

2012

Town of Lisbon, Maine Annual Financial Report For The Fiscal Year Ended June 30, 2012

Lisbon, Me.

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TOWN OF LISBON

Annual Financial Report

**For the Fiscal Year Ended
June 30, 2012**

**TOWN OF LISBON, MAINE
ANNUAL FINANCIAL REPORT
Year ended June 30, 2012**

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Independent Auditor's Report

Town Council
Town of Lisbon, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lisbon, Maine as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Lisbon, Maine's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

Management has not included the Water Department Fund in the Town of Lisbon, Maine's, financial statements. Accounting principles generally accepted in the United States of America require the Water Department Fund to be presented as a major enterprise fund and financial information about the Water Department Fund to be part of the business-type activities, thus increasing that activity's assets, liabilities, revenues, and expenses, and changing its net assets. The amount by which this departure would affect the assets, liabilities, net assets, revenues, and expenses of the business-type activities and the omitted major fund is not reasonably determinable. The Water Department is accounted for separately, using a calendar year end, and has a separate audit report issued as of December 31st each year. It should be noted that the Town has issued certain bonds on behalf of the Water Department and this debt is reflected in the separate Water Department financial statements (see footnote on page 28).


In our opinion, because of the omission of the Water Department Fund, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Water Department Fund of the Town of Lisbon, Maine, as of June 30, 2012, or the changes in financial position or cash flows thereof for the year then ended.

In addition, in our opinion, except for the effects of not including financial information for the Water Department Fund as a business-type activity, as described above, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lisbon, Maine, as of June 30, 2012, the respective changes in financial position 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 9, 2012, on our consideration of the Town of Lisbon, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lisbon, Maine's financial statements as a whole. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



November 9, 2012
South Portland, Maine

TOWN OF LISBON, MAINE
Management's Discussion and Analysis
June 30, 2012

As management of the Town of Lisbon, Maine, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Lisbon for the fiscal year ended June 30, 2012.

Financial Highlights

- The assets of the Town of \$34,090,279 exceeded its liabilities at the close of the most recent fiscal year by \$18,865,966. Of this amount, \$2,436,116 may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town of Lisbon's total net assets increased by \$72,370 due to revenues exceeding expenses for the period.
- As of the close of the current fiscal year, the Town of Lisbon's governmental funds reported combined ending fund balances of \$5,131,463, an increase of \$397,473 in comparison with the prior year. This was primarily due to the proceeds from Bond Issuance.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,299,846.
- The Town of Lisbon and the School Department incurred \$301,150 in additional debt in the most recent fiscal year (including capital leases).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Lisbon's basic financial statements. The Town's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The statement of net assets presents information on all of the Town'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 Town is improving or deteriorating.

The statement of activities presents information showing how the Town'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).

The governmental activities of the Town include general government, public safety, public works, general assistance, solid waste disposal, highways, streets, education, and parks and recreation. The Town also operates a treatment plant.

The government-wide financial statements can be found on pages 11-12 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 Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

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

TOWN OF LISBON, MAINE
Management's Discussion and Analysis, Continued

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 Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains ten 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 loan program fund which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town 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 13-16 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The only fiduciary funds the Town has are agency funds, which are student activity funds at the individual schools.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-32 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 35-48 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 Town, assets exceeded liabilities by \$18,865,966 at the close of the most recent fiscal year.

Governmental Activities

	2012	2011	2010	2009
Assets:				
Current and other assets	\$ 7,202,834	\$ 7,456,574	\$ 7,873,864	7,786,282
Capital assets	26,887,445	28,010,392	28,419,021	28,998,631
Total assets	34,090,279	35,466,966	36,292,885	36,784,913
Liabilities:				
Long-term liabilities outstanding	13,387,117	14,421,780	14,841,838	15,081,941
Other liabilities	1,837,196	2,300,677	2,704,058	1,623,187
Total liabilities	15,224,313	16,722,457	17,545,896	16,705,128
Net assets:				
Invested in capital assets, net of related debt	15,045,369	14,570,777	15,245,076	15,227,545
Restricted	1,384,481	1,814,959	27,149	29,330
Unrestricted	2,436,116	2,358,773	3,474,764	4,822,909
Total net assets	\$ 18,865,966	\$ 18,744,509	\$ 18,746,989	20,079,784

TOWN OF LISBON, MAINE
Management's Discussion and Analysis, Continued

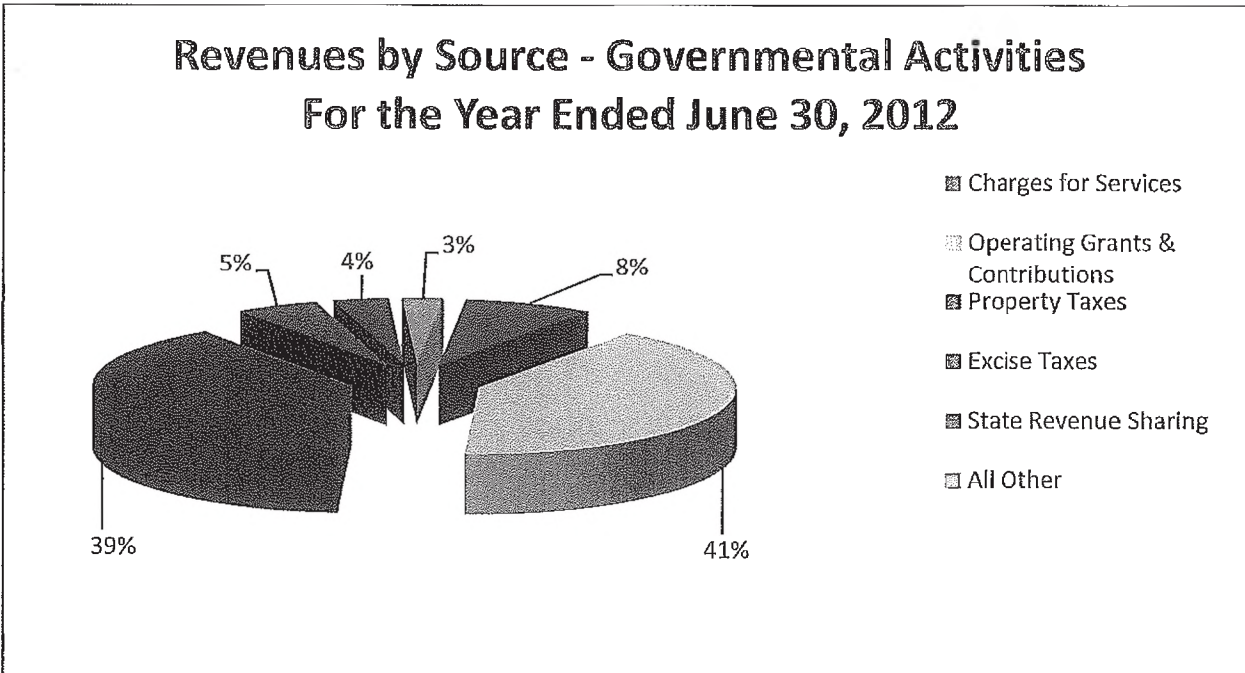
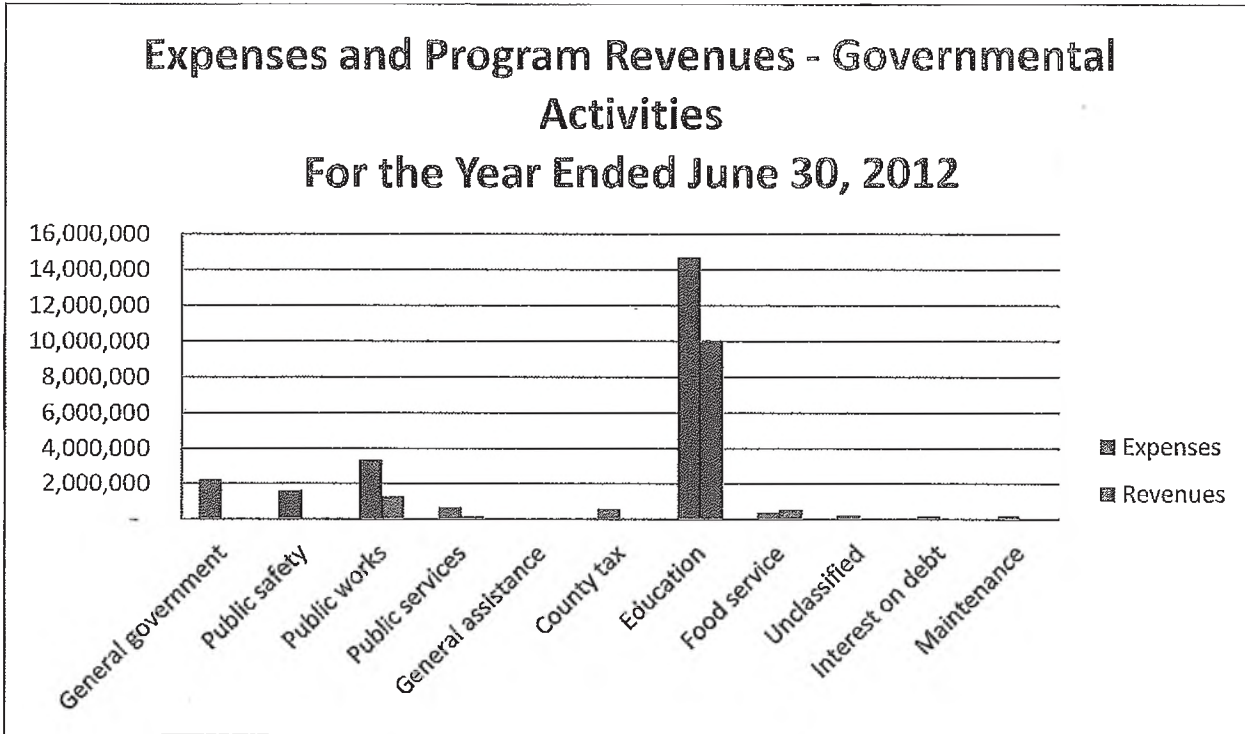
By far, the largest portion of the Town's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The largest portion of capital assets is the Town's roadways, buildings and sewer lines. These assets are *not* available for future spending. Although the Town'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.

