net Position	<u>\$ 31,198,176</u>	<u>\$ 18,224,769</u>	<u>\$ 6,969,634</u>	<u>\$ 56,392,579</u>	<u>\$ 53,037,825</u>

**Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019
Business-Type Activities - Enterprise Funds**

	Water	Sewer	Storm Water	Total	
	Enterprise Fund	Enterprise Fund	Enterprise Fund	2019	2018
OPERATING REVENUES					
Charges for Services	\$ 5,459,790	\$ 6,845,754	\$ 3,041,376	\$ 15,346,920	\$ 15,265,335
Total Operating Revenues	<u>5,459,790</u>	<u>6,845,754</u>	<u>3,041,376</u>	<u>15,346,920</u>	<u>15,265,335</u>
OPERATING EXPENSES					
Cost of Sales and Services	1,950,994	3,734,397	769,031	6,454,422	6,244,545
Administration	839,346	721,947	326,800	1,888,093	1,864,807
Depreciation	1,292,699	762,692	304,496	2,359,887	2,281,082
Total Operating Expenses	<u>4,083,039</u>	<u>5,219,036</u>	<u>1,400,327</u>	<u>10,702,402</u>	<u>10,390,434</u>
Operating Income	1,376,751	1,626,718	1,641,049	4,644,518	4,874,902
NONOPERATING REVENUES (EXPENSES)					
Interest Revenues	92,722	58,400	53,672	204,794	81,992
Increase in Fund Equity of Joint Ventures	57,922	441,015		498,937	380,931
Interest Expense	(556,443)	(513,668)	(322,515)	(1,392,626)	(1,248,688)
Gain (Loss) on Sale of Capital Assets	20,709			20,709	0
Amortization of Deferred Charges	<u>(13,799)</u>	<u>(170,645)</u>	<u>(128,668)</u>	<u>(313,112)</u>	<u>(256,600)</u>
Total Nonoperating Revenue (Expenses)	<u>(398,889)</u>	<u>(184,898)</u>	<u>(397,511)</u>	<u>(981,298)</u>	<u>(1,042,365)</u>
Income Before Contributions & Transfers	977,862	1,441,820	1,243,538	3,663,220	3,832,537
Transfers Out	(35,134)	(49,045)	(339,267)	(423,446)	(411,552)
Capital Contributions	<u>114,980</u>			<u>114,980</u>	<u>134,598</u>
Change in Net Position	1,057,708	1,392,775	904,271	3,354,754	3,555,583
Total Net Position, July 1	<u>30,140,468</u>	<u>16,831,994</u>	<u>6,065,363</u>	<u>53,037,825</u>	<u>49,482,243</u>
Total Net Position, June 30	<u>\$ 31,198,176</u>	<u>\$ 18,224,769</u>	<u>\$ 6,969,634</u>	<u>\$ 56,392,579</u>	<u>\$ 53,037,825</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, 2019
Business-Type Activities - Enterprise Funds

	Water	Sewer	Storm Water	Total	
	Enterprise Fund	Enterprise Fund	Enterprise Fund	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received From Customers	\$ 5,389,514	\$ 6,739,998	\$ 3,006,037	\$ 15,135,549	\$ 14,818,934
Cash Paid to Suppliers for Goods and Services	(689,718)	(3,911,106)	(537,237)	(5,138,061)	(6,654,778)
Cash Paid to Employees for Services	(1,209,776)	(638,614)	(401,433)	(2,249,823)	(2,070,368)
Net Cash Provided by Operating Activities	<u>3,490,020</u>	<u>2,190,278</u>	<u>2,067,367</u>	<u>7,747,665</u>	<u>6,093,788</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to Other Funds	(35,134)	(49,045)	(339,267)	(423,446)	(411,552)
Net Cash (Used For) Noncapital Financing Activities	<u>(35,134)</u>	<u>(49,045)</u>	<u>(339,267)</u>	<u>(423,446)</u>	<u>(411,552)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds From Sale of Revenue Bonds				0	13,752,301
Acquisition and Construction of Capital Assets	(2,493,745)	(2,824,928)	(3,184,352)	(8,503,025)	(5,549,898)
Principal Paid on Revenue Bonds	(1,771,443)	(1,271,670)	(813,254)	(3,856,367)	(3,552,946)
Interest Paid on Revenue Bonds	(591,522)	(511,699)	(320,003)	(1,423,224)	(1,321,933)
Cost of Issuing Revenue Bonds				0	(125,264)
Capital Contributions	114,980			114,980	134,598
Net Cash (Used For) Capital & Related Financing Activities	<u>(4,741,730)</u>	<u>(4,608,297)</u>	<u>(4,317,609)</u>	<u>(13,667,636)</u>	<u>3,336,858</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Earned on Investments	92,722	58,400	53,672	204,794	81,991
Net Cash Provided By Investing Activities	<u>92,722</u>	<u>58,400</u>	<u>53,672</u>	<u>204,794</u>	<u>81,991</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,194,122)	(2,408,664)	(2,535,837)	(6,138,623)	9,101,085
Cash and Cash Equivalents, July 1	3,587,936	3,536,371	3,223,773	10,348,080	1,246,995
Cash and Cash Equivalents, June 30	<u>\$ 2,393,814</u>	<u>\$ 1,127,707</u>	<u>\$ 687,936</u>	<u>\$ 4,209,457</u>	<u>\$ 10,348,080</u>
Cash and Cash Equivalents	2,177,643	651,934	618,432	3,448,009	4,843,936
Investments	202,756	95,517	58,268	356,541	5,105,915
Restricted Cash	13,415	380,256	11,236	404,907	398,229
Total Cash and Cash Equivalents	<u>\$ 2,393,814</u>	<u>\$ 1,127,707</u>	<u>\$ 687,936</u>	<u>\$ 4,209,457</u>	<u>\$ 10,348,080</u>

Reconciliation of Operating Income to Net Cash Provided By Operating Activities					
Operating Income	\$ 1,376,751	\$ 1,626,718	\$ 1,641,049	\$ 4,644,518	\$ 4,874,902
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:					
Depreciation and Amortization	1,292,699	762,692	304,496	2,359,887	2,281,082
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(68,503)	(173,699)	(35,339)	(277,541)	(388,809)
Increase (Decrease) in Customer Deposits	(1,772)	67,943		66,171	(57,592)
Increase (Decrease) in Accounts Payable	890,410	(94,501)	150,928	946,837	(634,716)
Increase (Decrease) in Accrued Payroll	1,860	(727)	6,233	7,366	441
Increase (Decrease) in Compensated Absences Payable	(1,425)	1,852		427	18,480
Total Adjustments	<u>2,113,269</u>	<u>563,560</u>	<u>426,318</u>	<u>3,103,147</u>	<u>1,218,886</u>
Net Cash Provided By Operating Activities	<u>\$ 3,490,020</u>	<u>\$ 2,190,278</u>	<u>\$ 2,067,367</u>	<u>\$ 7,747,665</u>	<u>\$ 6,093,788</u>

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

Comparative Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	<u>Private Purpose Trust Funds</u>		<u>Agency Funds</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
ASSETS				
Cash and Cash Equivalents			\$ 569,797	\$ 722,299
Investments	\$ 119,600	\$ 119,049		
Total Assets	<u>\$ 119,600</u>	<u>\$ 119,049</u>	<u>\$ 569,797</u>	<u>\$ 722,299</u>
LIABILITIES				
Accounts Payable	\$ 2,182	\$ 1,033	\$ 1,059	\$ 38
Accrued Payroll				65
School Activities Payable			445,204	420,445
Lewiston Senior Citizens Payable			25,355	23,621
Franklin Pasture Payable			97,836	277,932
Holiday Parade Committee Payable			341	197
Total Liabilities	<u>2,182</u>	<u>1,033</u>	<u>\$ 569,797</u>	<u>\$ 722,299</u>
NET POSITION				
Held in trust for scholarships and other purposes	<u>\$ 117,418</u>	<u>\$ 118,015</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, 2019**

	Private Purpose Trust Funds	
	2019	2018
ADDITIONS		
Donations	\$ 200	\$ 1,587
Investment Earnings	1,608	332
Total Additions	1,808	1,919
DEDUCTIONS		
Medical Disbursements	905	3,248
Scholarship Awards	1,500	3,000
Total Deductions	2,405	6,248
Change in Net Position	(597)	(4,330)
Net Position - Beginning	118,015	122,346
Net Position - Ending	\$ 117,418	\$ 118,015

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

CITY OF LEWISTON, MAINE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

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 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.

All governmental fund types use the modified accrual basis of accounting and the current financial resources measurement focus. 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 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 notes from direct borrowings 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 wastewater 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, and the local senior citizens group.

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

As a 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 money market accounts. 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. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. 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 typically held for these funds.

5. 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.

6. 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, donated works of art, and similar items are recorded at acquisition 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 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

7. 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 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.

8. 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.

9. 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 \$1,654,324 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 OPEB and pension liabilities, which include the City's contributions subsequent to the measurement date, which is recognized as a reduction of the net 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 and OPEB 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 OPEB and 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.

10. 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.

11. Other Post-Employment Benefits (OPEB)

In measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the City's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

For purposes of measuring the City's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Maine Public Employees Retirement System OPEB Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

12. 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 additions to/deductions from the PLD Consolidated and SET Plans' fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated and SET Plans. 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.

13. 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.

14. Implementation of New Accounting Standards

GASB has two new accounting standards that take effect this fiscal year. These new standards include Statement No. 83, "Certain Asset Retirement Obligations", and Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement". Management has determined that these statements are either not applicable to the City of Lewiston in the case of GASB Statement No. 83, or have implemented the necessary changes as in the case of GASB Statement No. 88. Notations of such have also been included in the long-term portion of the notes.

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 \$167,028,489 difference are as follows:

Bonds Payable	\$ 120,474,287
Bond Premium	3,501,086
Accrued Interest Payable	1,761,816
Obligation for Workers Compensation Claims	5,105,295
Compensated Absences Payable – Sick	880,670
OPEB UAAL	17,980,217
MEPERS Net Pension Liability	12,188,874
Compensated Absences Payable – Vacation	1,885,512
Notes from Direct Borrowings Payable	76,248
Landfill Closure and Post-Closure Care Costs	<u>3,174,501</u>
Net adjustment to reduce total governmental fund balances to arrive at governmental activities net position	\$ <u>167,028,489</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, "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 \$13,055,463 difference are as follows:

Debt Issued:	
Issuance of General Obligation Bonds	\$ 0
Notes from Direct Borrowings Obligation	(109,053)
Principal Repayments:	
General Obligation Debt	13,036,035
Notes from Direct Borrowings Payments	<u>128,481</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	\$ <u>13,055,463</u>

Another component of the reconciliation states, "Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The elements that comprise the \$8,848,598 reconciling item are noted below:

Accrued Interest Adjustment	\$ (906,690)
Workers Compensation Claims	(332,130)
Bond Premium	434,318
OPEB UAAL	(39,444)
Compensated Absences – Sick	450,206
Compensated Absences – Vacation	255,677
Landfill Closure & Postclosure Care	(43,963)
MEPERS Pension Liability	<u>9,030,624</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	\$ <u>8,848,598</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 and the State's portion of the Connor Elementary School debt 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. HUD establishes the federal program level 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. In addition, 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. In addition, to meet a public emergency, the Council may make emergency appropriations by resolution. During the fiscal year ended June 30, 2019, there was one general fund supplemental appropriation totaling \$3,745,189. 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 and the Connor Elementary School debt service payment made by the State of Maine on behalf of the City of Lewiston School Department. These amounts have 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 \$9,635,577 and additional expenditure of \$9,635,577 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). Of the \$9,635,577 on behalf payment, \$4,147,489 is attributed to the State's portion of retirement contributions and \$5,488,088 represents the elementary school debt service. Outstanding encumbrances

are treated as expenditures under the Budgetary Basis. Total encumbrances amount to \$5,567,976 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 \$12,350 of encumbered program balances.

Significant budget deficits resulting from operations were experienced in the building and parking facilities line item (\$56,495) due to an emergency mold remediation project at city hall and in engineering (\$52,917) due to additional vehicle rental charges, and funding for consulting services.

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, 2019, the carrying amount of the City's deposits was \$21,841,686 and the related bank balance was \$24,400,768.

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 \$24,400,768 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, 2019 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	\$1,124,942		\$1,124,942
Corporate Bonds	424,339		424,339
Brokered Certificates of Deposit	5,713,000		5,713,000
Total Debt Securities	<u>7,262,282</u>		<u>7,262,282</u>
Equity Securities:			
Common Stock	1,076,681	\$1,076,681	
Mutual Funds and Exchange-Traded Funds	173,164	173,164	
Real Estate Investment Trusts	25,556	25,556	
Total Equity Securities	<u>1,275,400</u>	<u>1,275,400</u>	
Total Investments by Fair Value Level	<u>8,537,682</u>	<u>\$1,275,400</u>	<u>\$7,262,282</u>
Investments Measured at the Net Asset Value (NAV):			
Money Market Mutual Funds	21,766,883		
Total Investments Measured at the NAV	<u>21,766,883</u>		
Total Investments Measured at Fair Value	<u>\$30,304,566</u>		

Equity securities classified in Level 1 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, 2019 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 \$1,199,000 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	\$6,912,000	.57
Treasury Bonds	1,124,942	2.2
Corporate Stocks	1,275,400	N/A
Corporate Bonds	424,339	2.61
Money Market	<u>21,766,883</u>	Less than 1 year
Total Fair Value	\$31,503,566	

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 an overnight money market.

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 \$25,447 of corporate bonds with a bond rating of AA+, \$25,214 rated at a AA-, \$40,043 rated at an A+, \$189,416 rated at an A, \$124,083 rated at an A-, and \$20,136 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 \$2,824,682 investment in corporate equities, bonds, and U.S. Treasuries, \$1,804,767 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, 2019, 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	\$1,884,135							\$1,884,135
Accounts	630,352	\$9,856		\$125,025	\$1,222,252	\$1,594,027	\$480,427	4,061,939
Notes\Loans	1,436,891			2,932,331				4,369,222
Intergovernmental	565,703	1,913,814	\$74,589	464,249				3,018,356
Gross Receivables	4,517,081	1,923,670	74,589	3,521,605	1,222,252	1,594,027	480,427	13,333,652
Less: Allowance for Uncollectibles	(16,660)			(203,867)	(26,170)	(46,326)	(34,206)	(327,229)
Net Receivables	\$4,500,421	\$1,923,670	\$74,589	\$3,317,738	\$1,196,082	\$1,547,701	\$446,221	\$13,006,423

Property taxes for the current year were committed July 31, 2018, on the assessed value listed as of April 1, 2018, for all real and personal property located in the City. Taxes were due in two installments: September 17, 2018, and March 15, 2019. Interest was charged at 8% 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, 2018, upon which the 2019 levy was based, was at approximately 85.5% of the estimated market value.

