

MAR 18 2019

CITY OF BELFAST, MAINE

AUDIT REPORT

For the Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Belfast, Maine

We have audited the accompanying financial statements of the governmental activities of the City of Belfast, Maine, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the City of Belfast, Maine, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 41 through 42 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 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.

C.H. Don & Co.

Brewer, ME
March 11, 2019

CITY OF BELFAST, MAINE
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Belfast, we offer readers of the City of Belfast's financial statements this narrative overview and analysis of the financial activities of the City of Belfast for the fiscal year ended June 30, 2018.

FINANCIAL HIGHLIGHTS

The assets of the City of Belfast exceeded its liabilities and deferred inflows at June 30, 2018 by \$56,742,036. Of this amount unrestricted net position of \$4,308,872 may be used to meet the government's ongoing obligations to citizens and creditors.

The total net position increased by \$472,809. Of this amount \$425,265 was associated with governmental and \$47,544 with business-type activities.

As of the close of the current fiscal year, the City of Belfast's governmental funds reported combined ending balances of \$4,094,644 an increase of \$406,423 in comparison with the prior year. Of this amount \$2,862,421 is unreserved and available for spending, and \$35,003 has been designated for specific future uses by the City Council.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$2,862,421, or 13% of total General Fund expenditures.

The City of Belfast's total debt obligations (including post retirement benefits) decreased by the net of \$746,122.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Belfast's basic financial statements. The City of Belfast's basic financial statements are comprised of 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 of Belfast's finances, in a manner similar to a private-sector business.

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

Both of the government-wide financial statements distinguish functions of the City 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 Belfast include general government, public safety, parks and recreation, culture, community services, community development and other charges. The major business-type activity of the City is their sewer treatment system.

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, 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 Belfast 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 on 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 the 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 the two.

The City maintains two individual government funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered a major fund and the Capital Projects Fund which are presented separately for the purpose of consistency.

The City of Belfast adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the fiscal year 2018 budget.

PROPRIETARY FUNDS

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City of Belfast maintains one type of proprietary fund; - enterprise.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Belfast utilizes one enterprise fund account for its sewer treatment system.

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside 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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary funds financial statements can be found in exhibits J and K 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.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. The combining and individual fund statements referred to earlier in connection with nonmajor funds are presented immediately after the basic financial statements. Also, included are budget comparisons for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2018, the City's assets exceeded liabilities and deferred inflows by \$56,742,036. By far the largest portion of the City's net position (89 percent) reflects its investments in capital assets, less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens and they are not available for future spending. Although the investment in capital assets are 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. See appendixes for a comparative statement of net position (Table 1) and comparative statement of changes in net position. (Table 2).

Governmental Activities: Governmental activities increased the City's net position by \$425,265.

Business-Type Activities: Business-type activities increased the City's net position by \$47,544.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

At June 30, 2018, the City's governmental funds reported combined ending fund balances of \$4,094,644 an increase of \$406,423 in comparison with the prior year. Of this amount, \$2,862,421 (70 percent) is unreserved General Fund balance, which is available for spending at the government's discretion. Of the unreserved fund balance \$35,003 has been designated by the City Council for subsequent years' expenditure and other uses leaving and unreserved undesignated amount of \$2,897,424. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed (1) for reserve for capital projects, \$736,704, (2) for unspent funds on construction in progress, \$0, and (3) special purposes, \$460,516.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unreserved undesignated fund balance of the General Fund was \$2,862,421 while the total fund balance totaled \$4,094,644. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11 percent of total General Fund expenditures, while total fund balance represents 18 percent of that amount.

The fund balance of the City's General Fund increased by \$610,561 during the current fiscal year. The revenues increased by 3 percent and the expenditures increased by 1 percent resulting in an increase of revenues over expenditures of \$483,730.

The Capital Projects Fund has a total fund balance of \$736,704. Of that amount \$517,151 is designated for future capital projects; \$219,553 is designated for current construction in progress.

Proprietary Funds: The City'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 sewer department fund at the end of the year was \$1,516,152. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

For budgetary financial purposes, all balances carried from the prior year are added to the subsequent year's total appropriation. This resulted in an overall budgetary increase of \$87,780. There were minimal additional amendments to the originally adopted budget. These appropriations were taken from surplus.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City's investment in capital assets for its governmental and business-type activities at June 30, 2018 amounts to \$57,497,425 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, service lines, automobiles, trucks, equipment and streetlights.

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

Governmental Activities:

	<u>Fiscal Year</u>
Land	\$ —
Buildings	6,734
Work in Progress	223,782
Equipment	205,179
Infrastructure	<u>244,525</u>
Total Capitalization-Governmental	<u>\$ 680,220</u>

Sewer Department Activities:

Buildings	\$ —
Equipment	—
Infrastructure	<u>—</u>
Total Capitalization-Sewer	<u>\$ —</u>

Long-term Debt: At the end of the current fiscal year, the City had \$6,880,201 in outstanding debt consisting of general obligation bonds of \$6,486,760 and \$393,441 in accrued compensated absences.

The City's general obligation debt has not been rated by Standard & Poor's or Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total State assessed valuation. The current debt limit for the City is \$128,175,000, an amount which is significantly in excess of existing general obligation debt.

More detailed information about the City's long-term debt is presented in note E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

During the 2017-2018 fiscal year (July 1st, 2017 - June 30th, 2018), the City of Belfast was fortunate to continue to experience substantial business development activity. This activity was restricted neither to certain types or sizes of businesses nor to specific areas of the City. Some notable economic development-related events that occurred in Belfast during this time period included the following:

1. Construction of the new Cornerspring Montessori School located on Congress Street, a school built to the *Passive House* energy efficiency standard, was completed.
2. Ducktrap River of Maine nearly completed its refurbishment/redevelopment of the former Little River Apparel facility located in the Belfast Airport Business Park and its expansion into it, an expansion which increased the company's capacity by 75%.
3. Waldo County General Hospital began construction of a 5,000-square foot expansion and upgrade to its emergency department, including 6 new beds, an estimated \$8.6 million project.
4. Land clearing was completed and construction was started for the Waldo Judicial Center (consolidated District and Superior Courts) in downtown Belfast, an estimated \$13.5 million project.
5. Front Street Shipyard began construction for its Building 6, a 22,500 square foot facility that can accommodate its 485-ton marine travelift. This will be used for large yacht refits and commercial vessel construction projects, and will lead to Front Street Shipyard adding approximately 40 more full-time jobs. The City of Belfast participated financially in this project through the extension of a tax increment financing (TIF) credit enhancement agreement. This is where some or all of the incremental/additional property taxes generated by a new development are refunded to an entity other than the City. This agreement is with Building 6 LLC (a related entity of Front Street Shipyard) for a period of five years, only for the real property tax revenue that is generated by Front Street Shipyard's Building 6. However, this agreement would only refund property taxes to this private entity under certain circumstances, and it is far more likely that these funds will eventually be released back to the control of the City, like all other TIF district revenue, to be spent on projects that are eligible under the TIF statute and are listed in the TIF districts' development plans.
6. Nordic Aquafarms announced their plans to construct a land-based aquaculture facility that would raise Atlantic salmon for the northeastern United States market (meeting approximately 9% of the total current United States demand), an estimated \$500 million project that would create approximately 100 full-time jobs. Additionally, Nordic Aquafarms entered into an option and purchase agreement for land from the Belfast Water District, entered into a lease agreement for adjacent land from a private landowner, and began further due diligence of the proposed project site. The City of Belfast participated financially in this project by agreeing to pay \$100,000 to purchase shoreland (which includes a portion of the Little River Trail), up to \$120,000 (over 6 years) to help cover costs related to dechlorination of Belfast Water District water that would be used by Nordic Aquafarms, and up to \$20,000 to help cover costs related to an engineering study of the Belfast Water District's lower dam.

Looking at the readily available economic indicators to further evaluate the Belfast economy, during the period of June 2017 to June 2018, Belfast's unemployment rate decreased from 3.6% to 3.2% and ranged from 2.8% to 4.0% during this time period. In comparison, during this same time period the unemployment rate for Waldo County

decreased from 3.6% to 3.3% (and ranged from 2.8% to 3.8%), the unemployment rate for Maine decreased from 3.3% to 3.2% (and ranged from 2.6% to 3.4%), and the unemployment rate for the United States decreased from 4.5% to 4.2% (and ranged from 3.6% to 4.6%). (All of these unemployment rates are not seasonally adjusted.) As has been mentioned before, Belfast is known to be a *net importer* of jobs, meaning that there are more people who work in Belfast but live outside than those who live in Belfast but work outside. In 2015, there were 5,137 of the former and only 1,243 of the latter. While this could be attributable to relative lower property tax rates in the communities that surround Belfast, this could also be attributed to a lack of quality workforce housing within Belfast (forcing lower-wage workers to commute to their jobs).

Looking at the poverty rate, according to the American Community Survey 5-Year Estimates, while Belfast's poverty rate has decreased for four straight years (decreasing from 27.1% in 2010-2014 to 15.1% in 2013-2017), unfortunately it still remains higher than that of Waldo County (14.3%), Maine (12.9%), and the United States (14.6%).

