

CITY OF BREWER, MAINE

Annual Financial Report

For the Year Ended June 30, 2009

CITY OF BREWER, MAINE
Annual Financial Report
For the Year Ended June 30, 2009

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Certified Public Accountants and Business Consultants

Independent Auditor's Report

City Council
City of Brewer, Maine:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brewer, Maine as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Brewer, Maine's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brewer, Maine, as of June 30, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2010, on our consideration of the City of Brewer, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis and the Schedule of Funding Progress for Other Postemployment Benefits, as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

City Council
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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brewer, Maine's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, reading "Raymond Weston Ouellette".

February 3, 2010
South Portland, Maine

CITY OF BREWER, MAINE
Management's Discussion and Analysis
June 30, 2009

As management of the City of Brewer, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Brewer for the fiscal year ended June 30, 2009.

Financial Highlights

- ❖ The assets of the City of Brewer exceeded its liabilities by \$45,672,720 (net assets). Of this amount, \$6,921,452 was reported as unrestricted net assets. Unrestricted net assets represent the amount available to be used to meet the City's ongoing obligations to citizens and creditors. After restatements, the City's total net assets increased by \$5,766,019 over the prior year. Net assets of Governmental Activities increased by \$5,216,313 while Business-type Activities increased by \$549,706.
- ❖ At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$9,374,381, which was a decrease of \$2,136,540 from the prior fiscal year. Only \$93,239 of this decrease was in the City's general fund; \$1,940,390 is attributable to a decrease in the City's major capital projects fund; the remainder of the decrease was in the other governmental funds.
- ❖ The City's general fund reports an undesignated fund balance of \$3,817,582 and total fund balance of \$5,781,348; a decrease of \$93,239.
- ❖ The City's undesignated fund balance is currently at 12.16% of budget and 12.77% of general fund expenditures.
- ❖ The City of Brewer incurred \$10,235,395 in additional long-term debt in the most recent fiscal year. However, the City retired \$ 2,456,077 in old debt. Of the new debt, \$7,942,000 was for general capital projects (including \$6,500,000 for the Public Safety Building) and \$2,293,395 was for sewer and water department capital projects.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Brewer 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 Brewer include general government, public safety, municipal buildings, culture and recreation, welfare, public works, unclassified (employee benefits), education, interest on debt, assessments, capital outlay, and state retirement contributions. The business-type activities of the City of Brewer include a water department and a wastewater treatment operation.

The government-wide financial statements can be found on pages 13-14 of this report.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Brewer, 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 Brewer 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 city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City of Brewer maintains 45 individual governmental 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 and the other capital projects major fund. Data from the other 43 non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of *combining statements* elsewhere in the report.

The City of Brewer adopts an annual appropriated budget for its general fund, as well as the capital improvement program, sewer fund and water fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on page 15 of this report.

Proprietary funds. The City of Brewer maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Brewer uses enterprise funds to account for its Water Department and Sewer Department.

Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information on the individual enterprise funds.

The basic proprietary fund financial statements can be found on page 19 of this report.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

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

The basic fiduciary fund financial statements can be found on pages 22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-44 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual statements and schedules can be found on pages 49-85 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Brewer, governmental activity assets exceeded liabilities by \$29,294,789. Business-type activity assets exceeded liabilities by \$16,377,932 for a City-wide total of net assets of \$45,672,720 at the close of the most recent fiscal year. The Statement of Net Assets can be found on page 13 of this report.

The largest portion of the City of Brewer's net assets (84.17%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City of Brewer uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City of Brewer's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (.68%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (15.15%, or \$6,921,452) may be used to meet the City's ongoing obligations to citizens and creditors.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

City of Brewer
Net Assets

	Governmental Activities		Business-type Activities		Primary Government Total	
	2009	2008	2009	2008	2009	2008
ASSETS						
Current and other assets	12,812,229	15,200,310	595,080	(943,604)	13,407,309	14,256,706
Capital assets	43,281,835	35,690,410	39,840,852	40,124,978	83,122,687	75,815,388
Total assets	\$ 56,094,064	\$ 50,890,720	\$ 40,435,932	\$ 39,181,374	\$ 96,529,996	\$ 90,072,094
LIABILITIES						
Long-term debt outstanding	21,717,409	14,864,469	22,965,891	21,734,054	44,683,300	36,598,523
Other liabilities	5,081,866	11,397,775	1,092,110	1,619,095	6,173,976	13,016,870
Total liabilities	\$ 26,799,275	\$ 26,262,244	\$ 24,058,001	\$ 23,353,149	\$ 50,857,276	49,615,393
NET ASSETS						
Invested in capital assets, net of debt	21,564,426	20,825,941	16,874,961	18,390,924	38,439,387	39,216,865
Restricted	311,881	311,881	-	-	311,881	311,881
Unrestricted (deficit)	7,418,482	3,490,654	(497,030)	(2,562,699)	6,921,452	927,955
Total net assets	\$ 29,294,789	\$ 24,628,476	\$ 16,377,931	\$ 15,828,225	\$ 45,672,720	\$ 40,456,701

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

City of Brewer
Changes in Net Assets

	Governmental		Business-type		Primary Government	
	Activities		Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 5,074,731	5,384,440	4,682,074	4,876,391	9,756,805	10,260,831
Operating grants & cont.	11,561,932	10,884,087	-	-	11,561,932	10,884,087
Capital grants & cont.	2,287,497	1,704,840	1,092,204	600,335	3,379,701	2,305,175
General revenues:						
Property taxes	14,114,701	13,282,590	-	-	14,114,701	13,282,590
Excise taxes	1,459,646	1,475,002	-	-	1,459,646	1,475,002
Interest & cost on taxes	56,803	75,075	-	-	56,803	75,075
Franchise fees	99,625	93,012	-	-	99,625	93,012
State Revenue Sharing	1,231,682	1,357,263	-	-	1,231,682	1,357,263
Homestead exemption	244,180	243,665	-	-	244,180	243,665
Other govt. revenues	32,715	7,306	-	-	32,715	7,306
Unrestricted investmt. earnings	61,637	180,103	400	400	62,037	180,503
Misc. revenues	18,369	52,735	-	(106,501)	18,369	(53,766)
Gain (Loss) on disposal assets	(439,443)	-	27,260	-	(412,183)	-
Transfers	150,984	144,500	(150,984)	(144,500)	-	-
Total revenues	35,955,059	34,884,618	5,650,954	5,226,125	41,606,013	40,110,743
Expenditures:						
Current:						
Administration	1,935,443	1,861,847	-	-	1,935,443	1,861,847
Protection	4,302,069	3,989,491	-	-	4,302,069	3,989,491
Public Services	255,329	260,541	-	-	255,329	260,541
Public Works	2,378,088	2,805,555	-	-	2,378,088	2,805,555
Education	14,071,860	18,519,130	-	-	14,071,860	18,519,130
Unclassified	4,148,597	2,883,359	-	-	4,148,597	2,883,359
Assessments	927,120	793,544	-	-	927,120	793,544
Capital outlay	1,894,273	844,182	-	-	1,894,273	844,182
Interest on debt	825,967	669,091	-	-	825,967	669,091
Sewer	-	-	2,650,127	2,447,471	2,650,127	2,447,471
Water	-	-	2,451,121	2,299,690	2,451,121	2,299,690
Total expenditures	30,738,746	32,626,740	5,101,248	4,747,161	35,839,994	37,373,901
Change in net assets	5,216,313	2,257,878	549,706	478,964	5,766,019	2,736,842
Net assets, prior year (restated)	24,078,476	22,370,598	15,828,225	15,349,261	39,906,701	37,719,859
Net assets, current year	\$ 29,294,789	24,628,476	16,377,931	15,828,225	45,672,720	40,456,701

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Brewer's governmental funds 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.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

As of the end of the current fiscal year, the City of Brewer governmental funds reported combined ending fund balances at June 30, 2009 of \$9,374,381, a decrease of \$2,136,540 in comparison with the prior year. Approximately 40.72% of this total amount (\$3,817,582) constitutes unreserved and undesignated fund balance (including a negative \$391,183 for the school department), which is available for spending at the government's discretion. The negative balance for the school department grew by \$77,124 over the balance of the last fiscal year. The balances reflect the compliance with G.A.A.P. accounting rules for the accrued teacher summer salaries. The remainder of the fund balance (\$5,556,799) is reserved or designated to indicate that it is not available for new spending because it has already been committed to account for 1) various capital and other specific projects and purposes (\$3,269,765), 2) reserved for non-expendable principal in investments and inventory (\$323,268), 3) re-appropriated for the subsequent year budget and ongoing projects (\$1,439,646), and 4) designated for accrued compensated absences (\$524,120).

The decrease in governmental funds fund balance of \$2,136,540 was due primarily to use of the unspent bond proceeds carried in the balance last fiscal year for various capital projects.

The General Fund is the central operating fund of the City of Brewer. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$4,208,765 for the City and (\$391,183) for the School Department. An additional \$1,963,766 is designated for subsequent year expenditures (\$64,646), re-appropriated to the subsequent year budget (\$575,000 City and \$800,000 School Department) and designated to fund accrued compensated absences (\$524,120). Total fund balance in the General Fund was \$5,781,348. All of the City's fund balance was considered unreserved although a portion was designated as noted above. 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 19.3% of the total general fund expenditures.

The fund balance of the City of Brewer's General Fund decreased \$93,239 during the current fiscal year. This is due to negative revenue budget variances (\$164,157), positive expenditure budget variances (\$1,505,795), partially offset by a budgeted use of fund balance of \$1,327,336 and an adjustment for school change accrued summer salaries \$116,147.

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

Net assets of the City's Water Fund increased \$803,185 to \$9,407,903. Operating income was \$86,670 while nonoperating revenues added another \$716,515. Net assets of the City's Sewer Fund decreased \$253,479 to \$6,970,028. The Sewer fund experienced an operating loss of \$505,844 and nonoperating income of \$252,365. Of the total net assets, the amount classified as invested in capital assets, net of related debt was \$8,061,034 and \$8,813,927 for the Water and Sewer Funds, respectively. Unrestricted net assets were \$1,346,869 for the Water Fund and (\$1,843,899) for the Sewer Fund.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

General Fund Budgetary Highlights

The City of Brewer had an \$820,775 difference between the original and amended FY 2009 budget. The changes are as follows:

Assessments	\$ 126,309
Council	(100)
Elections	3,200
Finance	4,400
Economic Development	29,802
Legal	5,000
Library	1,000
Miscellaneous	11,055
Parks and Cemeteries	680
Protection	4,390
Public Works	33,447
Public Services	(3,316)
Recreation	1,575
Technology	1,000
TIF Funding	602,333
Total	\$ 820,775

These supplemental appropriations were authorized by the Brewer City Council and appropriated from unanticipated revenues of \$638,090, prior year carryforward balances of \$56,759 and fund balance of \$125,926. The City of Brewer has a strong purchasing policy to prevent unnecessary departmental over expenditures.

Capital Asset and Debt Administration

Capital Assets. The City of Brewer's capital assets for its governmental activities as of June 30, 2009 amounts to \$70,541,930, net of accumulated depreciation of \$27,260,095, leaving a net book value of \$43,281,835. This is an increase of \$7,591,426, including \$9,509,595 in new additions offset by \$1,478,726 in depreciation expense and \$439,443 in loss on disposal of assets. This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, as well as infrastructure. The City of Brewer maintains a capital improvement fund for the purpose of replacing and acquiring new assets and reconstruction of infrastructure.

The City of Brewer's capital assets for its business-type activities as of June 30, 2009 amounts to \$56,933,605, net of accumulated depreciation of \$17,092,751, leaving a net book value of \$39,840,852. This is a decrease of \$284,126, including \$876,779 in new additions offset by \$1,160,905 in depreciation expense. This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, and water and sewer infrastructure.

Long-term Debt. At the end of the current fiscal year, the City of Brewer had total long-term debt of \$44,200,479. Of this amount, \$21,234,588 is for governmental activities and \$22,965,891 is for business-type activities. All debt is backed by the full faith and credit of the City.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

The City of Brewer issued \$10,235,395 in new long-term debt during the current fiscal year for various capital improvements. The City retired \$1,395,020 of governmental activities debt and \$1,061,057 of water and sewer debt in the current fiscal year.