Property taxes levied during fiscal year 2019 are recorded as receivables. The receivables collected during the fiscal year ended June 30, 2019 and during the 1st 60 days of fiscal year 2020 are recognized as revenues in the Governmental Funds, in fiscal year 2019. Receivables of \$1,654,324, estimated to be collectible subsequent to the 60-day period are considered 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 \$788,145 as unearned revenue. This amount represents the prepayment of fiscal year 2020 taxes, solid waste removal for multi-unit apartment buildings, 2020 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, 2018	Additions	Retirement	June 30, 2019
Capital Assets Not Depreciated:				
Land	\$ 15,989,183	\$ 131,780	\$ 92,251	\$ 16,028,713
Construction in Progress	29,205,598	9,602,368	4,090,179	34,717,788
Total Capital Assets Not Depreciated	45,194,781	9,734,148	4,182,430	50,746,501
Capital Assets Being Depreciated:				
Buildings	108,939,915	7,896,296	6,853	116,829,358
Improvements Other Than Buildings	36,406,859	2,914,218	9,658	39,311,419
Machinery and Equipment	47,581,730	3,230,232	707,550	50,104,412
Infrastructure	132,179,100	3,769,360	1,077,420	134,871,040
Total Capital Assets Being Depreciated	325,107,604	17,810,105	1,801,481	341,116,229
Less Accumulated Depreciation for:				
Buildings	(47,092,732)	(3,279,917)	(5,825)	(50,366,824)
Improvements Other Than Buildings	(18,961,956)	(1,285,916)	(3,863)	(20,244,009)
Machinery and Equipment	(24,487,810)	(2,234,369)	(734,394)	(25,987,784)
Infrastructure	(61,159,036)	(2,767,485)	(1,048,589)	(62,877,931)
Total Accumulated Depreciation	(151,701,533)	(9,567,687)	(1,792,672)	(159,476,549)
Total Net Capital Assets Being Depreciated	173,406,070	8,242,418	8,809	181,639,680
Governmental Activities Capital Assets, Net	\$ 218,600,850	\$ 17,976,566	\$ 4,191,239	\$ 232,386,181
Intangible Assets Being Amortized:				
Intangible Asset Costs		\$ 180,729		\$ 180,729
Less Accumulated Amortization		(9,036)		(9,036)
Governmental Activities Intangible Assets, Net		\$ 171,693		\$ 171,693

Depreciation expense was charged to the various governmental functions as follows: general government, \$1,097,942; public safety, \$461,679; public works, \$4,222,627; culture and recreation, \$270,361; and education and nutrition, \$3,515,078. The public works function incurred amortized deferred charges of \$9,036.

At June 30, 2019, the City had entered into contracts for, or had otherwise committed to, the construction or renovation of various facilities as follows:

	Project	Expended	Commitment	Required
	Authorization	To Date	Commitment	Further
				Financing
General Street Rehab.	\$ 8,816,000	\$ 4,031,627	\$ 863,669	None
New Elementary School Construct.	45,841,394	42,430,899	948,297	None
Wayfinding Signage	75,727	22,659	28,835	None
Street Crosswalk Improvements	162,347	120,693	3,730	None
Fire Substation Replacement	3,138,000	172,100	230,900	None
Comprehensive Plan	100,000	30,892	44,127	None

Sidewalk Improvements	600,256	175,773	188,618	None
Park Improvements	283,176	2,358	250	None

The following is a summary of the Primary Government's Business-type capital assets for the City's Enterprise Funds at June 30, 2019:

	Balance			Balance
	July 1, 2018	Additions	Deletions	June 30, 2019
Capital Assets Not Depreciated:				
Land	\$ 1,294,710			\$ 1,294,710
Construction in Progress	2,885,492	\$ 7,911,812	\$ 4,910,438	5,886,866
Total Capital Assets Not Depreciated	4,180,202	7,911,812	4,910,438	7,181,576
Capital Assets Being Depreciated:				
Buildings	11,122,928	471,480		11,594,408
Equipment	3,221,985	145,408	32,193	3,335,200
Sewer and Water Lines	95,966,243	4,221,952	31,121	100,157,074
Total Capital Assets Being Depreciated	110,311,156	4,838,840	63,314	115,086,682
Less Accumulated Depreciation for:				
Buildings	(4,824,838)	(235,215)		(5,060,053)
Equipment	(2,334,660)	(168,892)	(32,193)	(2,471,359)
Sewer and Water Lines	(22,519,607)	(1,955,779)	(31,121)	(24,444,265)
Total Accumulated Depreciation	(29,679,105)	(2,359,887)	(63,314)	(31,975,677)
Total Net Capital Assets Being Depreciated	80,632,051	2,478,954		83,111,005
Business-type Capital Assets, Net	\$ 84,812,253	\$ 10,390,766	\$ 4,910,438	\$ 90,292,581
Intangible Assets Being Amortized:				
Intangible Asset Costs	\$ 2,205,376	\$ 683,521	\$ 72,327	\$ 2,816,570
Less Accumulated Amortization	(958,735)	(313,112)	(72,327)	(1,199,520)
Business-type Intangible Assets, Net	\$ 1,246,641	\$ 370,409	\$ 0	\$ 1,617,050

Depreciation expense was charged to the various business-type activities as follows: water enterprise fund, \$1,292,699; sewer enterprise fund, \$762,692, and the storm water enterprise fund, \$304,496. The water, sewer and storm water enterprise funds incurred amortized deferred charges of \$13,799, \$170,645, and \$128,668 respectively.

D. Interfund Transactions

As of June 30, 2019, the balances of interfund activity were as follows:

	Interfund	Interfund
	Receivable	Payable
General Fund	\$ 1,079,806	
School Categorical Grants Fund		\$ 727,634
Nonmajor Governmental Funds		352,171
Total	\$ 1,079,806	\$ 1,079,806

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	\$ 497,145	\$ 17,143,632
School Categorical Grants		72,389
Debt Service Fund	17,308,869	
Capital Projects Fund	1,101,576	945,076
Nonmajor Governmental Funds		323,046
Water Enterprise Fund		35,134
Sewer Enterprise Fund		49,045
Storm Water Enterprise Fund		339,267
Total	\$ 18,907,591	\$ 18,907,591

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. 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 \$23,526 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, including revenue sharing, of \$27,514 was received in fiscal year 2019.

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 \$69,000 with a minimum annual price inflator of 2%. Rental income for FY2019 was \$72,960.

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 \$40,929, 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.

Given the need for auxiliary teacher parking, the School Department entered into a three year land lease with Aubuchon Realty and a six land lease with Firland Management. The lease payments in FY19 totaled \$1,980 and \$15,000 respectively.

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, 2019:

Fiscal Year Ended June 30	General Fund Rental Income	General Fund Rental Expenditures
2020	\$ 114,770	\$ 65,257
2021	106,899	60,389
2022	75,013	57,419
2023	75,013	56,429
2024	75,013	41,428
Thereafter	712,642	1,246,060
TOTAL	\$ 1,159,350	\$ 1,526,982

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 2019.

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 a 12 year average fixed rate, serial bonds with equal amounts of principal maturing annually. The City uses a competitive bid process to sell its bonds and has no direct borrowing or direct placement transactions, or unused lines of credit.

The general obligation bonds currently outstanding, of the original \$227,957,485 issued, are as follows:

Municipal Improvements	Interest Rate	Balance At 6/30/19
Capital Improvement – 2000	5.2%	92,000
Capital Improvement – 2001	4.3 & 6.9%	844,717
Capital Improvement – 2002	4.3%	375,488
Municipal Pension Bonds	3.17%	2,560,000
Capital Improvement – 2003	3.2%	857,365
Capital Improvement – 2004	4.25%	4,920,272
Capital Improvement – 2005	4.01%	1,930,801
Capital Improvement – 2006	4.17%	2,251,390
Capital Improvement – 2007	4.46%	2,672,043
Education Bonds – 2008	3.5 & 4.2%	4,950,000
Capital Improvement – 2008	5.1%	11,516,929
Capital Improvement – 2009	3.6%	2,145,000
McMahon Expansion Project – 2009	0%	1,503,259
Capital Improvement – 2010	2.8%	2,792,400
School Renovation Loan Fund - 2010	0%	63,890
School Qualified Construction Bonds	2%	705,053
Capital Improvement – 2011	2.94%	1,698,400
Capital Improvement – 2012	1.89%	1,312,631
Capital Improvement – 2013	2.1%	11,127,502

Capital Improvement – 2014	2.4%	1,536,788
Capital Improvement – 2015	2.23%	2,697,598
Capital Improvement – 2016	2.14%	5,448,703
Capital Improvement – 2017	2.95%	6,121,733
Connor Elementary School	3.25%	42,485,324
Capital Improvement – 2018	3.15%	7,865,000
		\$ 120,474,286

Annual debt service requirements to maturity for general obligation bonds, including interest of \$27,456,572 are as follows:

Fiscal Year		Principal	Interest	Total Debt
Ended		Requirements	Requirements	Service
June 30		Requirements	Requirements	Requirements
2020	\$	13,436,582	\$ 3,843,961	\$ 17,280,543
2021		13,355,534	3,419,454	16,774,988
2022		11,250,968	3,012,440	14,263,407
2023		10,813,591	2,683,269	13,496,859
2024		9,516,446	2,369,068	11,885,514
2025-2029		33,458,444	7,716,730	41,175,175
2030-2034		17,919,607	3,555,440	21,475,048
2035-2039		10,723,114	856,210	11,579,324
Total	\$	120,474,286	\$ 27,456,572	\$ 147,930,858

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, 2019, of the total \$79,302,490 originally issued, are as follows:

Municipal	Interest	Balance
Improvements	Rate	at 6/30/19
<u>Water Division:</u>		
Water Improvement – 2000	5.4%	4,259
Water Improvement – 2001	4.3%	22,642
Water Improvement – 2002	4.3%	93,872
Water Improvement – 2003	3.2%	890,769
Water Improvement – 2004	4.25%	125,476
Water Improvement – 2005	4.02%	1,462,850
Water Improvement – 2006	4.17%	126,031
Water Improvement – 2007	4.46%	533,822
Water Improvement – 2008	5.1%	479,659
U.V. Treatment Facility	0%	1,422,556
Water Improvement – 2009	3.6%	622,102
Water Improvement – 2010	2.8%	654,600
Chlorination Facility	0%	763,650

Water Improvement – 2011	2.7%	1,226,600
Water Improvement – 2012	2.1%	783,281
Water Improvement – 2013	2.5%	1,610,000
Water Improvement – 2014	2.6%	1,497,552
Water Improvement – 2015	2.43%	433,803
Water Improvement – 2016	2.33%	2,241,297
Water Improvement – 2017	2.63%	2,637,925
Water Improvement – 2018	3.19%	<u>1,995,000</u>
		\$ 19,627,746

Sewer Division:

Sewer Improvement – 2000	5.4%	18,741
Sewer Improvement – 2001	4.3%	122,642
Sewer Improvement – 2002	4.3%	115,640
Sewer Improvement – 2003	3.2%	181,865
Sewer Improvement – 2004	4.25%	179,252
Sewer Improvement – 2005	4.02%	91,349
Sewer Improvement – 2006	4.17%	247,580
Sewer Improvement – 2007	4.46%	1,244,509
Sewer Improvement – 2008	5.1%	200,787
Clean Water Act	0%	164,708
Sewer Improvement – 2009	3.6%	157,884
Sewer Improvement – 2010	2.8%	427,500
Sewer Improvement – 2011	3.1%	1,060,000
Sewer Improvement – 2012	2.1%	1,304,507
Sewer Improvement – 2013	2.5%	1,452,500
Sewer Improvement – 2014	2.6%	1,687,330
Sewer Improvement – 2015	2.25%	408,599
Sewer Improvement – 2016	2.52%	1,880,000
Sewer Improvement – 2017	2.72%	2,321,841
Sewer Improvement – 2018	3.08%	<u>2,755,000</u>
		\$ 16,022,234

Storm Water Division:

Storm Water Improvement – 2007	4.46%	\$ 1,201,629
Storm Water Improvement – 2008	5.1%	102,625
Clean Water Act	0%	164,708
Storm Water Improvement – 2009	3.6%	205,014
Storm Water Improvement – 2010	2.8%	640,500
Storm Water Improvement – 2011	3.1%	620,000
Storm Water Improvement – 2012	2.1%	1,109,581
Storm Water Improvement – 2013	2.3%	1,144,998

Storm Water Improvement – 2014	2.6%	1,083,330
Storm Water Improvement – 2015	1.93%	145,000
Storm Water Improvement – 2016	2.37%	610,000
Storm Water Improvement – 2017	2.82%	1,188,501
Storm Water Improvement – 2018	3.04%	<u>1,740,000</u>
		\$ 9,955,886
Total Revenue Bond Debt		45,605,866
Less: Current Installments		<u>4,176,398</u>
Long-Term Revenue Bond Debt		<u>\$ 41,429,468</u>

Revenue bond debt service requirements to maturity, including \$9,574,356 of interest, are as follows:

Fiscal Year	Annual Debt		
Ended	Principal	Interest	Service
June 30	Requirements	Requirements	Requirements
2020	\$ 4,176,398	\$ 1,389,121	\$ 5,565,519
2021	4,132,785	1,247,887	5,380,672
2022	3,990,746	1,105,843	5,096,589
2023	3,899,462	982,673	4,882,135
2024	3,606,946	873,574	4,480,520
2025-2029	15,096,916	2,795,178	17,892,095
2030-2034	8,306,443	997,644	9,304,087
2035-2039	<u>2,396,164</u>	<u>182,436</u>	<u>2,578,600</u>
TOTAL	\$ 45,605,866	\$ 9,574,356	\$ 55,180,217

At June 30, 2019, the City had \$35,238,000 bonds authorized by the City Council but have not been issued. There are no restrictive bond covenants with which the City must comply.

Notes from Direct Borrowings Payable. The City has entered into three direct borrowing agreements as a lessee for financing municipal equipment. These agreements have given rise to property rights and qualify as notes from direct borrowings for accounting purposes. These assets acquired through direct borrowing agreements included machinery and equipment of \$1,432,716 less \$314,370 of accumulated depreciation, were recorded in the Governmental Activities Fund.

