

CITY OF BIDDEFORD, MAINE

Annual Financial Report

June 30, 2004

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Annual Financial Report
June 30, 2004

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Independent Auditor's Report

City Council
City of Biddeford, Maine:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Biddeford, Maine as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

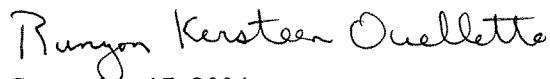
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information City of Biddeford, Maine as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Biddeford, Maine's basic financial statements. The combining and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 17, 2004 on our consideration of the City of Biddeford, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



September 17, 2004
South Portland, Maine



City of Biddeford

Management's Discussion and Analysis

Introduction

Our discussion and analysis of the City of Biddeford's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2004. Please read it in conjunction with the City's financial statements which have been audited by our independent outside auditors, Runyon Kersteen Ouellette, Certified Public Accountants.

Financial Highlights

- The assets of the City of Biddeford exceeded its liabilities at the close of fiscal 2004 by \$40,989,634. Total net assets are comprised, in part, of "unrestricted net assets," \$1,237,806, which may be used to meet the City's ongoing obligations to employees, citizens, and creditors.
- The City's total net assets decreased by \$588,285 from the prior year, a 1.4% unfavorable change attributable to a decrease in unrestricted net assets.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,013,840, a decrease of \$2,725,560 in comparison with the prior year. This decrease was the result of beginning construction of a new Middle School before external-financing proceeds had been received.
- The City's General Fund Undesignated Fund Balance was \$2,209,145, or 5.5% of expenditures, as calculated based on the parameters detailed within the *City of Biddeford Revised Code of Ordinances, chapter 2, section 2-373, Undesignated fund balance*.

Overview of the Financial Statements

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

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

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

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



City of Biddeford

Management's Discussion and Analysis

Both of the government-wide financial statements distinguish functions of the City of Biddeford that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government (general administration, mayor, city manager, city clerk, tax collection, election and registrations, assessing, finance, computer services, personnel, purchasing, community-economic development and planning, code enforcement and inspections), education (general purpose and adult education), public safety (fire, emergency medical service, police, animal control, emergency management), public services (recreation, community center, health and welfare, parochial schools, city buildings, industrial and business parks, social services and municipal services), public works (streets and roads, engineering, parks, cemetery, and solid waste management), debt service (current portion of bonds and capital leases), and capital outlays (capital improvements or capital acquisitions). The City has one business-type activity, its wastewater treatment operation.

The government-wide financial statements can be found on pages 15-16 of this report.

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

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

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

The City of Biddeford maintains thirty-seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Middle School Construction Fund, which are



City of Biddeford

Management's Discussion and Analysis

considered to be major funds. Data from the other thirty-five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* on pages 55-70 of this report.

The City of Biddeford adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 17-18 of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City of Biddeford maintains one proprietary fund. The *proprietary fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Biddeford uses the proprietary fund to account for its wastewater treatment operations reported on pages 21-23 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Biddeford's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds and the City of Biddeford's can be found on pages 24-25 of this report.

The **notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-44 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 45-71 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Biddeford, assets exceeded liabilities by \$40,989,634 at the close the 2004 fiscal year.

Virtually all of the City of Biddeford's net assets reflect its investment in capital assets segregated into: vehicles & equipment, land, buildings & improvements, infrastructure (streets, sidewalks, culverts, manholes, catch basins, storm and wastewater management systems, traffic light controller and systems, and seawalls), and construction in progress, less any related debt used to acquire those assets, which is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not*



City of Biddeford

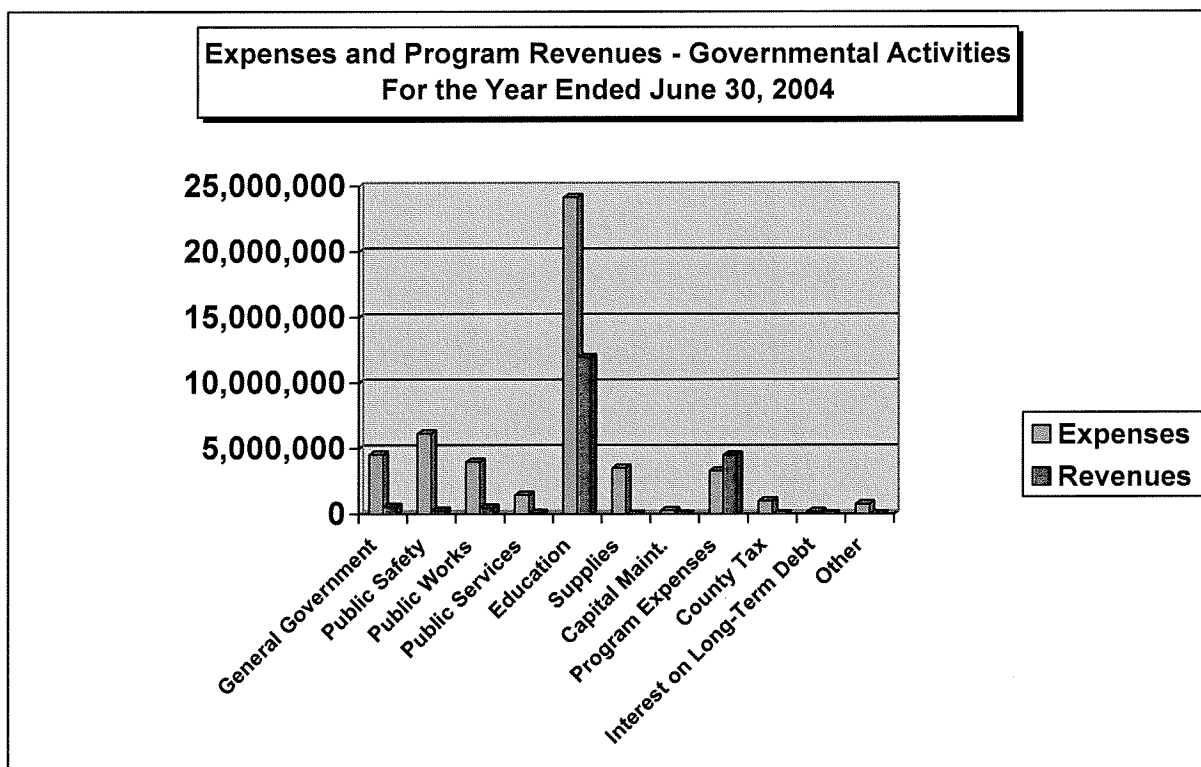
Management's Discussion and Analysis

available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Biddeford net assets (\$38,890) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* is a balance of \$1,237,806, leaving nothing available for other purposes.

For fiscal 2004, the City of Biddeford is able to report positive balances in both categories of net assets, \$30,673,901 for governmental activities and \$10,315,733 for business-type activities. These numbers compare to \$31,726,501 for governmental activities and \$9,851,418 for business-type activities in fiscal 2003.

Governmental activities. Governmental activities decreased the City of Biddeford's net assets by \$1,052,600. The following chart illustrates total expenses and revenues by program for all governmental activities:



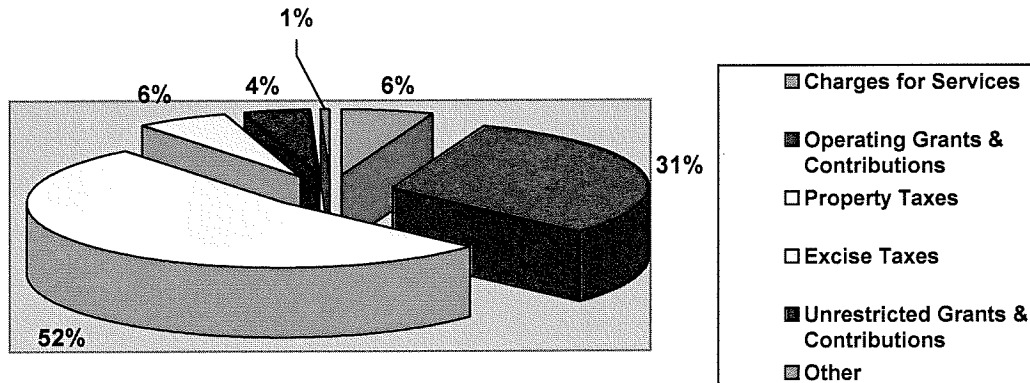
Governmental revenues are shown by source in the following chart:



City of Biddeford

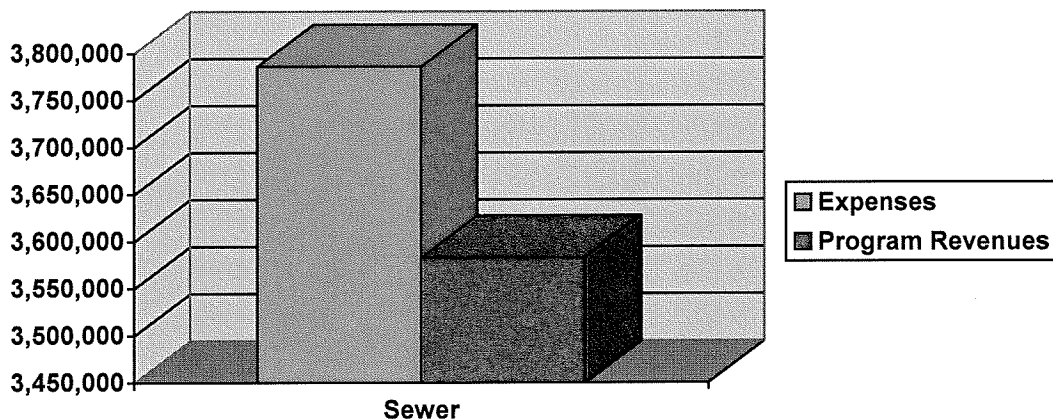
Management's Discussion and Analysis

**Revenues by Source - Governmental Activities
For the Year Ended June 30, 2004**



Business-type activities. The City's one business-type activity, its wastewater treatment operation, increased the City of Biddeford's net assets by \$464,315. The following charts illustrate the financial results of wastewater treatment for the fiscal year:

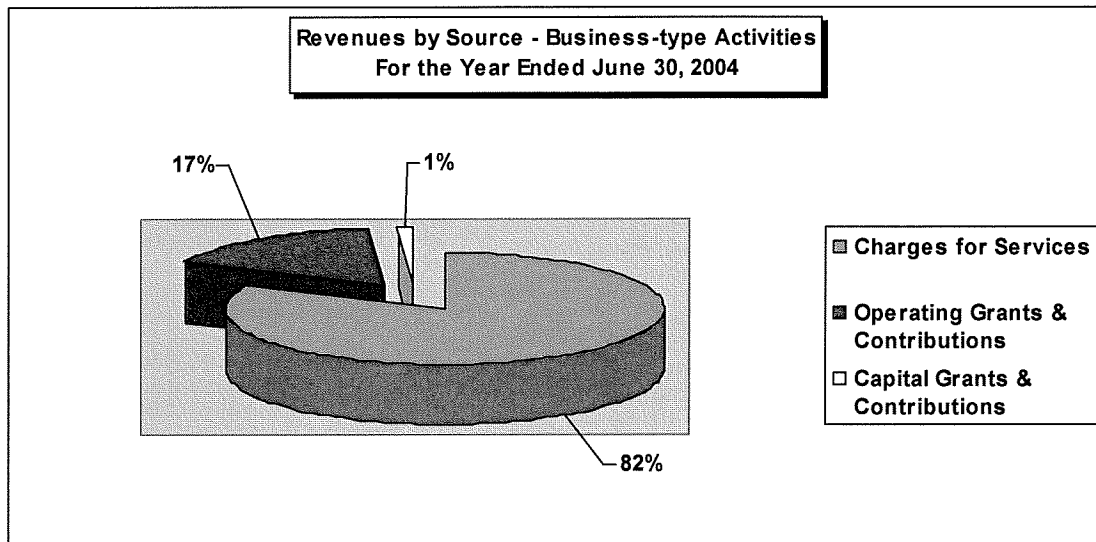
**Expenses and Program Revenues - Business-type Activities For the
Year Ended June 30, 2004**





City of Biddeford

Management's Discussion and Analysis



Financial Analysis of the Government's Funds

As noted earlier, the City of Biddeford uses fund accounting as is customary with municipal financial reporting.