At the end of the current fiscal year, the Town of Lisbon is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental funds.

	Change in Net Assets			
	Governmental Activities 2012	Governmental Activities 2011	Governmental Activities 2010	Governmental Activities 2009
Revenues:				
Program Revenues:				
Charges for services	\$ 1,978,058	2,082,659	2,236,987	2,172,056
Operating grants and contributions	9,923,448	10,114,134	9,635,525	11,170,530
General Revenues:				
Property taxes	9,554,722	9,307,776	9,080,016	8,908,186
Motor vehicle excise taxes	1,247,481	1,198,092	1,193,331	1,211,212
Other State aid	507,707	919,398	463,709	512,278
State revenue sharing	857,903	764,126	754,944	970,408
Unrestricted investment earnings	45,686	70,705	57,695	97,491
Loss on asset disposal	(40,682)	-	-	-
Miscellaneous	103,147	200,980	214,352	446,418
Total revenues	24,177,470	24,657,870	23,636,559	25,488,579
Expenses:				
General government	2,205,049	2,041,744	2,103,627	1,985,405
Public safety	1,601,074	1,528,705	1,585,473	1,447,640
Public works	3,352,192	3,548,635	4,036,900	3,232,554
Public services	668,539	643,878	867,813	882,789
General assistance	22,770	28,492	32,043	33,936
County tax	574,198	579,878	570,792	565,433
Education	14,709,577	15,625,912	14,874,533	15,366,707
Food service	377,308	327,868	327,403	328,470
Unclassified	240,424	40,553	172,993	133,473
Interest on debt	168,752	87,992	277,055	109,080
Capital maintenance expenses	185,217	206,693	37,332	357,353
Total expenditures	24,105,100	24,660,350	24,885,964	24,442,840
Change in net assets	72,370	(2,480)	(1,249,405)	1,045,739
Net assets, beginning of year, as restated	18,793,596	18,746,989	19,996,394	19,034,044
Net assets, end of year	\$ 18,865,966	18,744,509	18,746,989	20,079,783

TOWN OF LISBON, MAINE
Management's Discussion and Analysis, Continued

Governmental activities. The following charts illustrate total expenses and revenues by program and revenues by source for all governmental activities:



TOWN OF LISBON, MAINE
Management's Discussion and Analysis, Continued

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,131,463. Approximately 25 percent of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* in some capacity to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,299,846, while total fund balance reached \$3,217,301.

General Fund Budgetary Highlights

The fund balance of the Town's general fund increased \$244,387 during the current fiscal year. However, if looking at the individual components, the Town's portion increased by \$337,623 and the School Department's component decreased by \$(93,236). These changes are a result of revenue sources for both the Town & School. The Town saw a slight increase in State Revenue Sharing as well as State Aid whereas the School Department was the bearer of reduced Education Subsidies.

Capital Asset and Debt Administration

Capital assets. The Town's new investment in capital assets for its governmental activities as of June 30, 2012, amounted to \$434,969.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$12,651,032. The entire amount of this debt is backed by the full faith and credit of the Town. This does not include Water Department Bonds which are reported in their separate audit report.

Additional information on the Town's long-term debt can be found in the notes to the basic financial statements on pages 28-30 of this report.

TOWN OF LISBON, MAINE
Management's Discussion and Analysis, Continued

Economic Factors and Next Year's Budgets and Rates

- Excise tax revenue has remained relatively flat.
- State Revenue Sharing increased from last year; however, it still remains on the low side.
- Expenses continue to be flat with past years based on historic analysis, despite rising costs.

The Town's tax rate for the 2012-2013 fiscal year increased slightly. This was a necessary increase to ensure the sustainability of the Town and level of service that is provided to the citizens. The diligence of the Department Heads, the Town Manager and the Town Council, despite being faced with extreme economic conditions that begged otherwise, allowed for such a minimal increase. The Town continues to monitor the State budget situations, and continues to be concerned about potential cuts in State revenue sharing and/or School aid.

Requests for Information

This financial report is designed to provide a general overview of the Town'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 Finance Director, Town of Lisbon, 300 Lisbon Road, Lisbon, Maine 04250.

BASIC FINANCIAL STATEMENTS

TOWN OF LISBON, MAINE
Statement of Net Assets
June 30, 2012

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,615,390
Receivables:	
Accounts, net of allowance \$28,000	475,958
Intergovernmental	144,356
Taxes receivable	252,593
Tax liens	117,839
Notes, net of allowance of \$50,000	553,005
Inventory	22,468
Prepaid expenses	21,225
Capital assets not being depreciated	1,048,575
Capital assets being depreciated, net	25,838,870
Total assets	34,090,279
LIABILITIES	
Accounts payable and other current liabilities	581,716
Accrued interest	94,000
Accrued payroll	1,133,415
Self-insurance claim liability	28,065
Noncurrent liabilities:	
Due within one year	1,268,425
Due in more than one year	12,118,692
Total liabilities	15,224,313
NET ASSETS	
Invested in capital assets, net of related debt	15,045,369
Restricted:	
Grants and loan programs	820,808
Education	402,742
Scholarships	133,787
Nonexpendable principal of permanent funds	27,144
Unrestricted	2,436,116
Total net assets	\$ 18,865,966

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Statement of Activities
For the year ended June 30, 2012

Functions/programs	Expenses	Program Revenues		Net (expense) revenue and changes in net assets
		Charges for services	Operating grants and contributions	Governmental activities
Governmental activities:				
General government	\$ 2,205,049	-	-	(2,205,049)
Public safety	1,601,074	7,327	-	(1,593,747)
Public works/treatment plant	3,352,192	1,263,170	-	(2,089,022)
Public services	668,539	136,990	-	(531,549)
General assistance	22,770	-	4,840	(17,930)
County tax	574,198	-	-	(574,198)
Education	14,709,577	49,033	9,918,608	(4,741,936)
Food service	377,308	521,538	-	144,230
Unclassified	240,424	-	-	(240,424)
Interest on debt	168,752	-	-	(168,752)
Capital maintenance expenses	185,217	-	-	(185,217)
Total governmental activities	24,105,100	1,978,058	9,923,448	(12,203,594)

General revenues:

Property taxes, levied for general purposes	9,554,722
Motor vehicle excise taxes	1,247,481
Other state aid	507,707
State Revenue Sharing	857,903
Unrestricted investment earnings	45,686
Loss on disposal of assets	(40,682)
Miscellaneous	103,147
Total general revenues	12,275,964

