

2008

Town of Lisbon, Maine Annual Financial Report For The Fiscal Year Ended June 30, 2008

Lisbon, Me.

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TOWN OF LISBON, MAINE

Annual Financial Report

For The Fiscal Year Ended

June 30, 2008

TOWN OF LISBON, MAINE
Annual Financial Report
Year ended June 30, 2008

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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 June 30, 2008 and for the year then ended, which collectively comprise the basic financial statements of the Town's primary government 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 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.

The financial statements referred to above include only the primary government of the Town of Lisbon, Maine, which consists of all funds and departments of the Town except that the financial statements do not include financial data for the Town's separate water department business-type activity, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Town's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Town of Lisbon, Maine as of June 30, 2008, and the changes in its financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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 1 on page 29).

In our opinion, except for the effect on the basic financial statements of the omissions described in the preceding paragraphs, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information and the respective budgetary comparison for the General Fund of the Town of Lisbon, Maine, as of June 30, 2008, and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, as listed in the table of contents, 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 Town of Lisbon, Maine's basic financial statements. The combining and individual nonmajor fund financial statements and 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 stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 30, 2008, 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 important for assessing the results of our audit.



October 30, 2008
South Portland, Maine

TOWN OF LISBON, MAINE
Management's Discussion and Analysis
June 30, 2008

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, 2008.

Financial Highlights

- The assets of the Town of \$35,799,674 exceeded its liabilities at the close of the most recent fiscal year by \$19,208,781. Of this amount, \$4,882,879 may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town of Lisbon's total net assets increased by \$532,877 primarily 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 \$4,734,720, a decrease of \$436,129 in comparison with the prior year. This was due to use of fund balances.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$1,278,503 for the Town, and \$468,907 for the School Department.
- The Town of Lisbon incurred \$362,221 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 eleven 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 nine 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 \$19,208,781 at the close of the most recent fiscal year.

Governmental Activities			
		2008	2007
Assets:			
Current and other assets	\$	6,216,639	6,515,661
Capital assets		29,583,035	30,707,309
Total assets		35,799,674	37,222,970
Liabilities:			
Long-term liabilities outstanding		15,311,248	16,386,549
Other liabilities		1,279,645	1,246,476
Total liabilities		16,590,893	17,633,025
Net assets:			
Invested in capital assets, net of related debt		14,271,787	14,320,760
Restricted		54,115	56,411
Unrestricted		4,882,879	5,212,774
Total net assets	\$	19,208,781	19,589,945

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.

