

Joint Agency Subcommittee

Budget Workshop

FY 2014

**Wednesday, March 13, 2013 @ 5:30 p.m.
(Lewiston City Hall)**

**Thursday, March 14, 2013 @ 5:30 p.m.
(Lewiston City Hall)**

**Agencies Funded Jointly
by
City of Lewiston and City of Auburn**

- **Lewiston-Auburn Transit Committee (LATC)**
- **Auburn-Lewiston Airport**
- **Lewiston-Auburn Economic Growth Council (LAEGC)**
- **L/A Arts**
- **Lewiston-Auburn 911 Communication Center**
- **Great Falls TV**

Joint Agency Budget Committee Organization and Process

Mission/Purpose

The mission of the Joint Agency Budget Committee is to

- Review and evaluate the budgets and work plans submitted by agencies jointly funded by Lewiston and Auburn;
- Presenting a funding recommendation to the respective Councils including, where appropriate, recommendations for program/operational changes that will improve financial performance;
- Upon request, meet to review any differences of opinion between the governing bodies of Lewiston and Auburn and present a recommendation to the Councils as to how it might be resolved.

Composition

The committee will be comprised of 4 members: 2 councilors from each community appointed by the respective Mayors. A Chair Person shall be selected for each meeting, with the position of Chair alternating between communities. The Councilors representing the community that will provide the chair for the meeting shall designate the individual to serve as chair. Auburn shall chair the first meeting in even years; Lewiston in odd years.

TERM

The term of members appointed to the Committee shall be for a single budget year. Should the cities wish to continue the Committee in future years, new appointments must be made; however, members who have served on the prior year's committee shall be eligible to be appointed to the committee for subsequent years.

STAFF SUPPORT

The City Manager of Auburn and the City Administrator of Lewiston, along with the respective Finance Directors, shall provide staff support to the committee.

MEETINGS

The Committee shall establish the times and places of its meetings, taking care to meet periodically in each community. Meetings shall be open to the public and notice of such meetings shall be posted by the respective City Clerks.

REPORT

The Committee shall prepare and provide to the elected officials of both communities a report outlining its recommendations as to the appropriate level at which each agency should be funded. This report shall be provided sufficiently in advance to allow its recommendations to

be reviewed prior to the respective governing bodies adopting a final budget for the coming year.

PARTICIPATION OF OTHER COUNCILORS

All members of the respective governing bodies in attendance at any meeting of the Committee shall be provided the privilege of participating in the meeting through asking questions and engaging in discussion; however, only the designated members of the Committee shall have a vote.

Any Councilor designated as a city's formal representative to the governing body of a joint agency shall be notified of the place, date, and time that agency's budget will be considered and offered the opportunity to appear before the Committee and participate in its discussions.

RECOMMENDATIONS NOT BINDING

The recommendations of the Committee shall be advisory to the respective governing bodies, and each Council shall retain the right to make further budget adjustments and to meet separately with individual agencies to seek additional information regarding their budgets and work plans.

DISAGREEMENTS BETWEEN COUNCILS

In the event that the City Councils fail to agree on the funding level of any agency, either Council may request that the Committee meet to review the disagreement and make a recommendation for its resolution.

Summary of Jointly Funded Agency Requests

| 3/7/2013 | | FY 2014 Budget Request | FY 2013 Funding | FY 2013 Requested | Previous Funding Authorizations | | | |
|----------|--|------------------------|---------------------|---------------------|---------------------------------|---------------------|---------------------|--|
| | | | | | 2012 | 2011 | 2010 | |
| 1 | Auburn-Lewiston Airport | | | | | | | |
| | Lewiston Share \$ | 200,000 | \$ 105,000 | \$ 105,000 | \$ 106,750 | \$ 139,250 | \$ 153,250 | |
| | Auburn Share \$ | 200,000 | \$ 105,000 | \$ 105,000 | \$ 106,750 | \$ 139,250 | \$ 153,250 | |
| 2 | L/A Arts | | | | | | | |
| | Lewiston Share \$ | 23,960 | \$ 23,960 | \$ 23,960 | \$ 23,960 | \$ 23,960 | \$ 23,960 | |
| | Auburn Share \$ | 20,160 | \$ - | \$ 20,160 | \$ 20,160 | \$ 20,161 | \$ 20,161 | |
| 3 | Great Falls TV | | | | | | | |
| | Lewiston Share \$ | 75,024 | \$ 75,024 | \$ 75,024 | \$ 75,920 | \$ - | *1 \$ 76,020 | |
| | Auburn Share \$ | 55,962 | \$ 55,962 | \$ 55,000 | \$ 55,962 | \$ - | *1 \$ 50,351 | |
| 4 | L/A Transit Committee | | | | | | | |
| | Lewiston Share \$ | 235,373 | \$ 235,496 | \$ 224,041 | \$ 207,779 | \$ 176,362 | \$ 130,000 | |
| | Auburn Share \$ | 235,373 | \$ 235,496 | \$ 224,041 | \$ 207,779 | \$ 176,362 | \$ 130,000 | |
| 7 | Lew-Aub 911 Communication Center | | | | | | | |
| | Lewiston Share \$ | 1,042,899 | \$ 1,035,381 | \$ 1,034,931 | \$ 968,347 | \$ 927,500 | \$ 937,500 | |
| | Auburn Share \$ | 1,042,899 | \$ 1,035,381 | \$ 1,034,931 | \$ 968,347 | \$ 927,500 | \$ 937,500 | |
| 6 | Lew-Aub Economic Growth Council | | | | | | | |
| | Lewiston Share \$ | 160,687 | \$ 160,687 | \$ 160,687 | \$ 160,687 | \$ 167,487 | \$ 186,429 | |
| | Auburn Share \$ | 160,687 | \$ 160,687 | \$ 160,687 | \$ 160,687 | \$ 167,487 | \$ 176,429 | |
| | Total Funding Requests | | | | | | | |
| | Lewiston Share \$ | 1,737,943 | \$ 1,635,548 | \$ 1,623,643 | \$ 1,543,443 | \$ 1,434,559 | \$ 1,507,159 | |
| | Auburn Share \$ | 1,715,081 | \$ 1,592,526 | \$ 1,599,819 | \$ 1,519,685 | \$ 1,430,760 | \$ 1,467,691 | |
| | Totals Lewiston & Auburn Combined | \$ 3,453,024 | \$ 3,228,074 | \$ 3,223,462 | \$ 3,063,128 | \$ 2,865,319 | \$ 2,974,850 | |

Note: *1 Great Falls TV made use of Available Fund Balance in 2011



Lewiston-Auburn Transit Committee

To: Councilor Mark Cayer
Councilor John Butler, Jr.
Ed Barrett, City Administrator
Heather Hunter, Finance Director

Councilor Tizz Crowley
Councilor Mary Lafontaine
Clint Deschene, City Manager
Jill Eastman, Director of Finance

FR: ^{MB} Marsha Bennett, Transit Coordinator
DT: March 6, 2013
RE: FY2014 Proposed Budget - Lewiston-Auburn Transit Committee

The FY2014 budget submitted for the Lewiston-Auburn Transit Committee (LATC) was approved by the committee on February 28, 2013. **LATC's FY2014 request per city is \$235,373, \$175 less than FY2013.**

Budget Highlights:

- LATC awarded a new three-year contract with Western Maine Transportation Services, Inc. (WMTS), effective October 1, 2013 (FY2014). WMTS' FY2014 cost proposal for fixed route and ADA is a 2.03% increase over FY2013. FY2015 and FY2016 will see a 1.47% and 1.48% increase, respectively.
- LATC is holding fuel at its FY2013 budget price of \$3.75/gallon, but increased the number of miles based on actual miles traveled.
- Ridership has continued to increase. LATC is projecting a 3% increase in fixed route fare box and a 7% increase in ADA fare box.
- The Bus Station and LATC Operating budget is slightly lower than last year. Line items that saw changes include a decrease \$1,000 for natural gas and a \$100 increase to the audit.
- LATC is having a successful year for advertising sales. Some of the advertising contracts that Alternate Transit Advertising (ATA) has secured for LATC will carry into FY2014. LATC is projecting a 25% increase in advertising revenue.
- LATC has set aside \$7,500 in reserves to provide local match for a 5-year Short Range Transit Plan Update to be completed in FY2014.

LATC's FY2014 funding request is based on the current level of service – full service Monday through Friday and limited service on Saturday. Last year, LATC submitted with their budget an additional budget for full Saturday service. To provide full Saturday service it would cost an additional \$107,242, of which Auburn and Lewiston would each be responsible for \$22,680.



Lewiston-Auburn Transit Committee Budget Presentation FY2014



COMMITTEE MEMBERS

Lewiston

Phil Nadeau, Deputy City Administrator, Chair
Craig Saddlemire, City Councilor
Lucy Bisson, Citizen
Christina Berry, Citizen-at-Large

Auburn

Belinda Gerry, City Councilor
Karen Veilleux, Executive Assistant
Vacant, Citizen



The Lewiston-Auburn Transit Committee owns the **citylink** bus system and contracts with Western Maine Transportation Services, Inc., for operations and vehicle maintenance of the fixed route system and for operations of the ADA Complementary Paratransit Service.

Hours of Operation:

citylink operates Monday through Friday between 6:00 AM to 6:15 PM (New Auburn to 6:47 PM) and a limited Saturday schedule between 9:15 AM to 5:45 PM.

Level of Service:

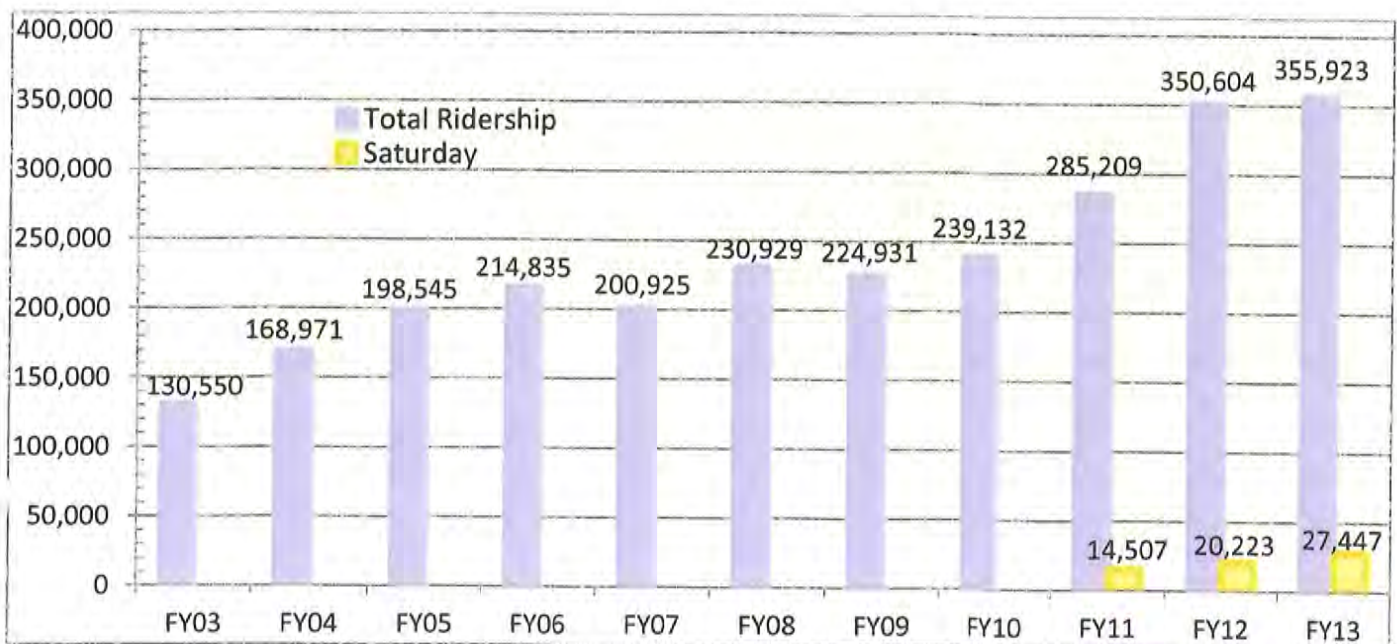
During weekdays **citylink** operates nine (9) bus routes with buses departing every 60 and 30 minutes. **citylink's** Saturday service consists of seven (7) bus routes with buses departing every two (2) hours (Main St., Sabattus St., Lisbon St. and New Auburn), 60 minutes (Auburn Malls and College Street) and 30 minutes (Mall Shuttle).

TRANSIT RIDERSHIP

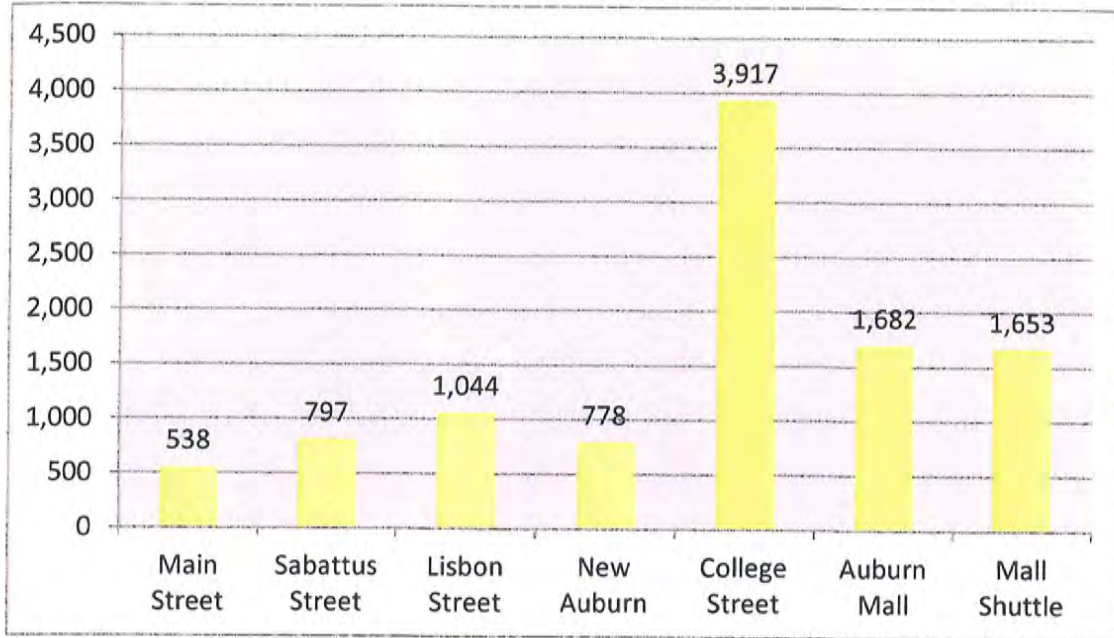
With the addition of expanded hours of weekday service and providing limited Saturday service, ridership has seen a significant increase over the past three years.

- * FY2013 – based on four-months of data, ridership is projected to increase 2%.
- * FY2012 - **citylink** ridership totaled 350,604 passenger trips, a 23% increase over FY2011.
- FY2011 – **citylink** ridership increased 19% over FY2010.
- * FY2012 – Saturday ridership averaged 388 daily passenger trips, totaling 20,223.
- * Municipal Beach – Approximately 700 passenger trips were made to and from Auburn’s Municipal Beach during the FY12 season.

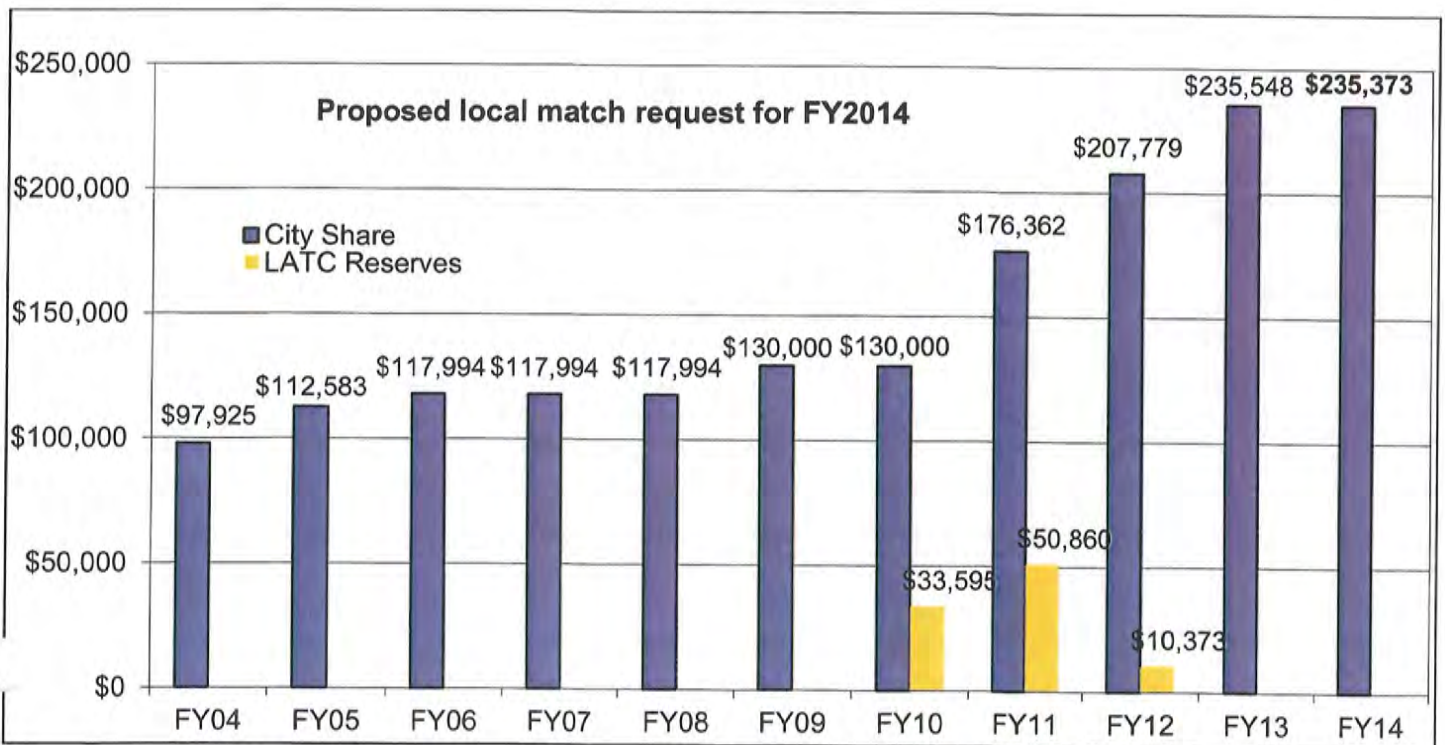
**citylink ridership
-FY2003 to FY2013 (Projected)-**



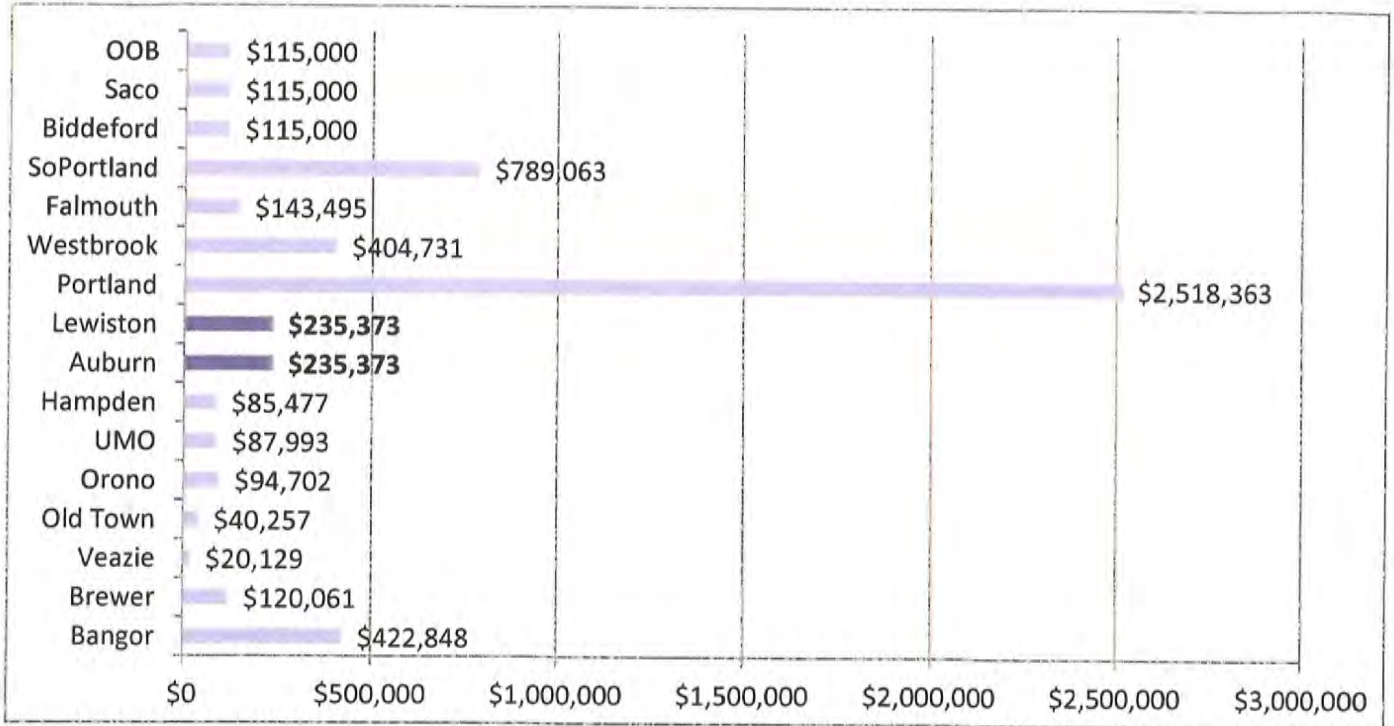
Saturday Ridership by Route (October 2012 – January 2013)



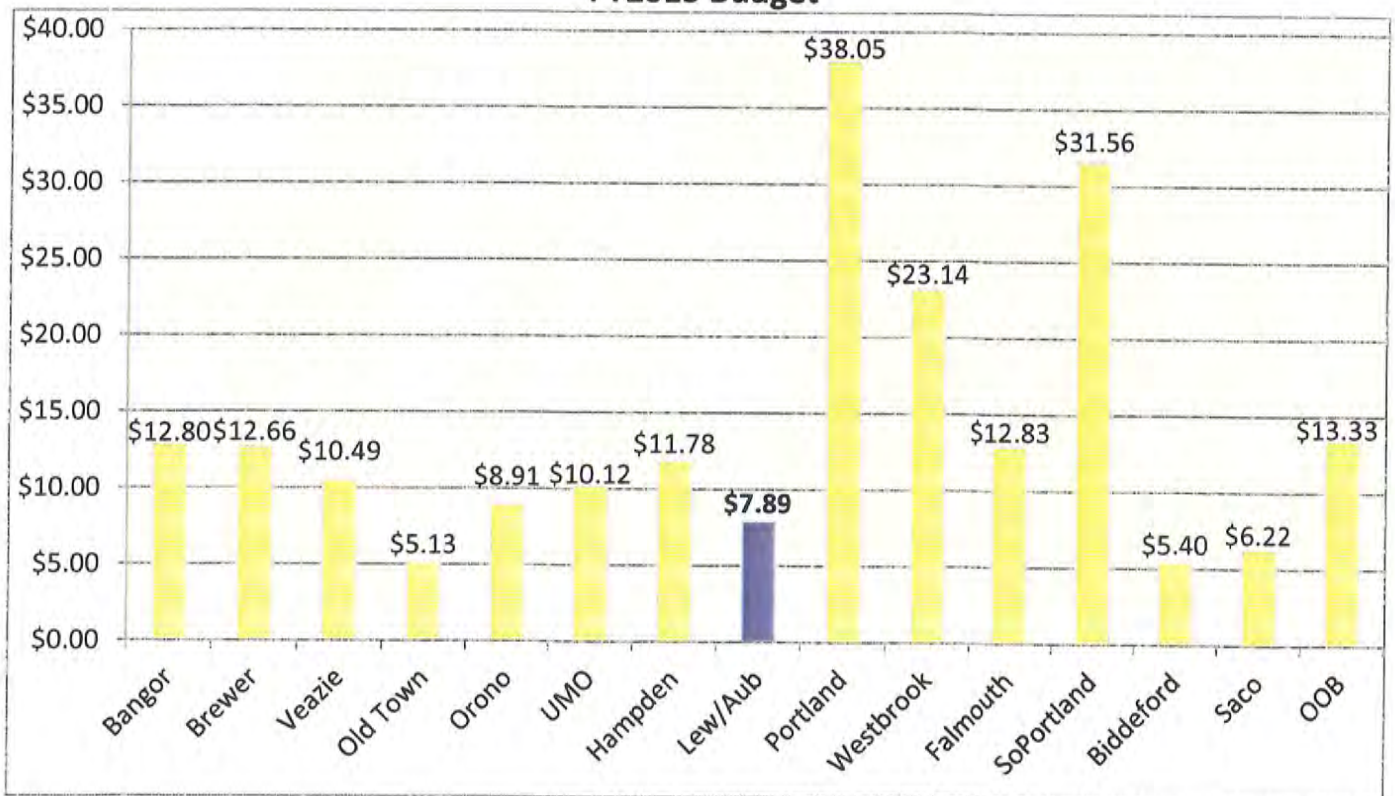
Local Share per City -FY2004 to FY2014-



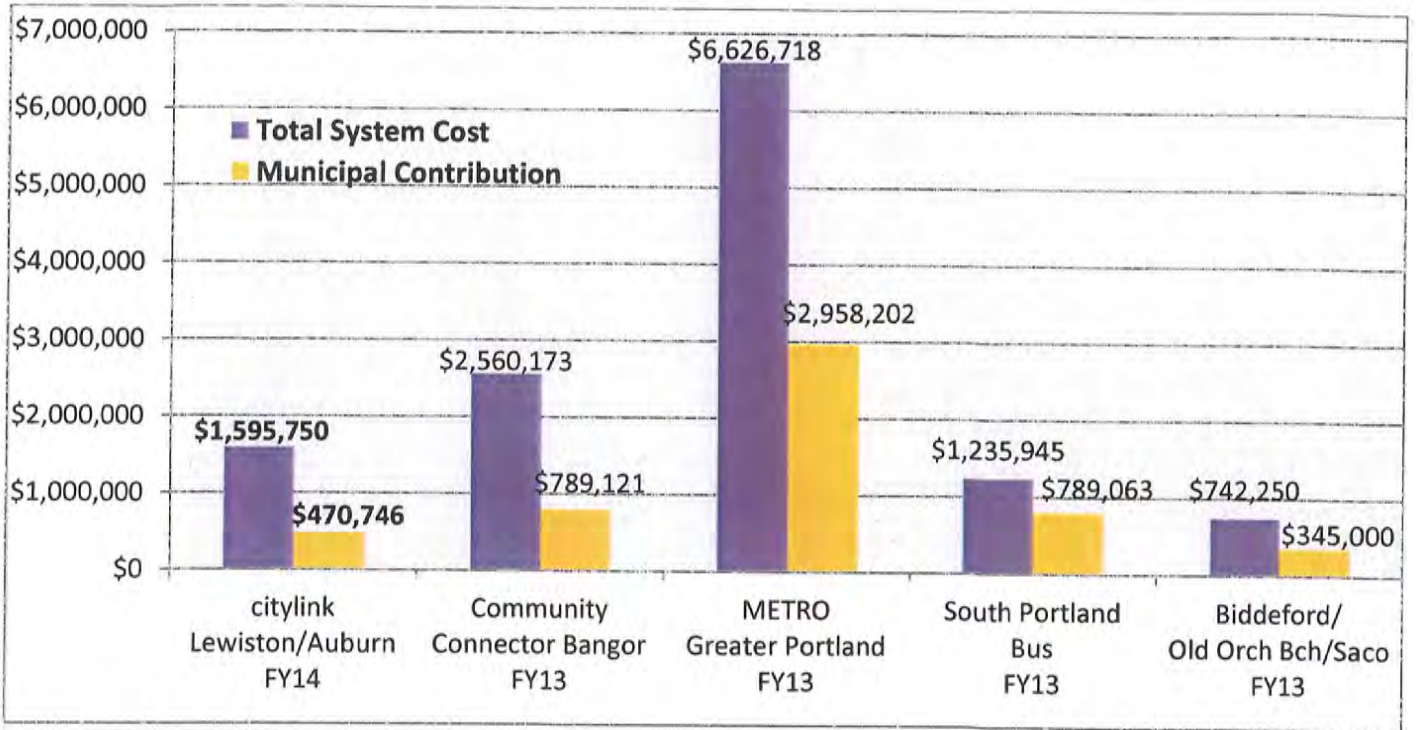
Municipal Contribution Comparison -FY2013-



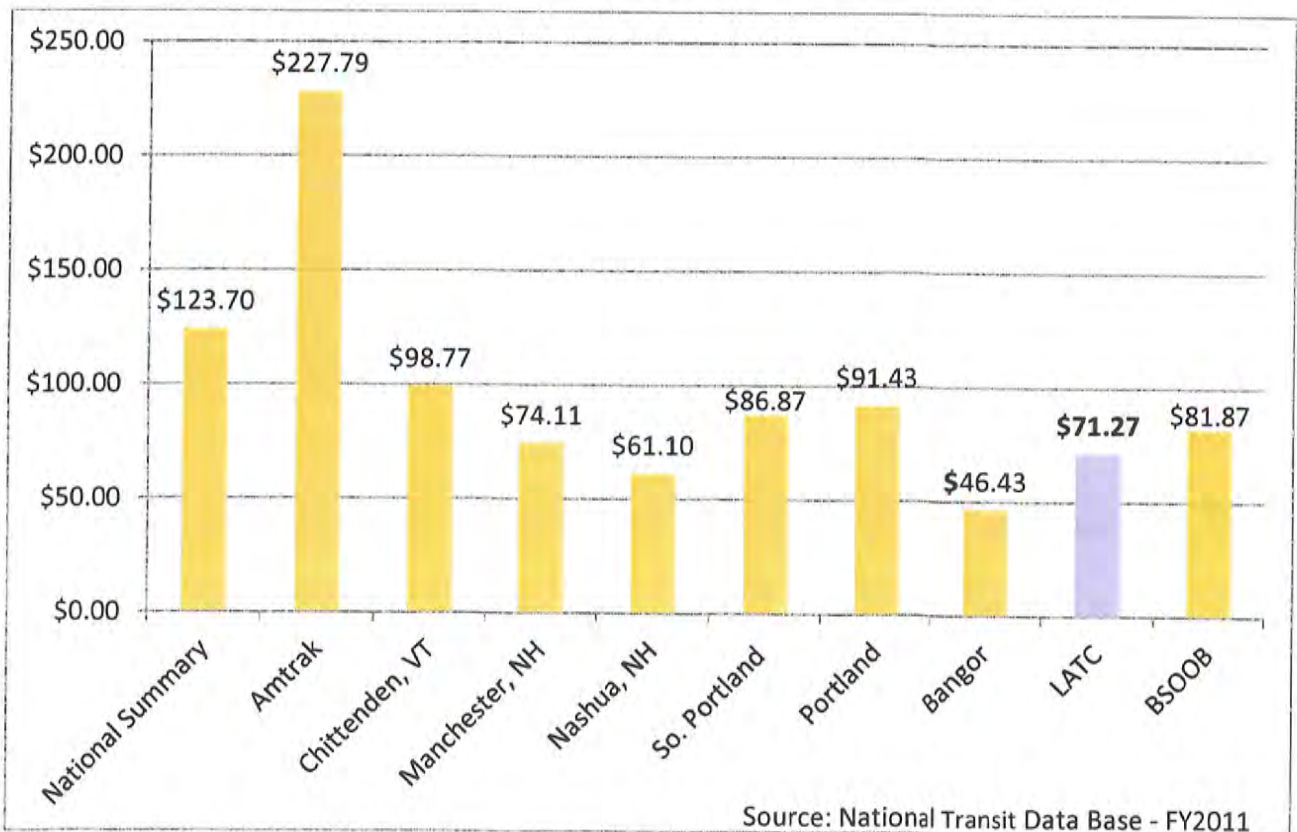
Local Funding per Capita FY2013 Budget



System Cost Comparison



System Comparison Cost per Revenue Hour



Lewiston-Auburn Transit Committee
FY 2014 Proposed Budget
- Fixed Route, ADA, Bus Station/LATC Operating

| | FY 2012 Actual | FY 2013 Approved | FY 2013 Projected Year End (9/30/2013) | FY 2014 Proposed |
|---------------------------------------|-------------------|---------------------|---|---------------------|
| Fixed Route | | | | |
| Expenses: | | | | |
| Contract | \$1,073,662 | \$1,142,900 | \$1,142,900 | \$1,162,600 |
| Fuel | \$191,126 | \$217,500 | \$217,500 | \$221,250 |
| Total Expense | \$1,264,788 | \$1,360,400 | \$1,360,400 | \$1,383,850 |
| Revenue: | | | | |
| Federal | \$669,215 | \$688,120 | \$677,696 | \$700,615 |
| State | \$48,439 | \$49,419 | \$49,419 | \$49,419 |
| Local | \$364,799 | \$439,861 | \$429,437 | \$445,816 |
| Fare Box | \$182,335 | \$183,000 | \$203,848 | \$188,000 |
| Total Revenue | \$1,264,788 | \$1,360,400 | \$1,360,400 | \$1,383,850 |
| ADA Complementary Paratransit: | | | | |
| Expenses: | | | | |
| Contract | \$142,800 | \$146,400 | \$146,400 | \$153,400 |
| Revenue: | | | | |
| Federal | \$90,706 | \$95,520 | \$93,062 | \$99,520 |
| State | \$0 | \$0 | \$0 | \$0 |
| Local | \$22,676 | \$23,880 | \$23,266 | \$24,880 |
| Fare Box | \$29,418 | \$27,000 | \$30,072 | \$29,000 |
| | \$142,800 | \$146,400 | \$146,400 | \$153,400 |
| Local Subsidy: | | | | |
| Bus Station/LATC Operating | -\$4,461 | \$3,500 | \$3,652 | \$50 |
| Fixed Route | \$364,799 | \$439,861 | \$429,437 | \$445,816 |
| ADA Comp. Paratransit | <u>\$22,676</u> | <u>\$23,880</u> | <u>\$23,266</u> | <u>\$24,880</u> |
| | \$383,014 | \$467,241 | \$456,354 | \$470,746 |
| Less Reserves | -\$32,544 | -\$3,855 | -\$14,742 | \$7,500 |
| Auburn | \$207,779 | \$235,548 | \$235,548 | \$235,373 |
| Lewiston | \$207,779 | \$235,548 | \$235,548 | \$235,373 |

| | | | | |
|--------------------------|-----------|-----------|-----------|-----------|
| Surplus/Deficit | \$32,544 | | | |
| Capital match | \$10,000 | | | |
| Capital match - Auburn | | \$40,000 | | \$40,000 |
| Capital match - Lewiston | | \$40,000 | | \$40,000 |
| Match for study | | | | \$7,500 |
| Net surplus/deficit | \$22,544 | | | |
| Available Reserves | \$78,262 | \$82,117 | \$93,004 | |
| One month expenses | \$117,299 | \$125,567 | \$125,567 | \$128,104 |

FY 2012 actual fuel was \$3.40/gallon, 56,269 gallons

FY 2013 fuel projected is based on \$3.75/gallon, 58,000 gallons with expanded Saturday

FY 2014 fuel projection is based on \$3.75/gallon, 59,000 gallons

| | | | | |
|------------------------|-------------|-------------|--|-----------|
| Total Federal Required | \$830,010 | \$858,340 | | \$874,385 |
| Federal Allocation | \$1,024,460 | \$1,020,378 | | \$945,912 |

Lewiston-Auburn Transit Committee
FY 2014 Final Budget
- Bus Station/LATC Operating -

| | FY 2012 Actual | FY 2013 Approved | FY 2013 Projected Year End (9/30/2013) | FY 2014 Proposed |
|-----------------------------------|--------------------|---------------------|---|---------------------|
| BUS STATION | | | | |
| Revenues: Rent | \$ - | \$ - | \$ - | \$ - |
| EXPENSES: | | | | |
| JANITORIAL | \$ 6,156 | \$ 7,500 | \$ 7,500 | \$ 7,500 |
| MAINTENANCE/REPAIRS | \$ 3,006 | \$ 6,000 | \$ 6,000 | \$ 6,000 |
| SUPPLIES - INCL. JANIT. | \$ 2,569 | \$ 2,000 | \$ 2,000 | \$ 2,000 |
| SNOW REMOVAL | \$ 5,030 | \$ 7,500 | \$ 7,500 | \$ 7,500 |
| RESTROOM RENTAL | \$ 1,260 | \$ 1,350 | \$ 1,350 | \$ 1,350 |
| UTILITIES: | | | | |
| GAS | \$ 2,438 | \$ 5,000 | \$ 4,500 | \$ 4,000 |
| ELECTRIC | \$ 3,727 | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| H2O/SEWER | \$ 637 | \$ 600 | \$ 600 | \$ 600 |
| INSURANCE | \$ 565 | \$ 600 | \$ 629 | \$ 600 |
| TOTAL | \$ 25,388 | \$ 34,550 | \$ 34,079 | \$ 33,550 |
| ITF DEFICIT: | \$ (25,388) | \$ (34,550) | \$ (34,079) | \$ (33,550) |
| LATC Operating | | | | |
| EXPENSES: | | | | |
| AVCOG - PLANNING/FIN. MEETINGS | \$ 13,435 | \$ 13,000 | \$ 13,000 | \$ 13,000 |
| ADVERTISING/MARKETING | \$ 2,977 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| AUDIT | \$ 6,950 | \$ 6,250 | \$ 6,250 | \$ 6,350 |
| LEGAL SERVICES | \$ - | \$ 600 | \$ 600 | \$ 600 |
| MISC. EXPENSES | \$ (138) | \$ - | \$ - | \$ - |
| TOTAL | \$ 24,790 | \$ 24,850 | \$ 24,850 | \$ 24,950 |
| LATC Operating DEFICIT | \$ (24,790) | \$ (24,850) | \$ (24,850) | \$ (24,950) |
| TOTAL EXPENDITURES - | | | | |
| BUS STATION/LATC Operating | \$ (50,178) | \$ (59,400) | \$ (58,929) | \$ (58,500) |

| DEFICIT FUNDING | | | | |
|------------------------|------------------|------------------|------------------|------------------|
| FEDERAL | \$ 25,089 | \$ 29,700 | \$ 29,465 | \$ 29,250 |
| STATE | | | | |
| LOCAL - Rent | \$ 12,144 | \$ 12,000 | \$ 12,000 | \$ 12,000 |
| - Vending | \$ 1,598 | \$ 1,700 | \$ 1,313 | \$ 1,700 |
| - ATA Advertising | \$ 15,121 | \$ 12,000 | \$ 12,000 | \$ 15,000 |
| - Interest | \$ 687 | \$ 500 | \$ 500 | \$ 500 |
| LOCAL | \$ (4,461) | \$ 3,500 | \$ 3,652 | \$ 50 |
| TOTAL REVENUE | \$ 50,178 | \$ 59,400 | \$ 58,929 | \$ 58,500 |

LOCAL Requested \$ (4,461) \$ 3,500 \$ 3,652 \$ 50

LATC Personnel Services

The LATC's FY 2014 budget includes no direct salaries or wages because the LATC has no employees. All operations and administrative functions are provided under various contracts for service.

The operation of the Fixed Route system and ADA Complementary Paratransit service is provided under a fixed price contract by Western Maine Transportation Services. FY 2014 is the first year of a new three year contract. The contract allows for two additional option years. A copy of the contract can be made available if requested.

Bus station expenses such as janitorial, maintenance, and snow removal are provided by various contractors.

Administrative services are provided under contract by the Androscoggin Valley Council of Governments (AVCOG). Marsha Bennett, AVCOG's Transit Coordinator will provide the administrative services. The contract amount is based on 210 hours of service at a billable rate of \$62.00. AVCOG's billable rates are based on salaries and leave, fringe benefits, and Indirect Costs; and are approved on an annual basis by the Maine Department of Transportation on behalf of the Federal Highway Administration. The rates are developed and approved based on O.M.B. Circular A-87, Cost Principals for State, Local, and Indian Tribal Governments. There is no written contract between LATC and AVCOG, but the relationship is spelled out in detail in the AVCOG Work Plan as well as the Androscoggin Transportation Resource Center's Unified Planning Work Program.

The contract with AVCOG covers only a portion of the LATC administrative functions. The remainder of the LATC administrative costs are performed by AVCOG staff and funded by FTA grants awarded to AVCOG. These costs are not included in the LATC budget.

LATC Bus Replacement Schedule

| Description | Year | Life | Replacement Date | Estimated Replacement Cost | Local Match Required |
|-------------|------|--------|------------------|----------------------------|----------------------|
| SLF | 2002 | 12 yrs | 2014 | \$400,000 | \$80,000 |
| SLF | 2002 | 12 yrs | 2014 | \$400,000 | \$80,000 |
| El Dorado | 2008 | 7 yrs | 2015 | \$400,000 | \$80,000 |
| Blue Bird | 2006 | 12 yrs | 2018 | \$400,000 | \$80,000 |
| Blue Bird | 2006 | 12 yrs | 2018 | \$400,000 | \$80,000 |
| Blue Bird | 2006 | 12 yrs | 2018 | \$400,000 | \$80,000 |
| Blue Bird | 2006 | 12 yrs | 2019 | \$400,000 | \$80,000 |
| Gillig | 2011 | 12 yrs | 2023 | \$500,000 | \$100,000 |
| Gillig | 2011 | 12 yrs | 2023 | \$500,000 | \$100,000 |
| Gillig | 2011 | 12 yrs | 2023 | \$500,000 | \$100,000 |

Last year, the SLF buses were reported as model year 2003. MaineDOT is now classifying the SLF buses as 2002 models. This moves the replacement year to 2014.