Municipal	Interest	Balance
Equipment	Rate	at 6/30/19
MacBooks	1.99%	71,983
Copier	5.75%	4,265

Notes from direct borrowings debt service requirements to maturity, including \$2,430 of interest, are as follows:

Fiscal Year Ended June 30	Principal Requirements	Interest Requirements	Annual Debt Service Requirements
2020	\$ 37,015	\$ 1,568	\$ 38,583
2021	37,767	816	38,583
2022	1,467	46	1,513
TOTAL	\$ 76,249	\$ 2,430	\$ 78,679

Changes in Long-Term Liabilities. During the year ended June 30, 2019, 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
<u>Governmental Activities:</u>					
General Obligation Debt	\$133,510,321		\$13,036,035	\$120,474,287	\$13,436,582
Bond Premium	3,935,386		434,318	3,501,068	434,318
Workers Comp Claims	4,773,165	\$1,505,697	1,173,567	5,105,295	1,200,000
Compensated Absences - Sick	1,330,876		450,206	880,670	250,000
Notes from Direct Borrowings	95,676	109,053	128,481	76,248	37,015
Comp. Absences - Vacation	2,141,189	214,471	470,148	1,885,512	150,000
OPEB IUAAL	18,756,316	872,396	1,648,495	17,980,217	
Net Pension Liability	20,130,462		7,941,588	12,188,874	
Landfill Closure and Post- closure Care	3,130,538	74,963	31,000	3,174,501	31,000
Total Governmental Activities	187,803,930	2,776,580	25,313,838	165,266,673	15,538,915
<u>Business-Type Activities:</u>					
Revenue Bond Debt	49,462,228		3,856,367	45,605,861	4,176,398
Bond Premium	1,532,703		119,871	1,412,832	119,871
Bond Discount	(48,509)		(10,179)	(38,330)	(9,004)
Comp. Absences	186,707	32,870	32,442	187,135	32,442
Total Business-Type Activities	51,133,129	32,870	3,998,501	47,167,498	4,319,707
Total Liabilities	\$238,937,059	\$2,809,450	\$29,312,339	\$212,434,171	\$19,858,622

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, 2019, the statutory limit for the City was \$335,377,500.

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 direct borrowing agreements 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 that 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. 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, 2019, \$27,995,000 of bonds outstanding are considered defeased.

Overlapping Debt. The actual direct and overlapping debt at June 30, 2019, of \$176,375,225 was \$159,002,275 less than the statutory limit. The City's proportionate share of all local governmental units which provide services within the City and which must be borne by properties in the City, is summarized below:

	Debt Outstanding	Percentage Applicable to the City	City's Share of Debt
Municipal & School Debt	\$120,474,287	100.0%	\$120,474,287
Water, Sewer & Storm Water Debt	45,605,861	100.0%	45,605,861
L.A. Water Pollution Control Authority	16,377,787	62.86%	10,295,077
			<u>\$176,375,225</u>

This results in a ratio of City debt to April 1, 2018 assessed valuation of 8.69% and a ratio of overlapping debt to April 1, 2018 valuation of 9.22%.

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, 2019, was \$2,327,593.

V. OTHER INFORMATION

A. Tax Increment Financing Districts

In accordance with M.R.S.A. Title 30-A, §5221-§5235, 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. The TIF districts were formed locally, as the City defined the districts and chose how much of the new taxes would go to what public and private projects over what period of time, subject to the approval of the City Council, local tax payers and ultimately by the Commissioner of the Maine Department of Economic and Community Development.

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 agreement for defined periods of up to 30 years. 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 City has chosen to disclose information about its tax abatement (credit enhancement) agreements individually and negotiates property tax abatement agreements on an individual basis. The following is a brief description of and the total amount of taxes abated for each tax increment financing district:

TIF District	Original Assessed Value	Current Assessed Value	TIF Cap	New Taxes	Expended for:	
					Debt Service	Credit Enhancement
<i>Housing TIFs:</i>						
Birch Hill Housing	\$30,700	\$650,000	\$5,000 + 2.5%	\$6,244		\$11,511
Lofts at Bates Mill	\$402,450	\$2,150,440	50%	\$25,057		\$25,057
Bates St. Housing	\$187,000	\$1,600,000	50%	\$20,255		\$20,255
81 Ash Street	\$519,750	\$1,585,000	60%	\$12,216		\$18,324

Economic Development TIFs:

CMP Power Reliability	\$474,500	\$51,225,130	\$423,723	\$1,031,298	\$423,723	None
Gendron Business Park	\$300,000	\$784,030	0%	\$13,877		None
Franklin Property Trust	\$443,800	\$7,279,300	100%	None		\$195,974
Argo Marketing	\$268,750	\$1,700,000	40%	None		\$16,413
Riverfront Island Hotel	\$0	\$6,151,000	\$100,000	\$76,349		\$100,000
CMP Sub-station	\$16,950	\$3,225,500	Varies	\$30,512	\$61,477	None
Wal-Mart	\$1,333,700	\$47,290,600	50%	\$796,751	\$220,418	\$658,792

The City has not made any commitments as part of the agreements other than to reduce or reimburse taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities.

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, 2019, a total of \$1,446,361, 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 for the last three fiscal years were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Liability Balance	\$4,773,165	\$4,655,715	\$4,154,573
Current Year Changes in Estimates	1,505,697	992,846	1,465,643
Claims Payments	<u>(1,173,567)</u>	<u>(875,395)</u>	<u>(964,501)</u>
Ending Balance	<u>\$5,105,295</u>	<u>\$4,773,165</u>	<u>\$4,655,715</u>

Currently, there is a shortfall of \$3,991,304 between the amount available to pay the noncurrent workers' comp claims and the noncurrent workers' comp. liability. The City increased the shortfall by \$539,242 during this fiscal year due an increase incurred claim costs of \$298,172. 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 that should be recorded at June 30, 2019, 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 wastewater 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, 2019, the City's equity interest in the LAWPCA was recorded at \$3,828,147, an increase of \$441,015 from 2018. In the fiscal year ended June 30, 2019, \$2,979,016 was paid to the Authority out of the City's Sewer Enterprise Fund. At December 31, 2018, the Authority was liable for unsecured bonds payable totaling \$16,377,787, a decrease of \$1,032,201 from 2017. The City's liability for the Authority's debt is limited to its share of the operations. In 2019, Lewiston's share was set at 62.86%. 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 \$172,000 for operating expenditures and \$130,000 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, 2019, the Airport's unrestricted net position increased by \$532,741 to \$529,658. 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, 2019, the City of Lewiston contributed \$256,545 for operating expenses and \$83,184 towards bus replacement. In the year ended September 30, 2018, the Committee's unrestricted net position increased by \$32,526 to \$266,206. Complete financial statements can be obtained from the Androscoggin Valley Council of Governments, 125 Manley Rd, Auburn, Maine, 04210.

4. 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, 2019, the City of Lewiston contributed \$1,183,561. In the year ended June 30, 2019, the Committee's unassigned fund balance increased by \$41,306 to \$252,226. Complete financial statements may be obtained from the Lewiston-Auburn 9-1-1 Manager at 550 Minot Ave. Auburn, Maine, 04210.

5. 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, 2019, the City's equity interest in the Commission was \$2,806,906, an increase of \$57,922. The City also contributed \$100,000 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 \$256,600. The closure and postclosure care costs, based on the usage to date of 60.89% of total estimated capacity of the new landfill, amount to \$2,917,901. The total liability of \$3,174,501 is reported as a noncurrent liability of the Statement of Net Position. The liability increased by a net of \$43,963 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 \$5,183,156, 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, 2019.

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. Prior Period Adjustments

The net position of the governmental activities has been restated at July 1, 2018 to account for the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" – an amendment of GASB Statement No. 45, as amended (issued 06/04), and GASB Statement No. 57 (issued 12/09). The beginning net position was restated by \$13,526,549. The resulting restatement decreased net position from \$107,351,418 to \$93,824,869.

Additionally, the State of Maine amended how it sought reimbursement for certain special education related costs. As a result of this change, the General Fund total fund balance was increased by \$1,798,373 and accrued liabilities decreased by that same amount on Statement 3. On Statement 1, the restricted amount for education was increased by \$1,798,373 and the accrued liabilities decreased by that same amount.

H. Subsequent Events

On November 5, 2019, the City of Lewiston residents voted the approval of a referendum question to construct and equip a new wing on the Lewiston High School in an amount not to exceed \$13,400,000. The City Council has not yet authorized the issuance of bonds for this purpose but is expected to do so during the adoption of the FY21 Lewiston Capital Improvement Program.

On November 6, 2019, the City issued \$19,565,000 of general obligation public improvement bonds to fund the FY19 Capital Improvement Program totaling \$16,035,000 and the balance refunded the FY11 outstanding bonds. The series sold at a true interest cost (TIC) of 2.55%. The current refunding generated a \$306,376 present value savings.

I. Deferred Compensation and Retirement Health Savings Plans

The City of Lewiston offers its employees three 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.

In addition to the deferred compensation plans, the City offers a retirement health savings plan to employees. Funding to the accounts is provided by the exchange of various hours of accumulated sick and vacation time as provided in the union contracts or personnel policies. Employees who qualify are allowed to convert, once yearly, time into a monetary value using the employee's then hourly rate and deposited into the employee's retirement health savings plan account. The City does not own the individual plan assets or the accumulated earnings, thus they are not included in this report.

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

J. Other Post-Employment Benefits (OPEB)

1. OPEB - Group Life Insurance Plan

Description of the Plan. All schoolteachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2018, there were 220 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineipers.org or by contacting the System at (800) 451-9800.

Benefits Provided. The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits during retirement to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount, or \$2,500.

Description of Funding Policy. Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For department's teachers, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2019 was approximately \$72,595.

OPEB Liabilities and OPEB Expense. For the year ended June 30, 2019, the City recognized total OPEB expense of \$76,784 and revenue of \$76,784 for support provided by the State of Maine for the SET Plan.

2. OPEB - Maine Municipal Employees Health Trust Plan

Description of the Plan. The City and City retirees contribute to the City's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the City and/or the City retirees. MMEHT is a fully funded, self-insured trust that provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the City concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting the Maine Municipal Association at 60 Community Drive, Augusta, Maine 04332.

Benefits Provided. This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants that include a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

Employees Covered by Benefit Terms. At January 1, 2019, the following employees were covered by the benefit terms:

Active members	280
Retirees and spouses	70
Total	<u>350</u>

Description of Funding Policy. Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays nothing towards the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts. The following monthly premium amounts were reported on the individual data file, the actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS C	\$862	\$1,935
PPO 500	\$766	\$1,717
PPO 1500	\$668	\$1,500
 <u>Medicare</u>		
Medicare-Eligible Retirees	\$528	\$1,056

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2019, the City reported a liability of \$4,407,256 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2019 and was determined by an actuarial valuation as of that date. The City's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties,

taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2019, the City recognized OPEB expense of \$63,121. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MMEHT	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$110,038	\$0
Changes of assumptions	11,334	
Net difference between projected and actual earnings on OPEB plan investments		
Contributions subsequent to the measurement date	<u>76,249</u>	
Total	<u>\$197,621</u>	<u>\$0</u>

\$76,249 were reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in fiscal year 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Projected Deferred Outflows/(Inflows) to be Recognized as OPEB Expense

Plan year ended June 30:

2020	\$35,349
2021	35,349
2022	35,349
2023	35,349
2024	35,349
Thereafter	(55,373)

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2018. The discount rate determination is based on the high quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 4.10% per annum for June 30, 2019 was based upon a measurement date of December 27, 2018. The sensitivity of net OPEB liability to changes in discount rate is as follows:

Sensitivity of the Net OPEB Liability to Changes in Discount Rate

	<u>-1% Decrease</u>	<u>Current Rate</u>	<u>+1% Increase</u>
MMEHT Plan Discount Rate	3.10%	4.10%	5.10%
Total OPEB Net Pension Liability	\$5,015,391	\$4,407,256	\$3,907,047
Plan Fiduciary Net Position	<u>0</u>	<u>0</u>	<u>0</u>
Net OPEB Liability	<u>\$5,015,391</u>	<u>\$4,407,256</u>	<u>\$3,907,047</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of healthcare. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

	-1% Decrease	Current Rate	+1% Increase
Total OPEB Net Pension Liability	\$3,855,290	\$4,407,256	\$5,090,643
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	<u>\$3,855,290</u>	<u>\$4,407,256</u>	<u>\$5,090,643</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%

Actuarial Methods and Assumptions. The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2018, using the following methods and assumptions applied to all periods included in the measurement:

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2017. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees, which implicitly assumes that future retirees will have the same child distribution as current retirees.

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

The actuarial assumptions used in the January 1, 2019 actuarial valuation was based on economic, demographic and claim and expense assumptions that resulted from actuarial studies conducted for the period of December 31, 2017 and December 31, 2018.

Significant actuarial assumptions employed by the actuary for economic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2019, they are as follows:

Discount Rate	4.10% per annum
Administrative and Claims Expense	3% per annum
Medical and Drug Trends	Blended to develop non-Medicare and Medicare trends based on experience weight
Trend Assumptions	Pre-Medicare Medical - Initial trend of 8.20% applied in 2018 grading over 14 years to 4.00% per annum. Pre-Medicare Drug - Initial trend of 9.60% applied in 2018 grading over 14 years to 4.00% per annum. Medicare Medical - Initial trend of 4.93% applied in 2018 grading over 14 years to 4.00% per annum. Medicare Drug - Initial trend of 9.60% applied in 2017 grading over 14 years to 4.00% per annum.
Future Plan Changes	Assumes that the current Plan and cost-sharing structure remain in place for all future years

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2019, they are as follows:

Retirement Rates	Vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.
Administrative Expenses	Included in the per capita claims cost
Retirement Contribution Increases	Assumed to increase at the same rate as incurred claims.
Age Difference of Spouses	Husbands are assumed to be 3 years older than wives.
Family Enrollment Composition	For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.
Rates of Turnover	Termination rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.
Disability Incidence	Disabled lives will be considered active employees and will not be valued separately.
Salary Increase Rate	2.75% per year assumed using the level percentage of pay entry age method.
Dates of Hire	Needed to be assumed for some employees and will be based on the average age at hire for similar employees.
Retiree Continuation Percentage	Medicare participant retirees - 100% assumed to continue in the plan elected. Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible. Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible.
Rate of Mortality	Based on 104% and 120% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Changes in Net OPEB Liability. Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2019 with the following exceptions:

The difference between expected and actual experience are recognized in OPEB 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. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2019 was \$0.

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB 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. The actuarial assumptions used in the June 30, 2017 and June 30, 2016 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016, which were based on the experience study covering the period from June 30, 2012 through June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period

was six years for 2018. For the fiscal year ended June 30, 2018, there were no changes in assumptions with the exception of the claim costs and retiree contributions being updated to reflect current healthcare costs.

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position. Additional financial and actuarial information with respect to this Plan can be found by contacting the City of Lewiston 27 Pine Street, Lewiston, Maine 04240.

2. OPEB – Maine Education Association Benefits Trust

Description of the Plan. The State of Maine and School retirees contribute to the City's OPEB Plan with the Maine Education Association Benefits Trust (MEABT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the State, the City and/or the City retirees. MEABT is a fully funded, self-insured trust, which provides benefits to education organizations and acts as the agent to the City concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MEABT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MEABT participants and are administered by a number of third-party administrators contracted by MEABT. No assets are accumulated in a trust that meets the criterion of paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." MEABT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting MEABT at (888) 622-4418.