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

As of the end of the current fiscal year, the City of Biddeford's governmental funds reported combined ending fund balances of \$3,013,840. Approximately 95 percent of this total amount (\$2,861,317) constitutes *unreserved fund balance*. The remainder of the fund balance (\$152,523) is *reserved* for various purposes as shown on Statement 3.

The General Fund is the chief operating fund of the City of Biddeford. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$4,273,423, \$2,064,278 of which has been designated by management for subsequent years' expenditures.

The fund balance of the City of Biddeford's General Fund decreased by \$92,629 during the current fiscal year. However, as the budget for the fiscal year had anticipated the use of \$1,138,069 of the fund balance, this result actually represents a positive outcome to the year's budget-actual numbers.



City of Biddeford

Management's Discussion and Analysis

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

Unrestricted net assets of the City's wastewater fund had a deficit balance of \$1,231,173, compared to the prior year's deficit balance of \$940,039.

General Fund Budgetary Highlights

For the current fiscal year, the revenue categories for taxes and intergovernmental items exceeded budgetary projections, while those for licenses, permits & fees, investment income and other revenue fell short. All expenditure categories except for General Government were below budgetary limits. General Government was overspent due chiefly to unanticipated insurance cost increases.

Capital Asset and Debt Administration

Capital assets. The City of Biddeford's investment in capital assets for its governmental and business type activities as of June 30, 2004, amounted to \$63,218,186 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, and infrastructure. The total decrease in the City of Biddeford's investment in capital assets for the current fiscal year was 0.8 percent (a 0.3 percent increase for governmental activities and a 2.5 percent decrease for business-type activities).

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

- Commencement of construction of a new Middle School
- Over \$196,000 in renovations were made to City Theater, funded by grants and donations.
- Two new school buses were purchased.
- City vehicle purchases included three police cruisers and a van, a new waste packer truck and a pickup truck for Public Works.
- Major reconstruction was done to Mountain Rd. with lesser projects performed on Graham St., Granite Point Rd., Hillside Ave., Wildbrook Dr. and Water St.
- Sidewalk replacements were done on Alfred St., Bacon St., Birch St., Graham St., Maplewood Ave., and Union St.
- One parcel in the Thacher Brook Business Park was sold.

Additional information on the City of Biddeford's capital assets can be found in the notes to the financial statements on pages 35-37 of this report.

Long-term debt. At the end of the current fiscal year, the City of Biddeford had total bonded debt outstanding of \$22,016,558. Of this amount, \$6,916,808 represents debt of Governmental Activities. Business-Type Activities issued the remaining \$15,099,750 of debt. Since a portion of each street sewer upgrade project benefited all City residents through street reconstruction and storm water collection, the General Fund makes an



City of Biddeford

Management's Discussion and Analysis

annual contribution (currently \$750,000) toward the Wastewater Treatment Fund debt service. This is shown as a transfer out of Governmental Activities and a transfer in to Business-Type Activities. The City of Biddeford issued no new debt during the current fiscal year.

State statutes limit the amount of general obligation debt a municipality may issue to 15 percent of its total state assessed valuation. The current debt limitation for the City of Biddeford is \$216,252,577, which is significantly in excess of the City of Biddeford's outstanding general obligation debt.

Additional information on the City of Biddeford's long-term debt can be found in the notes to the financial statements on page 39 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City of Biddeford's property tax base continues to grow, paced by a healthy building and real estate market. During the current fiscal year, there were 59 new commercial and residential construction starts, totaling over \$17 million in value.
- Despite national economic concerns, motor vehicle and boat excise tax revenue remains healthy, reflecting residents' willingness to continue spending on personal transport and leisure. Excise tax revenue increased by 5.1 percent during the fiscal year.
- Inflationary trends in the region compare favorably to national indices.
- Local unemployment is markedly below the national average, in line with the Northeast Region.

All of these factors were considered in preparing the City of Biddeford's budget for the 2005 fiscal year. The primary budgetary objective was to provide basic City services to its citizens while attempting to keep the property tax rate low. Several additional factors were also considered in this year's budget preparation.

First, the City is keeping a watchful eye on the state budget situation, especially on possible changes to the state's distribution formula for general-purpose aid to education, as well as possible changes in the State municipal revenue sharing formula that would affect the portion of sales and income taxes that Biddeford receives from the statewide collection pool.

Increases in assessed valuation stemming from both new building and a general increase in land values has enabled the City to increase fiscal year 2005 General Fund spending by 5.4% while keeping the tax rate at \$17.45 per thousand, the same as the prior year.



City of Biddeford

Management's Discussion and Analysis

During the upcoming fiscal year (2005) the City's management will continue to monitor and evaluate local economic conditions and other factors that will affect its future ability to provide services at an affordable level. In the forefront of our revenue and expenditure concerns are:

- ✓ Continuing major premium increases for general liability and workers compensation insurances,
- ✓ Bankruptcy filing by Interstate Brands Corporation, one of the City's major taxpayers,
- ✓ Efforts of Citizen Initiatives at the State level to restrict local spending,
- ✓ The unwillingness of the State Government to embrace real, meaningful tax reform for all levels of government.
- ✓

Requests for Information

This financial report is designed to provide a general overview of the City of Biddeford's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Biddeford, Maine, P.O. Box 586, Biddeford, Maine 04005.

BASIC FINANCIAL STATEMENTS

CITY OF BIDDEFORD, MAINE
Statement of Net Assets
June 30, 2004

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,510,711	-	6,510,711
Receivables:			
Taxes and liens - current year	653,243	-	653,243
Taxes - prior years	408,159	-	408,159
Liens	385,269	130,009	515,278
Accounts	171,453	1,242,619	1,414,072
Due from State	342,013	-	342,013
Notes	6,010	-	6,010
Internal balances	1,509,072	(1,509,072)	-
Inventory	107,623	-	107,623
Prepaid expenses	30,364	59,333	89,697
Capital assets, net	36,570,529	26,647,657	63,218,186
Total assets	46,694,446	26,570,546	73,264,992
LIABILITIES			
Accounts payable and other current liabilities	3,012,557	873,528	3,886,085
Accrued payroll	1,937,351	-	1,937,351
Compensated absences payable	2,401,300	-	2,401,300
Deferred revenues	264,840	-	264,840
Accrued interest	-	281,535	281,535
Noncurrent liabilities:			
Due within one year	1,556,074	909,250	2,465,324
Due in more than one year	6,848,423	14,190,500	21,038,923
Total liabilities	16,020,545	16,254,813	32,275,358
NET ASSETS			
Invested in capital assets, net of related debt	28,166,032	11,546,906	39,712,938
Restricted for:			
Nonexpendable trust principal	38,890	-	38,890
Unrestricted	2,468,979	(1,231,173)	1,237,806
Total net assets	\$ 30,673,901	10,315,733	40,989,634

See accompanying notes to financial statements.

CITY OF BIDDEFORD, MAINE
Statement of Activities
For the Year Ended June 30, 2004

Functions/programs	Net (expense) revenue and changes				
	Program Revenues		in net assets		
	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Primary Government Business-type activities
	Expenses				Total
Primary government:					
General government	\$ 4,624,295	530,005	18,948	(4,075,342)	(4,075,342)
Public services	1,570,905	9,075	67,082	(1,494,748)	(1,494,748)
Public safety	6,423,170	67,348	188,315	(6,167,507)	(6,167,507)
Public works	4,915,477	342,947	152,024	(4,420,506)	(4,420,506)
Education	24,548,746	23,762	11,918,347	(12,606,637)	(12,606,637)
County tax	1,011,871	-	-	(1,011,871)	(1,011,871)
Debt service - interest	207,621	-	-	(207,621)	(207,621)
Supplies	977,511	-	-	(977,511)	(977,511)
Capital maintenance expenses	269,507	-	-	(269,507)	(269,507)
Program expenses	3,301,123	1,812,925	2,684,045	1,195,847	1,195,847
Other	779,897	20,076	-	(759,821)	(759,821)
Total governmental activities	48,630,123	2,806,138	15,028,761	(30,795,224)	(30,795,224)
Business-type activities:					
Sewer System	3,903,367	3,582,800	-	(320,567)	(320,567)
Total business-type activities	3,903,367	3,582,800	-	(320,567)	(320,567)
Total primary government	\$ 52,533,490	6,388,938	15,028,761	(30,795,224)	(31,115,791)
General revenues:					
Property taxes, levied for general purposes				25,157,383	25,157,383
Supplemental taxes				44,780	44,780
Interest and costs on taxes				86,638	86,638
Payment in lieu of taxes				51,992	51,992
Cable TV franchise fees				75,040	75,040
Motor vehicle excise taxes				2,819,001	2,819,001
Registration fees				74,162	74,162
Grants and contributions not restricted to specific programs:					
Homestead exemption				349,353	349,353
State Revenue Sharing				1,582,874	1,582,874
Other State Aid				6,369	6,369
Unrestricted investment earnings				(15,118)	81,906
Gain on bond refinancing				50,000	50,000
Miscellaneous revenues				148,008	148,008
Transfers				(750,000)	-
Total general revenues and transfers				29,742,624	30,527,506
Change in net assets				(1,052,600)	(588,285)
Net assets - beginning, as restated				31,726,501	9,851,418
Net assets - ending				\$ 30,673,901	10,315,733
					40,989,634

See accompanying notes to financial statements.