Replacement buses are projected to be 12 year Gillig low floors. These will be similar to those purchased in 2011. The 2011 purchase price was \$371,400 per bus. It is projected that the cost in 2015 will be approximately \$400,000 per bus.

Independent Auditor's Report

Board of Directors
Lewiston-Auburn Transit Committee
Auburn, Maine

We have audited the accompanying financial statements of the Lewiston-Auburn Transit Committee as of and for the years ended September 30, 2012 and 2011. These financial statements are the responsibility of the Committee's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lewiston-Auburn Transit Committee, as of September 30, 2012 and 2011 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

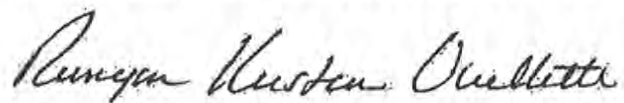
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting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

In accordance with *government Auditing Standards*, we have also issued our report dated December 21, 2012 on our consideration of Lewiston-Auburn Transit Committee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Directors

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Our audits were conducted for the purpose of forming opinions on the financial statements of Lewiston-Auburn Transit Committee as a whole. The schedule of budget to actual is presented for the purpose of additional analysis and is not a required part of the financial statements. The Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



December 21, 2012

South Portland, Maine

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2012

The Lewiston-Auburn Transit Committee (LATC) was formed under an inter-local agreement between the Cities of Lewiston and Auburn in order to provide mass transit services ("citylink") for and between the two cities. The committee receives funding from federal, state, and municipal sources. Staffing and administrative services are provided by the Androscoggin Valley Council of Governments under a Contract for Services.

This Management's Discussion and Analysis (MD&A) serves as an introduction to the audited financial statements and notes. The MD&A is LATC Management's analysis of its financial condition and performance. It is presented to give the reader more insight into LATC's finances.

The LATC's basic financial statements include the following:

- Statements of Net Assets
- Statements of Revenues, Expenses, and Changes in Net Assets
- Statements of Cash Flows
- Notes to the Financial Statements

Financial Highlights

LATC's net assets of \$1,668,665 showed a decrease of \$393,468 from 2011 as a result of depreciation and a loss incurred in the disposition of three buses.

Net assets invested in capital assets, net of related debt, decreased by \$414,175 as a result of depreciation and the disposition of the three buses.

Unrestricted net assets increased by \$20,707 as a result of an operating surplus.

Cash and investments decreased by \$75,560 as a result of a decrease in accounts payable.

Grants and accounts receivable increased by \$15,324 as a result of a delay in the approval of Federal Grant funds.

Buses and other equipment decreased by approximately \$262,132 as a result of the disposition of 3 buses.

Accounts payable decreased by \$80,943 as a result of utilizing cash on hand to satisfy some obligations.

Grant revenues increased by approximately \$43,255 as a result of an increase in the cost of operating the bus system during year. Fixed route ADA expenses increased by about \$26,397 during the year. In addition, a portion of fuel expenses were reimbursed by 80% rather than the usual 50% as a result of a one-time grant from the Federal Transit Administration.

Fuel expenses increased by \$36,513 as a result of additional fuel usage and higher per gallon costs. Fuel usage increased as a result of new buses which are larger and less fuel efficient.

Expenses associated with the operation of the Lewiston Bus Station decreased by about \$1,652 as a result of a decrease in snow removal costs.

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis, Continued

Administrative expenses increased by about \$2,900 as a result of an increase in advertising and marketing as well as an increase in audit fees.

Total non-operating revenues decreased by about \$1.25 million as a result of 3 new buses purchased in FY 2011 and 3 buses disposed of in FY 2012.

The change in net assets (net income) showed a loss of \$393,468 as compared to a surplus of \$815,868 in FY 2011. Last year's surplus was a result of Federal funding associated with the acquisition of 3 new buses. This year's loss was the result of depreciation and a loss on the disposition of 3 buses.

Comparison of Financial Statements for Current and Prior Years

Condensed Statement of Net Assets (000 omitted)

| | 2012 | 2011 | Change |
|-----------------------------|-----------------|--------------|--------------|
| Current Assets | \$ 759 | 820 | (61) |
| Net Capital Assets | 1,555 | 1,969 | (414) |
| Total Assets | 2,314 | 2,789 | (475) |
| Current Liabilities | 645 | 727 | (82) |
| Total Liabilities | 645 | 727 | (82) |
| Capital Assets, Net of Debt | 1,555 | 1,969 | (414) |
| Unrestricted Net Assets | 114 | 93 | 21 |
| Total Net Assets | \$ 1,669 | 2,062 | (393) |

The decrease in Current Assets is a result of a decrease in cash and equivalents. This is caused by a delay in the approval and processing of Federal grants and a reduction in accounts payable.

The decrease in Current Liabilities is a result of a decrease in accounts payable. This is caused by the payment of obligations utilizing agency cash.

Net Capital Assets and Capital Assets Net of Debt decreased because of depreciation and the disposition of 3 buses.

Unrestricted Net Assets increased as a result of an operating surplus.

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis, Continued

Condensed Statement of Revenues, Expenses, and Changes in Net Assets (000 omitted)

| | <u>2012</u> | <u>2011</u> | <u>Change</u> |
|-------------------------------------|-----------------|--------------|----------------|
| Grant revenues | \$ 833 | 790 | 43 |
| Municipal contributions | 415 | 353 | 62 |
| Farebox revenues | 212 | 167 | 45 |
| Other | 30 | 29 | 1 |
| Total Revenues | <u>1,490</u> | <u>1,339</u> | <u>151</u> |
| Fixed route/ADA | 1,217 | 1,190 | 27 |
| Fuel | 191 | 155 | 36 |
| Lewiston Bus Station | 27 | 29 | (2) |
| Administration and misc. | 25 | 22 | 3 |
| Total Expenses | <u>1,460</u> | <u>1,396</u> | <u>64</u> |
| Depreciation | (283) | (240) | (43) |
| Non-operating revenues and expenses | (140) | 1,113 | (1,253) |
| Change in Net Assets | <u>(393)</u> | <u>816</u> | <u>(1,209)</u> |
| Beginning Net Assets | 2,062 | 1,246 | 816 |
| Ending Net Assets | <u>\$ 1,669</u> | <u>2,062</u> | <u>(393)</u> |

The LATC receives grant funding from the Federal Transit Administration and the Maine Department of Transportation to support the operation of its "citylink" bus service in Lewiston and Auburn. Federal funding is based on a formula which provides 50% of the operating deficit (operating expenses less fare box revenues) and 80% of the capital and maintenance costs.

The fixed route and ADA service is provided through a five year Maintenance and Operation Contract with Western Maine Transportation Services, Inc. (WMTS). The LATC owns the bus fleet and WMTS provides all of the operating and maintenance functions. In 2008 the LATC requested proposals for the operation and maintenance of the bus service. Western Maine Transportation Services, Inc. was awarded a new contract which expires on September 30, 2013.

The fixed route/ADA expenses and associated Grant revenues increased in 2012 as a result of budgeted cost increases in the contract with WMTS.

Municipal contributions were increased by \$62,000 on order to help fund the Saturday service.

Farebox revenues increased by \$44,000 as a result of an approximate 23% increase in ridership.

Other revenues showed little change from a year ago.

Fuel expenses increased by \$37,000 because of an increase in per gallon fuel costs. Fuel is purchased from the City of Lewiston.

Expenses associated with the Lewiston Bus Station decreased by approximately \$2,000 as a result of a decrease in snow removal expenses.

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis, Continued

Administrative and miscellaneous expenses increased by \$3,000 as a result of an increase in advertising and marketing expenses as well as an increase in audit fees.

Depreciation expense increased because 3 buses purchased in 2011 were depreciated for one half of the year in 2011 and for a full year in 2012.

Non-operating revenues decreased because \$1,114,000 in Federal revenues associated with the acquisition of new buses in 2011 did not occur in 2012. In addition, 3 buses were disposed of resulting in a loss of \$187,000.

Overall Financial Position

As with most public transit systems, the LATC is highly dependent on governmental sources of funding to operate the "citylink" bus service. Federal, State, and Municipal funds provided 84% of the LATC's operational costs in 2012. The remaining 16% is provided by Fare Box, advertising, and miscellaneous revenues.

Governmental revenues include approximately 53% from Federal grants, 3% from State funds, and 28% from Municipal and other sources. Because of pressures on property taxes and municipal budgets, continued municipal funding is perhaps the most vulnerable revenue source. However, to date the City Councils of both Lewiston and Auburn have demonstrated continued support for the "citylink" bus system.

The LATC's Unrestricted Net Assets increased by approximately \$21,000 in FY 2012 as a result of an operating surplus. The surplus was a result of fare box revenues in excess of projections as well as additional Federal funding to assist with rising fuel costs.

The maintenance and operation contract with Western Maine Transportation Services provides the LATC with some assurance that operating expenses will be identifiable and controllable over the next several years. However the contract with Western Maine Transportation Services does NOT include fuel costs. Because LATC pays for fuel directly, it is responsible for any increase in fuel costs. By the same token, the LATC will benefit from any decreases in fuel costs.

Fare box revenues have increased because of an increase in ridership. Higher fare box revenues equate to a reduction in the need for governmental subsidies.

Fund Analysis

The LATC's fund balances are comprised of Net Assets Invested in Capital Assets Net of Related Debt and Unrestricted Net Assets. The LATC currently has no capital asset related debt as all capital assets have been funded with Federal, State, and Municipal grants. Thus, Net Assets Invested in Capital Assets equals Net Property and Equipment.

Although it does not necessarily relate to cash, unrestricted net assets of \$113,666 provides the ability to change or increase "citylink" service in the middle of a fiscal year and helps to cover rising fuel costs without having to request additional local funding from the cities. This occurred in 2012 when fuel costs were budgeted at \$146,000 and actual fuel costs were \$191,000. In addition, this can help to reduce funding increases from the cities (this occurred in FY 2010 and FY 2011). The erosion of the unrestricted net assets will make it difficult cover deficits in future years. In addition, it is expected that unrestricted net assets will provide a portion of the local match required for the construction of a planned new bus station in Auburn. A portion of unrestricted net assets is a result of the sale of the former Main Street, Lewiston bus station.

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis, Continued

Operating Budget Variances (000 omitted)

| | Budget | Actual | Variance |
|--------------------------------|----------|--------|----------|
| Grant revenues | \$ 800 | 833 | 33 |
| Municipal contributions | 415 | 415 | - |
| Fare box revenues | 186 | 212 | 26 |
| Other | 28 | 30 | 2 |
| Total Revenues | 1,429 | 1,490 | 61 |
| | | | |
| Fixed route/ADA | 1,226 | 1,217 | 9 |
| Fuel | 146 | 191 | (45) |
| Bus station expenses | 33 | 27 | 6 |
| Administration and misc. | 24 | 25 | (1) |
| Total Operating Expenses | \$ 1,429 | 1,460 | (31) |
| | | | |
| Net budgeted revenue (expense) | - | 30 | 30 |

Grant revenues were higher than budgeted because of higher than budgeted fuel costs. In 2012 the LATC received a one-time capital grant which provided an 80% Federal reimbursement in a portion of fuel costs. The normal Federal reimbursement is 50%. This grant provided approximately \$34,800 in additional Federal funding for fuel.

Fare box revenues were higher than budgeted because of a substantial increase in ridership. Ridership increased from approximately 285,000 passengers in 2011 to more than 350,000 passengers in 2012.

Other revenue is derived primarily from advertising on the buses and rent received from Greyhound Bus Lines.

Fuel expense was higher than budgeted because of increases in the price per gallon.

Bus station expenses were lower than budgeted because of a savings in utility expenses.

Administrative and miscellaneous expenses were higher than budgeted because of an increase in audit fees.

Capital Asset and Long Term Debt Activity

In 2012 three buses were removed from the LATC fleet. The Maine Department of Transportation requested that 3 Goshens buses, acquired in 2008-09 be transferred to the Sugarloaf Explorer fleet. These buses became expendable because of the acquisition of 3 Gillig buses in 2011. The depreciated value of the local match expended on the purchase of the Goshens has been reimbursed to the cities of Lewiston and Auburn by Sugarloaf USA. The depreciated value of the Federal dollars expended on the Goshens is shown in the financial statements as a "Loss on sale of assets" in the amount of \$187,337. This transaction had no effect on the LATC's cash balance or unrestricted net assets.

The LATC currently has no long term debt.

LEWISTON-AUBURN TRANSIT COMMITTEE
Management's Discussion and Analysis, Continued

Other Significant Events

The LATC has received the approval for a \$247,500 Federal grant to fund the construction of a new bus station in Auburn. The recently completed Fixed Route Study recommends that the Auburn bus station be located on Spring Street, near Hannaford's supermarket. The committee is currently discussing the details of the bus station with City of Auburn and Hannaford staff. On November 19, 2012, the Auburn City Council approved the expenditure of up to \$250,000 to match the Federal grant. This will allow the LATC to build a larger facility.

Contacting the LATC's Financial Management

This financial report is designed to provide the readers with a general overview of the LATC's finances and to show the LATC's accountability for the money it receives. If you have any questions about this report or need additional information, contact Greg Whitney at 207-783-9186 or at Gwhitney@avcog.org.

LEWISTON-AUBURN TRANSIT COMMITTEE
Statements of Net Assets
September 30, 2012 and 2011

| | 2012 | 2011 |
|---|--------------|-----------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 84,708 | 110,355 |
| Cash held by AVCOG | 35,883 | 85,796 |
| Grants and accounts receivable | 638,795 | 623,471 |
| Total current assets | 759,386 | 819,622 |
| Capital assets: | | |
| Buses and other equipment | 2,714,402 | 2,976,534 |
| Building | 391,074 | 391,074 |
| | 3,105,476 | 3,367,608 |
| Less accumulated depreciation | 1,550,477 | 1,398,434 |
| Net capital assets | 1,554,999 | 1,969,174 |
| Total assets | 2,314,385 | 2,788,796 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 645,720 | 726,663 |
| Total liabilities | 645,720 | 726,663 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 1,554,999 | 1,969,174 |
| Unrestricted | 113,666 | 92,959 |
| Total net assets | \$ 1,668,665 | 2,062,133 |

See accompanying notes to financial statements.

LEWISTON-AUBURN TRANSIT COMMITTEE
Statements of Revenues, Expenses and Changes in Net Assets
Years ended September 30, 2012 and 2011

| | 2012 | 2011 |
|---|---------------------|------------------|
| Operating revenues: | | |
| Grants | \$ 833,036 | 789,781 |
| Municipal contributions | 415,558 | 352,724 |
| Farebox: | | |
| Fixed Route Farebox | 182,335 | 139,809 |
| ADA Farebox | 29,418 | 27,599 |
| Advertising | 15,121 | 12,668 |
| Interest income | 773 | 917 |
| Miscellaneous | 14,032 | 15,552 |
| Total operating revenues | 1,490,273 | 1,339,050 |
| Operating expenses before depreciation: | | |
| Fixed Route/ADA | 1,216,461 | 1,190,064 |
| Fuel | 191,126 | 154,613 |
| Bus Station | 27,410 | 29,062 |
| Administration | 24,928 | 22,039 |
| Total operating expenses before depreciation | 1,459,925 | 1,395,778 |
| Operating income (loss) before depreciation | 30,348 | (56,728) |
| Less depreciation | (283,684) | (240,692) |
| Operating loss after depreciation | (253,336) | (297,420) |
| Nonoperating revenues and (expenses): | | |
| Loss on sale of assets | (187,337) | - |
| Capital expenses | - | (21,128) |
| Capital grants | 47,205 | 20,198 |
| Capital contributions - buses | - | 1,114,218 |
| Total nonoperating revenues | (140,132) | 1,113,288 |
| Change in net assets | (393,468) | 815,868 |
| Net assets, beginning of year | 2,062,133 | 1,246,265 |
| Net assets, end of year | \$ 1,668,665 | 2,062,133 |

See accompanying notes to financial statements.

LEWISTON-AUBURN TRANSIT COMMITTEE
Statements of Cash Flows
Years ended September 30, 2012 and 2011

| | 2012 | 2011 |
|---|--------------------|----------------|
| Cash flows from operating activities: | | |
| Receipts from customers and other governments | \$ 1,494,936 | 1,134,527 |
| Payments to suppliers | (1,540,868) | (1,107,295) |
| Receipts advertising and outside rental | 29,153 | 28,220 |
| Net cash provided by (used in) operating activities | (16,779) | 55,452 |
| Cash flow from capital and related financing activities: | | |
| Capital contributions | 47,205 | 20,196 |
| Capital expenses | (56,846) | (21,128) |
| Net cash provided by (used in) financing activities | (9,641) | (932) |
| Cash flows from investment activities: | | |
| Interest income | 773 | 917 |
| Net cash provided by investing activities | 773 | 917 |
| Net increase (decrease) in cash and equivalents | (25,647) | 55,437 |
| Cash, beginning of year | 110,355 | 54,918 |
| Cash, end of year | \$ 84,708 | 110,355 |
| Reconciliation of operating loss to net cash used in operating activities: | | |
| Operating loss | \$ (253,336) | (297,420) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation | 283,684 | 240,692 |
| Income (loss) from investment activities | (773) | (917) |
| Change in operating assets and liabilities: | | |
| Grants and accounts receivable | (15,324) | (173,982) |
| Cash held by AVCOG | 49,913 | (234) |
| Accounts payable | (80,943) | 288,483 |
| Deferred revenue | - | (1,170) |
| Net cash used in operating activities | \$ (16,779) | 55,452 |
| Supplemental schedule of noncash investing and financing activities: | | |
| Capital contributions - buses | \$ - | 1,114,218 |

See accompanying notes to financial statements.

LEWISTON-AUBURN TRANSIT COMMITTEE
Notes to Financial Statements

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Lewiston-Auburn Transit Committee (LATC) is a governmental entity created through an inter-local agreement between the Cities of Auburn and Lewiston pursuant to Chapter 203 of Title 30 of the Maine State Statutes. Revenues are generated from federal and state funding as well as support, as needed, from the Cities of Auburn and Lewiston.

The Committee was created to establish, maintain and implement a short and long-range bus transit development program, and to apply for, receive and administer federal and state grants-in-aid for mass transit on behalf of the Cities of Lewiston and Auburn to provide adequate and efficient mass transit for the Lewiston-Auburn area.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The Committee's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Special purpose governments also have the option of following subsequent private-sector guidance. The committee has elected not to follow subsequent private-sector guidance.

The Committee distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations of the Committee. The principal operating revenues of the Committee are grants, municipal contributions, advertising and interest. Operating expenses include the cost of contractual services, fuel, bus station expenses and administrative expenses. Depreciation is also considered an operating expense, although it is not budgeted for by the Committee. All revenues and expenses not meeting this determination are reported as nonoperating revenues and expenses.

Economic Dependency - The Committee is economically dependent upon grants and contracts with the Maine Department of Transportation, which include federal funds from the U.S. Department of Transportation, and subsidies from the Cities of Lewiston and Auburn.

Income Taxes - As an administrative agency of the Cities of Lewiston and Auburn, LATC is exempt from federal and state income tax.

Cash and Cash Equivalents - Cash and cash equivalents include amounts in demand, deposits and money market savings. For the purposes of the statements of cash flows, cash included both demand deposits and money market accounts, but does not include cash held by AVCOG.

Grants and Accounts Receivable - Grants are received for operations and various capital acquisitions. Grants received prior to obligation or expenditure of funds are recorded as deferred revenue. Grants received after obligation or expenditure of funds are recorded as receivables, all of which are considered collectible, therefore, no allowance for doubtful accounts has been established.

LEWISTON-AUBURN TRANSIT COMMITTEE
Notes to Financial Statements, Continued

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets - Capital assets are recorded at cost. The provision for depreciation has been computed by the use of the straight-line method to amortize the cost of the assets over their estimated useful lives, ranging from 3 to 25 years.

Net Assets - Net assets are presented in the following categories:

- *Invested in capital assets, net of related debt* represents capital assets, net of long-term debt that relates to these assets.
- *Restricted for specific purpose* represents amounts whose use is subject to an externally imposed restriction.
- *Unrestricted* represents the remaining balance of net assets after the above net asset categories have been determined.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DEPOSITS

The Committee maintains its cash balances at one financial institution located in Auburn, Maine. At September 30, 2012 and 2011 the carrying amounts of the Committee's deposits were \$84,708 and \$110,355, respectively, and the related bank balances were \$86,093 and \$111,415, respectively. At September 30, 2012 and 2011, the Committee's insured cash balances totaled \$86,093 and \$111,415, respectively.

Interest rate risk - In accordance with its informal investment policy, the maturity date of new investments shall not be further than the time that the Committee reasonably anticipates the funds will be needed. It invests primarily in certificates of deposit and money market accounts collateralized under a public unit deposit pledge agreement with the depository. Any other type of investment must be approved by the Board of Directors.

LEWISTON-AUBURN TRANSIT COMMITTEE
Notes to Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012 was as follows:

| | Balance September 30, <u>2011</u> | <u>Increases</u> | <u>Decreases</u> | Balance September 30, <u>2012</u> |
|---|---|------------------|------------------|---|
| Capital assets, being depreciated: | | | | |
| Buildings | \$ 391,074 | - | - | 391,074 |
| Buses and other equipment | 2,976,534 | 56,846 | 318,978 | 2,714,402 |
| <u>Total capital assets being depreciated</u> | <u>3,367,608</u> | <u>56,846</u> | <u>318,978</u> | <u>3,105,476</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 152,247 | 19,554 | - | 171,801 |
| Buses and other equipment | 1,246,187 | 264,130 | 131,641 | 1,378,676 |
| <u>Total accumulated depreciation</u> | <u>1,398,434</u> | <u>283,684</u> | <u>131,641</u> | <u>1,550,477</u> |
| <u>Capital assets, net</u> | <u>\$ 1,969,174</u> | <u>(226,838)</u> | <u>187,337</u> | <u>1,554,999</u> |

GRANT REVENUES

Operating grant revenues recognized by LATC for the years ended September 30, 2012 and 2011 totaled \$833,036 and \$789,781, respectively, and are comprised of the following:

| | <u>2012</u> | <u>2011</u> |
|----------------------------|-------------------|----------------|
| Federal Fixed Route | \$ 669,215 | 623,783 |
| Federal ITF/Administration | 25,089 | 25,550 |
| Federal ADA | 90,706 | 89,931 |
| State Fixed Route | 48,026 | 50,517 |
| <u>Total</u> | <u>\$ 833,036</u> | <u>789,781</u> |

GRANTOR REVIEW

Federal and state grants are subject to grantor review and final approval. Although it is not anticipated that any claims would be made against LATC by the grantor agencies, grants remain subject to ultimate closeout.

OPERATING LEASES

The Committee leases the land that houses the bus station in Lewiston, Maine under a lease that expires July, 2043. This lease is with the City of Lewiston and calls for a token lease payment of \$1 per year, with a 20 year renewal option.

LEWISTON-AUBURN TRANSIT COMMITTEE
Notes to Financial Statements, Continued

MANAGEMENT AGREEMENT

LATC has an agreement with a corporation to provide professional management, staff and other office related costs. Fees are determined based upon estimated amounts and approved in the budget.

FIXED ROUTE AND ADA SERVICE AGREEMENT

The fixed route and ADA service is provided through a five-year maintenance and operations contract with Western Maine Transportation Services (WMTS). In 2008, WMTS was awarded a new contract which expires on September 30, 2013.

LEWISTON-AUBURN TRANSIT COMMITTEE

Schedule of Budget to Actual

September 30, 2012

| | Budget | Actual | Variance positive (negative) |
|---|------------------|------------------|------------------------------------|
| Operating revenues: | | | |
| Grants | \$ 799,754 | 833,036 | 33,282 |
| Municipal contributions | 415,558 | 415,558 | - |
| Farebox : | | | |
| Fixed Route Farebox | 160,704 | 182,335 | 21,631 |
| ADA Farebox | 25,000 | 29,418 | 4,418 |
| Advertising | 13,000 | 15,121 | 2,121 |
| Interest | 1,000 | 773 | (227) |
| Miscellaneous | 13,600 | 14,032 | 432 |
| Total operating revenues | 1,428,616 | 1,490,273 | 61,657 |
| Operating expenses before depreciation: | | | |
| Fixed route/ADA contracts | 1,225,766 | 1,216,461 | 9,305 |
| Fuel | 146,250 | 191,126 | (44,876) |
| Lewiston Bus Station: | | | |
| Janitorial | 6,500 | 6,156 | 344 |
| Utilities | 13,500 | 6,802 | 6,698 |
| Insurance | - | 565 | (565) |
| Snow removal | 4,500 | 5,030 | (530) |
| Restroom rental | 1,300 | 1,260 | 40 |
| Repairs and maintenance | 6,000 | 3,006 | 2,994 |
| Supplies | 1,000 | 2,569 | (1,569) |
| Miscellaneous | - | 2,022 | (2,022) |
| Administration: | | | |
| AVCOG - planning and finance | 13,000 | 13,435 | (435) |
| Professional fees | 5,800 | 6,950 | (1,150) |
| Marketing | 3,000 | 2,977 | 23 |
| Meetings and conferences | 2,000 | 1,566 | 434 |
| Total operating expenses before depreciation | 1,428,616 | 1,459,925 | (31,309) |
| Net budgeted income (loss) | - | 30,348 | 30,348 |
| Unbudgeted revenue (expense): | | | |
| Depreciation | - | (283,684) | (283,684) |
| Loss on sale of assets | - | (187,337) | (187,337) |
| Capital grant revenues | - | 47,205 | 47,205 |
| Total unbudgeted revenue (expenses) | - | (423,816) | (423,816) |
| Change in net assets | \$ - | (393,468) | (393,468) |



Auburn-Lewiston Municipal Airport
80 Airport Drive ♦ Auburn, Maine 04210

12 March 2013

Joint Interagency Budget Committee
City of Auburn Council Members
City of Lewiston Council Members

Dear Councilors and Committee Members:

Please accept this document as the Auburn-Lewiston Municipal Airport proposed annual budget for Fiscal Year 2014. This proposed budget reflects the beginning of a new era at the airport, as there have been several major events in the past year to bring about a change of direction for the airport. Some of those events include the departure of Airport Manager Rick Cloutier, the retirement of Chief of Maintenance Carl Hebert, and the closure and business cessation of Twin Cities Air Service, Inc. as the flight service support provider on the airport. Additionally, the opening of the reconstructed passenger terminal has provided a fresh look for the travelers and flight crews that use the airport.

With new leadership comes some change in the operation of any major facility. As you review this proposed budget, you will see a very small portion of the changes at the airport since last budget season. You will see a new section of revenues and expenses attributable to the new line of business the airport has begun. The closure of Twin Cities Air Service provided the possibility for the airport to take the fueling concession, a step that has been very common in the airport industry recently. This change is identified as "Services" in the Revenue and Expense portion of the proposed budget. The opening of this line of business brought to the airport the responsibility of providing fueling and other flight services in a professional, competent fashion to the aviators and their passengers that use the airport. This is also a great opportunity for the airport to lower its burden on the community after the initial investment in the venture. However, it means much higher Full-Time Equivalent personnel costs as the airport takes on the requisite employees to work the more than 85 hours the airport will be open each week. In contrast, the FY-13 budget proposal was designed for only a 40-hour workweek. The increases in airport staffing are demonstrated in the later pages of this budget proposal.

Significant changes in staffing are only part of the transformation to what will be the best General Aviation Airport in the State of Maine. Acquiring the fueling concession requires significant increases in liability protection, training and certification of employees, acquisition and maintenance of additional equipment required by regulation and aviation industry convention. All of these things are reflected as expense increases for not just the new Services portion of the proposed budget, but they will have a bearing on the expense of airfield operation also. It makes airfield operation less costly. As you examine the expenses, please note that sections of the budget normally associated with the operation of the airfield have actually decreased. This is due in part to a substantial increase in professional development and adoption of modern airport industry best prac-

tices for airfield maintenance. It is also a product of capitalizing on the work ethic and talents of the airport staff, a resource not fully utilized in the past.

There have also been some changes in the leadership of the airport. Mr. Steve Morgan of Lewiston was selected to fill the Chamber of Commerce seat left vacant by Al Sargent's departure. The table below shows the Current Airport Board of Directors, who they represent and the term of service.

| | | | | |
|-----------------------------|---|----------|---------------|-------------------|
| Clint Deschene | Auburn City Manager | Auburn | June 2012 | * |
| Heather Hunter Treasurer | Lewiston Finance Director | Lewiston | March 2010 | * |
| Mark Cayer | Lewiston City Council | Lewiston | January 2012 | January 2014** |
| Robert Hayes | Auburn City Council | Auburn | February 2012 | December 2014** |
| Edouard Plourde Chair | City Representative | Lewiston | April 1999 | January 2015*** |
| Stephen Lunt Vice Chair | City Representative | Auburn | July 2002 | January 2014*** |
| Steve Morgan | Chamber Representative | Lewiston | February 2013 | February 2016**** |
| Robert Thompson | AVCOG | | December 2007 | ***** |
| George Dycio | LAEGC | | December 2007 | ***** |
| * | Position on Board follows term in City Position | | | |
| ** | Position on Board being a City Council Member and appointed by the Mayor for term of council member. | | | |
| *** | Position on Board being a City Representative and appointed by the Mayor for 3-year period. | | | |
| **** | Position on Board being a Chamber of Commerce Representative for a 3-year period with alternating each term from Auburn to Lewiston resident with the Airport Board of Directors approval | | | |
| ***** | Position on Board by virtue of position (AVCOG) | | | |
| ***** | Position on Board by virtue of position (LAEGC) | | | |

The Capital Improvement Plan is reflective of the metamorphosis happening at the airport also. Building an airport that effectively serves the community is the basis of this plan. As you review the items therein notice there are new structures that when constructed will provide additional revenues for the airport. This effort should be made in concert with but in addition to any economic development that occurs at the airport, as these will provide needed operations funds. There is also a page of investment in human capital in the form of safety training and certification. This is an important function of any organization, especially where public safety is concerned.

There are many good things happening at the airport. I am proud that I am the one chosen by the Airport Board of Directors to lead the airport staff as they make those good things happen. We are dedicated to making your airport the best General Aviation Airport in the State of Maine

Respectfully



Rick Lanman, AAE, ACE
Manager

Auburn-Lewiston Municipal Airport FY-14 Annual Budget Proposal

Summary

| | | Actual FY12 | Revised FY 13 | Actual FY 13 Forecast | Proposed FY 14 |
|---------------------------------|------------------------------|---------------------|-----------------------|--------------------------|-----------------------|
| Revenues | | | | | |
| | Operations | 547,044.00 | 580,000.00 | 516,718.00 | 482,214.80 |
| | Services | 0.00 | 506,266.96 | 545,744.00 | 1,109,412.58 |
| | Other Income | 21,690.00 | 20,000.00 | 19,514.08 | 22,000.00 |
| | Total | 568,734.00 | 1,106,266.96 | 1,081,976.08 | 1,613,627.38 |
| Expenses | | | | | |
| | Personnel | (352,469.00) | (372,500.00) | (312,568.00) | (298,739.40) |
| | Operations | (63,960.00) | (62,000.00) | (71,244.00) | (74,500.00) |
| | Maintenance | (52,835.00) | (58,000.00) | (28,657.05) | (51,500.00) |
| | Adminisitation | (319,622.00) | (317,500.00) | (302,850.00) | (311,250.00) |
| | Services (FBO Operations) | 0.00 | (522,150.78) | (560,837.00) | (1,193,745.49) |
| | Total | (788,886.00) | (1,332,150.78) | (1,276,156.05) | (1,929,734.89) |
| Airport Earnings | | (220,152.00) | (225,883.82) | (194,179.97) | (316,107.51) |
| Capital Improvement Plan | | 500,000.00 | 30,000.00 | 20,000.00 | 80,000.00 |
| Sponsor Contribution | | 713,500.00 | 240,000.00 | 230,000.00 | 400,000.00 |
| | <i>Amount per City</i> | 356,750.00 | 120,000.00 | | 200,000.00 |
| Net | | 493,348.00 | 14,116.18 | 35,820.03 | 83,892.49 |

Auburn-Lewiston Municipal Airport
 FY-14 Annual Budget Proposal
 Summary of Revenues

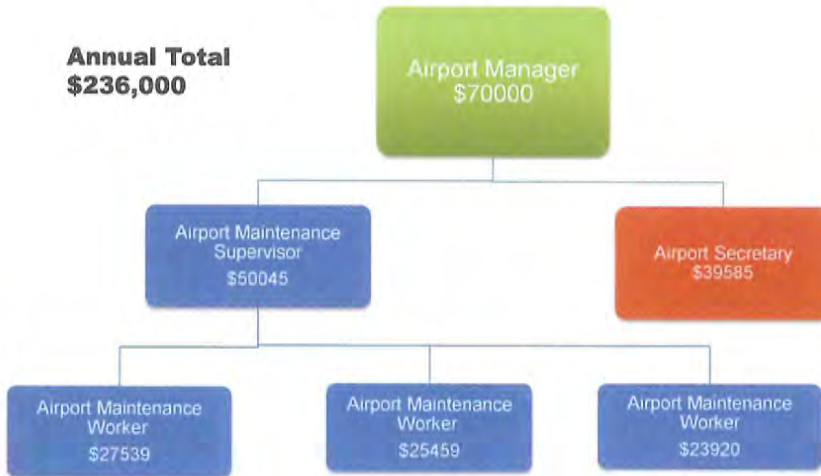
| | Actual FY12 | Revised FY 13 | Actual FY 13 Forecast | Proposed FY 14 |
|--|-------------------|---------------------|--------------------------|---------------------|
| Operations | | | | |
| Based Aircraft Tiedown Fees Collected | 14,976.00 | 17,000.00 | 17,643.00 | 18,000.00 |
| Landing Fees Collected | 8,095.00 | 18,000.00 | 25,000.00 | 15,000.00 |
| Fuel Flowage Fees Collected | 11,673.00 | 18,000.00 | 17,000.00 | 14,000.00 |
| Rental Fees Collected | 400,893.00 | 435,000.00 | 390,000.00 | 348,214.80 |
| Christian Hill Materials | 109,282.00 | 90,000.00 | 65,000.00 | 85,000.00 |
| Service Fees Collected | 2,125.00 | 2,000.00 | 2,075.00 | 2,000.00 |
| SUBTOTAL OPERATIONS | 547,044.00 | 580,000.00 | 516,718.00 | 482,214.80 |
| Services | | | | |
| Fuel and Oil Sales | | 465,266.96 | 508,644.00 | 1,041,912.58 |
| Transient Tie-Down/Hangaring | | 1,500.00 | 3,800.00 | 2,500.00 |
| Professional/Catering | | 2,000.00 | 500.00 | 5,000.00 |
| After Hour Call-out | | 2,500.00 | 800.00 | 10,000.00 |
| Aircraft Maintenance | | 35,000.00 | 32,000.00 | 50,000.00 |
| SUBTOTAL SERVICES | 0.00 | 506,266.96 | 545,744.00 | 1,109,412.58 |
| Other Income | | | | |
| Excise Tax Revenues | 18,182.00 | 15,000.00 | 18,950.00 | 20,000.00 |
| Surplus (fund balance) | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest (land fund and general account) | 3,508.00 | 5,000.00 | 564.08 | 2,000.00 |
| TOTAL OTHER INCOME | 21,690.00 | 20,000.00 | 19,514.08 | 22,000.00 |
| Sponsor Contribution | 213,500.00 | 210,000.00 | 210,000.00 | 320,000.00 |
| TOTAL INCOME | 782,234.00 | 1,316,266.96 | 1,291,976.08 | 1,933,627.38 |

**Auburn-Lewiston Municipal Airport
FY-14 Annual Budget Proposal
Summary of Expenses**

| | Actual FY12 | Revised FY 13 | Actual FY 13 Fo as of 15 Feb 13 | Proposed FY 14 |
|---|-------------------|---------------------|------------------------------------|---------------------|
| Personnel | | | | |
| Salaries | 236,682.00 | 236,000.00 | 211,562.00 | 205,550.00 |
| Fringe Benefits | 107,472.00 | 113,000.00 | 92,077.00 | 82,220.00 |
| Overtime | 4,071.00 | 9,000.00 | 4,696.00 | 2,500.00 |
| Salary Adjustment/ Contingency | | 7,500.00 | | Deleted |
| Professional Development | 2,981.00 | 5,500.00 | 3,402.00 | 8,469.40 |
| Memberships | 1,263.00 | 1,500.00 | 831.00 | Deleted |
| TOTAL PERSONNEL | 352,469.00 | 372,500.00 | 312,568.00 | 296,739.40 |
| Operations | | | | |
| Professional Fees/Contract Services | 28,986.00 | 25,000.00 | 35,000.00 | 30,000.00 |
| Lights and Power | 17,526.00 | 23,000.00 | 16,244.00 | 23,000.00 |
| Heating Fuel Oil / Propane | 10,167.00 | 10,000.00 | 12,000.00 | 10,000.00 |
| Snow and Ice Control Supplies | | | 0.00 | 10,000.00 |
| Sewer /Water | 2,904.00 | 1,500.00 | 2,000.00 | 1,500.00 |
| Materials and Supplies | 4,377.00 | 2,500.00 | 6,000.00 | |
| SUBTOTAL OPERATIONS | 63,960.00 | 62,000.00 | 71,244.00 | 74,500.00 |
| Maintenance | | | | |
| Building Maintenance | 15,725.00 | 10,000.00 | 14,000.00 | 10,000.00 |
| Electrical Maintenance | 8,764.00 | 5,000.00 | 2,600.00 | 5,000.00 |
| Radio Maintenance | 0.00 | 3,000.00 | 900.00 | 1,500.00 |
| Vehicle Maintenance | 11,678.00 | 15,000.00 | 6,657.05 | 10,000.00 |
| Airfield Maintenance | 10,996.00 | 10,000.00 | 4,500.00 | 10,000.00 |
| Runway / Taxiway Striping | 5,672.00 | 5,000.00 | 0.00 | Deleted |
| Pavement Maintenance (Runway Crack Sealing) | 0.00 | 10,000.00 | 0.00 | 15,000.00 |
| SUBTOTAL MAINTENANCE | 52,835.00 | 58,000.00 | 28,657.05 | 51,500.00 |
| Adminisitation | | | | |
| Computer/Office Machine Maintenance Support | 6,269.00 | 2,000.00 | 2,500.00 | 2,500.00 |
| Advertising and Promotion | 1,225.00 | 1,000.00 | 1,500.00 | 1,000.00 |
| Gas and Oil for Vehicles | 18,851.00 | 26,000.00 | 15,000.00 | 26,000.00 |
| Hangar Lease | 252,914.00 | 250,000.00 | 249,750.00 | 249,750.00 |
| Insurance | 22,066.00 | 26,500.00 | 28,000.00 | 25,000.00 |
| Legal Fees | 12,258.00 | 7,500.00 | 1,000.00 | 2,500.00 |
| Office Supplies | 3,277.00 | 2,500.00 | 3,000.00 | 2,500.00 |
| Telephone | 2,762.00 | 2,000.00 | 2,100.00 | 2,000.00 |
| SUBTOTAL ADMINISTRATION | 319,622.00 | 317,500.00 | 302,850.00 | 311,250.00 |
| TOTAL OPERATIONAL EXPENSES | 788,886.00 | 810,000.00 | 715,319.05 | 735,989.40 |
| Services (FBO Operations) | | | | |
| Salaries | | 73,340.00 | 81,000.00 | 208,000.00 |
| Fringe Benefits | | 35,115.00 | 32,400.00 | 83,200.00 |
| Overtime | | 2,000.00 | 3,500.00 | 5,000.00 |
| Advertising | | 2,500.00 | 1,500.00 | 9,000.00 |
| Fuels and Oils Merchandise | | 361,195.78 | 404,572.00 | 843,545.49 |
| Utilities | | | 2,000.00 | 22,000.00 |
| Plant Equipment | | 15,000.00 | 11,365.00 | 1,000.00 |
| Ground Support Equipment (GSE) | | 25,000.00 | 14,500.00 | 19,000.00 |
| Information systems Equipment | | 5,000.00 | 3,000.00 | Deleted |
| Materials and Supplies (Aircraft Maintenance) | | 3,000.00 | 7,000.00 | 3,000.00 |
| SUBTOTAL SERVICE (FBO OPERATIONS) | | 522,150.78 | 560,837.00 | 1,193,745.49 |
| TOTAL EXPENSES | 788,886.00 | 1,332,150.78 | 1,276,156.05 | 1,929,734.89 |

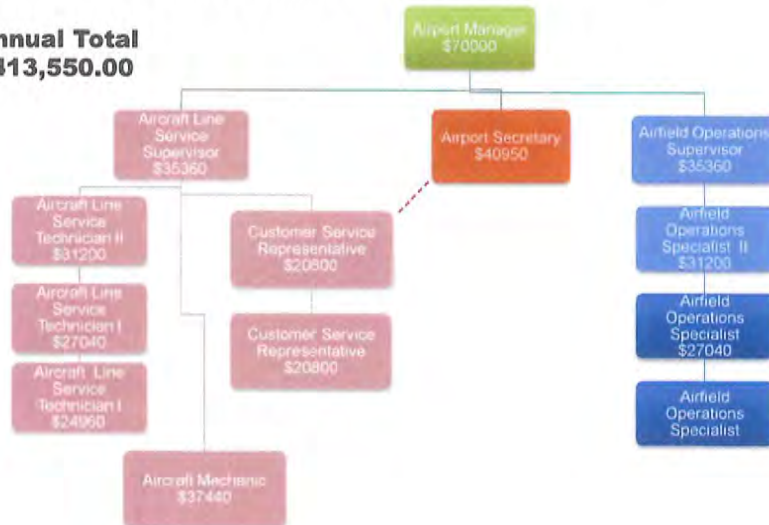
Auburn Lewiston Municipal Airport Salaries Before Fuel Concession