Benefits Provided. This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The employee must have participated in a plan for the 12 months prior to retirement and have 10 years (under age 50) or 5 years (age 50 or above) of continuous active service and enrollment in the health plan to be eligible for this Plan. The retiree who terminates coverage may elect to re-enroll in coverage if they participated in the health plan for 12 months prior to terminating coverage, as long as re-enrollment occurs within 5 years from coverage termination and as long as the retiree is not past age 62. The retiree must have maintained continuous health insurance coverage during the break in coverage with MEABT to be eligible for re-enrollment and is only eligible for re-enrollment once.

Employees Covered by Benefit Terms. At June 30, 2019, the following employees were covered by the benefit terms:

Active members	820
Retirees and spouses	318
Total	<u>1,138</u>

Cost Sharing Provisions/Contributions. Retirees are eligible for a State subsidy of 45% of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The retiree contributes the remaining 55% of blended single premium and spouse must contribute 100% of the blended premium amount coverage elected.

Retiree Premium Amounts. The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Employee</u>	<u>Employee/Spouse</u>	<u>Employee/Child(ren)</u>	<u>Family</u>
Choice Plus	\$758	\$1,709	\$1,342	\$2,080
Standard \$200 Ded	\$819	\$1,845	\$1,449	\$2,246
Standard \$500 Ded	\$720	\$1,623	\$1,275	\$1,976
Standard \$1,000 Ded	\$687	\$1,548	\$1,216	\$1,884

Medicare				
Medicare-Eligible Retirees	\$450	\$944	N/A	N/A

Total OPEB Liability, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2019, the City reported a liability of \$13,752,961 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date. The City's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2019, the City recognized OPEB revenue of \$23,677. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MEABT	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual Experience		
Changes of assumptions		\$488,113
Net difference between projected and actual earnings on OPEB plan investments		
Contributions subsequent to the measurement date	\$588,202	
Total	<u>\$588,202</u>	<u>\$488,113</u>

\$588,202 were reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in fiscal year 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Projected Deferred Outflows/(Inflows) to be Recognized as OPEB Expense

Plan year ended June 30:	
2020	\$(81,352)
2021	(81,352)
2022	(81,352)
2023	(81,352)
2024	(81,352)
Thereafter	(81,353)

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2018. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.87% per annum for June 30, 2019 was based upon a measurement date of June 28, 2018. The sensitivity of total OPEB liability to changes in discount rate are as follows:

Sensitivity of the Net OPEB Liability to Changes in Discount Rate

	<u>-1% Decrease</u>	<u>Current Rate</u>	<u>+1% Increase</u>
MEABT Plan Discount Rate	2.87%	3.87%	4.87%
Total OPEB Net Pension Liability	\$15,700,250	\$13,572,961	\$11,858,359
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	<u>\$15,700,250</u>	<u>\$13,572,961</u>	<u>\$11,858,359</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time because of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of total OPEB liability to changes in healthcare cost trend rates are as follows:

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

	-1% Decrease	Current Rate	+1% Increase
Total OPEB Net Pension Liability	\$11,763,225	\$13,572,961	\$15,823,062
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	<u>\$11,763,225</u>	<u>\$13,572,961</u>	<u>\$15,823,062</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%

Actuarial Methods and Assumptions. The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2018, using the following methods and assumptions applied to all periods included in the measurement:

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

Significant actuarial assumptions employed by the actuary for economic purposes are based on GASB 75 paragraph 36. Assumptions other than the discount rate are based on historical and future projections of long-term health care rates:

Discount Rate	3.87% per annum
Trend Assumptions	Pre-Medicare - Initial trend of 5.55% applied in FYE 2018 grading over 15 years to 3.73% per annum. Medicare - Initial trend of 3.72% applied in FYE 2018 grading over 15 years to 2.81% per annum.
Future Plan Changes	Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2018, and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of June 30, 2018, they are as follows:

Retirement Rates	Rates vary for plans based on age and service.
Administrative Expenses	Included in the per capita claims cost.
Retirement Contribution Increases	Assumed to increase at the same rate as incurred claims.
Age Difference of Spouses	Husbands are assumed to be 3 years older than wives.
Family Enrollment Composition	It is assumed that 80% is married with an eligible spouse.
Rates of Turnover	Rates vary for plans based on service.
Disability Incidence	Rates vary for plans based on age.
Salary Increase Rate	2.75% per year assumed using the level percentage of pay entry age method.
Dates of Hire	Were not available from the client and were available from the State Retirement Agency. Dates of hire were assumed to be the midpoint of each service group. Those under 1 year of service, the date was assumed to be January 1, 2018 and all other groups were assumed to be hired on July 1 of each service midpoint.
Salaries	Were not available from the client and were assumed using the Teachers/Age Service Salary scatter from the State

	Retirement Agency. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter.
Retiree Continuation Percentage	<p>Retirees currently in the Group Companion Plan (Medicare participants) are assumed to remain in the Group Companion Plan.</p> <p>Retirees who are currently age 64 or over age 65 and enrolled in a Pre-Medicare plan are assumed to never be eligible for Medicare and are assumed to remain enrolled in the Pre-Medicare plan.</p> <p>Retirees who are currently under age 64 and enrolled in a Pre-Medicare plan are assumed to be eligible for Medicare and are assumed to remain in the Pre-Medicare plan until age 64 and enroll in the Group Companion plan at age 65.</p> <p>Spouses who are currently in the Pre-Medicare plan will follow the same assumptions as the retired member; if the member is never eligible for Medicare the spouse is not either.</p>
Rate of Mortality	<p>Healthy Annuitants - Based on 99% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.</p> <p>Healthy Employees - Based on 99% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Healthy Annuitant Mortality Tables after the end of the Total Employee Mortality Table, both projected using the RPEC_2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.</p> <p>Disabled Annuitants - Based on 108% and 105% of the RP2014 Total Dataset Disabled Annuitant Mortality Table, respectively for males and females, projected from the 2006 base rates using the RPEC_2015 model with an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020.</p>

Significant actuarial assumptions employed by the actuary for claims and expense purposes are the based on the actual community rated premiums of the entire group. As of June 30, 2018, they are as follows:

Monthly Per Capital Claims and Expense Cost	Claims are based on community rated premiums through June 30, 2018 and projects through 2019 and associate enrollment in the various options offered. Annual administrative and claims adjudication expenses are assumed to be included in the annual premiums.
Medical Plan Election	Employees are assumed to continue in their current medical plan for their entire career. 50% of retirees are assumed to switch from the Choice Plan to the Standard plan.
Medicare Eligibility	Assumed to be age 65, with the exception of retirees over age 65 who are not in the Group Companion Plan, all

	retirees under age 64 and current actives with a date of hire before 3/31/1986.
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Changes in Total OPEB Liability. Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2019 with the following exceptions:

The difference between expected and actual experience are recognized in OPEB 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. As of July 1, 2017, this average was 8 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the fiscal year ended June 30, 2019, there were no differences between expected and actual experience.

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense over the average expected remaining service life of all active and inactive Plan members. As of July 1, 2017, this average was 8 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for year ending June 30, 2018. For the fiscal year ended June 30, 2019, there were no changes in assumptions.

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position. Additional financial and actuarial information with respect to this Plan can be found by contacting the City of Lewiston 27 Pine Street, Lewiston, Maine 04240.

K. Employee Retirement Systems

1. 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 207-512-3100 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 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 2.4%. During the year ended June 30, 2018, the retirement system consisted of 304 participating employers.

Description of Funding Policy. Plan members are required to contribute 8% of their annual covered salary and the City of Lewiston is required to contribute an actuarially determined rate. The current rate is 10.0% for municipal employees under Plan AC, and 10.5% 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, 2019, 2018, and 2017 were \$2,064,906, \$2,024,969, and \$1,807,880, 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 unpoolled 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, 2019, the outstanding balance of the original general obligation pension bonds was \$2,560,000.

2. 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 207-512-3100 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 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 2.4%. During the year ended June 30, 2018, the retirement system consisted of 236 participating employers.

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 \$1,901,986 (15.65%) for the federally funded teacher's employer contribution and 3.97% for state teacher's normal costs. In the year ended June 30, 2019, employees contributed \$2,908,883, while the State of Maine Department of Education contributed \$3,823,136 or 11.08%, for health and other benefit 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 11.68% of compensation and totaled \$532,789 for the year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to MEPEERS Pensions. At June 30, 2019, the City reported a liability of \$12,188,874 for its share of the net pension liability (NPL) of which \$9,886,630 was attributed to the City's plan and \$2,302,244 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 \$34,109,377, for a total of \$46,298,251. The net pension liability was measured as of June 30, 2018, 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, 2018, the City's PLD proportion was 3.612512%, an increase of .084401% from June 30, 2017. For that same period, the City's proportion share of the SET was .170607%, which was a decrease of .220782%.

For the year ended June 30, 2019, the City recognized total pension revenue of \$4,044,901 for the PLD plan and pension expense of \$6,361,113 and revenue of \$7,522,017 for support provided by the State of Maine for the SET plan. At June 30, 2019, 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		\$77,634	\$70,315	
Changes of Assumptions	\$1,577,973		144,817	
Changes in Proportion & Differences between Contributions & Proportionate Share of Contributions	173,702			\$1,269,157
Contributions Subsequent to the Measurement Date	2,064,906		1,901,986	
Net Difference between Projected & Actual Plan Investment Earnings		2,387,228		299,291
Total Deferred Outflows & Inflows	\$3,816,581	\$2,464,862	\$2,117,118	\$1,568,448

\$2,064,906 for the PLD plan and \$1,901,986 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, 2020. 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 2019	\$1,356,808	(\$28,371)
Fiscal Year 2020	171,019	(1,031,480)
Fiscal Year 2021	(1,624,020)	(213,063)
Fiscal Year 2022	(616,993)	(80,403)
Fiscal Year 2023	\$0	\$0
Thereafter	\$0	\$0

Actuarial Methods and Assumptions. The total pension liability in the June 30, 2018 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 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	Closed Basis over a 20-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	2.75%-9% per year for PLD and 2.75%-14.5% for SET for FY2018 and FY2017 respectively
Investment Rate of Return	6.75% per annum for FY2018 and 6.875% per annum for FY2017, compounded annually
Cost of Living Benefit Increases	1.91% fir PLD for FY2018 and 2.2% for FY2018 and FY2017
Mortality Rates Table	For active member and non-disabled retirees, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used for FY2017 and FY2016. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.
Actuarial Experience Study Period	June 30, 2012 to June 30, 2015 for FY2018 and FY2017

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, 2018 are summarized in the following table. Assets for each of the defined benefit plans are commingled for investments purposes.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>L.T. Expected Real Rate of Return</u>
Public Equities	30%	6.0%
U.S. Government	7.5%	2.3%
Private Equity	15%	7.6%
Real Assets:		
Real Estate	10%	5.2%
Infrastructure	10%	5.3%
Nature Resources	5%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5%	4.2%
Diversifiers	<u>10%</u>	4.9%
Total	100%	

The discount rate used to measure the collective total pension liability was 6.75% and 6.875% for each of the Plans in 2018 and 2017. 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, 2018 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 6.75% for each of the Plans.

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

	<u>-1% Decrease</u>	<u>Current Rate</u>	<u>+1% Increase</u>
PLD Plan Discount Rate	5.75%	6.75%	7.75%
Net Pension Liability – City's PLD Portion	\$23,301,475	\$9,886,630	(\$2,652,569)
Set Plan Discount Rate	5.75%	6.75%	7.75%
Net Pension Liability – City's SET Portion	\$4,254,545	\$2,302,244	\$676,291

Changes in Net Pension Liability. The City's share of the collective pension liability is equal to the collective net pension liability multiplied by its proportionate share as of June 30, 2018, as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2018 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. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2018, this was 3 years for the PLD Consolidated Plan and the SET Plan, and for 2017, this was 4 years for the PLD Consolidated 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. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

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. The actuarial assumptions used for the year ended June 30, 2018 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to page 91 for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

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. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. 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 OF LEWISTON, MAINE
Required Supplementary Information
June 30, 2019

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 following tables represent information as of June 30 for only the years available until a 10-year trend is developed.

Changes in Net OPEB Liability
For the Year Ended June 30, 2019

	Net OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
<u>MMEHT:</u>			
Balances at 1/1/18 (Reporting 6/30/18)	\$ 4,690,858	-	\$ 4,690,858
Changes for the year:			
Service cost	94,503	-	94,503
Interest	162,016	-	162,016
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(387,623)	-	(387,623)
Contributions - employer	-	\$ 152,498	(152,498)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(152,498)	(152,498)	-
Administrative expense	-	-	-
Net changes	(283,602)	-	(283,602)
Balances at 1/1/19 (Reporting 6/30/19)	\$ 4,407,256	\$ -	\$ 4,407,256

MEABT:

Balances at 7/1/17 (Reporting 7/1/18)	\$ 14,065,458	-	\$ 14,065,458
Changes for the year:			
Service cost	117,682	-	117,682
Interest	498,195	-	498,195
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(569,465)	-	(569,465)
Contributions - employer	-	\$ 538,909	(538,909)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(538,909)	(538,909)	-

Administrative expense	-	-	-
Net changes	(492,497)	-	(492,497)
Balances at 6/30/18 (Reporting 6/30/19)	\$ 13,572,961	\$ -	\$ 13,572,961

Schedule of Changes in Net OPEB Liability and Related Ratios
Last 10 Fiscal Years as of June 30, for years information is available

	<u>2019</u>	<u>2018</u>
<u>MMEHT & MEABT</u>		
<u>Total OPEB Liability:</u>		
Service cost (BOY)	\$ 212,185	\$ 76,702
Interest (includes interest on service cost)	660,211	150,410
Changes of benefit terms	-	-
Differences between expected and actual experience	-	154,054
Changes of assumptions	(957,088)	481,014
Benefit payments, including refunds of member contributions	(691,407)	(146,100)
Net change in total OPEB liability	(776,099)	716,080
Total OPEB liability – beginning, restated	18,756,316	3,974,778
Total OPEB liability - ending	\$ 17,980,217	\$ 4,690,858
<u>Plan Fiduciary Net Position</u>		
Contributions - employer	\$ 691,407	\$ 146,100
Contributions - member	-	-
Net investment income	-	-
Benefit payments, including refunds of member contributions	(691,407)	(146,100)
Administrative expense	-	-
Net change in fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending	\$ -	\$ -
Net OPEB liability - ending	\$ 17,980,217	\$ 4,690,858
Plan fiduciary net position as a percentage of the total OPEB liability	-	-
Covered payroll	\$ 52,680,318	\$ 15,142,001
Net OPEB liability as a percentage of covered payroll	34.1%	31.0%