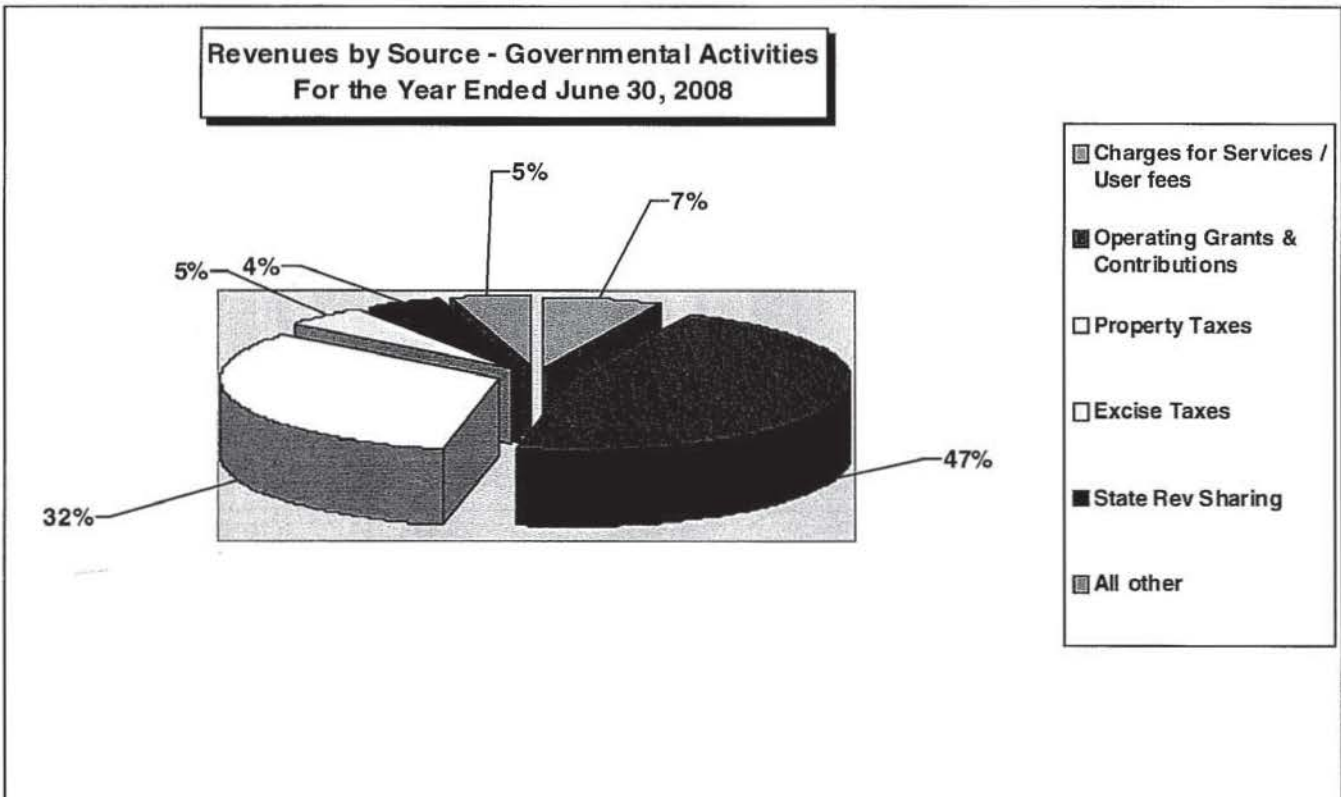
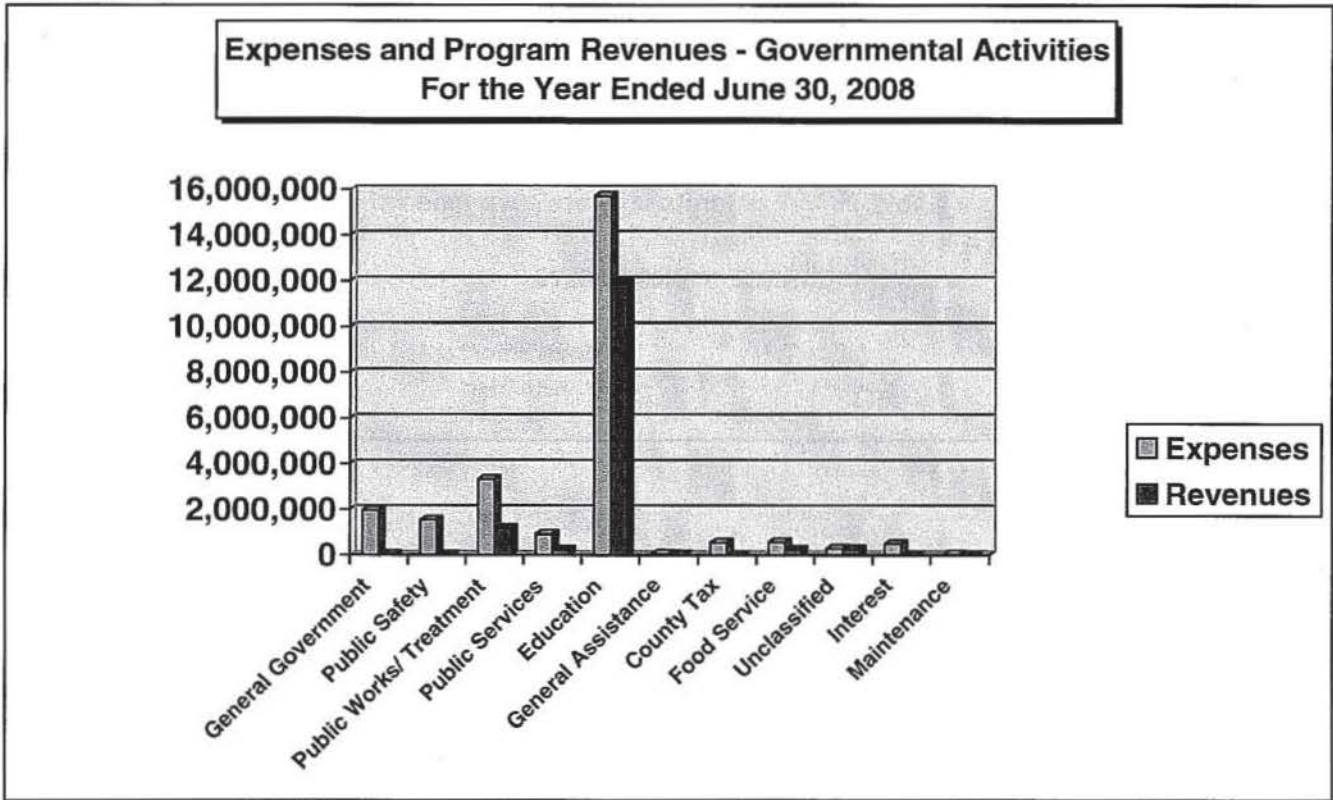
At the end of the current fiscal year, the Town of Lisbon is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental funds.