Turning to taxable retail sales, during the time period of June 2017 to June 2018, total monthly taxable retail sales for the Belfast Economic Summary Area (the smallest geographic area for which taxable retail sales data is available and which is comprised of the municipalities of Bayside, Belfast, Belmont, Brooks, Jackson, Knox, Liberty, Monroe, Montville, Morrill, Northport, Searsmont, Swanville, and Waldo) went from \$21,690,390.63 to \$21,913,324.00, representing an increase of 1.03%. Though this was a modest increase, during that same period of time Maine saw its total monthly taxable retail sales *decrease* by 0.39%. Specific categories of Belfast Economic Summary Area taxable retail sales to be noted for their significant increases include the following: business operations, which increased by 37.31% (compared to an increase of 24.93% for Maine); automobile transportation, which increased by 32.57% (compared to an increase of 7.51% for Maine); and other retail, which increased by 31.43% (compared to an increase of 13.78% for Maine). However, there were three categories of monthly taxable retail sales that experienced significant decreases during this same period: lodging, which decreased by 37.18% (compared to a decrease of 37.60% for Maine); restaurants, which decreased by 16.63% (compared to a decrease of 15.33% for Maine); and building supplies, which decreased by 8.26% (compared to an *increase* of 11.17% for Maine).

Regarding property values, the value of residential property within Belfast increased by 1.40%, going from \$474,682,200 as of April 1st, 2017 to \$481,339,100 as of April 1st, 2018. However, during this same period of time, the value of commercial property within Belfast also increased, but at a much greater rate of 32.27%, going from \$185,631,200 as of April 1st, 2017 to \$245,531,100 as of April 1st, 2018. Regarding personal property specifically, the value of personal property in the Business Equipment Tax Exemption program increased by 26.45%, going from \$15,544,500 as of April 1st, 2017 to \$19,655,300 as of April 1st, 2018.

Significant amounts of both real and personal property within Belfast are located and sheltered within the City's two existing TIF districts; these are the Northport Avenue TIF District (established in 2006 and amended in 2014) and the Downtown-Waterfront TIF District (established in 2007 and amended in 2014).

The value of real property in the Northport Avenue TIF District decreased by 3.24%, going from \$9,600,300 as of April 1st, 2017, to \$9,289,200 as of April 1st, 2018. The value of personal property within the Northport Avenue TIF district also decreased

during that time but at a much greater rate of 81.32%, going from \$1,068,600 as of April 1st, 2017, to \$199,600 as of April 1st, 2018. Taken together, the entire value of the district decreased by 11.06%, going from \$10,668,900 as of April 1st, 2017, to \$9,488,800 as of April 1st, 2018. The difference between the current total assessed value of the Northport Avenue TIF district (\$9,488,800) and the original amended assessed value of the district (\$10,126,400.00), also known as the *increment*, has become negative (-\$637,600); this means that the district will not be generating any income that could be used for TIF-related purposes (until the increment becomes a positive value again).

The value of real property in the Downtown-Waterfront TIF District increased by 0.77%, going from \$58,877,600 as of April 1st, 2017, to \$59,332,700 as of April 1st, 2018. However, the value of personal property within that district decreased during that time by 14.56%, going from \$3,011,600 as of April 1st, 2017, to \$2,573,200 as of April 1st, 2018. Combined, the total assessed value of the district increased very slightly, by only 0.03%, going from \$61,889,200 as of April 1st, 2017, to \$61,905,900. The district's current increment is now \$14,498,620 at the City's September 11th, 2018, mil rate of 22.7, this increment would be expected to generate \$329,118.67 in annual TIF district revenue.

The City has one existing TIF credit enhancement agreement, where some or all of the incremental/additional property taxes generated by a new development is refunded to an entity other than the City. This is the aforementioned one with Building 6 LLC (Front Street Shipyard).

Looking at statewide economy-related indicators, in the June 2018 update to its report *Measures of Growth*, the Maine Economic Growth Council selected 3 indicators for 'gold stars' indicating exceptional performance (such as a very high national standing or an established trend toward significant improvement): air quality; water quality; and international exports. The Council also selected 5 indicators for 'red flags' indicating attention needed (such as a very low national standing or an established trend toward significant decline): research and development expenditures; fourth grade reading scores; postsecondary educational attainment; working age population; and transportation infrastructure.

Looking ahead, the Maine Consensus Economic Forecasting Commission (CEFC), in their November 1st, 2018, report, made modest revisions to its major indicators relative to its February 1st, 2018, report. Specifically, the CEFC: revised its forecast for the annual percentage change in wage and salary employment upward for 2020 (0.0% to 0.2%); revised its forecast for the annual percentage change in personal income upward for 2019 (4.3% to 4.5%), upward for 2020 (3.9% to 4.0%), downward for 2021 (3.7% to 3.6%), upward for 2022 (3.1% to 3.2%), and upward for 2023 (3.1% to 3.2%); revised its forecast for the annual percentage change in wage and salary income upward for 2019 (3.9% to 4.2%); and revised its forecast for the annual percentage change in the Consumer Price Index for All Urban Consumers upward for 2019 (2.3% to 2.4%), upward for 2022 (2.2% to 2.3%), and upward for 2023 (2.2% to 2.3%).

Positive statewide indicators pointed out by the CEFC in its report included the following: increase in-migration of working age population; small business optimism reaching a new record high; a declining rate of mortgage delinquency; modestly accelerating job growth; a rising number of business establishments; the lowest poverty rate in decades; some closing of the gap with the nation in median household income; increased and over budget general fund revenues; and over budget corporate income

taxes. Negative statewide indicators pointed out by the CEFC in its report included an increasing debt-to-income level for businesses and households; a mortgage delinquency rate that remained higher than the national rate; a decreasing rate of existing single-family home sales; a decrease in the average number of housing permits; an aging population; and a lack of population growth.

The report's actual consensus forecast contains the following statements: "Maine has seen modest employment growth thus far in 2018 and will likely see continued growth for the next few years before demographic forces create too much of an opposing headwind. Overall, the primary source of concern for the CEFC continues to be Maine's demographic situation, with an aging population and limited population growth, although there has been a recent increase in in-migration."

Again, as in many previous years, one derives a rather mixed impression of the Belfast economy from the combination of what is actually taking place in Belfast in regards to business expansion and investment, with the trends of the underlying economic indicators. The City of Belfast should, through its various economic development strategies and initiatives, pursue important economic and community development goals including the attraction and creation of quality (i.e. livable wage) jobs, the reduction of poverty, and the development of additional workforce housing to help buttress and augment the economic progress it has achieved over the past decade.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City Manager at City of Belfast, 131 Church Street, Belfast, Maine 04915.

Table 1

City of Belfast, Maine
Comparative Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current & Other Assets	\$ 5,437,927	\$ 35,853,358	\$ 1,754,067	\$ 1,825,382	\$ 7,191,994	\$ 7,211,499
Capital Assets (Net)	<u>35,757,303</u>	<u>35,866,849</u>	<u>21,740,122</u>	<u>22,099,404</u>	<u>57,497,425</u>	<u>57,952,762</u>
Total Assets	<u>41,195,230</u>	<u>41,239,475</u>	<u>23,494,189</u>	<u>23,924,786</u>	<u>64,689,419</u>	<u>65,164,261</u>
Long-Term Liabilities Outstanding	3,481,795	3,752,295	2,675,771	3,151,393	6,157,566	6,903,688
Other Liabilities	<u>1,338,826</u>	<u>1,537,836</u>	<u>450,991</u>	<u>453,510</u>	<u>1,789,817</u>	<u>1,991,346</u>
Total Liabilities	<u>4,820,621</u>	<u>5,290,131</u>	<u>3,126,762</u>	<u>3,604,903</u>	<u>7,947,383</u>	<u>8,895,034</u>
Net Position:						
Invested in Capital Assets Net of Related Debt	32,384,669	32,175,876	18,200,413	18,200,413	50,585,082	50,376,289
Restricted	1,197,220	1,468,021	650,862	666,330	1,848,082	2,134,351
Unrestricted	<u>2,792,720</u>	<u>2,305,447</u>	<u>1,516,152</u>	<u>1,453,140</u>	<u>4,308,872</u>	<u>3,758,587</u>
Total Net Position	<u>\$ 36,374,609</u>	<u>\$ 35,949,344</u>	<u>\$ 20,367,427</u>	<u>\$ 20,319,883</u>	<u>\$ 56,742,036</u>	<u>\$ 56,269,227</u>

City of Belfast, Maine
Comparative Statement of Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
<u>Revenues:</u>						
Program Revenues:						
Charges for Service/Fees	\$ 2,247,581	\$ 2,185,599	\$ 957,781	\$ 875,767	\$ 3,205,362	\$ 3,061,366
Operating Grants and Contrib.	285,070	310,193	-	-	285,070	310,193
Capital Grants and Contrib.	75,000	75,000	-	-	75,000	75,000
General Revenues:						
Property Taxes	16,272,586	16,025,483	-	-	16,272,586	16,025,483
Excise Taxes	1,149,122	1,114,213	-	-	1,149,122	1,114,213
Intergovernmental - Other	956,379	848,912	-	-	956,379	848,912
Other	1,003,757	3,052,060	4,144	4,440	1,007,901	3,056,500
Total Revenues	21,989,495	23,611,460	961,925	880,207	22,951,420	24,491,667
<u>Expenses:</u>						
General Government	2,910,928	2,612,375	-	-	2,910,928	2,612,375
Protection	2,898,365	2,839,093	-	-	2,898,365	2,839,093
Public Works	3,057,858	5,376,198	-	-	3,057,858	5,376,198
Social Services	245,124	306,597	-	-	245,124	306,597
Parks & Recreation	292,931	287,900	-	-	292,931	287,900
Library	517,637	523,952	-	-	517,637	523,952
Cemeteries	145,365	143,497	-	-	145,365	143,497
Education	9,924,620	10,015,476	-	-	9,924,620	10,015,476
County Tax	1,451,862	1,400,761	-	-	1,451,862	1,400,761
Interest on Debt	(68,591)	38,577	-	-	(68,591)	38,577
Unclassified	467,660	712,723	-	-	467,660	712,723
Sewer Department	-	-	960,529	907,429	960,529	907,429
Total Expenses	21,843,759	24,257,149	960,529	907,429	22,804,288	25,164,578
Increase (Decrease) in Net Position Before Transfers	145,736	(645,689)	1,396	(27,222)	147,132	(672,911)