State statutes limit the amount of general obligation debt a municipality may issue to 15% of its total state assessed valuation, with a further limit of no more than 7.5% of state assessed valuation in enterprise fund debt. The current debt limitation for the City of Brewer as a whole is \$112,027,500 and \$56,013,750 for its water and sewer funds, far exceeding the City's outstanding general obligation debt.

Requests for information

This financial report is designed to provide a general overview of the City of Brewer's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Brewer, Maine, 80 North Main Street, Brewer, ME 04412.

BASIC FINANCIAL STATEMENTS

CITY OF BREWER, MAINE
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,170,709	198,910	8,369,619
Investments	1,456,785	-	1,456,785
Receivables:			
Taxes receivable	734,764	-	734,764
Tax and sewer liens	175,275	85,558	260,833
Other receivables	621,092	733,979	1,355,071
Due from other governments	46,376	707,801	754,177
Prepaid expenses	214,708	222,341	437,049
Inventory	11,387	27,624	39,011
Internal balances	1,381,133	(1,381,133)	-
Capital assets, not being depreciated	17,870,293	2,728,395	20,598,688
Capital assets, net	25,411,542	37,112,457	62,523,999
Total assets	56,094,064	40,435,932	96,529,996
LIABILITIES			
Accounts payable	778,480	129,101	907,581
Accrued payroll and related liabilities	3,854,261	171,999	4,026,260
Accrued interest payable	315,429	401,480	716,909
Taxes collected in advance	57,210	-	57,210
Deferred revenues	23,474	389,530	413,004
Other postemployment benefits liability	53,012	-	53,012
Noncurrent liabilities:			
Due within one year	1,875,926	1,073,675	2,949,601
Due in more than one year	19,841,483	21,892,216	41,733,699
Total liabilities	26,799,275	24,058,001	50,857,276
NET ASSETS			
Invested in capital assets, net of related debt	21,564,426	16,874,961	38,439,387
Restricted for:			
Nonexpendable principal	311,881	-	311,881
Unrestricted	7,418,482	(497,030)	6,921,452
Total net assets	\$ 29,294,789	16,377,931	45,672,720

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Activities
For the year ended June 30, 2009

Functions/programs	Program Revenues					Net (expense) revenue and changes	
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Total	In net assets	
						Governmental activities	Business-type activities
Primary government:							
Governmental activities:							
Administration	\$ 1,935,443	65,663	-	224,704	(1,645,076)	-	(1,645,076)
Protection	4,302,069	401,238	12,627	-	(3,888,204)	-	(3,888,204)
Public services	255,329	-	81,302	-	(174,027)	-	(174,027)
Public works	2,378,088	80,309	134,008	11,305	(2,152,466)	-	(2,152,466)
Unclassified	4,148,597	732,390	1,294,295	-	(2,121,912)	-	(2,121,912)
Education	12,384,301	3,793,742	8,352,141	-	(238,418)	-	(238,418)
State retirement contribution (Education)	1,687,559	-	1,687,559	-	-	-	-
Interest on debt	825,967	1,389	-	-	(824,578)	-	(824,578)
Assessments	927,120	-	-	-	(927,120)	-	(927,120)
Capital outlay	1,894,273	-	-	2,051,488	157,215	-	157,215
Total governmental activities	30,738,746	5,074,731	11,561,932	2,287,497	(11,814,586)	-	(11,814,586)
Business-type activities:							
Water	2,451,121	2,537,791	-	756,707	-	843,377	843,377
Sewer	2,650,127	2,144,283	-	335,497	-	(170,347)	(170,347)
Total business-type activities	5,101,248	4,682,074	-	1,092,204	-	673,030	673,030
Total primary government	\$ 35,839,994	9,756,805	11,561,932	3,379,701	(11,814,586)	673,030	(11,141,556)
General revenues:							
Property taxes					\$ 14,114,701	-	14,114,701
Excise taxes					1,459,646	-	1,459,646
Interest and costs on taxes					56,803	-	56,803
Franchise fees					99,625	-	99,625
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					1,231,682	-	1,231,682
Homestead exemption					244,180	-	244,180
Other intergovernmental revenues					32,715	-	32,715
Unrestricted investment earnings					61,637	400	62,037
Miscellaneous revenues					18,369	-	18,369
Gain (loss) on disposal assets					(439,443)	27,260	(412,183)
Transfers					150,984	(150,984)	-
Total general revenues					17,030,899	(123,324)	16,907,575
Change in net assets					5,216,313	549,706	5,766,019
Net assets - beginning - as restated					24,078,476	15,828,225	39,906,701
Net assets - ending					\$ 29,294,789	16,377,931	45,672,720

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Balance Sheet
Governmental Funds
June 30, 2009

	General	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,677,919	1,405,740	87,050	8,170,709
Investments	1,067,512	-	389,273	1,456,785
Receivables:				
Taxes receivable	734,764	-	-	734,764
Tax liens	175,275	-	-	175,275
Other receivables	619,656	-	1,436	621,092
Due from other governments	-	-	46,376	46,376
Prepaid items	214,708	-	-	214,708
Interfund loans receivable	-	1,413,512	801,789	2,215,301
Inventory	-	-	11,387	11,387
Total assets	\$ 9,489,834	2,819,252	1,337,311	13,646,397
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	547,000	68,209	163,271	778,480
Accrued payroll and related liabilities	1,945,420	-	-	1,945,420
Taxes collected in advance	57,210	-	-	57,210
Deferred revenue	656,738	-	-	656,738
Interfund loans payable	502,118	-	332,050	834,168
Total liabilities	3,708,486	68,209	495,321	4,272,016
Fund balances:				
Reserved for inventory	-	-	11,387	11,387
Reserved for nonexpendable principal	-	-	311,881	311,881
Unreserved, reported in:				
General Fund - designated School Department	800,000	-	-	800,000
General Fund - undesignated School Department	(391,183)	-	-	(391,183)
General Fund - designated - City	1,163,766	-	-	1,163,766
General Fund - undesignated - City	4,208,765	-	-	4,208,765
Special revenues	-	-	223,384	223,384
Capital projects	-	2,751,043	264,605	3,015,648
Permanent funds	-	-	30,733	30,733
Total fund balances	5,781,348	2,751,043	841,990	9,374,381
Total liabilities and fund balances	\$ 9,489,834	2,819,252	1,337,311	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	43,281,835
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds.	633,264
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	
General obligation bonds	(21,234,588)
Pollution remediation obligation	(401,800)
Capital leases	(81,021)
Compensated absences	(1,908,841)
Other postemployment benefits liability	(53,012)
Accrued interest	(315,429)

Net assets of governmental activities **\$ 29,294,789**

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2009

	General	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 15,519,335	-	-	15,519,335
Licenses and permits	369,121	-	-	369,121
Intergovernmental	10,650,625	-	1,836,330	12,486,955
Local sources	4,817,654	2,051,453	397,557	7,266,664
Unclassified	-	-	405,812	405,812
Interest earned	61,637	-	6,132	67,769
Total revenues	31,418,372	2,051,453	2,645,831	36,115,656
Expenditures:				
Current:				
Administration	1,770,798	-	186,673	1,957,471
Protection	4,179,703	-	-	4,179,703
Public services	255,329	-	-	255,329
Public works	1,929,797	-	-	1,929,797
Unclassified	2,641,584	-	-	2,641,584
Education	16,181,386	-	1,622,199	17,803,585
Debt service	2,121,972	-	-	2,121,972
Assessments	927,120	-	-	927,120
Unclassified	-	-	907,406	907,406
State retirement contribution	1,687,559	-	-	1,687,559
Capital outlay	-	5,433,843	15,858	5,449,701
Total expenditures	31,695,248	5,433,843	2,732,136	39,861,227
Excess (deficiency) of revenues over (under) expenditures	(276,876)	(3,382,390)	(86,305)	(3,745,571)
Other financing sources (uses):				
Bond proceeds	-	1,442,000	-	1,442,000
Reserves and carryforwards	16,047	-	-	16,047
Transfers from other funds	167,590	-	-	167,590
Transfers to other funds	-	-	(16,606)	(16,606)
Total other financing sources (uses)	183,637	1,442,000	(16,606)	1,609,031
Net change in fund balances	(93,239)	(1,940,390)	(102,911)	(2,136,540)
Fund balances, beginning of year	5,874,587	4,691,433	944,901	11,510,921
Fund balances, end of year	\$ 5,781,348	2,751,043	841,990	9,374,381

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2009

Net change in fund balances - total governmental funds (from Statement 4)	\$	(2,136,540)
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$9,509,594) exceeded depreciation expense (\$1,478,726) and loss on disposal (\$439,443) in the current period. 7,591,425

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in deferred tax revenues. 111,815

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This is the increase in accrued interest (\$194,855), accrued compensated absences (\$299,580) and other postemployment benefits (\$53,012), less the decrease in the pollution remediation obligation (\$148,200). (399,247)

Bond and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bond proceeds (\$7,942,000) was exceeded by bond anticipation note repayment (\$6,500,000), bond repayments (\$1,395,020) and lease repayments (\$95,840). 48,860

Change in net assets of governmental activities (see Statement 2)	\$	5,216,313
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See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the year ended June 30, 2009

	General Fund			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 15,266,714	15,266,714	15,519,335	252,621
Licenses and permits	366,988	366,988	369,121	2,133
Intergovernmental	9,041,838	9,061,582	8,963,066	(98,516)
Local sources	4,469,778	5,074,686	4,817,654	(257,032)
Interest earned	125,000	125,000	61,637	(63,363)
Total revenues	29,270,318	29,894,970	29,730,813	(164,157)
Expenditures:				
Current:				
Administration	1,799,367	1,842,669	1,770,798	71,871
Protection	4,191,542	4,195,932	4,179,703	16,229
Public services	284,509	281,193	255,329	25,864
Public works	2,007,792	2,041,239	1,929,797	111,442
Unclassified	1,956,506	2,573,149	2,641,584	(68,435)
Education	17,069,622	17,069,622	16,065,239	1,004,383
Debt service	2,400,414	2,400,414	2,121,972	278,442
Assessments	866,810	993,119	927,120	65,999
Total expenditures	30,576,562	31,397,337	29,891,542	1,505,795
Deficiency of revenues under expenditures	(1,306,244)	(1,502,367)	(160,729)	1,341,638
Other financing sources:				
Use of fund balance	1,075,000	1,214,364	-	(1,214,364)
Reserves and carryforwards	72,260	129,019	16,047	(112,972)
Transfers from other funds	158,984	158,984	167,590	8,606
Total other financing sources	1,306,244	1,502,367	183,637	(1,318,730)
Net change in fund balances - budgetary basis	-	-	22,908	22,908
Reconciliation to GAAP:				
Change in accrued summer salaries			(116,147)	
Net change in fund balances - GAAP basis			(93,239)	
Fund balances, beginning of year			5,874,587	
Fund balances, end of year	\$		5,781,348	

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Net Assets
Proprietary Funds
June 30, 2009

Business-type Activities - Enterprise Funds			
	Water Department	Sewer Department	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 198,860	50	198,910
Accounts receivable	-	138,267	138,267
User fees receivable	140,358	455,354	595,712
Liens receivable	-	85,558	85,558
Prepaid expenses	-	6,463	6,463
Due from State	593,395	114,406	707,801
Interfund loans receivable	999,869	-	999,869
Inventory	27,624	-	27,624
Total current assets	1,960,106	800,098	2,760,204
Capital assets not being depreciated:			
Land	2,297,491	53,900	2,351,391
Construction in progress	174,332	202,672	377,004
Total capital assets not being depreciated	2,471,823	256,572	2,728,395
Capital assets being depreciated:			
Capital assets	26,014,440	28,190,769	54,205,209
Accumulated depreciation	(6,558,424)	(10,534,328)	(17,092,752)
Total capital assets being depreciated	19,456,016	17,656,441	37,112,457
Deferred charges, net of amortization	215,878	-	215,878
Total noncurrent assets	22,143,717	17,913,013	40,056,730
Total assets	\$ 24,103,823	18,713,111	42,816,934
LIABILITIES			
Accounts payable	26,854	102,247	129,101
Accrued wages and benefits	102,461	69,538	171,999
Accrued interest payable	315,779	85,701	401,480
Deferred revenue and advances for construction	384,021	5,509	389,530
Interfund loans payable	-	2,381,002	2,381,002
Current portion of bonds payable	358,026	715,649	1,073,675
Total liabilities	1,187,141	3,359,646	4,546,787
Long-term liabilities:			
Bonds and notes payable	13,508,779	8,383,437	21,892,216
Total long-term liabilities	13,508,779	8,383,437	21,892,216
Total liabilities	14,695,920	11,743,083	26,439,003
NET ASSETS			
Invested in capital assets, net of related debt	8,061,034	8,813,927	16,874,961
Unrestricted	1,346,869	(1,843,899)	(497,030)
Total net assets	\$ 9,407,903	6,970,028	16,377,931