**Annual Total
\$236,000**



Auburn Lewiston Municipal Airport Salaries After Fuel Concession

**Annual Total
\$413,550.00**



Auburn-Lewiston Municipal Airport FY-14 Annual Budget Proposal

Airport Staffing And Salary Proposals

| | Proposed | | | Proposed FY 14 |
|--------------------------------|----------|-------|-----------|-------------------|
| | Rate | Hours | | Total |
| Airport Director | | | | 71,000.00 |
| | | 37.50 | 70,500.00 | |
| Operations Supervisor | | | | 35,360.00 |
| | 17.00 | 40.00 | 680.00 | |
| Operations Specialist | | | | 58,240.00 |
| Ops Spec II | 15.00 | 40.00 | 600.00 | |
| Ops Spec I | 13.00 | 40.00 | 520.00 | |
| Ops Spec I | - | - | - | |
| FBO Supervisor | | | | 35,360.00 |
| | 17.00 | 40.00 | 680.00 | |
| Aircraft Mechanic | | | | 37,440.00 |
| | 18.00 | 40.00 | 720.00 | |
| Line Service Agent | | | | 83,200.00 |
| Line II | 15.00 | 40.00 | 600.00 | |
| Line I | 13.00 | 40.00 | 520.00 | |
| Line I | 12.00 | 40.00 | 480.00 | |
| Customer Service | | | | 41,600.00 |
| Customer Service Rep | 10.00 | 40.00 | 400.00 | |
| Customer Service Rep | 10.00 | 40.00 | 400.00 | |
| P/T & On call staff | | | | 10,400.00 |
| | 10.00 | 20.00 | 200.00 | |
| | 10.00 | 20.00 | 200.00 | |
| Administration | | | | 40,950.00 |
| | 21.00 | 37.50 | 787.50 | |
| Totals | | | | 413,550.00 |

**Auburn-Lewiston Municipal Airport
FY-14 Annual Budget Proposal
Professional Development Activity**

Memberships

| | Individual | Organization | |
|--|---------------|---------------|--|
| Androscoggin Chamber of Commerce | | 305.00 | www.androscoggincounty.com/ |
| American Association of Airport Executives | 275.00 | | www.aaae.org |
| Northeastern Chapter of AAAE | 50.00 | | www.necaaae.org |
| National Air Transport Association | | 260.00 | www.nata.aero |
| Aircraft Pilots and Owners Association | 70.00 | | www.aopa.org |
| National Fire Protection Association | 165.00 | | Discounts for multi-year |
| TOTAL | 560.00 | 565.00 | |

Training Events

| | | Sponsor Org | Registion | Hotel | Travel | Number of Attendees | Total | | |
|----------------------|-----|---|-----------|--------|--------|---------------------|-------|-----------------|--|
| March-14 | | Safety First Certification for Line Service | NATA | 495.00 | 650.00 | 500.00 | 1 | 1,645.00 | Desired by Charter Operators |
| 25 - 30 April 2014 | BUF | Airport Safety and Operations School | AAAE | 495.00 | 390.00 | 324.80 | 1 | 1,209.80 | Teaches Certificated Airport Standards |
| 26 - 30 April 2014 | BUF | International Aviation Snow Symposium | AAAE/NEC | 445.00 | 650.00 | 324.80 | 2 | 2,839.60 | Opportunity for Recognition |
| 9 - 11 July 2013 | DPA | General Aviation Issues & Security Conference | AAAE | 450.00 | 650.00 | 550.00 | 1 | 1,650.00 | Industry Recognition |
| 20 - 22 October 2013 | BNA | National Airports Conference | AAAE | 600.00 | 650.00 | 550.00 | 1 | 1,800.00 | |
| TOTAL | | | | | | | | 7,344.40 | |

**Auburn-Lewiston Municipal Airport
FY-14 Annual Budget Proposal**

Schedule of Rents Due

| LeaseHold | Lessee | Lease Date | Term | Adjustment term | Beginning Rent | Next Adjustment Date | Current monthly Rent | Current Annual Rent |
|------------------------------|----------------------------------|------------|----------|-----------------|----------------|----------------------|----------------------|---------------------|
| White Hangar | Geneva Aviation | 8-1-04 | 20 years | | | | 1,360.83 | 16,329.96 |
| FBO Building | | | | | | | | 0.00 |
| Life flight Hangar | Life- Flight Air Ambulance | 4-1-00 | 5 years | 5 years | | | 3,320.00 | 39,840.00 |
| T Hangars | Bel Air Service | 10-6-99 | 20 years | 5 years | | 06-10-14 | 217.17 | 2,606.04 |
| T Hangars | Platz TIM Corp | 1-1-87 | 20 years | 5 years | | | 93.96 | 1,127.52 |
| T Hangars | Auburn Hangar Condo Assoc. | 6-7-01 | 20 years | 5 years* | | | 1,933.85 | 23,206.20 |
| Activity fee | Skyward Aviation | no lease | | Activity fee | | | 41.67 | 500.04 |
| Main Terminal/Resturaunt | Landing Strip Café | 5-2-07 | 5 years | 5 years | | none | 562.00 | 6,744.00 |
| Main Terminal/AirLine Office | L/A Flying Service Flight School | 1-2-13 | 2 years | none | \$ 450.00 | none | 450.00 | 5,400.00 |
| Shottz | Luftansa Technic, Inc. | 8-1-08 | UNSPEC | UNSPEC | 06-01-12 | 05-01-14 | 20,250.00 | 243,000.00 |
| | Twin Cities Air Service | no lease | | Activity fee | | | 41.67 | 500.04 |
| | Duke Energy | 10-22-97 | 25 years | 5 years | | 22-10-17 | 746.75 | 8,961.00 |
| | Intermodal Park | 9-1-94 | 20 years | 5 years | | 01-09-15 | 370.50 | 4,446.00 |
| Total | | | | | | | 29,017.90 | 348,214.80 |

AUBURN-LEWISTON MUNICIPAL AIRPORT

Financial Statements

For the years ended June 30, 2012 and 2011

AUBURN-LEWISTON MUNICIPAL AIRPORT
Financial Statements
For the years ended June 30, 2012 and 2011

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Independent Auditor's Report

Board of Directors
The Auburn-Lewiston Municipal Airport

We have audited the accompanying financial statements of the Auburn-Lewiston Municipal Airport as of June 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the Airport's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the Auburn-Lewiston Municipal Airport as of June 30, 2012 and 2011 and the changes in its financial position and its cash flows thereof for the years 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 October 4, 2012 on our consideration of the Auburn-Lewiston Municipal Airport's internal control over financial reporting and 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 is should be considered in assessing the results of our audit.

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

Board of Directors

Page 2

Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying schedule of revenues and expenses – budget and actual for the year ended June 30, 2012 is presented for the purpose of additional analysis and is not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Remya Hudson Ouellette".

October 4, 2012
South Portland, Maine



Management's Discussion and Analysis

Auburn-Lewiston Municipal Airport

June 30, 2012

AUBURN-LEWISTON MUNICIPAL AIRPORT
Management's Discussion and Analysis
Year Ended June 30, 2012

I. Introduction of the Financial Statements

Overview of Financial Report

The Auburn-Lewiston Municipal Airport (the Airport) is a quasi-municipal organization, created by an interlocal agreement between the cities of Auburn and Lewiston, providing airport services. The Airport is categorized by the Federal Aviation Administration as Regional Impact Airport.

This Management's Discussion and Analysis (MD&A) serves as an introduction to the audited basic financial statements and notes. The MD&A is the Airport Management's analysis of its financial condition and performance. It is presented to give the reader more insight on the Airport's finances.

The Airport's basic financial statements include:

- Balance Sheets
- Statements of Revenues, Expenses and Changes in Net Assets
- Statements of Cash Flows
- Schedule of Revenues and Expenses – Budget and Actual
- Notes to Financial Statements

Financial Highlights:

- Total Net Assets increased by \$116,698 in the current fiscal year.
- Current Liabilities increased by \$18,858 due to the deferred income for the hangar lease.
- Long-term debt remained constant at \$0.
- Total Operating Revenues (excluding subsidies) decreased by \$38,866 due to decreases in rents and fees collected.
- Total Operating Expenses increased by \$52,156.

II. Comparison of Financial Statements for Current and Prior Years

Condensed Statement of Net Assets

| | <u>2012</u> | <u>2011</u> | <u>Diff \$</u> | <u>Diff %</u> |
|---------------------------------|--------------|-------------|----------------|---------------|
| Current Assets | \$ 863,923 | 1,460,909 | (596,986) | -41% |
| Capital Assets | 8,527,955 | 7,795,413 | 732,542 | 9% |
| Total Assets | 9,391,878 | 9,256,322 | 135,556 | 1% |
| Current Liabilities | 98,134 | 79,276 | 18,858 | 24% |
| Long-term Debt | - | - | - | |
| Total Liabilities | 98,134 | 79,276 | 18,858 | 24% |
| Invested in capital assets, net | 8,527,955 | 7,795,413 | 732,542 | 9% |
| Unrestricted | 765,789 | 1,381,633 | (615,844) | -45% |
| Total Net Assets | \$ 9,293,744 | 9,177,046 | 116,698 | 1% |

AUBURN-LEWISTON MUNICIPAL AIRPORT
Management's Discussion and Analysis, Continued

Current Assets (Cash and Accounts Receivable)

The decrease in the current assets of \$596,986 was primarily due to a \$664,150 reduction in investments which were used to fund the terminal building expansion completed in the current fiscal year.

Capital Assets (Land, Improvements, Buildings, Equipment)

The increase of capital assets by \$732,542 resulted from the \$1,054,243 increase in the terminal building value and \$73,097 in surrounding ground improvements, which were offset by an increase in accumulated depreciation of \$472,842.

Current Liabilities (Accounts Payable - i.e., Vendor bills, MDOT invoice, Accrued vacation, etc.)

The increase of current liabilities by \$18,858 was due to the increase of deferred income for the hangar lease.

Long-term Debt

There is no long-term debt.

Assets Invested in Capital (Increase in capital assets)

The increase in assets invested in capital of \$732,542 was the result of new asset acquisitions exceeding depreciation expense in the current year.

Unrestricted Assets (total assets – liabilities – investment capital)

The decrease in unrestricted assets by \$615,844 resulted from a shift between unrestricted assets to assets invested in capital due to the terminal expansion project. This shift was partially mitigated by an increase in net assets from current year operations.

Condensed Statement of Revenues and Expenses

| | <u>2012</u> | <u>2011</u> | <u>Diff \$</u> | <u>Diff %</u> |
|--|-------------------|------------------|----------------|---------------|
| Operating Revenue | \$ 547,045 | 585,911 | (38,866) | -7% |
| Operating Subsidies | 213,500 | 278,500 | (65,000) | -23% |
| Non-operating Revenues | 662,611 | 152,143 | 510,468 | 336% |
| Total Revenues | 1,423,156 | 1,016,554 | 406,602 | 40% |
| Depreciation Expense | 472,842 | 430,201 | 42,641 | 10% |
| Operating Expense | 833,616 | 824,101 | 9,515 | 1% |
| Total Expenses | 1,306,458 | 1,254,302 | 52,156 | 4% |
| Increase (decrease) in net assets | \$ 116,698 | (237,748) | 354,446 | 149% |

AUBURN-LEWISTON MUNICIPAL AIRPORT
Management's Discussion and Analysis, Continued

Operating Revenue

Operating revenues are derived from rents, user fees charged for plane tie-downs, landing fees and fuel flowage, and processed construction material. Operating revenue decreased by 7% as a result of decrease in the collection of rents (\$23,560) and fees (\$13,639).

Operating Subsidies

The municipalities of Auburn and Lewiston equally support the Airport through an operating subsidy. This subsidy decreased by 23% from the previous fiscal year illustrating the Airport Board's desire to become self-sufficient.

Non-operating Revenue

Normally non-operating revenues are derived from interests, excise tax, and grants from both federal and state agencies. There was a net increase in these revenue sources of \$510,468. In FY2012, the Airport received an additional municipal subsidy of \$500,000 as their contribution to their terminal and ground expansion improvements.

Depreciation Expense

Depreciation expense increased this fiscal year by \$42,641 or 10%, due to building and land improvements made during the terminal projects.

Operating Expense

Operating expenses, excluding depreciation expense, rose slightly in FY12 by \$9,515 or 1%. Increases in personnel services and fringe benefits of \$12,910; legal fees of \$9,423 due to land negotiations; utilities of \$5,861; maintenance and repairs of \$10,891; and capital costs of \$50,901 were offset by a reduction of \$83,250 in hanger lease obligations.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Management's Discussion and Analysis, Continued

The expenses consisted of:

| | 2012 | 2011 | Diff \$ | Diff % |
|-------------------------------------|-------------------|----------------|--------------|-----------|
| Salaries | \$ 236,682 | 224,919 | 11,763 | 5% |
| Fringe benefits | 107,472 | 104,946 | 2,526 | 2% |
| Overtime | 4,071 | 5,450 | (1,379) | -25% |
| Lease payments - hangar | 249,750 | 333,000 | (83,250) | -25% |
| Advertising | 1,225 | 325 | 900 | 277% |
| Telephone | 2,762 | 1,867 | 895 | 48% |
| Insurance | 22,066 | 18,713 | 3,353 | 18% |
| Legal fees | 12,258 | 2,835 | 9,423 | 332% |
| Professional services | 16,473 | 18,376 | (1,903) | -10% |
| Lights and power | 18,752 | 18,831 | (79) | 0% |
| Fuel oil | 10,167 | 6,221 | 3,946 | 63% |
| Water and sewer | 2,904 | 1,805 | 1,099 | 61% |
| Building and radio maintenance | 15,725 | 2,336 | 13,389 | 573% |
| Electrical maintenance | 8,764 | 9,238 | (474) | -5% |
| Vehicle maintenance | 11,678 | 9,545 | 2,133 | 22% |
| Airfield maintenance | 10,996 | 9,604 | 1,392 | 14% |
| Runway striping and crackseal | 5,672 | 16,120 | (10,448) | -65% |
| Computer/office maintenance support | 6,269 | 1,370 | 4,899 | 358% |
| Operating supplies | 4,378 | 2,199 | 2,179 | 99% |
| Oil and gasoline | 18,851 | 20,673 | (1,822) | -9% |
| Office supplies | 3,277 | 3,168 | 109 | 3% |
| Travel | 2,981 | 2,713 | 268 | 10% |
| Dues and memberships | 1,263 | 1,568 | (305) | -19% |
| Miscellaneous capital costs | 59,180 | 8,279 | 50,901 | 615% |
| Total operating expenses | \$ 833,616 | 824,101 | 9,515 | 1% |

Significant Subsequent Events

- Project Runway 4/22 Environmental Assessment is ongoing.

Contacting the Airport's Financial Management

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the Airport's finances and to show the Airport's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Airport Manager, at 207-786-0631.

AUBURN-LEWISTON MUNICIPAL AIRPORT

**Balance Sheets
June 30, 2012 and 2011**

| | 2012 | 2011 |
|---|---------------------|------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 107,721 | 59,861 |
| Investments | 696,522 | 1,360,672 |
| Accounts receivable | 16,257 | - |
| Grants receivable | 38,186 | 34,615 |
| Prepaid insurance | 5,237 | 5,761 |
| Total current assets | 863,923 | 1,460,909 |
| Capital assets: | | |
| Land | 1,608,111 | 1,608,111 |
| Construction in progress | 301,007 | 232,958 |
| Land improvements | 14,723,725 | 14,650,628 |
| Buildings | 2,030,715 | 976,472 |
| Equipment and vehicles | 1,219,732 | 1,209,738 |
| Less accumulated depreciation | (11,355,335) | (10,882,494) |
| Net capital assets | 8,527,955 | 7,795,413 |
| Total assets | \$ 9,391,878 | 9,256,322 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable and accrued payroll | 18,205 | 21,939 |
| Accrued compensated absences | 57,429 | 57,337 |
| Deferred income - Hangar lease | 22,500 | - |
| Total current liabilities | 98,134 | 79,276 |
| Net assets: | | |
| Invested in capital assets | 8,527,955 | 7,795,413 |
| Unrestricted | 765,789 | 1,381,633 |
| Total net assets | 9,293,744 | 9,177,046 |
| Total liabilities and net assets | \$ 9,391,878 | 9,256,322 |

See accompanying notes to financial statements.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Statements of Revenues, Expenses, and Changes in Net Assets
For the years ended June 30, 2012 and 2011.

| | 2012 | 2011 |
|---|--------------|-----------|
| Operating revenues: | | |
| Charges to users: | | |
| Rents | \$ 400,893 | 424,453 |
| Tie-down fees | 14,976 | 17,716 |
| Landing fees | 8,095 | 16,565 |
| Fuel flowage | 11,674 | 14,103 |
| Municipal subsidies | 213,500 | 278,500 |
| Sale of Christian Hill materials | 109,282 | 109,226 |
| Unclassified | 2,125 | 3,848 |
| Total operating revenues | 760,545 | 864,411 |
| Operating expenses: | | |
| Salaries | 236,682 | 224,919 |
| Fringe benefits | 107,472 | 104,946 |
| Overtime | 4,071 | 5,450 |
| Lease payments - Hangar | 249,750 | 333,000 |
| Advertising | 1,225 | 325 |
| Telephone | 2,762 | 1,867 |
| Insurance | 22,066 | 18,713 |
| Legal fees | 12,258 | 2,835 |
| Professional services | 16,473 | 18,376 |
| Lights and power | 18,752 | 18,831 |
| Fuel oil | 10,167 | 6,221 |
| Water and sewer | 2,904 | 1,805 |
| Building and radio maintenance | 15,725 | 2,336 |
| Electrical maintenance | 8,764 | 9,238 |
| Vehicle maintenance | 11,678 | 9,545 |
| Airfield maintenance | 10,996 | 9,604 |
| Runway striping and crackseal | 5,672 | 16,120 |
| Office machine/computer repairs | 6,269 | 1,370 |
| Dues and memberships | 1,263 | 1,568 |
| Travel and training | 2,981 | 2,713 |
| Office supplies | 3,277 | 3,168 |
| Operating supplies | 4,378 | 2,199 |
| Motor vehicle supplies - oil and gasoline | 18,851 | 20,673 |
| Miscellaneous capital costs | 59,180 | 8,279 |
| Depreciation | 472,842 | 430,201 |
| Total operating expenses | 1,306,458 | 1,254,302 |
| Operating loss | (545,913) | (389,891) |
| Nonoperating revenues (expenses): | | |
| Municipal subsidies - capital | 500,000 | - |
| Land fund interest | 3,254 | 5,153 |
| Airport interest | 561 | 1,623 |
| Grant revenue | 140,575 | 127,937 |
| Excise tax | 18,221 | 17,430 |
| Total nonoperating revenues (expenses) | 662,611 | 152,143 |
| Change in net assets | 116,698 | (237,748) |
| Net assets, beginning of year | 9,177,046 | 9,414,794 |
| Net assets, end of year | \$ 9,293,744 | 9,177,046 |

See accompanying notes to financial statements.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Statements of Cash Flows
For the years ended June 30, 2012 and 2011

| | 2012 | 2011 |
|--|--------------------|------------------|
| Cash flows from operating activities: | | |
| Receipts from Cities and users | \$ 766,788 | 650,244 |
| Payments to employees | (348,133) | (330,957) |
| Payments to lessor | (249,750) | (124,875) |
| Payments to vendors | (238,852) | (144,909) |
| Net cash provided by (used in) operating activities | (69,947) | 49,503 |
| Cash flow from capital and financing activities: | | |
| Purchase of capital assets | (1,205,383) | (159,733) |
| Municipal other subsidies | 500,000 | - |
| Other grant revenue | 137,004 | 492,487 |
| Excise tax receipts | 18,221 | 17,430 |
| Net cash provided by (used in) capital and financing activities | (550,158) | 350,184 |
| Cash flow from investing activities: | | |
| Net sale (purchase) of investments | 664,150 | (423,173) |
| Investment income | 3,815 | 6,776 |
| Net cash provided by (used in) investing activities | 667,965 | (416,397) |
| Increase (decrease) in cash and cash equivalents | 47,860 | (16,710) |
| Cash and cash equivalents, beginning of year | 59,861 | 76,571 |
| Cash and cash equivalents, end of year | \$ 107,721 | 59,861 |
| Cash flows from operating activities: | | |
| Net operating loss | (545,913) | (389,891) |
| Adjustment to reconcile net operating loss to net cash provided by (used in) operating activities: | | |
| Depreciation | 472,842 | 430,201 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in accounts receivable | (16,257) | - |
| (Increase) decrease in prepaid insurance | 524 | (3,521) |
| (Increase) decrease in prepaid rents | - | 208,125 |
| Increase (decrease) in accounts payable and accrued payroll | (3,735) | 14,397 |
| Increase (decrease) in accrued compensated absences | 92 | 4,359 |
| Increase (decrease) in deferred income - Hangar lease | 22,500 | (214,167) |
| Net cash provided by (used in) operating activities | \$ (69,947) | 49,503 |

See accompanying notes to financial statements.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Auburn-Lewiston Municipal Airport is a joint venture of the cities of Auburn and Lewiston organized as a nonprofit corporation under the laws of the State of Maine for the purpose of operating, maintaining and improving facilities to provide optimum air transportation service for the greater Auburn-Lewiston area.

Basis of Accounting - The accrual method of accounting is used by the Airport in the preparation of its financial statements. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred. 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.

Accounting principles generally accepted in the United States of America require that governmental operations be reflected in a fund. Auburn-Lewiston Municipal Airport operates as a proprietary enterprise fund as its operations are accounted for in a manner similar to a private business. The airport complies with Governmental Accounting Standards applicable to Proprietary funds. This requires that the Airport apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs). The Airport has elected not to comply with the FASB Statements and Interpretations issued after November 30, 1989.

Additionally, 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 Airport's proprietary fund are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Operating Subsidies - During the budgetary process, the directors of Auburn-Lewiston Municipal Airport estimate the operating deficiency for the subsequent year. Such deficiencies are funded equally by the Cities of Auburn and Lewiston.

Capital Assets - Capital assets are defined by the Airport as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. 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.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the assets' estimated useful lives ranging from 3 to 25 years as follows:

| <u>Assets</u> | <u>Years</u> |
|-------------------------|--------------|
| Computers and equipment | 3-5 |
| Vehicles | 5-15 |
| Hangers and buildings | 12-25 |
| Land improvements | 12-20 |

Grants - Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Accounts Receivable - The Airport operates in the Auburn/Lewiston area and grants credit for landing fees to local air freight carriers.

Income Taxes - The Airport operates as a quasi-governmental corporation under the laws of the State of Maine and is therefore exempt from income taxes.

Cash and Cash Equivalents - For purposes of the statements of cash flows, cash and cash equivalents are considered to be cash on hand and demand deposits. Certificates of deposit and money market accounts have been reported as investments.

Investments - Investments are reported at fair value.

Deferred Income - Deferred income represents the portion of a lease payment (paid in advance to the Airport) that is attributable to future years. The payment is being recognized as revenue ratably over the applicable months during the lease terms.

Compensated Absences - The Airport employees are entitled to certain compensated absences based on their length of employment.

Pension Plans - Two Airport employees are covered by a private pension plan in conjunction with the City of Auburn, while three other employees are covered under the Maine Public Employees Retirement System (Maine PERS). Information with respect to the private pension plan and Maine PERS can be found in the City of Auburn's financial statements. Separate information with respect to the Airport employees is not available.

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Financial Statements, Continued

DEPOSITS AND INVESTMENTS

The Airport has not formally adopted deposit and investment policies that limit allowable deposits or investments or address the specific types of risk to which the Airport's deposits or investments may be exposed.

Deposits: As of June 30, 2012 and 2011, the Airport's carrying amount of bank deposits was \$107,721 and \$59,861, respectively, and the bank balance was \$110,662 and \$81,127, respectively. The entire bank balance was covered by Federal Depository Insurance. In addition, at June 30, 2012 and 2011 the Airport had certificates of deposit outstanding which have been included in investments on the Balance Sheet. These certificates have a carrying value of \$299,735 at June 30, 2012 and \$299,013 at June 30, 2011 and are fully covered by Federal Depository Insurance.

Investments: At June 30, 2012 and 2011, the Airport's investment balances consisted of:

| | <u>2012</u> | <u>2011</u> |
|----------------------------|-------------------|------------------|
| Certificates of deposit | \$ 299,735 | 299,013 |
| Bank money market accounts | 396,787 | 1,061,659 |
| Total investments | \$ 696,522 | 1,360,672 |

The certificates of deposits are fully insured by the F.D.I.C. in both years. The money market accounts are fully collateralized at June 30, 2012 and 2011 by an irrevocable stand-by letter of credit.

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

| | Balance June 30, <u>2011</u> | <u>Increases</u> | <u>Decreases</u> | Balance June 30, <u>2012</u> |
|--|------------------------------------|------------------|------------------|------------------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 1,608,111 | - | - | 1,608,111 |
| Construction-in-progress | 232,958 | 128,461 | 60,412 | 301,007 |
| Total capital assets not being depreciated | 1,841,069 | 128,461 | 60,412 | 1,909,118 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 14,650,628 | 73,097 | - | 14,723,725 |
| Buildings | 976,472 | 1,054,243 | - | 2,030,715 |
| Equipment | 1,209,738 | 9,994 | - | 1,219,732 |
| Total capital assets being depreciated | 16,836,838 | 1,137,334 | - | 17,974,172 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 9,210,082 | 344,004 | - | 9,554,086 |
| Buildings | 798,091 | 62,162 | - | 860,253 |
| Equipment | 874,321 | 66,675 | - | 940,996 |
| Total accumulated depreciation | 10,882,494 | 472,841 | - | 11,355,335 |
| Total capital assets being depreciated, net | 5,954,344 | (664,493) | - | 6,618,837 |
| Capital assets, net | \$ 7,795,413 | 792,954 | 60,412 | 8,527,955 |

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Financial Statements, Continued

EXCISE TAX REVENUE

Excise taxes paid on vehicles and planes by businesses located at the Airport are distributed to the Cities of Auburn and Lewiston and the Airport in shares of 40%, 25%, and 35%, respectively.

LEASE AGREEMENTS

The Airport leases space to a number of businesses which operate at the Airport facility. Future minimum lease payments to be received under noncancelable leasing arrangements for the next five years averages \$400,000 per year. C.P.I. escalation clauses result in additional adjustments annually to some of the lease amounts.

The largest of these leases involves a recently constructed hangar. The hangar is owned by a third party, leased to the Airport, who in turn subleases to another third party. Terms are as follows:

Airport hangar lease:

| | <u>Airport lease - Airport lessee</u> | <u>Airport sub-lease Airport lessor</u> |
|-----------------|---|--|
| Terms | 20 years (through 2028) | 2 ½ years, with options for 2 ½ years additional renewal |
| Purchase option | Yes, at years 5, 10, 15 and 20 | No |

Amounts to be paid and to be received (includes all option periods) for the year ended June 30:

| | <u>Amount to be paid</u> | <u>Amount to be received</u> |
|---------------|--------------------------|------------------------------|
| 2013 | \$ 249,750 | 270,562 |
| 2014 | 249,750 | 115,313 |
| 2015 | 249,750 | - |
| 2016 | 249,750 | - |
| 2017 | 249,750 | - |
| 2018-2022 | 1,248,750 | - |
| 2023-2027 | 1,248,750 | - |
| 2028 | 249,750 | - |
| Totals | \$ 3,996,000 | 385,875 |

PROJECT COMMITMENTS

The following projects are currently ongoing. Balances represent amounts that have not been disbursed or drawn down from funding sources.

- Project #20 (Runway 4-22 extension design), total grant \$215,400; \$178,841 spent as of June 30, 2012
- Project #21 (Snow removal equipment), total grant \$214,500, \$7,173 spent as of June 30, 2012

AUBURN-LEWISTON MUNICIPAL AIRPORT
Notes to Financial Statements, Continued

RISK MANAGEMENT

The Airport is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Airport carries commercial insurance.

CONTINGENCIES

The Airport participates in various intergovernmental programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Airport's compliance with applicable grant requirements may be established at some future date. The amount, if any, of liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NET ASSETS

At June 30, the following net assets have been earmarked by the Board of Directors for capital items:

| | <u>2012</u> | <u>2011</u> |
|--------------------------------------|------------------|---------------|
| Part 139 Certification Manual | \$ - | 4,200 |
| Snow removal equipment – local share | 10,725 | - |
| Scope released land 4.1 acres | 1,163 | 23,277 |
| Totals | \$ 11,888 | 27,477 |

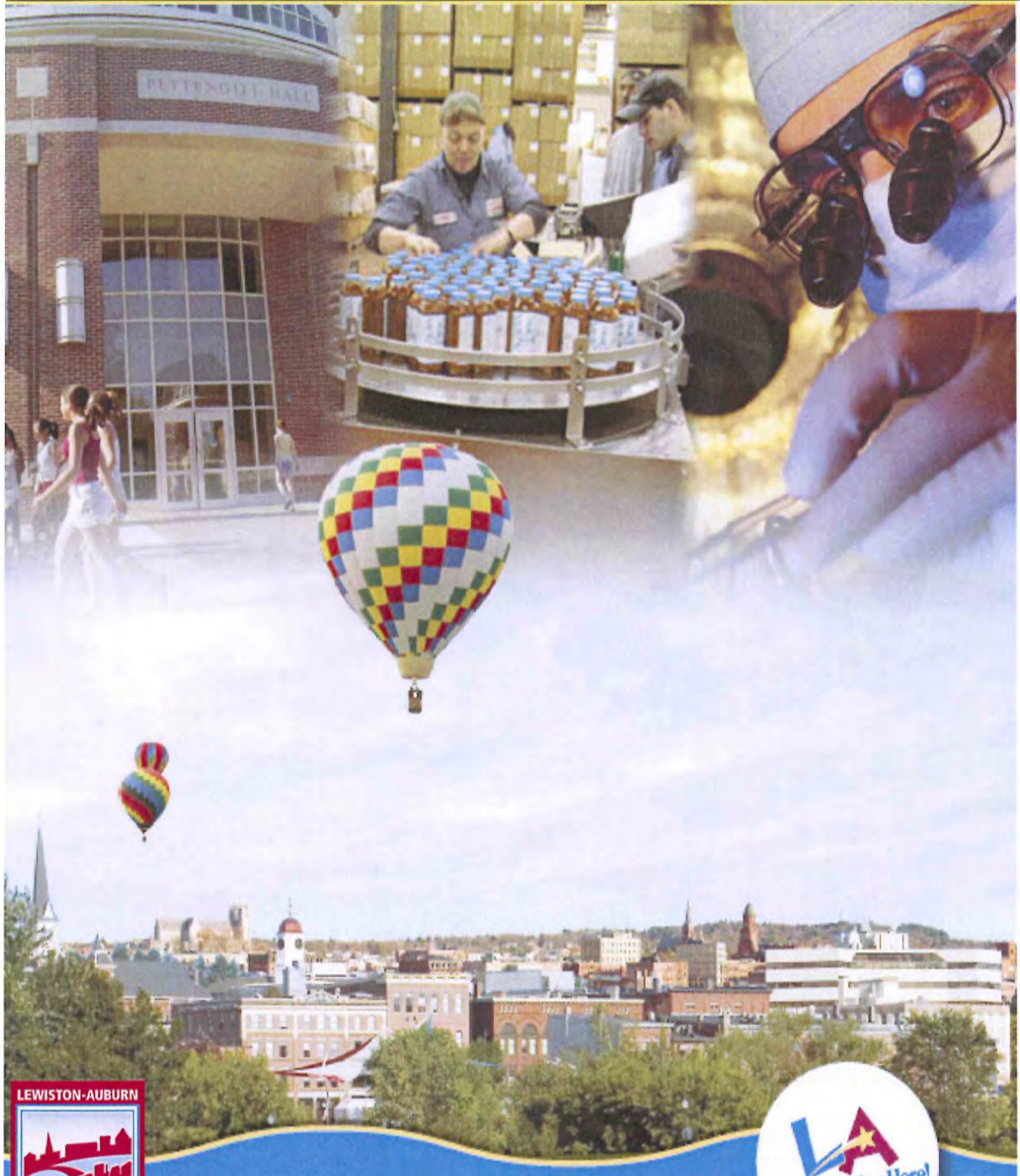
In addition, past boards established a land fund and an excise fund; both continue to be maintained. Balances of net assets earmarked for these funds at June 30 were as follows:

| | <u>2012</u> | <u>2011</u> |
|---------------|-------------------|----------------|
| Land fund | \$ 420,528 | 882,234 |
| Excise fund | 20,321 | 40,282 |
| Totals | \$ 440,849 | 922,516 |

AUBURN-LEWISTON MUNICIPAL AIRPORT
Schedule of Revenues and Expenses - Budget and Actual
For the year ended June 30, 2012

| | Budget | Actual | Variance positive (negative) |
|--|-----------------|-----------------|------------------------------------|
| Operating revenues: | | | |
| Charges to users: | | | |
| Rents | \$ 425,000 | 385,593 | (39,407) |
| Tie-down fees | 16,000 | 14,976 | (1,024) |
| Landing fees | 20,000 | 8,095 | (11,905) |
| Fuel flowage | 18,000 | 11,674 | (6,326) |
| Municipal operating subsidies | 213,500 | 213,500 | - |
| Sale of Christian Hill materials | 85,000 | 109,282 | 24,282 |
| Other operating | 1,000 | 2,125 | 1,125 |
| Total operating revenues | 778,500 | 745,245 | (33,255) |
| Operating expenses: | | | |
| Salaries | 236,000 | 236,682 | (682) |
| Fringe benefits | 113,000 | 107,472 | 5,528 |
| Overtime | 9,000 | 4,071 | 4,929 |
| Lease payments hangar | 250,000 | 249,750 | 250 |
| Advertising | 1,000 | 1,225 | (225) |
| Telephone | 3,000 | 2,762 | 238 |
| Insurance | 25,000 | 22,066 | 2,934 |
| Legal fees | 7,500 | 12,258 | (4,758) |
| Professional services | 25,000 | 16,473 | 8,527 |
| Lights and power | 23,000 | 18,752 | 4,248 |
| Water and sewer | 1,500 | 2,904 | (1,404) |
| Fuel oil | 7,500 | 10,167 | (2,667) |
| Building and radio maintenance | 13,000 | 15,725 | (2,725) |
| Electrical maintenance | 5,000 | 8,764 | (3,764) |
| Vehicle maintenance | 15,000 | 11,678 | 3,322 |
| Airfield maintenance | 10,000 | 10,996 | (996) |
| Runway striping and crackseal | 15,000 | 5,672 | 9,328 |
| Office machine/computer repairs | 2,000 | 6,269 | (4,269) |
| Dues and subscriptions | 1,500 | 1,263 | 237 |
| Travel and training | 5,500 | 2,981 | 2,519 |
| Office supplies | 2,500 | 3,277 | (777) |
| Operating supplies | 2,500 | 4,378 | (1,878) |
| Motor vehicle supplies - oil and gasoline | 25,000 | 18,851 | 6,149 |
| Total operating expenses | 798,500 | 774,436 | 24,064 |
| Operating income (loss) | (20,000) | (29,191) | (9,191) |
| Nonoperating revenue (expenses): | | | |
| Land fund interest | 8,000 | 3,254 | (4,746) |
| Airport interest | 2,000 | 561 | (1,439) |
| Excise tax | 10,000 | 18,221 | 8,221 |
| Total nonoperating revenues (expenses) | 20,000 | 22,036 | 2,036 |
| Net budgeted revenues (expenses) | - | (7,155) | (7,155) |
| Add (deduct) items not part of operating budget: | | | |
| Miscellaneous capital expenses | | (59,180) | |
| Municipal capital subsidies | | 500,000 | |
| Depreciation | | (472,842) | |
| Grant revenues | | 140,575 | |
| Rent revenues (representing reimbursements for capital improvements) | | 15,300 | |
| Change in net assets, June 30, 2012 | \$ | 116,698 | |

Lewiston-Auburn Economic Growth Council



FY 2014 Budget





March 6, 2013

Lucien B. Gosselin, President

*Daniel Thayer, Chair
Thayer Corp.*

Mark Adams, Vice Chair

*Ed Barren, Secretary
City Administrator, Lewiston*

*John Belisle, Treasurer
LAEGC Loan Committee Chair*

*Robert E. Macdonald
Mayor of Lewiston*

*Jonathan LaBonte
Mayor of Auburn*

*Clint Deschene
City Manager - Auburn*

*Gerry Berube
Lewiston & Auburn Railroad Co.*

*Felice Coney
Procter & Gamble*

*Geordie Dennison
MDOL (Retired)*

*Martin Eisenstein
Brown & Isaacson, LLP*

*Peter M. Garcia
Eaton Penbody*

*Eugene Geiger
Geiger*

*CPA, Kirk Gunderson
Oxford Networks*

*Alan Hahnel
Hahnel Bros. Co.*

*Lincoln Jeffers
City of Lewiston*

*Denis Lemieux
DLL Associates*

*Kathie Leonard
Auburn Manufacturing*

*Nathan Libby
City Councilor - Lewiston*

*H. Luke Livingston
Buxter Brewing, LLC*

*Chris Logan
Andreoseoggin Bank*

*Roland Miller
City of Auburn*

*Joshua Shea
City Councilor - Auburn*

*Richard Vail
Mechanics Savings Bank*

Honorable Mayors

**Jonathan LaBonté of Auburn,
Robert Macdonald of Lewiston,
Auburn and Lewiston City Councilors,
Auburn City Manager and Lewiston City Administrator**

The Lewiston-Auburn Economic Growth Council Board of Directors respectfully submits to the Cities of Auburn and Lewiston its appropriation request in the amount of \$160,687 from each city to fund its operating budget for fiscal year 2014. Again this year, the Growth Council is not requesting any increase in funding.

Enclosed in this packet you will find supporting data regarding measurable accomplishments as they relate to clients served, investments and taxes, jobs retained and/or created, and activities of several loan pools managed by the Growth Council.

The Cities of Auburn and Lewiston have encountered many challenges and will continue to face stiff competition from other markets looking to establish themselves more favorably for business growth. Over an extended period of time, we have continuously achieved long-term results that has positioned Auburn and Lewiston as a prime location for capital investment and job creation. Since 1981, the Growth Council has served as silent professionals working tirelessly and tactically to promote and advance this Auburn-Lewiston community.

By the numbers:

| | |
|---|--------------|
| • Volunteer board members | 90 |
| • Organizations supported / staffed by LAEGC | 6 |
| • Property taxes paid in 2012 by LAEGC and sister corporations | \$103,150 |
| • Taxes paid in 2012 to Auburn and Lewiston by Assisted business firms | \$18,520,157 |
| • People employed in 2011 by LAEGC assisted businesses | 14,689 |
| • Grants received | \$5,632,800 |
| • New FAME loan pool resources | \$2,700,000 |
| • Loans outstanding | 22 |
| • Loans receivable balance | \$2,874,940 |
| • Active loans in the pipeline | 6 |
| • Site searches, technical assistance, site visits, and marketing clients | 228 |

LEWISTON-AUBURN ECONOMIC GROWTH COUNCIL

A Cities of Auburn and Lewiston Community Development Block Grant Funded Program

| | |
|--|--------------|
| • Foreign-Trade Zone inquiries | 6 |
| • Press releases, news articles, and write-ups | 43 |
| • Ribbon cuttings | 21 |
| • Speaking engagements | 15 |
| • Accounting and bookkeeping - sets of books | 19 |
| • Number of audits and reviews | 6 |
| • Army Corps of Engineers permits | 2 |
| • Maine DEP permits | 2 |
| • Land parcels acquired | 7 |
| • Total value of assets under management in 2012 | \$13,971,416 |

In this document you will find a series of endeavors that are currently underway that define how financial resources are being allocated to initiatives that will benefit the Auburn and Lewiston area for many years to come. The following is a brief description of the Growth Council priorities for 2013-2014 fiscal year.

- Serve as the operational and technical support mechanism for economic development initiatives providing customized economic development assistance as a one-stop shop facility.
- Work aggressively to attract prospects to replace the lost jobs and fill the vacated manufacturing areas at Geiger and White Rock Distilleries.
- Conduct aggressive marketing efforts to ensure the capture of business and plant expansions to enhance job creation and induce investments.
- Serve as a champion for small businesses and continue to deliver on their need for marketing, technical, and financial assistance to improve their competitiveness and profitability.
- Work with AVCOG and the Cities of Auburn and Lewiston to develop a Regional Economic Development Strategy with a focus on revitalizing the downtown and explore the creative economy.
- Work with AVCOG and the Cities of Auburn and Lewiston to explore the development of metrics to help focus on strategic objectives.
- Continue to encourage and support the L-A Future Forum initiative.
- Develop a marketing plan and aggressively market the new Auburn Industrial-Subdivision [Park] in conjunction with City of Auburn staff and area stakeholders.
- Retool marketing efforts to advance the benefits of the Foreign-Trade Zone in Auburn.
- Further develop a strategy for the advancement of digital media outreach initiative and marketing efforts by targeted promotion, search engine optimization, and placement.