City of Belfast, Maine
Comparative Statement of Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Transfers	328,203	315,097	46,148	3,788,900	374,351	4,103,997
Reserve for Uncollectibles	(48,674)	(374,751)	-	-	(48,674)	(374,751)
Increase (Decrease) in Net Assets	425,265	(705,343)	47,544	3,761,678	472,809	3,056,335
Net Position - Beginning	35,949,344	36,668,178	20,319,883	16,558,205	56,269,227	53,226,383
Net Position - Ending	\$ 36,374,609	\$ 35,962,835	\$ 20,367,427	\$ 20,319,883	\$ 56,742,036	\$ 56,282,718

City of Belfast, Maine
Government-Wide Statement of Net Position
June 30, 2018

Exhibit A

	<u>Governmental</u> <u>Activities</u>	<u>Business - Type</u> <u>Activities</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash & Cash Equivalents	\$ 1,462,977	\$ -	\$ 1,462,977
Investments	1,416,916	606,791	2,023,707
Due from other Funds	-	625,515	625,515
Receivables (Net of Allowance for Doubtful Accounts):			
Taxes	826,792	-	826,792
Accounts	1,331,495	521,761	1,853,256
Prepaid Expenses	399,747	-	399,747
Total Current Assets	<u>5,437,927</u>	<u>1,754,067</u>	<u>7,191,994</u>
Capital Assets:			
Land	10,175,461	1,485,000	11,660,461
Construction In Progress	223,782	-	223,782
Buildings & Improvements	9,483,589	713,156	10,196,745
Vehicles & Equipment	6,460,530	348,549	6,809,079
Infrastructure	25,817,181	28,317,623	54,134,804
Total Capital Assets	<u>52,160,543</u>	<u>30,864,328</u>	<u>83,024,871</u>
Less Accumulated Depreciation	(16,403,240)	(9,124,206)	(25,527,446)
Net Capital Assets	<u>35,757,303</u>	<u>21,740,122</u>	<u>57,497,425</u>
Total Assets	<u>41,195,230</u>	<u>23,494,189</u>	<u>64,689,419</u>
 <u>LIABILITIES</u>			
Account Payable	206,242	-	206,242
Other Liabilities	20,618	12,636	33,254
Accrued Interest Payable	14,395	-	14,395
Due to other Funds	634,165	-	634,165
Taxes Collected In Advance	179,126	-	179,126
Bonds and Notes:			
Due Within One Year	284,280	438,355	722,635
Total Current Liabilities	<u>1,338,826</u>	<u>450,991</u>	<u>1,789,817</u>
Long-Term Liabilities			
Bonds and Notes:			
Due in More Than One Year	3,088,354	2,675,771	5,764,125
Compensated Absences	393,441	-	393,441
Total Long-Term Liabilities	<u>3,481,795</u>	<u>2,675,771</u>	<u>6,157,566</u>
Total Liabilities	<u>4,820,621</u>	<u>3,126,762</u>	<u>7,947,383</u>
 <u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	32,384,669	18,200,413	50,585,082
Restricted For:			
TIF	-	44,071	44,071
Infrastructure Maintenance & Upgrade	-	597,261	597,261
Capital Projects	736,704	-	736,704
Heating Fuel	-	9,530	9,530
Special Purposes	460,516	-	460,516
Unrestricted	2,792,720	1,516,152	4,308,872
Total Net Position	<u>\$ 36,374,609</u>	<u>\$ 20,367,427</u>	<u>\$ 56,742,036</u>

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

City of Belfast, Maine
Government-Wide Statement of Activities
For the Year Ended June 30, 2018

Program Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Position			
	Expenses	Fees, Fines, & Charges for Service	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental Activities							
General Government	\$ 2,910,928	\$ 411,922	\$ -	\$ -	\$ (2,499,006)	\$ -	\$ (2,499,006)
Protection	2,898,365	1,305,749	62,066	-	(1,530,550)	-	(1,530,550)
Public Works	3,057,858	392,681	138,004	-	(2,527,173)	-	(2,527,173)
Social Services	245,124	-	-	-	(245,124)	-	(245,124)
Parks & Recreation	292,931	3,595	-	-	(289,336)	-	(289,336)
Library	517,637	-	-	75,000	(442,637)	-	(442,637)
Cemeteries	145,365	-	85,000	-	(60,365)	-	(60,365)
Education	9,924,620	-	-	-	(9,924,620)	-	(9,924,620)
County Tax	1,451,862	-	-	-	(1,451,862)	-	(1,451,862)
Interest on Long-Term Debt	(68,591)	-	-	-	68,591	-	68,591
Unclassified	467,660	133,634	-	-	(334,026)	-	(334,026)
Total Governmental Activities	21,843,759	2,247,581	285,070	75,000	(19,236,108)	-	(19,236,108)
Business-Type Activities							
Sewer Department	960,529	957,781	-	-	-	(2,748)	(2,748)
Total Business-Type Activities	960,529	957,781	-	-	-	(2,748)	(2,748)
Total Government	\$ 22,804,288	\$ 3,205,362	\$ 285,070	\$ 75,000	(19,236,108)	(2,748)	(19,238,856)

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

City of Belfast, Maine
Government-Wide Statement of Activities
For the Year Ended June 30, 2017

	Net (Expense) Revenues and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Totals
General Revenues:			
Taxes:			
Property	16,272,586	-	16,272,586
Excise	1,149,122	-	1,149,122
Interest on Taxes	82,030	-	82,030
Investment Earnings	25,196	4,144	29,340
Miscellaneous	745,694	-	745,694
Intergovernmental, Not Restricted to Specific Functions	956,379	-	956,379
Lease & Rental Income	124,987	-	124,987
Cable TV Receipts	81,513	-	81,513
Payment in Lieu of Taxes	11,000	-	11,000
Special Projects (Net)	(66,663)	-	(66,663)
Reserve for Uncollectible Transfers	(48,674)	-	(48,674)
	328,203	46,148	374,351
Total General Revenues and Transfers	19,661,373	50,292	19,711,665
Changes in Net Position	425,265	47,544	472,809
Net Position, Beginning (Restated)	35,949,344	20,319,883	56,269,227
Net Position, Ending	\$ 36,374,609	\$ 20,367,427	\$ 56,742,036

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

City of Belfast, Maine
Balance Sheet - Governmental Funds
June 30, 2018

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 1,458,341	\$ 4,636	\$ 1,462,977
Investments	904,080	512,836	1,416,916
Receivables (Net of Allowance for Doubtful Accounts):			
Taxes	826,792	-	826,792
Accounts	1,331,495	-	1,331,495
Prepaid Expenses	399,747	-	399,747
Due from Other Funds	-	219,232	219,232
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 4,920,455</u>	<u>\$ 736,704</u>	<u>\$ 5,657,159</u>
 <u>LIABILITIES & FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 206,242	\$ -	\$ 206,242
Other Liabilities & Accruals	20,618	-	20,618
Due to Other Funds	854,581	-	854,581
Taxes Collected In Advance	179,126	-	179,126
Total Liabilities	<hr/> 1,260,567 <hr/>	<hr/> - <hr/>	<hr/> 1,260,567 <hr/>
Deferred Inflow of Resources			
Unavailable Revenue-Property Taxes	303,132	-	303,132
	<hr/>	<hr/>	<hr/>
<u>Fund Balances</u>			
Nonspendable	-	-	-
Restricted	-	736,704	736,704
Committed	460,516	-	460,516
Assigned	35,003	-	35,003
Unassigned	2,861,237	-	2,861,237
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>3,356,756</u>	<u>736,704</u>	<u>4,093,460</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities & Fund Balances	<u>\$ 4,920,455</u>	<u>\$ 736,704</u>	<u>\$ 5,657,159</u>

City of Belfast, Maine
 Reconciliation of the Governmental Funds Balance Sheet
 to the Government-Wide Statement of Net Position
 June 30, 2018

Exhibit D

Total Fund Balances - Total Governmental Funds \$ 4,094,644

Amounts reported for governmental activities in the Statement of Net Position

were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:

Non-depreciable capital assets	\$10,399,243	
Depreciable capital assets, net	<u>25,358,060</u>	
Total capital assets		35,757,303

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet

(14,395)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

The long-term liabilities were adjusted as follows:

Long-term bond liabilities-due within one year	284,280	
Long-term bond liabilities-due in more than one year	3,088,354	
Compensated absences	<u>393,441</u>	
Total long-term liabilities		(3,766,075)

Other deferred inflow of resources not available to pay for current period expenditures in the governmental funds-property taxes

303,132

Net position of governmental activities

\$ 36,374,609

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

City of Belfast, Maine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General Fund	Capital Projects Fund	Total Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$ 16,429,935	\$ -	\$ 16,429,935
Excise Taxes	1,149,122	-	1,149,122
Intergovernmental	1,156,449	-	1,156,449
Charges for Services	2,105,950	-	2,105,950
Investment Income	20,750	4,446	25,196
Interest on Taxes	82,030	-	82,030
Special Purpose Accts.	225,894	-	225,894
Miscellaneous	484,622	780,203	1,264,825
Total Revenues	<u>21,654,752</u>	<u>784,649</u>	<u>22,439,401</u>
<u>Expenditures:</u>			
General Government	2,623,286	206,829	2,830,115
Protection	2,794,269	31,752	2,826,021
Public Works	2,122,576	880,949	3,003,525
Social Services	245,124	-	245,124
Parks & Recreation	260,398	15,004	275,402
Library	449,758	-	449,758
Cemeteries	127,469	12,006	139,475
Education	9,924,620	-	9,924,620
County Tax	1,451,862	-	1,451,862
Debt Service	238,003	-	238,003
Special Purpose Accts.	292,557	-	292,557
Unclassified	359,700	276,345	636,045
Total Expenditures	<u>20,889,622</u>	<u>1,422,885</u>	<u>22,312,507</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>765,130</u>	<u>(638,236)</u>	<u>126,894</u>
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	25,526	582,149	607,675
Operating Transfers (Out)	(131,421)	(148,051)	(279,472)
Reserve for Uncollectible	(48,674)	-	(48,674)
Total Other Financing Sources & Uses	<u>(154,569)</u>	<u>434,098</u>	<u>279,529</u>
Net Changes in Fund Balances	610,561	(204,138)	406,423
Fund Balance - Beginning	<u>2,747,379</u>	<u>940,842</u>	<u>3,688,221</u>
Fund Balance - Ending	<u>\$ 3,357,940</u>	<u>\$ 736,704</u>	<u>\$ 4,094,644</u>