CHANGE IN NET ASSETS

	Governmental Activities 2008	Governmental Activities 2007
Revenues:		
Program revenues:		
Charges for services	\$ 1,756,303	1,710,030
Operating grants and contributions	12,066,907	9,606,802
General revenues:		
Property taxes	8,436,493	8,374,646
Motor vehicle excise taxes	1,331,167	1,319,157
Other State aid	164,691	216,304
State Revenue Sharing	1,098,220	998,434
Unrestricted investment earnings	220,679	322,321
Miscellaneous	895,341	595,738
Total revenues	25,969,801	23,143,432
Expenses:		
General government	1,951,320	1,826,459
Public safety	1,548,997	1,294,160
Public works	3,328,825	2,677,560
Public services	921,278	1,059,933
General assistance	50,619	55,875
County tax	547,555	514,674
Education	15,702,759	14,042,448
Food service	582,083	599,036
Unclassified	291,465	106,838
Interest on debt	493,778	622,284
Capital maintenance expenses	18,245	410,717
Total expenditures	25,436,924	23,209,984
Change in net assets	532,877	(66,552)
Net assets, beginning, as restated	18,675,904	19,656,497
Net assets, ending	\$ 19,208,781	19,589,945

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, *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 Town's governmental funds reported combined ending fund balances of \$4,734,720. Approximately 83 percent of this total amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* 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, unreserved fund balance of the general fund was \$2,717,649, while total fund balance reached \$3,003,065. As a measure of the general fund's liquidity, it may be useful to compare unreserved/undesignated fund balance to total fund expenditures. Unreserved/undesignated fund balance represents 7 percent of total general fund expenditures.

General Fund Budgetary Highlights

The fund balance of the Town's general fund decreased \$476,496 during the current fiscal year. These changes are a result of the utilization of fund balance to reduce taxes committed and unexpected additional winter road expenses. These were partially offset with better than expected revenue collections.

Capital Asset and Debt Administration

Capital assets. The Town's new investment in capital assets for its governmental activities as of June 30, 2008, amounted to \$1,147,484.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$14,280,925. 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 27-30 of this report.