CITY OF BIDDEFORD, MAINE
Balance Sheet
Governmental Funds
June 30, 2004

	General	School Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 6,237,473	-	273,238	6,510,711
Receivables:				
Taxes receivable - current year	437,466	-	-	437,466
Taxes receivable - prior years	408,159	-	-	408,159
Tax liens - prior years	385,269	-	-	385,269
Accounts	171,453	-	215,777	387,230
Due from State	260,499	-	81,514	342,013
Notes	-	-	6,010	6,010
Inventory	90,662	-	16,961	107,623
Interfund loans receivable	1,534,319	-	1,983,374	3,517,693
Prepaid expenditures	30,364	-	-	30,364
Total assets	\$ 9,555,664	-	2,576,874	12,132,538
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and payroll withholdings	1,094,059	1,170,248	358,759	2,623,066
Accrued payroll	1,937,351	-	-	1,937,351
Compensated absences payable	728,227	-	-	728,227
Interfund loans payable	-	1,931,471	466,641	2,398,112
Deferred revenues	1,431,942	-	-	1,431,942
Total liabilities	5,191,579	3,101,719	825,400	9,118,698
Fund balances:				
Reserved for:				
Long-term receivables	-	-	6,010	6,010
Inventory	90,662	-	16,961	107,623
Principal	-	-	38,890	38,890
Unreserved, reported in:				
General fund - designated	2,064,278	-	-	2,064,278
General fund - undesignated (City)	2,209,145	-	-	2,209,145
Special revenue funds	-	-	1,225,867	1,225,867
Capital projects funds	-	(3,101,719)	463,746	(2,637,973)
Permanent funds	-	-	-	-
Total fund balances (deficit)	4,364,085	(3,101,719)	1,751,474	3,013,840
Total liabilities and fund balances	\$ 9,555,664	-	2,576,874	
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.				36,570,529
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.				1,167,102
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.				
Bonds and notes payable				(6,916,808)
Capital leases				(1,109,689)
Compensated absences				(1,673,073)
Landfill liability				(378,000)
Net assets of governmental activities			\$ 30,673,901	

See accompanying notes to financial statements.

CITY OF BIDDEFORD, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2004

	General	School Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 28,050,923	-	272,809	28,323,732
Licenses and permits	846,792	-	-	846,792
Intergovernmental	14,283,312	-	2,684,045	16,967,357
User fees	-	-	1,348,879	1,348,879
Investment income	59,359	-	37,665	97,024
Other	348,515	-	484,122	832,637
Total revenues	43,588,901	-	4,827,520	48,416,421
Expenditures:				
General government	4,387,031	-	-	4,387,031
Public services	1,480,175	-	-	1,480,175
Public safety	6,155,678	-	-	6,155,678
Public works	3,993,502	-	-	3,993,502
Education and libraries	24,726,364	-	-	24,726,364
County tax	1,011,871	-	-	1,011,871
Debt service	1,116,048	-	-	1,116,048
Supplies	-	-	621,159	621,159
Capital expenditures	356,352	2,535,086	284,047	3,175,485
Program expenditures	-	-	3,263,438	3,263,438
Contracted services	-	-	37,685	37,685
Other	338,275	-	441,622	779,897
Total expenditures	43,565,296	2,535,086	4,647,951	50,748,333
Excess (deficiency) of revenues over (under) expenditures	23,605	(2,535,086)	179,569	(2,331,912)
Other financing sources (uses):				
Proceeds from issuance of capital leases	356,352	-	-	356,352
Transfers from other funds	277,414	-	-	277,414
Transfers to other funds	(750,000)	-	(277,414)	(1,027,414)
Total other financing sources (uses)	(116,234)	-	(277,414)	(393,648)
Net change in fund balances	(92,629)	(2,535,086)	(97,845)	(2,725,560)
Fund balances (deficit), beginning of year	4,456,714	(566,633)	1,849,319	5,739,400
Fund balances (deficit), end of year	\$ 4,364,085	(3,101,719)	1,751,474	3,013,840

See accompanying notes to financial statements.

CITY OF BIDDEFORD, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2004

Net change in fund balances - total governmental funds (from Statement 4)	\$	(2,725,560)
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$3,341,530) exceeded loss on disposal of assets (\$327,452) and depreciation expense (\$2,265,786).

748,292

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(88,897)

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 change in accrued compensated absences (\$148,031) and the landfill liability (\$18,000).

(130,031)

Bond and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds:

Bonds and notes		1,026,905
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Capital leases		116,691
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Change in net assets of governmental activities (see Statement 2)	\$	(1,052,600)
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See accompanying notes to financial statements.

CITY OF BIDDEFORD, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the year ended June 30, 2004

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 27,664,766	27,664,766	28,050,923	386,157
Licenses, permits and fees	887,151	887,151	846,792	(40,359)
Intergovernmental	11,505,790	11,505,790	11,888,747	382,957
Investment	94,955	94,955	59,359	(35,596)
Other	398,998	398,998	348,515	(50,483)
Total revenues	40,551,660	40,551,660	41,194,336	642,676
Expenditures:				
Current:				
General government	4,143,470	4,143,470	4,387,031	(243,561)
Public services	1,541,930	1,541,930	1,480,175	61,755
Public safety	6,187,951	6,187,951	6,155,678	32,273
Public works	4,460,616	4,460,616	3,993,502	467,114
County tax	1,011,871	1,011,871	1,011,871	-
Education and libraries	22,749,214	22,749,214	22,331,799	417,415
Other	898,291	898,291	338,275	560,016
Debt service	1,120,059	1,120,059	1,116,048	4,011
Total expenditures	42,113,402	42,113,402	40,814,379	1,299,023
Excess (deficiency) of revenues over (under) expenditures	(1,561,742)	(1,561,742)	379,957	1,941,699
Other financing sources (uses):				
Transfers - in	159,000	159,000	277,414	118,414
Transfers - out	(700,000)	(700,000)	(750,000)	(50,000)
Use of designated fund balance	604,385	604,385	-	(604,385)
Homestead budgeted twice	360,288	360,288	-	(360,288)
Budgeted use of fund balance - City	450,000	450,000	-	(450,000)
Budgeted use of fund balance - Education	688,069	688,069	-	(688,069)
Total other financing sources (uses)	1,561,742	1,561,742	(472,586)	(2,034,328)
Net change in fund balances	-	-	(92,629)	(92,629)
Fund balance, beginning of year			4,456,714	
Fund balance, end of year	\$		4,364,085	

See accompanying notes to financial statements.

CITY OF BIDDEFORD, MAINE
Statement of Net Assets
Proprietary Funds
June 30, 2004

Business-type Activities - Enterprise Funds		
		Sewer Fund
ASSETS		
Current assets:		
Accounts receivable - other	\$	19,289
Accounts receivable - billed		641,767
Accounts receivable - unbilled		581,563
Prepaid insurance		1,913
Sewer liens		130,009
Total current assets		1,374,541
Non-current assets:		
Property, plant, and equipment		31,941,501
Less accumulated depreciation		(5,293,844)
Unamortized bond premium		57,420
Total noncurrent assets		26,705,077
Total assets	\$	28,079,618
LIABILITIES		
Current liabilities:		
Accounts payable		873,528
Accrued interest		281,535
Interfund loans		1,509,072
Bonds payable, current		909,250
Total current liabilities		3,573,385
Noncurrent liabilities:		
Bonds payable		14,190,500
Total noncurrent liabilities		14,190,500
Total liabilities	\$	17,763,885
NET ASSETS		
Invested in capital assets, net of related debt		11,546,906
Unrestricted		(1,231,173)
Total net assets	\$	10,315,733

See accompanying notes to financial statements.

CITY OF BIDDEFORD, MAINE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2004

Business-type Activities - Enterprise Funds	
	Sewer Fund
Operating revenues:	
Charges for services	\$ 3,264,237
Industrial pretreatment	107,477
Other	211,086
Total operating revenues	3,582,800
Operating expenses:	
Personnel services	476,188
Contract services	1,114,475
Supplies, maintenance and repairs	182,244
Insurance	15,652
Utilities	308,381
Other	209,228
Depreciation	801,506
Total operating expenses	3,107,674
Operating income	475,126
Nonoperating revenue (expense):	
Gain on bond refinancing	50,000
Interest income	(15,118)
Interest expense	(795,693)
Total nonoperating revenue (expense)	(760,811)
Transfer in	750,000
Change in net assets	464,315
Net assets, beginning of year, as restated	9,851,418
Net assets, end of year	\$ 10,315,733

See accompanying notes to financial statements.

CITY OF BIDDEFORD, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2004

Business-type Activities - Enterprise Funds			
			Sewer Fund
Cash flows from operating activities:			
Receipts from customers and users	\$	3,762,518	
Payments to suppliers		(2,240,558)	
Payments to employees		(476,188)	
Net cash provided by operating activities		1,045,772	
Cash flows from non-capital financing activities:			
Operating transfers from other funds		750,000	
Net cash provided by non-capital financing activities		750,000	
Cash flows from capital and related financing activities:			
(Purchase) disposal of capital assets		(60,686)	
Bond, note and lease principal payments		(959,250)	
Gain on bond refinancing		50,000	
Amortization on bond discounts		2,320	
Interest paid		(813,038)	
Net cash used in financing activities		(1,780,654)	
Cash flows from investing activities:			
Investment income		(15,118)	
Net cash provided by investing activities		(15,118)	
Increase in cash		-	
Cash, beginning of year		-	
Cash, end of year	\$	-	
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)		475,126	
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation		801,506	
(Increase) decrease in operating assets:			
Accounts receivable		179,718	
Prepaid insurance		(216)	
Increase (decrease) in operating liabilities:			
Accounts payable		53,458	
Interfund loans		(463,820)	
Net cash provided by operating activities	\$	1,045,772	

See accompanying notes to financial statements.

CITY OF BIDDEFORD, MAINE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004

	Private-purpose Trust Fund (Scholarships)	Agency Funds
ASSETS		
Cash	\$ 189,312	152,605
Accounts receivable	-	75,862
Interfund loans	-	389,491
Total assets	189,312	617,958
LIABILITIES AND NET ASSETS		
Liabilities:		
Funds held in escrow	-	614,253
Accounts payable	-	3,705
Total liabilities	-	617,958
NET ASSETS		
Held in trust	\$ 189,312	-

See accompanying notes to financial statements.

CITY OF BIDDEFORD, MAINE
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the year ended June 30, 2004

	Private-purpose Trust Fund (Scholarships)
Additions:	
Investment income	\$ 5,664
Donations	37,280
Total additions	42,944
Deductions:	
Scholarships/other	35,819
Total deductions	35,819
Change in net assets	7,125
Net assets, beginning of year	182,187
Net assets, end of year	\$ 189,312

See accompanying notes to financial statements.

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Biddeford, Maine was incorporated in 1718. The City operates under a Council-Manager form of government. The financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

A. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made based on criterion set forth in GAAP. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

The following two entities have been excluded from these financial statements as they do not meet the criteria of component units. They are separate legal entities from the City of Biddeford and the City is not financially accountable for them.

Biddeford-Saco-Old Orchard Beach Transit Committee

The City of Biddeford has entered into this joint venture with the City of Saco and the Town of Old Orchard Beach, Maine to provide public transportation services. This joint venture is considered to be a separate reporting entity and has not been included within the financial statements of the City. Although the City provides a portion of the entity's financial support, other criteria for inclusion are absent. The organization is independently operated and there is no control or oversight exercised by the City.

Biddeford Housing Authority

The Biddeford Housing Authority provides housing assistance to low income, elderly and disabled individuals and families under Section 8 of the Housing and Community Development Act of 1974. Although the City shares staff and space with the Housing Authority, the organization is independently operated and there is no control or oversight exercised by the City.

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

The City reports the following major governmental funds:

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

The School Capital Improvements Fund accounts for activity related to the construction of a new middle school.

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund type:

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

Private-purpose Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School Department's own programs.

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

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

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

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

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

D. Cash and Investments

Cash includes amounts in demand deposits, savings accounts and certificates of deposit. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds and repurchase agreements.