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2009

Business-type Activities - Enterprise Funds			
	Water	Sewer	
	Department	Department	Total
Operating revenues:			
Charges for services	\$ 2,492,501	1,888,057	4,380,558
Other	45,290	256,226	301,516
Total operating revenues	2,537,791	2,144,283	4,682,074
Operating expenses:			
Operation - salaries and benefits	450,093	445,154	895,247
Operation - other	326,658	951,844	1,278,502
Administrative expenses - salaries and benefits	185,636	152,272	337,908
Administrative expenses - other	284,334	118,596	402,930
Interest on debt service	711,869	200,097	911,966
Depreciation and amortization	492,531	782,164	1,274,695
Total operating expenses	2,451,121	2,650,127	5,101,248
Operating income (loss)	86,670	(505,844)	(419,174)
Nonoperating revenues (expenses):			
Interest revenue	-	400	400
Transfer in - capital contributions	85,546	-	85,546
Capital grants and contributions	671,161	335,497	1,006,658
Gain on sale	27,260	-	27,260
Transfers to General Fund - administration	(67,452)	(83,532)	(150,984)
Total nonoperating revenues (expenses)	716,515	252,365	968,880
Change in net assets	803,185	(253,479)	549,706
Total net assets, beginning of year	8,604,718	7,223,507	15,828,225
Total net assets, end of year	\$ 9,407,903	6,970,028	16,377,931

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2009

Business-type Activities - Enterprise Funds			
	Water	Sewer	Total
	Department	Department	
Cash flows from operating activities:			
Receipts from customers and users	\$ 1,428,088	2,047,314	3,475,402
Payments to suppliers	(1,307,541)	(1,258,067)	(2,565,608)
Payments to employees	(621,177)	(602,361)	(1,223,538)
Interfund activity	(185,020)	(708,377)	(893,397)
Transfers to General Fund - administration	(67,452)	(83,532)	(150,984)
Net cash provided by (used in) operating activities	(753,102)	(605,023)	(1,358,125)
Cash flows from capital and related financing activities:			
Purchase of capital assets	(151,573)	(726,642)	(878,215)
Capital grants and contributions	671,161	335,497	1,006,658
Principal payments on bonds	236,069	995,768	1,231,837
Net cash provided by capital and related financing activities	755,657	604,623	1,360,280
Cash flows from investing activities:			
Investment income	-	400	400
Net cash provided by investing activities	-	400	400
Net increase in cash	2,555	-	2,555
Cash, beginning of year	196,305	50	196,355
Cash, end of year	\$ 198,860	50	198,910
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 86,670	(505,844)	(419,174)
Transfers from (to) General Fund - administration	(67,452)	(83,532)	(150,984)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	492,531	782,164	1,274,695
Increase in receivables	(543,469)	(102,478)	(645,947)
Decrease in inventory	3,164	-	3,164
Increase in prepaid expenses	-	(4,605)	(4,605)
Decrease in deferred debits	4,656	-	4,656
Increase (decrease) in accounts payable	13,289	(21,108)	(7,819)
Increase (decrease) in accrued interest	(6,241)	38,183	31,942
Increase (decrease) in accrued wages and benefits	14,552	(4,935)	9,617
Increase (decrease) in deferred revenue	(565,782)	5,509	(560,273)
Increase in interfund loans payable	(185,020)	(708,377)	(893,397)
Net cash used in operating activities	(753,102)	(605,023)	(1,358,125)
Noncash investing, capital, and financing activities:			
Transfers of capital assets from governmental funds	85,546	-	85,546

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Agency Funds	Private-purpose Trusts
	Student Activity Funds	School Department Scholarships
ASSETS		
Cash and cash equivalents	\$ 206,506	23,565
Assets held by fiscal agent	-	251,916
Total assets	206,506	275,481
LIABILITIES		
Due to student groups	206,506	-
Total liabilities	206,506	-
NET ASSETS		
Held in trust	\$ -	275,481

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the year ended June 30, 2009

	Private-purpose Trusts
	School Department Scholarships
Additions:	
Investment income	\$ -
Donations and other	24,192
Total additions	24,192
Deductions:	
Scholarships	18,432
Other	3,914
Realized/unrealized loss on investments	57,403
Total deductions	79,749
Change in net assets	(55,557)
Net assets, beginning of year	331,038
Net assets, end of year	\$ 275,481

See accompanying notes to financial statements.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of Brewer operates under an elected City Council and City Manager form of government. The City's School Department operates under an elected School Board. The City's major operations include water, sewer, public works, protection, public services, education, and general administrative services.

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made based on criterion set forth in GAAP. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based on the application of this criterion, there were no potential component units required to be included in this report.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 for property taxes and one year for other revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

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

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

The City reports the following major governmental funds:

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

The Other Capital Projects fund accounts for resources obtained and expended for the acquisition of major capital facilities other than those employed in the delivery of services accounted for in enterprise funds.

The City reports the following major proprietary funds:

Water Fund accounts for the operation of the water system in Brewer.

Sewer Fund accounts for the operation of a sewer system in Brewer.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Additionally, 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 types:

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

Private-purpose Trust Funds are used to account for resources legally held in Trust for the benefit of others.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

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 water and sewer funds 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.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund is 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. Cash and Investments

Cash and cash equivalents are considered to be cash on hand, amounts in demand deposits, savings accounts and certificates of deposit. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds money market mutual funds and repurchase agreements.

Investments are stated at fair value. For the purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Short-term Interfund Receivables/Payables

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

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Unbilled revenues from the Water Fund and Sewer Fund are recognized at the end of each fiscal year on a pro rata basis. This amount is based on billings during the months following the close of the fiscal year.

G. Inventory

School Lunch and water and sewer supply inventories are valued at the lower of cost or market using the first-in, first-out method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased.

H. 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 are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material to the financial statements, is included as part of the capitalized value of the assets constructed. Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings	15-100 years
Infrastructure	50 years
Equipment	5-30 years

I. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Long-term accumulated vacation and sick leave is reported only in the Entity-wide Statement of Net Assets and in the proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

J. 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 assets. 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources.

L. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is used in governmental and business-type funds. All encumbrances, if any, are reserved at year end.

M. Use of Estimates

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

N. Comparative Data/Reclassifications

Comparative data for the prior year have been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are adopted for the General Fund, Capital Improvement Program, Sewer Fund, and Water Fund and are adopted on a basis consistent with accounting principles generally accepted in the United States of America except, in the case of the General Fund, for teachers' salaries which are budgeted on a cash basis. Additionally, Maine Public Employees Retirement System on-behalf payments are not budgeted. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year except some on-going projects which may be designated for subsequent year expenditure and some non-lapsing accounts which are carried forward to the next fiscal year.

B. Revised Budget

The revised budget presented for the General Fund in the Statement of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual (Statement 6), includes various adjustments as follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing sources</u>
2009 budget as originally adopted	\$ 30,576,562	(30,576,562)	-
Reclassify use of fund balance - City and School	(1,075,000)	-	1,075,000
Reclassify transfer from other funds	(158,984)	-	158,984
Use of prior year reserves and carryforwards	(72,260)	-	72,260
Subsequent authorizations	624,652	(820,775)	196,123
Totals	\$ 29,894,970	(31,397,337)	(1,502,367)

C. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 3009:

MWMA Recycling Grant	\$ 333
CDBG Housing Rehab	20,097
Assistance to Firefighters	72,853
FHWA Route 15 Earmark	13,478
City Hall Rehab	56,872
Brewer Days	1,001
Food Service Fund	15,441

These deficits are expected to be funded by future revenues or transfers from the General Fund.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

D. Budgetary vs. GAAP Basis of Accounting

Through June 30, 2009, the City did not budget for expenditures related to teachers' summer pay on an accrual basis. The following is a reconciliation of fund balance for the General Fund – School Department on the basis of accounting principles generally accepted in the United States of America and on the budgetary basis.

Fund balance – School Department – June 30, 2009 - GAAP basis	\$ 408,817
Accrued teacher summer salaries	1,667,587
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Fund balance – School Department, June 30, 2009 - budgetary basis	\$ 2,076,404

As required by generally accepted accounting principles (GAAP), the City has recorded a revenue and expenditure for Maine Public Employees Retirement System (MainePERS) contributions made by the State of Maine on behalf of the Brewer School Department. These amounts have not been budgeted and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$1,687,559. These amounts have been included as intergovernmental revenues and education expenditures in the General Fund on Statement 4 (GAAP basis) and on the Statement of Activities (Statement 2). There is no effect on the fund balance at the end of the year.

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-City Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy is that funds can only be invested in financial institutions that are insured by the FDIC. Any funds deposited or invested above the \$250,000 insurance limit must be collateralized by the financial institution at 110% of the face value of the deposit or preferably be fully insured by an independent agent. Any designated collateral shall consist of U.S. Treasury or U.S. Government Agency obligations. As of June 30, 2009, the City reported deposits of \$ 8,599,690 with a bank balance of \$8,722,590. None of the City's bank balances of \$8,722,590 was exposed to custodial credit risk as the entire bank balance was covered by the F.D.I.C. or by additional insurance purchased on behalf of the City by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 8,170,709
Reported in business-type activities	198,910
Reported in fiduciary funds	230,071
<hr/>	
Total deposits	\$ 8,599,690

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

DEPOSITS AND INVESTMENTS, CONTINUED

B. Investments

At June 30, 2009, the City had the following investments and maturities:

	<u>Fair value</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Mutual funds (1)	\$ 1,708,701		not applicable	
Total investments	\$ 1,708,701			

(1) Mutual funds are not considered securities and are exempt from credit risk disclosure noted below.

Investments have been reported as follows:

Reported in governmental funds	\$ 1,456,785
Reported in fiduciary funds	251,916
Total investments	\$ 1,708,701

Interest Rate Risk: The City has a policy that the maturity date of investments shall not fall beyond the time the City anticipates it will need the funds.

Credit Risk: Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The City's policy is only to invest in legally authorized investments under 30A MRSA section 5706.

Custodial Credit Risk - investments: For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy is that funds can only be invested in financial institutions that are insured by the FDIC. Any funds deposited or invested above the \$250,000 insurance limit must be collateralized by the financial institution at 110% of the face value of the deposit or preferably be fully insured by an independent agent. Any designated collateral shall consist of U.S. Treasury or U.S. Government Agency obligations. As of June 30, 2009 the City did not have any funds invested in U.S. Treasury or U.S. Government Agency obligations.

PROPERTY TAX

Property taxes for the current year were committed on August 4, 2008 on the assessed value listed as of the previous April 1 for all real and personal property located in the City. All real and personal property taxes were due in two installments, 50% on September 9, 2008, and 50% on March 10, 2009. Interest at the rate of 11% per annum was charged on any amounts remaining unpaid after these respective due dates. Assessed values are periodically established by the City's Assessor at 100% of estimated market value. The assessed value of \$786,195,600 was 100% of the estimated market value and 105.27% of the 2009 state valuation of \$746,850,000.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

PROPERTY TAX, CONTINUED

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$254,547 for the year ended June 30, 2009.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid. For the year ended June 30, 2009 the city did not move any accounts into liens until July which explains the apparent reduction in the liens receivable portion of total taxes as illustrated below.