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

Economic Factors and Next Year's Budgets and Rates

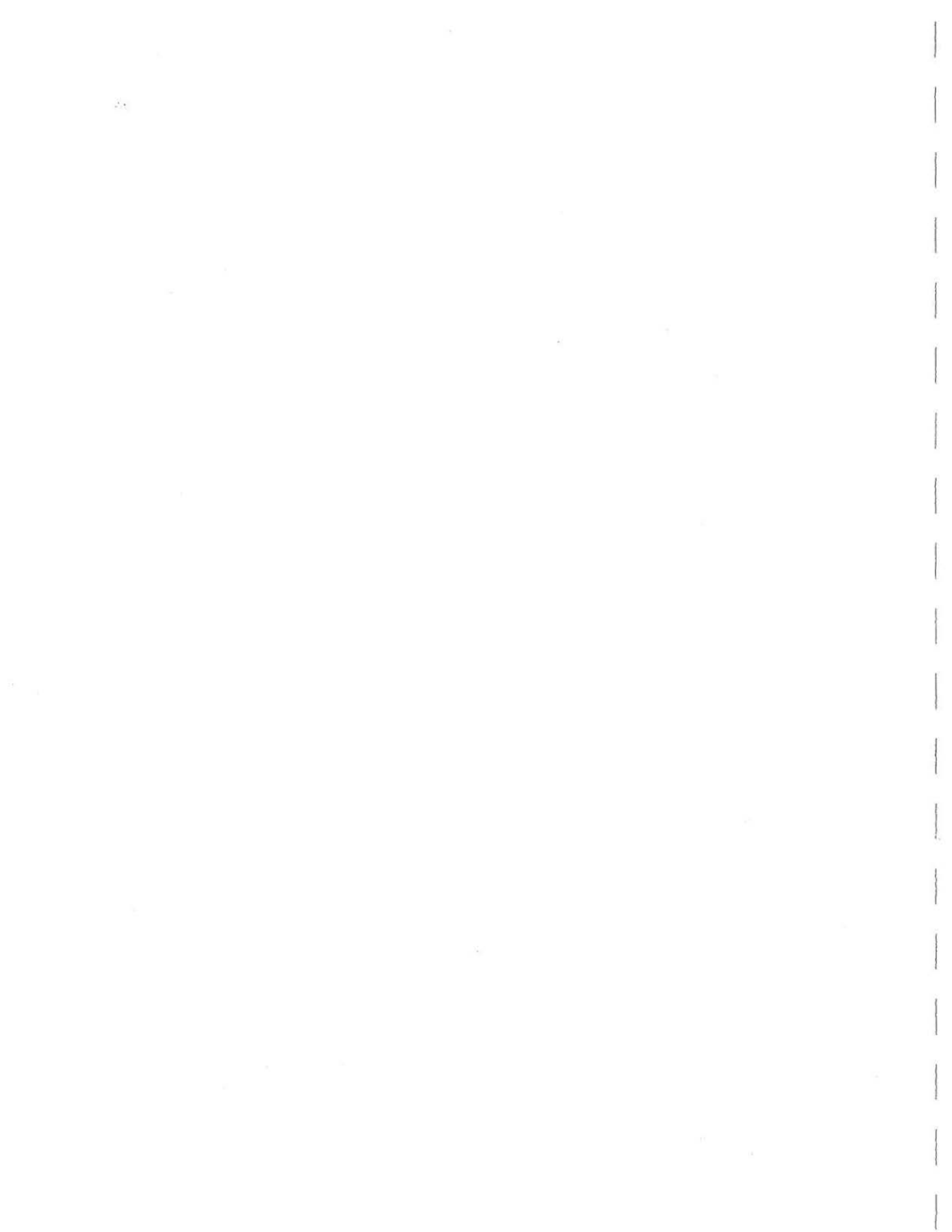
- The Town saw a modest increase in the Town's total assessed value.