- Work with the Chamber of Commerce Regional Image Committee to explore and develop the “L-A Brand.”
- Develop high quality collateral marketing material to promote the L-A Area for distribution to clients and visitors.
- Sustain the effort of the Business-to-Business Trade Show, the state’s largest networking event, to showcase area business firms and their product offerings.
- Assist the Cities with the Riverfront Master Plan and downtown initiatives.
- Assist area small businesses with \$1,000,000 in GAP financing.
- Oversee the completion of Phase I of the Rangeley Branch Rail Restoration Project; initiate Phase II, and see it to completion.
- Continue to support education and training opportunities and programs to develop and sustain a well educated and trained workforce that is relevant to areas needs.

The Growth Council has been approached by city officials to consider a new opportunity and direction to provide staffing for a joint-downtown initiative. Joint-downtown planning and revitalization is the top economic development initiative for the respective city councils, and the Growth Council is supportive and prepared to restructure its staffing resources in order to properly and effectively respond to this challenge. The restructuring introduces budgetary uncertainties which would require the Growth Council to prepare an alternate budget for consideration. It is likely that additional financial resources would be needed, however the exact number has yet to be determined.

On behalf of the board of directors and our many community partners we wish to extend our appreciation for your thoughtful consideration of this request for financial assistance. We are all working towards a common goal to make Auburn and Lewiston a community of choice to raise a family, provide excellent educational opportunities, sustain employment opportunities, start and grow a business, and enjoy quality of life.

With your financial assistance and collaborative support, the Growth Council will continue with its commitment to create an economically vibrant Auburn and Lewiston community that supports city wide initiatives for years to come.

Sincerely,



Daniel Thayer
Board Chair



Luolen B. Gosselin
President

LAEGC'S ROLE IN THE CITIES OF LEWISTON-AUBURN

The purpose of the Growth Council (per its bylaws) is to promote and foster in the community of Lewiston-Auburn, Maine:

- Economic Development
- Trade with Other States and Countries
- Civic Improvement
- Public Policy Leadership

LAEGC is:

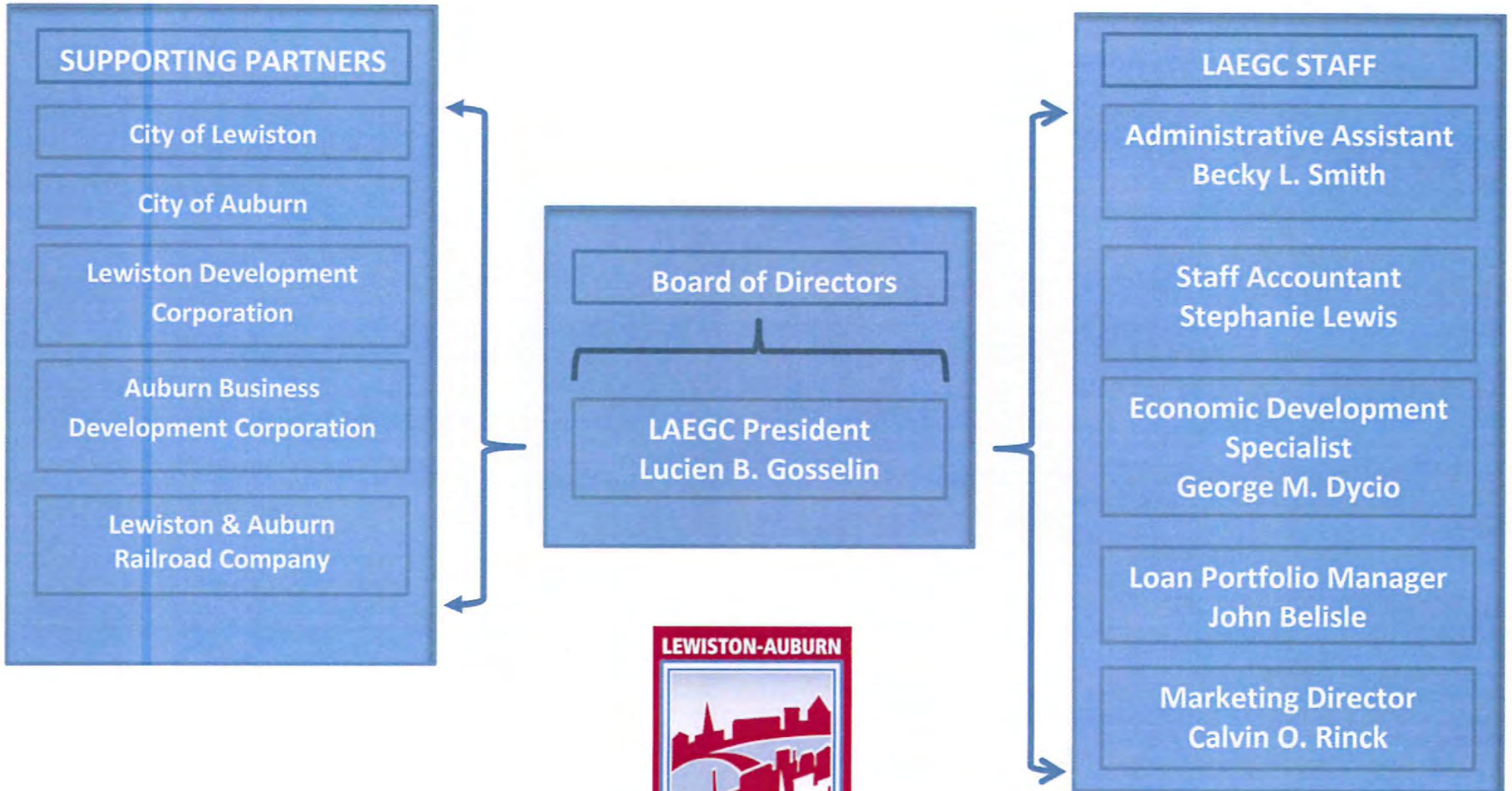
- the central economic development agency serving Lewiston and Auburn;
- a public/private partnership that assists emerging and expanding businesses; and
- focused on fostering a business environment that enhances job opportunities and the local tax base

LAEGC's Three Key Objectives:

- Promote the Twin Cities as an exceptional area for the pursuit of economic prosperity and quality of life;
- Provide technical assistance and resources to all who seek it and do all we can to facilitate their economic plans; and
- Provide and maintain low interest loan portfolios, and whenever possible, make an incremental difference in gap financing.

Organizational Structure

Lewiston-Auburn Economic Growth Council



Community Members On Our Boards

LAEGC Board of Directors

| Board Member | Company Represented |
|---------------------|------------------------------|
| Chris Logan | Androscoggin Savings Bank |
| Kathie Leonard | Auburn Manufacturing |
| H. Luke Livingston | Baxter Brewing Co. |
| Martin Eisenstein | Brann & Isaacson, LLP |
| Clinton Deschene | City of Auburn |
| Jonathan Labonte | City of Auburn |
| Roland Miller | City of Auburn |
| Joshua Shea | City of Auburn |
| Edward A. Barrett | City of Lewiston |
| Lincoln Jeffers | City of Lewiston |
| Nathan Libby | City of Lewiston |
| Robert E. MacDonald | City of Lewiston |
| Peter M. Garcia | Eaton Peabody |
| Eugene Geiger | Geiger Bros. |
| Alan Hahnel | Hahnel Bros. Co. |
| Gerry Berube | Lewiston Auburn Railroad Co; |
| Richard Vail | Mechanics Savings Bank |
| Craig Gunderson | Oxford Networks |
| Felica Coney | Procter & Gamble |
| Mark A. Adams | Sebago Technics |
| Darcie Beaudin | Skelton, Taintor & Abbott |
| Daniel Thayer | Thayer Corporation |

LAEGC Loan Committee

| Contact | Company Represented |
|----------------------|----------------------------------|
| Chris Demerchant | Androscoggin Bank |
| Roland Miller | City of Auburn |
| Lincoln Jeffers | City of Lewiston |
| John D. Clifford, IV | Clifford & Golden, P.A. |
| Richard Metivier | Eaton Peabody Consulting Group |
| Daniel Hebert | Hebert Construction Corpration |
| Guy Gagnon | International Insurance Services |
| Peter Traill | Nason Mechanical Systems |
| Raymond Martel | Spiller's |
| Edward Snook | Sun Journal Sunday |

ABDC Board of Directors

| Contact | Company Represented |
|------------------|--|
| Beth Humphrey | |
| Stephen C. Lunt | |
| John Storer | Auburn Water & Sewerage District |
| Rick Lanman | Auburn-Lewiston Municipal Airport |
| Georgia Chomas | Beter Homes & Gardens - The Masiello Group |
| Ryan Smith | Camden National Bank |
| Roland Miller | City of Auburn |
| David Pierson | Eaton Peabody |
| David Tassanari | Electrical Systems of Maine (ESM) |
| Fred Frohardt | Formed Fibre Technologies, Inc. (FFT) |
| Donald Fortin | Fortin Construction, Inc. |
| Walter W. Crites | Gritty McDuff's Brewing Co. |
| Peter Murphy | NeoKraft Signs, Inc |
| Paul Rausch | Pacios, Rausch & Co. |
| Bob Drake | Savage Safe Handling |
| Peter Bunker | Shad's Advertising |
| Darcie Beaudin | Skelton Taintor & Abbott |
| Bruce Rioux | Sun Journal |
| Daniel Thayer | Thayer Corporation |
| Dan A. Cote, Sr. | The Cote Corporation |
| Barbara Fogarty | Total Changes Personal Training |

LDC Board of Directors

| Contact | Company Represented |
|-------------------|---|
| Paul Labrecque | |
| Maureen Aube | Andros. County Chamber of Commerce |
| Chris Logan | Androscoggin Savings Bank |
| Anne Torregrossa | Brann & Isaacson |
| Amy Barriault | Central Distributors |
| Lincoln Jeffers | City of Lewiston |
| David Pierson | Eaton Peabody |
| Benjamin A. Hayes | Hannaford Bros. Co. |
| Daniel R. Hebert | Hebert Construction Corporation |
| Normand R. Lamie | Maine Center for Disease Control and Prevention |
| Sandy Marquis | Marquis Signs, Inc. |
| Peter Traill | Nason Mechanical Systems |
| Steve Lamontagne | Ouellette & Associates, PA |
| Steve Boulet | Pinnacle Access, LLC |
| Chris Branch | Sebago Technics, Inc. |
| Gary St. Laurent | St. Laurent & Son, Inc |

LARC Board of Directors

| Contact | Company Represented |
|-------------------------|------------------------------|
| Stephen C. Lunt | |
| Richard Albert | Champoux Insurance Agency |
| Roland Miller | City of Auburn |
| Lincoln Jeffers | City of Lewiston |
| Eric Agren | Fuel |
| Laurier T. Raymond, Jr. | Isaacson & Raymond |
| Bob Hayes | J.L. Hayes & Co., Inc. |
| Gerry Berube | Lewiston Auburn Railroad Co; |
| Marc Pellerin | Merrill Lynch |
| Gerard J. B. Raymond | St. Peter's Cemetary |
| Richard Trafton | Trafton & Matzen |

L/A Future Forum Board of Directors

| Board Member | Company Represented |
|-------------------------|--|
| Chip Morrison | Andros. County Chamber of Commerce |
| Jonathan Labonte | Androscoggin Land Trust & Mayor of Auburn |
| Bob Thompson | Androscoggin Valley Council of Governments |
| Kathie Leonard | Auburn Manufacturing |
| Jim Wilkins | Auburn Public Library |
| Hillary Dow | Austin Associates, PA, CPAs |
| Bill Hiss | Bates College |
| Darby Ray | Bates College |
| H. Luke Livingston | Baxter Brewing Co. |
| Laird Covey | Central Maine Medical Center |
| Laurent Gilbert | Former Mayor of Lewiston |
| Richard Gleason | Former Mayor of Auburn & Gleason Media |
| Eugene Geiger | Geiger Bros. |
| Hussein Ahmed | Global Halaal Market |
| Clifton Greim | Harriman Associates |
| John Isaacson | Lee Auto Mall |
| Margaret Rotundo | Lewiston House Representative |
| Joyce Gibson | Lewiston-Auburn College |
| Rachel Desgrosseilliers | Museum L-A |
| Peter Traill | Nason Mechanical Systems |
| Lee Myles | St. Mary's Health System |
| Maureen Wedge | Sun Journal |
| Larry Wold | TD Bank |

**Sampling
City of Auburn
Sucessfully Assisted Clients**

| Clients | FY11 | FY12 | FY13 | Average | Assistance Provided |
|--|------------------------|------------------------|------------------------|------------------------|---|
| P&G (Tambrands) | \$ 1,792,780.65 | \$ 1,610,901.81 | \$ 1,443,465.64 | \$ 1,615,716.03 | Technical Assistance |
| Formed Fiber Technologies | \$ 376,846.01 | \$ 370,880.28 | \$ 354,363.79 | \$ 367,363.36 | Technical Assistance |
| Cascades Industries | \$ 324,780.40 | \$ 325,005.49 | \$ 326,978.65 | \$ 325,588.18 | Site Selection, Technical Assistance |
| Lowe's | \$ 320,466.85 | \$ 317,800.16 | \$ 322,394.59 | \$ 320,220.53 | Technical |
| Hilton Garden Inn (River Watch, LLC) | \$ 278,572.34 | \$ 279,793.51 | \$ 279,069.35 | \$ 279,145.07 | Financial |
| Bisson Trucking/Kellogg's Snacks/NEPW | \$ 128,628.71 | \$ 133,818.15 | \$ 131,317.64 | \$ 131,254.83 | Site Selection, Technical Assistance |
| Savage Safe Handling | \$ 139,205.11 | \$ 119,814.69 | \$ 119,444.15 | \$ 126,154.65 | Site Selection, Technical Assistance |
| Lapointe Industries | \$ 115,060.81 | \$ 119,475.37 | \$ 122,188.71 | \$ 118,908.30 | Site Selection/Technical Assistance |
| Futureguard | \$ 79,830.59 | \$ 82,011.94 | \$ 84,150.80 | \$ 81,997.78 | Site Selection, Financial |
| World Harbors, Inc. - Angostura Foods | \$ 85,395.06 | \$ 91,447.12 | \$ 82,240.78 | \$ 86,360.99 | Site Selection, Technical Assistance |
| Thomas Moser Cabinet Makers | \$ 72,811.18 | \$ 72,024.15 | \$ 71,636.71 | \$ 72,157.35 | Technical Assistance |
| Ruby Tuesday & Long Horn Steakhouse | \$ 50,641.27 | \$ 49,735.36 | \$ 48,841.79 | \$ 49,739.47 | Site Selection |
| Falcon Performance Footware | \$ 26,747.87 | \$ 28,532.38 | \$ 28,703.27 | \$ 27,994.51 | Site Selection, Technical Assistance |
| New Fab | \$ 26,576.10 | \$ 25,722.78 | \$ 26,315.24 | \$ 26,204.71 | Technical Assistance |
| TD Bank (Auburn Mall) | \$ 9,022.75 | \$ 32,018.71 | \$ 24,413.06 | \$ 21,818.17 | Site Selection, Technical Assistance |
| ABDC Properties | \$ 24,358.53 | \$ 23,890.42 | \$ 24,140.76 | \$ 24,129.90 | Site Selection, Technical Assistance, Financial |
| Mt Auburn Real Estate Holdings, LLC (Dr. Bruce Gallup) | \$ 20,591.17 | \$ 20,687.19 | \$ 20,916.24 | \$ 20,731.53 | Financial |
| Hartt Transportation | \$ 17,491.59 | \$ 17,631.33 | \$ 17,538.93 | \$ 17,553.95 | Site Selection |
| Port of Auburn LLC | \$ 17,360.35 | \$ 17,441.31 | \$ 17,284.26 | \$ 17,361.97 | Site Selection, Technical Assistance |
| Refurb Supplies | \$ 16,640.46 | \$ 16,785.92 | \$ 17,215.69 | \$ 16,880.69 | Site Selection |
| Environmental Projects Inc. | \$ 10,128.64 | \$ 10,272.83 | \$ 10,453.23 | \$ 10,284.90 | Site Selection, Financial |
| Mountain Machine Works | \$ 14,436.04 | \$ 13,986.01 | \$ 12,817.74 | \$ 13,746.60 | Financial |
| Met-Craft, Inc. | \$ 8,883.79 | \$ 7,977.05 | \$ 7,718.46 | \$ 8,193.10 | Site Selection |
| Gritty McDuffs (L/A Brewing LLC) | \$ 8,173.55 | \$ 5,136.41 | \$ 5,097.32 | \$ 6,135.76 | Financial |
| Bookkeeping Plus | | | \$ 3,778.91 | \$ 3,778.91 | Site Selection |
| Verterinary Support Services (Paul Cutter) | | | | N/A | Site Selection |
| Total | \$ 3,965,429.82 | \$ 3,792,790.37 | \$ 3,602,485.72 | \$ 3,789,421.24 | |

City of Auburn Appropriation for LAEGC \$ 167,487.00 \$ 160,687.00 \$ 160,687.00 \$ 162,953.67

Net Gain/(Loss) \$ 3,626,467.58

Ratio of Appropriation to Average Taxes Paid by Sampling of Successful LAEGC Clients: \$1.00 : \$23.25

* City of Auburn Re-evaluation

A success is when LAEGC fulfills the client's requested service which has led to investment, reinvestment, job creation and/or job retention. The fiscal year credited for the success is the year in which said client makes the decision to invest, reinvest, hire or retain employment.

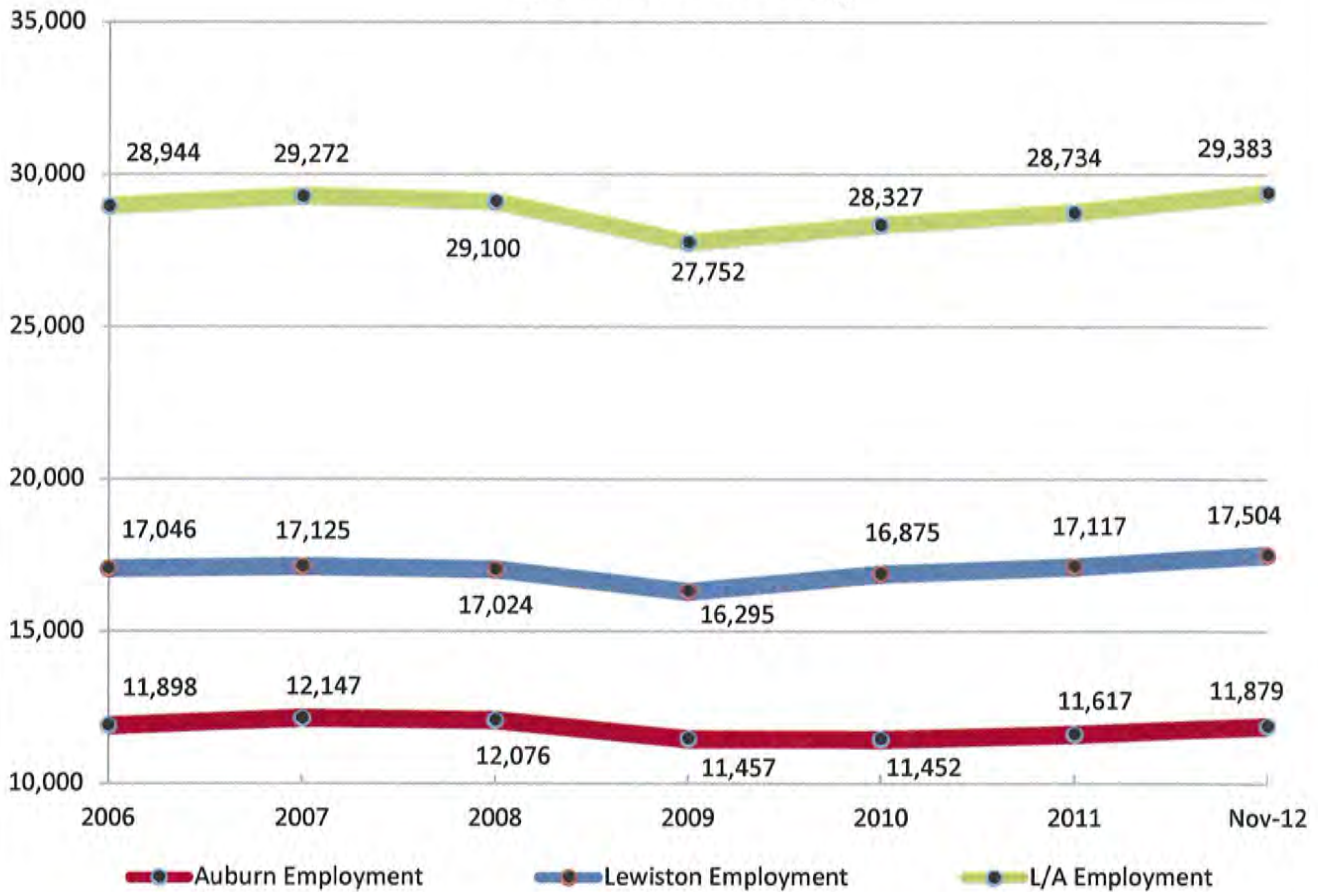
**Sampling
City of Lewiston
Successfully Assisted Clients**

| Clients | FY11 | FY12 | FY13 | Average | Assistance Provided |
|--|------------------------|------------------------|------------------------|------------------------|--------------------------------------|
| Wal-Mart Distribution Center | \$ 2,301,598.14 | \$ 2,257,963.50 | \$ 2,179,920.38 | \$ 2,246,494.01 | Site Selection, Technical Assistance |
| Elmet Technologies/Phillips Elmet | \$ 534,240.74 | \$ 512,937.32 | \$ 493,240.20 | \$ 513,472.75 | Technical Assistance |
| TD Bank (Bates Mill) | \$ 467,654.64 | \$ 409,515.50 | \$ 370,840.85 | \$ 416,003.66 | Site Selection, Technical Assistance |
| Systems Logistics (Diamond Phoenix) | \$ 160,023.81 | \$ 162,956.69 | \$ 155,999.85 | \$ 159,660.12 | Financial |
| Oxford Networks | \$ 111,195.61 | \$ 101,321.93 | \$ 100,589.51 | \$ 104,369.02 | Site Selection |
| Pediatric Associates | \$ 69,827.90 | \$ 71,179.88 | \$ 71,089.62 | \$ 70,699.13 | Financial, Technical Assistance |
| Wahlco MetroFlex | \$ 78,670.15 | \$ 54,128.05 | \$ 54,128.05 | \$ 62,308.75 | Financial |
| Estes Trucking | \$ 50,709.83 | \$ 51,155.75 | \$ 52,049.38 | \$ 51,304.99 | Site Selection, Technical Assistance |
| Mid-Maine CPL | \$ 52,848.51 | \$ 45,167.32 | \$ 44,856.55 | \$ 47,624.13 | Technical Assistance |
| Androscoggin Bank Colisee | \$ 41,481.50 | \$ 47,135.86 | \$ 42,118.42 | \$ 43,578.59 | Technical Assistance |
| Business Service Center LLC | \$ 38,065.71 | \$ 40,088.75 | \$ 40,088.75 | \$ 39,414.40 | Development |
| Tractor Supply Company | \$ 37,816.79 | \$ 39,490.94 | \$ 39,297.52 | \$ 38,868.42 | Site Selection, Technical Assistance |
| Micronetixx Communications | \$ 29,589.98 | \$ 32,151.10 | \$ 32,283.92 | \$ 31,341.67 | Financial |
| Kaplan University | \$ 39,702.74 | \$ 28,668.16 | \$ 28,668.16 | \$ 32,346.35 | Site Selection |
| Northland Industrial Truck Company | \$ 20,847.05 | \$ 22,665.54 | \$ 22,441.17 | \$ 21,984.59 | Site Selection |
| Neokraft, Inc. | \$ 26,765.25 | \$ 21,566.88 | \$ 21,214.85 | \$ 23,182.33 | Financial |
| Cassiel's | \$ 17,658.08 | \$ 18,492.73 | \$ 18,492.72 | \$ 18,214.51 | Financial |
| Davinci's | \$ 13,475.97 | \$ 13,081.98 | \$ 13,417.25 | \$ 13,325.07 | Financial |
| Chick-A-Dee of Lewiston | \$ 12,639.04 | \$ 11,065.24 | \$ 11,360.49 | \$ 11,688.26 | Financial |
| Lewiston House of Pizza | \$ 7,841.74 | \$ 8,048.54 | \$ 8,707.48 | \$ 8,199.25 | Financial |
| Northeast Charter & Tours | \$ 7,077.71 | \$ 8,763.46 | \$ 26,863.50 | \$ 14,234.89 | Financial, Development |
| Sarah Jeanne's Family Care/T&J Tuxedo | \$ 6,130.80 | \$ 5,900.45 | \$ 6,152.73 | \$ 6,061.33 | Financial |
| Custom Window Decorators | \$ 5,521.45 | \$ 5,592.04 | \$ 5,469.54 | \$ 5,527.68 | Financial |
| Rose's Commercial Cleaning | | | \$ 754.36 | \$ 754.36 | Site Selection |
| Baxter Brewing | | \$ 32.92 | \$ 24.50 | \$ 28.71 | Site Selection, Technical Assistance |
| Total | \$ 4,131,383.14 | \$ 3,969,070.53 | \$ 3,840,069.75 | \$ 3,980,686.95 | |
| City of Lewiston Appropriation for LAEGC | \$ 167,487.00 | \$ 160,687.00 | \$ 160,687.00 | \$ 162,953.67 | |

| | |
|--|-------------------------|
| Net Gain/(Loss) | \$ 3,817,733.28 |
| Ratio of Appropriation to Average Taxes Paid by Sampling of Successful LAEGC Clients: | \$1.00 : \$24.43 |

A success is when LAEGC fulfills the client's requested service which has led to investment, reinvestment, job creation and/or job retention. The fiscal year credited for the success is the year in which said client makes the decision to invest, reinvest, hire or retain employment.

Job Recovery



Auburn:
 High: 12,147 (2007)
 Low: 11,452 (2010)
 Most Recent: 11,879 (Nov 2012)

Lewiston:
 High: 17,157 (2000)
 Low: 16,295 (2009)
 Most Recent: 17,504 (Nov 2012)

Auburn/Lewiston:
 High: 29,272 (2007)
 Low: 27,752 (2009)

Source: Maine Department of Labor Civilian Labor Force Estimates. Estimates for 2012 are preliminary and are not seasonally adjusted. Estimates between 2000-2011 are final.

Note: Intended to demonstrate the recovery of jobs lost during the recession specifically for Lewiston, Auburn, and Lewiston/Auburn, the graph demonstrates that L/A is actually slightly ahead in employed residents over previous numbers dating back to 2000. Current numbers provided by Maine Department of Labor are for November 2012 and do not take into account the Metropolitan Statistical Area (MSA).

LAEGC Loan Portfolio Detail
Active Loans

Rural Development Intermediary Relending Program

| Company | City | Loan Amount | Average # of Jobs |
|-------------------|--------|-------------|-------------------|
| Pacios, Rausch | Auburn | \$100,000 | 4 |
| L/A Brewing, LLC | Auburn | \$100,000 | 11 |
| Fire House Grille | Auburn | \$50,000 | 20 |

Finance Authority of Maine Relending Program

| Company | City | Loan Amount | Average # of Jobs |
|--|----------|-------------|-------------------|
| Michael Favreau (Custom Window Decorators) | Lewiston | \$25,000 | 2 |
| Lewiston-Auburn Railroad Co. | Lewiston | \$150,000 | 1 |
| Foss Road, LLC | Lewiston | \$200,000 | * |
| Optical Solution | Auburn | \$35,000 | 2 |
| NeoKraft | Lewiston | \$30,000 | 1 |
| MicronetiXX Communications | Lewiston | \$50,000 | 7 |
| Auburn Business Development Corp. | Auburn | \$125,000 | 0 |
| Healthy Maine Smiles, P.A. | Lewiston | \$15,000 | 2 |
| Gora Fabrication, LLC | Auburn | \$35,000 | 15 |
| Rebecca Smith, LCSW | Lewiston | \$9,000 | 1 |

Lewiston Economic Stimulus Loan Pool - CDBG

| Company | City | Loan Amount | Average # of Jobs |
|-------------------------|----------|-------------|-------------------|
| Mills 3 & 6 LLC | Lewiston | \$320,000 | 17 |
| Lewiston House of Pizza | Lewiston | \$50,000 | 2 |
| Foss Road, LLC | Lewiston | \$120,000 | 8 |
| ASB Participation Loan | Lewiston | \$300,000 | 0 |

Economic Development Initiative - EDI

| Company | City | Loan Amount | Average # of Jobs |
|-----------------------------------|----------|-------------|-------------------|
| Southern Gateway, LLC | Lewiston | \$125,000 | 28 |
| Lisbon Road Animal Hospital, P.A. | Lewiston | \$107,000 | 20 |

Finance Authority of Maine - SSBCI

| Company | City | Loan Amount | Average # of Jobs |
|---------------------------|----------|-------------|-------------------|
| Henson's Auto Repair, LLC | Lewiston | \$35,000 | 2 |

Auburn Business Development Corp.

| Company | City | Loan Amount | Average # of Jobs |
|-------------------|--------|-------------|-------------------|
| Auburn Riverwatch | Auburn | \$2,200,000 | 68 |

Lewiston Development Corp.

| Company | City | Loan Amount | Average # of Jobs |
|-----------------|----------|-------------|-------------------|
| SAR Enterprises | Lewiston | \$350,000 | 78 |

| | | | |
|-----------------------|-----------------|--------------------|------------|
| Total Auburn | 7 loans | \$2,645,000 | 120 |
| Total Lewiston | 15 loans | \$1,886,000 | 169 |
| Total Combined | 22 loans | \$4,531,000 | 289 |

* The Average # of Jobs is already accounted for in the Lewiston ESLP category.

** The Average # of Jobs is already accounted for in the IRP category.

Entrepreneurship through our Loan Portfolio Program

The availability of various loan pools for our area entrepreneurs provides the Lewiston and Auburn business community a critical competitive advantage for economic development attraction efforts.

Due to the flexible nature of the available funds, we are able to leverage resources for businesses in need of financial assistance for gap financing, the procurement of state-of-the-art machinery, the hiring of additional staff personnel, business expansion, and overall development and growth.

We have increased our loan portfolio marketing initiatives and outreach programs to area businesses, recognizing that much of our growth will come from existing businesses. Our goal for fiscal year 2013 is to book \$1,000,000 in new loans.

Between 09/01/2012 and 03/01/2013 we have fielded 12 inquiries for loan information. Since 03/01/2012, we have closed 6 loans with another 4 pending. Total loans closed and booked is \$251,000 with 22 new jobs created and approximately 6 retained.



Located at 47 Broad Street in Auburn, the Fire House Grille celebrated the grand opening of their restaurant and pub in which the LAEGC was able to provide financing, technical assistance, and marketing services for the owners.

Foreign-Trade Zone

Import
Export
Tariffs
Customs
Shipping
Manufacturing
International Trade
& more...



Designed to level the global playing field, if logistics play an important role for your business, contact us today to learn more about how the Foreign-Trade Zone could make your business more competitive.



Contact George M. Dycio
gmdycio@economicgrowth.org

207-784-0161 • www.economicgrowth.org

Growing your business in Lewiston-Auburn has never been so easy.



Business loans available up to
\$250,000
an equal opportunity lender.

Are you expanding, purchasing equipment, upgrading machinery, starting a new company, in need of gap financing, or even looking for a new business home?

Contact John Belisle for a free consultation.
jbelisle@economicgrowth.org



207-784-0161 • www.economicgrowth.org

Attention Lewiston-Auburn Business Owners

Business loans available up to
\$250,000.00

equal opportunity lender

Are you expanding, purchasing state-of-the-art equipment, upgrading your machinery, thinking of starting a new company or even looking for a new business home?

Contact Stephanie Lewis to learn more.
slewis@economicgrowth.org



- Prime 5.33 acre lot in Lewiston Industrial Park, a mile from Exit #80.
- Site is graded and pad ready for building construction.
- Fully permitted & approved for 150' x 300' or 48,000 sq. ft. building.
- Public water & sewer, 3-phase power, natural gas already installed.

Lewiston Development Corporation
207-784-0161 • www.economicgrowth.org

Business Expansion & Attraction

There are a number of studies that suggest with overwhelming evidence that the key to reversing the long-term trend of stagnating incomes in the United States lies in supporting and nurturing small, locally owned businesses.

Small businesses and entrepreneurial startups provide more than just jobs for community members, they improve productivity and often innovation while utilizing other businesses in the community for accounting and other purposes. Large companies often develop their own infrastructure handling much of the work internally.

While the United State recovery continues to slowly make headway the reality is the recovery in Maine has yet to truly begin. However, much of the growth is projected to be centered around our urban areas including Lewiston and Auburn. We expect a significant portion of our future job growth to be created by existing businesses and how we position ourselves to take advantage of that opportunity will be paramount to the success of the Twin Cities. As such, and we have committed a significant amount of time and resources to fostering an active business attraction and expansion program.

In order to identify opportunities for retention and/or expansion assistance, we conduct site visitations with local business leaders and area stakeholders for leasing/renting potential. Of the clients we worked with over the past year, four signed leases in the community and another two purchased property for future development.

An important aspect of our strategy is one-on-one, customized visits with company leadership, a relationship that sometimes takes years to cultivate. Our economic development staff conducted 24 site visits over the last year which have the potential for new and expanded projects that could secure additional new jobs and generate substantial capital investment.

Not all projects happen quickly in fact, many average six months to over two years before coming to fruition. As such, projects in this category fall under the "pending section. Currently 10 clients are classified as "pending" however, even though a significant amount of staff time and resources may be allocated to a particular client or project, not all efforts result in a successful outcome.

Throughout it all, we are optimistic that the successful completion of these projects will send a clear message to site-selection consultants and relocation experts across the country that the cities of Lewiston and Auburn are an excellent location for investment.



The LAEGC worked with Dr. Alice Haines to help secure and open a new medical micro-practice at 60 Pine Street, Suite One in downtown Lewiston.

Marketing Review

A significant component of a successful economic development strategy is the ability to market the Lewiston and Auburn community to site-selection and relocation professionals as well as local business owners.

We have significantly escalated our marketing efforts on a variety of fronts by reallocating resources. Rather than passively wait for the client to come to us, we have strategically developed a number of initiatives using creative direct marketing, large-scale public relations, targeted advertising, and grass roots initiatives.

We are working with the Chamber of Commerce and Regional Image Committee to evaluate *the L/A, It's Happening Here!* Campaign. An RFP is currently being drafted and reviewed by city representatives.

Recognizing the limited availability of dollars for traditional advertising, we have increasingly focused our attention on generating region-focused stories and events that promote the community beyond a traditional ad. Known as 'ready to run' press releases, these press releases have been retooled to create a story much along the lines of what a reporter would write. Due to the effectiveness for increased distribution, archival opportunities, ability to be shared on social media, and increased emotional attachment for those with a vested interest in seeing the success of the business/client, we have seen excellent coverage.

In addition to creating original content, we have allocated resources to assist our community partners with their own internal marketing efforts. By providing letters of recommendation for national awards, working with our media contacts to advocate and pitch local stories for the cities, and assisting organizations with internal marketing strategies, we have seen a considerably higher visual presence for quality material presented to the public.

Between 03/01/2012 and 03/01/2013, marketing was able to accomplish the following:

- 156 clients assisted (not including annual dinner or Business to Business Trade Show).
- 43 press releases, articles submitted, write-ups provided to various media outlets.
- 21 ribbon cuttings or events requiring full logistical coordination.
- 13 speaking engagements.
- Largest and most diverse Business to Business Trade Show in 18 years.
- 2 new websites.
- \$52,734 value of marketing captured (non-multiplier effect).
- \$1,152,629 value of marketing captured (multiplier effect).



The LAEGC worked with the owners of KP's Place to celebrate their official grand opening and generate media publicity.

From: Michael Koch [mailto:makbiz12@gmail.com]
Sent: Wednesday, September 05, 2012 2:12 PM
To: Calvin Rinck
Subject: Re: ... Rinck logo...

Hi Calvin,

Thanks I will give them a call!

Also I will be interviewed on channel 13 'Live' Tues. morning!!

Very cool!!!

The LAEGC worked with Community Little Theatre to publicize an upcoming gallery instillation which led to television coverage.

Headlines

Targeted print advertising works and the effects of a promotion can be tremendous. At the core of any message is the headline or the ability to be seen, recognized, and ultimately positioned in the marketplace for additional exposure.

We have served as silent professionals in the background for over 32 years generating headline after headline showcasing business openings, the availability of new educational resources, promotion of the arts community, and advocate for new business opportunities.

Between February 2012 and March 2013, staff generated a number of original headlines which generated considerable media interest for our community.



The LAEGC worked with city officials and airport staff to increase awareness for the airport terminal expansion after limited initial attention.

- **Lisbon Street Celebrates another Grand Opening; Welcomes Downtown Handmade & Vintage**
- **Auburn Public Library Opens Digital Media Lab; First to be Located Within a Public Library in New England**
- **Rainbow Bicycle and Local Grind Café Celebrate Grand Opening in Downtown Lewiston**
- **Cities of Lewiston and Auburn Receive Certification as Business-Friendly Community**
- **New Terminal Building Expands Auburn-Lewiston Municipal Airport Services**
- **Tarbell & Brodich, P.A. Opens New Law Office in Downtown Auburn**
- **Permit Approved; Auburn Industrial Subdivision to Break Ground Spring 2013**
- **Medical Micro-practice Opens in Downtown Lewiston**
- **City Officials from Lewiston and Auburn Welcome Delegation from Danville, Virginia**
- **KP's Place Celebrates Grand Opening in Auburn**
- **Blush Beauty Boutique Celebrates Grand Opening in Downtown Lewiston**
- **Community Little Theatre to Debut New Photo Gallery; Exhibit to Feature Historic Lewiston and Auburn Performance Halls**
- **Foreign-Trade Zone Conference Draws Attention to Auburn Port Facility**
- **Musical Instrument Store Celebrates Grand Opening in Auburn**
- **L/A Cash Mob Strikes Again; Downtown Lewiston Business Targeted**
- **City Officials Welcome Canoe and Kayak Business to Waterfront on Temporary Basis**
- **Lewiston-Auburn Hosts Annual Conference for Maine Association of Planners**
- **Business to Business Trade Show Sold Out; Features Largest, Most Diverse Trade Show Yet**
- **Congressman Michael Michaud to Briefly Speak at LAEGC Annual Dinner and Business Forum**
- **Downtown Art Gallery Ushers in New Era, New Exhibit, and New Name**
- **Auburn-Lewiston Airport to Celebrate Grand Opening of Renovated Restaurant**
- **Tagli Celebrates Grand Opening of Lewiston Location**
- **Downtown Auburn Welcomes Pizzeria**
- **Downtown Lewiston Welcomes Kimball Street Studios**
- **Downtown Auburn Welcomes International Restaurant**

Value Added.

Connecting the pieces together needed for a business to grow takes a lot of effort and even more know-how. Thankfully, there is a tool designed and crafted with the expertise and craftsmanship to take your business to the next level in Lewiston and Auburn.

The Lewiston-Auburn Economic Growth Council is here for companies who know exactly what they are doing, but need assistance deciding where to do it, how to do it, and what tools are available for a more efficient process. Our five full time employees know the community well. We know local government, who to talk to, where opportunities exist, and where the solutions to problems are.

We provide staff services in economic development, loan portfolio management, marketing, and business consultation.

For over 32 years we have proven the partnership works between the cities by assisting businesses with financing, finding the right office space or land, and even constructing buildings in order to take a project from a dream to reality. Designed to maximize the value and opportunity for growth in Lewiston/Auburn, we are here to share that knowledge with businesses large and small.



Your full service agency and one-stop-shop for customized economic development in the Cities of Lewiston and Auburn.