Change in net assets 72,370

Net assets - beginning, as restated 18,793,596

Net assets - ending \$ 18,865,966

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Loan Program Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,658,637	783,117	173,636	5,615,390
Receivables:				
Accounts, net of allowance	79,911	-	396,047	475,958
Intergovernmental	134,706	-	9,650	144,356
Taxes receivable - prior years	44,622	-	-	44,622
Taxes receivable - current year	207,971	-	-	207,971
Tax liens	117,839	-	-	117,839
Notes, net of allowance of \$50,000, loan program	258,044	294,961	-	553,005
Prepaid items	21,225	-	-	21,225
Interfund loans receivable	72,596	-	314,663	387,259
Inventory	-	-	22,468	22,468
Total assets	\$ 5,595,551	1,078,078	916,464	7,590,093
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	540,125	-	25,775	565,900
Accrued payroll	1,133,415	-	-	1,133,415
Interfund loans payable	332,654	45,441	9,164	387,259
Self-insurance claim liability	28,065	-	-	28,065
Deferred revenues	328,175	-	-	328,175
Taxes collected in advance	15,816	-	-	15,816
Total liabilities	2,378,250	45,441	34,939	2,458,630
Fund balances:				
Nonspendable	279,269	294,961	49,612	623,842
Restricted	402,742	737,676	244,063	1,384,481
Committed	-	-	587,850	587,850
Assigned	1,235,444	-	-	1,235,444
Unassigned	1,299,846	-	-	1,299,846
Total fund balances	3,217,301	1,032,637	881,525	5,131,463
Total liabilities and fund balances	\$ 5,595,551	1,078,078	916,464	

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.	26,887,445
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	328,175
Accrued interest not recorded in the funds.	(94,000)
Accrued compensated absences not recorded in the funds.	(573,789)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	(12,813,328)

Net assets of governmental activities	18,865,966
--	-------------------

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2012

	General Fund	Loan Program Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 10,832,613	-	284,808	11,117,421
Licenses and permits	29,610	-	-	29,610
Intergovernmental	10,510,420	-	778,638	11,289,058
Charges for services	108,304	-	1,644,274	1,752,578
Other	305,309	13,398	25,996	344,703
Total revenues	21,786,256	13,398	2,733,716	24,533,370
Expenditures:				
Current:				
General government	1,971,456	-	103,962	2,075,418
Public safety	1,503,314	-	-	1,503,314
Public works	1,844,506	-	889,038	2,733,544
Public services	468,026	-	200,513	668,539
General assistance	22,770	-	-	22,770
County tax	574,198	-	-	574,198
Education	13,699,828	-	830,136	14,529,964
Food service	-	-	377,308	377,308
Unclassified	195,990	47,071	-	243,061
Capital outlay	185,217	-	-	185,217
Debt service	1,523,714	-	-	1,523,714
Total expenditures	21,989,019	47,071	2,400,957	24,437,047
Excess (deficiency) of revenues over (under) expenditures	(202,763)	(33,673)	332,759	96,323
Other financing sources (uses):				
Proceeds from capital leases	31,150	-	-	31,150
Proceeds from bond issuance	270,000	-	-	270,000
Transfers from (to) other funds	146,000	-	(146,000)	-
Total other financing sources (uses)	447,150	-	(146,000)	301,150
Net change in fund balances	244,387	(33,673)	186,759	397,473
Fund balances, beginning of year	3,006,322	983,810	694,766	4,684,898
Prior period adjustment	(33,408)	82,500	-	49,092
Fund balances, beginning of year as restated	2,972,914	1,066,310	694,766	4,733,990
Fund balances, end of year	\$ 3,217,301	1,032,637	881,525	5,131,463

See accompanying notes to financial statements.

TOWN OF LISBON, 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, 2012

Net change in fund balances - total governmental funds (from Statement 4)	\$	397,473
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$1,517,234) the loss on disposal (\$40,682) in the current year exceeded capital outlays of (\$434,969).</p>		
		(1,122,947)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds - change in deferred property taxes.</p>		
		(315,218)
<p>Capital lease proceeds provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net assets. Repayments are expenditures in the governmental funds, but reduce long-term liabilities in the statement of net assets.</p>		
		114,889
<p>Change in accrued compensated absences reported as expenses in the statement of activities when earned, but are not reported as expenditures in the governmental funds.</p>		
		59,250
<p>Change in accrued interest which is reported as an expense in the statement of activities when incurred, but is reported as an expenditure in the governmental funds when paid.</p>		
		78,400
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayments (\$1,130,523) in excess of the proceeds from new debt (\$270,000).</p>		
		860,523
<p>Change in net assets of governmental activities (see Statement 2)</p>		<p>\$ 72,370</p>

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2012

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 10,461,145	10,461,145	10,832,613	371,468
Licenses and permits	26,700	26,700	29,610	2,910
Intergovernmental	9,328,571	9,328,571	9,407,061	78,490
Charges for services	61,435	61,435	108,304	46,869
Investment income	20,000	20,000	27,885	7,885
Other	218,800	218,800	277,424	58,624
Total revenues	20,116,651	20,116,651	20,682,897	566,246
Expenditures:				
Current:				
General government	2,166,041	2,166,041	1,971,456	194,585
Public safety	1,659,801	1,659,801	1,503,314	156,487
Public works	2,083,507	2,083,507	1,844,506	239,001
Public services	484,336	484,336	468,026	16,310
General assistance	26,184	26,184	22,770	3,414
County tax	574,198	574,198	574,198	-
Education	13,758,066	13,758,066	13,630,551	127,515
Unclassified	10,000	10,000	195,990	(185,990)
Capital outlay	548,024	548,024	154,067	393,957
Debt service - Town	492,126	492,126	489,632	2,494
Total expenditures	21,802,283	21,802,283	20,854,510	947,773
Excess (deficiency) of revenues over (under) expenditures	(1,685,632)	(1,685,632)	(171,613)	1,514,019
Other financing sources (uses):				
Proceeds from bond issuance	270,000	270,000	270,000	-
Use of undesignated fund balance	494,855	494,855	-	(494,855)
Use of designated fund balance	755,777	755,777	-	(755,777)
Transfer from (to) other funds	165,000	165,000	146,000	(19,000)
Total other financing sources (uses)	1,685,632	1,685,632	416,000	(1,269,632)
Net change in fund balance	-	-	244,387	244,387
Fund balance, beginning of year, as previously reported			3,006,322	
Prior period adjustment			(33,408)	
Fund balance, beginning of year, as restated			2,972,914	
Fund balance, end of year	\$		3,217,301	

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

		<u>Agency Fund</u>
		Student Activity Funds
ASSETS		
Cash	\$	92,852
Total assets		92,852
LIABILITIES		
Amounts held for other groups		92,852
Total liabilities	\$	92,852

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Lisbon, Maine was incorporated in 1799 and is administered by the Town Manager and a seven member Town Council.

The accounting policies of the Town of Lisbon, Maine conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. The following is a summary of the more significant of such policies:

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 by applying the criteria set forth in accounting principles generally accepted in the United States of America which 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.

It is the Town's judgment, based on all pertinent facts derived from the analysis of these criteria, that there are no other entities that would be considered potential component units within the Town of Lisbon, Maine that should be included as part of these basic financial statements.

Lisbon Water Department

The Lisbon Water Department is an enterprise fund within the Town. The Water Department is not included in these financial statements. Operations of the Water Department are financed through usage fees charged to customers. The Water Department issues separate financial statements which are examined by other auditors. The Water Department is not a separate legal entity from the Town, and debt issued for the Water Department is backed by the full faith and credit of the Town. Financing costs for Water Department debt are provided through user charges.

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 Town. 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 Town currently reports no business-type activities.

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town 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, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time. "On-behalf" payments are recognized as revenue and expenditures upon payment or earlier if the susceptible to accrual criteria are met.

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 Town reports the following major governmental funds:

The *General Fund* is the Town'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 *Loan Program Fund* accounts for the Intermediary Loan Program (IRP) and other federal, state and local loan programs.

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation, continued

Additionally, the Town reports the following fund type:

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

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds of the Town are accounted for using the cash basis of accounting. The funds are used to account for assets that the Town holds for others in an agency capacity and currently represent student activity funds, which is a fund of the School Department.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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 Town's treatment plant 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.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits

The Town's cash and cash equivalents are considered to be cash on hand and demand deposits as well as investments with short-term maturities.

2. Receivables and Payables

All outstanding balances between funds are reported as "interfund loans receivable and payable."

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

3. Inventory

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Inventory consists of school nutrition program food and supplies.

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Assets, Liabilities, and Net Assets or Equity, Continued

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the assets' estimated useful lives ranging from 5 to 50 years.

5. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is accrued when incurred in the government-wide financial statements. Vacation pay that is due and payable is reported as an expenditure and fund liability of the governmental fund that will pay it. A liability is also recognized for that portion of accumulated sick leave benefits that is due and payable due to termination of employment. All earned vacation and sick leave payable on termination is recorded as a liability and related expense in the government-wide financial statements for governmental activities.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

7. Fund Balance

Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources which constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Assets, Liabilities, and Net Assets or Equity, Continued

- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Generally, all unexpended budgetary accounts lapse at the close of the fiscal year. The Town’s fund balance policy establishes a fund balance target for unassigned fund balance of 12.5% of the Town’s General Fund Budget (Town and School).