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

City of Belfast, Maine
 Reconciliation of the Governmental Funds Statement of
 Revenues, Expenditures and Changes in Fund Balances
 to the Government-Wide Statements of Activities
 For the Year ended June 30, 2018

Exhibit F

Net Change in Fund Balance - Total Government Funds	\$	406,423
Amounts reported by governmental activities in the Statement of Activities and changes in Net Position were different because:		
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		
		680,220
The net effect of various transactions involving capital assets (i.e., notes, sales, trade-ins, and contributions) is to increase/(decrease) net position:		
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in government funds.		
		(776,275)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The issuance of long-term debt provides current financial resources. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.		
		304,848
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in government funds. (compensated absences)		
		(34,348)
Some net property tax collected for several months after the City's fiscal year end, (deferred inflow of resources), that are not available revenues in the governmental fund.		
		(157,349)
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds.		
		<u>1,746</u>
Change in net position of governmental activities	\$	<u><u>425,265</u></u>

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

City of Belfast, Maine
Statement of Net Position
Proprietary Fund (Sewer)
For the Years Ended June 30, 2018

	<u>2018</u>
<u>ASSETS</u>	
<u>Current Assets</u>	
Due from General Fund	\$ 625,515
Pooled Investments	606,791
Receivables:	
Sewage Treatment Services (Net Allowance for Doubtful)	521,761
Total Current Assets	<u>1,754,067</u>
<u>Capital Assets:</u>	
Land	1,485,000
Buildings & Improvements	713,156
Vehicle & Equipment	348,549
Infrastructure	28,317,623
Total Capital Assets	<u>30,864,328</u>
Less Accumulated Depreciation	(9,124,206)
Net Capital Assets	<u>21,740,122</u>
Total Assets	<u>23,494,189</u>
<u>LIABILITIES</u>	
<u>Current Liabilities</u>	
Accrued Interest Payable	12,636
Current Portion of Long-Term Liabilities	438,355
Total Current Liabilities	<u>450,991</u>
<u>Non-Current Liabilities</u>	
Portion of Long-Term Liabilities	<u>2,675,771</u>
Total Liabilities	<u>3,126,762</u>
<u>NET POSITION</u>	
Invested in Capital Assets - Net of Related Debt	18,200,413
Restricted for TIF	44,071
Restricted for Heating Fuel	9,530
Restricted for Infrastructure Maint. & Upgrade	597,261
Unrestricted	1,516,152
Total Net Position	<u>\$ 20,367,427</u>

City of Belfast, Maine
Statement of Revenues, Expenses, and Changes
in Fund Balance - Proprietary Fund
For the Year Ended June 30, 2018

Sewer Disposal & Treatment System
2018

Operating Revenues:

User Fees	\$ 949,041
Entrance & Recording Fees	8,740
Total Operating Revenues	957,781

Operating Expenses:

Salaries & Wages	135,446
Fringe Benefits	54,969
Utilities	131,692
Chemicals	20,348
Infrastructure Maintenance	27,329
Outside Services	51,627
Laboratory Supplies	4,542
Building Maintenance	2,061
Vehicle Maintenance/Fuel	6,532
Insurance	14,311
Billing & Accounting	7,394
Contract Sludge	61,834
Miscellaneous	17,448
Depreciation	359,282
Total Operating Expenses	894,815

Operating Income (Loss)	62,966
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Non-Operating Revenue (Expense):

Investment Earnings	4,144
Interest Expense	(65,714)
Net Non-Operating Revenue (Expense)	(61,570)

Income (Loss) Before Transfers	1,396
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Capital Contributions

Transfers in (out): Net	46,148
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Change in Net Position	47,544
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Total Net Position - Beginning of Year	20,319,883
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Total Net Position - End of Year	\$ 20,367,427
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The notes to the financial statements are an integral part of this statement.

City of Belfast, Maine
Statement of Cash Flows - Sewer Fund
Proprietary Funds
For the Year Ended June 30, 2018

		<u>Waste Water (Sewer)</u>
Cash flows From Operating Activities:		
Cash Received from Customers	\$ 933,911	
Cash Payments to Employees	(135,446)	
Cash Payments to Suppliers of Goods & Services	<u>(389,651)</u>	
Net Cash Provided by Operating Activities		\$ 408,814
Cash Flows From Noncapital Financing Activities:		
Transfer from (to) General Fund (Net)	<u>46,147</u>	
Net Cash Provided by Noncapital Financing Activities		46,147
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Fixed Assets	-	
Principal Paid on Long-Term Debt	(475,621)	
Interest Paid on Long-Term Debt	<u>(65,714)</u>	
Net Cash (Used) in Capital & Related Financing Activities		<u>(541,335)</u>
Net Increase (Decrease) in Cash & Cash Equivalents		(86,374)
Cash & Cash Equivalents		
Beginning of Year		<u>1,318,680</u>
End of Year:		
Cash Held By General Fund in Investments	606,791	
Cash in Pooled investments	<u>625,515</u>	
Total End of Year		<u>\$ 1,232,306</u>
Reconciliation of operating income (Loss) to net		
Cash Provided by Operating Activities		
Operating Income		\$ 67,110
Adjustments to Reconcile operations Income to		
Net Cash Provided by Operating Activities		
Depreciation		359,282
Changes in Assets & Liabilities		
(Increase) Decrease in Receivables		(15,059)
Increase (Decrease) in Payables		<u>(2,519)</u>
Net Cash Provided by Operating Activities		<u>\$ 408,814</u>

City of Belfast, Maine
 Statement of Fiduciary Net Positions
 Fiduciary Funds
 June 30, 2018

<u>ASSETS</u>	<u>Cemeteries</u>	<u>Library</u>	<u>Special</u>	<u>Charity</u>	<u>Recreation</u>	<u>Health</u>	<u>Totals</u>
Cash & Interest							
Bearing Deposits	\$ 1,427,289	\$ 2,068,705	\$ 237,610	\$ 61,773	\$ 5,482	\$ 454	\$ 3,801,313
Total Assets	<u>1,427,289</u>	<u>2,068,705</u>	<u>237,610</u>	<u>61,773</u>	<u>5,482</u>	<u>454</u>	<u>3,801,313</u>
Net Positions - Held in Trust for Specific Programs	<u>\$ 1,427,289</u>	<u>\$ 2,068,705</u>	<u>\$ 237,610</u>	<u>\$ 61,773</u>	<u>\$ 5,482</u>	<u>\$ 454</u>	<u>\$ 3,801,313</u>

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

City of Belfast, Maine
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended June 30, 2018

<u>Principal</u>	<u>Cemeteries</u>	<u>Library</u>	<u>Special</u>	<u>Charity</u>	<u>Recreation</u>	<u>Health</u>	<u>Totals</u>
<u>Additions:</u>							
Investment Income							
Interest & Dividends	\$ 28,360	\$ 21,739	\$ 3,171	\$ 450	\$ 41	\$ 3	\$ 53,764
Net increase (Decrease) in Fair Value of Investments	(7,043)	71,044	-	2,319	-	-	66,320
Total Additions	21,317	92,783	3,171	2,769	41	3	120,084
<u>Deductions:</u>							
Cemetery	(158,718)	-	-	-	-	-	(158,718)
Library	-	(75,000)	-	-	-	-	(75,000)
Unclassified	-	-	(2,550)	-	-	-	(2,550)
Total Deductions	(158,718)	(75,000)	(2,550)	-	-	-	(236,268)
Change in Net Position	(137,401)	17,783	621	2,769	41	3	(116,184)
Net Position, Beginning of Year	1,564,690	2,050,922	236,989	59,004	5,441	451	3,917,497
Net Position, End of Year	\$ 1,427,289	\$ 2,068,705	\$ 237,610	\$ 61,773	\$ 5,482	\$ 454	\$ 3,801,313

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

CITY OF BELFAST, MAINE
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Belfast was incorporated under the laws of the State of Maine in 1853 and operates under a council/manager form of government. In evaluating how to define the reporting entity, for financial purposes, management has considered all potential component units. The criteria used to determine which entities are a part of the City's operations include how the budget is adopted, whether debt is secured by general obligation of the City, the City's duty to cover any deficits that may occur, and supervision over the accounting functions. Based upon all pertinent facts derived from the analysis of the above criteria, it was determined that no additional entities should be included as part of these financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect costs among program, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or fiduciary funds.

The City reports the following major proprietary funds:

The Sewer Utility Fund accounts for the cost of construction and operation of the sewage treatment plant, the City sewer system, and sewer operation activities, and is self-supported through sewer usage fees.

Additional, the City reports the following fund type:

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The City's fiduciary funds include the following fund type:

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using accrual basis of accounting. The funds are used to account for assets that the City holds for others in an agency capacity.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. City policy prohibits the investment in so-called "derivative instruments".

Investments are reported at fair value.

2. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of fiscal year are referred to as either "due to/from other funds", (i.e. the non-current portion of interfund loans) or "advances to/from other funds", (i.e. the non-current portion of interfund loans). Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "due to/from other governmental units".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Inventories

Inventories consist of expendable supplies held in consumption and are valued at cost using the weighted average method. The cost of inventories are recognized as expenditures/expenses when consumed rather than when purchased.

The City does not have any inventories at current year end.

4. Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of two years.

Donated capital assets are recorded at estimated fair value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalization value of the assets constructed.

Capital assets of the primary government and business-type activities are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Infrastructure	10-50
System Infrastructure	20-75
Equipment	5-20

5. Deferred Inflows of Resources

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

6. Compensated Absences

Employees eligible for leave include permanent full-time employees. Employees may earn one (1) work day per full calendar month of regular employment to be used as sick leave, which shall be computed at the regular base pay rate of the employee. Administrative personnel may accumulate to a maximum of ninety (90) work days. Police personnel may accumulate to a maximum of one hundred twenty (120) work days. All employees shall be compensated for one-half (1/2) of accumulated sick leave, up to forty-five (45) days, when they are permanently separated from employment as a result of voluntary resignation, retirement, or death. The liability for accumulated sick leave is \$393,441, as of June 30, 2018

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

In the fund financial statements, governmental funds report fund balances in one of five possible classifications. Classification is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which the funds can be spent. The categories are as follows:

- Nonspendable fund balance cannot be spent.
- Restricted fund balances are subject to externally enforceable legal restrictions.
- Committed fund balances are subject to limitations the City Council has imposed, that are binding unless removed in the same manner.
- Assigned fund balances reflect the intended use of the resources.
- Unassigned fund balances are resources which have not been classified in any other category. Only the General Fund can report a positive unassigned fund balance amount.

Should there be multiple sources of funding available for a particular purpose, it is the City's policy to expend currently budgeted resources first, then after use other sources in the order of restricted, then committed, then assigned amounts.

9. Receivables/Allowance for Uncollectible Accounts

General fund accounts receivables at June 30, 2018 amounted to \$1,594,199 of which general receivables are \$326,833 and ambulance receivables are \$1,267,366. Allowances for uncollectible accounts are maintained for all types of receivables, which historically experience uncollectible accounts.

A summary of the allowance for uncollectible accounts/taxes as of June 30, 2018 is as follows:

General Fund:	
Ambulance	\$262,703
Taxes	71,897
Proprietary:	
Sewer Fund	<u>2,500</u>
Total Allowances for Uncollectible	<u>\$337,100</u>

10. Use of Estimates

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principals (GAAP) for all governmental funds, except the special revenue, capital projects, and fiduciary funds. These non-major funds are not budgeted. All annual appropriations lapse at fiscal year end, unless a carry-forward of unexpended amounts is approved by the Council.

The City Manager submits to the City Council a proposed operating budget for the ensuing year. The Council holds public meetings and a final budget is prepared and adopted.

The budget is adopted at the department level through the passage of appropriation resolves. The City Manager may make transfers of appropriations within a department. Transfers between departments or additional appropriations require the approval of the City Council.

B. Reconciliation of Budgetary Basis Statements

The following schedule reconciles the General Fund amounts on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Budgetary Basis to the amounts on the Statement of Revenues, Expenditures, and Changes in Fund Balance, Governmental Funds.

Deficiency of revenues over expenditures and other financing sources and uses (Budget)	<u>\$ 610,561</u>
Deficiency of revenues and other financing sources over expenditures and other uses (GAAP)	<u>\$ 610,561</u>

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2018, the following accounts exceeded appropriations by General Government, \$54,663 and public works, \$23,275. Funds sufficient to provide for the excess expenditures were made available from other functions within the General Fund and the excess had no impact on the financial results of the City.

III. Detailed Notes On All Funds

A. Deposits and Investments

Deposits and investments at June 30, 2018 consist of the following:

Deposits	
Cash on Hand	\$ 808
Cash in Bank	1,462,169
Investments	
Various Certificates of Deposits, Federal Nat'l Mtg. Notes, and Money Market Funds	<u>5,825,020</u>
Total Cash and Investments	<u><u>\$ 7,287,997</u></u>

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a policy with respect to custodial credit risk for deposit accounts. The City does maintain insurance coverage to protect deposits other than the \$250,000 provided by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2018, \$0 of the City's bank balances were exposed to custodial credit risk.

Interest Credit Risk

In accordance with the City's investment policy, the City manages its exposure to declines in fair value by limiting the average maturity of its investments to less than one year.

Credit Risk

Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and certain corporate stocks and bonds.

The fair market value of investments as of June 30, 2018 is \$5,825,020.

Concentrations of Credit Risk

The City's investment policy does not allow the City to invest in debt securities that are not insured, registered or backed by U.S. government securities. The money market funds are invested in an Indexed Money Market account.

B. Property Tax

The City's property tax was levied September 22, 2017, on the assessed value listed as of April 1, 2017, for all real and personal property located in the City. The assessed value for the list of April 1, 2017, upon which the 2018 levy base was \$757,596,300. Taxes

were due and payable on November 30, 2017, and March 2, 2018, with interest at the rate of 7% being charged on taxes unpaid after that date.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues. Tax liens placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if the tax lien and associated costs remain unpaid.

C. Capital Assets—

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balances at <u>June 30, 2017</u>	<u>Additions</u>	Retirements and <u>Transfers</u>	Balances at <u>June 30, 2018</u>
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land	<u>\$10,175,461</u>	<u>\$ 223,782</u>	<u>\$ —</u>	<u>\$10,399,243</u>
Total Capital Assets not being Depreciated	<u>10,175,461</u>	<u>223,782</u>	<u>—</u>	<u>10,399,243</u>
Capital Assets being Depreciated:				
Buildings	9,476,855	6,734	—	9,483,589
Equipment	6,255,351	205,179	—	6,460,530
Infrastructure	<u>25,572,656</u>	<u>244,525</u>	<u>—</u>	<u>25,817,181</u>
Total Capital Assets being Depreciated	<u>41,304,862</u>	<u>456,438</u>	<u>—</u>	<u>41,761,300</u>
Less Accumulated Depreciation for:				
Buildings	4,034,315	171,244	—	4,205,559
Equipment	3,929,095	211,888	—	4,140,983
Infrastructures	<u>7,663,555</u>	<u>393,143</u>	<u>—</u>	<u>8,056,698</u>
Total Accum. Depreciation	<u>15,626,965</u>	<u>776,275</u>	<u>—</u>	<u>16,403,240</u>
Governmental Activities Capital Assets - Net	<u>\$35,853,358</u>	<u>\$ (96,055)</u>	<u>\$ —</u>	<u>\$35,757,303</u>

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
<u>Business-Type Activities:</u>				
Capital Assets not being Depreciated:				
Land	\$ 1,485,000	\$ —	\$ —	\$ 1,485,000
Total Capital Assets not being Depreciated	<u>1,485,000</u>	<u>—</u>	<u>—</u>	<u>1,485,000</u>
Other Capital Assets:				
Buildings & Improvements	713,156	—	—	713,156
Vehicles & Equipment	348,549	—	—	348,549
Infrastructure	<u>28,317,623</u>	<u>—</u>	<u>—</u>	<u>28,317,623</u>
Total Other Capital Assets	<u>29,379,328</u>	<u>—</u>	<u>—</u>	<u>29,379,328</u>
Less Accumulated Depreciation:				
Building & Improvements	591,120	14,262	—	605,382
Vehicles & Equipment	130,546	16,685	—	147,231
Infrastructure	<u>8,043,258</u>	<u>328,335</u>	<u>—</u>	<u>8,371,593</u>
Total Accumulated Deprec.	<u>8,764,924</u>	<u>359,282</u>	<u>—</u>	<u>9,124,206</u>
Other Capital Assets, Net	<u>20,614,404</u>	<u>359,282</u>	<u>—</u>	<u>20,255,122</u>
Business-Type Capital, Net	<u>\$22,099,404</u>	<u>\$ 359,282</u>	<u>\$ —</u>	<u>\$21,740,122</u>

Depreciation expense for governmental activities is charged to function as follows:

	<u>Buildings</u>	<u>Equipment</u>	<u>Infra- structure</u>	<u>Total</u>
General Government	\$ 43,886	\$ 2,579	\$ —	\$ 46,465
Protection	36,889	78,782	—	115,671
Public Works	9,283	117,389	306,833	433,505
Parks & Recreation	1,398	7,318	15,275	23,991
Library	66,094	1,785	—	67,879
Cemeteries	84	3,658	2,148	5,890
Unclassified	<u>13,610</u>	<u>377</u>	<u>68,887</u>	<u>82,874</u>
Total Depreciation for Governmental Activities	<u>\$171,244</u>	<u>\$211,888</u>	<u>\$393,143</u>	<u>\$776,275</u>

D. Interfund Transactions

Individual fund interfund receivable and payable transactions are described in the Summary of Significant Accounting Policies Note D.2. As of June 30, 2018 the balances were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ —	\$ 853,397
Capital Projects	219,232	—
Trust Fund	8,650	—
Sewer Fund	<u>625,515</u>	<u>—</u>
	<u>\$ 853,397</u>	<u>\$ 853,397</u>

E. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital additions. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are issued as 10 to 20 year serial bonds with varying amounts of principal maturing each year.