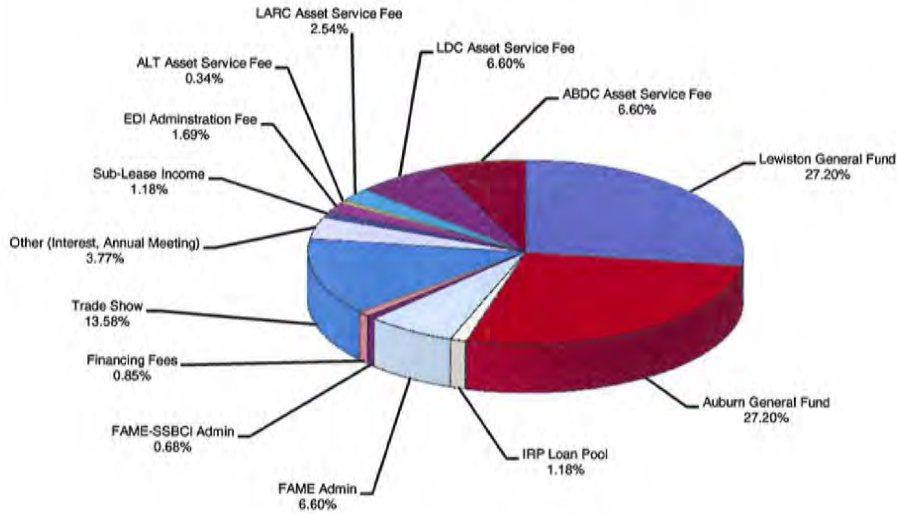
Lewiston-Auburn Economic Growth Council
415 Lisbon Street, Suite 400
Lewiston, ME 04243-1188

Phone: (207) 784-0161
Fax: (207) 786-4412
Email: laegc@economicgrowth.org
Primary website: economicgrowth.org
Facebook: [@economicgrowth](https://www.facebook.com/economicgrowth)
Twitter: [@laegc](https://twitter.com/laegc)

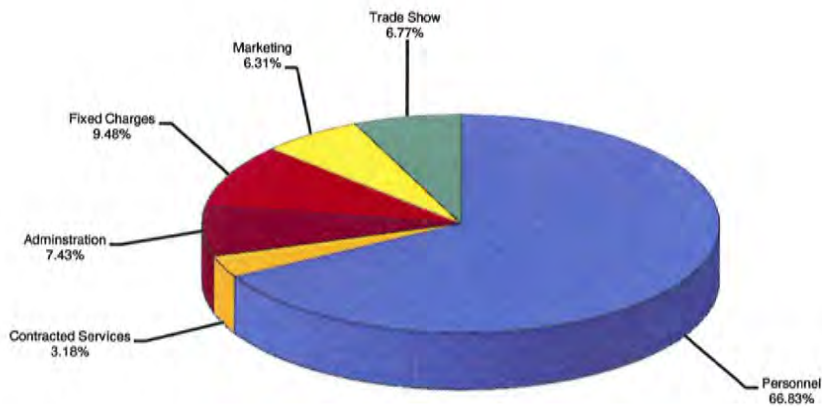
The Lewiston-Auburn Economic Growth Council wants to acknowledge the following organizations who provided research and assistance:

City of Auburn
City of Lewiston
Auburn Business Development Corporation
Lewiston Development Corporation
Lewiston and Auburn Railroad Company

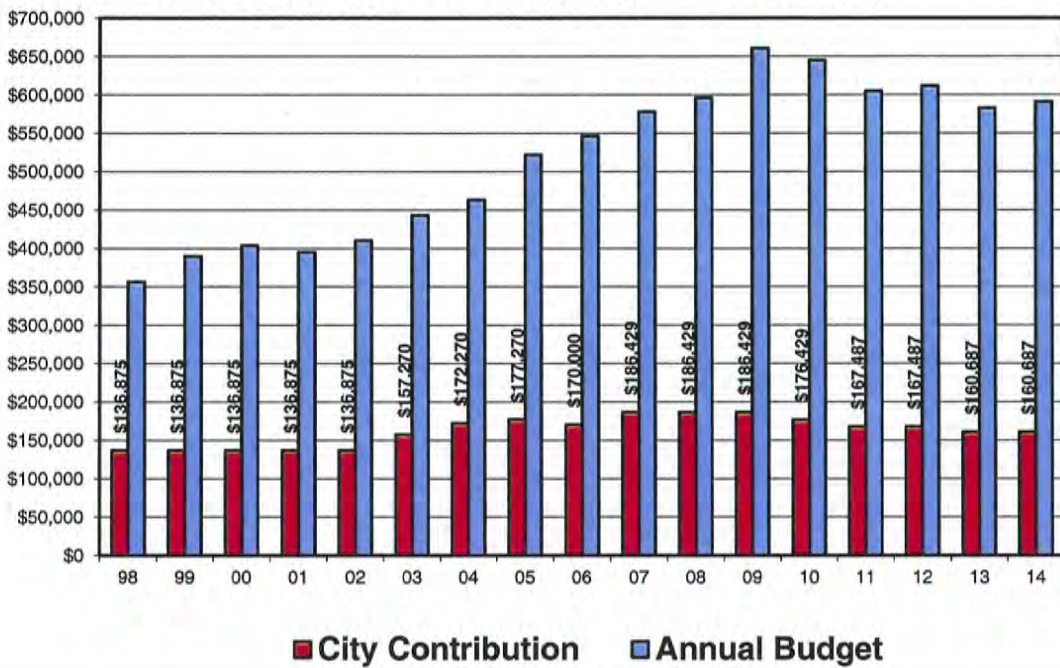
Revenues



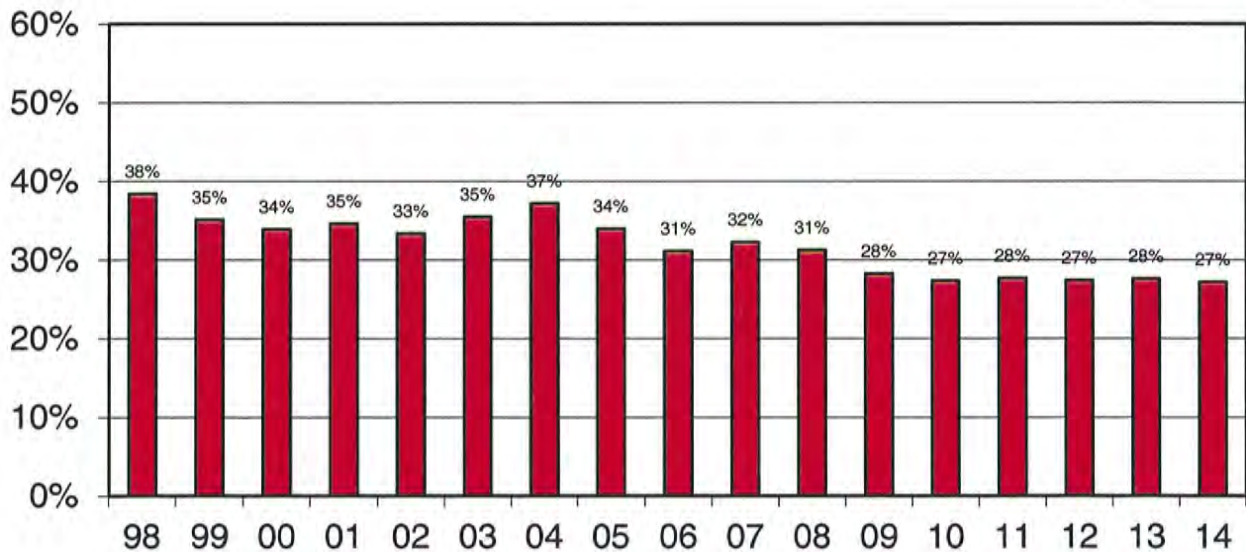
Expenditures



Budget Compared to Each City's Contribution



Each City's Contribution as Percent of Budget



**Lewiston-Auburn Economic Growth Council
FY 2014 Statement of Activities**

Page 1 of 3

| Classification | FY 2012 | FY 2013 Budget | FY 2013 Projected | FY 2014 Budget |
|--|----------------|---------------------------|------------------------------|---------------------------|
| REVENUE | | | | |
| Municipal Funding | | | | |
| City of Auburn* | 160,687 | 160,687 | 160,687 | 160,687 |
| City of Lewiston (CDBG) | 37,500 | 37,500 | 0 | 0 |
| Lewiston(CDBG-ESLP Marketing Program Fee) | 1,000 | 1,000 | 0 | 0 |
| City of Lewiston | 122,187 | 122,187 | 160,687 | 160,687 |
| Municipal Funding Sub-Total | 321,374 | 321,374 | 321,374 | 321,374 |
| Fees for Service | | | | |
| Androscoggin Land Trust Asset Service Fee | 2,046 | 2,000 | 2,000 | 2,000 |
| ABDC Asset Service Fee | 39,000 | 39,000 | 39,000 | 39,000 |
| LDC Asset Service Fee | 39,000 | 39,000 | 39,000 | 39,000 |
| L/A Railroad Company Asset Service Fee | 9,135 | 12,000 | 12,000 | 15,000 |
| FAME Administration | 28,000 | 25,000 | 25,000 | 39,000 |
| FAME-SSBCI Administration | 0 | 0 | 0 | 4,000 |
| EDI Administration | 12,000 | 10,000 | 10,000 | 10,000 |
| RECD - IRP Administration | 18,000 | 15,000 | 15,000 | 7,000 |
| Origination Fees (ESLP, RLF, FAME, EDI, SBA) | 3,600 | 7,000 | 4,000 | 5,000 |
| Fees for Service Sub-Total | 150,781 | 149,000 | 146,000 | 160,000 |
| Other | | | | |
| 415 Lisbon Street Sub-Lease Income | 8,502 | 10,000 | 5,200 | 7,000 |
| Annual Meeting | 21,995 | 22,000 | 22,000 | 22,000 |
| Business to Business Trade Show | 82,336 | 79,000 | 79,000 | 80,243 |
| Interest | 323 | 1,250 | 300 | 250 |
| L/A Future Forum | 1,563 | 0 | 0 | 0 |
| Misc./Other Income | 0 | 0 | 0 | 0 |
| Other Sub-Total | 114,719 | 112,250 | 106,500 | 109,493 |
| Total Revenue | 586,874 | 582,624 | 573,874 | 590,867 |

Lewiston-Auburn Economic Growth Council
FY 2014 Statement of Activities

Page 2 of 3

| Classification | FY 2012 | FY 2013 Budget | FY 2013 Projected | FY 2014 Budget |
|---|----------------|-------------------|----------------------|-------------------|
| EXPENSES | | | | |
| Personnel/Compensation | | | | |
| Salaries | 309,080 | 311,955 | 310,000 | 303,927 |
| Benefits (Health, Life, Dental, LTD) | 57,642 | 53,029 | 48,000 | 54,000 |
| FICA (Social Security & Medicare) | 22,236 | 25,000 | 24,000 | 24,000 |
| FUTA (Federal Unemployment) | 261 | 340 | 340 | 340 |
| MESC (State Unemployment) | 1,516 | 1,200 | 1,200 | 1,500 |
| Workers Compensation | 1,905 | 2,000 | 2,000 | 2,000 |
| Pension | 8,562 | 9,400 | 9,300 | 9,100 |
| Total Personnel/Compensation | 401,202 | 402,924 | 394,840 | 394,867 |
| Contracted Services | | | | |
| Legal & Audit | 6,360 | 7,000 | 7,000 | 7,300 |
| Loan Underwriting | 935 | 7,000 | 6,000 | 4,000 |
| Insurance (Prop, D&O, Fidel, Umb, Liability) | 5,067 | 5,000 | 5,000 | 5,000 |
| Misc. (credit reports, bank fees, payroll services) | 2,526 | 2,000 | 2,000 | 2,500 |
| Total Contracted Services | 14,888 | 21,000 | 20,000 | 18,800 |
| Administration | | | | |
| Auto expense/mileage | 7,482 | 8,000 | 8,000 | 8,000 |
| Equip. repair/Photocopier maint. Contract | 3,668 | 6,500 | 6,500 | 6,500 |
| Office Supplies | 7,471 | 7,000 | 7,000 | 7,000 |
| Equipment (non-depreciated) | 247 | 500 | 500 | 500 |
| Telephone (non-tangibles) | 6,649 | 5,300 | 5,300 | 5,800 |
| Internet | 840 | 900 | 900 | 900 |
| Postage | 1,679 | 2,500 | 2,500 | 2,500 |
| Pubs/Subs/Mail lists | 572 | 500 | 500 | 500 |
| Dues/Memberships | 3,190 | 1,700 | 1,700 | 1,700 |
| Staff Development/Travel | 3,818 | 4,500 | 4,500 | 4,500 |
| Office Cleaning | 4,450 | 3,000 | 3,000 | 4,500 |
| Computer Software | 1,722 | 1,500 | 1,500 | 1,500 |
| Business Meals | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| Total Administration | 41,788 | 41,900 | 41,900 | 43,900 |

Lewiston-Auburn Economic Growth Council
FY 2014 Statement of Activities

Page 3 of 3

| Classification | FY 2012 | FY 2013 Budget | FY 2013 Projected | FY 2014 Budget |
|-----------------------------------|----------------|-------------------|----------------------|-------------------|
| <i>EXPENSES (continued)</i> | | | | |
| Fixed Charges | | | | |
| Rent | 51,110 | 52,000 | 52,000 | 52,000 |
| Parking | 3,637 | 4,000 | 4,000 | 4,000 |
| Depreciation | 8,235 | 0 | 0 | 0 |
| Total Fixed Charges | 62,982 | 56,000 | 56,000 | 56,000 |
| Marketing | | | | |
| Printing | 839 | 1,500 | 1,500 | 1,500 |
| Advertising/Promotion | 8,898 | 11,000 | 11,000 | 11,000 |
| Image Campaign | 2,345 | 7,000 | 7,000 | 7,000 |
| L/A Future Forum | 570 | 0 | 900 | N/A |
| Trade Shows | 450 | 500 | 450 | 500 |
| Special Events - Annual Meeting | 18,010 | 10,000 | 10,000 | 15,000 |
| Foreign Trade Zone | 1,717 | 0 | 1,050 | 1,500 |
| Client Services | 1,147 | 800 | 800 | 800 |
| Business to Business Trade Show | 45,011 | 30,000 | 30,000 | 40,000 |
| Total Marketing | 78,987 | 60,800 | 62,700 | 77,300 |
| Total Expenditures | 599,847 | 582,624 | 575,440 | 590,867 |
| SUMMARY | | | | |
| Total Revenues | 586,874 | 582,624 | 573,874 | 590,867 |
| Total Expenditures | 599,847 | 582,624 | 575,440 | 590,867 |
| Total Surplus or (Deficit) | -12,973 | 0 | -1,566 | 0 |

LEWISTON-AUBURN ECONOMIC GROWTH COUNCIL

Salary Data

| | FY2013 Salaries | FY2012 Salaries | FY2011 Salaries | FY2010 Salaries | FY2009 Salaries |
|----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| President | 104,420 | 101,379 | 101,379 | 101,379 | 98,426 |
| Marketing Director | 51,500 | 50,000 | 50,000 | 60,301 | 58,545 |
| Economic Development Specialist | 50,393 | 48,925 | 48,925 | 48,925 | 47,000 |
| Loan Portfolio Manager | 26,000 | 41,600 | 41,600 | 44,554 | 43,264 |
| Staff Accountant | 48,801 | 47,380 | 47,380 | 47,380 | 46,000 |
| Administrative Assistant | 12,990 | 12,615 | 12,615 | 12,611 | 30,000 |
| Total Salaries | \$294,104 | \$301,898 | \$301,899 | \$315,150 | \$323,235 |
| COLA increases (3%) | 8,823 | 9,057 | 0 | 0 | 9,697 |
| Intern/Merit Compensation | 1,000 | 1,000 | 1,000 | 654 | 8,000 |
| Total Reserve | 9,823 | 10,057 | 1,000 | 654 | 17,697 |
| Total Budget for Salaries | FY14 Budget 303,927 | FY13 Budget 311,955 | FY12 Budget 302,899 | FY11 Budget 315,804 | FY10 Budget 340,932 |

LEWISTON-AUBURN ECONOMIC GROWTH COUNCIL
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED
JUNE 30, 2012 AND 2011



AUSTIN ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Lewiston-Auburn Economic Growth Council

Financial Statements

And Supplementary Information

For The Years Ended June 30, 2012 and 2011

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AUSTIN ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS



AUSTIN ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

December 14, 2012

To the Board of Directors
Lewiston-Auburn Economic Growth Council
415 Lisbon Street
Lewiston, ME 04240

We have audited the accompanying statements of financial position of the Lewiston-Auburn Economic Growth Council (the Council), a non-profit organization, as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lewiston-Auburn Economic Growth Council as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The information presented in the accompanying Exhibits D, E, F, G and H 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 audits 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2012, on our consideration of the Council's internal control over financial reporting and 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 should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Austin Associates, PA

AUSTIN ASSOCIATES, P.A.
Certified Public Accountants



AUSTIN ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

Lewiston-Auburn Economic Growth Council
Statements of Financial Position
June 30, 2012 and 2011

Assets

| | <u>2012</u> | <u>2011</u> |
|--|---------------------|---------------------|
| <u>Current Assets:</u> | | |
| Cash and cash equivalents (See Note 2) | \$ 249,329 | \$ 311,177 |
| Accounts receivable | 177,981 | 77,407 |
| Current portion of note receivable | 3,790 | 4,157 |
| Prepaid expenses | <u>12,015</u> | <u>19,747</u> |
| Total current assets | 443,115 | 412,488 |
| <u>Non-Current Assets:</u> | | |
| Property and equipment, net | 35,868 | 36,858 |
| Investment | 22,750 | 22,750 |
| Note receivable, net of current portion | <u>65,690</u> | <u>117,744</u> |
| Total non-current assets | 124,308 | 177,352 |
| <u>Other Assets:</u> | | |
| Economic stimulus loan pool | 804,217 | 786,203 |
| Intermediary relending program | 326,030 | 358,543 |
| Finance Authority of Maine loan program | 631,884 | 633,104 |
| Rural microentrepreneur assistance program | <u>25,054</u> | <u>-</u> |
| | <u>1,787,185</u> | <u>1,777,850</u> |
| Total assets | <u>\$ 2,354,608</u> | <u>\$ 2,367,690</u> |

The accompanying notes are an integral part of this statement.



AUSTIN ASSOCIATES
 CERTIFIED PUBLIC ACCOUNTANTS

Lewiston-Auburn Economic Growth Council
Statements of Financial Position
June 30, 2012 and 2011

Liabilities and Net Assets

| | <u>2012</u> | <u>2011</u> |
|--|---------------------|---------------------|
| <u>Current Liabilities:</u> | | |
| Accounts payable | \$ 28,141 | \$ 14,537 |
| Accrued liabilities | 50,972 | 43,712 |
| Deferred revenue | <u>574</u> | <u>-</u> |
| Total current liabilities | 79,687 | 58,249 |
| <u>Non-Current Liabilities--Revolving Loan Pools:</u> | | |
| Economic stimulus loan pool | 804,217 | 786,203 |
| Intermediary relending program | 326,030 | 358,543 |
| Finance Authority of Maine loan program | 631,884 | 633,104 |
| Rural microentrepreneur assistance program | <u>25,054</u> | <u>-</u> |
| Total non-current liabilities | 1,787,185 | 1,777,850 |
| <u>Net Assets:</u> | | |
| Unrestricted: | | |
| Undesignated | 180,114 | 201,331 |
| Designated--Equipment replacement | 108,448 | 100,212 |
| Designated--Marketing | 4,981 | 4,981 |
| Designated--Accrued sick leave upon retirement | 17,546 | 17,546 |
| Designated--Economic development initiative loan program | <u>176,647</u> | <u>207,521</u> |
| Total net assets | <u>487,736</u> | <u>531,591</u> |
| Total liabilities and net assets | <u>\$ 2,354,608</u> | <u>\$ 2,367,690</u> |

The accompanying notes are an integral part of this statement.



AUSTIN ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Lewiston-Auburn Economic Growth Council
Statements of Activities
For The Years Ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|-------------------|-------------------|
| <u>Support and Revenue:</u> | | |
| Annual dinner event | \$ 21,995 | \$ 21,140 |
| Asset service fees | 89,181 | 88,714 |
| Interest income | 7,224 | 3,206 |
| Loan processing fees | 3,600 | 1,606 |
| Marketing services | 1,000 | 5,000 |
| Other income | 1,563 | - |
| Program service fees | 366,374 | 366,474 |
| Rental income | 8,502 | 11,162 |
| Trade show | <u>82,336</u> | <u>80,419</u> |
| Total support and revenue | 581,775 | 577,721 |
| <u>Expenses:</u> | | |
| Annual meeting | 18,010 | 16,064 |
| Cleaning services | 4,450 | 4,454 |
| Client development | 1,147 | 1,086 |
| Computer expenses | 2,562 | 1,247 |
| Contribution (See Note 12) | 25,000 | - |
| Depreciation | 8,235 | 8,745 |
| Dues and memberships | 3,190 | 1,062 |
| Employee health and other insurance | 59,547 | 61,189 |
| Equipment repairs and maintenance | 3,668 | 5,202 |
| Insurance | 5,067 | 4,501 |
| Loan underwriting | 935 | 3,724 |
| Marketing: | | |
| General | 9,737 | 11,946 |
| Image campaign | 2,345 | 6,914 |
| Miscellaneous | 3,129 | 2,875 |
| Office rent | 51,110 | 51,110 |
| Office expense | 7,719 | 7,384 |
| Parking | 3,637 | 3,644 |
| Payroll taxes | 24,013 | 25,816 |
| Pension | 8,562 | 7,981 |
| Postage | 1,679 | 1,596 |
| Professional fees | 7,110 | 6,738 |
| Professional fees--Foreign Trade Zone | 1,717 | 6,669 |
| Salaries and wages | 309,080 | 312,656 |
| Staff development | 3,818 | 4,894 |
| Subscriptions and publications | 572 | 334 |
| Telephone | 6,649 | 5,930 |
| Trade show | 45,455 | 42,863 |
| Travel | <u>7,487</u> | <u>7,793</u> |
| Total expenses | 625,630 | 614,417 |
| <u>Changes in Unrestricted Net Assets</u> | (43,855) | (36,696) |
| <u>Unrestricted Net Assets, at beginning of year</u> | <u>531,591</u> | <u>568,287</u> |
| <u>Unrestricted Net Assets, at end of year</u> | <u>\$ 487,736</u> | <u>\$ 531,591</u> |

The accompanying notes are an integral part of this statement.



AUSTIN ASSOCIATES
 CERTIFIED PUBLIC ACCOUNTANTS

Lewiston-Auburn Economic Growth Council
Statements of Cash Flows
For The Years Ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|--------------------------|--------------------------|
| <u>Cash Flows from Operating Activities:</u> | | |
| Change in net assets | \$ (43,855) | \$ (36,696) |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Depreciation | 8,235 | 8,745 |
| (Increase) Decrease in operating assets: | | |
| Accounts receivable | (100,574) | 8,574 |
| Prepaid expenses | 7,731 | (9,848) |
| Increase (Decrease) in operating liabilities: | | |
| Accounts payable | 13,605 | (24,263) |
| Accrued liabilities | 7,260 | (6,192) |
| Deferred revenue | 574 | - |
| Net cash used in operating activities | <u>(107,024)</u> | <u>(59,680)</u> |
| <u>Cash Flows from Investing Activities:</u> | | |
| Purchase of property and equipment | (7,245) | - |
| Issuance of notes receivable | - | (125,000) |
| Collections on notes receivable | 52,421 | 3,098 |
| Change in restricted cash | - | 265 |
| Net cash provided by (used in) investing activities | <u>45,176</u> | <u>(121,637)</u> |
| <u>Net Decrease in Cash and Cash Equivalents</u> | (61,848) | (181,317) |
| <u>Cash and Cash Equivalents, at beginning of year</u> | <u>311,177</u> | <u>492,494</u> |
| <u>Cash and Cash Equivalents, at end of year</u> | <u>\$ 249,329</u> | <u>\$ 311,177</u> |

The accompanying notes are an integral part of this statement.



AUSTIN ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Lewiston-Auburn Economic Growth Council

Notes to the Financial Statements

June 30, 2012 and 2011

NOTE 1: Significant Accounting Policies

Activities:

The Lewiston-Auburn Economic Growth Council (the Council) is a not-for-profit Maine corporation, providing marketing, financing, and other support services to businesses in order to stimulate industrial and commercial development and expansion in the cities of Lewiston and Auburn and the surrounding communities.

Basis of presentation:

The Council's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Council and changes therein are classified and reported as follows:

Unrestricted Net Assets--Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets--Net assets whose use by the Council is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed from restriction by actions of the Council pursuant to those stipulations. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Council has no temporarily restricted net assets.

Permanently Restricted Net Assets--Net assets subject to donor-imposed restrictions that must be maintained permanently by the Council. The Council has no permanently restricted net assets.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash:

For purposes of the statements of cash flows, the Council considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Income taxes:

The Council is qualified as an organization exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. Therefore, no provision for income taxes has been made. The Council does not believe it has done anything during the past year that would jeopardize its tax exempt status at either the state or Federal level. The Council reports its activities to the IRS in an annual information return. These filings are subject to review by the tax authorities and the federal income tax returns for 2009, 2010 and 2011 are subject to examination by the IRS, generally for three years after they were filed.



AUSTIN ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Lewiston-Auburn Economic Growth Council

Notes to the Financial Statements

June 30, 2012 and 2011

NOTE 1: Significant Accounting Policies (Continued)

Accounts receivable:

Accounts receivable are reported at the amounts management expects to collect on outstanding balances at year-end. Management determines the Council's past due receivables based on contractual terms. Uncollectible receivables are charged to operations in the period that management determines collection to be doubtful. If the reserve method of accounting were used, it would not have a material effect on the financial statements.

Property and equipment:

Fixed assets are stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets.

Investment:

Debt securities that the Council has positive intent and ability to hold to maturity are reported as held-to-maturity securities and are stated at cost.

Notes receivable:

Notes receivable are carried at the amounts contractually due net of allowances for uncollectible amounts and discounts, if any. The Council classifies the amounts receivable under notes as current or delinquent based on the payment histories and its estimate of payments expected to be received in the following year. The Council periodically reviews the balances of notes receivable and provides an allowance for uncollectible amounts when it believes collection of all or some portion of the balance is doubtful. If a note is deemed uncollectible, it is charged to the allowance. No allowance for notes receivable was considered necessary at June 30, 2012.

Revolving loan pools:

The Council is an intermediary that administers revolving loan pools funded through federal, state and municipal grants. The revolving loan pools are comprised of cash and notes receivable and are segregated from the assets, liabilities and net assets of the Council. With the exception of the Economic Development Initiative Loan Program (see Note 11), the operating activities of the revolving loan pools are not included with the operating activities of the Council.

Advertising expense:

Advertising costs are expensed as incurred. Advertising expenses were \$12,082 and \$18,860 for the years ended June 30, 2012 and 2011, respectively.



Lewiston-Auburn Economic Growth Council

Notes to the Financial Statements

June 30, 2012 and 2011

NOTE 2: Cash and Cash Equivalents

The components of cash and cash equivalents are as follows:

| | <u>2012</u> | <u>2011</u> |
|--|-------------------|-------------------|
| Operating | \$ 130,163 | \$ 215,557 |
| Economic Development Initiative Loan Program | <u>119,166</u> | <u>95,620</u> |
| Total | <u>\$ 249,329</u> | <u>\$ 311,177</u> |

NOTE 3: Fixed Assets

A summary of fixed assets is as follows:

| | <u>2012</u> | <u>2011</u> |
|--------------------------------|------------------|------------------|
| Office equipment | \$ 89,712 | \$ 82,466 |
| Furniture and fixtures | 54,604 | 54,604 |
| Less: Accumulated depreciation | <u>(108,448)</u> | <u>(100,212)</u> |
| Fixed assets, net | <u>\$ 35,868</u> | <u>\$ 36,858</u> |

NOTE 4: Investment

The Council purchased \$25,000 of Economic Development Debentures from the Auburn Business Development Corporation (ABDC), bearing no interest and payable on December 31, 2020, unless called earlier at the sole discretion of the ABDC. During 2005, the ABDC called \$2,250 of the Economic Development Debentures. The total principal amount of debentures outstanding was \$22,750 at June 30, 2012 and 2011.

NOTE 5: Note Receivable

| | <u>2012</u> | <u>2011</u> |
|--|------------------|-------------------|
| Note receivable from Southern Gateway LLC dated November 5, 2010. Payable in 240 monthly installments of \$896, beginning June 5, 2011. Effective interest rate of 6% per annum. Secured by real estate. | \$ 69,480 | \$ 121,901 |
| Less--Current portion | <u>3,790</u> | <u>4,157</u> |
| Long-term portion of loan receivable | <u>\$ 65,690</u> | <u>\$ 117,744</u> |



Lewiston-Auburn Economic Growth Council

Notes to the Financial Statements

June 30, 2012 and 2011

NOTE 6: Concentration of Credit Risk

At times, the Council maintains accounts balances in excess of federally insured limits. The Council has not experienced any losses nor does management believe the Council is exposed to any significant credit risk related to cash. At June 30, 2012 the Council did not have any bank balances that exceeded the amount that is federally insured.

NOTE 7: Related Party Transactions

The Council shares certain common directors with the Auburn Business Development Corporation (ABDC), the Lewiston Development Corporation (LDC), and the Lewiston & Auburn Railroad Company (LARC). These corporations have been organized to promote local economic development. The Council's staff performs administrative functions and shares office space with ABDC, LDC and LARC. The Council received funding from these related parties totaling \$87,135 and \$86,734 in 2012 and 2011, respectively. At June 30, 2012 and 2011, the Council had receivables from these related parties totaling \$22,024 and \$61,087, respectively.

In July 2004, the Council disbursed a \$150,000 loan to LARC from the Finance Authority of Maine Loan Program (FAME) with comparable terms to other outstanding loans in the program. The outstanding principal balance on the loan was \$38,085 and \$58,112 at June 30, 2012 and 2011, respectively.

In January 2007, the Council approved and disbursed loans totaling \$316,272 from the Economic Stimulus Loan Program (ESLP) and Finance Authority of Maine Loan Program (FAME) to Foss Road, LLC, of which the Council's president is the manager and the LDC has operating control. The loan terms are comparable to other outstanding loans in the programs. The outstanding principal balance on the loan was \$275,296 and \$283,746 at June 30, 2012 and 2011, respectively.

In December 2006, the Council moved its offices into new facilities owned by 415 Lisbon Street LLC of which the Council's president is the manager and the LDC has operating control. The Council occupies this office space under the terms of a ten-year, noncancelable lease agreement requiring monthly payments of \$2,283 and the payment of utilities. This lease also requires the Council to pay \$1,977 on a monthly basis for its prorated share of real estate taxes, insurance and common area maintenance charges. Actual amounts will be adjusted annually. Total rent expense, including other pro rata charges, under the terms of this noncancelable operating lease was \$51,110 in 2012 and 2011.

As discussed in Note 4, the Council has purchased debt securities from the ABDC.



AUSTIN ASSOCIATES

COMMERCIAL PUBLIC ACCOUNTANTS

Lewiston-Auburn Economic Growth Council

Notes to the Financial Statements

June 30, 2012 and 2011

NOTE 8: Economic Stimulus Loan Program

The Economic Stimulus Loan Program (ESLP) provides financing for local businesses in order to create new employment opportunities for low and moderate income individuals. The program is funded under a Community Development Block Grant to the City of Lewiston from the United States Department of Housing and Urban Development (HUD). The Council is responsible for administering the loan program, which is used to supplement traditional lender financing.

The agreement stipulates that all funding and interest earned from lending activities be reinvested in the loan pool and maintained in a separate cash account from other Council funds. However, interest earned from lending activities may be used for one or more of the following approved activities: annual administrative fees paid to the Council, accounting, audit, and legal fees required for the operation of the loan pool, and contributions to marketing programs up to a maximum of \$5,000 per year. At such time as the Lewiston City Council decides this loan pool program is no longer desirable or necessary as part of the City's economic development strategy, all remaining funds shall revert to the City of Lewiston.

As of June 30, 2012, the City of Lewiston (the City) terminated the contractual agreement with the Council to manage and operate the ESLP program so the funds could be reallocated to replenish the City's various loan and grant programs. As of June 30, 2012, the Council was awaiting instruction from the City and had yet to transfer any funds. The Council will continue to service any active, outstanding loans and manage documents and accounts receivable. The Council will remit all principal and interest payments as well as fees to the City.

The loan pool has been shown as both a noncurrent asset and a liability because of the restrictions on the use and final disposition of the funds.

NOTE 9: Intermediary Relending Program

The Intermediary Relending Program (IRP) provides financing to local businesses in order to stimulate community development in rural areas. The program is funded by loans from the United States Department of Agriculture's Rural Business – Cooperative Services (RBS). A contractual agreement stipulates that the proceeds of the RSB loan funds held by the Council, all proceeds of collateral received from ultimate recipients, and any funds obtained from relending RBS-derived funds and recollecting them, including interest, be maintained in a separate cash account from other Council funds.

The RBS provided total funding of \$740,000 to the Intermediary Relending Program. The entire amount is to be repaid to RBS under a note payable requiring annual installments of \$31,838 including interest at 1% through January 2023. The debt is serviced from the loan collections of the IRP. The note is secured by current and future assets of the IRP. The outstanding principal balance of the note payable at June 30, 2012 and 2011 was \$345,990 and \$374,087, respectively.



AUSTIN ASSOCIATES

CHARTERED FINANCIAL ACCOUNTANTS

Lewiston-Auburn Economic Growth Council

Notes to the Financial Statements

June 30, 2012 and 2011

NOTE 9: Intermediary Relending Program (Continued)

Future maturities of notes payable are as follows:

| <u>Years Ending June 30,</u> | <u>Amount</u> |
|----------------------------------|-------------------|
| 2013 | \$ 28,378 |
| 2014 | 28,662 |
| 2015 | 28,949 |
| 2016 | 29,238 |
| 2017 | 29,530 |
| Thereafter | <u>201,233</u> |
| | <u>\$ 345,990</u> |

The loan pool has been shown as both a noncurrent asset and liability because of the restrictions on the use and final disposition of the funds.

NOTE 10: Finance Authority of Maine Loan Program

The Council has an agreement with the Finance Authority of Maine (FAME) to receive funding for the purpose of relending the funds to qualifying businesses in the Cities of Lewiston and Auburn.

The contractual agreement stipulates that the Council shall maintain FAME loan funds in a separate cash account. The Council may charge a 1% commitment fee to borrowers and use interest earnings up to 7% of outstanding loans to cover reasonable administrative costs. The Council is also required to pay FAME an annual fund administration fee equal to 1% of the funds received by the Council. The funds are secured by all of the current and future assets attributable to and derived from the FAME Loan Program.

The loan pool has been shown as both a noncurrent asset and liability because of the restrictions on the use and final disposition of the funds.

NOTE 11: Economic Development Initiative Loan Program

The Economic Development Initiative Loan Program (EDI) provides financing for commercial and industrial businesses seeking to expand or relocate in the Cities of Lewiston and Auburn. Program funding was provided under a grant from the United States Department of Housing and Urban Development (HUD).

The grant stipulated that all funding and interest earned be reinvested in the loan pool and maintained in a separate cash account from other Council funds. The Council charged a 1% commitment fee to borrowers and used earnings up to 5% of each outstanding loan to cover reasonable administrative costs. The funds were secured by all of the current and future assets attributable to and derived from the EDI Loan Program.



AUSTIN ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

Lewiston-Auburn Economic Growth Council

Notes to the Financial Statements

June 30, 2012 and 2011

NOTE 11: Economic Development Initiative Loan Program (Continued)

During 2005, HUD issued a "certificate of project completion" indicating the Council had complied with all the requirements of the grant agreement which funded the Council's Economic Development Initiative Loan Program (the loan program). Accordingly, the accounts of the EDI loan program are included with the Council's. While the Council is no longer subject to the stipulations outlined in the grant agreement, it will continue to reinvest interest earned into the loan pool and maintain a separate cash account from other council funds.

NOTE 12: Rural Microentrepreneur Assistance Program

The Rural Microentrepreneur Assistance Program (RMAP) provides financing to local businesses in order to stimulate community development in rural areas. The program is funded by loans from the United States Department of Agriculture's Rural Business – Cooperative Services (RBS). A contractual agreement stipulates that the proceeds of the RSB loan funds held by the Council, all proceeds of collateral received from ultimate recipients, and any funds obtained from relending RBS-derived funds and recollecting them, including interest, be maintained in a separate cash account from other Council funds.

The RBS will provide total funding of \$500,000 to the Rural Microentrepreneur Assistance Program to be disbursed as funds are advanced. The entire amount is to be repaid to RBS under a note payable requiring 217 monthly installments beginning on March 31, 2014 including interest at 2%. The debt is to be serviced from the loan collections of the RMAP. The note is secured by current and future assets of the RMAP. There was no outstanding principal balance of the note payable at June 30, 2012.

To receive the RMAP funding, the Council was required to setup a loan loss reserve fund. The fund is required to be an amount greater than or equal to 5% of the Council's loan to the micro lender under this program. The Council contributed \$25,000 from the EDI loan program to the fund during the year ended June 30, 2012.

As of June 30, 2012, no loans had been issued from the RMAP program.

The loan pool has been shown as both a noncurrent asset and liability because of the restrictions on the use and final disposition of the funds.

NOTE 13: State Small Business Credit Initiative Program

The Council has an agreement with the Finance Authority of Maine (FAME) to receive funding for the purpose of relending the funds to qualifying small businesses under the State Small Business Credit Initiative Program (SSBCI).



Lewiston-Auburn Economic Growth Council

Notes to the Financial Statements

June 30, 2012 and 2011

NOTE 13: State Small Business Credit Initiative Program (Continued)

The contractual agreement stipulates that the Council shall maintain FAME loan funds in a separate cash account. The Council may charge a 2% commitment fee to borrowers and use interest earnings up to 7% of outstanding loans to cover reasonable administrative costs. The Council is also required to pay FAME an annual fund administration fee equal to .75% of the funds received by the Council. The funds are secured by all of the current and future assets attributable to and derived from the SSBCI program.

As of June 30, 2012, no loans had been issued from the SSBCI program.

NOTE 14: Lease Income

The Council subleases office space to one tenant, as a tenant-at-will, in its office space at 415 Lisbon Street. The lease agreements provide for payment of tenant's share of common area maintenance costs (CAM) in addition to the base rent. Rental income, including CAM charges, totaled \$8,502 and \$11,162 in 2012 and 2011, respectively.

NOTE 15: Defined Contribution Pension Plan

The Council sponsors a defined contribution pension plan under section 408(p) of the Internal Revenue Code in which all employees are eligible, provided they meet certain age, compensation and service time requirements. The plan provides for matching contributions by the Council of up to 3% of each employee's compensation. Council contributions to the plan totaled \$8,562 and \$7,981 in 2012 and 2011, respectively.

NOTE 16: Functional Expenses

Expenses by their functional classifications are as follows for the years ended June 30, 2012 and 2011:

| | <u>2012</u> | <u>2011</u> |
|---------------------|-------------------|-------------------|
| Program services | \$ 536,555 | \$ 525,673 |
| Supporting services | <u>89,075</u> | <u>88,744</u> |
| | <u>\$ 625,630</u> | <u>\$ 614,417</u> |

NOTE 17: Subsequent Events

The Council has evaluated events, if any, that have occurred subsequent to December 14, 2012, the date the financial statements were available to be issued, and included information in the notes to the financial statements related to any identifiable events, if necessary.



SUPPLEMENTARY INFORMATION



Lewiston-Auburn Economic Growth Council
Combining Schedule of Financial Position
June 30, 2012

Assets

| | <u>LAEGC</u> | <u>EDI</u> | <u>Total</u> |
|--|---------------------|-------------------|---------------------|
| <u>Current Assets:</u> | | | |
| Cash and cash equivalents | \$ 130,163 | 119,166 | \$ 249,329 |
| Accounts receivable | 177,981 | - | 177,981 |
| Current portion of note receivable | - | 3,790 | 3,790 |
| Prepaid expenses | 12,015 | - | 12,015 |
| Total current assets | 320,159 | 122,956 | 443,115 |
| <u>Non-Current Assets:</u> | | | |
| Property and equipment, net | 35,868 | - | 35,868 |
| Investment | 22,750 | - | 22,750 |
| Note receivable, net of current portion | - | 65,690 | 65,690 |
| Total non-current assets | 58,618 | 65,690 | 124,308 |
| <u>Other Assets:</u> | | | |
| Economic stimulus loan pool | 804,217 | - | 804,217 |
| Intermediary relending program | 326,030 | - | 326,030 |
| Finance Authority of Maine loan program | 631,884 | - | 631,884 |
| Rural microentrepreneur assistance program | 25,054 | - | 25,054 |
| Total assets | <u>\$ 2,165,962</u> | <u>\$ 188,646</u> | <u>\$ 2,354,608</u> |

Liabilities and Net Assets

| | | | |
|--|---------------------|-------------------|---------------------|
| <u>Current Liabilities:</u> | | | |
| Accounts payable | \$ 16,142 | \$ 11,999 | \$ 28,141 |
| Accrued liabilities | 50,972 | - | 50,972 |
| Deferred revenue | 574 | - | 574 |
| Total current liabilities | 67,688 | 11,999 | 79,687 |
| <u>Non-Current Liabilities--Revolving Loan Pools:</u> | | | |
| Economic stimulus loan pool | 804,217 | - | 804,217 |
| Intermediary relending program | 326,030 | - | 326,030 |
| Finance Authority of Maine loan program | 631,884 | - | 631,884 |
| Rural microentrepreneur assistance program | 25,054 | - | 25,054 |
| Total non-current liabilities | 1,787,185 | - | 1,787,185 |
| <u>Net Assets:</u> | | | |
| Unrestricted: | | | |
| Undesignated | 180,114 | - | 180,114 |
| Designated--Equipment replacement | 108,448 | - | 108,448 |
| Designated--Marketing | 4,981 | - | 4,981 |
| Designated--Accrued sick leave upon retirement | 17,546 | - | 17,546 |
| Designated--Economic development initiative loan program | - | 176,647 | 176,647 |
| Total net assets | 311,089 | 176,647 | 487,736 |
| Total liabilities and net assets | <u>\$ 2,165,962</u> | <u>\$ 188,646</u> | <u>\$ 2,354,608</u> |

The accompanying notes are an integral part of this statement.