The Town Council has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. The Town Council also assigns fund balances by approving carryover requests after the close of the fiscal year.

When both restricted and unrestricted resources are available for use, it is the Town’s general practice to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the Town’s intent to use committed or assigned resources first, and then unassigned resources as they are needed.

8. Use of Estimates

Preparation of the Town’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.

9. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. The Town’s net assets invested in capital assets, net of related debt was calculated as follows at June 30, 2012:

	Governmental Activities
Capital assets, net of depreciation	\$ 26,887,445
Bonds, notes and capital leases payable	(12,813,328)
Add back: non-capital debt (IRP)	294,228
Add back: unspent bond proceeds	677,024
<u>Total invested in capital assets net of related debt</u>	<u>\$ 15,045,369</u>

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are adopted for the General Fund and the treatment plant fund only, and are adopted on a basis consistent with generally accepted accounting principles except for certain on-behalf payments which are not budgeted. Each spring, all departments of the Town, including the education department, submit requests for appropriation to the Town Manager so that a budget may be prepared. The budgets include information on the past year, current year estimates and requested appropriations for the next fiscal year. In March, the proposed budget is presented to the Town Council for review. The Town Council holds public hearings before a final budget is adopted.

The appropriated budget is prepared by fund, function and department. The Town Manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Town Council. The level of control (level at which expenditures may not exceed budget) is the Department. Generally all unexpended budgetary accounts lapse at the close of the fiscal year. Budget transfers are approved by the Council after year end for any overspent line items.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At June 30, 2012, deposits and investments have been reported as "cash and cash equivalents" as follows:

Reported in governmental funds	\$ 5,615,390
<u>Reported in fiduciary funds</u>	<u>92,852</u>
<u>Total deposits and investments</u>	<u>\$ 5,708,242</u>

Deposits: Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2012, the Town reported deposits of \$5,708,242 with a bank balance of \$5,863,140. Of the Town's bank balances, none of the balances were exposed to custodial credit risk as these amounts were covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

Included in the above, at June 30, 2012, the Town had a cash management account totaling \$526,964. This account is swept daily.

Interest Rate Risk: The Town does not currently have a policy which limits the maturities of investments to certain time periods. However, it is the Town's general practice to deposit governmental funds in short term deposits (less than one year) such as repurchase agreements (sweep accounts). Excess governmental funds on hand daily are swept by the banking institution into overnight repurchase agreements.

Credit Risk: Maine statutes authorize the Town to invest in obligations of the U.S. treasury and U.S. agencies, repurchase agreements. As of June 30, 2012, the Town has no equity investments.

Custodial Credit Risk-Town's Investments: For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Town's \$526,964 investment in repurchase agreements (sweep accounts), 100% was collateralized by a stand by letter of credit totaling \$3,600,000.

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

B. Receivables

Receivables as of year end for the Town's individual major and nonmajor funds are as follows:

	<u>General</u>	<u>Loan program</u>	<u>Other governmental funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 252,593	-	-	252,593
Liens	117,839	-	-	117,839
Accounts	79,911	-	396,047	475,958
Intergovernmental	134,706	-	9,650	144,356
Notes	258,044	294,961	-	553,005
Net total receivables	\$ 843,093	294,961	405,697	1,543,751

Government funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Deferred revenue for governmental funds:	
<u>Deferred tax revenue</u>	<u>\$ 328,175</u>

C. Property Tax

Property taxes for the current year were committed on August 23, 2011 on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value. The last revaluation was completed for the list of April 1, 1990. The assessed value, upon which the levy for the year ended June 30, 2012 was based, was \$450,884,001. The assessed value was 83% of the estimated market value.

The Town 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 \$84,423 for the year ended June 30, 2012.

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

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

C. Property Tax, continued

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 2012 and 2011 levies:

	<u>2012</u>	<u>2011</u>
Assessed value	\$ 450,884,001	454,676,949
Tax rate (per \$1,000)	21.00	21.00
Commitment	9,468,564	9,548,216
Supplemental taxes assessed	13,352	1,624
Total levy	9,481,916	9,549,840
Less: abatements	16,382	12,229
Less: write-offs	179,608	-
Less: collections	9,077,955	9,142,116
Receivable at end of year	207,971	395,495
Add: Prior taxes and liens receivable	162,461	321,723
Total taxes/liens receivable	\$ 370,432	717,218
Due date(s)	½ September 15, 2011 ½ March 15, 2012	½ September 15, 2010 ½ March 15, 2011
Interest rate on delinquent taxes	7%	7%
Collection rate	96%	96%

Tax Increment Financing District - A portion of the total assessed value represents value within a Tax Increment Financing District. The taxes on 50% of the incremental value within this District is captured and paid over to a local business. The amount captured and paid during 2011-2012 amounted to \$284,808 and has been reflected in a special revenue fund (economic development).

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

III. DETAILED NOTES ON ALL FUNDS , CONTINUED

D. Capital Assets

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

	Balance June 30, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2012</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,048,575	-	-	1,048,575
Total capital assets, not being depreciated	1,048,575	-	-	1,048,575
Capital assets, being depreciated:				
Buildings	25,672,715	354,443	-	26,027,158
Equipment and vehicles	7,221,532	70,168	(513,318)	6,778,382
Infrastructure	21,723,677	10,358	-	21,734,035
Total capital assets being depreciated	54,617,924	434,969	(513,318)	54,539,575
Less accumulated depreciation for:				
Buildings	(11,937,176)	(644,709)	-	(12,581,885)
Equipment and vehicles	(3,920,719)	(427,670)	472,636	(3,875,753)
Infrastructure	(11,798,212)	(444,855)	-	(12,243,067)
Total accumulated depreciation	(27,656,107)	(1,517,234)	472,636	(28,700,705)
Total capital assets being depreciated, net	26,961,817	(1,082,265)	(40,682)	25,838,870
Governmental activities capital assets, net	\$ 28,010,392	(1,082,265)	(40,682)	26,887,445

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

Governmental activities:	
General government	\$ 129,631
Education	640,045
Public safety	128,910
<u>Public works, including depreciation of general infrastructure assets</u>	<u>618,648</u>
Total depreciation expense – governmental activities	\$ 1,517,234

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

E. Interfund Receivables, Payables and Transfers

Because the Town pools all cash in the general fund, certain individual interfund loans receivable and payable balances are created. At June 30, 2012, these balances were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>
General Fund	\$ 72,596	332,654
Loan Program Fund	-	45,441
Nonmajor Governmental Funds:		
DARE Program	-	2,964
Economic Development	3,542	-
School Nutrition	68,530	-
School Capital	155	-
School Federal and Other Programs	31,277	6,200
Treatment Plant	208,663	-
Recreational Land Use	2,496	-
Total Nonmajor Governmental Funds	314,663	9,164
Totals	\$ 387,259	387,259

Individual fund transfers for the year ended June 30, 2012 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 146,000	-
Nonmajor Governmental Funds:		
School Nutrition Program	-	145,000
Treatment Plant	-	1,000
Total nonmajor funds	-	146,000
Totals	\$ 146,000	146,000

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

F. Long-term Debt

Changes in Long-term Liabilities

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

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation debt	\$ 13,511,555	270,000	1,130,523	12,651,032	1,163,664
Capital leases	277,185	31,150	146,039	162,296	104,761
Compensated absences	633,039	-	59,250	573,789	-
Total governmental activity					
<u>long-term liabilities</u>	\$ 14,421,779	301,150	1,335,812	13,387,117	1,268,425

Bonds and Notes Payable

General Obligation Bonds. The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities. These bonds are expected to be repaid from the general fund. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. These bonds are issued as serial bonds, generally with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	<u>Date of Issue</u>	<u>Original amount issued</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance</u>
Bonds and notes payable:					
Governmental activities:					
1998 Intermediary relending loan	July 2000	\$ -	July 2026	1.00%	294,228
2002 Capital Improvement	Oct. 2002	1,330,000	Nov. 2012	2.50-3.45%	151,837
2004 Town Bond	May 2004	12,899,710	Nov. 2024	4.41%	8,384,815
2005 Town Bond	May 2005	368,000	Nov. 2020	1.50-3.70%	249,967
2005 Sewer Bond	Aug. 2004	350,000	Apr. 2024	1.93%	210,000
2005 Sewer Bond	Oct. 2005	500,000	Oct. 2025	1.43%	350,000
2006 Town Bond	Oct. 2006	540,000	Nov. 2021	1.8-6.25%	360,000
2009 Town Bond	May 2009	1,310,855	Nov. 2019	2.08-5.58%	1,048,685
2010 Town Bond	May 2010	1,070,000	Nov. 2030	2.06-5.56%	1,016,500
2011 School QSCB Bond	July 2010	350,000	July 2020	5.28%	315,000
2011 Town Bond	Oct. 2011	270,000	Nov. 2021	0.50-5.50%	270,000
<u>Total bonds and notes payable</u>					\$ 12,651,032

The Town also issued three bonds during 2005, 2006 and 2010 in the amounts of \$3,000,000, \$393,000 and \$970,000 respectively, on behalf of the Lisbon Water Department. These bonds are carried on the Water Department's financial statements as a liability of that Department. The Water Department issues separate financial statements which are not included in the financial statements of the Town. These bonds mature in 2024, 2025 and 2030, and carry interest rates of 2.05%, 3.0-5.0% and 2.06-5.56%. Balances at June 30, 2012 are \$2,037,766, \$275,100, and \$921,500, respectively.