Property taxes levied during the year were recorded as receivables at the time the levy was made.

The following summarizes the 2009 and 2008 levy:

	<u>2009</u>	<u>2008</u>
Total assessed valuation	\$ 786,195,600	735,732,800
Tax rate (per \$1,000)	17.95	18.05
Commitment	14,112,223	13,279,989
Supplemental taxes assessed	2,479	1,970
	14,114,702	13,281,959
Less - collections and abatements	13,546,546	12,956,112
	568,156	325,847
Receivable at end of year		
Consisting of:		
Real estate liens	-	295,412
Real estate and personal property taxes	568,156	30,435
	\$ 568,156	325,847
Receivable at end of year		
Collection rate	95.97%	97.54%

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance June 30, <u>2008</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2009</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,503,804	-	-	2,503,804
Artwork and historical treasures	20,800	-	-	20,800
Construction in progress	6,449,215	9,586,161	(689,687)	15,345,689
Total capital assets, not being depreciated	8,973,819	9,586,161	(689,687)	17,870,293
Capital assets, being depreciated:				
Land improvements	1,279,327	54,906	-	1,334,233
Buildings and building improvements	9,980,659	10,858	-	9,991,517
Machinery and equipment	3,290,197	184,746	(102,023)	3,372,920
Vehicles	2,638,529	212,761	(82,062)	2,769,228
Infrastructure	35,867,919	149,850	(814,030)	35,203,739
Total capital assets being depreciated	53,056,631	613,121	(998,115)	52,671,637
Less accumulated depreciation for:				
Land improvements	(622,923)	(54,745)	-	(677,668)
Buildings and building improvements	(5,980,820)	(241,465)	-	(6,222,285)
Machinery and equipment	(1,655,923)	(249,802)	83,596	(1,822,129)
Vehicles	(1,292,653)	(213,207)	77,799	(1,428,061)
Infrastructure	(16,787,722)	(719,507)	397,277	(17,109,952)
Total accumulated depreciation	(26,340,041)	(1,478,726)	558,672	(27,260,095)
Total capital assets being depreciated, net	26,716,590	(865,605)	(439,443)	25,411,542
Governmental activities capital assets, net	\$ 35,690,409	8,720,556	(1,129,130)	43,281,835
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,351,391	-	-	2,351,391
Construction in progress	2,015,537	385,812	(2,024,345)	377,004
Total capital assets, not being depreciated	4,366,928	385,812	(2,024,345)	2,728,395
Capital assets, being depreciated:				
Water	25,917,375	97,065	-	26,014,440
Sewer	25,806,216	2,418,247	(33,695)	28,190,768
Total capital assets being depreciated	51,723,591	2,515,312	(33,695)	54,205,208
Less accumulated depreciation for:				
Water	(6,092,701)	(465,722)	-	(6,558,423)
Sewer	(9,872,840)	(695,183)	33,695	(10,534,328)
Total accumulated depreciation	(15,965,541)	(1,160,905)	33,695	(17,092,751)
Total capital assets being depreciated, net	35,758,050	1,354,407	-	37,112,457
Business-type activities capital assets, net	\$ 40,124,978	1,740,219	(2,024,345)	39,840,852

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

CAPITAL ASSETS, CONTINUED

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

Governmental activities:

Administration	\$ 33,938
Protection	122,366
Public works, including depreciation of general infrastructure assets	887,734
Unclassified	160,164
Education	274,524

Total depreciation expense – governmental activities **\$ 1,478,726**

Business-type activities:

Water Fund	465,722
Sewer Fund	695,183

Total depreciation expense – business-type activities **\$ 1,160,905**

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

INTERFUND LOAN BALANCES/TRANSFERS

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers. The Water and Sewer funds transfer funds to the General Fund are for administrative costs. Individual fund interfund receivables and payables balances and interfund transfer at June 30, 2009 arising from these transactions were as follows:

	Interfund receivables	Interfund payables	Transfers
Major funds:			
General Fund	\$ -	502,118	167,590
Other Capital Project Funds	1,413,512	-	-
Other nonmajor governmental funds:			
1995 Economic Development	2,470	-	-
Fire Equipment Reserve	3,651	-	7,030
Assistance to Firefighters Grant	-	72,853	-
Tennis Court & Track Maintenance	-	-	(3,951)
Drug Education Reserve	-	-	(4,655)
Centennial Prints Fund	24	-	-
Centennial Memorabilia Fund	-	94	-
Police Asset Forfeiture	229,594	-	-
MWMA Recycling Grant	-	333	-
Pendelton Street Track	271	-	-
CDBG Housing Grant	4,000	-	-
CDBG Housing Rehab Grant	-	15,331	-
CDBG Shurtleff Road	8,349	-	-
Thermal Imaging Camera	-	-	(7,030)
Recreation Banner Fund	9,065	-	-
Safety Committee Fund	22,113	-	-
Performance Bonds Payable	18,402	-	-
Technical Review Payable	80,094	-	-
MMA Grant Fund	6,320	-	-
EPA Brownfield Rev Loan	39,607	-	-
FHWA Route 15 Earmark	-	37,695	-
Citizens Police Academy	-	-	-
Brewer Days	-	1,001	-
Children's Garden Fund	14,154	-	-
City Hall Rehab	-	56,872	-
City Small Grants & Programs	-	310	-
FEMA 05 Storm	30,082	-	-
Small Business Program	351	-	-
Winterfest	250	-	-
Stream Cleanup	1,720	-	-
Flags in Brewer	2,920	-	-
Recognition Coins	224	-	-
Fire Museum	1,000	-	-
Food Service Fund	-	39,314	-
Grants Fund (School Dept.)	55,924	-	-

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

INTERFUND LOAN BALANCES/TRANSFERS, CONTINUED

	Interfund receivables	Interfund payables	Transfers
Other nonmajor governmental funds, continued:			
Impact Fee Fund	\$ 264,605	-	-
Cemetery Trust	-	108,247	(8,000)
Veteran's Memorial Fund	4,599	-	-
Robertson Memorial Fund	2,000	-	-
Total other nonmajor governmental funds	2,215,301	332,050	(16,606)
Proprietary Funds:			
Water Fund	999,869	-	(67,452)
Sewer Fund	-	2,381,002	(83,532)
Total proprietary funds	999,869	2,381,002	(150,984)
Total	\$ 3,215,170	3,215,170	-

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2009, was as follows:

	Beginning balance	Additions*	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 14,687,608	7,942,000	1,395,020	21,234,588	1,439,466
Capital leases	176,861	-	95,840	81,021	34,660
Compensated absences	1,609,261	299,580	-	1,908,841	-
Pollution remediation obligation	550,000	-	148,200	401,800	401,800
Governmental activity long-term liabilities	17,023,730	8,241,580	1,639,060	23,626,250	1,875,926
Business-type activities:					
Bonds payable	21,733,553	2,293,395	1,061,057	22,965,891	1,073,675
Governmental and business-type activities long-term liabilities	\$ 38,757,283	10,534,975	2,700,117	46,592,141	2,949,601

*see further disclosure under short-term liabilities footnote in following pages.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

LONG-TERM DEBT

Long-term debt at June 30, 2009 is comprised of the following individual issues:

Bond issue	Year of issue	Amount issued	Maturity date	Interest rate	Governmental activities	Business-type activities	Balance June 30, 2009
GOB US Bank - City/Sewer	1990	\$ 1,600,000	6/1/2010	6.7-7.2%	45,000	25,000	70,000
S. A GOB US Bank - Sewer	1993	1,000,000	1/1/2013	6.1-6.5%	-	200,000	200,000
Series F MMBB - Sewer	1993	2,363,400	6/30/2013	3.100%	-	472,680	472,680
Series F MMBB - City/Sewer	1994	1,000,000	11/1/2009	5.217-6.517%	48,258	14,742	63,000
GOB US Bank - City/Sewer	1995	1,100,000	8/1/2015	5.2-6.2%	230,500	94,500	325,000
GOB US Bank - City	1996	850,000	8/1/2016	5.15-5.75%	320,000	-	320,000
USDA RD Loan - Water	1996	4,161,500	2/8/2036	5.00%	-	3,552,271	3,552,271
Series B MMBB - City/Sewer	1997	4,000,000	11/1/2017	3.16%	190,755	1,609,245	1,800,000
Series D MMBB High Sch./Sew.	1997	1,100,000	1/1/2017	4.53-5.38%	319,523	175,477	495,000
USDA RD Loan - Water	1997	1,500,000	7/24/2037	5.00%	-	1,322,974	1,322,974
USDA RD Loan - Water	1997	365,900	12/28/2037	4.875%	-	321,350	321,350
USDA RD Loan - Water	1998	650,000	9/28/2038	4.75%	-	578,462	578,462
Series C MMBB - Water	1998	1,715,000	11/1/2018	4.528-5.378%	-	857,500	857,500
FRF MMBB - Sewer	1999	1,000,000	4/1/2020	3.120%	-	550,000	550,000
Series A GOB US Bank - City	2000	2,060,000	10/1/2019	5.0-5.6%	970,000	-	970,000
Series B GOB US Bank - City	2000	2,250,000	5/1/2020	7.5-8.0%	1,215,000	-	1,215,000
GOB US Bank - City	2001	4,280,000	11/1/2021	4.0-4.75%	2,800,000	-	2,800,000
SR MMBB - Sewer	2001	2,500,000	10/1/2022	1.900%	-	1,750,000	1,750,000
GOB US Bank - City/Water	2002	4,500,000	12/1/2032	3.0-4.875%	1,806,300	1,468,700	3,275,000
USDA RD Loan - Water	2002	1,971,000	1/24/2042	4.75%	-	1,830,788	1,830,788
USDA RD Loan - Water	2002	1,645,000	8/26/2042	4.75%	-	1,547,150	1,547,150
FR MMBB - Sewer	2004	1,000,000	10/1/2024	1.441%	-	800,000	800,000
Series D MMBB - City	2004	358,000	11/1/2014	3.019-3.644%	214,800	-	214,800
Series E MMBB - City	2004	363,000	11/1/2024	1.012-9.0%	290,400	-	290,400
Series E MMBB - City	2004	1,530,000	11/1/2024	.823-9.0%	1,169,600	-	1,169,600
Series C MMBB - City	2005	690,000	11/1/2025	2.95-9.0%	575,250	-	575,250
Series C MMBB - Water	2005	725,000	11/1/2025	3.05-9.0%	-	616,250	616,250
USDA RD Loan - Water	2005	1,225,600	9/19/2033	4.125%	-	1,178,525	1,178,525
Series A MMBB - City	2006	1,070,000	11/1/2026	2.0-5.5%	910,500	-	910,500
SR MMBB - City / Sewer	2006	448,000	4/1/2026	1.77%	159,784	221,016	380,800
USDA RD Loan - Sewer	2006	1,580,000	5/28/2034	4.375%	-	1,485,866	1,485,866
Series C MMBB - City	2007	1,735,000	11/1/2026	2.3-6.0%	1,465,168	-	1,465,168
Series B MMBB - City	2008	600,000	11/1/2027	2.0-5.5%	561,750	-	561,750
Series F MMBB	2009	593,395	4/1/2029	0%	-	593,395	593,395
Series B MMBB	2009	1,442,000	11/1/2029	2.08-5.58%	1,442,000	-	1,442,000
GO WW Bond	2009	1,700,000	10/23/2037	4.50%	-	1,700,000	1,700,000
GO Bond	2009	6,500,000	11/18/2036	4.50%	6,500,000	-	6,500,000
Total					\$ 21,234,588	22,965,891	44,200,479

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

LONG-TERM DEBT, CONTINUED

All governmental activities long-term debt service requirements are paid by the General Fund. Business-type debt is paid by the proprietary enterprise funds. The annual requirements to amortize all debt outstanding as of June 30, 2009, are as follows:

Year ending June 30,	Governmental activities		Business-type activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,439,466	943,850	1,073,675	928,263	2,513,141	1,872,113
2011	1,458,578	879,863	1,047,354	888,713	2,505,932	1,768,576
2012	1,439,991	814,681	1,063,140	850,157	2,503,131	1,664,838
2013	1,392,911	752,276	1,080,207	812,813	2,473,118	1,565,089
2014	1,359,696	689,653	924,078	772,832	2,283,774	1,462,485
2015-2019	5,884,254	2,536,146	4,624,181	3,359,701	10,508,435	5,895,847
2020-2024	3,735,278	1,352,250	3,533,133	2,610,107	7,268,411	3,962,357
2025-2029	1,787,944	812,622	3,244,310	1,939,900	5,032,254	2,752,522
2030-2034	1,604,126	475,755	3,604,740	1,172,753	5,208,866	1,648,508
2035-2039	1,132,344	102,665	2,137,333	519,184	3,269,677	621,849
2040-2044	-	-	633,740	69,434	633,740	69,434
Totals	\$ 21,234,588	9,359,761	22,965,891	13,923,857	44,200,479	23,283,618

Authorized but Unissued

On April 14, 2009, the City Council authorized the issuance of up to \$754,800 in general obligation bonds for the purpose of completing combined sewer overflow (CSO) abatement project in the Jefferson Street area of Brewer. As of June 30, 2009, \$754,800 remains authorized and unissued. The City expects to issue the debt within the next fiscal year.