The Town is watching the State budget situation, and is concerned about possible future cuts in State revenue sharing and 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, 2008

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,493,783
Receivables:	
Accounts, net of allowance of \$28,000	402,632
Intergovernmental	13,173
Taxes receivable	321,687
Tax liens	120,195
Notes , net of allowance of \$70,000, loan program	771,696
Inventory	26,285
Prepaid expenses	67,188
Capital assets not being depreciated	1,024,329
Capital assets being depreciated, net	28,558,706
Total assets	35,799,674
LIABILITIES	
Accounts payable and other current liabilities	301,828
Accrued interest	191,000
Accrued payroll	786,817
Noncurrent liabilities:	
Due within one year	1,717,969
Due in more than one year	13,593,279
Total liabilities	16,590,893
NET ASSETS	
Invested in capital assets, net of related debt	14,271,787
Restricted for:	
Nonexpendable trust principal	27,830
Inventory	26,285
Unrestricted	4,882,879
Total net assets	\$ 19,208,781

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Statement of Activities
For the year ended June 30, 2008

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	\$ 1,951,320	30,740	-	(1,920,580)
Public safety	1,548,997	9,036	-	(1,539,961)
Public works/treatment plant	3,328,825	1,182,788	-	(2,146,037)
Public services	921,278	72,586	140,046	(708,646)
General assistance	50,619	-	19,426	(31,193)
County tax	547,555	-	-	(547,555)
Education	15,702,759	208,031	11,678,454	(3,816,274)
Food service	582,083	-	228,981	(353,102)
Unclassified	279,126	253,122	-	(26,004)
Interest on debt	493,778	-	-	(493,778)
Loss on disposal of capital assets	12,339	-	-	(12,339)
Capital maintenance expenses	18,245	-	-	(18,245)
Total governmental activities	25,436,924	1,756,303	12,066,907	(11,613,714)

General revenues:

Property taxes, levied for general purposes	8,436,493
Motor vehicle excise taxes	1,331,167
Other state aid	164,691
State Revenue Sharing	1,098,220
Unrestricted investment earnings	220,679
Miscellaneous	895,341
Total general revenues	12,146,591

Change in net assets 532,877

Net assets - beginning, as restated 18,675,904

Net assets - ending \$ 19,208,781

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE

Balance Sheet
Governmental Funds
June 30, 2008

	General	Loan Program Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,724,868	592,258	176,657	4,493,783
Receivables:				
Accounts, net of allowance of \$28,000, other funds	50,978	-	350,398	401,376
Intergovernmental	1,815	-	11,358	13,173
Taxes receivable - prior years	14,523	-	-	14,523
Taxes receivable - current year	307,164	-	-	307,164
Tax liens	120,195	-	-	120,195
Notes, net of allowance of \$70,000, loan program	285,416	486,280	-	771,696
Prepaid items	67,188	-	-	67,188
Interfund loans receivable	-	9,533	142,296	151,829
Inventory	-	-	26,285	26,285
Total assets	\$ 4,572,147	1,088,071	706,994	6,367,212
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	271,681	-	476	272,157
Accrued payroll	769,082	-	17,735	786,817
Interfund loans payable	105,374	-	45,199	150,573
Deferred revenues	393,275	-	-	393,275
Taxes collected in advance	29,670	-	-	29,670
Total liabilities	1,569,082	-	63,410	1,632,492
Fund balances:				
Reserved for:				
Noncurrent receivables	285,416	486,280	-	771,696
Nonexpendable trust principal	-	-	27,830	27,830
Inventory	-	-	26,285	26,285
Unreserved, reported in:				
Designated - Town	623,704	-	55,000	678,704
Designated - School	346,535	-	-	346,535
General fund:				
Undesignated - School	468,907	-	-	468,907
Undesignated - Town	1,278,503	-	-	1,278,503
Special revenue funds	-	601,791	444,556	1,046,347
Permanent funds	-	-	89,913	89,913
Total fund balances	3,003,065	1,088,071	643,584	4,734,720
Total liabilities and fund balances	\$ 4,572,147	1,088,071	706,994	