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

F. Long-term Debt, continued

The annual debt service requirements to amortize bonds and notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,163,664	471,187	1,634,851
2014	1,012,969	431,794	1,444,763
2015	1,014,151	386,703	1,400,854
2016	1,015,410	340,116	1,355,526
2017	1,016,715	302,538	1,319,253
2018-2022	4,773,713	956,882	5,730,595
2023-2027	2,440,410	194,043	2,634,453
2028-2031	214,000	13,680	227,680
Totals	\$ 12,651,032	3,096,943	15,747,975

Statutory Debt Limit - In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its State assessed valuation. At June 30, 2012, the Town's outstanding debt did not exceed these limits.

State Reimbursement for Debt Service Expenditures - The State of Maine currently reimburses the Town for a portion of the financing costs of school buildings and school bus purchases. Continuation of such reimbursements is dependent upon continued appropriations by the state legislature.

Overlapping Debt - The Town's proportionate share of Androscoggin County's debt (determined by the percentage of the Town's State valuation to the county's state valuation) is not reported in the Town's financial statements. Debt service is included in the annual county assessment to the Town. At June 30, 2012, Androscoggin County had no outstanding debt.

Arbitrage Rebate - Pursuant to the Internal Revenue Code, municipalities issuing tax-exempt bonds or entering into note or lease obligations are required to perform an arbitrage rebate calculation upon the fifth anniversary of the obligation and to remit such rebate to the federal government, subject to certain exceptions. Since August 15, 1986, the effective date of these rules, the Town has not issued any debt that has not qualified under one of the specific exceptions to the arbitrage rebate calculation.

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

G. Capital Leases

The Town of Lisbon and Lisbon School Department have both entered into lease agreements as lessees for financing the acquisition of various equipment and vehicles. Those leases qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of future minimum lease payments as of the date of their inception in the government-wide financial statements. The following is the capitalized value of equipment leased under the capital leases as of June 30, 2012:

Cruisers (Town)	\$ 25,827
Other School equipment	19,385
Other Town equipment	238,155

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

Fiscal year <u>June 30,</u>	<u>School</u>	<u>Town</u>	<u>Total</u>
2013	\$ 20,296	89,633	109,929
2014	20,296	32,488	52,784
2015	-	7,071	7,071
Total minimum lease payments	40,592	129,192	169,784
Less: amount representing interest	(2,505)	(4,983)	(7,488)
Present value of future minimum lease payments	<u>\$ 38,087</u>	<u>124,209</u>	<u>162,296</u>

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

H. Fund Balances

The General Fund unassigned fund balance total of \$1,299,846 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. As of June 30, 2012, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Noncurrent receivables	\$ 258,044	-	-	-
Prepaid items	21,225	-	-	-
Education	-	402,742	-	-
Carryforward balances	-	-	-	985,444
Subsequent year budget – Town	-	-	-	250,000
Special Revenue Funds:				
Loan Program Fund (major)	294,961	737,676	-	-
Treatment Plant	-	-	578,935	-
Recreation Land Use	-	-	5,373	-
Economic Development	-	-	3,542	-
School Nutrition	22,468	77,968	-	-
School Federal and Other Programs	-	25,077	-	-
DARE	-	7,076	-	-
Capital Project Funds	-	155	-	-
Permanent Funds:				
Principal	27,144	-	-	-
Unexpended Income	-	133,787	-	-
Totals	\$ 623,842	1,384,481	587,850	1,235,444

IV. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Town either carries commercial insurance, participates in a public entity risk pool, or is effectively self-insured. Currently, the Town is self-insured. The Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2012.

Beginning in 2012, the Town established a self-insured health plan for eligible employees. The Town reports all risks associated with this plan in the General Fund and in the Statement of Net Assets. A claims liability is reported for known claims in the General Fund and in the Statement of Net Assets. All are considered due and payable. The Town purchases excess stop loss insurance for claims that exceed \$50,000 per person, or \$489,785 in the aggregate (annually). The following summarizes the claim activity for the year:

Unpaid claims at July 1, 2011	\$ -
Incurred claims	487,103
Claims paid	459,038
Unpaid claims at June 30, 2012	\$ 28,065

TOWN OF LISBON, MAINE
Notes to Basic Financial Statements, Continued

IV. OTHER INFORMATION, CONTINUED

B. Maine Public Employees Retirement System (Maine PERS) - Consolidated Plan

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

Funding Policy - Plan members are required to contribute 6.5% of their annual covered salary and the Town of Lisbon is required to contribute an actuarially determined rate. The current rate is 3.5% of annual covered for Town employees' payroll. The contribution rates of plan members and the Town of Lisbon are established and may be amended by the Maine State Legislature. The Town's contributions to the Maine Public Employees Retirement System Consolidated Plan for the year ended June 30, 2012 was equal to the required contributions for the year. The rate was calculated net of the IUUAL credit which is being amortized over an 8 year period and amounted to approximately \$39,546 at June 30, 2011, the latest date available.

Maine PERS Teacher's Group

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

Funding Policy - Plan members are required to contribute 7.65% of their compensation to the retirement system. The State of Maine Department of Education is required, by the same statute, to contribute the employer contribution which amounts to \$1,103,359 (16.36%) for the fiscal year 2012. This amount has been reported as an intergovernmental revenue and retirement expenditure in the statement of activities (Statement 2) and in statement 4 (GAAP basis). There is no contribution required by the School except for federally funded teachers, for which the School contributed 16.36% of their compensation. This cost is charged to the applicable grant.

C. Prior Period Adjustments – General Fund, Loan Program Fund and Governmental Activities

The Town of Lisbon net assets for the governmental activities and fund balance for the General Fund and the Loan Program Fund as of June 30, 2011 have been restated to properly report accrued payroll in the General Fund and a loan made in the Loan Program Fund. The restatement reduced the previously reported amount in the General Fund and governmental activities by \$33,408 and increased the previously reported amount in the Loan Program Fund and governmental activities by \$82,500.

GENERAL FUND



TOWN OF LISBON, MAINE
General Fund
Comparative Balance Sheet
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	\$ 4,658,637	4,629,051
Receivables:		
Accounts	79,911	93,876
Intergovernmental	134,706	168,984
Taxes receivable - prior years	44,622	192,900
Taxes receivable - current year	207,971	395,495
Tax liens	117,839	128,823
Notes	258,044	266,067
Interfund loans receivable	72,596	39,722
Prepaid items	21,225	-
Total assets	5,595,551	5,914,918
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	540,125	1,047,913
Accrued payroll	1,133,415	1,023,159
Interfund loans payable	332,654	157,653
Self-insurance claim liability	28,065	-
Deferred revenues	328,175	643,393
Taxes collected in advance	15,816	36,478
Total liabilities	2,378,250	2,908,596
Fund balance:		
Nonspendable:		
Long-term notes receivable	279,269	266,067
Restricted:		
Education	402,742	529,386
Assigned:		
For next year's Town budget	250,000	250,000
For carried forward appropriations	985,444	776,370
Unassigned	1,299,846	1,184,499
Total fund balance	3,217,301	3,006,322
Total liabilities and fund balance	\$ 5,595,551	5,914,918

TOWN OF LISBON, MAINE
General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Budgetary Basis
Year ended June 30, 2012