Lewiston-Auburn Economic Growth Council
Combining Schedule of Financial Position
June 30, 2011

Assets

| | <u>LAEGC</u> | <u>EDI</u> | <u>Total</u> |
|--|---------------------|-------------------|---------------------|
| <u>Current Assets:</u> | | | |
| Cash and cash equivalents | \$ 215,557 | \$ 95,620 | \$ 311,177 |
| Accounts receivable | 77,407 | - | 77,407 |
| Current portion of note receivable | - | 4,157 | 4,157 |
| Prepaid expenses | 19,747 | - | 19,747 |
| Total current assets | 312,711 | 99,777 | 412,488 |
| <u>Non-Current Assets:</u> | | | |
| Property and equipment, net | 36,858 | - | 36,858 |
| Investment | 22,750 | - | 22,750 |
| Note receivable, net of current portion | - | 117,744 | 117,744 |
| Total non-current assets | 59,608 | 117,744 | 177,352 |
| <u>Other Assets:</u> | | | |
| Economic stimulus loan pool | 786,203 | - | 786,203 |
| Intermediary relending program | 358,543 | - | 358,543 |
| Finance Authority of Maine loan program | 633,104 | - | 633,104 |
| Rural microentrepreneur assistance program | - | - | - |
| Total assets | <u>\$ 2,150,169</u> | <u>\$ 217,521</u> | <u>\$ 2,367,690</u> |

Liabilities and Net Assets

| | | | |
|--|---------------------|-------------------|---------------------|
| <u>Current Liabilities:</u> | | | |
| Accounts payable | \$ 4,537 | \$ 10,000 | \$ 14,537 |
| Accrued liabilities | 43,712 | - | 43,712 |
| Deferred revenue | - | - | - |
| Total current liabilities | 48,249 | 10,000 | 58,249 |
| <u>Non-Current Liabilities--Revolving Loan Pools:</u> | | | |
| Economic stimulus loan pool | 786,203 | - | 786,203 |
| Intermediary relending program | 358,543 | - | 358,543 |
| Finance Authority of Maine loan program | 633,104 | - | 633,104 |
| Rural microentrepreneur assistance program | - | - | - |
| Total non-current liabilities | 1,777,850 | - | 1,777,850 |
| <u>Net Assets:</u> | | | |
| Unrestricted: | | | |
| Undesignated | 201,331 | - | 201,331 |
| Designated--Equipment replacement | 100,212 | - | 100,212 |
| Designated--Marketing | 4,981 | - | 4,981 |
| Designated--Accrued sick leave upon retirement | 17,546 | - | 17,546 |
| Designated--Economic development initiative loan program | - | 207,521 | 207,521 |
| Total net assets | 324,070 | 207,521 | 531,591 |
| Total liabilities and net assets | <u>\$ 2,150,169</u> | <u>\$ 217,521</u> | <u>\$ 2,367,690</u> |

The accompanying notes are an integral part of this statement.



Lewiston-Auburn Economic Growth Council
Schedules of Actual Versus Budgeted Support and Revenue and Expenses
For The Year Ended June 30, 2012

| | Actual 2012 | Budget 2012 | Over (Under) Budget |
|---------------------------------------|-------------------|-------------------|---------------------------|
| <u>Support and Revenue:</u> | | | |
| Annual dinner event | \$ 21,995 | \$ 22,656 | \$ (661) |
| Asset service fee | 89,181 | 89,135 | 46 |
| Funding from City of Auburn | 160,687 | 160,687 | - |
| Funding from City of Lewiston | 122,187 | 122,187 | - |
| Funding from RD/IRP | 18,000 | 18,000 | - |
| Funding from ESLP | 37,500 | 37,500 | - |
| ESLP marketing income | 1,000 | 1,000 | - |
| FAME marketing income | 28,000 | 37,000 | (9,000) |
| EDI administration fee | - | 12,000 | (12,000) |
| Other income | 1,563 | - | 1,563 |
| Interest income | 7,224 | 1,250 | 5,974 |
| Loan processing fees | 3,600 | 6,000 | (2,400) |
| Trade show | 82,336 | 79,000 | 3,336 |
| Rental income | 8,502 | 11,600 | (3,098) |
| Total support and revenue | <u>\$ 581,775</u> | <u>\$ 598,015</u> | <u>\$ (16,240)</u> |
| <u>Expenses:</u> | | | |
| Annual meeting | \$ 18,010 | \$ 10,000 | \$ 8,010 |
| Cleaning services | 4,450 | 3,000 | 1,450 |
| Client development | 1,147 | 800 | 347 |
| Computer expenses | 2,562 | 2,400 | 162 |
| Contribution | 25,000 | - | 25,000 |
| Depreciation | 8,235 | - | 8,235 |
| Dues and memberships | 3,190 | 1,600 | 1,590 |
| Employee health and other insurance | 59,547 | 68,100 | (8,553) |
| Equipment repairs and maintenance | 3,668 | 7,000 | (3,332) |
| Insurance | 5,067 | 5,500 | (433) |
| Loan underwriting | 935 | 6,000 | (5,065) |
| Marketing: | | | |
| General | 9,737 | 13,000 | (3,263) |
| Image campaign | 2,345 | 7,000 | (4,655) |
| Miscellaneous | 3,129 | 2,500 | 629 |
| Office rent | 51,110 | 52,000 | (890) |
| Office expense | 7,719 | 7,000 | 719 |
| Parking | 3,637 | 4,000 | (363) |
| Payroll taxes | 24,013 | 26,640 | (2,627) |
| Pension | 8,562 | 9,770 | (1,208) |
| Postage | 1,679 | 2,500 | (821) |
| Professional fees | 7,110 | 7,000 | 110 |
| Professional fees--Foreign Trade Zone | 1,717 | - | 1,717 |
| Salaries and wages | 309,080 | 313,905 | (4,825) |
| Staff development | 3,818 | 4,500 | (682) |
| Subscriptions and publications | 572 | 500 | 72 |
| Telephone | 6,649 | 5,300 | 1,349 |
| Trade show | 45,455 | 30,000 | 15,455 |
| Travel | 7,487 | 8,000 | (513) |
| Total expenses | <u>\$ 625,630</u> | <u>\$ 598,015</u> | <u>\$ 27,615</u> |

See independent auditors' report.



AUSTIN ASSOCIATES
 CERTIFIED PUBLIC ACCOUNTANTS

Lewiston-Auburn Economic Growth Council
Loan Program Cash Activity and Loan Pool Sources and Applications
Year Ended June 30, 2012 and Cumulative Program to Date

Exhibit F

| Finance Authority of Maine Loan Program | | Economic Development Initiative Loan Program | | Rural Microentrepreneur Assistance Program (including Loan Loss Reserve account) | |
|--|--------------------|---|--------------------|---|--------------------|
| Year Ended 6/30/12 | Program to Date | Year Ended 6/30/12 | Program to Date | Year Ended 6/30/12 | Program to Date |
| \$ 300,103 | \$ - | \$ 95,620 | \$ - | \$ - | \$ - |
| - | 805,000 | - | 199,560 | - | - |
| 42,339 | 1,045,340 | 52,420 | 587,190 | - | - |
| 28,420 | 396,761 | 6,739 | 79,329 | - | - |
| 619 | 58,239 | 162 | 29,928 | 29 | 29 |
| - | 35,303 | - | - | - | - |
| - | - | - | - | - | - |
| <u>371,481</u> | <u>2,340,643</u> | <u>154,941</u> | <u>896,007</u> | <u>25,025</u> | <u>25,025</u> |
| 125,000 | 1,716,528 | - | 656,671 | - | - |
| 26,088 | 299,493 | 10,000 | 56,300 | - | - |
| - | - | - | - | - | - |
| 171 | 6,852 | 25,025 | 58,000 | - | - |
| 3,000 | 31,648 | 750 | 5,870 | - | - |
| - | - | - | - | - | - |
| - | 68,900 | - | - | - | - |
| - | - | - | - | - | - |
| <u>154,259</u> | <u>2,123,421</u> | <u>35,775</u> | <u>776,841</u> | <u>-</u> | <u>-</u> |
| <u>\$ 217,222</u> | <u>\$ 217,222</u> | <u>\$ 119,166</u> | <u>\$ 119,166</u> | <u>\$ 25,054</u> | <u>\$ 25,054</u> |
| | \$ 805,000 | | \$ 199,560 | | \$ - |
| | 455,000 | | 109,257 | | 29 |
| | - | | - | | <u>25,025</u> |
| | <u>1,260,000</u> | | <u>308,817</u> | | <u>25,054</u> |
| | 337,993 | | 120,170 | | - |
| | 221,223 | | - | | - |
| | 68,900 | | - | | - |
| | - | | - | | - |
| | <u>628,116</u> | | <u>120,170</u> | | <u>-</u> |
| | <u>\$ 631,884</u> | | <u>\$ 188,647</u> | | <u>\$ 25,054</u> |
| | \$ 429,662 | | \$ 69,481 | | \$ - |
| | (15,000) | | - | | - |
| | <u>217,222</u> | | <u>119,166</u> | | <u>25,054</u> |
| | <u>\$ 631,884</u> | | <u>\$ 188,647</u> | | <u>\$ 25,054</u> |

See independent auditors' report.



AUSTIN ASSOCIATES
 CERTIFIED PUBLIC ACCOUNTANTS

Lewiston-Auburn Economic Growth CouncilOutstanding LoansJune 30, 2012Economic Stimulus Loan Pool

| | <u>Funding</u> | <u>Principal Payments</u> | <u>Interest and Fees</u> | <u>Current Principal</u> |
|---|---------------------|-------------------------------|------------------------------|------------------------------|
| Foss Road, LLC | \$ 120,000 | \$ 16,941 | \$ 47,331 | \$ 103,059 |
| Lewiston House of Pizza | 50,000 | 33,178 | 19,270 | 16,822 |
| Mill 3 Development, LLC | 320,000 | 137,696 | 143,177 | 182,304 |
| ASB Participation Loan Receivable | <u>300,000</u> | <u>176,433</u> | <u>43,124</u> | <u>123,567</u> |
| Total of open loans | 790,000 | 364,248 | 252,902 | 425,752 |
| 100 notes paid or written off in prior years | 5,331,329 | 5,331,329 | 1,312,185 | - |
| 3 notes paid or written off in the year ended 6/30/12 | <u>200,577</u> | <u>200,577</u> | <u>22,686</u> | <u>-</u> |
| Program totals | <u>\$ 6,321,906</u> | <u>5,896,154</u> | <u>\$ 1,587,773</u> | <u>\$ 425,752</u> |
| Uncollected--Bad debts | | (793,090) | | |
| Net principal repayments and recoveries | | <u>\$ 5,103,064</u> | | |

Intermediary Relending Program

| | <u>Funding</u> | <u>Principal Payments</u> | <u>Interest and Fees</u> | <u>Current Principal</u> |
|---|---------------------|-------------------------------|------------------------------|------------------------------|
| Fire House Grill | \$ 48,933 | \$ 395 | \$ 2,134 | \$ 48,538 |
| L/A Brewing, LLC | 100,000 | 19,995 | 49,427 | \$ 80,005 |
| Pacios, Rausch & Co. | <u>100,000</u> | <u>61,504</u> | <u>37,107</u> | <u>38,496</u> |
| Total of open loans | 248,933 | 81,894 | 88,668 | 167,039 |
| 14 notes paid or written off in prior years | 1,405,177 | 1,405,176 | 296,781 | - |
| 1 note paid off in the year ended 6/30/12 | <u>50,000</u> | <u>50,000</u> | <u>2,827</u> | <u>-</u> |
| Program totals | <u>\$ 1,704,110</u> | <u>1,537,070</u> | <u>\$ 388,276</u> | <u>\$ 167,039</u> |
| Uncollected--Bad debts | | (153,422) | | |
| Net principal repayments and recoveries | | <u>\$ 1,383,648</u> | | |

See independent auditors' report


AUSTIN ASSOCIATES
 CERTIFIED PUBLIC ACCOUNTANTS



We are requesting \$23,960.00 of support from the City of Lewiston and \$20,160.00 from the City of Auburn.

L/A Arts operates out of rented space and has 3 f/t staff, 1 p/t staff.

Our annual 'ask' from the cities of Lewiston and Auburn, in total represents approximately 10% of our operating budget but is crucial in leveraging the remainder through grants, etc. Each City individually is supporting roughly 5% of our budget.

L/A Arts is grateful for the support we have received from the city of Lewiston and the past support from the city Auburn. Additionally we have received private financial support from residents, corporate sponsorship and grants. All these partnerships have enabled us to bring our community a wide range of arts programming and technical support.

Important programming and initiatives we have been part of this past year and will be also in the coming year, that your funding would be supporting in part:

- This past year we as an organization have facilitated the collaboration of 20 of the Arts and Cultural organizations to become Arts & Culture Lewiston-Auburn (A & C LA). A & C LA is meeting monthly to foster collaborations, funding, joint marketing, long term audience development and the creative economy in the cities of Lewiston and Auburn. In the past year we have designed a website that features all these organizations, links to their individual websites, and an on line calendar on which all members can post their offerings. We act as the convener of these meetings, keeping minutes, bringing key issues to the forefront, alerting them of important professional development offerings and arts advocacy opportunities. L/A Arts, on behalf of A & C LA submitted a proposal to the New England Foundation for The Arts, Creative Economy Conference-Creative Communities Exchange to present a workshop on the forming of A & C LA, as a model other communities might copy(a model program). We have been chosen to present at the conference.
- The past two years we have been a partner in Artwalk Lewiston/Auburn and in the coming year it is to be an initiative solely of L/A Arts. L/A Arts will be marketing the artwalk within our community as well as throughout the state. We are working with local businesses to extend gallery exhibits past Artwalk night and expand arts and cultural offering presented as part of the Artwalk Lewiston/Auburn. We are in the process of engaging a college intern to aid in coordination of the event. There will be five Artwalks.
- Festival of Arts and Lights, entering its third year, is now to be a sole initiative of L/A Arts. L/A Arts, through the Festival of Arts and Lights, facilitates the setting up of fine crafters to sell their works up and down Lisbon Street, arts activities for families, carolers on the streets and more, which could also be expanded over into Auburn. The hope is that this event will now be scheduled on the same day as the tree lighting/parade, on a

Saturday, thus creating a day long destination point for our community and others throughout our state.

- Dempsey Challenge Welcome Night-again L/A Arts is helping grow a community event, providing logistical planning, marketing, facilitating art exhibits/an artwalk, musical performances, and other arts & cultural elements.
- Sounds of Summer- are free musical concerts at noon on Thursdays in July and August; concets take place on both sides of the river. L/A Arts raises sponsorship dollars to support the artists' fees, markets the event and manages all logistics the day of performances.
- Ice Festival of Lewiston Auburn- L/A Arts, as a partner with local businesses, initiated this new signature event that over 3 days brought 2500 people to the downtown area, not only from our community, but Portland, Windham and Augusta. L/A Arts solicited sponsorships, food donations, handled logistics of set-up, collaborated on marketing, provided volunteers and staffing for set-up and days of the event. The Sunday Free "Family Day", brought out over 400 community members in the middle of a snow storm.
- It has been suggested that we might lend technical/collaborative support to some other community festivals/events helping them to include more arts offerings as part of their events and thus strengthening them and our community.
- We are also collaborating with community artists and businesses to promote the creative economy, offering technical support and developing new events.

Each of these initiatives takes a significant amount of staff time. Example: Ice Festival Lewiston Auburn alone utilized **500+ Hours** of staff time. We are asking the cities of Lewiston and Auburn to support the staff time needed to create these important initiatives listed above.

Administrative Assistant (75% of work time utilized) =\$27,315.60

Executive Director (75% of time utilized asking for 30% + of work time cost) = \$16,805.00

Business Manager (30% of time utilized but not seeking support for time)

Other initiatives that L/A Arts brings to our community:

Mainstage Series: Bringing world class performers to our communities for cultural enrichment and to foster the creative economy.

Imagination Series: Bringing opportunities for youth in our community to engage in performance experiences

Poet as Art: Bringing poets and the literary arts to our communities

Community Gallery & Art and Ale: Opportunities for emerging artists and community organizations to display their artwork.

Arts in Education: Artists residencies & performances for students in a school setting to strengthen core learning results and creative thinking through the arts.

L/A Arts believes that the arts and culture are key to the long term economic growth of the communities of Lewiston and Auburn and that support of L/A Arts is critical in that equation.

12-13 Board List

rev. 3/5/2013

Peter Alexander
Executive Director
Maine Alliance for Arts Education
141 Centre St
Bath ME 04530
Cell: 207-522-7040
e-mail: peter@maineartsed.org
joined board Feb 2013 (mid yr)
Current 6/2016 Final 6/2019

Michael Dostie
Artist/Jeweler
4 Lisbon St.
Lewiston ME 04240
Cell: 207-776-9121
Work: 207-782-7758
e-mail: michael@dostie.com
joined board Jan 2012 (mid yr)
Current 6/2015 Final 6/2018

Peter Gartland, Treasurer
President
Work: First Light Home Care of S ME
51 Pine Hill Rd
Casco ME 04015
Cell: 207-653-0326
Work: 207-627-1125
Work Fax: 207-627-1126
Home: 207-627-3145
Home: same as work
e-mail: gartlandpeter@yahoo.com
joined board March 2012 (mid yr)
Current 6/2015 Final 6/2018

Bill Low
APL Representative
63 Hillcrest Ave
Auburn ME 04210
Cell: 207-577-3628
Home: 207-786-4405
e-mail: wlow@bates.edu
Current 6/2015 Final 6/2018

Kevin Morrissette

223 Lisbon St.
Lewiston ME 04240
Cell: 576-6393
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e-mail: kevsta98_99@yahoo.com
Current 6/2011 Final 6/2014

John Painter
Service Director
Work: Motivational Services,
Inc
PO Box 229 (71 Hospital St)
Augusta ME 04330
Cell: 207-240-4773
Work: 207-623-2279 x 2419
Work Fax: 207-626-3403
Home: 207-777-7482
Home: 765 College St,
Lewiston
e-mail: johnpainter@me.com
joined board March 2012 (mid yr)
Current 6/2015 Final 6/2018

Marcy Plavin

14 Mountain Ave
Lewiston ME 04240
Home: 784-7710
Cell:
e-mail: mplavin@bates.edu
joined board Feb 2013 (mid yr)
Current 6/2016 Final 6/2019

Judy Vardamis, Chair

349 So. Witham Rd.
Auburn ME 04210
Home: 782-3768
Work:
Cell: 745-8176
Fax:
Work

e-mail: mallivardamis@myfairpoint.net
Current 6/2013 Final 6/2016

8 voting members/3 quorum

Odelle - Odelle.bowman@laarts.org
Penny - penny.drumm@laarts.org
Carly - carly.bouchard@laarts.org
Josh - josh.vink@laarts.org

L/A Arts,
221 Lisbon St
Lewiston ME 04240
Phone: 782-7228
Fax: 782-8192
www.laarts.org

| | L/A Arts 11-12 Actual | L/A Arts 12-13 Budget | L/A Arts 12-13 Est | L/A Arts 13-14 |
|---|--------------------------|--------------------------|-----------------------|-------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Auburn City Funding | 20,160 | | | 20,160 |
| Lewiston City Funding | 23,960 | 23,960 | 23,960 | 23,960 |
| 21st Century State of Maine | 198,671 | 198,671 | 35,500 | 0 *1 |
| Foundations | 87,542 | 106,000 | 58,000 | 74,000 |
| Individual Contributions | 16,711 | 25,000 | 21,000 | 20,000 |
| Corporate Cash | 32,867 | 102,100 | 55,600 | 54,700 |
| Business Non-Sponsors | 1,350 | 3,000 | 1,000 | 3,000 |
| Ticket Sales/Fundraiser Sales | 24,860 | 62,850 | 48,000 | 46,500 |
| Lewiston Special projects | 2,500 | 3,750 | - | 3,750 |
| Lewiston Schools | 34,320 | 28,080 | 28,080 | 28,080 |
| Ad Sales "Performance" | 28,803 | 24,000 | 28,000 | 28,000 |
| Contracts | 43,239 | 52,640 | 23,000 | 31,120 |
| In Kind Accounting | 11,000 | 11,000 | 11,000 | 10,000 |
| In Kind Print Advertising | 12,500 | 12,500 | 12,500 | 12,500 |
| In Kind TV & Radio Advertising | 5,000 | 5,000 | 5,000 | 5,000 |
| Donated Goods and Services | 12,000 | 12,000 | 33,000 | 33,000 |
| Miscellaneous Income | 9,163 | 4,000 | 7,200 | 3,000 |
| Performance Income | 1,803 | 2,600 | 2,750 | 3,000 |
| Total Income | 566,447 | 677,151 | 393,590 | 399,770 |
| Expenses | | | | |
| Artist Fees | 78,393 | 107,415 | 78,000 | 86,715 |
| Tech | 3,060 | 4,100 | 3,300 | 7,375 |
| Facilities | 3,323 | 3,700 | 2,860 | 2,250 |
| Artists Accom/Hospitality/Travel | 7,500 | 4,100 | 3,000 | 4,450 |
| Programs Printing "Performance" and Inserts | 9,163 | 10,950 | 12,950 | 12,000 |
| Credit Card Fees/Tickets/ASCAP Fees | 2,603 | 3,919 | 3,040 | 4,599 |
| Marketing | 18,437 | 17,900 | 11,000 | 15,000 |
| Materials | 2,892 | 3,750 | 2,265 | 3,750 |

| | L/A Arts 11-12 Actual | L/A Arts 12-13 Budget | L/A Arts 12-13 Est | L/A Arts 13-14 |
|--|--------------------------|--------------------------|-----------------------|-------------------|
| Radio In Kind | 5,000 | 5,000 | 5,000 | 5,000 |
| Print Ads In Kind | 22,500 | 22,500 | 22,500 | 19,500 |
| Disbursements to Organizations | 8,650 | 9,625 | 10,120 | 12,200 |
| | | | | |
| 21st Century Grant-LEAP-State of Maine | 228,671 | 225,671 | 35,500 | - *2 |
| | | | | |
| Payroll Expenses | 145,193 | 180,417 | 160,615 | 160,615 |
| Health Insurance | 455 | 10,536 | 454 | 8,294 |
| Contracted Expenses | 7,568 | 13,870 | | 6,000 |
| Computer Copier Expenses | 2,781 | 5,500 | 2,200 | 5,500 |
| Depreciation | 1,500 | 1,500 | 1,500 | 1,500 |
| Electricity | 1,783 | 2,500 | 1,800 | 2,500 |
| Bank Charges | 322 | 150 | 160 | 150 |
| | | | | |
| Interest Expense | 6 | 100 | 76 | 100 |
| Liability insurance | 5,081 | 6,500 | 5,026.19 | 3,800 |
| | | | | |
| Miscellaneous Expenses | 4,157 | 1,350 | 1,500 | 1,250 |
| Postage | 2,464 | 2,100 | 2,275 | 3,000 |
| Rent | 12,600 | 12,600 | 12,600 | 12,600 |
| Service Agreements | 600 | 3,560 | 3,560 | 3,560 |
| Office Supplies & Stationary | 2,261 | 2,800 | 2,700 | 2,800 |
| Telephone | 1,015 | 1,200 | 1,050 | 1,200 |
| Memberships /Licenses | 2,545 | 2,123 | 155 | 1,823 |
| Volunteer Expenses | 734 | 750 | 400 | 750 |
| | | | | |
| Mmbrships/Subscriotions/License | 2,545 | 2,123 | 155 | 1,823 |
| | | | | |
| Conference/Travel/Prof.Dev | 6,484 | 4,000 | 125 | 1,500 |
| Annual Campaign Expenses | 1,300 | 3,500 | 1,200 | 3,500 |
| Corporate Campaign & Dev. | 465 | 500 | 1,100 | 500 |
| | | | | |
| Total Expenses | 592,052 | 676,309 | 388,186 | 393,031 |

* Deficit of \$ 25,575.07 covered by funds from savings

*1 We transfered the 21 st Century contract LPS 9/1/2013

*2 No longer have contract

Payroll

| Salary | 11-12 | 12-13 | 13-14 |
|--------------------------|---------------|---------------|--------------|
| Maintenance | \$ 2,352.42 | \$ 2,422.99 | \$ 2,422.99 |
| Office Assistant | \$ 16,640.00 | \$36,420.80 | \$36,420.80 |
| Business Manager | \$39,395.20 | \$39,395.20 | \$39,395.20 |
| Exec Dir | \$ 54,750.00 | \$ 54,750.00 | \$ 54,750.00 |
| 1/2 Schl/1/2 LEAP AIE | \$ 41,778.88 | \$18,720.00 | \$18,720.00 |
| | \$ 154,916.50 | \$ 151,708.99 | \$151,708.99 |

L/A ARTS
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

L/A ARTS
FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

C O N T E N T S

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OUELLETTE & ASSOCIATES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Keith H. Allen, C.P.A., M.S.T.
Mark R. Carrier, C.P.A., C.V.A.
Roger P. Provencher, Jr., C.P.A.

George A. Roberge, C.P.A.
Gary A. Wigan, C.P.A.
C. Joseph Wolverton, C.P.A., C.V.A.

To the Board of Directors
L/A Arts
Lewiston, Maine 04240

We have audited the accompanying statements of financial position of L/A Arts (a nonprofit organization) as of June 30, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of L/A Arts as of June 30, 2011 and 2010 and the change in its net assets and its cash flows for the years then ended in conformity with auditing standards generally accepted in the United States of America.

Ouellette & Associates, P.A.
Certified Public Accountants

December 7, 2011
Lewiston, Maine

L/A ARTS

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2011 AND 2010

| | <i>ASSETS</i> | |
|---|-----------------------------------|--------------------------|
| | <u>2011</u> | <u>Restated 2010</u> |
| ASSETS | | |
| Cash and Cash Equivalents | \$ 70,780 | \$ 81,400 |
| Certificates of Deposit | 5,227 | 5,227 |
| Investments | 5,841 | 4,500 |
| Accounts Receivable - Other | 21,681 | 5,461 |
| Prepaid Expenses | 1,125 | 2,761 |
| Other Assets | 750 | 750 |
| Property & Equipment at Cost, Net | <u>14,087</u> | <u>15,542</u> |
| TOTAL ASSETS | <u>\$ 119,491</u> | <u>\$ 115,641</u> |
| | <i>LIABILITIES AND NET ASSETS</i> | |
| LIABILITIES | | |
| Accounts Payable | \$ 20,429 | \$ 5,014 |
| Accrued Payroll and Payroll Taxes | 6,003 | 11,447 |
| Accrued Expenses | 1,045 | 141 |
| Deferred Revenue | 241 | 3,286 |
| Total Liabilities | <u>27,718</u> | <u>19,888</u> |
| NET ASSETS | | |
| Unrestricted | 52,648 | 59,107 |
| Temporarily Restricted | <u>39,125</u> | <u>36,646</u> |
| Total Net Assets | <u>91,773</u> | <u>95,753</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 119,491</u> | <u>\$ 115,641</u> |

See Auditor's Report and Accompanying Notes to the Financial Statements.

L/A ARTS

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

| | <i>Unrestricted</i> | <i>Temporarily Restricted</i> | <i>2011 Total</i> |
|--------------------------------------|---------------------|-----------------------------------|-----------------------|
| SUPPORT AND REVENUE | | | |
| Support | | | |
| Corporate | \$ 28,331 | \$ 20,375 | \$ 48,706 |
| Individuals | 21,072 | - | 21,072 |
| Foundations | 50,028 | 18,750 | 68,778 |
| Local Assistance | 44,120 | - | 44,120 |
| 21st Century Grant (LEAP Program) | 198,671 | - | 198,671 |
| In-Kind Goods and Services | 60,357 | - | 60,357 |
| | <u>402,579</u> | <u>39,125</u> | <u>441,704</u> |
| Revenues | | | |
| Ticket Sales | 10,986 | - | 10,986 |
| Fundraising and Program Ads | 59,329 | - | 59,329 |
| Interest Income | 288 | - | 288 |
| Unrealized Gain on Investments | 1,340 | - | 1,340 |
| School Program Fees | 55,578 | - | 55,578 |
| Other Income and Fees | 35,657 | - | 35,657 |
| | <u>163,178</u> | <u>-</u> | <u>163,178</u> |
| Net Assets Released from Restriction | | | |
| Satisfaction of Program Restrictions | 36,646 | (36,646) | - |
| Total Support and Revenues | <u>602,403</u> | <u>2,479</u> | <u>604,882</u> |
| EXPENSES | | | |
| Direct Program Expenses | | | |
| LEAP Program | 218,229 | - | 218,229 |
| Public Performance Series | 54,194 | - | 54,194 |
| School Program | 70,577 | - | 70,577 |
| Other Miscellaneous Programs | 41,084 | - | 41,084 |
| | <u>384,084</u> | <u>-</u> | <u>384,084</u> |
| Supporting Activity Expenses | | | |
| General & Administrative | 224,778 | - | 224,778 |
| | <u>224,778</u> | <u>-</u> | <u>224,778</u> |
| Total Expenses | <u>608,862</u> | <u>-</u> | <u>608,862</u> |
| CHANGE IN NET ASSETS | (6,459) | 2,479 | (3,980) |
| NET ASSETS AT BEGINNING OF YEAR | 59,107 | 36,646 | 95,753 |
| NET ASSETS AT END OF YEAR | <u>\$ 52,648</u> | <u>\$ 39,125</u> | <u>\$ 91,773</u> |

See Auditor's Report and Accompanying Notes to the Financial Statements.

L/A ARTS

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Restated 2010 Total</u> |
|--|---------------------|-----------------------------------|------------------------------------|
| SUPPORT AND REVENUE | | | |
| Support | | | |
| Corporate | \$ 55,855 | \$ 14,500 | \$ 70,355 |
| Individuals | 23,970 | - | 23,970 |
| Foundations | 42,500 | 5,000 | 47,500 |
| Local Assistance | 52,347 | - | 52,347 |
| 21st Century Grant (LEAP Program) | 282,854 | 17,146 | 300,000 |
| In-Kind Goods and Services | 60,236 | - | 60,236 |
| | <u>517,762</u> | <u>36,646</u> | <u>554,408</u> |
| Revenues | | | |
| Ticket Sales | 22,265 | - | 22,265 |
| Fundraising and Program Ads | 63,256 | - | 63,256 |
| Interest Income | 434 | - | 434 |
| Unrealized Gain on Investments | 883 | - | 883 |
| School Program Fees | 50,288 | - | 50,288 |
| Other Income and Fees | 52,988 | - | 52,988 |
| | <u>190,114</u> | <u>-</u> | <u>190,114</u> |
| Net Assets Released from Restriction | | | |
| Satisfaction of Program Restrictions | 19,500 | (19,500) | - |
| Total Support and Revenues | <u>727,376</u> | <u>17,146</u> | <u>744,522</u> |
| EXPENSES | | | |
| Direct Program Expenses | | | |
| LEAP Program | 282,854 | - | 282,854 |
| Community Programs | 8,692 | - | 8,692 |
| Public Performance Series | 58,151 | - | 58,151 |
| School Program | 38,304 | - | 38,304 |
| Other Miscellaneous Programs | 77,473 | - | 77,473 |
| | <u>465,474</u> | <u>-</u> | <u>465,474</u> |
| Supporting Activity Expenses | | | |
| General & Administrative | 218,923 | - | 218,923 |
| | <u>218,923</u> | <u>-</u> | <u>218,923</u> |
| Total Expenses | <u>684,397</u> | <u>-</u> | <u>684,397</u> |
| CHANGE IN NET ASSETS | 42,979 | 17,146 | 60,125 |
| NET ASSETS AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | 12,511 | 19,500 | 32,011 |
| PRIOR PERIOD ADJUSTMENT | 3,617 | - | 3,617 |
| RESTATEMENT NET ASSETS AT BEGINNING OF YEAR | <u>16,128</u> | <u>19,500</u> | <u>35,628</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 59,107</u> | <u>\$ 36,646</u> | <u>\$ 95,753</u> |

See Auditor's Report and Accompanying Notes to the Financial Statements.

L/A ARTS

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

| | <u>2011</u> | <u>Restated 2010</u> |
|--|------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ (3,980) | \$ 60,125 |
| <i>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:</i> | | |
| Depreciation | 2,473 | 2,323 |
| Unrealized (Gain) Loss | (1,340) | (883) |
| <i>(Increase) Decrease in Operating Assets:</i> | | |
| Accounts Receivable - Other | (16,220) | 2,584 |
| Prepaid Expenses | 1,636 | (638) |
| <i>Increase (Decrease) in Operating Liabilities:</i> | | |
| Accounts Payable | 15,415 | 3,510 |
| Accrued Liabilities | (4,540) | 2,856 |
| Deferred Revenue | (3,045) | (4,163) |
| Total Adjustments | <u>(5,621)</u> | <u>5,589</u> |
| NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES | <u>(9,601)</u> | <u>65,714</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets | <u>(1,019)</u> | <u>(12,180)</u> |
| NET CASH USED BY INVESTING ACTIVITIES | <u>(1,019)</u> | <u>(12,180)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Payments on Line of Credit | <u>-</u> | <u>(3,500)</u> |
| NET CASH USED BY FINANCING ACTIVITIES | <u>-</u> | <u>(3,500)</u> |
| NET (DECREASE) INCREASE IN CASH | <u>(10,620)</u> | <u>50,034</u> |
| CASH, BEGINNING OF YEAR | <u>81,400</u> | <u>31,366</u> |
| CASH, END OF YEAR | <u>\$ 70,780</u> | <u>\$ 81,400</u> |
| Supplemental Schedule of Non Cash Operating Activities: | | |
| In-kind Goods and Service Revenue | <u>\$ 60,357</u> | <u>\$ 60,236</u> |
| In-kind Goods and Service Expenses | <u>\$ 60,357</u> | <u>\$ 60,236</u> |

See Auditor's Report and Accompanying Notes to the Financial Statements.

L/A ARTS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

NOTE 1: ORGANIZATION

L/A Arts is a nonprofit corporation, organized in the State of Maine and operating from a single office in Lewiston, Maine. The Organization's purpose is to increase awareness, appreciation and support for the arts in the Lewiston-Auburn area.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

As of June 30, 2011 and 2010, the Organization has both unrestricted and temporarily restricted net assets.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Deferred Revenue

Deferred revenue consists of advanced ticket sales and certain corporate sponsorships to the upcoming season.

L/A ARTS

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 2011 AND 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Uncollectible Amounts

Grants and other accounts receivables are deemed to be fully collectible by management; therefore, no allowance for uncollectible amounts is provided.

Property and Equipment

Property and equipment is recorded at cost or at estimated fair value at the date of the gift. Depreciation of property and equipment is calculated using the straight-line method over the assets' useful lives. Repairs that substantially increase an asset's useful life are capitalized. Minor repairs and maintenance are expensed during the year incurred.

Investments

Investments are composed of securities carried at fair value. Fair value of securities is determined by quoted market price. Realized and unrealized gains and losses are included in the statements of activities.

Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick days and personal days off, depending on length of service. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Advertising and Marketing Costs

The Organization expenses marketing and advertising costs as they are incurred. Advertising expenses for the year ended June 30, 2011 and 2010 were \$34,540 and \$33,480, respectively.

Income Taxes

L/A Arts is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There is no unrelated business income.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with restrictions regarding their use are reported as restricted contributions.

L/A ARTS

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 2011 AND 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassification

Certain accounts in the previous year's financial statements have been reclassified to conform with the current year presentation. These reclassifications had no effect on the previously reported change in net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Donated Goods and Services

Donated goods and services from public and private sources are recorded at their estimated fair value. These include advertising time on radio and television, rent, design and accounting services as well as individual volunteer programs.

The Organization has recorded donated goods and services as follows:

| | <u>June 30,</u> <u>2011</u> | <u>June 30,</u> <u>2010</u> |
|-----------------|--------------------------------|--------------------------------|
| Advertising | \$ 30,916 | \$ 31,239 |
| Rent | 18,000 | 18,000 |
| Accounting Fees | 9,200 | 8,500 |
| Other | 2,241 | 2,497 |
| | <u>\$ 60,357</u> | <u>\$ 60,236</u> |

Subsequent Events

Management has evaluated subsequent events through December 7, 2011, the date the financial statements were available to be issued.

NOTE 3: INVESTMENTS

Investments at June 30, 2011 and 2010 are summarized as follows:

| | <u>2011</u> | | <u>2010</u> | |
|--------|--|-----------------------------|--|-----------------------------|
| | <u>Cost/Donated</u> <u>Fair Value</u> | <u>Fair</u> <u>Value</u> | <u>Cost/Donated</u> <u>Fair Value</u> | <u>Fair</u> <u>Value</u> |
| Stocks | <u>\$ 4,320</u> | <u>\$ 5,841</u> | <u>\$ 4,320</u> | <u>\$ 4,500</u> |

L/A ARTS

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 2011 AND 2010

NOTE 3: INVESTMENTS (Continued)

The following summarizes the investment return in the statements of activities:

| | <u>2011</u> | <u>2010</u> |
|--|-----------------|---------------|
| Interest and Dividends | \$ 106 | \$ 96 |
| Net Realized and Unrealized Gains (Losses) | <u>1,340</u> | <u>883</u> |
| Total Investment Return | <u>\$ 1,446</u> | <u>\$ 979</u> |

NOTE 4: FAIR VALUE OF FINANCIAL INSTRUMENTS

Generally accepted accounting principles (GAAP), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2011.

Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

L/A ARTS

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 2011 AND 2010

NOTE 4: FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2011 and 2010:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------------------|-----------------|----------------|----------------|-----------------|
| June 30, 2011 | | | | |
| Stocks | <u>\$ 5,841</u> | <u>-</u> | <u>-</u> | <u>\$ 5,841</u> |
| June 30, 2010 | | | | |
| Stocks | <u>\$ 4,500</u> | <u>-</u> | <u>-</u> | <u>\$ 4,500</u> |

NOTE 5: PROPERTY AND EQUIPMENT

Property and Equipment consists of the following:

| | <u>June 30, 2011</u> | <u>June 30, 2010</u> |
|--------------------------------|--------------------------|--------------------------|
| Office Equipment | \$ 62,584 | \$ 61,566 |
| Less: Accumulated Depreciation | <u>(48,497)</u> | <u>(46,024)</u> |
| | <u>\$ 14,087</u> | <u>\$ 15,542</u> |

Depreciation expense for the years ended June 30, 2011 and 2010 was \$2,473 and \$2,323, respectively.

NOTE 6: LINE OF CREDIT

The Organization has available a \$15,000 unsecured line of credit with Androscoffin Bank for short-term working capital needs. Interest is currently payable monthly at 6.00%. The line is due to mature March 2012. At June 30, 2011 and 2010 there was no balance outstanding on the line of credit.

NOTE 7: RETIREMENT PLAN

As a non-profit organization, L/A Arts can and does offer its employees income deferral through a tax sheltered annuity plan. Funds are withheld from employee wages and deposited into the employees' accounts in the plan. There is no liability or cost to L/A Arts beyond remittance of employee withholdings. Employees are 100% vested in their retirement accounts at all times.

L/A ARTS

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 2011 AND 2010

NOTE 8: RESTRICTIONS OF NET ASSETS

| | <u>2011</u> | <u>2010</u> |
|---|------------------|------------------|
| Temporarily restricted net assets consist of the following: | | |
| Contributions restricted for the funding of: | | |
| Music In Parks | \$ 10,000 | \$ 5,000 |
| School Programs | 13,750 | 5,000 |
| Gallery 5 | - | 5,000 |
| 21 st Century Grant | - | 17,146 |
| Regional Arts | 375 | - |
| 2011/2012 Organization | 15,000 | - |
| River Ways | <u>-</u> | <u>4,500</u> |
| Temporarily Restricted Net Assets | <u>\$ 39,125</u> | <u>\$ 36,646</u> |

NOTE 9: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses that can be identified with a specific program are recorded as direct program expenses. Such expenses include, but are not limited to, artists' fees, supplies and travel costs. Expenses of a general nature are recorded as support service expenses.

NOTE 10: CURRENT VULNERABILITY DUE TO CONCENTRATION RISK

L/A Arts' Lewiston Educational Achievement Program (LEAP) is designed to offer homework help and cultural and arts enrichment to 7-10th graders in the Lewiston public schools. The program is funded by the federal 21st Century grant which accounts for 33% and 39% of the Organization's total revenue for the fiscal years ended June 30, 2011 and 2010, respectively.

NOTE 11: PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

Prior to June 30, 2009, the Organization received shares from Principal Financial Group, Inc. These investments assets were not previously recorded by the Organization. The Organization became aware of the investment asset during the year ended June 30, 2011. As a result, a prior period adjustment has been recorded to reflect the investment asset. At June 30, 2009, these shares were valued at \$4,416, therefore net assets at July 1, 2010 reflect this increase. Additionally, the net unrealized gain of \$84 for the year ended June 30, 2010 has been reflected on the restated Statement of Activities.

**Lewiston-Auburn 9-1-1
Emergency Communications System**

Phyllis Gamache, Director
552 Minot Avenue, Auburn, Maine 04210
207.786.5380 ~ 207.795.0743 fax



Cities of Lewiston & Auburn
Joint Agency Subcommittee on
Budget Reviews

February 26, 2013

Attached please find the FY2014 budget proposal from the Lewiston-Auburn Emergency Communications System. This proposal has been reviewed by the Lewiston-Auburn 9-1-1 Committee, and was approved for submission on February 6, 2013. The Center's overall bottom line reflects a .7% increase in funding over FY13 levels.

This year's biggest savings stems from a decision by both cities' councils to loan the 9-1-1 Center \$55,000 in technology upgrades, the result of which saves more than \$3,000 a month in connectivity fees. Both cities will be completely reimbursed in 17 months, and allows the realized savings to begin immediately.

The Center is closing on a three-year union contract with the members of the Maine Association of Police / Lewiston-Auburn 9-1-1 Telecommunicators Union. The contract, which runs until June 30, 2015, marks the first time in multiple contract cycles that a signed agreement is in place ahead of the Collective Bargaining Agreement's expiration date.

Common ground was found between both Management and the Union, and compromises and advances were made to the betterment of the Center's fiscal health and to the benefit of the employees. Both sides agreed the Union personnel were being asked to carry greater work burdens and expectations yet were not being compensated according to market standards. Of the seven similarly-sized 9-1-1 Answering Points and dispatch centers in the state, the employees of Lewiston Auburn 9-1-1 were not only paid the least, they were a full 8% below the average of the compensation packages of those centers. Additionally, exit interviews over the last 12 months showed a clear pattern of employees leaving the Center for positions with better pay and better hours, often exporting the skills learned at the Center for those better positions.