The original amount of general obligation bonds issued is \$16,357,741. The following is a summary of general obligation bond and note transactions of the City for the fiscal year ended June 30, 2018:

Bonds and notes payable at June 30, 2017	\$7,267,230
Add: Principal additions	—
Less: Principal repayments	<u>(780,470)</u>
Bonds and notes payable at June 30, 2018	<u>\$6,486,760</u>

Bonds and notes payable at June 30, 2018, are comprised of the following:

<u>Long-term Debt</u>	<u>Fiscal Year Of Maturity</u>	<u>Interest Rate</u>	<u>Governmental Activities City</u>	<u>Business-type Activities</u>	<u>Total June 30, 2018</u>
Footbridge Bond	2022	2.085%-5.085%	\$ 675,466	\$ —	\$ 675,466
Police Building Bond	2018	2.085%-4.285%	25,334	—	25,334
Police Building Bond	2019	2.216%-7.468%	29,334	—	29,334
Walkway Project	2032	1.480%-3.706%	600,000	—	600,000
Front St. Recon. Bond	2036	0.91%-3.50	2,042,500	—	2,042,500
Pierce/Bridge					
Street Bond	2023	2.250%	—	223,942	223,942
WWT Upgrade Bond	2020	3.270%	—	155,849	155,849
WWT Bond	2020	2.830%	—	96,808	96,808
WWT Bond	2022	2.400%	—	172,380	172,380
Swan Avenue Bond	2024	1.870%	—	210,886	210,886
Waste Water					
Refinance Bond	2024	1.450%	—	779,916	779,916

<u>Long-term Debt</u>	<u>Fiscal Year Of Maturity</u>	<u>Interest Rate</u>	<u>Governmental Activities City</u>	<u>Business-type Activities</u>	<u>Total June 30, 2018</u>
Replacement Project Bond	2025	1.490%	—	1,089,458	1,089,458
ARRA CWSRF	2029	0.000%	—	<u>384,888</u>	<u>384,888</u>
Total Bonds and Notes			<u>\$ 3,372,634</u>	<u>\$ 3,114,127</u>	<u>\$ 6,486,761</u>

Annual debt service requirements to maturity for general obligation bonds and notes payable are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 309,822	\$ 97,684	\$ 485,774	\$ 63,025
2020	290,259	89,123	496,206	55,564
2021	282,161	79,777	424,671	43,341
2022	289,066	74,139	398,273	34,710
2023	296,326	55,665	359,197	29,524
2024-2028	737,500	221,922	899,798	55,994
2029-2033	737,500	123,471	50,208	—
2034-2038	<u>430,000</u>	<u>39,668</u>	—	—
Total	<u>\$3,372,634</u>	<u>\$ 781,449</u>	<u>\$3,114,127</u>	<u>\$ 282,158</u>

Overlapping Debt

The City's proportionate share of Waldo County's debt (determined by the percentage of the City's state valuation to the County's state valuation) is not reported in the City's financial statements. Debt service is included in the annual county assessment of the City.

Legal Debt Margin

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. At June 30, 2018, the statutory limit for the City was \$128,175,000. The City's outstanding long-term debt of \$6,486,760 at June 30, 2018 was within the statutory limit.

F. Fund Balance By Purpose

Following is more detailed information on the governmental fund balances:

	General <u>Fund</u>	Capital <u>Projects</u>	<u>Total</u>
Nonspendable for:	\$ —	\$ —	\$ —
Restricted for:			
Capital Projects	—	736,704	736,704
Special Purpose			
Funds	460,516	—	460,516
Assigned to:			
Designated Carried	35,003	—	35,003
Unassigned	<u>2,862,421</u>	<u>—</u>	<u>2,862,421</u>
Total Fund			
Balances	<u>\$3,357,940</u>	<u>\$ 736,704</u>	<u>\$ 4,094,644</u>

G. Fund Balances

As of June 30, 2018, the following funds were unexpended and were carried forward into the operations of the 2018/2019 fiscal year.

Designated for Subsequent Years' Expenditures

100-512	Legal Services	\$ 8,174
130-631	Records Restoration	2,353
130-674	Codification	3,232
450-577	Road Construction	3,595
460-678	Tree Planting	3,155
610-511	Vehicle & Sch Exp	795
680-604	Engineering/Professional Services	<u>13,699</u>
	Total	<u>\$ 35,003</u>

H. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consist of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

I. Subsequent Events

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure. City of Belfast did not have any subsequent events or transactions requiring recording or disclosure in the financial statements through March

11, 2019, the date that the financial statements were available to be issued.

Other Information

A. Risk Management

The City is exposed to various risks of loss to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended June 30, 2018, and the two previous years, no settlements exceeded insurance coverage.

B. Pension Plan

Maine Public Employees Retirement System

City employees contribute to the Maine Public Employees Retirement System (“System”), a cost-sharing multiple-employer public employee retirement system that acts as a common investment and administrative agent for public school teachers, state employees (except members of the judiciary and legislative who are covered under the Judicial and Legislative Retirement Systems) and political subdivisions.

Benefits vest after five years of service. Employees who retire at or after age sixty with one year of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to two percent of the average of their highest three years earnings per year of service. The system also provides death and disability benefits. These benefits provisions and all other requirements are established by state statute.

The system allows maintenance, support workers, and custodial support staff to participate voluntarily in the System. Participants are required to contribute 6.5% of their annual gross salary to the plan and the City is required to make a contribution based on an historical assessment of the plan by the System. Vesting of benefits occurs after five years of service. Disability, pre-retirement, and death benefits are provided under the City’s plan. A cost of living increase is provided under the City’s plan. Upon retirement at or after age sixty, the participant is entitled to an annual retirement benefit of two percent of the average of their three highest years earnings multiplied by the number of years of credited service. The City’s required and actual contribution as a participating local district for the years ended June 30, 2018 and 2017 was \$267,230 and \$242,453 respectively.

Effective July 1, 1995 the City’s Participating Local District (PLD) joined with other PLD’s forming a consolidated PLD. All PLD’s that enter the Consolidated Plan cease to be individual sponsors of a “Single-Employer Defined Benefit Pension Plan” and instead become participants in a “Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.” As such, the disclosures made by individual PLD’s reflect assets and liabilities under the Consolidated Plan which the PLD participates and not those of the PLD itself. A complete report is available by contacting the Maine Public Employees Retirement System at 46 State House Station, Augusta, ME 04333.

Other

Additionally, the City participates in the Social Security Retirement Program. The City's contribution to Social Security was \$245,563 for the year ended June 30, 2018.

C. Grant Funds

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowance claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects no such amounts.

City of Belfast, Maine
Notes to Required Supplementary Information
June 30, 2018

Budgetary Data

The City Council adopts an annual legal budget which covers the City's Municipal General Fund and the Capital Projects. All unencumbered appropriations lapse at fiscal year end except certain departmental accounts by vote of the Council. Unencumbered appropriations are unreserved, designated for subsequent years' expenditures. The budgets for the General Fund of the City are prepared on the modified accrual basis and include debt principal retirements and capital outlays as expenses. The statements comparing budget and actual amounts for these governmental funds include adjustments to those budgetary bases for the departmental funds carried over from accumulated prior years and new Council vote. Budgetary level of control is exercised by the City Manager.

The Budgetary Comparison Schedule, "Statement of Revenues, Expenditures, and Changes in Funds Balance - Budget and Actual", included in the required supplementary information presents a comparison of budgetary data to actual results of operations for the General Fund of the City, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results.

The General Fund payables are added to the actual expenditures for budgetary comparison.

City of Belfast, Maine
 Budgetary Comparison Schedule - General Fund
 For the Year Ended June 30, 2018

<u>Resources</u>	<u>Original Budget</u> <u>W/Carried</u>	<u>Budget as</u> <u>Amended</u>	<u>Actual</u>	<u>Variance</u> <u>from Amended</u> <u>Positive</u> <u>(Negative)</u>
Property Taxes	\$ 16,233,463	\$ 16,233,463	\$ 16,429,935	\$ 196,472
Excise Taxes	1,060,000	1,060,000	1,149,122	89,122
Intergovernmental	1,131,068	1,131,068	1,156,449	25,381
Charges for Services	1,987,565	1,987,565	2,105,950	118,385
Investment Income	9,000	9,000	20,750	11,750
Interest on Taxes	69,500	69,500	82,030	12,530
Miscellaneous	479,300	479,300	484,622	5,322
Special Purpose Accounts	-	-	225,894	225,894
Amounts Available for Appropriation	20,969,896	20,969,896	21,654,752	684,856
<u>Charges to Appropriations (Outlays)</u>				
General Government	2,524,209	2,568,623	2,623,286	(54,663)
Protection	2,870,810	2,896,154	2,794,269	101,885
Public Works	2,096,301	2,099,301	2,122,576	(23,275)
Social Services	314,899	314,899	245,124	69,775
Parks & Recreation	247,291	261,663	260,398	1,265
Library	454,816	454,816	449,758	5,058
Cemeteries	128,648	128,648	127,469	1,179
Education	9,924,620	9,924,620	9,924,620	-
County Tax	1,451,862	1,451,862	1,451,862	-
Debt Service	255,703	255,703	238,003	17,700
Unclassified	380,231	380,881	359,700	21,181
Reserve for Uncollectibles	-	-	48,674	(48,674)
Special Purpose Accounts	-	-	292,557	(292,557)
Total Charges to Appropriations	20,649,390	20,737,170	20,938,296	(201,126)
Excess (Deficiency) of Resources Over Charges to Appropriations	320,506	232,726	716,456	483,730
<u>Other Financial Sources and Uses:</u>				
Transfers In	-	87,780	25,526	(62,254)
Transfers (Out)	(116,755)	(116,755)	(131,421)	(14,666)
Carried Balances	(52,284)	(52,284)	-	52,284
Total Other Financial Sources (Uses)	(169,039)	(81,259)	(105,895)	(24,636)
Net Change in Fund Balance - General Fund	\$ 151,467	\$ 151,467	\$ 610,561	\$ 459,094

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

City of Belfast, Maine
Schedule of Department Operations - General Fund
For the Year Ended June 30, 2018