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

E. Short-term Interfund Receivables/Payables

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

F. Receivables

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

G. Inventory Valuation

Materials, supplies and food commodities are valued at the lower of cost or market using the first-in, first-out (FIFO) method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased.

H. Capital Assets

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

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the assets' estimated useful lives ranging from 3 to 60 years.

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local government's basic financial statements. In accordance with Statement No. 34, the City has included the value of, at a minimum, "major" infrastructure assets as defined in GASB Statement No. 34 that were acquired, constructed or significantly reconstructed, or that received significant improvements after June 30, 1980 in the Basic Financial Statements.

The City elects to use the Depreciation Approach as defined by Statement No. 34 for reporting. The City conducted an inventory of all other capital assets for fiscal year 2003.

This process determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways: 1) historical records; 2) standard unit costs appropriate for the construction/acquisition date; or 3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each capital asset. The book value was then computed by deducting the accumulated depreciation from the original cost.

I. Compensated Absences

City employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences either vest or accumulate and are accrued when they are earned.

J. Long-term Obligations

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

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

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

K. Fund Balances

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

L. Encumbrances

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

M. Use of Estimates

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

N. Comparative Data/Reclassifications

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

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City utilizes a formal budgetary accounting system to control revenues and expenditures accounted for in the General Fund and the Sewer Enterprise Fund. These budgets are established in accordance with the various laws which govern the City's operations. For each of the funds for which a formal budget is adopted, the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of accounting principles generally accepted in the United States of America, except for Maine State Retirement on behalf payments. Maine State Retirement contributions are made by the State of Maine on behalf of the Biddeford School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$2,394,565.

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

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

Hearings are held to obtain public comments. The budget is legally enacted by an appropriation order. The order enacts the total City and the total School appropriation. In addition, separate orders are adopted for the Sewer Fund. Any revisions to the budget that alter total expenditures must be approved by the Council. All unexpended appropriations lapse at year end unless specific approval is granted to carry forward such amounts. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing sources</u>
2003-2004 budget as originally adopted	\$ 41,908,980	(41,908,980)	-
Subsequent authorizations	300,037	(300,037)	-
Operating transfers	(159,000)	700,000	(541,000)
Utilization of prior year balances:			
School	(688,069)	-	688,069
City	(450,000)	-	450,000
Designated fund balance	-	(604,385)	604,385
Homestead budgeted twice	(360,288)	-	360,288
Totals	\$ 40,551,660	(42,113,402)	1,561,742

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2004, expenditures exceeded appropriations in the following departments:

Assessor	\$ 2,715
City clerk/tax collector	13,544
General administration	235,275
Personnel	1,544
Employee benefits	76,630
Parks and recreation	8,593
Community Center	69
Industrial Parks	179
Communications	23,036
Police investigative services	46,297
Fire Department	8,451

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

C. Deficit Fund Balance

At June 30, 2004, the following funds had deficit fund balances:

Special Revenue Funds:	
Environmental testing	\$ 159
Pool Beach improvements	6,278
Insurance claims	11,607
Law enforcement	40,446
Environmental code	71,774
Ambulance	18,006
School Lunch	16,578
Capital Projects Funds:	
T2000 Grant	27,319
School capital improvements	3,101,719

These deficits will be funded by future grant revenue, charges for services or future bond proceeds.

CASH DEPOSITS AND INVESTMENTS

The City'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 planned to coincide with its cash needs during the year.

A. Deposits

The City's deposits are categorized as follows to give an indication of the level of risk assumed by the City at year end: Category 1 includes deposits covered by federal depository insurance or by collateral held by the City or by the City's agent in the City's name; category 2 includes uninsured deposits covered by collateral held by the pledging financial institution's trust department or agent in the City's name; category 3 includes uninsured and uncollateralized deposits. At June 30, 2004, cash and cash equivalents consisted of the following:

	Carrying amount	Bank balance	Category		
			<u>1</u>	<u>2</u>	<u>3</u>
Petty cash	\$ 8,295	-	-	-	-
Checking, savings accounts and certificates of deposit	6,844,333	7,709,859	635,052	6,883,907	190,900
Totals	\$ 6,852,628	7,709,859	635,052	6,883,907	190,900

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

CASH DEPOSITS AND INVESTMENTS, CONTINUED

B. Investments

Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. Generally, the City invests such excess funds in repurchase agreements collateralized by U.S. Government Securities.

Investments are classified into three categories. Category 1 includes investments which are held by the City or its agent in the City's name or insured bank deposits. Category 2 includes uninsured and unregistered investments held by the financial institution's trust department in the City's name, or uninsured bank deposits secured by collateral held in the City's name. Category 3 includes all other investments or bank deposits. At June 30, 2004, all of the City's deposits were classified as cash and cash equivalents for financial statement purposes.

Due to higher cash flows at certain times during the year, the City's investments fluctuate significantly.

PROPERTY TAX

Property taxes for the current year were committed on July 31, 2003 on the assessed value listed as of the previous April 1 for all real and personal property located in the City. All real and personal property taxes were due in two installments, 50% on October 8, 2003, and 50% on April 7, 2004. Interest at the rate of 7% per annum was charged on any amounts remaining unpaid after these respective due dates. Assessed values are periodically established by the City's Assessor at 100% of estimated market value. A revaluation was completed for the list of April 1, 1993. The assessed value of \$1,441,683,850 was 100% of the estimated market value and 89.52% of the 2004 state valuation of \$1,610,450,000.

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$289,279 for the year ended June 30, 2004.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

The following summarizes the 2004 and 2003 levy:

	<u>2004</u>	<u>2003</u>
Valuation:		
Land	\$ 556,463,500	552,221,500
Buildings	770,614,000	622,897,800
Personal property	114,606,350	117,057,400
Total assessed valuation	\$ 1,441,683,850	1,292,176,700

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

PROPERTY TAX, CONTINUED

Total assessed valuation	\$ 1,441,683,850	1,292,176,700
Tax rate (per \$1,000)	17.45	18.76
Commitment	25,157,383	24,241,235
Supplemental taxes assessed	44,780	1,396
	25,202,163	24,242,631
Less - collections and abatements	24,764,697	23,720,008

Receivable at end of year	437,466	522,623
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Consisting of:

Real estate taxes	353,851	434,938
Personal property taxes	83,615	87,685

Receivable at end of year	\$ 437,466	522,623
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Collection rate	98.26%	97.84%
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CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-wide Statement of Net Assets. The table below presents summary information on infrastructure assets for both years ending June 30, 2003 and 2004.

Capital asset activity for the year ended June 30, 2004 was as follows:

	Balance June 30, 2003	Increases	Decreases	Balance June 30, 2004
Governmental activities:				
Capital assets, not being depreciated:				
Land - City	\$ 3,627,521	-	(15,578)	3,611,943
Land - School	640,175	-	-	640,175
Construction in progress - School	-	1,931,472	-	1,931,472
Total capital assets, not being depreciated	4,267,696	1,931,472	(15,578)	6,183,590
Capital assets, being depreciated:				
Land improvements - City	292,783	12,481	-	305,264
Land improvements - School	59,910	-	-	59,910
Buildings and building improvement - City	6,173,768	384,752	(21,000)	6,537,520
Buildings and building improvements - School	15,587,282	18,311	-	15,605,593
Machinery and equipment - City	2,286,422	56,500	-	2,342,922
Machinery and equipment - School	910,008	-	-	910,008
Vehicles - City	4,024,890	221,691	(113,190)	4,133,391
Vehicles - School	1,235,375	104,274	(39,000)	1,300,649
Infrastructure - City	39,581,262	612,049	(750,323)	39,442,988
Infrastructure - School	286,877	-	-	286,877
Total capital assets being depreciated	70,438,577	1,410,058	(923,513)	70,925,122

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

Less accumulated depreciation for:				
Land improvements - City	\$ 137,613	8,052	-	145,665
Land improvements - School	40,439	2,996	-	43,435
Buildings and building improvements - City	3,219,658	202,185	(10,500)	3,411,343
Buildings and building improvements - School	7,505,522	355,434	-	7,860,956
Machinery and equipment - City	1,354,077	170,301	-	1,524,378
Machinery and equipment - School	790,837	48,449	-	839,286
Vehicles - City	2,553,235	265,564	(81,998)	2,736,801
Vehicles - School	702,277	115,266	(39,000)	778,543
Infrastructure - City	22,386,736	1,083,196	(480,141)	22,989,791
Infrastructure - School	193,642	14,343	-	207,985
Total accumulated depreciation	38,884,036	2,265,786	(611,639)	40,538,183

Total capital assets being depreciated, net	31,554,541	(855,728)	(311,874)	30,386,939
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Governmental activities capital assets, net \$ 35,822,237 1,075,744 (327,452) 36,570,529

	Balance June 30, 2003	Increases	Decreases	Balance June 30, 2004
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 204,274	-	-	204,274
Total capital assets not being depreciated	204,274	-	-	204,274
Capital assets, being depreciated:				
Machinery and equipment	16,010,938	-	-	16,010,938
Vehicles	109,459	-	-	109,459
Infrastructure, sewer	15,484,862	131,968	-	15,616,830
Total capital assets being depreciated	31,605,259	131,968	-	31,737,227
Less accumulated depreciation for:				
Machinery and equipment	2,780,627	394,484	-	3,175,111
Vehicles	26,558	16,580	-	43,138
Infrastructure, sewer	1,685,153	390,442	-	2,075,595
Total accumulated depreciation	4,492,338	801,506	-	5,293,844
Total capital assets being depreciated, net	27,112,921	(669,538)	-	26,443,383
<u>Business-type activities capital assets, net \$ 27,317,195 (669,538) - 26,647,657</u>				

Note: Capital assets have been reclassified to conform to the internal reporting structure. Beginning balances have been restated to agree to actual. The following summarizes the restatement of capital assets and beginning net assets:

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

	<u>2003 capital assets</u>	<u>2003 net assets</u>
As previously reported	\$ 36,432,111	32,336,375
Adjustment	(609,874)	(609,874)
<u>As restated</u>	<u>\$ 35,822,237</u>	<u>31,726,501</u>

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

Governmental activities:

General government	\$ 89,234
Public safety	267,492
Public works, including depreciation of general infrastructure assets	1,281,842
Public service	90,730
Education and libraries	536,488

<u>Total depreciation expense – governmental activities</u>	<u>\$ 2,265,786</u>
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Business-type activities:

Infrastructure	\$ 390,442
Machinery and equipment	394,484
Vehicles	16,580

<u>Total depreciation expense – business-type activities</u>	<u>\$ 801,506</u>
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INTERFUND LOAN BALANCES

Individual interfund receivable and payable balances at June 30, 2004, were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
<u>General Fund</u>	<u>\$ 1,534,319</u>	<u>-</u>
Special revenue funds:		
Community Development funds	114,029	-
Domestic violence	74,632	-
Ambulance fund	-	225,464
Pool Beach improvements	5,492	-
School categorical programs	342,365	-
School lunch	-	86,227
Teen Center	10,277	-
Industrial Park	282,319	-
Airport	50,507	-
BIP TIF	100,577	-
IBC TIF	172,232	-
Mooring fees	97,918	-
Miscellaneous special projects	19,494	-
Environmental testing	-	159