Perhaps most important, and most financially significant, is the agreement that the issue of sick time, including abuse and misuse, is best managed via policy and not within the Collective Bargaining Agreement, and both parties agreed to remove the language from the contract and into policy to be worked on collaboratively through the Labor/Management process.

Due to these and other significant and meaningful changes to the Collective Bargaining Agreement, the Center was able to award the contract with an annualized 2.5% increase in FY13, 2% in FY14 and 2.5% in FY15.

Maine State Retirement System participation is up, as is the percent of the employer match; the employer match will increase July 1, 2013 from 5.3% to 6.5%. New employees are offered a

matching contribution in one of two retirement plans, and trends reveal more new hires opting to participate in the Maine State Retirement System plan.

While usage of consumable supplies is minimized to every extent possible, costs for those supplies continue to rise with the overall economy. Increases in utilities and supplies do not reflect greater use but an increase in their purchase price.

Call volume remains on the rise. Incoming 9-1-1 calls were up 1.5%, from 40,498 calls in 2011 (110.9 9-1-1 calls per day) to 41,114 calls in 2012 (112.6 9-1-1 calls per day). The number of fire, police, and 9-1-1 records in the database commonly referred to by the vendor name 'IMC' was also up from 88,855 records entered or created to 90,359 records entered or created, an increase of 1.6%.

Emergency calls to 9-1-1 generated from cellular phones continue to outpace calls generated from traditional landline phones. In 2011, the Center received 14,732 landline calls and 25,766 cellular calls for a 36/64 split; in 2012, the Center received 13,585 landline calls and 27,529 cellular calls for a 33/67 split.

The 9-1-1 Center continues to make important and necessary strides in service, professionalism, and training with as minimal a funding increase as is functionally possible. The stability of the staff shows signs of improvement, and Management and Labor continue to work toward common goals and efficiencies. Those efforts, along with the support of the 9-1-1 Committee, are the core reasons the Center is able to achieve the goals of cost efficient and reliable service to the cities' citizens and first responders.

Thank you for your consideration of our budget proposal.

2013-2014 9-1-1 Committee Members

Lewiston:

Chief Paul LeClair, Lewiston Fire Department, Chair
Chief Mike Bussiere, Lewiston Police Department
Councilor Donald D'Auteuil, Lewiston City Council
Heather Hunter, Lewiston citizen-at-large, Treasurer

Auburn:

Chief Phil Crowell, Auburn Police Department, Vice Chair
Chief Frank Roma, Auburn Fire Department
Councilor LeRoy Walker, Auburn City Council
Dr. David Stuchiner, Auburn citizen-at-large
Auburn – vacant/TBA

| ACCOUNT CODE | ACCOUNTS | FY12 Actual | FY13 Approved | FY13 Difference | FY13 Projections | FY14 Proposed | |
|------------------|------------------------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------|
| 401100 | Regular Salaries | \$ 979,514 | \$ 1,071,041 | \$ 25,040 | \$ 1,018,500 | \$ 1,096,081 | 2.3% |
| 401200 | Overtime - Regular | \$ 218,827 | \$ 174,668 | \$ 5,499 | \$ 209,602 | \$ 180,167 | 3.1% |
| 4017001 | MSRS - Employer | \$ 22,160 | \$ 22,304 | \$ 19,903 | \$ 26,988 | \$ 42,207 | 89.2% |
| 4017002 | ICMA - Employer | \$ 28,905 | \$ 36,556 | \$ (3,662) | \$ 29,603 | \$ 32,894 | -10.0% |
| 4017501 | FICA - Employer | \$ 89,101 | \$ 95,297 | \$ 2,336 | \$ 95,297 | \$ 97,633 | 2.5% |
| 4046004 | MMEHT Health Insurance | \$ 248,480 | \$ 323,828 | \$ 10,835 | \$ 271,145 | \$ 334,663 | 3.3% |
| 4046010 | Wellness & Medical | \$ 8,805 | \$ 18,200 | \$ - | \$ 10,400 | \$ 18,200 | 0.0% |
| 4046500 | Unemployment Comp. | \$ 6,997 | \$ 7,500 | \$ (250) | \$ 7,105 | \$ 7,250 | -3.3% |
| 4047000 | Workers Compensation | \$ 11,787 | \$ 12,761 | \$ (4,261) | \$ 9,897 | \$ 8,500 | -33.4% |
| TOTAL | Personnel Services | \$ 1,614,575 | \$ 1,762,155 | \$ 55,440 | \$ 1,678,537 | \$ 1,817,595 | 3.1% |
| 4020500 | Printing Service | \$ 142 | \$ 200 | \$ - | \$ 581 | \$ 200 | 0.0% |
| 4021500 | Postage | \$ 212 | \$ 200 | \$ 100 | \$ 240 | \$ 300 | 50.0% |
| 4022000 | Telephone | \$ 122,621 | \$ 126,684 | \$ (41,848) | \$ 125,000 | \$ 84,836 | -33.0% |
| 4022500 | Lights / Water / Gas | \$ 31,778 | \$ 26,268 | \$ 2,892 | \$ 26,500 | \$ 29,160 | 11.0% |
| 4023000 | CALEA/mileage reimbursement | \$ 5,102 | \$ 4,200 | \$ (700) | \$ 3,500 | \$ 3,500 | -16.7% |
| 4024500 | Subscriptions / Periodicals | \$ 30 | \$ 561 | \$ (111) | \$ 400 | \$ 450 | -19.8% |
| 4025500 | Medical Exams | \$ 616 | \$ 660 | \$ - | \$ 575 | \$ 660 | 0.0% |
| 4027001 | Maintenance / Licensing | \$ 68,232 | \$ 82,857 | \$ (3,241) | \$ 74,139 | \$ 79,616 | -3.9% |
| 4027500 | Repairs - Building | \$ 12,980 | \$ 9,850 | \$ 2,650 | \$ 10,000 | \$ 12,500 | 26.9% |
| 4028000 | Legal Expenses | \$ 8,285 | \$ 3,500 | \$ 500 | \$ 4,000 | \$ 4,000 | 14.3% |
| 4028800 | Miscellaneous Services | \$ 4,251 | \$ 4,600 | \$ 800 | \$ 4,880 | \$ 5,400 | 17.4% |
| 4028900 | In-Service Training | \$ 2,712 | \$ 9,205 | \$ - | \$ 5,450 | \$ 9,205 | 0.0% |
| TOTAL | Contractual Services | \$ 256,962 | \$ 268,785 | \$ (38,958) | \$ 255,265 | \$ 229,827 | -14.5% |
| 4030500 | Office Supplies | \$ 960 | \$ 1,614 | \$ - | \$ 1,500 | \$ 1,614 | 0.0% |
| 4031000 | Printing Supplies | \$ 1,204 | \$ 2,500 | \$ (1,000) | \$ 2,500 | \$ 1,500 | -40.0% |
| 4039800 | Other Supplies | \$ 1,854 | \$ 1,614 | \$ 496 | \$ 1,600 | \$ 2,110 | 30.7% |
| TOTAL | Supplies & Materials | \$ 4,018 | \$ 5,728 | \$ (504) | \$ 5,600 | \$ 5,224 | -8.8% |
| 4042000 | Dues | \$ 4,404 | \$ 3,697 | \$ - | \$ 3,200 | \$ 3,697 | 0.0% |
| 4046000 | Insurances | \$ 10,933 | \$ 10,933 | \$ - | \$ 11,500 | \$ 10,933 | 0.0% |
| TOTAL | Fixed Charges | \$ 15,337 | \$ 14,630 | \$ - | \$ 14,700 | \$ 14,630 | 0.0% |
| 4049001 | Principal | \$ 32,500 | \$ 32,500 | \$ - | \$ 32,500 | \$ 32,500 | 0.0% |
| 4049002 | Interest | \$ 8,626 | \$ 6,754 | \$ (2,750) | \$ 5,298 | \$ 4,004 | -40.7% |
| 4049008 | Lease/Purchase | \$ 27,709 | \$ 10,782 | \$ (48) | \$ 38,443 | \$ 10,734 | -0.4% |
| TOTAL | Debt Services | \$ 68,835 | \$ 50,036 | \$ (2,798) | \$ 76,241 | \$ 47,238 | -5.6% |
| 4050500 | Office Equipment | \$ 5,295 | \$ 3,180 | \$ 450 | \$ 3,500 | \$ 3,630 | 14.2% |
| 4052800 | Communication Equipment | \$ 13,442 | \$ 14,717 | \$ 1,411 | \$ 21,000 | \$ 16,128 | 9.6% |
| TOTAL | Capital Outlay | \$ 18,737.00 | \$ 17,897.00 | \$ 1,861 | \$ 24,500 | \$ 19,758.00 | 10.4% |
| 4099000 | Contingency | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% |
| Sub-total | 911 Committee | \$ 1,978,464 | \$ 2,119,231 | \$ 15,041 | \$ 2,054,843 | \$ 2,134,272 | 0.7% |
| | Investment Revenue | \$ (1,629) | \$ (2,300) | | \$ 460 | \$ (500) | -78.3% |
| | Poland User Fee | \$ (20,600) | \$ (21,218) | | \$ 21,218 | \$ (21,855) | |
| | Rental Revenue | \$ (5,400) | \$ (5,400) | | \$ 5,400 | \$ (6,118) | 13.3% |
| | ASO IT surcharge | \$ (19,895) | \$ (20,000) | | \$ 19,895 | \$ (20,000) | |
| | Fund Balance Carry Forward | | \$ - | | | | |
| | TOTALS | \$ 1,930,940 | \$ 2,070,313 | \$ 15,486 | \$ 2,060,703 | \$ 2,085,799 | 0.7% |
| | Appropriation by each Municipality | \$ 965,470 | \$ 1,035,157 | \$ 7,743 | \$ 1,030,351 | \$ 1,042,899 | 0.7% |

| NAME | DOH | GRADE | FY 2014 Wages | | | Retirement Benefits | | | HEALTH INSURANCE LIABILITY | | | TOTAL | | | | | | | | | | | | | | | | | |
|--|-----|-------------------|------------------------|---------------|-----------------|---------------------|--------------|--------------|----------------------------|---------------|--------------|--------------------------|--|--------------------|----------------------|--------------------|-----------------|------------------------------|--------------|-------------|----------------------------|--|--|---------------------|--|--|----------------------|--|--|
| | | | PAY RATE | ANNUAL WAGES | REGULAR HOLIDAY | HOLIDAY OVERTIME | FICA | MSRS | ICMA | HEALTH INS | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | 1ST HALF 7.5% | 2ND HALF 10% | | | | | | | | | | | | | | | | | | |
| 09/18/97 | | TC4/Supervisor | \$ 24.27 | \$ 47,110.31 | \$ 2,135.69 | \$ 1,747.38 | \$ 3,900.99 | \$ - | \$ 3,059.60 | \$ 1,601.77 | \$ 1,761.95 | \$ 20,182.32 | | | | | | | | | | | | | | | | | |
| 07/28/09 | | TC4/Supervisor | \$ 23.38 | \$ 45,381.21 | \$ 2,057.30 | \$ 1,683.24 | \$ 3,757.81 | \$ 3,192.91 | \$ - | \$ 714.07 | \$ 785.48 | \$ 8,997.27 | | | | | | | | | | | | | | | | | |
| | | TC4/Supervisor | \$ 23.38 | \$ 45,381.21 | \$ 2,057.30 | \$ 1,683.24 | \$ 3,757.81 | \$ 3,192.91 | \$ - | \$ 714.07 | \$ 785.48 | \$ 8,997.27 | | | | | | | | | | | | | | | | | |
| 05/03/95 | | TC3/Supervisor | \$ 22.16 | \$ 43,025.03 | \$ 1,950.48 | \$ 1,595.85 | \$ 3,562.71 | \$ - | \$ 2,794.28 | \$ - | \$ - | \$ - | | | | | | | | | | | | | | | | | |
| 12/02/99 | | TC3/Supervisor | \$ 21.95 | \$ 42,609.24 | \$ 1,931.64 | \$ 1,580.43 | \$ 3,528.28 | \$ 2,997.88 | \$ - | \$ 714.07 | \$ 785.48 | \$ 8,997.27 | | | | | | | | | | | | | | | | | |
| 07/07/08 | | TC3/Supervisor | \$ 21.95 | \$ 42,609.24 | \$ 1,931.64 | \$ 1,580.43 | \$ 3,528.28 | \$ - | \$ 2,767.28 | \$ 1,601.77 | \$ 1,761.95 | \$ 20,182.32 | | | | | | | | | | | | | | | | | |
| 05/16/83 | | dispatcher | \$ 21.14 | \$ 41,045.36 | \$ 1,860.74 | \$ 1,522.42 | \$ 3,398.78 | \$ 2,887.85 | \$ - | \$ 1,601.77 | \$ 1,761.95 | \$ 20,182.32 | | | | | | | | | | | | | | | | | |
| 12/02/99 | | dispatcher | \$ 21.14 | \$ 41,045.36 | \$ 1,860.74 | \$ 1,522.42 | \$ 3,398.78 | \$ 2,887.85 | \$ - | \$ 1,165.16 | \$ 1,281.68 | \$ 14,681.02 | | | | | | | | | | | | | | | | | |
| 06/11/01 | | dispatcher | \$ 20.31 | \$ 39,421.47 | \$ 1,787.12 | \$ 1,462.19 | \$ 3,264.31 | \$ 2,773.60 | \$ - | \$ 1,601.77 | \$ 1,761.95 | \$ 20,182.32 | | | | | | | | | | | | | | | | | |
| 09/15/02 | | dispatcher | \$ 20.31 | \$ 39,421.47 | \$ 1,787.12 | \$ 1,462.19 | \$ 3,264.31 | \$ 2,773.60 | \$ - | \$ 714.07 | \$ 785.48 | \$ 8,997.27 | | | | | | | | | | | | | | | | | |
| 05/05/06 | | dispatcher | \$ 19.25 | \$ 37,362.28 | \$ 1,693.77 | \$ 1,385.81 | \$ 3,093.80 | \$ 2,628.72 | \$ - | \$ 714.07 | \$ 785.48 | \$ 8,997.27 | | | | | | | | | | | | | | | | | |
| 03/24/08 | | dispatcher | \$ 18.60 | \$ 36,112.79 | \$ 1,637.13 | \$ 1,339.47 | \$ 2,990.34 | \$ 2,540.81 | \$ - | \$ 714.07 | \$ 785.48 | \$ 8,997.27 | | | | | | | | | | | | | | | | | |
| 12/13/10 | | dispatcher | \$ 16.86 | \$ 32,729.12 | \$ 1,483.73 | \$ 1,213.96 | \$ 2,710.15 | \$ 2,302.74 | \$ - | \$ 714.07 | \$ 785.48 | \$ 8,997.27 | | | | | | | | | | | | | | | | | |
| 01/03/11 | | dispatcher | \$ 16.86 | \$ 32,729.12 | \$ 1,483.73 | \$ 1,213.96 | \$ 2,710.15 | \$ 2,302.74 | \$ - | \$ 1,601.77 | \$ 1,761.95 | \$ 20,182.32 | | | | | | | | | | | | | | | | | |
| 08/08/11 | | dispatcher | \$ 16.86 | \$ 32,729.12 | \$ 1,483.73 | \$ 1,213.96 | \$ 2,710.15 | \$ - | \$ 2,125.61 | \$ 1,601.77 | \$ 1,761.95 | \$ 20,182.32 | | | | | | | | | | | | | | | | | |
| 05/29/12 | | dispatcher | \$ 15.84 | \$ 30,747.97 | \$ 1,393.92 | \$ 1,140.48 | \$ 2,546.10 | \$ - | \$ 1,996.94 | \$ - | \$ - | \$ - | | | | | | | | | | | | | | | | | |
| 08/29/12 | | dispatcher | \$ 15.84 | \$ 30,747.97 | \$ 1,393.92 | \$ 1,140.48 | \$ 2,546.10 | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | | | | | | | | | | | | |
| 12/14/12 | | dispatcher | \$ 15.84 | \$ 30,747.97 | \$ 1,393.92 | \$ 1,140.48 | \$ 2,546.10 | \$ 2,163.35 | \$ - | \$ - | \$ - | \$ - | | | | | | | | | | | | | | | | | |
| 02/06/13 | | dispatcher | \$ 15.67 | \$ 30,417.98 | \$ 1,378.96 | \$ 1,128.24 | \$ 2,518.78 | \$ 2,140.14 | \$ - | \$ 714.07 | \$ 785.48 | \$ 8,997.28 | | | | | | | | | | | | | | | | | |
| | TBD | vacant dispatcher | \$ 15.36 | \$ 29,816.22 | \$ 1,351.68 | \$ 1,105.92 | \$ 2,468.95 | \$ 2,097.80 | \$ - | \$ 714.07 | \$ 785.48 | \$ 8,997.28 | | | | | | | | | | | | | | | | | |
| | TBD | vacant dispatcher | \$ 14.99 | \$ 29,097.99 | \$ 1,319.12 | \$ 1,079.28 | \$ 2,409.47 | \$ 2,047.27 | \$ - | \$ 1,601.77 | \$ 1,761.95 | \$ 20,182.30 | | | | | | | | | | | | | | | | | |
| | TBD | vacant dispatcher | \$ 14.99 | \$ 29,097.99 | \$ 1,319.12 | \$ 1,079.28 | \$ 2,409.47 | \$ 2,047.27 | \$ - | \$ 714.07 | \$ 785.48 | \$ 8,997.28 | | | | | | | | | | | | | | | | | |
| OPERATIONS SUB-TOTAL | | | \$ 416.96 | \$ 809,386.44 | \$ 36,692.50 | \$ 30,021.13 | \$ 67,021.66 | \$ 40,977.46 | \$ 12,743.71 | \$ 19,518.25 | \$ 21,470.08 | \$ 245,929.96 | | | | | | | | | | | | | | | | | |
| ADMINISTRATION | | | ANNUAL WAGES | | | FICA | | | MSRS | | | ICMA | | | 1ST HALF | | 2ND HALF | | TOTAL | | | | | | | | | | |
| Gamache, Phyllis | | | \$ 75,482.55 | | | \$ 5,774.42 | | | \$ - | | | \$ 4,528.95 | | \$ - | | \$ - | | \$ - | | | | | | | | | | | |
| Systems Manager | | | \$ 59,575.32 | | | \$ 4,557.51 | | | \$ - | | | \$ 3,574.52 | | \$ 1,601.77 | | \$ 1,761.95 | | \$ 20,182.32 | | | | | | | | | | | |
| IT Support Specialist | | | \$ 39,039.00 | | | \$ 2,986.48 | | | \$ - | | | \$ 2,342.34 | | \$ 1,601.77 | | \$ 1,761.95 | | \$ 20,182.32 | | | | | | | | | | | |
| Administrative Assist. | | | \$ 36,075.00 | | | \$ 2,759.74 | | | \$ - | | | \$ - | | \$ 1,601.77 | | \$ 1,761.95 | | \$ 20,182.31 | | | | | | | | | | | |
| Custodian | | | \$ 8,985.74 | | | \$ 687.41 | | | \$ - | | | \$ - | | \$ - | | \$ - | | \$ - | | | | | | | | | | | |
| ADMINISTRATION SUB-TOTAL | | | \$ 219,157.61 | | | \$ 16,765.56 | | | \$ - | | | \$ 10,445.81 | | \$ 4,805.31 | | \$ 5,285.84 | | \$ 60,546.95 | | | | | | | | | | | |
| Salary Adjustments and Anniversary Steps | | | \$ 4,383.16 | | | \$ 335.31 | | | \$ 1,229.32 | | | \$ 695.69 | | \$ - | | \$ - | | \$ - | | | | | | | | | | | |
| Part-Time Personnel | | | 864 \$ 13,409.28 | | | \$ 1,025.81 | | | \$ - | | | \$ - | | \$ - | | \$ - | | \$ - | | | | | | | | | | | |
| Sick Incentive | | | 416 \$ 7,884.34 | | | \$ 603.15 | | | \$ - | | | \$ - | | \$ - | | \$ - | | \$ - | | | | | | | | | | | |
| EMD Coordinator | | | \$ 400 \$ 800.00 | | | \$ 61.20 | | | \$ - | | | \$ - | | \$ - | | \$ - | | \$ - | | | | | | | | | | | |
| CTO Stipend | | | \$ 2,912 \$ 4,367.61 | | | \$ 334.12 | | | \$ - | | | \$ - | | \$ - | | \$ - | | \$ - | | | | | | | | | | | |
| CALEA Stipend | | | \$ - | | | \$ - | | | \$ - | | | \$ - | | \$ - | | \$ - | | \$ - | | | | | | | | | | | |
| PERSONNEL SERVICES SUB-TOTAL | | | \$ 30,844.39 | | | \$ - | | | \$ - | | | \$ 1,229.32 | | \$ 695.69 | | \$ - | | \$ - | | | | | | | | | | | |
| TOTAL SALARY | | | \$ 1,096,080.94 | | | \$ 36,692.50 | | | \$ 30,021.13 | | | \$ 86,146.81 | | | \$ 42,206.78 | | | \$ 23,885.21 | | | \$ 24,323.57 | | | \$ 26,755.92 | | | \$ 306,476.91 | | |
| OVERTIME | | | FICA | | | MSRS | | | ICMA | | | HEALTH INCENTIVES | | | LIFE INS Prem | | | Total 911 Health Prem | | | Wellness / LIFE INS | | | | | | | | |
| Holiday DOT | | | 188 \$ 8,907.79 | | | \$ 681.45 | | | \$ - | | | \$ 534.47 | | \$ - | | | \$ - | | | \$ - | | | | | | | | | |
| EMD Overtime | | | 192 \$ 5,456.39 | | | \$ 417.57 | | | \$ - | | | \$ 327.50 | | \$ - | | | \$ - | | | \$ - | | | | | | | | | |
| Training OT | | | 176 \$ 2,731.52 | | | \$ 208.96 | | | \$ - | | | \$ 163.89 | | \$ - | | | \$ - | | | \$ - | | | | | | | | | |
| CALEA OT | | | \$ - | | | \$ - | | | \$ - | | | \$ - | | \$ - | | \$ - | | \$ - | | \$ - | | | | | | | | | |
| Sick OT | | | 1,820 \$ 51,740.97 | | | \$ 3,958.18 | | | \$ - | | | \$ 3,104.46 | | \$ - | | | \$ - | | | \$ - | | | | | | | | | |
| Vacation OT | | | 2,860 \$ 81,307.24 | | | \$ 6,220.00 | | | \$ - | | | \$ 4,878.43 | | \$ - | | | \$ - | | | \$ - | | | | | | | | | |
| OVERTIME SUB-TOTAL | | | \$ 180,167.03 | | | \$ 11,486.16 | | | \$ - | | | \$ 9,008.75 | | \$ - | | | \$ - | | | \$ - | | | | | | | | | |
| TOTALS | | | 1,276,247.97 | | | \$ 97,632.97 | | | \$ 42,206.78 | | | \$ 32,893.97 | | | \$ - | | | \$ - | | | \$ - | | | | | | | | |

| | |
|-----------------------|-----------------|
| Budget - Regular | \$ 1,096,080.94 |
| Budget - Overtime | \$ 180,167.03 |
| Average Hourly Rate | \$ 18.95 |
| Average OT Rate | \$ 28.43 |
| Part Time Hourly Rate | \$ 15.52 |

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Item | Account Code | Last Year | Committee Approved | Council Approved |
|------------------|--------------|--------------|-----------------------|---------------------|
| Salaries / Wages | 40100 | Total | 1,071,041 | 1,096,081 |

Estimated Detail of Salaries / Wages

Actual expenses may vary according to changing circumstances

| Organizational Structure | Staff | Committee Approved | Council Approved |
|------------------------------------|-------|-----------------------|---------------------|
| Director | 1 | \$ 75,483 | \$ - |
| Systems Manager | 1 | \$ 59,575 | \$ - |
| IT Tech | 1 | \$ 39,039 | - |
| Office Manager | 1 | \$ 36,075 | - |
| Shift Supervisors (non-union) | 3 | \$ 137,873 | - |
| Supervisor (union) | 3 | \$ 128,244 | - |
| Line Dispatchers (union) | 16 | \$ 543,270 | - |
| Maintenance | 0.5 | \$ 8,986 | - |
| Part-time Personnel | 3 | \$ 13,409 | - |
| Sick Incentive | - | \$ 7,884 | - |
| EMD Coordinator | - | \$ 800 | - |
| CALEA Stipend | - | - | - |
| CTO Stipend | - | \$ 4,368 | - |
| Holiday Regular | - | \$ 36,692 | - |
| Salary Adjustment / Step Increases | - | \$ 4,383 | - |
| | 29.5 | \$ 1,096,081 | \$ - |

Line Item Narrative

Salaries / Wages: The agency is organized into two functions: Operations and Administrative Support.

Operations: Management and the Union wrapped up a three year contract in February, 2013. That contract included a 5% increase for Jan. 1 through June 30, 2013, a 2% for July 1, 2013 through June 30, 2014 and a 2.5% for July 1, 2014 through June 30, 2015. These increases are partially funded by the removal of one step increase and the lengthening of time between three separate step increases. Additionally, the Sick Leave usage language has been removed from the contract and will be managed via policy, which gives Management greater authority to address identified sick leave abuse and thus realize greater overtime savings. These increases are also intended to stop employees from exporting their training and skills to higher paying local positions.

Administration: Administration is made up of four fulltime employees and one part-time cleaning person.

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Item | Account code | Last Year | Committee Approved | Council Approved |
|-----------------|--------------|--------------|-----------------------|---------------------|
| OT - Regular | | Total | 146,297 | 150,146 |
| OT - Holiday | | Total | 28,370 | 30,021 |
| | 401200 | | 174,667 | 180,167 |
| MSRS - Employer | 4017001 | Total | 22,304 | 42,207 |
| ICMA - Employer | 4017002 | Total | 36,556 | 32,894 |
| FICA - Employer | 4017501 | Total | 95,297 | 97,633 |

Estimated Detail of OT - Regular

Actual expenses may vary according to changing circumstances

| OT - Regular | Hours Needed | Average OT Rate | Committee Approved | Council Approved |
|--------------|--------------|--------------------|-----------------------|---------------------|
| Holiday DOT | 188 | \$ 28.43 | \$ 8,908 | \$ - |
| Training OT | 176 | \$ 28.43 | \$ 2,732 | \$ - |
| EMD OT | 192 | \$ 28.43 | \$ 5,458 | |
| CALEA OT | | \$ 28.43 | | |
| Sick OT | 1,820 | \$ 28.43 | \$ 51,741 | |
| Vacation OT | 2,860 | \$ 28.43 | \$ 81,307 | |
| | | | \$ 150,146 | \$ - |

Estimated Detail of MSRS - Employer

Actual expenses may vary according to changing circumstances

| MSRS - Employer | MSRS Employer | Committee Approved | Council Approved |
|--------------------------|------------------|-----------------------|---------------------|
| 16 employees participate | \$ 22,304 | \$ 42,207 | \$ - |

Estimated Detail of ICMA - Employer

| ICMA - Employer | ICMA Employer | Committee Approved | Council Approved |
|-------------------------|------------------|-----------------------|---------------------|
| 8 employees participate | \$ 36,556 | \$ 32,894 | |

Estimated Detail of FICA - Employer

| FICA - Employer | FICA Employer | Committee Approved | Council Approved |
|-----------------------|------------------|-----------------------|---------------------|
| Employer Contribution | \$ 95,297 | \$ 97,633 | \$ - |
| | | \$ 97,633 | \$ - |

Line Item Narrative

Overtime - Regular: Due to minimum staffing, each vacancy created by vacation, sick time, disability and/or training must be filled at a 1.5 rate, which averages 28.43/hr. Also included in this account is the contractual 1.5 hr. rate for 11 holidays and the double overtime rate for fills for vacancies on holidays. There are two new hires in training and three vacancies yet to be filled. Once at full staffing, there will be some limited ability to absorb vacancies without the need for a overtime backfill.

MSRS Employer: Staff is provided the opportunity to participate in the Maine State Retirement System plan. This year's employer contribution has gone up from a 5.3% salary match to a 6.5% salary match.

ICMA Employer: Staff is provided the opportunity to participate in the ICMA Retirement plan. The employer contributes a 6% salary match.

FICA Employer: The required employer contribution is 0.0765

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Items | Account Code | | Last Year | Committee Approved | Council Approved |
|--------------------|--------------|-------|--------------|-----------------------|---------------------|
| MMEHT Health Ins. | 4046004 | Total | 323,828 | 334,663 | - |
| Wellness / Medical | 4046010 | Total | 18,200 | 18,200 | - |

Estimated Detail of MMEHT Health Ins.

Actual expenses may vary according to changing circumstances

| MMEHT Health Ins. | Participants | Cost | Committee Approved | Council Approved |
|----------------------------------|--------------|-----------|-----------------------|---------------------|
| Family Plan | 10 | \$ 20,182 | \$ 201,826 | \$ - |
| Single-Dependent | 1 | \$ 14,681 | \$ 14,681 | \$ - |
| Single | 10 | \$ 8,997 | \$ 89,970 | - |
| Life Insurance Medical Insurance | 4 | various | \$ 513 | - |
| Health Incentives | 6 | \$ 27,673 | \$ 27,673 | \$ - |
| | | | \$ 334,663 | \$ - |

Estimated Detail of Wellness / Medical

Actual expenses may vary according to changing circumstances

| Wellness / Medical | Staff | Benefit | Committee Approved | Council Approved |
|--------------------|-------|---------|-----------------------|---------------------|
| Wellness Benefit | 26 | \$ 700 | \$ 18,200 | - |
| | | | \$ 18,200 | \$ - |

Line Item Narrative

MMEHT Health Insurance: This account funds the cost of health insurance to all participating staff through the Maine Municipal Employee Health Trust. The agency pays 85% of the cost of annual premiums while the employee pays 15% of the annual premium. Health care premiums went up 7.5% for the first half of FY13; the second half is estimated to incur a 10% increase. Certain levels of coverage are projected, including incoming new hires and anticipated vacancies. Six employees choose the opt-out Health Incentive.

Wellness / Medical: This account funds a benefit which allows the employee to contribute to a wellness benefit flex account. The expenditures can be used for medical related costs such as copays, dental work, etc. The agency provides \$700 annually to each employee. The agency also provides for a life insurance premium for three employees.

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Items | Account Code | | Last Year | Committee Approved | Council Approved |
|---------------------------|--------------|-------|--------------|-----------------------|---------------------|
| Unemployment Compensation | 4046500 | Total | 7,500 | 7,250 | - |
| Workers Compensation | 4047000 | Total | 12,761 | 8,500 | - |

Estimated Detail of Unemployment Comp

Actual expenses may vary according to changing circumstances

| | Amount | Committee Approved | Council Approved |
|-----------------------------------|----------|-----------------------|---------------------|
| Unemployment Comp | | | |
| Estimated Employer Costs from MMA | \$ 7,250 | \$ 7,250 | \$ - |
| | | \$ 7,250 | \$ - |

Estimated Detail of Workers Comp

Actual expenses may vary according to changing circumstances

| | Amount | Committee Approved | Council Approved |
|---------------|----------|-----------------------|---------------------|
| Workers Comp | | | |
| MEMIC Premium | \$ 8,500 | \$ 8,500 | \$ - |
| | | \$ 8,500 | \$ - |

Line Item Narrative

Unemployment Compensation: This account includes the costs for unemployment benefits through Maine Municipal Coverage, which provided an estimate of \$7,250 for the coming year.

Workers Compensation: The Center's mod rating has dropped significantly due to an injury from 2009 being phased-out of the three-year review used to determine the mod rate. That new rate would be \$5,559 per year, however Workers Comp has yet to calculate into the equation an injury in the winter of 2012. Thus the \$8,500 estimate used until the new equation is determined, which will not be available July 2013.

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Items | Account Code | | Last Year | Committee Approved | Council Approved |
|------------|--------------|-------|--------------|-----------------------|---------------------|
| Printing | 4031000 | Total | 200 | 200 | - |
| Postage | 4021500 | Total | 200 | 300 | - |

Estimated Detail of Printing

Actual expenses may vary according to changing circumstances

| Printing | Quantity | Price Each | | Committee Approved | Council Approved |
|-----------|----------|------------|----|-----------------------|---------------------|
| Forms | 50 | \$ 1.00 | \$ | 50 | - |
| Envelopes | 1000 | 0.15 | \$ | 150 | - |
| | | | | \$ 200 | \$ - |

Actual expenses may vary according to changing circumstances

Estimated Detail of Postage

Actual expenses may vary according to changing circumstances

| Postage | | Committee Approved | Council Approved |
|------------------|----|-----------------------|---------------------|
| Routine mailings | \$ | 300 | \$ - |
| | \$ | 300 | \$ - |

Line Item Narrative

Printing: This account includes the costs of purchasing special created forms for communication operations as well as stationery style envelopes for mailings. The center does not provide business cards for administration or for supervisors; the cards must be purchased at the employees' expense.

Postage: This account includes routine mailings, certified mail and those shipping that require insurance and , such as equipment being shipped to a vendor for repair.

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Items | Account Code | | Last Year | Committee Approved | Council Approved |
|-------------------------------|--------------|--------------|--------------|-----------------------|---------------------|
| Telephones | 4022000 | Total | 126,684 | 84,836 | - |
| Utilities: Light/Water/Diesel | 4022500 | Total | 26,268 | 29,160 | - |

Estimated Detail of Telephones

Actual expenses may vary according to changing circumstances

| Telephones | Quantity | Price Each | Committee Approved | Council Approved |
|---------------------------|----------|-------------|-----------------------|---------------------|
| Cell Phones | 3 | \$ 65.00 | \$ 2,340 | \$ - |
| Evacuation cell phones | 2 | \$ 15.00 | \$ 1,560 | \$ - |
| Radio Circuits per month | 12 | \$ 3,304.00 | \$ 39,648 | \$ - |
| Telephone Lines per month | 12 | \$ 1,125.00 | \$ 13,500 | \$ - |
| Payback for loan | 8 | \$ 3,473.50 | \$ 27,788 | \$ - |
| | | | \$ 84,836 | \$ - |

Estimated Detail of Utilities: Light/Water/Diesel

Actual expenses may vary according to changing circumstances

| Utilities: Light/Water/Diesel | Monthly Costs | Committee Approved | Council Approved |
|---|------------------|-----------------------|---------------------|
| Water and Sewerage (12% of Central Fire usage) | \$40.00 | \$ 480 | \$ - |
| Diesel Usage (28% of Central Fire usage) | \$ 849.00 | \$ 10,188 | \$ - |
| Electricity Usage (40% of Central Fire usage) | \$ 1,299.00 | \$ 15,588 | \$ - |
| Electricity Usage at Gracelawn and East Ave. towers | \$ 242.00 | \$ 2,904 | \$ - |
| | | \$ 29,160 | \$ - |

Line Item Narrative

Telephone: The account funds five cell phones: one for the director, one for the system manager, one for the IT tech support position and two pre-paid phones which are for the 'grab-and-go bag' in case of an emergency evacuation of the center. Both cities agreed to split a \$55,000 interest free loan to the center to fund a technology upgrade that will reduce monthly telephone line costs by \$3,073.28 per month. The first installment of \$6875 (\$3437.50 per city) will be paid in FY13 Q4, with the quarterly payments of \$6875 to be made throughout FY14.

Lights / Water / Gas: The communication center currently is located in the basement level of the Auburn Central Fire Station. These utility service cost shares were agreed upon when the center first moved into the building; the increase mirrors Auburn Fire's estimated increase in building utilities. Also included in this line item is the cost for the electric usage of the tower on Gracelawn Road and the tower on East Ave in Lewiston.

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Items | Account Code | | Last Year | Committee Approved | Council Approved |
|-----------------------------|--------------|-------|--------------|-----------------------|---------------------|
| CALEA/Mileage reimbursement | 4023000 | Total | 4,200 | 3,500 | - |
| Subscriptions/Periodicals | 4024500 | Total | 561 | 450 | - |
| Medical Exams | 4025500 | Total | 440 | 660 | |

Estimated Detail of CALEA/Mileage reimbursement

Actual expenses may vary according to changing circumstances

| | Committee Approved | Council Approved |
|-----------------------------|-----------------------|---------------------|
| CALEA/Mileage reimbursement | | |
| Mileage Reimbursement | \$ 1,000 | \$ - |
| CALEA Conference | \$ 2,500 | \$ - |
| | \$ 3,500 | \$ - |

Estimated Detail of Subscriptions/Periodicals

Actual expenses may vary according to changing circumstances

| | Committee Approved | Council Approved |
|------------------------------|-----------------------|---------------------|
| Subscriptions/Periodicals | | |
| 911 Magazine | | \$ - |
| Hill Donnelly Street Listing | \$ 450 | \$ - |
| | \$ 450 | \$ - |

Estimated Detail of Medical Exams

Actual expenses may vary according to changing circumstances

| | Exams | Costs | Committee Approved | Council Approved |
|----------------------------------|-------|-----------|-----------------------|---------------------|
| Medical Exams | | | | |
| Pre-employment medical screening | 6 | \$ 110.00 | \$ 660 | \$ - |
| | | | \$ 660 | \$ - |

Line Item Narrative

Travel Expenses: This account reimburses employees for official travel and covers the cost of the CALEA accreditation manager to attend an East Coast conference.

Subscriptions/ Periodicals: The agency receives one online subscription of all street listings in our service area, which has increased from previous estimates of \$450. Subscription allows for a single user at a time.

Medical Exams: It is a requirement for all new employees to receive a medical screening to determine fitness for duty. The cost of these exams are \$110. Based on national turn over rates of 19% (Source: The Association of Public-Safety Communications Officers-International), which matches this center's historical vacancy rate, and two additional anticipated departures, estimate is for six new hires in FY2013.

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Items | Account Code | | Last Year | Committee Approved | Council Approved |
|-------------------------|--------------|-------|--------------|-----------------------|---------------------|
| Maintenance / Licensing | 4027011 | Total | 82,857 | 79,616 | - |
| Repairs - Building | 4027500 | Total | 9,850 | 12,500 | - |
| Legal Expenses | 4028000 | Total | 3,500 | 4,000 | - |

Estimated Detail of Maintenance / Licensing

Actual expenses may vary according to changing circumstances

| Maintenance / Licensing | Committee Approved | Council Approved |
|---|-----------------------|---------------------|
| Motorola Radio | \$ 35,700 | \$ - |
| Motorola - Agency Cost Share | \$ (1,993) | - |
| CPI | \$ 624 | - |
| Reverse 911 | \$ 5,086 | - |
| IMC - Records Management system shared by 911, Police and Fire | \$ 21,810 | - |
| Keystone (access to historical records) - four users | \$ 650 | - |
| Gracelawn Tower - generator, power supply maintenance | \$ 3,700 | - |
| Software Licensing (Office/Windows, servers, Crystal Reports, remote access tokens) | \$ 4,619 | - |
| Acorn Recording for phone lines and frequencies | \$ 1,900 | - |
| Biddle Suitability screening for CALEA | \$ 1,200 | - |
| SymQuest (formerly Downeast Networks) | \$ 2,000 | - |
| Norris (Mesh Network for camera system) | \$ 3,500 | - |
| Priority Dispatch (EMD, ProQA) | \$ 820 | - |
| | \$ 79,616 | \$ - |

Estimated Detail of Repairs - Building

Actual expenses may vary according to changing circumstances

| Repairs - Building | Quantity | Price Each | Committee Approved | Council Approved |
|---------------------------------------|----------|------------|-----------------------|---------------------|
| Carpet and floor cleaning, floor mats | 2 | \$ 750.00 | \$ 1,500 | \$ - |
| HVAC system | | | \$ 8,500 | \$ - |
| Misc. Repairs | | | \$ 2,500 | \$ - |
| | | | \$ 12,500 | \$ - |

Estimated Detail of Legal Expenses

Actual expenses may vary according to changing circumstances

| Legal Expenses | Committee Approved | Council Approved |
|----------------|-----------------------|---------------------|
| Attorney Costs | \$ 4,000 | \$ - |
| | \$ 4,000 | \$ - |

Line Item Narrative

Maintenance Licensing: The communication center maintains numerous software and hardware systems to that allow interoperability, records management, data storage and radio/communications infrastructure. Maintenance agreements allow the center to extend the lifetime of the systems and provide free or reduced updates to technology, some of which update weekly.

Repairs - Building: This account maintains the HVAC maintenance agreement, as well as general repairs, to the communication center. HVAC repairs continue to escalate due to the age of the system, which is 18 years old and has a life span of 15 to 20 years.

Legal Fees: This account funds attorney fees for contract negotiations, grievances and worker's compensation cases.

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Items | Account Code | | Last Year | Committee Approved | Council Approved |
|------------------------|--------------|-------|--------------|-----------------------|---------------------|
| Miscellaneous Services | 4028800 | Total | 4,600 | 5,400 | - |
| In-Service Training | 4028900 | Total | 9,205 | 9,205 | - |

Estimated Detail of Miscellaneous Services

Actual expenses may vary according to changing circumstances

| Miscellaneous Services | Cost | Committee Approved | Council Approved |
|------------------------------|----------|-----------------------|---------------------|
| CPA Audit | \$ 4,400 | \$ 4,400 | \$ - |
| Employee Recognition Program | \$ - | \$ 500 | - |
| Public Outreach | | \$ 500 | - |
| | | \$ 5,400 | \$ - |

Estimated Detail of In-Service Training

Actual expenses may vary according to changing circumstances

| In-Service Training | Committee Approved | Council Approved |
|---------------------------|-----------------------|---------------------|
| Telecommunicator training | \$ 9,205 | \$ - |
| | \$ 9,205 | \$ - |

Line Item Narrative

Miscellaneous Services: As an organization, an independent audit of the fiscal operation of the center is required annually. This account also funds the employee recognition and assistance program, and allows the Center to use public out reach events for community education (National Night Out, Fire Prevention Week, etc.).