	Balance 7/1/17	Approp.	Transfers	Total Available	Expended	(Over) Under Expended	
						Lapsed To Surplus	Carried
<u>General Government</u>							
City Manager's Department	\$ 19,262	\$ 260,489	\$ 25,000	\$ 304,751	\$ 298,346	\$ (1,769)	\$ 8,174
Finance Department	-	138,253	1,867	140,120	136,181	3,939	-
Assessing Department	-	129,068	-	129,068	132,447	(3,379)	-
City Clerk's Department	1,153	191,944	287	193,384	185,694	2,105	5,585
City Building Maintenance	3,824	126,106	-	129,930	127,214	2,716	-
Elections and Registrations	-	13,100	-	13,100	11,677	1,423	-
Agency Transactions	-	1,377,795	-	1,377,795	1,456,302	(78,507)	-
Boathouse	2,871	11,590	17,260	31,721	27,120	4,601	-
Planning Department	-	248,754	-	248,754	248,305	449	-
Total General Government	27,110	2,497,099	44,414	2,568,623	2,623,286	(68,422)	13,759
<u>Protection</u>							
Fire Department	3,285	252,245	-	255,530	244,279	11,251	-
Police Department	3,252	1,130,261	15,344	1,148,857	1,125,235	23,622	-
Street Lighting	-	98,300	-	98,300	103,023	(4,723)	-
Hydrants	-	424,464	-	424,464	424,464	-	-
Animal Control	-	9,362	-	9,362	7,636	1,726	-
Municipal Insurance	-	315,496	10,000	325,496	291,121	34,375	-
Ambulance Department	-	578,123	-	578,123	549,260	28,863	-
Crossing Guards	-	15,830	-	15,830	12,681	3,149	-
Cable Television	-	40,192	-	40,192	36,570	3,622	-
Total Protection	6,537	2,864,273	25,344	2,896,154	2,794,269	101,885	-
<u>Public Works</u>							
Highway Department	4,485	1,307,879	-	1,312,364	1,317,082	(4,718)	-
Sidewalk Maintenance	-	25,000	-	25,000	8,594	16,406	-
Recycling/Transfer Station	2,103	321,834	-	323,937	362,510	(38,573)	-
Road Construction/Paving	-	420,000	3,000	423,000	419,405	-	3,595
Tree Program	-	15,000	-	15,000	14,985	(3,140)	3,155
Total Public Works	6,588	2,089,713	3,000	2,099,301	2,122,576	(30,025)	6,750

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

City of Belfast, Maine
Schedule of Department Operations - General Fund
For the Year Ended June 30, 2018

	<u>Balance</u> <u>7/1/17</u>	<u>Approp.</u>	<u>Transfers</u>	<u>Total</u> <u>Available</u>	<u>Expended</u>	<u>Lapsed</u> <u>To Surplus</u>	<u>Carried</u>
<u>Social Services</u>							
General Assistance	-	120,000	-	120,000	53,326	66,674	-
Welfare Director	-	35,145	-	35,145	32,044	3,101	-
Outside Agencies	-	159,754	-	159,754	159,754	-	-
Total Social Services	-	314,899	-	314,899	245,124	69,775	-
<u>Parks and Recreation</u>							
	-	247,291	14,372	261,663	260,398	470	795
<u>Library</u>	3,161	451,655	-	454,816	449,758	5,058	-
<u>Cemeteries</u>	525	128,123	-	128,648	127,469	1,179	-
<u>Education - MSAD 34</u>	-	9,924,620	-	9,924,620	9,924,620	-	-
<u>Special Assessments</u>							
County Tax	-	1,451,862	-	1,451,862	1,451,862	-	-
<u>Debt Service</u>							
Notes and Interest	-	255,703	-	255,703	238,003	17,700	-
<u>Unclassified</u>							
Airport	-	28,000	-	28,000	22,049	5,951	-
Promotional Activities	-	65,730	650	66,380	65,507	873	-
State Law Enforcement Agency	-	66,000	-	66,000	67,687	(1,687)	-
Harbor	763	152,985	-	153,748	152,991	757	-
Planning and Zoning	7,600	11,700	-	19,300	3,901	1,700	13,699
MMA Dues	-	7,663	-	7,663	7,698	(35)	-
Economic Dev. Director	-	37,690	-	37,690	37,867	(177)	-
EMA Director	-	2,000	-	2,000	2,000	-	-
Contingency Operating	-	100	-	100	-	100	-
Total Unclassified	8,363	371,868	650	380,881	359,700	7,482	13,699

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

City of Belfast, Maine
Schedule of Department Operations - General Fund
For the Year Ended June 30, 2018

	Balance 7/1/17	Approp.	Transfers	Total Available	Expended	Lapsed To Surplus	Under Expended Carried
Reserves - Capital							
Parks Mower	-	7,500	-	7,500	7,500	-	-
Library Energy	-	7,500	-	7,500	7,500	-	-
Fire Solar	-	10,000	-	10,000	10,000	-	-
Tile Harbor Res	-	12,000	-	12,000	12,000	-	-
Fire SCBA Gr.	-	5,000	-	5,000	5,000	-	-
Trio Update	-	6,000	-	6,000	6,000	-	-
French & Webb	-	14,000	-	14,000	14,000	-	-
PD Firearms	-	7,100	-	7,100	7,100	-	-
Police School	-	9,155	-	9,155	9,155	-	-
Broadband Str.	-	5,000	-	5,000	5,000	-	-
T.S. Paving Rec	-	3,500	-	3,500	3,500	-	-
T.S. Pave Co.	-	10,000	-	10,000	10,000	-	-
Asphalt Path	-	6,000	-	6,000	6,000	-	-
Project Plan	-	14,000	-	14,000	14,000	-	-
Total Reserves - Capital	-	116,755	-	116,755	116,755	-	-
Totals	\$ 52,284	\$ 20,713,861	\$ 87,780	\$ 20,853,925	\$ 20,713,820	\$ 105,102	\$ 35,003

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

City of Belfast, Maine
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Capital Projects Fund
For the Year Ended June 30, 2018

	Balance 07/01/17	A		D		D		TRANSFERS		D		E		U		C		T		Balance 6/30/18
		Investment Income	Other Receipts	Income	Other Receipts	In	Out	In	Out	Expenditures	Expenditures									
<u>Capital Reserves</u>																				
Communication Equipment	\$ 3,624	\$ 26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,650
Ambulance	45,869	325	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,194
Assessment	894	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	901
Cemeteries - Land Development	7,964	58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,022
- Equipment	18,285	127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,412
- Maintenance	7,748	54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,802
Personnel Reserve	93	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96
Downtown Development	76	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	77
Fire Equipment	52,996	367	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,363
Harbor Improvement	5,256	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,263
Highway - Highway Equipment	39,977	291	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,268
- Road Construction	6,802	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,852
- Culvert	28,557	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,757
Police Equipment	9,694	69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,763
Recreation - City Park	92,220	631	-	-	-	-	-	-	-	14,372	-	-	-	-	-	-	-	-	-	78,479
- George Black	4,133	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,163
Ruth Greenlaw	375	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	378
Footbridge Capital	55,100	383	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,483
Transfer Station Equipment	11,456	82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,538
Airport	115,475	813	-	-	-	-	-	-	3,930	115,555	-	-	-	-	-	-	-	-	-	4,663
Airport Maintenance	13,085	148	-	-	-	-	-	-	-	6,959	-	-	-	-	-	-	-	-	-	6,274
Planning Equipment	10,408	73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,481
Waterfront/Thompson Wharf	3,595	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,617
Ambulance Train. & Dev.	2,318	17	-	-	-	-	-	-	190	-	-	-	-	-	-	-	-	-	-	2,525
Cable TV Equipment	15,420	108	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,528
City Clerk Office Equipment	4,458	29	-	-	-	-	-	-	-	679	-	-	-	-	-	-	-	-	-	3,808
Assessing Office Equipment	3,560	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,585
Finance Office Equipment	6,993	45	-	-	-	-	-	-	-	1,474	-	-	-	-	-	-	-	-	-	5,564
Energy Savings Cap	-	-	-	-	-	-	-	-	24,268	-	-	-	-	-	-	-	-	-	-	24,268

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

City of Belfast, Maine
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Capital Projects Fund
For the Year Ended June 30, 2018

	Balance 7/01/17	A				D		TRANSFERS		D				Balance 6/30/18
		Investment Income	Other Receipts	In	Out	In	Out	Expenditures	Expenditures	Expenditures	Expenditures			
<u>Capital Reserves (cont'd)</u>														
City Manager Equipment	513	4	-	-	-	-	-	-	-	-	-	-	517	
Boathouse Maintenance	9,860	68	-	-	-	6,000	-	-	-	-	-	-	3,928	
Park Equipment	1	-	-	-	-	-	-	-	-	-	-	-	1	
Future Land Purchase	21,069	147	-	-	-	-	-	-	-	-	-	-	21,216	
Fuel Price	10,230	71	-	-	-	-	-	-	-	-	-	-	10,301	
Sidewalk Capital	24,252	162	-	-	-	3,000	-	-	-	-	-	-	21,414	
Total Capital Reserves	632,356	4,446	-	-	-	28,388	-	-	-	-	-	-	517,151	
<u>Capital Improvements</u>														
Records Restoration	12	-	-	-	-	-	-	-	12	-	-	-	-	
City Hall - Municipal Building	446	-	-	-	-	-	-	-	-	-	6,512	-	446	
Solid Waste - Landfill Closing	31,618	-	-	-	-	-	-	-	-	-	6,462	-	25,106	
Parks Mower	-	-	-	-	-	7,500	-	-	-	-	6,782	-	1,038	
EDA PW Grant	236,722	-	-	-	-	-	-	-	-	-	-	-	229,940	
Efficiency Audit Grant	3,125	-	-	-	-	-	-	-	-	-	-	-	3,125	
Remodel DWNS	14,794	-	-	-	-	-	-	-	-	-	516	-	14,794	
Police Forfeiture	6,436	-	6,705	-	-	-	-	-	-	-	-	-	12,625	
Belfast Commons	15,000	-	-	-	-	-	-	-	-	-	-	-	15,000	
Library Energy	-	-	-	-	-	7,500	-	-	-	-	-	-	7,500	
Police Academy	1,927	-	-	-	-	-	-	-	-	-	-	-	1,927	
Belfast Commons	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000	
Energy Initiatives	2,847	-	6,204	-	-	-	-	-	-	-	7,204	-	1,847	
Heat Pump	35,000	-	-	-	-	-	-	-	-	-	-	-	35,000	
Old Cemetery Restoration	-	-	12,006	-	-	-	-	-	-	-	12,006	-	-	
Tile Harbor Res.	-	-	12,000	-	-	-	-	-	-	-	-	-	12,000	
Tot Lot Replacement	2,837	-	-	-	-	-	-	-	-	-	-	-	2,837	
Rangeway Development	9,231	-	17,940	-	-	-	-	-	-	-	15,095	-	12,076	
Police Bike	4,200	-	-	-	-	-	-	-	-	-	-	-	4,200	