CHANGES IN SHORT-TERM LIABILITIES

Short-term liability activity for the year ended June 30, 2009, was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
Bond Anticipation Note	\$ 6,500,000	-	6,500,000	-	-
Governmental activity short-term liabilities	\$ 6,500,000	-	6,500,000	-	-

On February 13, 2008, the City issued a twelve month bond anticipation note (BAN) for the construction of a new public safety facility, at a rate of 2.22%. The principal of \$6,500,000, plus accrued interest was permanently financed on November 18, 2008 and thus was already recognized as long-term debt at June 30, 2008. This accounts for the difference between other financing sources on the fund financial statements and the figure for additions of current year long-term debt of \$7,942,000 in the previous footnote.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

CAPITAL LEASES

The City has entered into various agreements as lessee for financing the acquisition of various vehicles and equipment. These lease agreements qualify as capital leases for accounting purposes. The assets are recorded as capital assets in the government-wide financial statements. The amount capitalized under capital leases is \$544,735. This lease has been recorded as a liability in the government-wide financial statements at the present value of the future minimum lease payments.

The following is a schedule of the future minimum lease payments under capital leases, and the present value of net minimum lease payments at June 30, 2009.

Fiscal year <u>ending June 30,</u>	Governmental <u>activities</u>
2010	\$ 38,456
2011	32,512
<u>2012</u>	<u>16,256</u>
Total minimum lease payments	87,224
Less: amount representing interest	6,203
<u>Present value of future minimum lease payments</u>	<u>\$ 81,021</u>

STATUTORY DEBT LIMIT

The laws of the State of Maine limit types of municipal borrowing to specific percentages of the State valuation of the municipality. At June 30, 2009, the City was in compliance with these restrictions.

POLLUTION REMEDIATION OBLIGATION

Landfill Remediation

In 1992, the Maine Department of Environmental Protection (DEP) issued an order approving the phased closing of the City's former Municipal Solid Waste landfill. Phase I was completed by 1994. The Phase II area is located between Elm Street and the current, still-operational Construction Demolition Debris landfill. In February 2007, the City received the signed order from DEP approving its plan to complete the Phase II work by October 15, 2010. On November 20, 2009, the City Council awarded a cleanup contract to an outside contractor for an amount not to exceed \$402,000. As of June 30, 2009, the City recognized a \$401,800 liability on its government-wide financial statements.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

OVERLAPPING DEBT AND OTHER CONTINGENCIES

Overlapping Debt

The City's proportionate share of debt of all local government units which provide services within the City's boundaries, and which must be borne by properties in the City is summarized as follows:

<u>Units</u>	<u>Net debt outstanding June 30, 2009</u>	<u>Percentage applicable to the City</u>	<u>City's proportionate share of debt</u>
Penobscot County	\$ -	N/A	-
Brewer High School District Trustees	6,273,321	100.00%	6,273,321

The City's proportionate share of the County debt is paid through annual assessments. The High School District Trustees submit debt service bills which are paid by the City.

DESIGNATED/RESERVED FUND BALANCES

At June 30, 2009, portions of the fund balance and net assets were designated to future periods or reserved for specific amounts as follows:

	<u>General Fund</u>	
City:		
Reappropriated to 2010 budget	\$ 575,000	
Accrued compensated absences	524,120	
Elections - equipment rental	6,400	
Finance - postage	970	
Technology -training, conferences & meetings	1,175	
Economic Development - professional services	2,000	
Economic Development - So. Brewer Redevelopment	7,089	
General Protection - equipment maintenance & repair	6,000	
Transit Operating Expenses – THE BUS	22,052	
Public Works – line painting	11,859	
Engineering – training, conferences & meetings	2,303	
Parks & Cemeteries – contracted services	4,798	
Total City	1,163,766	
School:		
Reappropriated to 2010 budget	800,000	
Total School	800,000	
Total designated City and School	\$ 1,963,766	
	<u>Special Revenue</u>	<u>Permanent Funds</u>
Reserved for specific amounts:		
Reserve for nonexpendable principal	\$ -	311,881
Reserved for inventory	11,387	-
Total reserved	\$ 11,387	311,881

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS)

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

Funding Policy - Plan members are required to contribute 6.5% of their annual covered salary and the City is required to contribute an actuarially determined rate. The current rate is 2.8% of annual covered payroll for the Regular Plan and 4% for Special Plan 2C. The contribution rates of plan members and the City of Brewer are established and may be amended by the State legislature. The City's contributions to the Maine Public Employees Retirement System Consolidated Plan for the years ended June 30, 2009, 2008 and 2007 were \$247,355, \$238,303, and \$233,106, respectively, equal to the required contributions for each year. The City's Initial Unpooled Unfunded Actuarial Liability was \$710,613 at June 30, 2008. This unfunded liability is being amortized over a nine year period beginning July 1, 2008.

Teacher Group - All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's teacher group. The teacher's group is a cost-sharing plan with a special funding situation, established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher's Group. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 7.65% of their compensation to the retirement system. The State of Maine Department of Education is required, by the same statute, to contribute the employer contribution which amounts to \$1,687,559 (18.76%) for the fiscal year 2009. This amount has been reported as a revenue and expenditure in the GAAP basis financial statements (Statement 2 and Statement 4). There is no contribution required by the School except for federally funded teachers, for which the School contributed 18.76% of their compensation. This cost is charged to the applicable grant.

RETIREMENT PLANS

The City of Brewer offers all its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, were removed from the City's financial statements.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

RETIREMENT PLANS, CONTINUED

The City has an Internal Revenue Code section 401 defined contribution plan, administered by an independent plan administrator. This plan provides retirement benefits to the City Manager as well as other members of the City's management. The plan mandates that enrolled employees, other than the City Manager, contribute at least 6.5% of their wages. The employer contribution rate for 2009 was 29% for the City Manager, 15% for the City Clerk and 9% for all other eligible employees. All eligible employees are vested at enrollment. The total cost to the City for the fiscal year ended June 30, 2009 was \$85,908.

RISK MANAGEMENT

The City is exposed to various risks of loss-related torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the City carries commercial insurance. The City participates in several public entity and self-insured risk pools sponsored by the Maine Municipal Association and Maine School Management Association for workers compensation and property and casualty. Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, the City is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2009.

OTHER POST EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) recently issued its Statement 45, which addressed the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the City of Brewer, Maine for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The City of Brewer is a member of the Maine Municipal Employees Health Trust. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the City's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in January 2009.

Plan Descriptions – In addition to providing pension benefits, the City offers health care benefits for certain retired employees. Eligibility to receive the health care benefits follows the same requirements as Maine PERS. All eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage except for certain public safety retirees who may be eligible to share the premium costs with the state. Although the City does not pay any part of these retiree premiums, the retirees are receiving an implicit subsidy in that they have access to premiums under the City's group plan that are lower than they would pay if they were rated on their own. It is the cost of this implicit subsidy that makes up the liability discussed in this section

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

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

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

Normal cost	\$ 33,588
Amortization of unfunded	36,311
<u>Interest</u>	<u>1,398</u>
Annual required contribution	\$ 71,297

Funding Status and Funding Progress – The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2009 were as follows:

Annual required contribution	\$ 71,297
Actual contribution	18,285
Percent contributed	25.65%
Actuarial accrued liability	653,002
<u>Plan assets</u>	<u>-</u>
Unfunded actuarial accrued liability	653,002
Covered payroll	5,506,429
Unfunded actuarial accrued liability as a percentage of covered payroll	11.86%

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

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

Actuarial valuation date	1/1/09
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	30 years

Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	N/A
Healthcare inflation rate	4.0% - 9.6%

CITY OF BREWER, MAINE
Notes to Basic Financial Statements Continued

RESTATEMENT OF NET ASSETS

During 2009, the City adopted the recently issued Statement No. 49 of the Governmental Accounting Standards Board, which requires the recording of pollution remediation obligations. Net assets as of July 1, 2008 for the Governmental Activities have been restated to record its pollution remediation obligations as follows:

	Governmental Activities
Net assets, July 1, 2008, as previously reported	\$ 24,628,476
<u>Prior period adjustment – pollution remediation obligation</u>	<u>(550,000)</u>
<u>Net assets, July 1, 2008, as restated</u>	<u>\$ 24,078,476</u>

CITY OF BREWER, MAINE
Required Supplementary Information

Retiree Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
1/1/09	\$ -	653,002	653,002	0.00%	5,506,429	11.86%

GENERAL FUND

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

CITY OF BREWER, MAINE
General Fund
Balance Sheets
June 30, 2009 and 2008

	2009	2008
ASSETS		
Cash and cash equivalents	\$ 6,677,919	2,674,271
Investments	1,067,512	3,865,153
Interfund loans receivable	-	317,878
Prepaid expenditures	214,708	221,094
Receivables:		
Taxes	734,764	196,595
Tax liens	175,275	439,673
Accounts	619,656	1,012,805
Total assets	\$ 9,489,834	8,727,469
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	547,000	473,627
Taxes collected in advance	57,210	41,152
Deferred revenue	656,738	547,770
Accrued payroll	1,945,420	1,790,333
Interfund loans payable	502,118	-
Total liabilities	3,708,486	2,852,882
Fund balance:		
Unreserved:		
Designated - School Department	800,000	650,000
Undesignated - School Department	(391,183)	(314,059)
Designated - City	1,163,766	962,377
Undesignated - City	4,208,765	4,576,269
Total fund balance	5,781,348	5,874,587
Total liabilities and fund balance	\$ 9,489,834	8,727,469

CITY OF BREWER, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2009
(with comparative actual amounts for the year ended June 30, 2008)

	2009			2008 Actual
	Final Budget	Actual	Variance positive (negative)	
Revenues:				
Taxes:				
Property	\$ 13,922,714	14,002,886	80,172	13,192,589
Automobile excise	1,300,000	1,451,260	151,260	1,466,395
Boat excise	8,500	8,386	(114)	8,607
Interest on taxes	30,000	47,714	17,714	69,823
Payments in lieu of taxes	5,500	9,089	3,589	5,252
Total taxes	15,266,714	15,519,335	252,621	14,742,666
Licenses and permits:				
Licenses and Clerk fees	29,100	32,513	3,413	31,368
Registration fees	20,700	24,295	3,595	24,795
Ambulance fees	305,688	303,458	(2,230)	304,273
All other	11,500	8,855	(2,645)	3,696
Total licenses and permits	366,988	369,121	2,133	364,132
Intergovernmental:				
Road block grant program	140,000	134,008	(5,992)	146,080
State revenue sharing	1,225,000	1,231,682	6,682	1,357,263
Tree growth reimbursement	350	301	(49)	372
Veterans reimbursement	7,500	11,403	3,903	6,934
BETE reimbursement	19,744	21,011	1,267	-
Homestead exemption	240,000	244,180	4,180	243,665
General assistance	52,225	54,850	2,625	57,327
Transit bonus program	27,000	26,452	(548)	27,232
Police grant reimbursements	15,854	12,627	(3,227)	18,390
School department	7,333,909	7,226,552	(107,357)	7,292,167
Total intergovernmental	9,061,582	8,963,066	(98,516)	9,149,430
Local sources:				
Property leases	224,703	224,704	1	232,985
Parks and recreation	330,325	351,354	21,029	335,584
Impact fees	10,000	-	(10,000)	110,000
Sale of City property	-	11,305	11,305	1,541
Public safety	39,186	33,705	(5,481)	48,541
Code enforcement	69,050	64,075	(4,975)	112,174
Public works	63,000	80,309	17,309	67,373
Cable television	95,000	99,625	4,625	93,012
Deferred debt service	1,389	1,389	-	6,869
Library	7,600	6,215	(1,385)	3,683
TIF revenues	812,333	583,554	(228,779)	214,467
School department revenue	3,417,100	3,359,097	(58,003)	3,706,921
All other	5,000	2,322	(2,678)	14,006
Total local sources	5,074,686	4,817,654	(257,032)	4,947,156
Interest earned	125,000	61,637	(63,363)	180,103
Total revenues	29,894,970	29,730,813	(164,157)	29,383,487