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.	29,583,035
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	393,275
Accrued interest not recorded in the funds.	(191,000)
Accrued compensated absences not recorded in the funds.	(603,577)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	(14,707,672)
Net assets of governmental activities	\$ 19,208,781

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, 2008

	General	Loan Program Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 9,767,660	-	-	9,767,660
Licenses and permits	30,740	-	-	30,740
Intergovernmental	12,223,137	-	1,363,779	13,586,916
Charges for services	250,080	-	1,244,119	1,494,199
Other	647,345	253,122	52,544	953,011
Total revenues	22,918,962	253,122	2,660,442	25,832,526
Expenditures:				
Current:				
General government	1,929,798	-	-	1,929,798
Public safety	1,535,248	-	-	1,535,248
Public works	1,948,658	-	1,060,212	3,008,870
Public services	487,175	-	434,103	921,278
General assistance	50,619	-	-	50,619
County tax	547,555	-	-	547,555
Education	14,654,737	-	708,237	15,362,974
Food service	303,394	-	278,689	582,083
Unclassified	31,237	232,611	4,345	268,193
Capital outlay	769,745	-	-	769,745
Debt service	1,654,513	-	-	1,654,513
Total expenditures	23,912,679	232,611	2,485,586	26,630,876
Excess (deficiency) of revenues over (under) expenditures	(993,717)	20,511	174,856	(798,350)
Other financing sources (uses):				
Proceeds from capital leases	362,221	-	-	362,221
Transfers to other funds	-	-	(155,000)	(155,000)
Transfers from other funds	155,000	-	-	155,000
Total other financing sources	517,221	-	(155,000)	362,221
Net change in fund balances	(476,496)	20,511	19,856	(436,129)
Fund balances, beginning of year	3,479,561	1,067,560	623,728	5,170,849
Fund balances, end of year	\$ 3,003,065	1,088,071	643,584	4,734,720

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, 2008

Net change in fund balances - total governmental funds (from Statement 4) \$ (436,129)

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 depreciation expense (\$1,402,026) in the current period, and loss on sale of capital assets (12,339), exceeded capital outlay (\$1,147,484).	(266,881)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	137,275
Additions over repayments of capital lease principal which is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	(77,986)
Change in accrued compensated absences reported as expenses in the statement of activities when earned.	15,863
Change in accrued interest which is reported as an expense in the statement of activities when incurred.	23,311
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 the repayments.	1,137,424

Change in net assets of governmental activities (see Statement 2) \$ 532,877

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, 2008

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 9,688,627	9,688,627	9,767,660	79,033
Licenses and permits	27,000	27,000	30,740	3,740
Intergovernmental	10,711,077	10,711,077	10,860,437	149,360
Charges for services	170,240	170,240	250,080	79,840
Investment income	179,310	179,310	168,135	(11,175)
Other	234,500	227,152	479,210	252,058
Total revenues	21,010,754	21,003,406	21,556,262	552,856
Expenditures:				
Current:				
General government	1,912,872	1,956,303	1,929,798	26,505
Public safety	1,531,508	1,566,709	1,535,248	31,461
Public works	1,870,304	1,992,402	1,948,658	43,744
Public services	484,140	529,468	487,175	42,293
General assistance	62,074	50,632	50,619	13
County tax	547,555	547,555	547,555	-
Education	14,983,114	14,983,114	14,774,270	208,844
Unclassified	-	31,237	31,237	-
Capital outlay	238,000	464,725	407,524	57,201
Debt service	476,187	476,187	475,674	513
Total expenditures	22,105,754	22,598,332	22,187,758	410,574
Excess (deficiency) of revenues over (under) expenditures	(1,095,000)	(1,594,926)	(631,496)	963,430
Other financing sources (uses):				
Use of undesignated fund balance	940,000	1,078,669	-	(1,078,669)
Use of designated fund balances	-	361,257	-	(361,257)
Transfers from (to) other funds	155,000	155,000	155,000	-
Total other financing sources (uses)	1,095,000	1,594,926	155,000	(1,439,926)
Net change in fund balance	-	-	(476,496)	(476,496)
Fund balance, beginning of year			3,479,561	
Fund balance, end of year	\$		3,003,065	