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

City of Belfast, Maine
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Capital Projects Fund
For the Year Ended June 30, 2018

	Balance 7/01/17	A		D		TRANSFERS		D		E		U		C		T		Balance 6/30/18
		Investment Income	Other Receipts	In	Out	In	Out	Expenditures	Expenditures									
<u>Capital Improvements (cont'd)</u>																		
Consult Service	(2,280)	-	-	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	7,720
Downtown Waterfront TIF	193,764	-	-	317,154	-	-	-	-	-	-	-	-	-	-	-	-	-	223,070
Lib Weather	1,818	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,818
Sidewalks	243	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	243
Lowe Hanger	8,123	-	4,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,062
PW Site Search Evaluation	(256,685)	-	7,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(495,687)
Waterfront Walkway	(2,852)	-	-	2,852	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comp Plan Consultant	22,799	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,533
Police Building	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000
Skate Park	6,939	-	1,820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,846
Fire Solar	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000
Park Playground Equipment	3,308	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,308
Steamboat landing Fencing	6,395	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,014
Parallel Tax	(154)	-	115,555	119,000	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,745)
Comm Impr	1,606	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,606
Electric Veh Chg	-	-	6,670	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Runway 15	(8,375)	-	8,912	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,365)
GIS Programs	13,159	-	2,730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,074
T.S. Office	5,058	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,058
Park Entrance	(3,522)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,522)
Fire SCBA Grant	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500

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

City of Belfast, Maine
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Capital Projects Fund
For the Year Ended June 30, 2018

	Balance 7/01/17	A			D			TRANSFERS		D			Balance 6/30/18
		Investment Income	Other Receipts		Other Receipts	In	Out	In	Out	Expenditures			
<u>Capital Improvements (cont'd)</u>													
Please Be Seated Sign	128	-	-	-	-	-	-	-	-	-	314	(186)	
Boathouse Improvements	800	-	-	-	-	-	-	-	-	-	-	800	
EPA Browns	1,116	-	194,711	-	-	-	-	-	-	-	184,752	11,075	
Trio Update	-	-	-	-	6,000	-	-	-	-	-	-	6,000	
Solar Buyout	9,033	-	-	-	-	-	-	-	-	-	-	9,033	
French & Webb	-	-	-	-	14,000	-	-	-	-	-	7,357	6,643	
Airport Land	(232,920)	-	227,615	-	-	-	-	-	-	-	-	(5,305)	
Harbor Walk	71,769	-	1,620	-	-	-	-	-	-	-	12,426	60,963	
PD Firearms	-	-	6,595	-	7,100	-	-	-	-	-	12,920	775	
EPA Browns	2,106	-	-	-	-	-	-	-	-	-	2,762	(656)	
ME Downtown Ctr.	(112)	-	100,000	-	-	-	-	-	-	-	100,000	(112)	
CDBG Micro	3,820	-	-	-	-	-	-	-	-	-	-	3,820	
Airport Taxiway	(12,936)	-	9,029	-	-	-	-	-	-	-	-	(3,907)	
Police School	-	-	-	-	9,155	-	-	-	-	-	14,816	(5,661)	
Pickleball	(5,136)	-	6,145	-	-	-	-	-	-	-	5,309	(4,300)	
Bel Yards Plan & Redev.	29,710	-	-	-	-	-	-	-	-	-	-	29,710	
Downtown Waterfront Cap.	137,254	-	500	-	-	-	-	-	-	-	17,348	120,406	
Housing Gr. Rep.	14,453	-	-	-	-	-	-	-	-	-	-	14,453	
Connect Me Bridge	-	-	3,750	-	-	-	-	-	-	-	3,750	-	
Footbridge	9,638	-	1,714	-	-	-	-	-	-	-	10,199	1,153	

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

City of Belfast, Maine
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Capital Projects Fund
For the Year Ended June 30, 2018

	Balance 7/01/17	A		D		D		D		E		U		C		T		Balance 6/30/18	
		Investment Income		Receipts	Other	Receipts		In	Out	Expenditures		Expenditures							
<u>Capital Improvements (cont'd)</u>																			
CDBG Downtown	66,054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,354
Airport Master Plan	(10,250)	-	-	26,082	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,204)
Cable TV Truck	28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28
Airport Obstruction	5,291	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,291
Thompson Wharf	(37,769)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37,769)
Broadband Street	-	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	3,055
Front St. Reconstruction	(122,320)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(122,320)
T.S. Pave Res	-	-	-	-	-	-	-	3,500	-	-	-	-	-	-	-	-	-	-	3,500
Solar Farm C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(155,267)
Asphalt Path	-	-	-	-	-	-	-	6,000	-	-	-	-	-	-	-	-	-	-	6,000
Project Plan	-	-	-	-	-	-	-	14,000	-	-	-	-	-	-	-	-	-	-	14,000
IMPR Coast Guard	(4,810)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,810)
T.S. Pave Co.	-	-	-	-	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000
Total Capital Improvements	308,486	-	-	780,203	-	780,203	-	553,761	-	12	-	1,422,882	-	-	-	-	-	-	219,556
Totals	\$ 940,842	\$ 4,446	\$ 780,203	\$ 780,203	\$ 582,149	\$ 148,051	\$ 1,422,882	\$ 736,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

City of Belfast, Maine
 Schedule of Valuation and Assessment
 For the Year Ended June 30, 2018

Valuation	
Real Estate	\$ 730,186,200
Personal Property	<u>27,410,100</u>
Total Valuation	<u><u>\$ 757,596,300</u></u>
Assessment	
Valuation x Rate = 757,596,300 X .02190	\$ 16,591,359
Supplements	510
Abatements & TIF Financing	<u>(402,670)</u>
Property Tax Revenue Actual	16,189,199
Add Deferred Property Taxes - Prior Year	543,868
Less Deferred Property Taxes - Current Year	<u>(303,132)</u>
Property Tax Revenue Recognized	<u><u>\$ 16,429,935</u></u>

City of Belfast, Maine
 Schedule of Activity on Special Purpose Accounts
 For the Year Ended June 30, 2018

Account Name	Balances 7-01-17	Receipts	Expended	Balances 6-30-18
Future Land Acquisition	\$ 22,170	\$ -	\$ -	\$ 22,170
Belfast Dev Corp/Econ Dev	20,506	-	630	19,876
Road Opening Account	10,085	9,500	5,499	14,086
Sesquicentennial Receipts	3,830	-	-	3,830
Property Tax Relief Program	2,268	-	-	2,268
Rte. 3 Road Improv. Impact	7,000	-	-	7,000
ENK Fund	(44,790)	14,564	-	(30,226)
Thomas Wharf/Paddle Dock	(816)	-	-	(816)
Parks & Rec. Bus Service	(4,797)	-	-	(4,797)
Boathouse Key Deposit	2,509	4,375	4,100	2,784
Jaws of Life	2,370	500	-	2,870
Sale/Industrial Park Prop.	251,493	-	110,000	141,493
Park Pavillian	263	-	-	263
Harbor Gasoline	26,075	71,956	64,217	33,814
Harbor Diesel	43,345	66,344	50,767	58,922
Waterfront Heritage Park	81,790	504	-	82,294
Playground Impr. Group	246	-	-	246
City Park Donations	5,843	-	-	5,843
Poet Laureate	40	1,000	300	740
City of Belfast Bridge Fund	(2,780)	-	-	(2,780)
Planning Dept. Escrow	2,000	-	-	2,000
Bridge Plaque	500	-	-	500
Belfast Area Youth Council	69	-	-	69
Police Evidence Account	(2,266)	-	-	(2,266)
Cemetery Donations	650	400	-	1,050
Police Memorial Fund	20	-	-	20
Rail Trail Trust Account	57,376	10,716	7,754	60,338
Worthy Poor	(6,231)	-	516	(6,747)
Senior Dinner Program	200	-	-	200
Belfast Comm. Radio	25,859	30,723	8,822	47,760
McCrum Rail Trail	11,091	1,241	17,132	(4,800)
K-9 Donations	1,261	20	787	494
Animal Welfare Licensing	10,000	-	10,000	-
Keeping Belfast Beautiful	-	3,257	1,019	2,238
Mid-Coast Frozen LLC	-	5,510	5,140	370
Good Cause Program	-	5,285	5,873	(588)
Totals	<u>\$ 527,179</u>	<u>\$ 225,895</u>	<u>\$ 292,556</u>	<u>\$ 460,518</u>