Schedule of Proportionate Share of the Net OPEB Liability
Last 10 Fiscal Years as of June 30, for years information is available

	<u>2019</u>	<u>2018</u>
<u>SET Life Insurance:</u>		
Proportion of the net OPEB liability	0.00%	0.00%
City's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the City	795,574	757,488
Total	\$ 795,574	\$ 757,488
Covered payroll	\$ -	\$ -
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

Schedule of Contributions
Last 10 Fiscal Years as of June 30, for years information is available

	2019	2018
<u>MMEHT & MEABT:</u>		
Employer contributions	\$ 691,407	\$ 146,100
Benefit payments	(691,407)	(146,100)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 52,680,318	\$ 15,142,001
Contributions as a percentage of covered payroll	1.31%	.96%
<u>SET Life Insurance:</u>		
Contractually required contribution	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ -	\$ -
Contributions as a percentage of covered payroll	0.00%	0.00%

II. Maine Public Employees Retirement System Consolidated Plans

Schedule of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years as of June 30 for the only years available

	2019	2018	2017	2016	2015	2014
PLD Plan:						
Proportion of the net pension liability	3.61%	3.53%	3.58%	3.56%	3.78%	3.87%
Proportionate share of the net pension liability	\$ 9,886,630	\$ 14,445,395	\$ 19,021,119	\$ 11,353,542	\$ 5,823,895	\$ 11,916,680
Covered payroll	\$ 19,044,512	\$ 19,543,020	\$ 18,683,164	\$ 18,047,694	\$ 18,107,800	\$ 15,037,453
Proportionate share of the net pension liability as a percentage of its covered payroll	51.91%	73.92%	101.81%	62.91%	32.16%	79.25%
Plan fiduciary net position as a percentage of the total pension liability	91.14%	86.43%	86.40%	81.61%	88.30%	94.10%
SET Plan:						
City's proportion of the net pension liability	0.17%	0.39%	0.39%	0.39%	0.31%	
City's proportionate share of the net pension liability	\$ 2,302,244	\$ 5,685,067	\$ 3,826,800	\$ 5,276,829	\$ 3,394,310	
State's proportionate share of the net pension liability associated with the City	\$ 36,164,439	\$ 33,791,172	\$ 31,369,502	\$ 30,253,436	\$ 28,851,036	
Total	\$ 36,411,621	\$ 45,409,447	\$ 45,751,293	\$ 36,445,908	\$ 27,766,103	
City's covered payroll	\$ 36,164,439	\$ 33,791,172	\$ 31,369,502	\$ 30,253,436	\$ 28,851,036	
City's proportionate share of the net pension liability as a percentage of its covered payroll	6.37%	16.82%	12.20%	17.44%	11.76%	
Plan fiduciary net position as a percentage of the total pension liability	85.17%	80.80%	76.20%	81.20%	83.90%	

Schedule of Contributions
Last 10 Fiscal Years as of June 30 for the only years available

	2019	2018	2017	2016	2015	2014
PLD Plan:						
Contractually required contribution	\$ 2,064,906	\$ 2,004,969	\$ 1,807,880	\$ 1,662,802	\$ 1,454,623	\$ 1,312,009
Contributions in relation to the contractually required contribution	(2,064,906)	(2,004,969)	(1,807,880)	(1,662,802)	(1,454,623)	(1,312,009)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 20,251,923	\$ 19,044,512	\$ 19,543,020	\$ 18,683,164	\$ 18,047,694	\$ 18,107,800
Contributions as a percentage of covered payroll	10.20%	10.53%	9.25%	8.90%	8.06%	7.25%
SET Plan:						
Contractually required contribution	\$ 1,901,986	\$ 1,819,850	\$ 1,349,254	\$ 1,310,028	\$ 1,430,398	\$ 1,234,565
Contributions in relation to the contractually required contribution	(1,901,986)	(1,819,850)	(1,349,254)	(1,310,028)	(1,430,398)	(1,234,565)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 38,059,946	\$ 36,164,439	\$ 33,791,172	\$ 31,369,502	\$ 30,253,436	\$ 28,851,036
Contributions as a percentage of covered payroll	5.00%	96 5.03%	3.99%	4.18%	4.73%	4.28%

Notes to Required Supplementary Information

Changes of Assumptions. The discount rate for the Set Plan was reduced from 6.875% to 6.75%. The OPEB MMEHT Plan's discount rate was increased from 3.44% to 4.10%. The funding method for the MEABT OPEB Plan was changed from Projected Unit Credit funding to Entry Age Normal funding method.

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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, 2019
(With Comparative Totals for June 30, 2018)

	Special Revenue Funds	Permanent Funds			Total Nonmajor Governmental Funds	
		GAR Cemetery	Library Endowment	Total	2019	2018
ASSETS						
Cash and Cash Equivalents	\$ 3,763,819				\$ 3,763,819	\$ 1,699,051
Investments	348,203	\$ 23,350	\$ 2,078,004	\$ 2,101,354	2,449,556	3,846,551
Receivables:						
Accounts	125,025				125,025	124,052
Rehabilitation Loans (Net of Allowance for Uncollectibles)	2,728,464				2,728,464	2,486,142
Intergovernmental	464,249				464,249	315,208
Total Assets	<u>\$ 7,429,760</u>	<u>\$ 23,350</u>	<u>\$ 2,078,004</u>	<u>\$ 2,101,354</u>	<u>\$ 9,531,114</u>	<u>\$ 8,471,003</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts Payable	\$ 337,189		\$ 3,431	\$ 3,431	\$ 340,620	\$ 147,225
Interfund Payables	304,479		47,692	47,692	352,171	310,325
Accrued Payroll	26,609			-	26,609	25,761
Total Liabilities	668,277		51,123	51,123	719,400	483,312
Fund Balances:						
Nonspendable:						
Permanent Fund Principal		\$ 12,043	1,239,771	1,251,814	1,251,814	1,249,016
Long-Term Notes Receivable	2,470,501				2,470,501	
Restricted for:						
Community Development Block Grant	783,573				783,573	1,788,748
Urban Development Action Grant	302,233				302,233	403,824
Rehabilitation Loan Programs	114,596				114,596	94,645
Urban Development	2,451,722				2,451,722	3,178,407
Permanent Fund Unexpended Income		11,307	787,111	798,417	798,417	658,134
Public Safety and Culture Grants	362,703				362,703	300,615
Assigned to:						
Lewiston Mill Redevelopment Corp.	52,973				52,973	129,726
Recreation Activity Programs	223,180				223,180	184,580
Total Fund Balances	6,761,486	23,350	2,026,882	2,050,228	8,811,710	7,987,687
Total Liabilities & Fund Balances	<u>\$ 7,429,760</u>	<u>\$ 23,350</u>	<u>\$ 2,078,004</u>	<u>\$ 2,101,354</u>	<u>\$ 9,531,114</u>	<u>\$ 8,471,003</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019
(With Comparative Totals for Year Ended June 30, 2018)

	Special Revenue Funds	Permanent Funds			Total Nonmajor Governmental Funds	
		GAR Cemetery	Library Endowment	Total	2019	2018
REVENUES						
Taxes	\$ 2,151,968				\$ 2,151,968	\$ 2,139,492
Intergovernmental	3,034,693				3,034,693	2,581,389
Charges For Services	154,965				154,965	132,020
Interest, Rents and Gain on Investments	560,382	\$ 271	\$ 203,112	\$ 203,383	763,765	623,912
Miscellaneous	129,429				129,429	427,279
Donations	240,792		2,937	2,937	243,730	105,272
Total Revenues	<u>6,272,229</u>	<u>271</u>	<u>206,049</u>	<u>206,320</u>	<u>6,478,549</u>	<u>6,009,365</u>
EXPENDITURES						
Current:						
General Government	4,193,318	727		727	4,194,045	4,180,829
Human Services	163,365				163,365	205,684
Culture & Recreation	675,333		56,208	56,208	731,541	460,854
Capital Outlay	236,225		6,304	6,304	242,529	1,155,585
Total Expenditures	<u>5,268,241</u>	<u>727</u>	<u>62,512</u>	<u>63,239</u>	<u>5,331,480</u>	<u>6,002,952</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,003,988	(455)	143,537	143,081	1,147,069	6,413
OTHER FINANCING SOURCES (USES)						
Transfers In						
Transfers Out	(323,046)				(323,046)	(582,928)
Total Other Financing Sources (Uses)	<u>(323,046)</u>				<u>(323,046)</u>	<u>(582,928)</u>
Net Change in Fund Balances	680,942	(455)	143,537	143,081	824,023	(576,515)
Fund Balance, July 1	<u>6,080,544</u>	<u>23,805</u>	<u>1,883,345</u>	<u>1,907,146</u>	<u>7,987,690</u>	<u>8,564,205</u>
Fund Balance, June 30	<u>\$ 6,761,486</u>	<u>\$ 23,350</u>	<u>\$ 2,026,882</u>	<u>\$ 2,050,228</u>	<u>\$ 8,811,710</u>	<u>\$ 7,987,689</u>

Nonmajor Special Revenue Funds
Combining Balance Sheet

June 30, 2019

(With Comparative Totals for June 30, 2018)

	Community Development Block Grant	Urban Development Action Grant	Urban Development Grant	Rehab Loan Programs	Lewiston Mill Redevelopment Corporation	Urban Development	Recreation Activity Fund	Public Safety, Culture & Other Grants	Total All Funds
	2019	2019	2019	2019	2019	2019	2019	2019	2018
ASSETS									
Cash and Cash Equivalents	\$ 582,414	\$ 214,761	\$ 163,192	\$ 10,751	\$ 2,286,939	\$ 229,709	\$ 276,053	\$ 3,763,819	\$ 1,699,051
Investments	53,895	19,873	15,101	995	211,629	21,257	25,453	348,203	1,895,514
Receivables:									
Accounts	8,448			83,194			33,383	125,025	124,052
Rehabilitation Loans (Net of Allowance for Uncollectibles)	1,193,274	167,120	82,308		1,285,762			2,728,464	2,486,142
Intergovernmental	83,677		341,655				38,917	464,249	315,208
Total Assets	\$ 1,921,708	\$ 401,754	\$ 602,256	\$ 94,940	\$ 3,784,330	\$ 250,966	\$ 373,806	\$ 7,429,760	\$ 6,519,970

LIABILITIES AND FUND BALANCES

Liabilities:									
Accounts Payable	\$ 52,763	\$ 290	\$ 204,381	\$ 41,967	\$ 11,611	\$ 17,236	\$ 8,940	\$ 337,189	\$ 145,901
Interfund Payables	70,983		185,427		48,069			304,479	267,826
Accrued Payroll	5,244		3,307		5,346	10,550	2,163	26,609	25,697
Total Liabilities	128,991	290	393,115	41,967	65,026	27,786	11,103	668,277	439,424
Fund Balances:									
Nonspendable:									
Long-Term Notes Receivable	1,009,144	99,231	94,545		1,267,581			2,470,501	1,796,877
Restricted for:									
Community Development Block Grant	783,573							783,573	528,488
Urban Development Action Grant		302,233						302,233	231,392
Rehabilitation Loan Programs			114,596					114,596	83,895
Urban Development					2,451,722			2,451,722	2,824,972
Public Safety and Culture Grants							362,703	362,703	300,615
Assigned to:									
Lewiston Mill Redevelopment Corp.				52,973				52,973	129,726
Recreation Activity Programs						223,180		223,180	184,580
Total Fund Balances	1,792,717	401,465	209,141	52,973	3,719,303	223,180	362,703	6,761,486	6,080,544
Total Liabilities and Fund Balances	\$ 1,921,708	\$ 401,754	\$ 602,256	\$ 94,940	\$ 3,784,330	\$ 250,966	\$ 373,806	\$ 7,429,760	\$ 6,519,970

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	Community Development Block Grant	Urban Development Action Grant	Rehab Loan Programs	Lewiston Mill Redevelopment Corporation	Urban Development	Recreation Activity Fund	Public Safety, Culture & Other Grants	Total All Funds	
								2019	2018
REVENUES									
Taxes									
Intergovernmental	\$ 1,050,875		\$ 1,702,846	\$ 2,151,968			\$ 257,123	\$ 2,151,968	\$ 2,139,492
Charges For Services								3,034,693	2,581,389
Interest and Rents	27,836	\$ 9,140	3,325	\$ 455,416	52,901	154,965	6,109	154,965	132,020
Donations							185,829	560,382	481,590
Miscellaneous	25,344		22,240					240,792	105,272
Total Revenues	<u>1,104,055</u>	<u>9,140</u>	<u>1,728,411</u>	<u>455,416</u>	<u>2,310,564</u>	<u>215,582</u>	<u>449,061</u>	<u>6,272,229</u>	<u>5,867,042</u>
EXPENDITURES									
Current:									
General Government	397,542	11,499	1,613,631	532,169	1,403,510		234,967	4,193,318	4,180,829
Human Services	163,365							163,365	205,684
Culture and Recreation	538,185					137,148		675,333	403,031
Capital Outlay					44,385	39,835	152,005	236,225	1,152,459
Total Expenditures	<u>1,099,092</u>	<u>11,499</u>	<u>1,613,631</u>	<u>532,169</u>	<u>1,447,895</u>	<u>176,983</u>	<u>386,972</u>	<u>5,268,241</u>	<u>5,942,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,963	(2,359)	114,780	(76,753)	862,668	38,600	62,089	1,003,988	(74,961)
OTHER FINANCING SOURCE (USES)									
Transfers In									
Transfers Out	(993)		(283)		(321,770)			(323,046)	(582,928)
Total Other Financing Sources (Uses)	<u>(993)</u>		<u>(283)</u>		<u>(321,770)</u>			<u>(323,046)</u>	<u>(582,928)</u>
Net Change in Fund Balances	3,970	(2,359)	114,497	(76,753)	540,898	38,600	62,089	680,942	(657,868)
Fund Balance, July 1	1,788,748	403,824	94,645	129,726	3,178,407	184,580	300,615	6,080,544	6,738,432
Fund Balance, June 30	<u>\$ 1,792,717</u>	<u>\$ 401,465</u>	<u>\$ 209,141</u>	<u>\$ 52,973</u>	<u>\$ 3,719,303</u>	<u>\$ 223,180</u>	<u>\$ 362,703</u>	<u>\$ 6,761,486</u>	<u>\$ 6,080,544</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual & Year End Encumbrances</u>	<u>Variance Positive (Negative)</u>
	<u>Original & 2018 Encumbrances</u>	<u>Final & 2018 Encumbrances</u>		
REVENUES				
Intergovernmental	\$ 1,185,480	\$ 1,185,480	\$ 1,050,875	\$ (134,605)
Interest and Misc. Revenue			53,180	53,180
Total Revenues	<u>1,185,480</u>	<u>1,185,480</u>	<u>1,104,055</u>	<u>(81,425)</u>
EXPENDITURES				
Public Service Activities	170,193	170,193	163,365	6,828
Administration and Planning	218,436	218,436	260,304	(41,868)
Economic Development	3,176	3,176	3,176	-
Housing Rehabilitation	253,803	253,803	146,412	107,391
Parks and Recreation	538,878	538,878	538,185	693
Infrastructure				-
Total Expenditures	<u>1,184,487</u>	<u>1,184,487</u>	<u>1,111,442</u>	<u>73,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	993	993	(7,387)	(8,380)
OTHER FINANCING (USES)				
Transfers Out	<u>(993)</u>	<u>(993)</u>	<u>(993)</u>	
Total Other Financing (Uses)	<u>(993)</u>	<u>(993)</u>	<u>(993)</u>	
Net Change in Fund Balance - Budgetary Basis			(8,380)	(8,380)
Add Back Encumbrances			<u>12,350</u>	<u>12,350</u>
Net Change in Fund Balance - GAAP Basis			3,970	3,970
Fund Balance, July 1	<u>1,788,748</u>	<u>1,788,748</u>	<u>1,788,748</u>	
Fund Balance, June 30	<u>\$ 1,788,748</u>	<u>\$ 1,788,748</u>	<u>\$ 1,792,717</u>	<u>\$ 3,969</u>