	Town			School			2012 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Revenues:									
Taxes:									
Property taxes	\$ 3,907,974	4,231,896	323,922	5,275,781	5,275,781	-	9,183,755	9,507,677	323,922
Excise taxes	1,206,000	1,247,481	41,481	-	-	-	1,206,000	1,247,481	41,481
Registration fees	23,000	30,060	7,060	-	-	-	23,000	30,060	7,060
Interest and costs on taxes	48,390	47,395	(995)	-	-	-	48,390	47,395	(995)
Total taxes	5,185,364	5,556,832	371,468	5,275,781	5,275,781	-	10,461,145	10,832,613	371,468
Licenses and permits:									
Business permits and fees	4,700	6,357	1,657	-	-	-	4,700	6,357	1,657
All other construction fees	5,000	4,263	(737)	-	-	-	5,000	4,263	(737)
Town clerk	17,000	18,990	1,990	-	-	-	17,000	18,990	1,990
Total licenses and permits	26,700	29,610	2,910	-	-	-	26,700	29,610	2,910
Intergovernmental:									
Education subsidies	-	-	-	8,057,695	8,036,611	(21,084)	8,057,695	8,036,611	(21,084)
State revenue sharing	830,000	857,903	27,903	-	-	-	830,000	857,903	27,903
General assistance	20,000	4,840	(15,160)	-	-	-	20,000	4,840	(15,160)
Tree growth reimbursement	2,700	14,596	11,896	-	-	-	2,700	14,596	11,896
BETE reimbursement	106,794	106,886	92	-	-	-	106,794	106,886	92
Homestead reimbursement	200,182	200,182	-	-	-	-	200,182	200,182	-
Miscellaneous state aid	-	72,859	72,859	-	-	-	-	72,859	72,859
Urban rural incentive program	106,000	104,212	(1,788)	-	-	-	106,000	104,212	(1,788)
Veteran reimbursement	5,200	8,972	3,772	-	-	-	5,200	8,972	3,772
Total intergovernmental	1,270,876	1,370,450	99,574	8,057,695	8,036,611	(21,084)	9,328,571	9,407,061	78,490
Charges for services:									
Police - report fees, court fees	6,500	7,327	827	-	-	-	6,500	7,327	827
Animal control	40,200	51,944	11,744	-	-	-	40,200	51,944	11,744
School	-	-	-	14,735	49,033	34,298	14,735	49,033	34,298
Total charges for services	46,700	59,271	12,571	14,735	49,033	34,298	61,435	108,304	46,869
Investment income	20,000	9,405	(10,595)	-	18,480	18,480	20,000	27,885	7,885
Other revenues:									
MTM center	86,000	97,258	11,258	-	-	-	86,000	8,640	(77,360)
Recycling	125,000	140,434	15,434	-	-	-	125,000	140,434	15,434
Library	2,000	1,924	(76)	-	-	-	2,000	1,924	(76)
Recreation department	4,000	8,640	4,640	-	-	-	4,000	97,258	93,258
Other revenues	1,800	16,758	14,958	-	12,410	12,410	1,800	29,168	27,368
Total other revenues	218,800	265,014	46,214	-	12,410	12,410	218,800	277,424	58,624
Total revenues	6,768,440	7,290,582	522,142	13,348,211	13,392,315	44,104	20,116,651	20,682,897	566,246

TOWN OF LISBON, MAINE
 General Fund
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Budgetary Basis, Continued
 For the year ended June 30, 2012

	Town			School			2012 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Expenditures:									
Current:									
General government:									
Elected officials	\$ 20,697	19,895	802	-	-	-	20,697	19,895	802
Town Manager	148,455	148,030	425	-	-	-	148,455	148,030	425
Insurance	689,127	556,700	132,427	-	-	-	689,127	556,700	132,427
Legal	71,253	71,253	-	-	-	-	71,253	71,253	-
Finance	128,387	128,387	-	-	-	-	128,387	128,387	-
Tax Collector	108,395	108,360	35	-	-	-	108,395	108,360	35
Code enforcement	40,508	40,508	-	-	-	-	40,508	40,508	-
Town clerk	123,176	104,011	19,165	-	-	-	123,176	104,011	19,165
Assessing	160,441	150,762	9,679	-	-	-	160,441	150,762	9,679
Town buildings	275,775	250,007	25,768	-	-	-	275,775	250,007	25,768
Technology	104,500	102,517	1,983	-	-	-	104,500	102,517	1,983
Planning Board	5,800	4,775	1,025	-	-	-	5,800	4,775	1,025
Board of Appeals	1,700	883	817	-	-	-	1,700	883	817
Maine PERS	78,707	78,707	-	-	-	-	78,707	78,707	-
Social Security	209,120	206,661	2,459	-	-	-	209,120	206,661	2,459
Total general government	2,166,041	1,971,456	194,585	-	-	-	2,166,041	1,971,456	194,585
Public safety:									
Police	976,874	919,642	57,232	-	-	-	976,874	919,642	57,232
Animal Control Officer	69,975	65,333	4,642	-	-	-	69,975	65,333	4,642
Fire	425,356	332,310	93,046	-	-	-	425,356	332,310	93,046
Communication	187,596	186,029	1,567	-	-	-	187,596	186,029	1,567
Total public safety	1,659,801	1,503,314	156,487	-	-	-	1,659,801	1,503,314	156,487
Public works:									
Public works	770,021	770,021	-	-	-	-	770,021	770,021	-
Snow removal	164,707	164,707	-	-	-	-	164,707	164,707	-
Hydrant rental	292,000	290,857	1,143	-	-	-	292,000	290,857	1,143
Street and traffic lights	94,229	94,229	-	-	-	-	94,229	94,229	-
Engineer	271,906	46,013	225,893	-	-	-	271,906	46,013	225,893
Solid waste	490,644	478,679	11,965	-	-	-	490,644	478,679	11,965
Total public works	2,083,507	1,844,506	239,001	-	-	-	2,083,507	1,844,506	239,001
Public services:									
Health officer	10,439	9,915	524	-	-	-	10,439	9,915	524
Community services - senior citizens	33,593	33,593	-	-	-	-	33,593	33,593	-
Lisbon Falls Library	160,698	157,458	3,240	-	-	-	160,698	157,458	3,240
Miscellaneous Public Service	12,500	12,100	400	-	-	-	12,500	12,100	400
Conservation commission	575	295	280	-	-	-	575	295	280
Contingency and grant matches	23,343	23,343	-	-	-	-	23,343	23,343	-
Recreation Department	178,509	169,999	8,510	-	-	-	178,509	169,999	8,510
Parks Department	64,679	61,323	3,356	-	-	-	64,679	61,323	3,356
Total public services	484,336	468,026	16,310	-	-	-	484,336	468,026	16,310

TOWN OF LISBON, MAINE
 General Fund
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Budgetary Basis, Continued
 For the year ended June 30, 2012

	Town			School			2012 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Expenditures, continued:									
Current, continued:									
General assistance	\$ 26,184	22,770	3,414	-	-	-	26,184	22,770	3,414
Intergovernmental - county tax	574,198	574,198	-	-	-	-	574,198	574,198	-
Education:									
Regular elementary	-	-	-	5,581,878	5,518,870	63,008	5,581,878	5,518,870	63,008
Special education	-	-	-	2,004,090	1,986,701	17,389	2,004,090	1,986,701	17,389
Other instruction	-	-	-	358,169	357,129	1,040	358,169	357,129	1,040
Student and support staff	-	-	-	969,268	966,979	2,289	969,268	966,979	2,289
System administration	-	-	-	403,831	390,426	13,405	403,831	390,426	13,405
School administration	-	-	-	720,669	716,877	3,792	720,669	716,877	3,792
Transportation	-	-	-	586,389	586,389	-	586,389	586,389	-
Facilities maintenance	-	-	-	1,619,882	1,619,882	-	1,619,882	1,619,882	-
Adult education	-	-	-	152,064	134,325	17,739	152,064	134,325	17,739
All other expenditures	-	-	-	327,744	318,891	8,853	327,744	318,891	8,853
Debt service	-	-	-	1,034,082	1,034,082	-	1,034,082	1,034,082	-
Total education	-	-	-	13,758,066	13,630,551	127,515	13,758,066	13,630,551	127,515
Unclassified:									
Tax abatements	10,000	195,990	(185,990)	-	-	-	10,000	195,990	(185,990)
Total unclassified	10,000	195,990	(185,990)	-	-	-	10,000	195,990	(185,990)
Debt service:									
Town	492,126	489,632	2,494	-	-	-	492,126	489,632	2,494
Total debt service	492,126	489,632	2,494	-	-	-	492,126	489,632	2,494
Capital outlays:									
Bonded items	548,024	154,067	393,957	-	-	-	548,024	154,067	393,957
Total capital outlays	548,024	154,067	393,957	-	-	-	548,024	154,067	393,957
Total expenditures	8,044,217	7,223,959	820,258	13,758,066	13,630,551	127,515	21,802,283	20,854,510	947,773
Excess (deficiency) of revenues over (under) expenditures	(1,275,777)	66,623	1,342,400	(409,855)	(238,236)	171,619	(1,685,632)	(171,613)	1,514,019