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND LOAN BALANCES, CONTINUED

Community Center	\$ 4,032	-
Community TV Center	75,994	-
Health assessment	2,071	-
City unemployment	18,962	-
Law enforcement	-	45,919
Insurance claims	-	11,607
City Theater	35	-
Ice arena	46,009	-
Environmental code	-	69,946
Recreation	36,396	-
Total special revenue funds	1,453,341	439,322
Capital project funds:		
City capital improvements	2,783	-
School capital improvements	-	1,931,471
Public improvements	484,586	-
T2000 Grant	-	27,319
Street and road improvements	3,774	-
Total capital project funds	491,143	1,958,790
Proprietary Fund - Sewer Fund	-	1,509,072
Permanent funds:		
Cemetery Fund	38,890	-
Agency funds:		
Elderly Assistance Fund	2,504	-
Project Impact	78,378	-
EPA Escrow Fund	20,000	-
Wal-Mart Escrow Fund	288,609	-
Total agency funds	389,491	-
Total	\$ 3,907,184	3,907,184

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2004, was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 7,943,713	-	1,026,905	6,916,808	1,027,750
Capital leases	1,226,380	356,352	473,043	1,109,689	510,324
Landfill post-closure care costs	396,000	-	18,000	378,000	18,000
Governmental activity long-term liabilities	\$ 9,566,093	356,352	1,517,948	8,404,497	1,556,074
Business-type activities:					
Bonds and notes payable	\$ 16,059,000	-	959,250	15,099,750	909,250
Business-type activity long-term liabilities	\$ 16,059,000	-	959,250	15,099,750	909,250

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT

Long-term debt at June 30, 2004 is comprised of the following individual issues:

<u>Purpose</u>	<u>Year of issue</u>	<u>Interest rate %</u>	<u>Maturity date</u>	<u>Balance June 30, 2003</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2004</u>
Governmental activities:							
Public works garage	1985	4.25-7.2%	2006	\$ 500,000	-	125,000	375,000
Junior High School	1988	5.7-7.7%	2008	1,560,000	-	260,000	1,300,000
Elementary School	1989	7-7.1%	2009	2,205,000	-	315,000	1,890,000
City Hall renovation	1989	7-7.1%	2009	350,000	-	50,000	300,000
Fire station	1990	7.1-7.2%	2010	720,608	-	90,076	630,532
School improvements	1992	5.9-6.35%	2007	245,105	-	49,021	196,084
Ice arena	2002	4-5.125%	2022	380,000	-	20,000	360,000
Public improvements	1999	4.125-5%	2019	1,600,000	-	100,000	1,500,000
Public improvements	2002	4-5.125%	2017	383,000	-	17,808	365,192
Total governmental activities				7,943,713	-	1,026,905	6,916,808
Business-type activities:							
T.P. Upgrade	1999	4.125-5.125%	2029	8,320,000	-	320,000	8,000,000
T.P. Upgrade	2002	4-5.125%	2022	4,275,000	-	225,000	4,050,000
T.P. Clarifier	1983	8.1-9.1%	2003	50,000	-	50,000	-
Treatment Plant	1990	7.1-7.2%	2020	1,914,000	-	239,250	1,674,750
Combined sewer overflow	1994	5.625-6.35%	2014	1,500,000	-	125,000	1,375,000
Total business-type activities				16,059,000	-	959,250	15,099,750
Total bonds and notes payable				24,002,713	-	1,986,155	\$ 22,016,558

All governmental activities long-term debt service requirements are paid by the General Fund. Business-type debt is paid by the proprietary enterprise fund. The annual requirements to amortize all debt outstanding as of June 30, 2004, are as follows:

<u>Year ending June 30,</u>	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2005	\$ 1,027,750	408,561	909,250	762,213	3,107,774
2006	1,028,636	339,453	909,250	717,678	2,995,017
2007	1,029,565	270,060	909,250	672,352	2,881,227
2008	905,537	204,368	909,250	625,095	2,644,250
2009	857,534	144,263	909,250	576,931	2,487,978
2010-2014	1,274,494	325,081	3,828,500	2,225,215	7,653,290
2015-2019	733,292	119,924	2,850,000	1,404,000	5,107,216
2020-2024	60,000	6,115	2,275,000	724,794	3,065,909
2025-2029	-	-	1,600,000	246,000	1,846,000
Totals	\$ 6,916,808	1,817,825	15,099,750	7,954,278	31,788,661

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL LEASES

The City has entered into various agreements as lessee for financing the acquisition of various vehicles and equipment. These lease agreements qualify as capital leases for accounting purposes. These assets are recorded as capital assets in the government-wide financial statements. The leases have been recorded as liabilities in the government-wide financial statements at the present value of the future minimum lease payments. The following is a schedule of the future minimum lease payments under capital leases, and the present value of net minimum lease payments at June 30, 2004.

Fiscal year ending June 30,	Governmental activities
2005	\$ 544,501
2006	241,679
2007	241,679
2008	92,312
<u>2009 and after</u>	<u>68,264</u>
Total minimum lease payments	1,188,435
Less: amount representing interest	(78,746)
<u>Present value of future minimum lease payments</u>	<u>\$ 1,109,689</u>

STATUTORY DEBT LIMIT

The laws of the State of Maine limit types of municipal borrowing to specific percentages of the State valuation of the municipality. At June 30, 2004, the City was in compliance with these restrictions.

OVERLAPPING DEBT

The City's proportionate share of York County's debt (determined by the percentage of the City's state valuation to the County's state valuation) is not reported in the City's financial statements. Debt service is included in the annual county assessment to the City. At June 30, 2004, the City's equalized State valuation of \$1,610,450,000 was 8.24% of the County's equalized State Valuation of \$19,555,900,000. The City's share is 8.24%, or \$949,029 of York County's \$11,524,183 long-term debt outstanding as of June 30, 2004.

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

DESIGNATED/RESERVED FUND BALANCES AND NET ASSETS

At June 30, 2004, portions of the General Fund, Special Revenue and Proprietary Fund (Sewer Fund) fund balances and net assets were designated to future periods or reserved for specific amounts as follows:

	<u>General Fund</u>
Designated for subsequent year's expenditures:	
City:	
Sidewalk reconstruction	\$ 1,033
Tree/shrub farm	222
Paving projects	29,398
Cemetery improvements	282
Sidewalk reconstruction	22,749
Clifford Park tennis	44,500
Paving	342,731
Public works projects	(4,710)
City Hall building improvements	25,488
May Field improvements	1,418
Rotary Park basketball court	11,000
GIS appropriation	27,455
GIS and GASB 34	5,021
IBC Fund computer and equipment	17,319
Equipment lease	12,303
ENG Stormwater Phase II	23,866
Community Center improvements	17,000
Route 111 local match	15,000
IT computer hardware	625
Whites Wharf Park improves	647
Finance staff training	3,000
Total City	596,347
School:	
General School operation	1,487,461
Adult education operations	(19,530)
Total School	1,467,931
Total designated	\$ 2,064,278

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

DESIGNATED/RESERVED FUND BALANCES AND NET ASSETS, CONTINUED

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Enterprise (Sewer)</u>
Reserved for specific amounts:			
Reserve for long-term receivables	\$ -	6,010	-
Reserved for inventory	90,662	16,961	-
Reserved for inflow and infiltration	-	-	400,876
Various capital improvements	-	-	769,764
OMI Contract	-	-	(180,068)
Treatment plant operations	-	-	90,790
Sewer system improvements	-	-	42,204
Pump station upgrade	-	-	61,203
Treatment Plant improvements	-	-	28,506
Equipment and equipment repair	-	-	33,000
Total reserved	\$ 90,662	22,971	1,246,275

MAINE STATE RETIREMENT SYSTEM (MSRS)

Description of the Plan - The City contributes to Maine State Retirement System Consolidated Plan, a cost sharing multiple-employer public employee retirement system established by the Maine State legislature. The Maine State Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the state legislature. The Maine State 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 State Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy for Plan AN - Plan members are required to contribute 6.5% of their annual covered salary and the City is required to contribute an actuarially determined rate. The current rate is 1.5% of annual covered payroll. The contribution rates of plan members and the City of Biddeford are established and may be amended by the Maine State Retirement System Board of Trustees. The City's contributions to the Maine State Retirement System Consolidated Plan for the years ended June 30, 2004, 2003, 2002, 2001, 2000, 1999, and 1998 were \$41,227, \$46,779, \$39,946, \$43,466, \$60,919, \$64,559 and \$66,120, respectively, equal to the required contributions for each year.

Funding Policy for Plan 3N - Plan members are required to contribute 8% of their annual covered salary and the City is required to contribute an actuarially determined rate. The current rate is 2.9% of annual covered payroll. The contribution rates of plan members and the City of Biddeford are established and may be amended by the Maine State Retirement System Board of Trustees. The City's contributions to the Maine State Retirement System Consolidated Plan for the years ended June 30, 2004, were \$40,033 equal to the required contributions for each year.

Teacher Group - All school teachers, plus other qualified educators, participate in the Maine State Retirement System's teacher group. The teacher's group is a cost-sharing plan with a special funding situation, established by the Maine State legislature. The Maine State Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

MAINE STATE RETIREMENT SYSTEM (MSRS), CONTINUED

The authority to establish and amend benefit provisions rests with the State Legislature. The Maine State Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher's Group. That report may be obtained by writing to Maine State Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 7.65% of their compensation to the retirement system. The same statute requires the State of Maine Department of Education, to contribute the employer contribution which amounts to \$2,394,565 (17.62%) for the fiscal year 2004. This amount has been reported as an intergovernmental revenue and education expenditure in the GAAP basis financial statements (Statement 2 and Statement 4). There is no contribution required by the School except for federally funded teachers, for which the School contributed 17.62% of their compensation. This cost is charged to the applicable grant.

LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

In accordance with a Solid Waste Closure Order issued by the State Department of Environmental Protection (DEP) on July 30, 1993, the City closed its Andrews Road landfill. Total closure costs amounted to approximately \$2,150,000. To implement the closure plan, the City received a grant of \$1,687,500 to fund 75% of closure costs. The City was obligated to fund the remaining 25% of the project cost. The City is required to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure.

All postclosure care costs are the responsibility of the City and are estimated to amount to approximately \$378,000 which will be adjusted annually for inflationary factors, changes in technology, or changes in landfill laws and regulations. The postclosure care costs are presented on the City's balance sheet as "Estimated Liability for Landfill Postclosure Care Costs" in the government-wide financial statements.

RISK MANAGEMENT

The City is exposed to various risks of loss-related torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the City either carries commercial insurance or is self-insured. Currently, the City is self-insured for unemployment compensation, thereby retaining the full liability of these risks.

The City and School maintain funds/accounts for unemployment compensation, which amounted to \$16,171 and \$81,774, respectively, at June 30, 2004 to cover any potential claim liability that might occur. As of the date of this report, there are no unpaid claims outstanding, nor is the City aware of any potential claims, which have been incurred yet remain unreported and which should be recorded at June 30, 2004.

Additionally, the City participates in a public entity and self-insured risk pool sponsored by the Maine Municipal Association. Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, the City is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2004.

CITY OF BIDDEFORD, MAINE
Notes to Basic Financial Statements, Continued

457 RETIREMENT PLAN

The City of Biddeford offers all its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, were removed from the City's financial statements.