**Schedule of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds - Budget and Actual
For the Fiscal Year Ended June 30, 2019
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	\$5,367,140	\$ 5,459,790	\$92,650	\$6,627,651	\$6,845,754	\$218,103	\$2,900,000	\$3,041,376	\$141,376
Total Operating Revenue	5,367,140	5,459,790	92,650	6,627,651	6,845,754	218,103	2,900,000	3,041,376	141,376
OPERATING EXPENSES									
Cost of Sales and Services	1,883,393	1,950,994	(67,601)	3,932,738	3,734,397	198,341	899,364	769,031	130,333
Administration	877,854	839,346	38,508	778,984	721,947	57,037	343,626	326,800	16,826
Depreciation	555,200	1,292,699	(737,499)	198,100	762,692	(564,592)	190,500	304,496	(113,996)
Total Operating Expenses	3,316,447	4,083,039	(766,592)	4,909,822	5,219,036	(309,214)	1,433,490	1,400,327	33,163
Operating Income (Loss)	2,050,693	1,376,751	(673,942)	1,717,829	1,626,718	(91,111)	1,466,510	1,641,049	174,539
NONOPERATING REVENUES (EXPENSES)									
Interest Revenue	14,200	92,722	78,522	8,400	58,400	50,000	10,000	53,672	43,672
Increase in Fund Equity of Joint Ventures		57,922	57,922		441,015	441,015			
Interest Expense	(595,103)	(556,443)	38,660	(516,912)	(513,668)	3,244	(323,365)	(322,515)	850
Gain(Loss) on Sale of Capital Assets		20,709	20,709						
Amortization of Deferred Charges		(13,799)	(13,799)		(170,645)	(170,645)		(128,668)	(128,668)
Total Nonoperating Revenue (Expenses)	(580,903)	(398,889)	182,014	(508,512)	(184,898)	323,614	(313,365)	(397,511)	(84,146)
Income (Loss) Before Contributions & Transfers	1,469,790	977,862	(491,928)	1,209,317	1,441,820	232,503	1,153,145	1,243,538	90,393
Transfers Out	(35,134)	(35,134)		(49,045)	(49,045)		(339,267)	(339,267)	
Capital Contributions		114,980	114,980						
Change in Net Position	1,434,656	1,057,708	(376,948)	1,160,272	1,392,775	232,503	813,878	904,271	90,393
Total Net Position, July 1	30,140,468	30,140,468		16,831,994	16,831,994		6,065,363	6,065,363	
Total Net Position, June 30	\$31,575,124	\$31,198,176	(\$376,948)	\$17,992,266	\$18,224,769	\$232,503	\$6,879,241	\$6,969,634	\$90,393

**Combining Statement of Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
June 30, 2019**

	Private Purpose Trust Funds		
	Farrar Fund	Scholarship Fund	Total
ASSETS			
Investments	\$ 31,174	\$ 88,427	\$ 119,600
Total Assets	<u>\$ 31,174</u>	<u>\$ 88,427</u>	<u>\$ 119,600</u>
LIABILITIES			
Accounts Payable - General Fund	\$ 682	\$ 1,500	\$ 2,182
Total Liabilities	<u>682</u>	<u>1,500</u>	<u>2,182</u>
NET POSITION			
Held in trust for scholarships and other purposes	<u>\$ 30,491</u>	<u>\$ 86,927</u>	<u>\$ 117,418</u>

**Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust Funds
For the Fiscal year Ended June 30, 2019**

	Private Purpose Trust Funds		
	Farrar Fund	Scholarship Fund	Total
ADDITIONS			
Donations	\$ 200		\$ 200
Investment Earnings	358	\$ 1,250	1,608
Total Additions	<u>558</u>	<u>1,250</u>	<u>1,808</u>
DEDUCTIONS			
Scholarship Awards		1,500	1,500
Medical Costs	905		905
Total Deductions	<u>905</u>	<u>1,500</u>	<u>2,405</u>
Change in Net Position	(347)	(250)	(597)
Net Position - Beginning	<u>30,838</u>	<u>87,177</u>	<u>118,015</u>
Net Position - Ending	<u>\$ 30,491</u>	<u>\$ 86,927</u>	<u>\$ 117,418</u>

**Combining Statement of Fiduciary Net Position
Fiduciary Funds - Agency Funds
June 30, 2019**

	Agency Funds				Total
	School Activities	Franklin Pasture	Lewiston Senior Citizens	Holiday Parade	
ASSETS					
Cash and Cash Equivalents	\$ 445,204	\$ 98,336	\$ 25,916	\$ 341	\$ 569,797
Total Assets	<u>\$ 445,204</u>	<u>\$ 98,336</u>	<u>\$ 25,916</u>	<u>\$ 341</u>	<u>\$ 569,797</u>
LIABILITIES					
Accounts Payable		\$ 500	\$ 559		\$ 1,059
School Activities Payable	\$ 445,204				445,204
Franklin Pasture Payable		97,836			97,836
Lewiston Senior Citizens Payable			25,355		25,355
Holiday Parade Committee Payable				\$ 341	341
Total Liabilities	<u>\$ 445,204</u>	<u>\$ 98,336</u>	<u>\$ 25,916</u>	<u>\$ 341</u>	<u>\$ 569,797</u>

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal year Ended June 30, 2019

	Balance 07/01/2018	Additions	Deletions	Balance 06/30/2019
School Activities				
Assets				
Cash and Cash Equivalents	\$ 420,445	\$ 862,360	\$ 837,601	\$ 445,204
Liabilities				
Payable to Student Groups	420,445	862,360	837,601	445,204
Total Liabilities	\$ 420,445	\$ 862,360	\$ 837,601	\$ 445,204
Franklin Pasture Trustees				
Assets				
Cash and Cash Equivalents	\$ 277,932	\$ 113,400	\$ 292,996	\$ 98,336
Liabilities				
Accounts Payable		\$ 500		\$ 500
Payable to Franklin Pasture Trust	\$ 277,932	113,400	\$ 293,496	97,836
Total Liabilities	\$ 277,932	\$ 113,900	\$ 293,496	\$ 98,336
Lewiston Senior Citizens				
Assets				
Cash and Cash Equivalents	\$ 23,726	\$ 37,784	\$ 35,592	\$ 25,916
Liabilities				
Accounts Payable	\$ 38	\$ 559	\$ 38	\$ 559
Accrued Payroll	65		65	-
Payable to Lewiston Senior Citizens	23,621	37,784	36,048	25,355
Total Liabilities	\$ 23,726	\$ 38,342	\$ 36,151	\$ 25,916
Holiday Parade				
Assets				
Cash and Cash Equivalents	\$ 197	\$ 1,900	\$ 1,756	\$ 341
Liabilities				
Payable to Holiday Parade Committee	\$ 197	\$ 1,900	\$ 1,756	\$ 341
Total - Agency Funds				
Assets				
Cash and Cash Equivalents	\$ 722,299	\$ 1,015,443	\$ 1,167,945	\$ 569,797
Total Assets	\$ 722,299	\$ 1,015,443	\$ 1,167,945	\$ 569,797
Liabilities				
Accounts Payable	\$ 38	\$ 1,059	\$ 38	\$ 1,059
Accrued Payroll	65	-	65	-
Payable to Student Groups	420,445	862,360	837,601	445,204
Payable to Franklin Pasture	277,932	113,400	292,996	97,836
Payable to Lewiston Senior Citizens	23,621	37,784	36,048	25,355
Payable to Holiday Parade Committee	197	1,900	1,756	341
Total Liabilities	\$ 722,299	\$ 1,016,502	\$ 1,168,504	\$ 569,797

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 111-117, 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 118 and 119.

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 120-122 or Tables 7-9.

Demographic and Economic Information

Local demographic and economic statistics are presented on Table 10, or page 123. 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 124-126, 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Net Investment in Capital Assets	\$ 112,707,675	\$ 84,930,142	\$ 114,158,085	\$ 113,507,799	\$ 110,514,674	\$ 102,525,020	\$ 100,553,266	\$ 98,090,353	\$ 91,955,091	\$ 94,261,940
Restricted for:										
Recreation and Human Services	6,761,481	6,080,544	6,738,433	6,837,286	6,342,496	6,611,945	5,798,132	5,944,371	5,839,864	7,542,483
Debt Service	-	-	-	-	-	-	-	-	11,003,120	-
Capital Projects	23,350	24,284,799	23,665	23,607	23,568	4,872,789	11,822,217	2,996,325	4,726,269	2,492,689
Perpetual Care	2,026,882	1,883,345	1,802,112	1,619,946	1,638,425	1,636,447	1,469,458	1,348,013	1,300,352	23,308
Endowment Fund	6,897,185	2,894,749	2,437,538	5,664,246	2,505,583	665,658	2,348,228	3,823,905	2,084,777	1,099,174
Education	(14,484,650)	(12,745,966)	(18,998,801)	(19,821,410)	(21,389,053)	(27,987,724)	(22,622,233)	(11,165,253)	(25,516,226)	(17,031,840)
Unrestricted Net Position	113,931,922	107,351,418	106,161,032	107,831,474	99,655,693	88,347,669	99,392,569	101,061,188	91,416,631	88,387,754
Total Governmental Activities Net Position										
Business-Type Activities										
Net Invested in Capital Assets	44,929,267	33,865,832	40,885,665	38,833,518	37,073,340	35,660,028	33,821,418	31,998,340	25,157,754	27,837,898
Unrestricted Net Position	11,463,312	19,171,993	8,596,578	8,365,399	8,449,286	8,125,711	7,887,234	18,206,678	21,963,882	15,862,109
Total Business-Type Activities Net Position	56,392,579	53,037,825	49,482,243	47,198,917	45,522,626	43,785,739	41,708,652	50,205,018	47,121,636	43,700,007
Primary Government										
Net Investment in Capital Assets	157,636,942	118,795,974	155,043,750	152,341,317	147,588,014	138,185,048	134,374,684	130,088,693	117,112,845	122,099,638
Restricted for:										
Recreation and Human Services	6,761,481	6,080,544	6,738,433	6,837,286	6,342,496	6,611,945	5,798,132	5,944,371	5,839,864	7,542,483
Debt Service	-	-	-	-	-	-	-	-	11,003,120	-
Capital Projects	23,350	24,284,799	23,665	23,607	23,568	4,872,789	11,822,217	2,996,325	4,726,269	2,492,689
Perpetual Care	2,026,882	1,883,345	1,802,112	1,619,946	1,638,425	1,636,447	1,469,458	1,348,013	1,300,352	23,308
Endowment Fund	6,897,185	2,894,749	2,437,538	5,664,246	2,505,583	665,658	2,348,228	1,478,557	2,084,777	1,099,174
Education	(3,021,338)	(6,426,027)	(10,402,223)	(11,456,011)	(12,919,767)	(19,862,013)	(14,734,999)	(5,562,868)	(3,552,344)	(1,169,731)
Unrestricted Net Position	170,324,501	160,389,236	155,643,275	155,030,383	145,178,311	132,133,402	141,101,216	147,442,299	138,538,266	132,087,759
Total Primary Government Net Position										

CHANGES IN NET POSITION
Last Ten Fiscal Years

	2019	2018	2017	2016
Expenses - Governmental Activities				
General Government	\$ 10,278,118	\$ 14,553,997	\$ 14,728,619	\$ 12,977,354
Public Safety	18,455,549	16,443,361	18,108,513	16,699,928
Public Works	19,615,848	19,729,334	16,479,895	14,122,962
Human Services	850,223	1,262,915	1,562,216	1,263,360
Culture and Recreation	2,858,347	2,536,366	2,358,090	1,933,789
Joint Ventures and Subsidies*				
Education and Nutrition	81,398,645	86,044,994	81,408,977	75,439,391
Interest on Long-Term Debt	4,616,725	3,813,018	3,224,201	3,082,226
Total Governmental Activities Expenses	138,073,456	144,383,985	137,870,511	125,519,010
Expenses - Business-Type Activities				
Water	4,632,572	4,621,554	4,457,395	4,417,398
Sewer	5,903,349	5,552,584	5,282,417	4,934,988
Storm Water	1,851,510	1,721,584	1,781,189	1,765,316
Total Business-Type Activities Expenses	12,387,431	11,895,722	11,521,001	11,117,702
Total Primary Government Expenses	150,460,887	156,279,708	149,391,512	136,636,712
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	2,309,575	2,395,886	2,406,346	2,289,724
Public Works	938,571	1,045,791	938,092	1,177,027
Education & Nutrition	573,112	811,076	582,011	646,587
Other	893,777	760,304	656,976	601,264
Operating Grants and Contributions	80,777,856	71,296,294	64,231,230	63,966,157
Capital Grants and Contributions	1,768,766	2,761,331	2,523,790	1,650,909
Total Governmental Activities Revenues	87,261,657	79,070,682	71,338,444	70,331,669
Business-Type Activities:				
Charges for Services	15,346,920	15,265,335	14,032,204	13,057,497
Grants and Contributions	613,917	515,529	190,193	150,221
Total Business-Type Activities Revenues	15,960,837	15,780,864	14,222,397	13,207,718
Total Primary Government Program Revenues	103,222,494	94,851,546	85,560,841	83,539,387
Net (Expenses)/Revenue - Governmental Activities	(50,811,798)	(65,313,303)	(66,532,067)	(55,187,341)
Net (Expenses)/Revenue - Business-Type Activities	3,573,406	3,885,142	2,701,396	2,090,016
General Revenues				
Governmental Activities:				
Property Taxes	54,900,354	53,589,979	52,167,890	52,205,919
Payment in Lieu of Taxes	376,147	399,335	387,019	340,341
Motor Vehicle Excise Taxes	5,201,612	4,993,077	4,912,759	4,547,032
Franchise Taxes	140,385	135,439	134,325	127,611
Homestead Exemption & BETE Reimbursement	4,096,756	3,225,852	2,820,609	2,410,040
State Revenue Sharing	3,040,443	2,814,916	2,694,889	2,878,000
Unrestricted Investment Earnings	941,333	933,539	1,308,717	466,641
Transfers	423,446	411,552	435,418	456,706
Total Governmental Activities Revenues	69,120,477	66,503,689	64,861,626	63,432,290
Business-Type Activities				
Unrestricted Investment Earnings	204,794	81,992	17,348	42,981
Transfers	(423,446)	(411,552)	(435,418)	(456,706)
Total Business-Type Activities Revenues	(218,652)	(329,560)	(418,070)	(413,725)
Total Primary Government General Revenues	68,901,825	66,174,129	64,443,555	63,018,565
Change in Net Position				
Governmental Activities	18,308,680	1,190,386	(1,670,442)	8,244,949
Business-Type Activities	3,354,754	3,555,583	2,283,326	1,676,291
Total Primary Government Change in Net Position	\$ 21,663,434	\$ 4,745,969	\$ 612,884	\$ 9,921,240