TOWN OF LISBON, MAINE
 General Fund
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Budgetary Basis, Continued
 For the year ended June 30, 2012

	Town			School			2012 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Other financing sources (uses):									
Transfers in - treatment plant	\$ -	1,000	1,000	-	-	-	-	-	-
Transfer out - special revenue funds	-	-	-	165,000	145,000	(20,000)	165,000	146,000	(19,000)
Proceeds of bond issuance	270,000	270,000	-	-	-	-	270,000	270,000	-
Carryforward balances:									
All other	755,777	-	(755,777)	-	-	-	755,777	-	(755,777)
Budgeted use of surplus	250,000	-	(250,000)	244,855	-	(244,855)	494,855	-	(494,855)
Total other financing sources (uses)	1,275,777	271,000	(1,004,777)	409,855	145,000	(264,855)	1,685,632	416,000	(1,269,632)
Net change in fund balance	-	337,623	337,623	-	(93,236)	(93,236)	-	244,387	244,387
Fund balances, beginning of year, as restated		2,476,936			495,978			2,972,914	
Fund balances, end of year	\$	2,814,559			402,742			3,217,301	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenue streams that are legally restricted or committed for particular purposes.

Sewer -	To account for monies received from sewer user fees and sewer connection fees, pursuant to the Town Sewer Ordinance
Recreation Land Use -	To account for funds used for recreation land purposes
DARE Program -	To account for revenues and expenditures for student programs
Economic Development -	To account for revenue capture and paid out of tax increment financing
School Nutrition Program -	To account for monies generated via the school lunch programs
School Federal and Other Programs -	To account for monies received from federal, state and local sources

CAPITAL PROJECT FUNDS

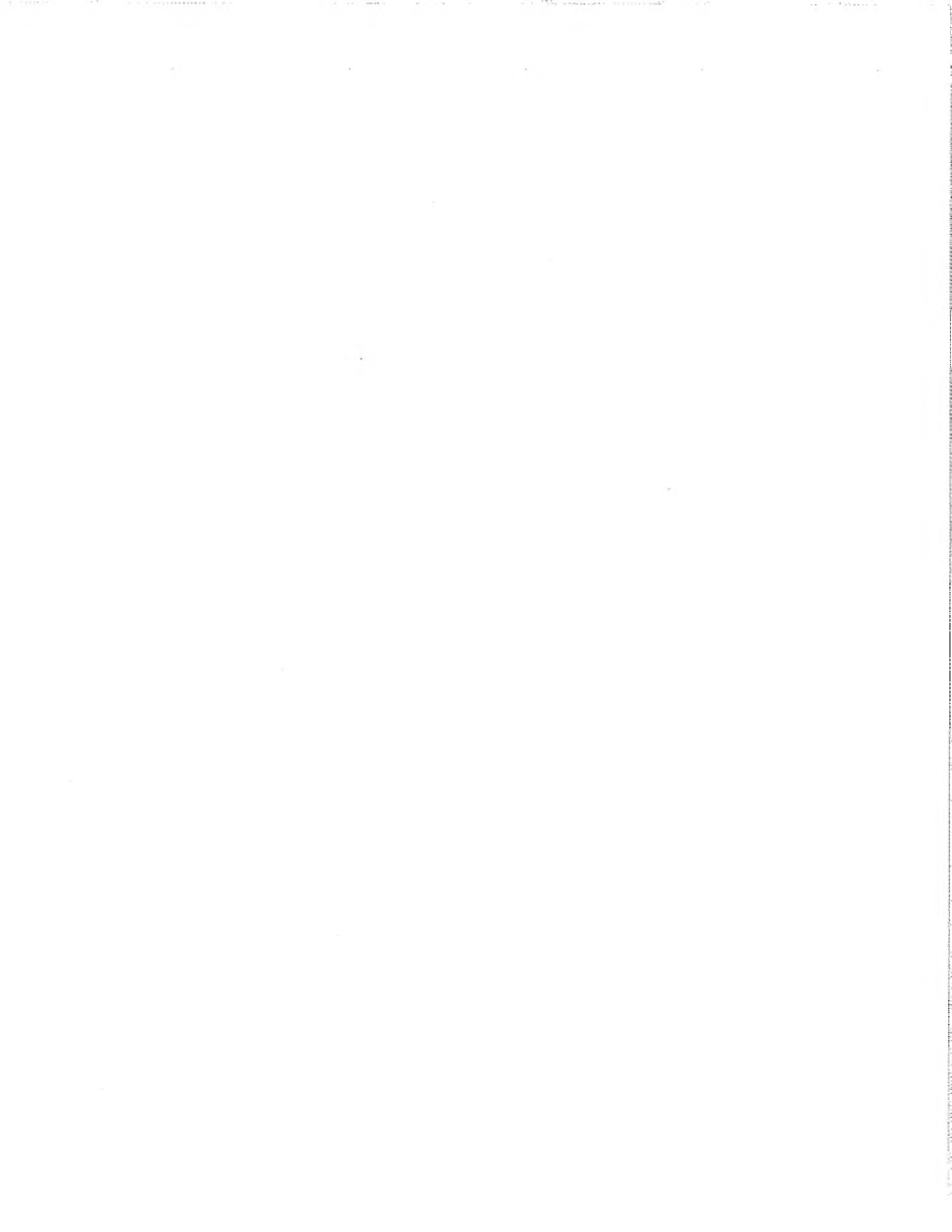
Capital project funds are used to account for resources to be used for capital items

School Capital Fund -	To account for acquisition of capital assets or construction of major capital projects
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PERMANENT FUNDS

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The following activities have been reported in the permanent fund:

Potter Patten Cemetery	Penny McGraw
Maine Research Company Charity Fund	Leon E. Bard Sr. Memorial Music Scholarship Award
Kevin Curtis Memorial Scholarship	Lisbon High School Memorial Library Fund
Arther Barron	Marion T. Morse Secretarial Award
Blanche M. Jalbert Fund	Maude Frow Fund
Bruce McEwen Rotary Scholarship	Michael F. Strout Memorial Scholarship Fund
Class of 1941 Scholarship Fund	Richard S. Ladner Scholarship Fund
Dunton Memorial Fund	Sugg Middle School Trust Fund
Earl Higgins Memorial	Summer Camp
Edna D. Purington Memorial Scholarship Award	Thompson Memorial Fund
Farmer	Walter Huston Memorial Scholarship
Frank Wimmer Trust	



TOWN OF LISBON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Special Revenue Funds	Capital Project Fund	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,705	-	160,931	173,636
Accounts receivable, net of \$28,000 allowance	396,047	-	-	396,047
Inventory	22,468	-	-	22,468
Due from other governments	9,650	-	-	9,650
Interfund loans receivable	314,508	155	-	314,663
Total assets	\$ 755,378	155	160,931	916,464
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund loans payable	9,164	-	-	9,164
Accrued payroll	-	-	-	-
Accounts payable	25,775	-	-	25,775
Total liabilities	34,939	-	-	34,939
Fund balances:				
Nonspendable:				
Inventory	22,468	-	-	22,468
Principal	-	-	27,144	27,144
Restricted:				
School lunch	77,968	-	-	77,968
Grants	32,153	-	-	32,153
Capital projects	-	155	-	155
Scholarships	-	-	133,787	133,787
Committed:				
Sewer	578,935	-	-	578,935
Other	8,915	-	-	8,915
Total fund balances	720,439	155	160,931	881,525
Total liabilities and fund balances	\$ 755,378	155	160,931	916,464

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2012

	Special Revenue Funds	Capital Project Fund	Permanent Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 284,808	-	-	284,808
Intergovernmental revenue	778,638	-	-	778,638
User fees	1,122,736	-	-	1,122,736
Charges for services	521,538	-	-	521,538
Investment income and other	17,780	21	8,195	25,996
Other	-	-	-	-
Total revenues	2,725,500	21	8,195	2,733,716
Expenditures:				
Current:				
General government	103,962	-	-	103,962
Public works	889,038	-	-	889,038
Public services	193,888	-	6,625	200,513
Education	793,473	36,663	-	830,136
Food service	377,308	-	-	377,308
Total expenditures	2,357,669	36,663	6,625	2,400,957
Excess (deficiency) of revenues over (under) expenditures	367,831	(36,642)	1,570	332,759
Other financing sources (uses):				
Proceeds from bond issuance	-	-	-	-
Transfer from other funds	(146,000)	-	-	(146,000)
Total other financing sources (uses)	(146,000)	-	-	(146,000)
Net change in fund balances	221,831	(36,642)	1,570	186,759
Fund balances, beginning of year	498,608	36,797	159,361	694,766
Fund balances, end of year	\$ 720,439	155	160,931	881,525