CITY OF BREWER, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, Continued

	2009		Variance positive (negative)	2008 Actual
	Final Budget	Actual		
Expenditures:				
Current:				
Administration:				
City Council	\$ 15,908	13,933	1,975	13,418
City Manager	311,093	308,646	2,447	300,802
City Clerk	159,551	154,187	5,364	156,581
Elections	27,980	18,661	9,319	16,020
Assessing	177,430	176,579	851	168,194
Finance	497,320	500,162	(2,842)	486,886
Technology	130,947	127,622	3,325	126,549
Legal	106,000	91,921	14,079	104,864
City Hall	107,615	101,713	5,902	87,004
Economic Development	308,825	277,374	31,451	304,010
Total administration	1,842,669	1,770,798	71,871	1,764,328
Protection:				
Police department	1,565,946	1,528,702	37,244	1,375,711
Fire department	1,414,484	1,448,677	(34,193)	1,303,120
Code enforcement	183,420	180,523	2,897	176,709
General protections	898,668	891,990	6,678	888,623
Insurances	115,100	112,184	2,916	110,805
Animal control	18,314	17,627	687	17,014
Total protection	4,195,932	4,179,703	16,229	3,871,982
Public services:				
Health and human services	155,374	158,961	(3,587)	155,061
Transit system	110,775	81,446	29,329	92,245
Adult Ed	3,244	3,244	-	-
Non-profit organizations	11,800	11,678	122	13,235
Total public services	281,193	255,329	25,864	260,541
Public works:				
Public works	1,465,315	1,302,002	163,313	1,290,897
Solid waste disposal	429,234	482,005	(52,771)	477,254
Engineering	146,690	145,790	900	141,263
Total public works	2,041,239	1,929,797	111,442	1,909,414
Education	17,069,622	16,065,239	1,004,383	15,906,651

CITY OF BREWER, MAINE
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, Continued

	2009		Variance positive (negative)	2008 Actual
	Final Budget	Actual		
Expenditures, continued:				
Current, continued:				
Unclassified:				
Employee benefits	\$ 228,109	249,934	(21,825)	263,822
Tax increment financing reimbursements	1,239,998	1,280,914	(40,916)	505,821
Municipal auditorium	161,823	164,429	(2,606)	157,161
Parks and cemeteries	200,691	205,453	(4,762)	199,047
Recreation/pool	451,929	435,744	16,185	435,840
Library	211,374	213,381	(2,007)	193,498
Dues	10,850	10,796	54	10,587
Contingencies	36,440	36,402	38	37,377
All other	31,935	44,531	(12,596)	37,157
Total unclassified	2,573,149	2,641,584	(68,435)	1,840,310
Debt service:				
Principal	1,530,022	1,395,021	135,001	1,362,771
Interest	806,439	662,998	143,441	704,463
Lease payments	63,953	63,953	-	63,953
Total debt service	2,400,414	2,121,972	278,442	2,131,187
Assessments:				
County tax	781,810	781,810	-	736,660
Expenditures from designated fund balance	-	-	-	27,818
Abatements and bad debts	146,309	145,310	999	29,066
Overlay	65,000	-	65,000	-
Total assessments	993,119	927,120	65,999	793,544
Total expenditures	31,397,337	29,891,542	1,505,795	28,477,957
Excess (deficiency) of revenues over (under) expenditures	(1,502,367)	(160,729)	1,341,638	905,530
Other financing sources (uses):				
Use of fund balance - City	564,364	-	(564,364)	-
Use of fund balance - School Department	650,000	-	(650,000)	-
Reserves and carryforwards	129,019	16,047	(112,972)	38,729
Transfers from other funds:				
Special Revenue Funds	-	8,606	8,606	-
Sewer fund	67,452	67,452	-	65,427
Water fund	83,532	83,532	-	79,073
Capital Improvement Program	-	-	-	32,285
Cemetery trust	8,000	8,000	-	15,000
Total other financing sources (uses)	1,502,367	183,637	(1,318,730)	230,514
Net change in fund balance - budgetary basis	-	22,908	22,908	1,136,044
Reconciliation to GAAP:				
Change in accrued teacher summer salaries		(116,147)		(69,265)
Net change in fund balance - GAAP basis		(93,239)		1,066,779
Fund balance, beginning of year		5,874,587		4,807,808
Fund balance, end of year	\$	5,781,348		5,874,587

CITY OF BREWER, MAINE
General Fund
Statement of Changes in Unreserved - Undesignated Fund Balance
Budgetary Basis
June 30, 2009

	City	School	Total
Unreserved - Undesignated fund balance July 1, 2008	\$ 4,576,269	(314,059)	\$ 4,262,210
Unreserved - Undesignated fund balance June 30, 2009	4,208,765	(391,183)	3,817,582
Increase	\$ (367,504)	\$ (77,124)	\$ (444,628)
Analysis of change:			
Budget surplus:			
Revenue surplus (deficit) - Exhibit A-2	1,203	(165,360)	(164,157)
Unexpended balance of appropriations - Exhibit A-2	501,412	1,004,383	1,505,795
Unexpended balance of assessments and transfers - Exhibit A-2	(668,730)	(650,000)	(1,318,730)
Budget surplus	(166,115)	189,023	22,908
Other changes:			
Change in accrued teacher summer salaries	-	(116,147)	(116,147)
Change in designated fund balance	(201,389)	(150,000)	(351,389)
Increase	\$ (367,504)	(77,124)	(444,628)

ALL OTHER GOVERNMENTAL FUNDS

CITY OF BREWER, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 13,175	-	73,875	87,050
Investments	18,673	-	370,600	389,273
Accounts receivable	1,436	-	-	1,436
Due from other governments	46,376	-	-	46,376
Interfund loan receivable	530,585	264,605	6,599	801,789
Inventory	11,387	-	-	11,387
Total assets	\$ 621,632	264,605	451,074	1,337,311
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	163,058	-	213	163,271
Interfund loans payable	223,803	-	108,247	332,050
Total liabilities	386,861	-	108,460	495,321
Fund balances:				
Reserved for inventory/nonexpendable principal	11,387	-	311,881	323,268
Unreserved, reported in:				
Special revenue funds	223,384	-	-	223,384
Permanent funds	-	-	30,733	30,733
Capital projects funds	-	264,605	-	264,605
Total fund balances	234,771	264,605	342,614	841,990
Total liabilities and fund balances	\$ 621,632	264,605	451,074	1,337,311

CITY OF BREWER, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 1,836,330	-	-	1,836,330
Lunch program	397,522	-	-	397,522
Local sources	-	35	-	35
Interest earned	162	-	5,970	6,132
Other income	393,856	-	11,956	405,812
Total revenues	2,627,870	35	17,926	2,645,831
Expenditures:				
Educational programs	999,310	-	-	999,310
Lunch program	622,889	-	-	622,889
Administration	186,673	-	-	186,673
Capital outlay/other	-	15,858	-	15,858
Unclassified	898,850	-	8,556	907,406
Total expenditures	2,707,722	15,858	8,556	2,732,136
Excess (deficiency) of revenues over (under) expenditures	(79,852)	(15,823)	9,370	(86,305)
Other financing sources (uses):				
Transfers to other funds	(8,606)	-	(8,000)	(16,606)
Total other financing sources (uses)	(8,606)	-	(8,000)	(16,606)
Net change in fund balances	(88,458)	(15,823)	1,370	(102,911)
Fund balances, beginning of year	323,229	280,428	341,244	944,901
Fund balances, end of year	\$ 234,771	264,605	342,614	841,990

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

CITY OF BREWER, MAINE
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2009

	1995	Centennial	Centennial	Centennial	Drug	Police	Fire	Assistance	Tennis Court	MWMA	Pendleton	CDBG	CDBG	CDBG	
	Economic	Prints	Memorabilia	Education	Asset	Equipment	to Firefighters	& Track	Recycling	Street	Housing	Housing	Housing	CDBG	
	Development	Contributions	Fund	Reserve	Forfeiture	Reserve	Grant	Maintenance	Grant	Track	Grant	Grant	Rehab	Shurtleff	
														Road	
ASSETS															
Cash and cash equivalents	\$ -	513	12,662	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans receivable	2,470	24	-	-	229,594	3,651	-	-	-	271	4,000	-	-	-	8,349
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 2,470	537	12,662	-	229,594	3,651	-	-	-	271	4,000	-	-	-	8,349

LIABILITIES AND FUND BALANCES

Liabilities:																
Accounts payable and accrued expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans payable	-	-	94	-	-	-	72,853	-	333	-	-	-	-	4,766	-	-
Total liabilities	-	-	94	-	-	-	72,853	-	333	-	-	-	-	15,331	-	-
Fund balances:																
Reserved for inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:																
Special revenues	2,470	537	12,568	-	229,594	3,651	(72,853)	-	(333)	271	4,000	(20,097)	(20,097)	8,349	-	
Total fund balances (deficit)	2,470	537	12,568	-	229,594	3,651	(72,853)	-	(333)	271	4,000	(20,097)	(20,097)	8,349	-	
Total liabilities and fund balances (deficit)	\$ -	537	12,562	-	229,594	3,651	-	-	-	271	4,000	-	-	8,349	-	

CITY OF BREWER, MAINE
 Nonmajor Special Revenue Funds
 Combining Balance Sheet, Continued
 June 30, 2009

	Thermal Imaging Camera	Recreation Banner Fund	Safety Committee Fund	Performance Bonds Payable	Technical Review Payable	MIMA Grant Fund	EPA Brownfield Rev Loan	FHWA Route 15 Earmark	City Hall Rehab	Citizen Police Academy	Brewer Days	Children's Garden Fund
ASSETS												
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	18,673	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	24,217	-	-	-	-
Interfund loans receivable	-	9,065	22,113	18,402	80,094	6,320	39,607	-	-	-	-	14,154
Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	9,065	22,113	37,075	80,094	6,320	39,607	24,217	-	-	-	14,154
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable and accrued expenses	-	-	9,966	37,075	80,094	2,950	-	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	-	-	37,695	56,872	-	1,001	-
Total liabilities	-	-	9,966	37,075	80,094	2,950	-	37,695	56,872	-	1,001	-
Fund balances:												
Reserved for inventory	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:												
Special revenues	-	9,065	12,147	-	-	3,370	39,607	(13,478)	(56,872)	-	(1,001)	14,154
Total fund balances (deficit)	-	9,065	12,147	-	-	3,370	39,607	(13,478)	(56,872)	-	(1,001)	14,154
Total liabilities and fund balances (deficit)	\$ -	9,065	22,113	37,075	80,094	6,320	39,607	24,217	-	-	-	14,154

CITY OF BREWER, MAINE
 Nonmajor Special Revenue Funds
 Combining Balance Sheet, Continued
 June 30, 2009