TAX INCREMENT FINANCING DISTRICT

Under Maine law the City has established three Tax Increment Financing Districts (TIF) to finance development programs located in the City of Biddeford. There was activity in two of these TIF's for fiscal year 2004.

These development programs will levy incremental tax upon the districts' so-called "captured assessed value". The tax increment is remitted to the District over the life of the TIF District to assist in financing the development projects.

The status of the Tax Increment Financing Districts is summarized below.

	IBC TIF (A Special Revenue Fund)	Industrial Park TIF (A Special Revenue Fund)	Solaris TIF (A Special Revenue Fund)
Original assessed value	\$ 48,044,800	1,780,800	132,600
Captured value for the year ended 6/30/04	15,000,000	6,404,158	1,251,231
Captured taxes	172,232	100,577	-
Remitted to District	172,232	100,577	-

RESTATEMENT OF NET ASSETS

Net assets at June 30, 2003 have been restated in the Sewer Fund to record previously unrecorded accrued interest. The following summarizes the restatement of net assets on Statement 7 and Statement 2:

Net assets, as previously reported	\$ 10,150,298
<u>Record accrued interest as of June 30, 2003</u>	<u>(298,880)</u>
Net assets, as restated	\$ 9,851,418

GENERAL FUND

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

CITY OF BIDDEFORD, MAINE
Comparative Balance Sheets - General Fund
June 30, 2004 and 2003

	2004	2003
ASSETS		
Cash	\$ 6,237,473	5,042,106
Investments	-	2,882,100
Receivables:		
Taxes and liens - current year	437,466	522,624
Taxes - prior years	408,159	367,967
Tax liens - prior years	385,269	399,389
Accounts	171,453	128,831
Due From State	260,499	99,926
Notes	-	10,415
Interfund loans	1,534,319	636,172
Inventory	90,662	80,450
Prepaid expenditures	30,364	91,410
Total assets	\$ 9,555,664	10,261,390
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and payroll withholdings	1,094,059	1,067,591
Accrued wages	1,937,351	2,449,523
Accrued compensated absences	728,227	668,013
Interfund loans	-	287,891
Deferred revenues	1,431,942	1,331,658
Total liabilities	5,191,579	5,804,676
Fund balance:		
Reserved for inventory	90,662	80,450
Reserved for long-term notes receivable	-	10,415
Unreserved:		
Designated	596,347	1,054,385
Designated - education	1,467,931	1,127,945
Undesignated - City	2,209,145	2,183,519
Total fund balance	4,364,085	4,456,714
Total liabilities and fund balance	\$ 9,555,664	10,261,390

CITY OF BIDDEFORD, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis of Accounting)
Year ended June 30, 2004
(with comparative totals for the year ended June 30, 2003)

	2004				
	Adjusted budget	Actual	Carryforward	Variance positive (negative)	2003 Actual
Revenues:					
Taxes:					
Property taxes	\$ 25,157,383	25,157,383	-	-	24,241,235
Less TIF financing	(236,617)	(272,809)	-	(36,192)	(269,497)
Change in deferred property tax revenue	-	88,898	-	88,898	34,000
Supplemental taxes	-	44,780	-	44,780	-
Interest and costs on taxes	95,000	86,638	-	(8,362)	103,100
Payment in lieu of taxes	55,000	51,992	-	(3,008)	-
Cable TV franchise fee	75,000	75,040	-	40	-
Excise taxes	2,519,000	2,819,001	-	300,001	2,682,311
Total taxes	27,664,766	28,050,923	-	386,157	26,791,149
Licenses, permits and fees:					
Registration fees	70,000	74,162	-	4,162	73,719
City clerk fees	81,751	84,383	-	2,632	81,142
Building permits	255,000	228,874	-	(26,126)	188,240
Electrical permits	41,000	23,938	-	(17,062)	15,657
Plumbing permits	28,000	17,950	-	(10,050)	14,650
Planning	69,400	71,389	-	1,989	96,265
Engineering	-	-	-	-	679
Street opening	1,000	1,527	-	527	1,170
Code enforcement fees	1,000	4,534	-	3,534	3,158
Parks & recreation	45,000	31,289	-	(13,711)	-
Cemetery	4,000	4,835	-	835	-
Police fees	56,000	66,823	-	10,823	101,862
Assessor	-	-	-	-	5,732
Commercial haulers	235,000	237,088	-	2,088	234,175
Total licenses, permits and fees	887,151	846,792	-	(40,359)	816,449
Intergovernmental:					
Education - State allocation	7,015,594	7,077,847	-	62,253	7,616,909
Education - debt service	690,418	690,418	-	-	820,011
Adult Education - State allocation	134,058	134,058	-	-	21,921
Adult Education - other	103,139	47,947	-	(55,192)	-
Tuition	200,000	255,211	-	55,211	435,277
State agency reimbursement	45,000	199,060	-	154,060	101,854
Medicaid claim reimbursement	325,000	710,547	-	385,547	393,201
Private school reimbursement	20,000	42,741	-	22,741	39,960
Parochial school transportation	158,800	158,800	-	-	160,800
School reimbursements	360,500	207,153	-	(153,347)	-
State revenue sharing	1,740,000	1,582,874	-	(157,126)	1,659,331
Homestead exemption	348,128	349,353	-	1,225	456,465
Snowmobile refund	2,000	3,164	-	1,164	1,934
General assistance reimbursement	64,012	67,082	-	3,070	73,172
State road assistance	166,481	152,024	-	(14,457)	159,064
C.O.P.S. grant	28,500	128,287	-	99,787	95,650
Veterans tax reimbursement	8,500	6,369	-	(2,131)	8,819
MDEA reimbursements	56,000	60,028	-	4,028	59,292
Miscellaneous	39,660	15,784	-	(23,876)	13,142
Total intergovernmental	11,505,790	11,888,747	-	382,957	12,116,802
Investment income	94,955	59,359	-	(35,596)	78,498

CITY OF BIDDEFORD, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis of Accounting), Continued

	2004				2003 Actual
	Adjusted budget	Actual	Carryforward	Variance positive (negative)	
Revenues, continued:					
Other:					
Recycling	\$ 65,000	104,332	-	39,332	81,066
Public works	-	-	-	-	97,838
Police	-	525	-	525	14,423
Parks and recreation	-	-	-	-	28,226
Rental income	78,043	67,248	-	(10,795)	78,592
Education - other	-	23,762	-	23,762	6,347
Interest on notes	-	400	-	400	800
Welfare	-	4,240	-	4,240	2,484
Sale of surplus property	2,500	1,438	-	(1,062)	23,000
Miscellaneous	253,455	146,570	-	(106,885)	189,454
Total other	398,998	348,515	-	(50,483)	522,230
Total revenues	40,551,660	41,194,336	-	642,676	40,325,128
Expenditures:					
Current:					
General governmental:					
Mayor	27,973	25,678	-	2,295	24,233
City Manager	136,177	130,243	-	5,934	129,783
Assessor	200,113	202,828	-	(2,715)	191,238
Elections/voter registration	23,487	19,821	-	3,666	28,348
City clerk/tax collector	357,511	371,055	-	(13,544)	376,273
Code enforcement/inspections	273,358	242,698	-	30,660	243,102
Community/Economic Development	160,262	155,560	-	4,702	158,834
Finance	259,086	222,849	3,000	33,237	176,157
General administration	2,451,536	2,686,811	-	(235,275)	2,336,950
Personnel	93,564	95,108	-	(1,544)	83,287
Computer services	102,403	99,870	-	2,533	87,090
Employee benefits	-	76,630	-	(76,630)	170,003
Purchasing	-	-	-	-	41,741
Capital expenditures	58,000	57,880	625	(505)	-
Total general governmental	4,143,470	4,387,031	3,625	(247,186)	4,047,039

CITY OF BIDDEFORD, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis of Accounting), Continued

	2004			Variance positive (negative)	2003 Actual
	Adjusted budget	Actual	Carryforward		
Expenditures, continued:					
Current, continued:					
Public services:					
City theater	\$ -	-	-	-	25,000
Historical Society	9,992	9,992	-	-	9,145
Parks and recreation	441,771	450,364	-	(8,593)	421,160
Community Center	111,735	111,804	-	(69)	104,038
Industrial parks	-	179	-	(179)	591
Social services	60,300	60,300	-	-	60,300
Tri-City Transit	48,000	48,000	-	-	46,000
Eastern Trail Alliance	5,000	5,000	-	-	2,500
Conservation Committee	1,000	612	-	388	-
PACTS	2,700	1,321	-	1,379	-
Public Access Television	42,910	38,488	-	4,422	-
Saco River Corridor Commission	10,000	10,000	-	-	10,000
Downtown Development Committee	8,500	8,136	-	364	8,405
Saco Bay Implementation	2,500	-	-	2,500	-
So. Maine Regional Planning Commission	1,065	1,065	-	-	1,065
Bidd/Saco Econ. Development Commission	11,204	11,204	-	-	11,204
City building	158,078	154,974	-	3,104	158,597
District Court	-	-	-	-	2,111
Parochial schools	188,521	185,055	-	3,466	183,559
General Assistance	215,154	197,336	-	17,818	208,714
Capital expenditures	223,500	186,345	34,240	2,915	-
Total public services	1,541,930	1,480,175	34,240	27,515	1,252,389
Public safety:					
Communications	660,238	683,274	-	(23,036)	664,245
Police Department	2,494,943	2,427,193	-	67,750	2,351,860
Police investigative services	459,344	505,641	-	(46,297)	483,015
Fire Department	2,106,846	2,115,297	-	(8,451)	2,002,659
Biddeford Pool Fire Department	13,010	8,546	-	4,464	11,927
Hills Beach Fire Department	6,001	4,586	-	1,415	5,362
Emergency management	2,119	1,542	-	577	1,180
Street lights	376,000	346,710	-	29,290	410,109
Animal control officer	69,450	62,889	-	6,561	63,549
Total public safety	6,187,951	6,155,678	-	32,273	5,993,906
Public works:					
Summer street maintenance	1,057,662	822,002	212,463	23,197	902,386
Winter street maintenance	593,871	505,847	-	88,024	578,610
Administration	898,288	879,426	-	18,862	916,323
Cemetery	40,197	30,530	-	9,667	28,586
Parks	396,924	348,196	-	48,728	319,952
Solid waste management	845,681	841,262	-	4,419	822,777
Engineering	229,493	215,610	2,395	11,488	220,442
Capital expenditures	398,500	350,629	50,234	(2,363)	-
Total public works	4,460,616	3,993,502	265,092	202,022	3,789,076

CITY OF BIDDEFORD, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis of Accounting), Continued