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Agency Funds	
	Student Activity Funds	Androscoggin Valley Education Collaborative
ASSETS		
Cash	\$ 49,898	-
Due from other groups	-	1,256
Total assets	49,898	1,256
LIABILITIES		
Interfund loans payable	-	1,256
Amounts held for other groups	49,898	-
Total liabilities	\$ 49,898	1,256

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. The following entity was considered a potential component unit.

Lisbon Water Department

The Lisbon Water Department is a separate entity from the Town and does not report directly to the Town of Lisbon, Maine. Operations of the Lisbon 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 a component unit of the Town based on the above criteria; and debt issued for the Water Department has been recorded in the Town's long-term debt since such debt is backed by the full faith and credit of the Town. Financing costs for Water Department debt are provided through user charges.

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.

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 has no business-type activities.

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 are 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* accounts for the Intermediary Loan Program (IRP) and other federal, state and local loan programs.

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 and the Androscoggin Valley Education Collaborative, both of which are funds 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.

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.

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.

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 Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. Comparative Data/Reclassifications

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

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

9. 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.

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 April, 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.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At June 30, 2008, deposits and investments have been reported as "cash and cash equivalents" as follows:

Reported in governmental funds	\$ 4,493,783
Reported in fiduciary funds	49,898
Total deposits and investments	<u>\$ 4,543,681</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, 2008, the Town reported deposits of \$4,370,215 with a bank balance of \$5,271,311. 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.

At June 30, 2008, the Town had the following investments and maturities:

	Fair <u>Value</u>	Less than <u>1 year</u>
Repurchase agreements	\$ 172,426	172,426

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

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments, Continued

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, money market funds and certificates of deposits. 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 and certain corporate stocks and bonds. As of June 30, 2008, 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 \$172,426 investment in repurchase agreements, 100% was collateralized by underlying securities held by a third party but not in the Town's name.

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	\$ 321,687	-	-	321,687
Liens	120,195	-	-	120,195
Accounts	50,978	-	350,398	401,376
Intergovernmental	1,815	-	11,358	13,173
Notes	285,416	486,280	-	771,696
Net total receivables	\$ 780,091	486,280	361,756	1,628,127

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:

Total deferred revenue for governmental funds	<u>Unavailable</u> \$ 393,275
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C. Property Tax

Property taxes for the current year were committed on August 8, 2007, 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, 2008 was based, was \$370,015,500. The assessed value was 67% of the estimated market value.

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

C. Property Tax, Continued

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 \$148,080 for the year ended June 30, 2008.

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.

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 2008 and 2007 levies:

	<u>2008</u>	<u>2007</u>
Assessed value	\$ 370,015,500	366,705,395
Tax rate (per \$1,000)	23.75	24.25
Commitment	8,787,868	8,892,606
Supplemental taxes assessed	1,348	7,887
Total levy	8,789,216	8,900,493
Less: abatements	31,237	3,844
Less: collections	8,450,815	8,702,133
Receivable at end of year	\$ 307,164	194,516
Due date(s)	½ September 15, 2007 ½ March 15, 2008	½ September 15, 2006 ½ March 15, 2007
Interest rate on delinquent taxes	12%	11%
Collection rate	97%	98%

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 2007-2008 amounted to \$416,570 and has been reflected in a special revenue fund.