	School Department											Total		
	City Small Grants & Programs	FEMA 05 Storm	Small Business Program	Winterfest	Stream Cleanup	Flags In Brewer	Recognition Coins	Fire Museum	Food Service Fund	Grants Fund	Summer Program		Co-Op Program	Drivers Education Tuition
ASSETS														
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	13,175
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	18,673
Accounts receivable	-	-	-	-	-	-	-	-	1,436	-	-	-	-	1,436
Due from other governments	4,669	-	-	-	-	-	-	-	17,490	-	-	-	-	46,376
Interfund loans receivable	-	30,082	351	250	1,720	2,920	224	1,000	-	55,924	-	-	-	530,585
Inventory	-	-	-	-	-	-	-	-	11,387	-	-	-	-	11,387
Total assets	\$ 4,669	30,082	351	250	1,720	2,920	224	1,000	30,313	55,924	-	-	-	621,632
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts payable and accrued expenses	-	-	-	-	-	-	-	-	6,440	21,767	-	-	-	163,058
Interfund loans payable	310	-	-	-	-	-	-	-	39,314	-	-	-	-	223,803
Total liabilities	310	-	-	-	-	-	-	-	45,754	21,767	-	-	-	386,861
Fund balances:														
Reserved for inventory	-	-	-	-	-	-	-	-	11,387	-	-	-	-	11,387
Unreserved, reported in:														
Special revenues	4,359	30,082	351	250	1,720	2,920	224	1,000	(26,828)	34,157	-	-	-	223,384
Total fund balances (deficit)	4,359	30,082	351	250	1,720	2,920	224	1,000	(15,441)	34,157	-	-	-	234,771
Total liabilities and fund balances (deficit)	\$ 4,669	30,082	351	250	1,720	2,920	224	1,000	30,313	55,924	-	-	-	621,632

CITY OF BREWER, MAINE
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the year ended June 30, 2009

	1995 Economic Development	Centennial Prints Contributions	Centennial Memorabilia Fund	Drug Education Reserve	Police Asset Forfeiture	Fire Equipment Reserve	Assistance to Firefighters Grant	Tennis Court & Track Maintenance	MMWMA Recycling Grant	Pendleton Street Track	CDBG Housing Grant	CDBG Housing Rehab Grant	CDBG Shurtleff Road
Revenues:													
Intergovernmental	\$ -	-	-	-	-	-	29,569	-	-	-	-	124,957	-
Lunch program	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment income	-	6	156	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	121,766	331	68,000	-	-	-	-	30,272	-
Total revenues	-	6	156	-	121,766	331	97,569	-	-	-	-	155,229	-
Expenditures:													
Educational programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Lunch program	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration	-	-	-	-	-	-	-	-	-	-	-	185,673	-
Unclassified	-	-	35	-	2,251	3,824	170,422	-	-	-	-	-	6,992
Total expenditures	-	-	35	-	2,251	3,824	170,422	-	-	-	-	185,673	6,992
Excess (deficiency) of revenues over (under) expenditures	-	6	121	-	119,515	(3,493)	(72,853)	-	-	-	-	(31,444)	(6,992)
Other financing uses:													
Transfers to other funds	-	-	-	(4,655)	-	7,030	-	(3,951)	-	-	-	-	-
Total other financing uses	-	-	-	(4,655)	-	7,030	-	(3,951)	-	-	-	-	-
Net change in fund balances	-	6	121	(4,655)	119,515	3,537	(72,853)	(3,951)	-	-	-	(31,444)	(6,992)
Fund balances (deficit), beginning of year	2,470	531	12,447	4,655	110,079	114	-	3,951	(333)	271	4,000	11,347	15,941
Fund balances (deficit), end of year	\$ 2,470	537	12,568	-	229,594	3,651	(72,853)	-	(333)	271	4,000	(20,097)	8,949

CITY OF BREWER, MAINE
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
 For the year ended June 30, 2009

	Thermal Imaging Camera	Recreation Banner Fund	Safety Committee Fund	Performance Bonds Payable	Technical Review Payable	MIMA Grant Fund	EPA Brownfield Rev Loan	FHWA Route 15 Earmark	City Hall Rehab	Citizen Police Academy	Brewer Days	Children's Garden Fund
Revenues:												
Intergovernmental	-	-	-	-	-	7,103	537,045	-	-	-	-	-
Lunch program	-	-	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	5,300	5,000	-	-	1,100	41,250	73,506	-	-	4,610	-
Total revenues	-	5,300	5,000	-	-	8,203	578,295	73,506	-	-	4,610	-
Expenditures:												
Educational programs	-	-	-	-	-	-	-	-	-	-	-	-
Lunch program	-	-	-	-	-	-	-	-	-	-	-	-
Administration	-	-	-	-	-	-	-	-	-	-	-	-
Unclassified	-	3,898	1,950	-	-	5,209	552,018	86,984	23,827	2,758	3,866	-
Total expenditures	-	3,898	1,950	-	-	5,209	552,018	86,984	23,827	2,758	3,866	-
Excess (deficiency) of revenues over (under) expenditures	-	1,402	3,050	-	-	2,994	26,277	(13,478)	(23,827)	(2,758)	744	-
Other financing uses:												
Transfers to other funds	(7,030)	-	-	-	-	-	-	-	-	-	-	-
Total other financing uses	(7,030)	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	(7,030)	1,402	3,050	-	-	2,994	26,277	(13,478)	(23,827)	(2,758)	744	-
Fund balances (deficit), beginning of year	7,030	7,663	9,097	-	-	376	13,330	-	(33,045)	2,758	(1,745)	14,154
Fund balances (deficit), end of year	\$ -	9,065	12,147	-	-	3,370	39,607	(13,478)	(56,872)	-	(1,001)	14,154

CITY OF BREWER, MAINE
 Notimajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
 For the year ended June 30, 2009

	City Small Grants & Programs	FEMA 05 Storm	Small Business Program	Winterfest	Stream Cleanup	Flags In Brewer	Recognition Coins	Fire Museum	Food Service Fund	School Department					Total	
										Grants Fund	Summer Program	Co-Op Program	Drivers Education Tuition	Nonmajor Special Revenue Funds		
Revenues:																
Intergovernmental	\$ 12,067	-	-	-	-	-	-	-	240,400	885,189	-	-	-	-	-	1,836,330
Lunch program	-	-	-	-	-	-	-	-	397,522	-	-	-	-	-	-	397,522
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	162	
Other income	1,048	-	-	250	3,150	-	150	1,000	-	37,123	-	-	-	-	393,856	
Total revenues	13,115	-	-	250	3,150	-	150	1,000	637,922	922,312	-	-	-	-	2,627,870	
Expenditures:																
Educational programs	-	-	-	-	-	-	-	-	-	943,643	10,570	35,356	9,741	-	999,310	
Lunch program	-	-	-	-	-	-	-	-	622,889	-	-	-	-	-	622,889	
Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	185,673	
Unclassified	11,893	16,047	-	2,785	3,065	-	1,026	-	-	-	-	-	-	-	898,850	
Total expenditures	11,893	16,047	-	2,785	3,065	-	1,026	-	622,889	943,643	10,570	35,356	9,741	-	2,707,722	
Excess (deficiency) of revenues over (under) expenditures	1,222	(16,047)	-	(2,535)	85	-	(876)	1,000	15,033	(21,331)	(10,570)	(35,356)	(9,741)	-	(79,852)	
Other financing uses:																
Transfers to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,606)	
Total other financing uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,606)	
Net change in fund balances	1,222	(16,047)	-	(2,535)	85	-	(876)	1,000	15,033	(21,331)	(10,570)	(35,356)	(9,741)	-	(88,458)	
Fund balances (deficit), beginning of year	3,137	46,129	351	2,785	1,635	2,920	1,100	-	(30,474)	55,488	10,570	35,356	9,741	-	323,229	
Fund balances (deficit), end of year	\$ 4,359	30,082	351	250	1,720	2,920	224	1,000	(15,441)	34,157	-	-	-	-	234,771	

CITY OF BREWER, MAINE
City Small Grants and Programs
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2009

	Fund balances beginning of year	Revenues			Expenditures	Fund balances end of year
		Intergovernmental	Other miscellaneous			
Economic Development:						
CDBG EFP Planning Grant	\$ 272	-	-	-		272
Police:						
Seat Belt Enforcement Grant	-	2,741	-	2,741		-
Bulletproof vest program	-	3,375	-	3,375		-
Overtime	-	-	1,048	1,048		-
Police Canine Program	1,080	-	-	-		1,080
Fire:						
Forestry Grants	(1,143)	3,700	-	2,557		-
Training & Education	1,384	-	-	1,384		-
Library:						
Summer Reading Program	948	-	-	-		948
Rudman Book Club	396	-	-	396		-
Other:						
Gates Opportunity Grant	-	901	-	-		901
Bangor Health & Wellness Grant	-	1,000	-	-		1,000
Brewer Kiwanis Grant	200	350	-	392		158
Totals	\$ 3,137	12,067	1,048	11,893		4,359

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds - School Grants
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2009

	Fund balances beginning of year	Revenues	Expenditures	Fund balances end of year
Federal Programs:				
ARRA	\$ -	162,648	162,648	-
ARRA - Medicaid	-	8,152	-	8,152
Title 1A - Disadvantaged	7,245	265,639	272,884	-
Title V	2,503	-	2,503	-
Local Entitlement	(8,041)	334,427	332,675	(6,289)
Preschool	1,055	6,305	5,616	1,744
Title IV - Safe and Drug Free	4,840	7,229	8,015	4,054
Title II - Improving Teacher Quality	25,150	97,456	120,433	2,173
Title IID - Technology	(116)	3,333	3,096	121
Capacity Building Grant	550	-	-	550
Total Federal programs	33,186	885,189	907,870	10,505
State and Local Programs:				
State:				
Tech Literacy Challenge Fund	1,066	-	1,066	-
PPPD Grant	87	-	87	-
Local:				
Heddericg Field	328	-	328	-
Promising Futures	4,371	-	4,371	-
Silicon Valley	2,008	-	2,008	-
EMTC Tech Prep	874	-	874	-
UMO Tech Prep	1,000	-	1,000	-
UMO Sports Done Right	876	-	147	729
Friends of Brewer	11,601	11,143	11,768	10,976
Build a Foundation	(5,923)	5,923	-	-
Construction Fund	-	10,000	5,170	4,830
Maine Career Advantage	68	-	68	-
Skin Cancer Grant	24	-	24	-
Arts and Education Grant	4,537	-	-	4,537
Summer Special Ed Program	(6,244)	6,244	-	-
Hannaford	-	1,313	-	1,313
Wal-Mart Literacy Grant	426	-	-	426
BMS Health	200	-	200	-
Wal-Mart ROTC	500	-	-	500
Wal-Mart WSS	-	1,000	-	1,000
School Matters Grant	2,091	1,500	3,591	-
JROTC	4,412	-	5,071	(659)
Total State and local programs	22,302	37,123	35,773	23,652
Totals	\$ 55,488	922,312	943,643	34,157

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Capital project funds are established to account for resources obtained and expended for the acquisition of major capital facilities other than those employed in the delivery of services accounted for in enterprise funds.