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

Fiscal Year									
2015	2014	2013	2012	2011	2010				
\$ 11,731,868	\$ 20,221,360	\$ 12,129,951	\$ 10,058,128	\$ 9,622,871	\$ 7,601,484				
16,352,762	16,587,755	16,096,995	14,003,128	13,006,369	13,193,880				
11,482,613	15,296,131	17,408,677	16,363,859	20,807,401	13,220,749				
1,314,495	1,319,451	1,271,915	1,509,724	1,428,094	1,703,001				
2,063,333	2,220,267	2,318,516	2,264,596	1,856,395	2,040,508				
			3,631,678	3,491,952	3,461,371				
70,760,789	73,203,793	67,767,929	58,015,493	60,569,773	61,123,379				
3,710,810	3,789,775	4,681,379	5,196,488	5,608,076	5,429,024				
117,416,670	132,638,532	121,675,362	111,043,094	116,390,931	107,773,396				
4,590,107	4,582,503	4,189,697	3,754,861	3,757,388	3,493,405				
4,819,152	4,635,675	4,724,350	4,624,232	4,546,256	4,600,726				
1,626,116	1,474,555	1,523,224	1,382,441	1,424,138	1,381,598				
11,035,375	10,692,733	10,437,271	9,761,534	9,727,782	9,475,729				
128,452,045	143,331,265	132,112,633	120,804,628	126,118,713	117,249,125				
2,999,794	1,776,482	1,878,721	1,914,534	1,448,471	1,408,160				
1,061,255	1,886,360	947,158	1,162,560	498,377	1,256,058				
985,123	778,580	928,760	1,628,968	1,343,402	1,092,530				
440,920	470,484	455,014	657,679	869,450	699,607				
61,124,783	55,828,875	51,694,985	52,180,117	53,353,911	50,407,165				
1,149,393	84,163	4,452,701	4,423,315	3,545,323	2,622,108				
67,761,267	60,824,944	60,357,339	61,967,173	61,058,934	57,485,628				
13,060,944	13,081,381	12,287,012	12,043,174	12,223,704	11,293,661				
166,385	165,514	708,319	1,388,172	1,544,902	2,232,278				
13,227,329	13,246,895	12,995,331	13,431,346	13,768,606	13,525,939				
80,988,596	74,071,839	73,352,670	75,398,519	74,827,540	71,011,567				
(49,655,403)	(71,813,588)	(61,318,023)	(49,075,921)	(55,331,997)	(50,287,769)				
2,191,954	2,554,162	2,558,060	3,669,812	4,040,824	4,050,210				
50,797,064	50,296,061	48,291,793	47,437,697	47,126,402	46,012,452				
134,536	138,437	134,140	135,464	127,962	111,604				
4,243,107	3,972,502	3,852,282	3,743,862	3,703,703	3,779,991				
125,144	168,001	139,060	140,931	219,207	114,030				
2,218,958	1,980,634	1,741,922	1,660,390	1,462,070	1,635,543				
2,765,034	2,910,572	4,187,759	4,184,510	3,943,411	3,932,756				
208,660	799,322	753,696	800,957	1,104,533	1,055,001				
470,919	503,155	548,748	616,663	673,575	710,441				
60,963,423	60,768,684	59,649,400	58,720,474	58,360,863	57,351,818				
15,852	26,081		30,233	54,380	19,112				
(470,919)	(503,155)	(548,748)	(616,663)	(673,575)	(710,441)				
(455,067)	(477,074)	(548,748)	(586,430)	(619,195)	(691,329)				
60,508,356	60,291,610	59,100,652	58,134,044	57,741,668	56,660,489				
11,308,021	(11,044,904)	(1,668,623)	9,644,553	3,028,866	7,064,048				
1,736,887	2,077,088	2,009,312	3,083,382	3,421,629	3,358,881				
\$ 13,044,908	\$ (8,967,816)	\$ 340,689	\$ 12,727,935	\$ 6,450,495	\$ 10,422,934				

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

	2019	2018	2017	2016
General Fund:				
Nonspendable:				
Inventory	\$249,615	\$267,584	\$248,261	\$273,593
Long-Term Note Receivable	641,500	715,000	784,500	854,000
Prepaid Items	183,054	102,984	197,697	263,011
Restricted for:				
School Education	6,284,300	2,239,736	1,790,711	4,061,215
Assigned to:				
Asset Acquisition	16,722	15,821	21,597	21,644
Future General Fund Expenditures	5,567,131	4,864,130	2,208,019	1,805,360
Subsequent Year's Expenditures				
Future Workers Comp. Expenditures	1,028,138	1,248,501	1,116,221	1,093,207
Future Unemployment Comp. Expenditures	28,054	19,558	15,143	10,153
Compensated Absences	1,582,300	1,442,877	1,512,823	1,435,767
Unassigned	17,933,301	16,476,169	16,415,234	15,508,510
Total General Fund	33,514,115	27,392,358	24,310,206	25,326,460
All Other Governmental Funds:				
Nonspendable:				
Special Revenue Funds	2,566,173	118,479	143,575	1,703,785
Permanent Funds	1,251,814	1,249,016	1,218,385	1,218,385
Restricted for:				
Capital Projects	1,641,404	24,284,799		
Special Revenue Funds	4,532,040	6,302,772	6,896,093	6,368,857
Permanent Funds	798,417	658,134	607,392	425,168
Debt Service Fund				
Assigned to:				
Special Revenue Funds	276,153	314,305	345,592	367,675
Unassigned			(6,159,244)	(3,502,582)
Total All Other Governmental Funds	11,066,001	32,927,505	3,051,793	6,581,288
Total Governmental Funds	\$44,580,122	\$60,319,866	\$27,362,002	\$31,907,750

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					
2015	2014	2013	2012	2011	2010
\$197,207	\$180,924	\$324,371	\$478,557	\$580,511	\$526,107
911,000	940,000	940,000	1,000,000	1,000,000	1,000,000
91,854	120,468	79,507			
2,007,965	71,058	1,715,737	2,678,516	1,211,843	
21,690	21,830	13,764	8,963		55,000
771,004	1,557,392	1,839,675	274,004	821,097	474,746
				704,050	972,135
1,453,497	1,341,370	1,792,451	2,076,039	2,386,718	2,407,900
10,962	52,063	56,154	61,350	63,290	11,546
1,409,239	1,410,071	1,432,184	1,365,622	1,328,618	1,346,716
12,972,357	13,355,807	12,937,935	11,595,987	9,207,486	8,031,352
19,846,776	19,050,984	21,131,778	19,539,038	17,303,613	14,825,502
1,877,029	2,009,287	1,965,431	2,336,554	2,712,993	2,707,357
1,218,385	1,216,835	1,206,350	1,148,208	1,148,208	1,111,217
	4,872,789	11,822,217	2,996,325	4,726,269	2,492,689
4,305,309	4,465,765	3,736,347	4,000,715	3,189,756	4,467,827
443,609	443,145	286,609	223,278	175,527	11,265
				11,003,120	
657,776	731,493	801,436	897,097	810,054	312,086
(420,515)		(68,318)	(144,605)		
8,081,593	13,739,314	19,750,072	11,457,572	23,765,927	11,102,441
\$27,928,370	\$32,790,299	\$40,881,850	\$30,996,605	\$41,069,536	\$25,927,943

GOVERNMENTAL FUNDS
Last Ten Fiscal

	2019	2018	2017	2016
Revenues				
Taxes	\$ 64,213,005	\$ 61,849,035	\$ 59,885,818	\$ 59,158,648
Licenses and Permits	450,598	492,010	407,101	395,564
Intergovernmental	85,780,451	77,241,444	69,765,952	68,840,497
Charges For Services	1,562,855	1,817,834	1,798,466	2,075,426
Fines	260,622	210,518	192,950	181,372
Interest, Rents and Gains	2,856,512	2,448,945	2,852,900	2,290,107
Donations	243,730	105,272	285,201	92,703
Miscellaneous	605,199	1,037,889	560,822	268,592
Total Revenues	155,972,971	145,202,946	135,749,211	133,302,910
Expenditures				
Current:				
General Government	7,477,633	7,494,525	8,759,519	7,094,779
Public Safety	15,022,673	14,076,322	13,876,063	12,823,752
Public Works	8,332,773	7,173,522	6,689,837	5,971,893
Human Services	729,609	1,081,430	1,220,768	1,084,462
Culture and Recreation	2,173,486	1,956,995	1,666,523	1,454,104
Intergovernmental	4,541,847	4,068,832	3,886,281	3,811,611
Education	83,592,284	79,712,627	75,012,758	69,172,690
Nutrition	3,934,467	3,768,815	3,719,712	3,540,121
Miscellaneous	6,520,302	6,961,312	8,297,378	6,537,360
Debt Service:				
Redemption of Serial Bonds	13,036,035	10,637,217	10,440,240	10,746,961
Interest on Serial Bonds	4,140,932	3,625,471	2,947,200	3,058,293
Capital Lease Debt	131,902	179,662	181,072	181,664
Capital Outlay	24,409,644	32,171,837	11,520,968	7,970,583
Total Expenditures	174,043,587	172,908,567	148,218,317	133,448,273
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,070,616)	(27,705,621)	(12,469,106)	(145,363)
Other Financing Sources/(Uses)				
Transfers In	18,907,591	16,707,494	15,003,186	15,591,913
Transfers Out	(18,484,144)	(16,295,943)	(14,567,768)	(15,135,207)
Proceeds From Direct Borrowing Agreements	109,053	7,114		
Premium from Bond Issuance		902,427	1,316,133	248,339
Issuance of General Obligation Bonds		59,342,394	6,558,553	3,607,000
Redemption of Refunded Bond			(3,541,748)	(4,182,302)
Issuance of Refunded Bonds			3,155,000	3,995,000
Total Other Financing Source (Uses)	532,500	60,663,486	7,923,356	4,124,743
Net Change in Fund Balances	\$ (17,538,116)	\$ 32,957,865	\$ (4,545,750)	\$ 3,979,380
Debt Services as a Percentage of Noncapital Expenditures	11.4%	10.0%	9.8%	10.9%

CHANGE IN FUND BALANCE

Years

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 57,366,216	\$ 55,977,941	\$ 53,734,557	\$ 52,812,697	\$ 52,028,215	\$ 51,194,449
392,355	369,015	359,835	338,645	388,153	480,254
63,934,033	58,740,144	60,751,975	60,928,936	60,196,459	57,246,889
2,214,465	2,130,398	2,180,207	2,947,749	2,341,240	2,593,555
170,495	169,775	197,249	205,063	232,301	172,460
2,021,920	2,034,957	2,111,341	2,116,005	2,223,301	2,029,096
117,949	242,977	10,865	58,958	32,833	178,893
726,608	1,368,742	724,696	633,680	475,107	245,532
126,944,041	121,033,950	120,070,724	120,041,734	117,917,609	114,141,128
6,885,591	6,262,405	5,855,344	7,498,833	7,604,022	6,471,320
12,680,382	12,927,886	12,370,953	11,823,001	11,658,967	11,666,010
6,924,704	7,129,282	7,037,063	6,623,827	6,235,791	6,986,370
1,142,913	1,159,967	1,098,251	1,292,533	1,262,706	1,500,318
1,404,367	1,552,810	1,608,515	1,648,175	1,713,642	1,879,000
3,700,698	3,652,352	3,691,051	3,539,498	3,521,588	3,573,750
65,655,234	64,935,289	61,541,053	58,039,922	58,170,565	58,745,376
3,093,917	2,578,770	2,511,394	2,570,702	2,270,777	2,294,884
5,955,364	6,139,688	6,829,419	6,217,582	5,491,947	5,459,117
14,485,076	10,884,147	9,671,065	9,694,176	9,755,017	10,116,649
3,578,000	3,796,517	3,770,473	4,421,727	5,185,659	5,260,880
205,644	205,644	205,644	207,525	319,903	319,903
6,565,001	11,128,912	12,332,307	8,375,578	14,094,459	15,958,177
132,276,890	132,353,667	128,522,531	121,953,080	127,285,043	130,231,755
(5,332,849)	(11,319,717)	(8,451,807)	(1,911,346)	(9,367,434)	(16,090,627)
19,356,001	16,748,191	14,860,378	17,038,172	17,513,772	18,815,102
(18,885,085)	(16,245,035)	(14,311,630)	(16,421,509)	(16,840,197)	(18,104,660)
			108,856		800,000
	226,285	2,937,872			
	2,886,625	16,721,400	2,584,000	13,835,452	10,741,917
	(9,382,906)	(31,440,976)	(13,653,840)	(5,555,000)	(2,722,417)
	8,995,000	29,570,000	2,182,738	15,555,000	2,625,000
470,917	3,228,159	18,337,044	(8,161,583)	24,509,027	12,154,942
\$ (4,861,932)	\$ (8,091,558)	\$ 9,885,238	\$ (10,072,929)	\$ 15,141,593	\$ (3,935,685)
15.7%	12.0%	11.3%	12.7%	13.2%	13.4%