In-Service Training: State-mandated new-hire training is held at the MCJA, which is 96.2 miles round trip, and consists of the following. Current mileage reimbursement rate is .555 per mile.

| | | |
|---|-----------------------|--------|
| Meridian 9-1-1 certification, 2 days: | 96.2 X 2 days X .555= | 106.78 |
| 911 Basic Training, 5 days: | 96.2 X 5 days X .555= | 266.96 |
| Basic Emergency Medical Dispatch, 2 days: | 96.2 X 2 days X .555= | 106.78 |
| NCIC/AIU, 5 days: | 96.2 X 5 days X .555= | 266.96 |
| ProQA, 1 day: | 96.2 X 1 day X .555= | 53.39 |
| | | 800.87 |

Six vacancies anticipated in FY14 X 6 \$4805.22

When multiple employees attend the same training, they are required to work out carpool arrangements that result in a singular cost for transportation.

Continuing education: \$4,400
Continuing education is vital to the development of new dispatchers and to keeping seasoned dispatchers up to date on current trends and technology. Classes for new hires include 9-1-1 Liabilities, Handling Suicidal Callers, Fire Dispatching and Verbal Judo. Seasoned dispatchers benefit from training in Domestic Violence Intervention, Protecting Law Enforcement Responders, Active Shooter Response and Managing Crisis Callers. There are currently no qualified tactical dispatchers trained at this center. At an average cost of \$209 per class, this line item allows for 21 of 22 full time dispatchers to take one continuing education course per year and leaves some room for remedial training that may make the difference between a dispatcher who fails to meet minimum standards and one who successfully completes the training program. Throughout the year, in an effort to save costs, this agency hosts classes in exchange for one or two free seats.

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Items | Account Code | | Last Year | Committee Approved | Council Approved |
|-------------------|--------------|-------|--------------|-----------------------|---------------------|
| Office Supplies | 4030500 | Total | 1,614 | 1,614 | - |
| Printing Supplies | 4031000 | Total | 2,500 | 1,500 | - |
| Other Supplies | 4038900 | Total | 1,614 | 2,110 | - |

Estimated Detail of Office Supplies

Actual expenses may vary according to changing circumstances

| Office Supplies | Committee Approved | Council Approved |
|---|-----------------------|---------------------|
| <u>95% of All Supplies Are Less Than \$20</u> | \$ 1,614 | \$ - |
| | \$ 1,614 | \$ - |

Estimated Detail of Printing Supplies

Actual expenses may vary according to changing circumstances

| Printing Supplies | Committee Approved | Council Approved |
|-----------------------|-----------------------|---------------------|
| Photo copier supplies | \$ 400 | \$ - |
| Printer ribbons | \$ 150 | \$ - |
| Printer cartridges | \$ 800 | \$ - |
| Fax supplies | \$ 150 | \$ - |
| | \$ 1,500 | \$ - |

Estimated Detail of Other Supplies

Actual expenses may vary according to changing circumstances

| Other Supplies | Quantity | Cost | Committee Approved | Council Approved |
|-------------------|----------|----------|-----------------------|---------------------|
| Handsoap | 2 | \$ 36.56 | \$ 73.12 | \$ - |
| Toilet Paper | 4 | \$ 50.54 | \$ 202.16 | \$ - |
| Towels | 4 | \$ 41.60 | \$ 166.40 | \$ - |
| Trashbags (med) | 3 | \$ 48.95 | \$ 146.85 | \$ - |
| Trashbags (small) | 2 | \$ 38.50 | \$ 77.00 | \$ - |
| Trashbags (large) | 3 | \$ 29.90 | \$ 89.70 | \$ - |
| Disinfectant | 3 | \$ 39.00 | \$ 117.00 | \$ - |
| Germicide | 4 | \$ 34.32 | \$ 137.28 | \$ - |
| Misc. Supplies | | | \$ 1,100.00 | \$ - |
| | | | \$ 2,110 | \$ - |

Line Item Narrative

Office Supplies: This account funds general office supplies for the agency. A review of the last three year's expenses revealed an average of \$1,996 spent annually in 'office supplies'.

Printing Supplies: The center has printers and fax machines in constant operation. Receiving teletypes and faxes from other agencies 24 X 7 is critical. A review of the last three year's expenses revealed an average of \$2,531 spent annually in 'printing supplies'.

Other Supplies: Due to the sharing of common equipment (keyboards, phones, desktops), dispatch centers have very high rates of illness due to minor but contagious diseases. To combat this, the center provides anti-bacterial hand sanitizer and wipes, which is included in the funds for janitorial supplies.

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Items | Account Code | | Last Year | Committee Approved | Council Approved |
|------------|--------------|-------|--------------|-----------------------|---------------------|
| Dues | 4042000 | Total | 3,422 | 3,697 | - |
| Insurances | 4046000 | Total | 12,754 | 10,933 | - |

Estimated Detail of Dues

Actual expenses may vary according to changing circumstances

| Dues | Committee Approved | Council Approved |
|--------------------------------|-----------------------|---------------------|
| Notary renewals 3 at \$50/each | \$ 150 | \$ - |
| Maine Municipal Association | \$ 575 | \$ - |
| CALEA | \$ 2,602 | - |
| NENA | \$ 170 | \$ - |
| APCO | \$ 200 | \$ - |
| | \$ 3,697 | \$ - |

Estimated Detail of Insurances

Actual expenses may vary according to changing circumstances

| Insurances | Committee Approved | Council Approved |
|--------------------------------------|-----------------------|---------------------|
| Dispatcher Errors and Omissions | \$ 6,253 | \$ - |
| Public Officials Liability Insurance | \$ 4,680 | \$ - |
| | \$ 10,933 | \$ - |

Line Item Narrative

Dues: This account funds the membership to communication organizations as well as the fees to have staff notarized. The cost for the CALEA on-site assessment is divided over a three year period. NENA and APCO are professional 9-1-1 organizations with active chapters in Maine and New England. The Director serves on the executive board of the Maine chapter of NENA.

Insurances: This account funds liability coverage for staff as well as the public official liability.

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Items | Account Code | | Last Year | Committee Approved | Council Approved |
|----------------|--------------|-------|--------------|-----------------------|---------------------|
| Principal | 4049001 | Total | 32,500 | 32,500 | - |
| Interest | 4049002 | Total | 6,754 | 4,004 | - |
| Lease/Purchase | 4049008 | Total | 10,734 | 10,734 | |

Estimated Detail of Principal

Actual expenses may vary according to changing circumstances

| Principal | Committee Approved | Council Approved |
|-----------------------------------|-----------------------|---------------------|
| Construction Bond Principal (Lew) | \$ 32,500 | \$ - |
| | \$ 32,500 | \$ - |

Estimated Detail of Interest

Actual expenses may vary according to changing circumstances

| Interest | Committee Approved | Council Approved |
|----------------------------|-----------------------|---------------------|
| Construction Bond Interest | \$ 4,004 | \$ - |
| | \$ 4,004 | \$ - |

Estimated Detail of Lease/Purchase

Actual expenses may vary according to changing circumstances

| Lease/Purchase | Committee Approved | Council Approved |
|--------------------|-----------------------|---------------------|
| Server Replacement | \$ 10,734 | \$ - |
| | \$ 10,734 | \$ - |

Line Item Narrative

Principal: This account funds the principal payments for the construction bond implementation of the center and should be paid in full in 2016.

Interest: This account funds the interest on the construction bond.

Lease/Purchase: This account funds the lease purchase of the emergency replacement of the IMC server. The loan should be paid in full in 2015.

Lewiston - Auburn Communication Center

Fiscal Year 2014

| Line Items | Account Code | | Last Year | Committee Approved | Council Approved |
|--------------------------|--------------|-------|--------------|-----------------------|---------------------|
| Office Equipment | 4050500 | Total | 2,730 | 3,630 | - |
| Communications Equipment | 4052800 | Total | 21,502 | 16,128 | - |

Estimated Detail of Office Equipment

Actual expenses may vary according to changing circumstances

| Office Equipment | Committee Approved | Council Approved |
|-----------------------------|-----------------------|---------------------|
| Copier Maintenance Contract | \$ 1,830 | \$ - |
| Dispatch chairs (4) | \$ 1,800 | \$ - |
| | \$ 3,630 | \$ - |

Estimated Detail of Communication Equip

Actual expenses may vary according to changing circumstances

| Communication Equip | Committee Approved | Council Approved |
|---|-----------------------|---------------------|
| Headsets, Y-cords, ear and mouth pieces | \$ 2,000 | |
| Keyboards/Mice | \$ 400 | |
| Monitors (9) | \$ 2,061 | |
| Computer replacement (6) | \$ 6,700 | |
| IP Phone equipment | \$ 1,300 | |
| Projector | \$ 700 | |
| Desk, chair repair | \$ 240 | |
| Misc. equipment | \$ 2,727 | |
| | \$ 16,128 | \$ - |

Actual expenses may vary according to changing circumstances

Line Item Narrative

Office Equipment: This account funds the copier maintenance agreement as well as the replacement schedule for the Telecommunicator chairs.

Communication Equipment: This account funds the replacement schedule for the computers and other equipment which is used 24 hours a day. The equipment is vital to the daily operation of the center. Miscellaneous equipment includes computer cleaning supplies, tools, cables, jacks, meters, batteries, connectors, testing equipment, file storage, back up tools, etc.

LEWISTON-AUBURN 9-1-1 COMMITTEE

Financial Statements

For the Year Ended June 30, 2012

LEWISTON-AUBURN 9-1-1 COMMITTEE
Financial Statements
For the Year Ended June 30, 2012

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Independent Auditor's Report

Members of
Lewiston-Auburn 9-1-1 Committee:

We have audited the accompanying financial statements of the government activities and each major fund of the Lewiston-Auburn 9-1-1 Committee as of and for the year ended June 30, 2012, which collectively comprise the Committee's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lewiston-Auburn 9-1-1 Committee's management. Our responsibility is to express opinions on these financial statements based on our audit.

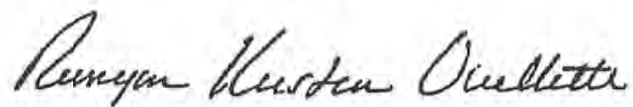
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 and each major fund of the Lewiston-Auburn 9-1-1 Committee as of June 30, 2012 and the respective changes in financial positions and 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 December 12, 2012, on our consideration of the City of Lewiston, Maine's internal control over financial report, on which the Lewiston-Auburn 9-1-1 Committee relies, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in cursive script, reading "Remyon Hudson Ouellette".

December 12, 2012
South Portland, Maine

LEWISTON-AUBURN 9-1-1 COMMITTEE
Management's Discussion and Analysis
June 30, 2012

The Lewiston-Auburn 9-1-1 Committee (the Committee) is a joint venture formed in mutual agreement by the City of Lewiston and the City of Auburn to provide 9-1-1 and reverse 9-1-1 communications for the two cities. The Committee was formed to consolidate the dispatching of the municipal public safety departments in an effort to enhance efficiency and take advantage of consolidated purchasing of capital equipment.

A nine-member board sets the Committee's policies and provides financial oversight. The Committee consists of a City Councilor from both cities; the Fire and Police Chiefs from both municipalities; and a citizen at-large appointed by the City Council from each City. The ninth member is a citizen at-large member appointed by the other eight Committee members.

As management of the Committee, we offer the readers of the Committee's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2012. We encourage our readers to consider this information presented in conjunction with the audited financial statements and notes. The statements included in this report are:

- Statement of Net Assets
- Statement of Activities
- Balance Sheet – Governmental Funds
- Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
- Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual - General Fund
- Notes to the Basic Financial Statements

FINANCIAL HIGHLIGHTS:

- The assets of the 9-1-1 Committee exceeded its liabilities at the close of the most recent year by \$303,514 (net assets).
- Total net assets decreased by \$150,154, which represents a 33.1% decrease.
- The Committee's overall fund balance for its Governmental Funds increased by \$6,086 to \$76,690 this past fiscal year.
- The Committee decreased its outstanding long-term debt by \$32,500, from \$162,500 to \$130,000.

OVERVIEW OF THE FINANCIAL STATEMENTS:

The 9-1-1 Committee accounts for its financial transactions through the use of a General Operating Fund. The General Operating Fund is used to record the day-to-day expenditures that are mostly provided by equal contributions from the Cities of Lewiston and Auburn.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Management's Discussion and Analysis, Continued

9-1-1 Committee's Condensed Statement of Net Assets

| | Governmental Activities | |
|--|----------------------------|----------------|
| | 2012 | 2011 |
| Assets: | | |
| Current Assets | \$245,364 | 248,572 |
| Net Capital & Other Assets | 429,752 | 634,611 |
| Total Assets | 675,116 | 883,183 |
| Liabilities: | | |
| Current Liabilities | 274,102 | 272,846 |
| Noncurrent Liabilities | 97,500 | 156,669 |
| Total Liabilities | 371,602 | 429,515 |
| Net Assets: | | |
| Invested in Capital Assets, net of related debt | 273,083 | 419,773 |
| Unrestricted | 30,431 | 33,895 |
| Total Net Assets | \$303,514 | 453,668 |

At the end of the current year, current assets decreased slightly by \$3,208 and current liabilities increased by \$1,256. Net capital assets decreased by \$204,859, which represents the current year's annual depreciation expense of \$252,487, partially offset by the acquisition of hardware and software (\$47,628) in the current year.

Total liabilities decreased by 13.5% or \$57,913 which was attributed to the decrease in noncurrent liabilities of \$59,169; a \$32,500 reduction of outstanding general obligation bonds, and a \$26,669 reduction of capital lease obligations. Accounts payable decreased by \$22,891 or 14.6%. Accrued payroll increased by \$13,597 noting additional calendar days needing to be accrued subsequent to the last paycheck date of the fiscal year.

Net assets for the Committee decreased by \$150,154 in fiscal year ended 2012. The Statement of Activities experienced an increase in total expenses of \$13,197, of that \$22,866 represented a fluctuation in the current year interest expense, which was mitigated by an \$11,821 decrease in the unfunded capital asset depreciation expense which totaled \$252,487. The Committee's unrestricted net asset balance decreased by \$3,464, to a balance of \$30,431.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Management's Discussion and Analysis, Continued

9-1-1 Committee's Statement of Revenues, Expenditures and Changes in Fund Balance

| | Governmental Activities | |
|-------------------------------|----------------------------|-------------------|
| | 2012 | 2011 |
| Revenues: | | |
| Contributions | \$1,937,025 | 1,855,000 |
| Rental Income | 5,400 | 5,400 |
| Intergovernmental | 40,495 | 46,704 |
| Investment Income | 1,629 | 1,490 |
| Total Revenues | 1,984,549 | 1,908,594 |
| Expenditures: | | |
| Salaries and benefits | 1,338,507 | 1,315,802 |
| Insurance | 287,002 | 261,091 |
| Supplies and materials | 4,018 | 4,338 |
| Repairs and maintenance | 81,212 | 79,176 |
| Utilities | 154,400 | 165,454 |
| Other | 25,752 | 22,026 |
| Capital Outlay | 46,446 | 62,394 |
| Debt Service | 41,126 | 42,966 |
| Total Expenditures | 1,978,463 | 1,953,247 |
| Change in Fund Balance | \$ 6,086 | (\$44,653) |

Total revenues increased by \$75,955 to \$1,984,549 or 4.0%. A significant portion of this increase reflects revenues received from intergovernmental sources. Contributions from the Cities of Lewiston and Auburn rose by \$82,025. A decrease in Homeland Security funds of \$26,704 received in FY11 was partially replaced by Androscoggin County's cost-sharing reimbursement of \$19,895. The Town of Poland has contracted with the Committee to provide fire dispatching service at an annual rate of \$20,600, \$600 above last year's payment. Rental income of \$5,400 is a revenue source derived from leasing tower space. Investment income increased by \$139.

The Operating Fund experienced an increase in expenditures of \$25,216 or 1.3%. Salary and benefit expenditures increased by \$22,705 or 90% of the total overall expenditure increase. Employee turnover continues to plague the Committee. This year vacancies at the dispatcher level resulted in a budget deficit in overtime of \$87,786, which was partially offset by a surplus in regular salaries of \$58,975. Other notable increases are \$25,911 in insurance, primarily health coverage of \$16,875, \$2,036 in repairs to equipment, and \$3,726 in other expenditures. Those growths were partially mitigated by decreases in utilities of \$11,054 due to reduced telephone charges, \$15,948 in capital deferrals, and debt service of \$1,840.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS:

The Committee members have attempted to build fund balance so it may serve as a contingency for unanticipated costs. Quasi-governmental entities' best practices suggest a norm of 7.5% of annual revenues or expenditures whichever experiences the greatest fluctuation. Although fund balance increased this year, the 9-1-1 Committee's total fund balance of \$76,690 is 3.9% of annual revenues and 3.9% of annual expenditures which falls well short of the target due to their inability to generate additional revenue and operating at essentially a break-even point. The unassigned portion of fund balance remains positive but decreased by \$3,464 within this past fiscal year from \$33,895 to \$30,431 or a 10.2% decrease.

The Committee's working capital of \$76,690 and current ratio of 1.45 increased and is strong, illustrating the positive financial health of the joint agency entity. The 20% reduction in outstanding bonded debt and 38.1% reduction in net long-term liabilities in the current year better poises the Committee to continue to strengthen its financial solvency. The accumulation of resources continues to provide a contingency for future equipment replacement and unanticipated costs without burdening the joint municipal budgets.

CAPITAL ASSETS:

The Committee's strategic goal is to provide public safety communication to the Cities of Lewiston and Auburn, and fire dispatching for the Town of Poland using nationally accredited protocols for information storage, retrieval, and dispatching. The Committee recognizes the vast significance their role plays in the success of the public safety environment of the twin cities, and therefore; continually strives to improve efficiency and effectiveness in its communication delivery. In order for the Committee to achieve this goal, great emphasis is placed upon the ability to maintain and enhance its information technology legacy systems. As a result, \$1,872,108 or 64.8% of the Committee's capital assets are made up of IT equipment and supporting accessories, and \$517,656 or 17.9% of tower infrastructure.

REQUEST FOR INFORMATION:

This financial report is designed to provide a general overview of the 9-1-1 Committee's finances for all of those with an interest in the Committee's finances. Further questions concerning any of the information provided in this report or requests for additional information should be addressed to Heather Hunter, Treasurer, C/O the City of Lewiston, 27 Pine Street, Lewiston, Maine 04240.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Statement of Net Assets
June 30, 2012

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 245,364 |
| Capital assets, net | 429,752 |
| Total assets | 675,116 |
| LIABILITIES | |
| Accounts payable | 134,241 |
| Accrued wages | 34,433 |
| Compensated absences payable | 46,259 |
| Noncurrent liabilities: | |
| Due within one year | 59,169 |
| Due in more than one year | 97,500 |
| Total liabilities | 371,602 |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 273,083 |
| Unrestricted | 30,431 |
| Total net assets | \$ 303,514 |

See accompanying notes to financial statements.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Statement of Activities
For the year ended June 30, 2012

| Functions/programs | Expenses | Program revenues | | | Net (expense) revenue and changes in net assets |
|-------------------------------------|---------------------|-------------------------|--|--|---|
| | | Charges for services | Operating grants and contributions | Capital grants and contributions | Primary Government Governmental activities |
| Primary government: | | | | | |
| Current: | | | | | |
| Operating expenses | \$ 1,852,813 | - | - | - | (1,852,813) |
| Capital maintenance | 20,777 | - | - | - | (20,777) |
| Depreciation expense | 252,487 | - | - | - | (252,487) |
| Interest on debt service | 8,626 | - | - | - | (8,626) |
| Total governmental activities | 2,134,703 | - | - | - | (2,134,703) |
| Total primary government | \$ 2,134,703 | - | - | - | (2,134,703) |
| General revenues: | | | | | |
| | | | | | 1,937,025 |
| Intergovernmental - Lewiston/Auburn | | | | | 40,495 |
| Intergovernmental - other | | | | | 5,400 |
| Rental income | | | | | 1,629 |
| Investment income | | | | | 1,984,549 |
| Total general revenues | | | | | 1,984,549 |
| | | | | | (150,154) |
| Change in net assets | | | | | (150,154) |
| Net assets - beginning | | | | | 453,668 |
| Net assets - ending | | | | \$ | 303,514 |

See accompanying notes to financial statements.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Balance Sheets
Governmental Funds
June 30, 2012 and 2011

| | 2012 | 2011 |
|---|-------------------|----------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 245,364 | 487 |
| Investments | - | 248,085 |
| Total assets | \$ 245,364 | 248,572 |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts payable | 134,241 | 157,132 |
| Accrued wages | 34,433 | 20,836 |
| Total liabilities | 168,674 | 177,968 |
| Fund balance: | | |
| Assigned: | | |
| Accrued compensated absences | 46,259 | 36,709 |
| Unassigned | 30,431 | 33,895 |
| Total fund balance | 76,690 | 70,604 |
| Total liabilities and fund balance | \$ 245,364 | 248,572 |
| 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. | 429,752 | 634,611 |
| Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds: | | |
| Capital leases | (25,669) | (52,338) |
| Bonds payable | (130,000) | (162,500) |
| Compensated absences payable | (46,259) | (36,709) |
| Net assets of governmental activities | \$ 303,514 | 453,668 |

See accompanying notes to financial statements.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Statements of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2012
(with comparative totals for June 30, 2011)

| | 2012 | 2011 |
|-------------------------------------|------------------|------------------|
| Revenues: | | |
| Intergovernmental - Lewiston/Auburn | \$ 1,937,025 | 1,855,000 |
| Intergovernmental - other | 40,495 | 46,704 |
| Rental income | 5,400 | 5,400 |
| Investment income | 1,629 | 1,490 |
| Total revenues | 1,984,549 | 1,908,594 |
| Expenditures: | | |
| Current: | | |
| Salaries and benefits | 1,338,507 | 1,315,802 |
| Insurance | 287,002 | 261,091 |
| Supplies and materials | 4,018 | 4,338 |
| Repairs and maintenance | 81,212 | 79,176 |
| Telephone and utilities | 154,400 | 165,454 |
| Other | 25,752 | 22,026 |
| Capital outlay | 46,446 | 62,394 |
| Debt service | 41,126 | 42,966 |
| Total expenditures | 1,978,463 | 1,953,247 |
| Net change in fund balance | 6,086 | (44,653) |
| Fund balance, beginning of year | 70,604 | 115,257 |
| Fund balance , end of year | \$ 76,690 | 70,604 |

See accompanying notes to financial statements.

LEWISTON-AUBURN 9-1-1 COMMITTEE
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, 2012

| | | |
|--|----|-----------|
| Net change in fund balances - total governmental funds (from Statement 4) | \$ | 6,086 |
| <p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p> | | |
| <p>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 depreciation expense (\$252,487) exceeded capital outlays (\$47,628) in the current period.</p> | | (204,859) |
| <p>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 compensated absences.</p> | | (9,550) |
| <p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond 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 of repayments.</p> | | 32,500 |
| <p>Lease proceeds provide current financial resources to governmental funds, but capital leases increase long-term liabilities in the statement of net assets. Repayment of 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 of repayments.</p> | | 25,669 |
| Change in net assets of governmental activities (see Statement 2) | \$ | (150,154) |

See accompanying notes to financial statements.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the year ended June 30, 2012
(with comparative totals for June 30, 2011)

| | Budgeted amounts | | Actual | Variance with final budget positive (negative) | 2011 Actual |
|--|------------------|------------------|------------------|---|------------------|
| | Original | Final | | | |
| Revenues: | | | | | |
| Intergovernmental | \$ 1,936,694 | 1,936,694 | 1,937,025 | 331 | 1,855,000 |
| Intergovernmental - other | 40,600 | 40,600 | 40,495 | (105) | 46,704 |
| Rental income | 5,400 | 5,400 | 5,400 | - | 5,400 |
| Investment income | 1,100 | 1,100 | 1,629 | 529 | 1,490 |
| Total revenues | 1,983,794 | 1,983,794 | 1,984,549 | 755 | 1,908,594 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Salaries and benefits | 1,333,594 | 1,333,594 | 1,338,507 | (4,913) | 1,315,802 |
| Insurance | 332,749 | 332,749 | 287,002 | 45,747 | 261,091 |
| Supplies and materials | 5,736 | 5,736 | 4,018 | 1,718 | 4,338 |
| Repairs and maintenance | 83,893 | 83,893 | 81,212 | 2,681 | 79,176 |
| Telephone and utilities | 136,308 | 136,308 | 154,400 | (18,092) | 165,454 |
| Other | 22,947 | 22,947 | 25,752 | (2,805) | 22,026 |
| Capital outlay | 52,441 | 52,441 | 46,446 | 5,995 | 58,769 |
| Debt service | 41,126 | 41,126 | 41,126 | - | 42,966 |
| Total expenditures | 2,008,794 | 2,008,794 | 1,978,463 | 30,331 | 1,949,622 |
| Excess (deficiency) of revenues over (under) expenditures | (25,000) | (25,000) | 6,086 | 31,086 | (41,028) |
| Other financing sources: | | | | | |
| Utilization of prior year surplus | 25,000 | 25,000 | - | (25,000) | - |
| Net change in fund balance | - | - | 6,086 | 6,086 | (41,028) |
| Reconciliation to GAAP: | | | | | |
| Change in encumbrances | | | - | | (3,625) |
| Fund balance, beginning of year | | | 70,604 | | 115,257 |
| Fund balance, end of year | \$ | | 76,690 | | 70,604 |

See accompanying notes to financial statements.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lewiston-Auburn 9-1-1 Committee (the "Committee") was incorporated on January 26, 1978, under the laws of the State of Maine. The Committee is a joint venture between the Cities of Lewiston and Auburn, Maine and derives the majority of its revenues from municipal appropriations. The Committee received \$1,937,025 from the Cities during the year ended June 30, 2012. The Committee is dependent on receiving funds from the Cities of Lewiston and Auburn, Maine to fund future operating and capital needs.

The Committee operates under a nine-member council and provides a 9-1-1 emergency communications system for the Lewiston-Auburn area. The members of the Committee include the police and fire chiefs of each city, a City Councilor from each city, a citizen at-large from each city appointed by the respective City Council and a citizen at-large elected by those eight members. The Committee is administered by the finance staff of the City of Lewiston, Maine and therefore, relies on the internal controls of that City.

The accounting policies of the 9-1-1 Committee conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies.

A. Basis of Presentation

The Committee's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-wide Financial Statements:

The statement of net assets and the statement of activities display information about the Committee as a whole. These statements include the financial activities of the primary government.

The statement of net assets presents the financial condition of the governmental activities of the Committee at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Committee's governmental activities. Direct expenses are those that are specifically associated with a service, program or department, and therefore, clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Committee. The comparison of direct expenses which program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Committee.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

2. Fund Financial Statements:

Fund financial statements are designed to present financial information of the Committee at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. The General Fund is the Committee's only fund.

B. Fund Accounting

The Committee uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Committee uses the following fund category and fund type:

1. Governmental Funds:

Governmental Funds are those through which most governmental functions of the Committee are financed. The acquisition, use and balances of the Committee's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Committee's major Governmental Fund:

General Fund - This fund accounts for all financial transactions except those required to be accounted for in another fund.

C. Measurement Focus

1. Government-wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the Committee are included on the statement of net assets.

2. Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statements of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-wide financial statements are prepared using the accrual basis of accounting. All Governmental funds are accounted for using the modified accrual basis of accounting.

Their revenues are recognized when they become measurable and available as net current assets. Revenues are recognized (recorded) in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current fiscal period. Available means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. This contrasts with the method used by private-sector entities, where revenues are recorded when they are earned.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements are used as guidance. Intergovernmental revenues consist of municipal appropriations from Lewiston and Auburn.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to the general rule include: principal and interest on long-term debt which is recognized when due; and prepaid expenses, which are not recorded.

E. Budgetary Accounting

The Committee utilizes a formal budgetary accounting system to control its General Fund revenues and expenditures. These budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) with the exception that encumbrances are treated as expenditures for budgetary purposes. The budgets are formally adopted each year through the passage of an appropriation resolve by the Cities of Lewiston and Auburn. In any year in which the anticipated expenditures exceed anticipated revenues, the Cities of Lewiston and Auburn agree to share equally in the difference. All annual appropriations lapse after fiscal year-end.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances are treated as expenditures on the Budgetary Basis.

G. Capital Assets

Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Committee maintains a capitalization threshold of five thousand dollars.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets are depreciated over the remaining useful lives. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|---------------------------|------------------------|
| Improvements to leasehold | 20 years |
| Furniture and equipment | 5-20 years |

H. Compensated Absences

Under terms of the personnel policies of the Committee, vacation leave is granted in varying amounts according to length of service. All vacation time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund only if they have matured, for example, as a result of employee resignations and retirements.

USE OF ESTIMATES

Preparation of the Committee'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.

CASH DEPOSITS AND INVESTMENTS

The Committee's policy is to invest all available funds at the highest possible rates, in conformance with legal and administrative guidelines, while avoiding unreasonable risk. The funds are invested in liquid investments in order to meet its cash needs during the year.

LEWISTON-AUBURN 9-1-1 COMMITTEE
Notes to Basic Financial Statements, Continued

CASH DEPOSITS AND INVESTMENTS, CONTINUED

A. Deposits

| | | |
|---|-------------------|----------------|
| Deposits have been reported as follows: | <u>Carrying</u> | <u>Bank</u> |
| | <u>Amount</u> | <u>Balance</u> |
| <u>Reported in governmental fund</u> | \$ 245,364 | 245,120 |
| <u>Total deposits</u> | <u>\$ 245,364</u> | <u>245,120</u> |

CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

| | <u>Balance</u> | | | <u>Balance</u> |
|---|----------------------|------------------|------------------|----------------------|
| | <u>June 30, 2011</u> | <u>Increases</u> | <u>Decreases</u> | <u>June 30, 2012</u> |
| Governmental Activities | | | | |
| Capital assets, being depreciated: | | | | |
| Improvements to leasehold | \$ 281,570 | - | - | 281,570 |
| Furniture and equipment | 2,605,400 | 47,628 | 6,513 | 2,646,515 |
| Total capital assets, being depreciated | 2,886,970 | 47,628 | 6,513 | 2,928,085 |
| Less accumulated depreciation: | | | | |
| Improvements to leasehold | 218,216 | 14,079 | - | 232,295 |
| Furniture and equipment | 2,034,143 | 238,408 | 6,513 | 2,266,038 |
| Total accumulated depreciation | 2,252,359 | 252,487 | 6,513 | 2,498,333 |
| <u>Capital assets, being depreciated, net</u> | 634,611 | (204,859) | - | 429,752 |
| Governmental activities | | | | |
| <u>capital assets, net</u> | <u>\$ 634,611</u> | <u>(204,859)</u> | - | <u>429,752</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|--------------------------|------------|
| Unallocated depreciation | \$ 252,487 |
|--------------------------|------------|

LEWISTON-AUBURN 9-1-1 COMMITTEE
Notes to Basic Financial Statements, Continued

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2012, was as follows:

| | <u>Beginning balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending balance</u> | <u>Due within one year</u> |
|---------------------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| General obligation bonds | \$ 162,500 | - | 32,500 | 130,000 | 32,500 |
| Capital leases | 52,338 | - | 25,669 | 26,669 | 26,669 |
| Accrued compensated absences | 36,709 | 46,259 | 36,709 | 46,259 | - |
| Governmental activity | | | | | |
| long-term liabilities | \$ 251,547 | 46,259 | 94,878 | 202,928 | 59,169 |

LONG-TERM DEBT

During the year ended June 30, 1996, the Cities of Lewiston and Auburn each incurred \$835,414 (total of \$1,670,828) in general obligation debt for the purpose of capital improvements for the 9-1-1 Committee. The debt service is paid for by the respective Cities and reimbursed by the Committee. Total debt service reimbursed to the Cities of Lewiston and Auburn for the year ended June 30, 2012 totaled \$41,126 (consisting of principal and interest). The debt has been included in the statement of net assets of the Committee and will be repaid to the Cities of Lewiston and Auburn from the municipal appropriations assessed.

The annual requirements to amortize all debt outstanding as of June 30, 2012 are as follows:

| Year ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|-------------------|-----------------|----------------|
| 2013 | \$ 32,500 | 6,754 | 39,254 |
| 2014 | 32,500 | 4,842 | 37,342 |
| 2015 | 32,500 | 2,905 | 35,405 |
| 2016 | 32,500 | 968 | 33,468 |
| Totals | \$ 130,000 | 15,469 | 145,469 |

LEWISTON-AUBURN 9-1-1 COMMITTEE
Notes to Basic Financial Statements, Continued

CAPITAL LEASES

The Committee has entered into a lease agreement as a lessee for financing of a dispatch console. This lease agreement qualifies as a capital lease, and therefore, has been recorded in the Committee's statement of net assets at the present value of the future minimum lease payments as of the date of its inception. The Committee has recorded an asset for the dispatch equipment with a historical cost of \$134,500 and accumulated depreciation of \$121,050 as of June 30, 2012.

The following is a schedule of the future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2012:

Fiscal year ending June 30,

| | |
|---|-------------------------|
| <u>2013</u> | <u>\$ 27,709</u> |
| Total minimum lease payments | 27,709 |
| <u>Less amounts representing interest</u> | <u>1,040</u> |
| Present value of future minimum lease payments | <u>\$ 26,669</u> |

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (MainePERS)

Description of the Plan - The Committee contributes to Maine Public Employees Retirement System 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 Maine 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 Committee is required to contribute an actuarially determined rate. The current rate is 2.8% of annual covered payroll. The contribution rates of plan members and the Committee are established and may be amended by the Maine Public Employees Retirement System Board of Trustees. The Committee's contributions to the Maine Public Employees Retirement System Consolidated Plan were \$22,160, \$18,547, and \$16,367 for the years ended June 30, 2012, 2011, and 2010, respectively, and equal to the required contributions for each year.

OTHER

Additionally, the Committee participates in the Social Security Retirement Program. The Committee's contribution to Social Security including FICA and Medicare was \$89,101 for the year ended June 30, 2012.

Great Falls TV - 2013-2014 Budget Presentation

Great Falls TV will continue the mission of delivering television and internet services to the greater Lewiston / Auburn area for the upcoming fiscal year. In operation since November of 1999, GFTV provides coverage of government meetings, community services for local non-profits in the form of television shows and public service announcements. GFTV provides training for community members who want to learn more about video production. Additionally, we provide services for the Lisbon community by rebroadcasting their local government and school board meetings for a fee. GFTV continues to operate from the campus of Central Maine Community College in Auburn with station offices and studio space. GFTV maintains satellite equipment to facilitate the delivery of regular NASA TV and the NASA educational network. The Cable Advisory Television Committee continues the oversight of operations and budgetary provisions for GFTV. The board consists of professionals and community members from the Lewiston / Auburn area.

Through the years of operation at Great Falls TV the Board and staff have made great efforts to deliver a quality service to the public and to continue to improve the span and quality of services. Over the last 6 years we have transitioned from a VHS format to a digital video server which improves the quality of our signals through the Time Warner cable system. We continue to offer content on 3 channels for Time Warner viewers. The 3 channels allow coverage for multiple government and community meetings and events. We also continue to offer a diverse selection of programs that are informative, educational and entertaining. We also have developed a web site with the live broadcast of government meetings and files for video on demand for viewing meetings and community based shows. Due to the changes in technology and the increased demand for government services by both communities, GFTV will meet the challenge by working closely with representatives from each city in order assure that the meetings will be broadcast in a timely and efficient manner. We also provide technical and financial support for the equipment in both city halls. GFTV assists the city councils in informing the public about the issues facing the community and serves as a window into the inner workings of local government.

This year's budget will address changes in the technological environment by adding services that have been requested by city officials and viewers.

Improvements for the upcoming year will include a new streaming device to allow for better stability for internet viewers, and increase in coverage for folks who have smart phones and tablets and some additional government offerings. We will also extend the amount of time that video on demand files will be available for viewing after the meetings. The time element will be increased to six months provided we can maintain enough storage capacity with our host server. We will also be adding a new device to the broadcast equipment that will allow us to streamline the process of managing video on demand files. This will mean that VOD files will be available for public consumption sooner than they have in the past. Under normal circumstances files may be available within a short time following the live meetings. We would also like to do some basic improvements to the physical aspect of the station by painting the interior and adding some cabinets for storage of equipment and media. No physical alterations have been performed for years. Other drivers in this year's budget will be minor increases in rent (5%), a \$700.00 per year increase in the fee for internet services to allow users of smart phones and tablets to access our internet content. We have had an increase in insurance costs due to changes in the City of Auburn's costs for providing health insurance.

Our budget will address the above concerns and will allow GFTV to improve its' infrastructure to meet the demands of the viewers we serve and to address the concerns of local government officials and staff. Maintaining our budget involves continuing the funding formula that was established when the station began with the 40% allocation of revenues from the agreement with Time Warner Cable. It is of utmost importance that we maintain this formula to meet the requirements of funding the station infrastructure and the staff. GFTV would also encourage the cities to advocate for some additional funding in the refranchising process to facilitate capital improvements that will be needed going forward into the future. We have addressed this need by controlling costs and using equipment as long as it is relevant and functional in delivering broadcasts and internet services. Our current revenues allow us to cover expenses and address some of the need for additional technologies although we will need additional support as we go forward.

GFTV will continue the mission of delivering services in government offerings and community support services by offering programs that reflect the values and experiences of our community. We will continue to work with volunteers who

wish to learn skills and assist us in completing our goals. We will strive to improve our technology as our budget allows and perform research into the best ways we can meet the changes in the broadcast environment. GFTV will also continue to develop ways to better serve the public through the internet services we provide. On behalf of our staff and dedicated board we will work together to meet the demands that are requested by city government and community members who utilize our services. We ask for your continued support and participation in the operations of Great Falls TV! Please see the attached budget information for the specific financial considerations.

Respectfully submitted,
Philip Larlee / Station Manager
Cable Advisory TV Board

LEWISTON/AUBURN CABLE TV ADVISORY BOARD

Revised 09/17/11

| LEWISTON | AUBURN |
|--|---|
| Joanne G. Potvin, Lewiston Co-Chair 97 Webster Street Lewiston, ME 04240-6466 784-1783 (H) – 784-0147 (W) anem1@roadrunner.com | Edward Desgrosseilliers 121 Hatch Road Auburn, ME 04210 777-3125 (H) – 740-0113 (C) esd@adelphia.net |
| Normand L'Heureux 13 Libby Avenue Lewiston, ME 04240 782-1722 (H) nrmw1scm@megalink.net | Charles Morrison 46 Lake Street Auburn, ME 04210 783-7862 (H) – 783-2249 (W) cmorrison@androscoggincounty.com |
| Roger Philippon 3 Champlain Avenue Lewiston, ME 04240 782-0712 (H) rphilippon@cmcc.edu | Norman Morin 111 Paul Street Auburn, ME 04210 784-7128 (H) npmorin@adelphia.net |
| Vacant | Joel Simons 136 Western Avenue Auburn, ME 04210 745-8081 joel.simons@yahoo.com |
| Vacant | Vacant |
| Philippe Nadeau, Lewiston Staff Deputy City Administrator pnadeau@ci.lewiston.me.us | David Colby Young, Auburn Staff City Councilor davidcolbyyoung@aol.com |

PERSONAL SERVICES BUDGET WORKSHEET

Fiscal Year 2014 Budget

| CLASSIFICATION | POSITION | ESTIMATED FY 13 YEAR END | FY 14 REQUEST |
|-----------------------|----------|--------------------------------|------------------|
| TV Station Manager | 1 | \$ 43,627 | \$ 44,936 |
| TV Station Technician | 1 | \$ 29,932 | \$ 30,531 |
| TOTALS | 2 | \$ 73,559 | \$ 75,467 |

GREAT FALLS TV - BUDGET CATEGORIES DESCRIPTIONS

| ACCOUNT NUMBER | NAME | ACCOUNT DESCRIPTIONS |
|-----------------|--|---|
| 20405962 611000 | Salaries | two employee salaries including COLA and Step Increases when appropriate |
| 20405960 617001 | F.I.C.A./Medicare, Health Insurance Retirement | F.I.C.A. / Medicare/ health insurance and retirement benefits - two employees |
| 20405960 617002 | Fringe Benefits Health Ins. 85% | |
| 20405962 629000 | Training & Tuition | training and tuition |
| 20405962 620000 | Advertising | |
| 20405964 640000 | Telephone/Communications | telephone, web hosting, E-fax |
| 20405962 644000 | Rent Expense | studio space rent at Central Maine Community College |
| 20405963 628001 | Food | concessions for meetings, events and annual volunteer dinner |
| 20405962 628021 | Equipment Repairs | maintenance/repairs to equipment at GFTV Studio AND Lewiston and Auburn City Buildings |
| 20405962 628020 | Vehicle Repairs | vehicle maintenance/repairs as needed |
| 20405962 632000 | Dues & Subscriptions | Annual Dues & Subscriptions- BJ's annual membership fee -CTAM - |
| 20405963 633000 | Office Supplies | consummable office supplies, i.e., paper, ink, batteries, pens, paper clips - usual office supplies |
| 20405963 633001 | Operating Supplies-Studio | studio opt'l costs, i.e.,bulbs, backdrops, lights, microphones, computer, software, monitors, decks, web stream costs, telvue maintenance (server). |
| 20405963 633002 | Operating Supplies-Field | field opt'l costs (includes Lew/Aub City Bldg costs), i.e., cables, connectors, computer, racks, monitors, |
| 20405963 633030 | Vehicle-gas/oil | fuel and oil changes, as needed, for GFTV vehicle |
| 20405965 656100 | Capital-Small Tools & Equip | small tools and equipment (capital improvements) |