	2004			Variance positive (negative)	2003 Actual
	Adjusted budget	Actual	Carryforward		
Expenditures, continued:					
Current, continued:					
Education and libraries:					
Education	\$ 22,524,214	22,106,799	-	417,415	21,451,125
McArthur Library	225,000	225,000	-	-	225,000
Total education and libraries	22,749,214	22,331,799	-	417,415	21,676,125
County tax	1,011,871	1,011,871	-	-	994,383
Other:					
General capital improvements	-	-	-	-	452,411
Contingency/overlay/abatements	289,279	42,065	-	247,214	388,070
Expenditures from designated fund balance	604,385	291,534	293,390	19,461	84,686
Miscellaneous	4,627	4,676	-	(49)	-
Total other	898,291	338,275	293,390	266,626	925,167
Debt service:					
Principal - bonds and notes	435,384	448,884	-	(13,500)	434,472
Interest - bonds and notes	224,813	209,891	-	14,922	252,277
Principal - capital leases	418,531	419,565	-	(1,034)	310,058
Interest - capital leases	39,831	37,708	-	2,123	35,991
Other fees and charges	1,500	-	-	1,500	-
Total debt service	1,120,059	1,116,048	-	4,011	1,032,798
Total expenditures	42,113,402	40,814,379	596,347	702,676	39,710,883
Excess (deficiency) of revenues over (under) expenditures	(1,561,742)	379,957	(596,347)	1,345,352	614,245
Other financing sources (uses):					
Transfers - in	159,000	277,414	-	118,414	-
Transfers - out	(700,000)	(750,000)	-	(50,000)	(695,511)
Use of designated fund balance	604,385	-	-	(604,385)	-
Homestead budgeted twice	360,288	-	-	(360,288)	-
Budgeted use of fund balance - City	450,000	-	-	(450,000)	-
Budgeted use of fund balance - Education	688,069	-	-	(688,069)	-
Total other financing sources (uses)	1,561,742	(472,586)	-	(2,034,328)	(695,511)
Net change in fund balance	-	(92,629)	(596,347)	(688,976)	(81,266)
Fund balance, beginning of year		4,456,714			4,537,980
Fund balance, end of year	\$	4,364,085			4,456,714

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

June 30 2004
(with comparative totals for June 30, 2003)

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CITY OF BIDDEFORD, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet, Continued

	Community development	Law Enforcement	Domestic violence	City Theater	Airport	Ice Arena	IBC TIF	Industrial Park TIF	Community		Teen Center	Environmental Code	Recreation	Ambulance	School Lunch	School categorical programs	Totals	
									TV Center								2004	2003
ASSETS																		
Cash	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	51	400	191,013	273,238	244,615
Accounts receivable	3,750	-	-	-	3,257	-	-	-	-	-	-	-	-	208,770	-	-	215,777	198,624
Due from other governments	-	5,473	-	-	-	-	-	-	-	-	-	-	-	-	65,575	10,124	81,514	2,429
Notes receivable	6,010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,010	11,791
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,961	-	16,961	13,071
Interfund loans	114,029	-	74,632	35	50,507	46,009	172,232	100,577	75,994	10,277	-	-	36,396	-	-	342,365	1,453,341	1,399,266
Total assets	\$ 123,789	5,473	74,632	35	53,764	46,009	172,232	100,577	75,994	10,277	-	-	36,396	208,821	82,936	543,502	2,046,841	1,869,796
LIABILITIES AND FUND BALANCES																		
Liabilities:																		
Accounts payable	1,425	-	-	-	5,962	-	172,232	100,577	-	-	-	1,828	5,572	1,363	13,287	41,620	358,681	303,992
Interfund loans	-	45,919	-	-	-	-	-	-	-	-	-	69,946	-	225,464	86,227	-	439,322	250,266
Total liabilities	1,425	45,919	-	-	5,962	-	172,232	100,577	-	-	-	71,774	5,572	226,827	99,514	41,620	798,003	554,258
Fund balances:																		
Reserved for long-term receivables	6,010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,010	-
Reserved for inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,961	-	16,961	13,071
Unreserved:																		
Undesignated	116,354	(40,446)	74,632	35	47,802	46,009	-	-	75,994	10,277	(71,774)	30,824	(18,006)	(33,539)	501,882	1,225,867	1,302,467	
Total fund balances	122,364	(40,446)	74,632	35	47,802	46,009	-	-	75,994	10,277	(71,774)	30,824	(18,006)	(16,578)	501,882	1,248,838	1,315,538	
Total liabilities and fund balances	\$ 123,789	5,473	74,632	35	53,764	46,009	172,232	100,577	75,994	10,277	-	-	36,396	208,821	82,936	543,502	2,046,841	1,869,796

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CITY OF BIDDEFORD, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

	Community develop-ment	Law enforce-ment	Domestic violence	City Theater	Airport	Ice Arena	IBC TIF	Industrial Park TIF	Community TV Center	Teen Center	Environmental Code	Recreation	Ambulance	School Lunch	School categorical programs	Totals	
																2004	2003
Revenues:																	
Property taxes	\$ -	-	-	-	-	-	172,232	100,577	-	-	-	-	-	-	-	272,809	269,497
Intergovernmental	-	43,111	58,346	188,781	-	-	-	-	-	-	-	-	-	377,160	2,016,647	2,684,045	2,096,699
User fees	-	-	-	-	78,744	-	-	-	-	-	-	151,152	518,632	507,430	-	1,348,879	1,192,512
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,374
Investment income	1,759	-	-	-	-	593	-	-	1,029	129	-	-	(1,975)	912	1,233	12,007	28,068
Other	55,508	-	-	6,655	-	-	-	-	17,565	-	-	167	-	-	186,376	484,122	330,366
Total revenues	57,267	43,111	58,346	195,436	78,744	593	172,232	100,577	18,594	129	-	151,319	516,657	885,502	2,204,256	4,801,862	3,941,515
Expenditures:																	
Equipment and supplies	945	46,503	2,610	444	5,784	-	-	-	16,459	-	1,420	-	34,754	434,089	-	621,159	38,204
Capital expenditures	3,501	-	-	192,614	4,220	-	-	-	-	-	-	-	9,711	-	-	230,641	60
Program expenditures	27,632	21,313	3,667	-	51,101	1,850	-	-	7,801	-	69,974	120,534	443,246	443,067	2,049,872	3,263,438	3,791,126
Contracted services	2,426	-	-	2,343	-	-	-	-	-	-	380	-	3,322	7,783	-	37,685	70,236
Other	-	-	-	-	-	-	172,232	100,577	-	-	-	17,092	32,695	10,446	-	440,734	36,702
Total expenditures	34,504	67,816	6,277	195,401	61,105	1,850	172,232	100,577	24,260	-	71,774	137,626	523,728	895,385	2,049,872	4,593,657	3,936,328
Excess (deficiency) of revenues over (under) expenditures	22,763	(24,705)	52,069	35	17,639	(1,257)	-	-	(5,666)	129	(71,774)	13,693	(7,071)	(9,883)	154,384	208,205	5,187
Other financing sources (uses):																	
Operating transfers - in (out)	-	-	-	-	-	-	-	-	(100,000)	-	-	-	-	-	-	(274,904)	-
Net change in fund balances	22,763	(24,705)	52,069	35	17,639	(1,257)	-	-	(105,666)	129	(71,774)	13,693	(7,071)	(9,883)	154,384	(66,699)	5,187
Fund balances (deficit), beginning of year	99,601	(15,741)	22,563	-	30,163	47,266	-	-	181,660	10,148	-	17,131	(10,935)	(6,695)	347,498	1,315,537	1,310,351
Fund balances (deficit), end of year	\$ 122,364	(40,446)	74,632	35	47,802	46,009	-	-	75,994	10,277	(71,774)	30,824	(18,006)	(16,578)	501,882	1,248,838	1,315,538

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

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

CITY OF BIDDEFORD, MAINE
Nonmajor Capital Project Funds
Combining Balance Sheet

June 30 2004

(with comparative totals for June 30, 2003)

		Public improvements	T2000 Grant	Street and road improvements	City capital improvements	Totals	
						2004	2003
ASSETS							
Interfund loans	\$	484,586	-	3,774	2,783	491,143	539,086
Total assets	\$	484,586	-	3,774	2,783	491,143	539,086
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable		78	-	-	-	78	-
Interfund loans		-	27,319	-	-	27,319	47,062
Total liabilities		78	27,319	-	-	27,397	47,062
Fund balances (deficit):							
Unreserved:							
Undesignated		484,508	(27,319)	3,774	2,783	463,746	492,024
Total fund balances (deficit)		484,508	(27,319)	3,774	2,783	463,746	492,024
Total liabilities and fund balances	\$	484,586	-	3,774	2,783	491,143	539,086

CITY OF BIDDEFORD, MAINE
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2004
(with comparative totals for the year ended June 30, 2003)

		Public improvements	T2000 Grant	Street and road improvement	City capital improvements	Totals	
						2004	2003
Revenues:							
Investment income	\$	5,304	19,743	46	35	25,128	9,422
Other		-	-	-	-	-	12,043
Total revenues		5,304	19,743	46	35	25,128	21,465
Expenditures:							
Capital expenditures		33,406	-	20,000	-	53,406	150,815
Total expenditures		33,406	-	20,000	-	53,406	150,815
Net change in fund balances		(28,102)	19,743	(19,954)	35	(28,278)	(129,350)
Fund balances (deficit), beginning of year		512,610	(47,062)	23,728	2,748	492,024	621,374
Fund balances (deficit), end of year	\$	484,508	(27,319)	3,774	2,783	463,746	492,024

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

CITY OF BIDDEFORD, MAINE
Comparative Balance Sheet
Nonmajor Permanent Funds
June 30, 2004 and 2003

		Cemetery Fund	
		2004	2003
ASSETS			
Interfund loans	\$	38,890	41,758
Total assets		38,890	41,758
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable		-	-
Total liabilities		-	-
Fund balances:			
Reserved for principal		38,890	38,890
Unreserved		-	2,868
Total fund balances		38,890	41,758
Total liabilities and fund balances	\$	38,890	41,758

CITY OF BIDDEFORD, MAINE
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the years ended June 30, 2004 and 2003

	Totals	
	2004	2003
Revenues:		
Investment income	\$ 530	594
Donations	-	-
Total revenues	530	594
Expenditures:		
Cemetery maintenance	888	-
Total expenditures	888	-
Excess of revenues over expenditures	(358)	594
Other financing sources (uses):		
Transfer out	(2,510)	-
Total other financing sources (uses)	(2,510)	-
Net change in fund balances	(2,868)	594
Fund balances, beginning of year	41,758	41,164
Fund balances, end of year	\$ 38,890	41,758

ALL OTHER GOVERNMENTAL FUNDS

CITY OF BIDDEFORD, MAINE
Combining Balance Sheet
All Other Governmental Funds
June 30, 2004

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash	\$ 273,238	-	-	273,238
Accounts receivable	215,777	-	-	215,777
Due from State of Maine	81,514	-	-	81,514
Notes receivable	6,010	-	-	6,010
Inventory	16,961	-	-	16,961
Interfund loans	1,453,341	491,143	38,890	1,983,374
Total assets	\$ 2,046,841	491,143	38,890	2,576,874
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	358,681	78	-	358,759
Interfund loans	439,322	27,319	-	466,641
Total liabilities	798,003	27,397	-	825,400
Fund balances:				
Reserved for:				
Inventory	16,961	-	-	16,961
Long term notes receivable	6,010	-	-	6,010
Principal/receivables	-	-	38,890	38,890
Unreserved:				
Undesignated	1,225,867	463,746	-	1,689,613
Total fund balance	1,248,838	463,746	38,890	1,751,474
Total liabilities and fund balances	\$ 2,046,841	491,143	38,890	2,576,874

CITY OF BIDDEFORD, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Other Governmental Funds
For the year ended June 30, 2004

		Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:					
Property taxes	\$	272,809	-	-	272,809
Intergovernmental		2,684,045	-	-	2,684,045
User fees		1,348,879	-	-	1,348,879
Investment income		12,007	25,128	530	37,665
Other		484,122	-	-	484,122
Total revenues		4,801,862	25,128	530	4,827,520
Expenditures:					
Equipment and supplies		621,159	-	-	621,159
Capital expenditures		230,641	53,406	-	284,047
Program expenditures		3,263,438	-	-	3,263,438
Contracted services		37,685	-	-	37,685
Other		440,734	-	888	441,622
Total expenditures		4,593,657	53,406	888	4,647,951
Excess (deficiency) of revenues over (under) expenditures		208,205	(28,278)	(358)	179,569
Other financing sources (uses):					
Transfers - in (out)		(274,904)	-	(2,510)	(277,414)
Total other financing sources (uses)		(274,904)	-	(2,510)	(277,414)
Net change in fund balances		(66,699)	(28,278)	(2,868)	(97,845)
Fund balances, beginning of year		1,315,537	492,024	41,758	1,849,319
Fund balances, end of year	\$	1,248,838	463,746	38,890	1,751,474

CITY OF BIDDEFORD, MAINE

Fiduciary Funds

Combining Statement of Net Assets

Agency Funds

June 30, 2004

(with comparative totals for June 30, 2003)

	Student Activity Funds	Elderly Assistance Fund	Wal-Mart Escrow Fund	Project Impact	EPA Escrow Fund	Totals	
						2004	2003
ASSETS							
Cash	\$ 152,605	-	-	-	-	152,605	117,998
Accounts receivable	-	-	-	75,862	-	75,862	48,028
Interfund loans	-	2,504	288,609	78,378	20,000	389,491	455,858
Total assets	\$ 152,605	2,504	288,609	154,240	20,000	617,958	621,884
LIABILITIES							
Accounts payable	-	-	-	3,705	-	3,705	435
Funds held in escrow	152,605	2,504	288,609	150,535	20,000	614,253	621,449
Total liabilities	\$ 152,605	2,504	288,609	154,240	20,000	617,958	621,884

CITY OF BIDDEFORD, MAINE
Capital Assets Used in the Operation of Governmental Funds - By Source
June 30, 2004

Capital assets:		
Land and buildings	\$	28,691,877
Equipment		3,252,930
Vehicles		5,434,040
Infrastructure		39,729,865
<hr/>		
Total governmental fund capital assets	\$	77,108,712
<hr/>		
Investments in capital assets by source:		
General Fund		73,561,310
Capital Projects Fund		1,931,472
Non-major Special Revenue Fund		1,615,930
<hr/>		
Total governmental fund capital assets	\$	77,108,712
<hr/>		

CITY OF BIDDEFORD, MAINE
Schedule of Capital Assets Used in the Operation of Governmental Funds by Function and Activity
For the year ended June 30, 2004

Function and Activity	Land and buildings	Equipment	Vehicles	Infrastructure	Total
General government	\$ 3,379,762	119,607	40,000	-	3,539,369
Education	18,237,150	910,008	1,300,649	286,877	20,734,684
Public safety	2,582,201	470,136	2,511,084	-	5,563,421
Public works	1,981,670	1,579,009	1,491,303	39,442,988	44,494,970
Recreation	1,547,821	71,485	71,004	-	1,690,310
Airport	313,273	20,000	20,000	-	353,273
Ice Arena	650,000	82,685	-	-	732,685
Total governmental fund capital assets	\$ 28,691,877	3,252,930	5,434,040	39,729,865	77,108,712

Exhibit G-3

Schedule of Changes in Governmental Funds Capital Assets - By Function and Activity
For the year ended June 30, 2004

Function and Activity	Balance 2003	Additions	Deletions	Balance 2004
General government	\$ 3,358,595	196,352	15,578	3,539,369
Education	18,719,627	2,054,057	39,000	20,734,684
Public safety	5,536,348	90,263	63,190	5,563,421
Public works	44,327,916	988,377	821,323	44,494,970
Recreation	1,677,829	12,481	-	1,690,310
Airport	353,273	-	-	353,273
Ice Arena	732,685	-	-	732,685
Totals	\$ 74,706,273	3,341,530	939,091	77,108,712

STATISTICAL INFORMATION

The following statistical tables are provided to give a historical perspective and to assist in assessing the current financial status of the City. The tables do not provide full financial information for prior years and are provided for supplementary analysis purposes only.

Table A

CITY OF BIDDEFORD, MAINE
General Revenues by Source
Last Ten Fiscal Years

Fiscal year	Taxes	Licenses, fees and permits	Inter- governmental revenues	Sales and use of property	Interest	Miscellaneous and departmental revenues	Total
2004	\$ 28,050,923	846,792	11,888,747	-	59,359	348,515	41,194,336
2003	26,688,049	816,449	11,681,525	-	78,498	1,060,607	40,325,128
2002	24,385,765	816,383	11,725,289	-	149,651	1,159,250	38,236,338
2001	22,050,046	518,284	11,486,889	130,000	279,915	868,495	35,333,629
2000	21,176,444	318,269	10,770,059	-	306,136	887,766	33,458,674
1999	20,657,494	296,555	9,842,412	-	195,033	850,385	31,841,879
1998	19,615,932	291,708	9,069,075	-	235,824	530,241	29,742,780
1997	19,309,557	350,197	8,371,312	-	235,034	479,163	28,745,263
1996	19,705,600	137,507	8,587,927	134,885	175,591	252,421	28,993,931
1995	19,929,350	152,278	7,249,831	99,130	240,653	352,161	28,023,403

Table B

CITY OF BIDDEFORD, MAINE
General Governmental Expenditures
Last Ten Fiscal Years

Fiscal year	General government	Public safety	Public works	Education and library	Health, Welfare and Public Services			Debt service (1) and county tax	Capital outlay, abate-ments and other		Total
2004	\$ 4,387,031	6,155,678	3,993,502	21,488,055	1,480,175			2,971,663	338,275		40,814,379
2003	3,877,036	5,583,797	3,789,076	20,592,713	1,887,498			2,885,593	2,058,925		40,674,638
2002	3,585,679	5,408,204	3,584,285	20,012,733	1,741,754			2,515,700	979,424		37,827,779
2001	3,317,130	5,230,216	3,183,238	18,052,844	1,644,448			2,654,643	1,151,358		35,233,877
2000	3,041,269	4,939,447	2,797,010	17,382,460	1,547,509			2,669,251	787,482		33,164,428
1999	2,858,388	4,798,524	2,583,474	16,655,488	1,543,101			2,431,684	647,687		31,518,346
1998	2,903,202	4,578,884	2,180,866	16,098,305	1,554,017			2,394,687	791,737		30,501,698
1997	2,851,595	4,329,648	2,142,165	16,724,366	1,514,352			2,168,149	606,878		30,337,153
1996	2,459,013	4,377,391	2,427,991	14,688,058	1,439,853			2,408,762	1,240,894		29,041,962
1995	2,110,134	4,670,235	2,210,734	14,085,596	693,439			2,514,664	726,645		27,011,447

(1) Includes debt service related to education.

Table C

CITY OF BIDDEFORD, MAINE
Ratios of General Bonded Debt to Taxable Assessed Value
Last Ten Fiscal Years

Fiscal year		General bonded debt	Taxable assessed amount	Ratios of debt to taxable percent
2004	\$	6,916,808	1,441,683,850	0.48%
2003		7,943,713	1,292,176,700	0.61%
2002		8,569,810	1,197,954,700	0.72%
2001		9,658,907	1,110,270,400	0.87%
2000		10,708,004	1,059,535,500	1.01%
1999		11,302,669	1,009,279,800	1.12%
1998		10,347,338	1,008,763,200	1.03%
1997		11,397,007	1,010,870,400	1.13%
1996		12,446,676	1,011,889,300	1.23%
1995		13,546,345	1,014,732,200	1.33%

Table D

CITY OF BIDDEFORD, MAINE
Ratios of Annual Debt Service Expenditures to General Fund
Expenditures and Other Uses
Last Ten Fiscal Years

Fiscal year	Principal	Interest	Total		Total General	
			debt service	amount	Fund expenditures	Percent
2004	\$ 1,026,905	476,758	1,503,663	40,814,379		3.68%
2003	1,026,097	526,947	1,553,044	40,674,638		3.82%
2002	1,089,097	575,098	1,664,195	37,827,779		4.40%
2001	1,131,552	686,964	1,818,516	35,233,877		5.16%
2000	1,494,665	717,758	2,212,423	33,164,428		6.67%
1999	1,044,669	695,892	1,740,561	31,518,346		5.52%
1998	1,049,669	767,480	1,817,149	30,486,609		5.96%
1997	1,049,669	712,996	1,762,665	30,352,153		5.81%
1996	1,099,669	912,922	2,012,591	29,041,962		6.93%
1995	1,134,669	989,004	2,123,673	27,011,447		7.86%

Table E

CITY OF BIDDEFORD, MAINE
Property Tax Levies and Supplementals, Collections and Abatements
Last Ten Fiscal Years

Collections and abatements							
Fiscal year	Tax rate	Tax levies and supplementals	original tax year amount	Cumulative		Taxes receivable June 30, 2004	
				To June 30, 2004	Percent		
				Amount	Percent		
2004	\$ 17.45	25,202,163	24,764,697	24,764,697	98.26%	437,466	
2003	18.76	24,242,631	23,718,611	24,057,503	99.24%	185,128	
2002	18.56	22,238,271	21,674,740	22,046,391	99.14%	191,880	
2001	18.30	20,320,836	19,711,018	20,158,502	99.20%	162,334	
2000	18.50	19,649,814	19,115,085	19,602,111	99.76%	47,703	
1999	18.70	18,875,479	18,194,666	18,772,789	99.46%	102,690	
1998	17.50	17,666,845	16,965,710	17,625,017	99.76%	41,828	
1997	17.50	17,726,075	16,757,578	17,709,317	99.91%	16,758	
1996	17.50	17,723,154	16,804,713	17,694,125	99.84%	29,029	
1995	17.50	17,822,256	16,749,206	17,807,532	99.92%	14,724	

Table F

CITY OF BIDDEFORD, MAINE
Assessed Value and Municipal Estimated Full Value of Taxable Property
Last Ten Fiscal Years

Fiscal year	Assessed value land and buildings	Assessed value personal property	Total assessed amount	Assessor's	
				certified ratio of assessed value to municipal estimated percent	Municipal estimated amount
2004	\$ 1,327,077,500	114,606,350	1,441,683,850	100%	1,441,683,850
2003	1,175,119,300	117,057,400	1,292,176,700	100%	1,292,176,700
2002	1,065,953,700	132,001,000	1,197,954,700	100%	1,197,954,700
2001	987,484,700	122,785,700	1,110,270,400	100%	1,110,270,400
2000	969,132,100	90,403,400	1,059,535,500	100%	1,059,535,500
1999	943,802,500	65,477,300	1,009,279,800	100%	1,009,279,800
1998	947,727,500	61,035,700	1,008,763,200	100%	1,008,763,200
1997	939,306,100	71,564,300	1,010,870,400	100%	1,010,870,400
1996	952,102,900	59,786,400	1,011,889,300	100%	1,011,889,300
1995	963,617,900	51,114,300	1,014,732,200	100%	1,014,732,200