**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
2010*	24.90	\$47,125,353	\$45,769,770	97.12%	\$1,355,583	\$47,125,353	100.00%	\$0	0.00%
2011*	25.40	\$48,180,554	\$46,785,643	97.10%	\$1,393,686	\$48,179,329	100.00%	\$1,225	0.00%
2012*	25.79	\$47,256,587	\$45,946,324	97.23%	\$1,307,862	\$47,254,186	99.99%	\$2,401	0.01%
2013*	25.79	\$47,849,733	\$46,712,891	97.62%	\$1,128,794	\$47,841,685	99.98%	\$8,048	0.02%
2014*	26.44	\$50,004,815	\$48,803,178	97.60%	\$1,189,364	\$49,992,542	99.98%	\$12,273	0.02%
2015*	26.59	\$50,706,360	\$49,637,385	97.89%	\$1,053,240	\$50,690,625	99.97%	\$15,735	0.03%
2016*	27.37	\$54,438,839	\$53,360,892	98.02%	\$1,045,338	\$54,406,230	99.94%	\$32,609	0.06%
2017*	27.54	\$54,968,464	\$53,815,250	97.90%	\$1,090,744	\$54,905,994	99.89%	\$62,470	0.11%
2018*	28.02	\$56,697,853	\$55,519,707	97.92%	\$620,170	\$56,139,878	99.02%	\$557,975	0.98%
2019*	28.67	\$58,918,660	\$57,955,233	98.36%		\$57,955,233	98.36%	\$963,427	1.64%

Note: Current taxes are due semiannually on September 15th and March 15th, with a 7% interest rate charged on taxes outstanding for FY10-18 and 8% for FY19, 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			
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%	
2017	\$1,013,065	\$458,460	\$198,535	\$223,471	\$1,893,531	\$2,203,000	\$26.25	85.95%	
2018	\$1,001,150	\$486,898	\$167,194	\$253,122	\$1,908,364	\$2,237,250	\$26.66	85.30%	
2019	\$998,897	\$492,852	\$153,425	\$267,019	\$1,912,193	\$2,235,850	\$27.25	85.52%	

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
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	\$45.60	\$2.12-3.51
2014	\$15.83	\$9.39	\$25.22	\$1.22	\$26.44	\$45.60	\$2.12-3.51
2015	\$15.83	\$9.54	\$25.37	\$1.22	\$26.59	\$45.60	\$2.12-3.51
2016	\$16.04	\$10.08	\$26.12	\$1.25	\$27.37	\$45.60	\$2.12-3.51
2017	\$15.95	\$10.30	\$26.25	\$1.29	\$27.54	\$45.60	\$2.50-4.15
2018	\$16.48	\$10.18	\$26.66	\$1.36	\$28.02	\$45.60	\$2.90-4.82
2019	\$16.57	\$10.68	\$27.25	\$1.42	\$28.67	\$45.60	\$2.90-4.82

* 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, 2019 and Nine Years Ago**

Taxpayer	Type of Business	2019		2010	
		Assessed Valuation	Percentage of Total Assessed Valuation	Assessed Valuation	Percentage of Total Assessed Valuation
Central Maine Power	Utility	\$153,975,170	8.05%	\$35,439,010	1.94%
Brookfield White Pines	Utility	\$86,112,250	4.50%	\$56,000,280	3.07%
Wal-Mart Stores East LP	Distribution Center	\$72,290,600	3.78%	\$92,601,950	5.07%
Gendron & Gendron	Construction/R. E.	\$31,856,900	1.67%		
Northern Utilities/Unitil	Utility	\$25,129,670	1.31%	\$17,029,460	0.93%
Lepage Bakeries	Bakery	\$19,294,984	1.01%	\$21,988,870	1.20%
T D Bank	Banking	\$16,659,340	0.87%	\$25,826,240	1.41%
L.L. Bean	Telemarketing	\$12,440,910	0.65%	\$12,896,860	0.71%
Lewiston Prop. LLC	Real Estate	\$10,950,840	0.57%		
Elmet Technology	Metal/Wire Mfg.	\$9,471,300	0.50%	\$20,960,400	1.15%
White Rock	Distillery			\$9,549,960	0.52%
Geiger	Specialty Item Mfg.			\$10,494,960	0.57%
	Total	\$438,181,964	22.92%	\$302,787,990	16.58%

Source: City of Lewiston Assessment Records

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds****	Direct Borrowing Agreements	Total Governmental Activities	Water Revenue Bonds****	Sewer Revenue Bonds****	Storm Water Bonds****	Total Business-Type Activities	Total Primary Government	Ratio of Bonded Debt to		
									Estimated Actual Prop. Value***	Percentage of Personal Income Capita*	
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
2017	\$88,231,835	\$257,238	\$88,489,073	\$18,795,804	\$13,516,529	\$8,628,155	\$40,940,488	\$129,429,561	4.16%	17.67%	\$3,537
2018	\$137,445,707	\$95,676	\$137,541,383	\$22,096,360	\$17,809,792	\$11,040,271	\$50,946,423	\$188,487,806	6.15%	25.74%	\$5,151
2019	\$123,975,355	\$76,248	\$124,051,603	\$20,270,849	\$16,503,153	\$10,206,361	\$46,980,363	\$171,031,966	5.54%	23.35%	\$4,674

* Source: The Federal 2000 Census used for year 2010 and the 2010 Census used thereafter.

Personal income was \$17,032 for FY2010, then \$20,014 used thereafter.

*** 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*
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
2017	\$88,231,835	\$0	\$88,231,835	4.01%	\$2,411
2018	\$137,445,707	\$0	\$137,445,707	6.14%	\$3,756
2019	\$123,975,355	\$0	\$123,975,355	5.54%	\$3,388

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

LEGAL DEBT MARGIN CALCULATION
June 30, 2019 and for the Last Ten Fiscal Years

Total Estimated Actual Valuation Per State \$ 2,235,850,000

Legal Debt Margin Limit of 15% of Estimated Actual Valuation \$335,377,500

Debt Applicable to Debt Limit:

Purpose	Legal Maximum	Principal Debt Outstanding	Percentage Applicable to the City	Amount Applicable to the City	
<i>Direct Debt Repaid with Property Taxes:</i>					
Municipal	7.5%	\$167,688,750	\$43,816,062	100%	\$43,816,062
School	10.0%	\$223,585,000	\$76,658,225	100%	\$76,658,225
					\$120,474,286
<i>Overlapping Debt:</i>					
L.A. Water Pollution Control Authority		\$16,377,787	62.86%	\$10,295,077	
L.A. 9-1-1 Committee		\$0	50%	\$0	
Total		<u>\$391,273,750</u>			<u>\$10,295,077</u>
					<u>\$130,769,363</u>
					<u>\$204,608,137</u>

Debt Repaid with User Fees:

Water	3.0%	\$67,075,500	\$19,627,746	100%	\$19,627,746
Sewer	7.5%	\$167,688,750	\$16,022,234	100%	\$16,022,234
Storm Water	7.5%	\$167,688,750	\$9,955,886	100%	\$9,955,886

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
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%
2017	\$330,450,000	\$95,750,877	\$234,699,123	28.98%

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:							
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%
2017	\$5,448,327	\$2,727,388	\$2,720,939	\$1,586,264	\$485,092	\$2,071,356	131%
2018	\$5,418,991	\$2,805,889	\$2,613,102	\$1,668,774	\$573,478	\$2,242,252	117%
2019	\$5,459,790	\$2,790,340	\$2,669,450	\$1,771,443	\$591,522	\$2,362,965	113%
Sewer Enterprise Fund:							
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%
2017	\$5,969,042	\$4,121,075	\$1,847,967	\$1,052,300	\$376,629	\$1,428,929	129%
2018	\$6,825,174	\$4,254,499	\$2,570,675	\$1,144,578	\$460,379	\$1,604,957	160%
2019	\$6,845,754	\$4,456,344	\$2,389,410	\$1,271,670	\$511,699	\$1,783,369	134%
Storm Water Enterprise Fund:							
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%
2017	\$2,614,835	\$1,192,639	\$1,422,196	\$698,283	\$247,078	\$945,361	150%
2018	\$3,021,170	\$1,048,964	\$1,972,206	\$739,594	\$288,076	\$1,027,670	192%
2019	\$3,041,376	\$1,095,831	\$1,945,545	\$813,254	\$320,003	\$1,133,257	172%

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)
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%
2017	36,592	\$20,014	\$36,743	37.0	5,502	3.2%
2018	36,592	\$20,014	\$36,743	37.0	5,515	3.1%
2019	36,592	\$20,014	\$36,743	37.0	5,566	2.5%

Sources:

- (1) The Federal 2000 Census used for 2010 and the 2010 Census used thereafter.
(2) Maine Department of Labor
(3) Lewiston School Department

PRINCIPAL EMPLOYERS
As of June 30, 2019 and Nine Years Ago

Employer	Industry	2019		2010	
		Number of Employees	Rank & Percentage of Employment	Number of Employees	Rank & Percentage of Employment
Central Maine Medical Center	Health Care	2,025	1 - 8.56%	2,467	1 - 4.66%
Sisters of Charity Health Care Systems	Health Care	2,000	2 - 8.46%	2,029	2 - 3.83%
T D Bank	Banking	989	3 - 4.18%	1,251	3 - 2.36%
Bates College	Education	870	4 - 3.68%	788	4 - 1.49%
Wal-Mart Stores East LP	Distribution Center	555	5 - 2.35%	518	5 - .98%
McKesson	Health Care Admin.	380	6 - 1.61%	425	7 - .80%
L.L. Bean	Call Center & Manufact.	350	7 - 1.48%		
State of Maine	Dept. of Human Services	275	8 - 1.16%		
Lepage Bakeries	Bakery Goods	270	9 - 1.14%	303	10 - .57%
Androscoggin Home Health	Health Services	242	10 - 1.02%		
Gieger Brothers	Printed Products			336	8 - .63%
Affiliated Computer Services	Telemarketing			430	6 - .81%
Liberty Mutual	Insurance			316	9 - .60%

Source: Androscoggin Chamber of Commerce and Maine Department of Labor

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

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Administration	5	5	5	5	5	5	4	4	4	4
City Clerk	4	4	4	4	4	4	4	5	5	5
Economic Dev.	3	3	2	2	2	1	1	1	1	1
Finance	17	17	17	17	16	17	17	12	14	14
M.I.S.	5	5	5	5	5	5	5	5	5	5
Assessor	4	4	4	4	6	6	6	6	6	6
Dev./Code Enf.	11	11	11	9	9	8	8	9	10	10
Human Resources	2	2	2	0	0	0	3	3	3	4
Police	95	94	94	94	95	95	95	94	94	97.5
Fire	77	77	72.5	72.5	72.5	71.5	71.5	71.5	71.5	78
Public Works	79.5	78.5	78.5	78.5	78.5	80.6	80.6	84.7	84.7	88.7
Water & Sewer	26	26	23	23	23	23	23	25	25	25
Social Services	7	7	7	5	5	5	5	5	5	4.5
Recreation/MPC	3	3	3	3	3	6	6	6	6	7
Library	12.5	12.5	12.5	12.5	13.5	13.5	13.5	13.5	13.5	14.5
Education	1025	1025	947	926	879	880	866	828	796	762
Total Employees	1,376	1,374	1,288	1,261	1,217	1,221	1,209	1,173	1,144	1,126

Source: City of Lewiston Budget

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Indicator	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City Clerk:										
Marriage Licenses Issued	215	268	236	228	212	235	232	238	221	236
Birth Certificates Filed	1,194	1,197	1,267	1,273	1,345	1,342	1,371	1,395	1,441	1,464
Death Certificates Filed	788	646	675	614	621	550	551	599	562	630
Finance:										
Number of Tax Bills Generated	12,913	13,018	12,983	13,022	13,080	13,104	13,163	13,167	13,180	13,202
Number of Liens Recorded	470	412	490	535	532	574	542	542	616	507
Police:										
Number of Service Calls	55,991	53,930	54,958	51,819	50,119	50,349	50,287	53,035	49,731	45,436
Number of Physical Arrests	1,586	1,768	1,600	1,765	1,999	2,209	2,271	2,242	2,439	2,870
Fire:										
Number of Service Calls	1,872	2,203	2,006	1,856	1,819	1,870	1,953	1,812	1,665	1,700
Number of Inspections	538	550	557	492	449	465	348	875	915	1,020
Code Enforcement:										
Number of Commercial Permits Issued	278	255	245	204	91	144	80	80	122	77
Number of Residential Permits Issued	384	380	280	377	382	381	534	453	387	330
Public Works:										
Cubic Yards Utilized at the Landfill*	16,601	19,132	17,284	46,039	17,959	15,402	18,738	15,405	18,576	15,138
Social Services:										
Number of Families Served	225	427	522	443	484	573	635	636	725	732
Number of People Served	392	765	929	780	784	934	977	921	1,073	1,111
Library:										
Number of Adult Books Borrowed	76,855	79,573	83,719	92,215	96,935	115,457	125,198	124,108	128,550	134,690
Number of Children Books Borrowed	49,023	52,652	54,060	61,328	68,289	70,630	76,407	80,125	86,090	95,311
Children's Program Attendance	4,926	5,350	4,478	5,702	5,847	7,011	7,015	7,030	6,752	8,247
Number of Cardholders	9,703	8,414	9,446	9,816	11,096	12,068	11,415	9,622	9,596	10,420

Source: Lewiston Municipal Departments

CAPITAL ASSETS AND INFRASTRUCTURE BY FUNCTION
Last Ten Fiscal Years

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Number of Patrol Units	38	37	37	36	33	33	33	33	33	34
Fire:										
Number of Stations	4	4	4	4	4	4	4	4	4	4
Public Works:										
Miles of Streets	189.23	189.22	188.3	188.04	188.04	188.04	188.04	188.04	188.04	188.29
Number of Street Lights	3,355	3,355	3,355	3,355	3,355	3,355	3,355	3,355	3,000	3,000
Water:										
Miles of Water Mains	158	158	158	158	158	158	158	158	158	164
Number of Service Connections	9,323	9,314	9,308	9,308	9,272	9,349	9,206	9,232	9,317	9,223
Number of Fire Hydrants	760	757	754	754	751	743	743	743	743	742
Average Daily Consumption -gals.	3,805,088	3,845,151	3,811,504	3,769,392	4,154,811	4,488,726	4,361,340	4,564,104	4,442,603	4,285,945
Thousand Gallons Pumped	1,388,857	1,403,480	1,391,199	1,137,828	1,516,506	1,638,385	1,591,889	1,665,898	1,621,550	1,564,370
Sewer:										
Miles of Sanitary & Storm Sewers	150	150	150	152	152	152	152	152	152	233
Number of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Number of Service Connections	8,741	8,733	8,701	8,658	8,662	8,684	8,705	8,732	8,724	8,707
Average Daily Consumption -gals.	3,805,088	3,845,151	3,811,504	3,769,392	4,154,811	4,488,726	4,361,340	4,564,104	4,442,603	4,285,945
Recreation:										
Number of Parks	23	23	23	23	23	17	17	16	16	16
Park Acreage*	64	64	59	59	59	36	36	36	36	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.