TOWN OF LISBON, MAINE
 Combining Balance Sheet
 Other Nonmajor Funds
 June 30, 2012

	Special Revenue Funds						Capital Project Funds	Totals
	Sewer	Recreation Land Use	DARE Program	Economic Development	School Nutrition Program	School Federal and Other programs	School Capital Funds	
ASSETS								
Cash and cash equivalents	\$ -	2,877	10,040	-	(212)	-	-	12,705
Accounts receivable, net of \$28,000 allowance in Treatment Plant	396,047	-	-	-	-	-	-	396,047
Inventory	-	-	-	-	22,468	-	-	22,468
Due from other governments	-	-	-	-	9,650	-	-	9,650
Interfund loans receivable	208,663	2,496	-	3,542	68,530	31,277	155	314,663
Total assets	\$ 604,710	5,373	10,040	3,542	100,436	31,277	155	755,533
LIABILITIES AND FUND BALANCES								
Liabilities:								
Interfund loans payable	-	-	2,964	-	-	6,200	-	9,164
Accrued payroll	-	-	-	-	-	-	-	-
Accounts payable and accrued expenses	25,775	-	-	-	-	-	-	25,775
Total liabilities	25,775	-	2,964	-	-	6,200	-	34,939
Fund balances:								
Nonspendable:								
Inventory	-	-	-	-	22,468	-	-	22,468
Restricted:								
School lunch	-	-	-	-	77,968	-	-	77,968
Grants	-	-	7,076	-	-	25,077	-	32,153
Capital projects	-	-	-	-	-	-	155	155
Committed:								
Sewer	578,935	-	-	-	-	-	-	578,935
Other	-	5,373	-	3,542	-	-	-	8,915
Total fund balances	578,935	5,373	7,076	3,542	100,436	25,077	155	720,594
Total liabilities and fund balances	\$ 604,710	5,373	10,040	3,542	100,436	31,277	155	755,533

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Nonmajor Funds
For the year ended June 30, 2012

	Special Revenue Funds						Capital Project Funds	Totals
	Sewer	Recreation Land Use	DARE Program	Economic Development	School Nutrition Program	School Federal and Other programs	School Capital Funds	
Revenues:								
Property tax revenue	\$ -	-	-	284,808	-	-	-	284,808
Intergovernmental revenue	-	-	-	-	-	778,638	-	778,638
User fees	1,122,736	-	-	-	-	-	-	1,122,736
Charges for services	-	-	-	-	521,538	-	-	521,538
Investment income and other	-	2,498	22	-	-	15,260	21	17,801
Other	-	-	-	-	-	-	-	-
Total revenues	1,122,736	2,498	22	284,808	521,538	793,898	21	2,725,521
Expenditures:								
Current:								
General government	-	-	-	103,962	-	-	-	103,962
Public works	889,038	-	-	-	-	-	-	889,038
Public services and payments	-	7,100	9,484	177,304	-	-	-	193,888
Education	-	-	-	-	-	793,473	36,663	830,136
Food service	-	-	-	-	377,308	-	-	377,308
Total expenditures	889,038	7,100	9,484	281,266	377,308	793,473	36,663	2,394,332
Excess (deficiency) of revenues over (under) expenditures	233,698	(4,602)	(9,462)	3,542	144,230	425	(36,642)	331,189
Other financing sources (uses):								
Proceeds from bond issuance	-	-	-	-	-	-	-	-
Transfer to (from) other funds	(1,000)	-	-	-	(145,000)	-	-	(146,000)
Total other financing sources (uses)	(1,000)	-	-	-	(145,000)	-	-	(146,000)
Net change in fund balances	232,698	(4,602)	(9,462)	3,542	(770)	425	(36,642)	185,189
Fund balances, beginning of year	346,237	9,975	16,538	-	101,206	24,652	36,797	535,405
Fund balances, end of year	\$ 578,935	5,373	7,076	3,542	100,436	25,077	155	720,594

TOWN OF LISBON, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2012

	Cash	Total assets	Due To General	Total Liabilities	Principal	Unexpended income	Total fund balances
Permanent funds:							
Potter Patten Cemetery	\$ 369	369	-	-	75	294	369
Maine Research Company Charity Fund	2,672	2,672	-	-	630	2,042	2,672
Kevin Curtis Memorial Scholarship	414	414	-	-	-	414	414
Arther Barron	620	620	-	-	-	620	620
Blanche M. Jalbert Fund	5,677	5,677	-	-	1,795	3,882	5,677
Bruce McEwen Rotary Scholarship	15,118	15,118	-	-	-	15,118	15,118
Class of 1941 Scholarship Fund	22,276	22,276	-	-	-	22,276	22,276
Dunton Memorial	3,963	3,963	-	-	700	3,263	3,963
Earl Higgins Memorial	4,461	4,461	-	-	3,281	1,180	4,461
Edna D. Purington Memorial Scholarship Award	1,206	1,206	-	-	1,135	71	1,206
Farmer	8,157	8,157	-	-	-	8,157	8,157
Frank Wimmer Trust	13,685	13,685	-	-	-	13,685	13,685
Peggy McGraw	3,958	3,958	-	-	1,500	2,458	3,958
Leon E. Bard, Sr. Memorial Music Scholarship Award	2,900	2,900	-	-	1,572	1,328	2,900
Lisbon High School Memorial Library Fund	8,621	8,621	-	-	876	7,745	8,621
Marion T. Morse Secretarial Award	1,648	1,648	-	-	1,000	648	1,648
Maude Frow Fund	4,523	4,523	-	-	1,000	3,523	4,523
Michael F. Strout Memorial Scholarship Fund	4,919	4,919	-	-	3,200	1,719	4,919
Richard S. Ladner Scholarship Fund	6,539	6,539	-	-	4,909	1,630	6,539
Sugg Middle School Trust Fund	9,093	9,093	-	-	3,840	5,253	9,093
Summer Camp	71	71	-	-	-	71	71
Thompson Memorial Fund	3,282	3,282	-	-	1,631	1,651	3,282
Walter Huston Memorial Scholarship	36,759	36,759	-	-	-	36,759	36,759
Total permanent funds	\$ 160,931	160,931	-	-	27,144	133,787	160,931

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2012

	Fund balances, beginning of year		Interest earned	Contributions and Disbursements		Fund balances, end of year		
	Principal	Unexpended income		other receipts	Disbursements	Principal	Unexpended income	
Permanent funds:								
Potter Patten Cemetery	\$ 75	213	1	140	60	75	294	
Maine Research Company Charity Fund	630	2,041	1	-	-	630	2,042	
Kevin Curtis Memorial Scholarship	-	414	-	-	-	-	414	
Arther Barron	-	120	-	500	-	-	620	
Blanche M. Jalbert Fund	1,795	3,856	26	-	-	1,795	3,882	
Bruce McEwen Rotary Scholarship	-	15,015	103	1,000	1,000	-	15,118	
Class of 1941 Scholarship Fund	-	21,970	306	-	-	-	22,276	
Dunton Memorial	700	3,237	26	-	-	700	3,263	
Earl Higgins Memorial	3,281	1,473	7	-	300	3,281	1,180	
Edna D. Purington Memorial Scholarship Award	1,135	563	8	-	500	1,135	71	
Farmer	-	6,255	26	3,876	2,000	-	8,157	
Frank Wimmer Trust	-	12,314	19	1,352	-	-	13,685	
Peggy McGraw	1,500	2,930	28	-	500	1,500	2,458	
Leon E. Bard, Sr. Memorial Music Scholarship Award	1,572	1,286	42	-	-	1,572	1,328	
Lisbon High School Memorial Library Fund	876	7,754	191	-	200	876	7,745	
Marion T. Morse Secretarial Award	1,000	645	3	-	-	1,000	648	
Maude Frow Fund	1,000	3,697	26	-	200	1,000	3,523	
Michael F. Strout Memorial Scholarship Fund	3,200	1,615	104	-	-	3,200	1,719	
Richard S. Ladner Scholarship Fund	4,909	1,855	45	-	270	4,909	1,630	
Sugg Middle School Trust Fund	3,840	5,657	191	-	595	3,840	5,253	
Summer Camp	-	71	-	-	-	-	71	
Thompson Memorial Fund	1,631	1,629	22	-	-	1,631	1,651	
Walter Huston Memorial Scholarship	-	37,607	152	-	1,000	-	36,759	
Total permanent funds	\$ 27,144	132,217	1,327	6,868	6,625	27,144	133,787	