CITY OF BREWER, MAINE
Nonmajor Capital Projects Fund
Balance Sheet
June 30, 2009

		Impact Fee Fund
<hr/>		
ASSETS		
Interfund loans receivable	\$	264,605
<hr/>		
Total assets	\$	264,605
<hr/>		
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable		-
<hr/>		
Total liabilities		-
<hr/>		
Fund balances:		
Unreserved - designated		264,605
<hr/>		
Total fund balances		264,605
<hr/>		
Total liabilities and fund balances	\$	264,605
<hr/>		

CITY OF BREWER, MAINE
Nonmajor Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2009

		Impact Fee Fund
Revenues:		
Local sources	\$	35
Total revenues		35
Expenditures:		
Capital outlay		15,858
Total expenditures		15,858
Net change in fund balances		(15,823)
Fund balances, beginning of year		280,428
Fund balances, end of year	\$	264,605

CITY OF BREWER, MAINE
Capital Improvements Program
Schedule of Changes in Fund Balances
For the year ended June 30, 2009

	Fund balances (deficit) beginning of year	Revenue	Transfers/ reencumbered	Expenditures	Transfers from (to) unallocated	Fund balances (deficit) end of year
Capital Improvements Programs:						
City Hall/Other:						
Finance computer software	\$ 11,873	-	-	3,994	-	7,879
Bond financing costs	20,961	-	-	9,139	-	11,822
City Hall infrastructure	9,454	-	15,000	11,823	-	12,631
Library improvements	-	-	28,000	28,867	867	-
Library lighting efficiency	-	-	8,200	8,065	(135)	-
Tech Computer Hardware	-	-	10,000	9,045	-	955
Finance computer hardware	-	-	20,000	16,578	-	3,422
Energy efficient equipment & improvements	-	-	20,000	2,108	-	17,892
Brewer - Orrington Business Park	217,230	-	-	95,464	-	121,766
Total City Hall/other	259,518	-	101,200	185,083	732	176,367
Waterfront Development:						
Property acquisitions	-	170,000	-	277	-	169,723
Youth waterfront projects	5,000	-	-	-	-	5,000
Waterfront trail	113,352	-	-	-	-	113,352
Landscaping/public improvements	6,599	-	-	3,869	-	2,730
Shore stabilization	177,323	541,429	-	768,950	-	(50,198)
Public parking	170,000	-	-	-	-	170,000
Center Street pedestrian mall	42,000	-	-	-	-	42,000
Total waterfront development	514,274	711,429	-	773,096	-	452,607
Public Safety:						
Police vehicles	1,342	1,325	26,500	26,434	-	2,733
Public safety building	2,732,384	-	4,000	2,807,366	-	(70,982)
Fire staff vehicle	16,000	-	-	19,167	3,167	-
Public safety computer server	5,757	-	-	1,075	(4,682)	-
Total public safety	2,755,483	1,325	30,500	2,854,042	(1,515)	(68,249)
Public Works:						
Paving	134,847	160,000	-	128,640	-	166,207
Landfill area closing	263,819	-	(135,000)	-	-	128,819
Landfill sloping	9,726	-	-	-	-	9,726
Landfill remediation	-	-	150,000	-	-	150,000
Public Works garage cold storage	12,460	-	-	8,318	(4,142)	-
General road construction	45,215	35,000	-	46,883	-	33,332
Cold planner replacement	16,000	-	(16,000)	-	-	-
Wilson Street widening	14,182	-	-	-	-	14,182
BACTS construction project	7,882	-	-	-	-	7,882
Eastern Ave. reconstruction	97,000	-	-	-	-	97,000
Century Street extension	23,052	-	-	-	-	23,052
Green Point Road reconstruction	-	-	-	11	11	-
Wintergreen Way Improvements	(7,082)	-	-	-	-	(7,082)
Jefferson Street sewer repairs	38,842	-	-	-	-	38,842
Parkway South resurface	-	37,000	-	-	-	37,000
Sparks Avenue reconstruction	-	75,000	-	6,112	-	68,888
N. Main Street improvements - MDOT	-	-	6,000	-	-	6,000
N. Main Street improvements - City share	-	-	15,000	-	-	15,000
City Hall Parking lot	-	30,000	-	-	-	30,000
Eastern Avenue Felts Brooks improvements	-	375,000	-	1,100	-	373,900
Day Road	-	40,000	-	-	-	40,000
Dam removal	-	-	-	576	-	(576)
Leachate pump line	-	-	9,000	-	-	9,000
Ford pick-up	-	-	23,000	20,733	(2,267)	-
Sterling sand/plow	-	106,500	-	113,418	6,918	-
Skidster Loaders	-	58,000	16,000	72,892	(1,108)	-
Gravel trailer	-	35,000	-	-	-	35,000
Total public works	655,943	951,500	68,000	398,683	(588)	1,276,172

CITY OF BREWER, MAINE
Capital Improvements Program
Schedule of Changes in Fund Balances, Continued
For the year ended June 30, 2009

	Fund balances (deficit) beginning of year	Revenue	Transfers/ reencumbered	Expenditures	Transfers from (to) unallocated	Fund balances (deficit) end of year
Parks and Recreation:						
Oak Hill erosion control	\$ 10,000	-	-	1,500	-	8,500
Maple Street remediation	12,000	-	-	-	-	12,000
Eastern playground	10	25,000	-	1,450	-	23,560
Doyle Field fence	1,429	-	-	1,349	(80)	-
Pendleton Rink	-	70,000	-	-	-	70,000
Auditorium parking lot	-	90,000	-	-	-	90,000
Auditorium gym floor refinish	8,750	-	-	-	-	8,750
Auditorium doors, windows, entrance	-	15,000	-	9,802	-	5,198
Auditorium walkway	8,369	-	-	22,068	13,699	-
Auditorium roof replacement	1,295	-	-	-	-	1,295
Fling Street fence replacement	-	-	5,000	4,071	(929)	-
Pool rehab	-	-	9,000	9,000	-	-
4 x 4 Diesel pick-up	-	29,000	-	32,898	3,898	-
72" riding mower	-	-	16,000	9,200	(6,800)	-
Copier	-	-	5,000	3,595	(1,405)	-
Auditorium heating software	-	-	6,500	5,521	(979)	-
Total parks and recreation	41,853	229,000	41,500	100,454	7,404	219,303
Subtotal projects	4,227,071	1,893,254	241,200	4,311,358	6,033	2,056,200
CIP - Unallocated	464,362	30,823	-	241,200	(6,033)	247,952
Tax Increment Financing Projects	-	1,328,176	-	881,285	-	446,891
Subtotal non-impact fee CIP	4,691,433	3,252,253	241,200	5,433,843	-	2,751,043
Impact Fee Projects:						
Parallel Road	110,896	-	-	15,363	-	95,533
Signal Coordination	85,282	-	-	-	-	85,282
Signal Preemption	28,582	-	-	-	-	28,582
Pierce Road relocation and signal	94,980	-	-	-	-	94,980
Wilson/Parkway South intersection	19,876	-	-	-	-	19,876
State and Washington intersection	19,068	-	-	-	-	19,068
City bus transit	15,779	-	-	-	-	15,779
Set up and administrative costs	16,205	35	-	495	-	15,745
Sewer	(240)	-	-	-	-	(240)
Water	-	-	-	-	-	-
Transfers	(110,000)	-	-	-	-	(110,000)
Total impact fee projects	280,428	35	-	15,858	-	264,605
Totals	\$ 4,971,861	3,252,288	241,200	5,449,701	-	3,015,648

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

CITY OF BREWER, MAINE
 Combining Balance Sheet
 Nonmajor Permanent Funds

June 30, 2009

(with comparative totals for June 30, 2008)

	Cemetery Trust	Elsie Olmstead Library	Ministerial and School Funds	Jefferts Educational Fund	Wallace Witham Fund	Woodlawn			Totals			
						Revolving Cemetery Fund	Veteran's Memorial Fund	Robertson Memorial Fund	2009	2008		
ASSETS												
Cash and cash equivalents	\$ 73,875		-	-	-	-	-	-	-	-	73,875	68,825
Investments	351,202	5,907	1,115	5,075	342	6,959	-	-	-	-	370,600	394,468
Interfund loans receivable	-	-	-	-	-	-	-	4,599	2,000	-	6,599	-
Total assets	\$ 425,077	5,907	1,115	5,075	342	6,959	4,599	2,000	451,074	463,293		
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts payable	-	-	-	-	-	-	-	-	213	-	213	800
Interfund loans payable	108,247	-	-	-	-	-	-	-	-	-	108,247	121,249
Total liabilities	108,247	-	-	-	-	-	-	-	213	-	108,460	122,049
Fund balances:												
Undesignated	4,949	5,907	1,115	5,075	342	6,959	4,386	2,000	30,733	29,363	311,881	311,881
Principal	311,881	-	-	-	-	-	-	-	-	-	342,614	341,244
Total fund balances	316,830	5,907	1,115	5,075	342	6,959	4,386	2,000	342,614	341,244		
Total liabilities and fund balances	\$ 425,077	5,907	1,115	5,075	342	6,959	4,599	2,000	451,074	463,293		

CITY OF BREWER, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2009
(with comparative totals for June 30, 2008)

	Cemetery Trust	Elsie Olmstead Library	Ministerial and School Funds	Jeffers Educational Fund	Wallace Witham Fund	Woodlawn			Veteran's Memorial Fund	Robertson Memorial Fund	Totals	
						Cemetery Fund	Revolving Fund	Woodlawn Fund			2009	2008
Revenues:												
Contributions	\$ 4,230	-	-	-	-	-	-	7,726	-	-	11,956	-
Investment income	3,712	19	41	32	2	164	-	-	2,000	-	5,970	20,002
Total revenues	7,942	19	41	32	2	164	-	7,726	2,000	-	17,926	20,002
Expenditures:												
Cemetery care	-	-	-	-	-	-	-	-	-	-	-	15,000
Other	4,847	33	10	283	3	40	40	3,340	-	-	8,556	5,559
Total expenditures	4,847	33	10	283	3	40	40	3,340	-	-	8,556	20,559
Excess (deficiency) of revenues over (under) expenditures	3,095	(14)	31	(251)	(1)	124	(1)	4,386	2,000	-	9,370	(557)
Other financing uses:												
Transfers to other funds	(8,000)	-	-	-	-	-	-	-	-	-	(8,000)	-
Total other financing uses	(8,000)	-	-	-	-	-	-	-	-	-	(8,000)	-
Net change in fund balances	(4,905)	(14)	31	(251)	(1)	124	(1)	4,386	2,000	-	1,370	(557)
Fund balances, beginning of year	321,735	5,921	1,084	5,326	343	6,835	-	-	-	-	341,244	341,801
Fund balances, end of year	\$ 316,830	5,907	1,115	5,075	342	6,959	4,386	2,000	2,000	-	342,614	341,244

AGENCY FUNDS

CITY OF BREWER, MAINE
Agency Funds
Statement of Additions, Deductions and Changes in Balances
For the year ended June 30, 2009

		Balances beginning of year	Additions	Deductions	Balances end of year
Activity funds:					
Brewer High School Student Activities	\$	127,248	310,821	317,208	120,861
Brewer Middle School Student Activities		25,061	27,937	36,378	16,620
Capri Street School		5,743	2,602	3,822	4,523
Washington Street School		3,953	15,179	11,778	7,354
State Street School		8,131	13,895	15,674	6,352
Children's fund		39,091	55,827	46,651	48,267
Superintendent's Office		2,109	2,520	2,100	2,529
Total	\$	211,336	428,781	433,611	206,506

SCHEDULE

CITY OF BREWER
School Department - General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2009
(with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance positive (negative)	2008 Actual
	Budget	Actual		
Revenues:				
State education subsidy--school	\$ 7,130,909	6,968,261	(162,648)	7,018,156
State agency clients	143,000	54,812	(88,188)	52,761
Medicaid reimbursement	60,000	203,479	143,479	221,250
District assessments	3,231,500	3,108,729	(122,771)	3,550,855
Local sources	185,600	250,368	64,768	156,066
Other financing sources:				
City appropriation	5,668,613	5,668,613	-	5,311,664
Budgeted use of fund balance	650,000	-	(650,000)	-
Total revenues and other financing sources	17,069,622	16,254,262	(815,360)	16,310,752
Expenditures:				
Regular instruction	7,849,236	7,322,031	527,205	7,306,938
Special education instruction	2,894,013	2,767,729	126,284	2,726,648
Career and technical education	155,315	155,315	-	195,371
Other instruction	788,675	692,795	95,880	724,218
Student and staff support	1,289,059	1,231,614	57,445	1,186,256
System administration	549,232	476,005	73,227	524,141
School administration	899,157	888,097	11,060	895,872
Transportation and buses	396,123	409,312	(13,189)	392,645
Facilities maintenance	1,751,763	1,626,593	125,170	1,360,096
Debt service and other commitments	445,974	441,662	4,312	459,452
All other expenditures	51,075	54,086	(3,011)	135,014
Total expenditures	17,069,622	16,065,239	1,004,383	15,906,651
Net change in fund balances - budgetary basis	-	189,023	189,023	404,101
Reconciliation to GAAP:				
Change in accrued summer salaries		(116,147)		(69,265)
Net change in fund balances - GAAP basis		72,876		334,836
Fund balance, beginning of year		335,941		1,105
Fund balance, end of year	\$	408,817		335,941