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, 2008 was as follows:

	Balance June 30, <u>2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2008</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 958,462	65,867	-	1,024,329
<u>Total capital assets, not being depreciated</u>	<u>958,462</u>	<u>65,867</u>	<u>-</u>	<u>1,024,329</u>
Capital assets, being depreciated:				
Buildings	24,871,261	9,829	-	24,881,087
Equipment and vehicles	6,129,218	617,667	287,699	6,459,186
Infrastructure	20,141,152	454,124	-	20,595,276
<u>Total capital assets being depreciated</u>	<u>51,141,631</u>	<u>1,081,617</u>	<u>287,699</u>	<u>51,935,549</u>
Less accumulated depreciation for:				
Buildings	9,446,792	615,429	-	10,062,221
Equipment and vehicles	2,722,871	371,396	275,360	2,818,907
Infrastructure	10,080,514	415,201	-	10,495,715
<u>Total accumulated depreciation</u>	<u>22,250,177</u>	<u>1,402,026</u>	<u>275,360</u>	<u>23,376,843</u>
<u>Total capital assets being depreciated, net</u>	<u>28,891,454</u>	<u>(320,409)</u>	<u>12,339</u>	<u>28,558,706</u>
<u>Governmental activities capital assets, net</u>	<u>\$29,849,916</u>	<u>(254,542)</u>	<u>12,339</u>	<u>29,583,035</u>

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

Governmental activities:	
General government	\$ 112,079
Education	603,781
Public safety	99,505
Public works, including depreciation of general infrastructure assets	586,661
<u>Total depreciation expense – governmental activities</u>	<u>\$ 1,402,026</u>

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, 2008, these balances were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>
General Fund	\$ -	105,374
Loan programs	9,533	-
School Nutrition	39,531	-
School Federal and other programs	94,643	-
Treatment plant	-	45,199
Sewer assessment	8,122	-
Agency Fund	-	1,256
Totals	\$ 151,829	151,829

Individual fund transfers for the year ended June 30, 2008 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General fund	\$ 155,000	-
Nonmajor special revenue funds:		
School lunch program	-	155,000
Total nonmajor special revenue funds	-	155,000
Totals	\$ 155,000	155,000

These transfers were budgeted transfers to fund certain activities.

F. Operating Leases

The Lisbon School Department has several operating leases for modular classrooms and one copier. Lease expenditures for the year ended June 30, 2008 amounted to \$36,895.

Future minimum rents due under these contracts are as follows:

Year ending <u>June 30,</u>	
2009	<u>\$ 11,695</u>
Total	<u>\$ 11,695</u>

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

G. Capital Leases, continued

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 lease as of June 30, 2008:

School buses	\$ 187,071
Truck (Town)	311,149
Cruisers (Town)	69,912
Backhoe (Town)	65,750
Other School equipment	102,409
Other Town equipment	23,219

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, 2008:

Fiscal year <u>June 30,</u>	<u>School</u>	<u>Town</u>	<u>Total</u>
2009	\$ 98,956	134,138	233,094
2010	54,645	102,279	156,924
2011	-	37,019	37,019
2012	-	31,561	31,561
Total minimum lease payments	153,601	304,997	458,598
Less: amount representing interest	(9,565)	(22,287)	(31,852)
Present value of future minimum lease payments	\$ 144,036	282,710	426,746

H. Long-term Debt

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.

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

H. Long-term Debt, continued

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>Date of maturity</u>	<u>Interest rate</u>	<u>Balance</u>
Bonds and notes payable:				
Governmental activities:				
1988 Capital Improvement/Water Bond	Oct. 1988	Nov. 2008	6.50-7.40%	\$ 210,000
1989 Capital Improvement Bond	Oct. 1989	Nov. 2009	7.00-7.10%	64,000
1990 Sewer Bond (2)	March 1990	Nov. 2010	0.00%	348,323
1990 Sewer Refunding Bond (2)	March 1990	Nov. 2010	0.00%	47,342
1998 Intermediary relending loan	July 2000	July 2026	1.00%	365,565
2002 Capital Improvement	Oct. 2002	Nov. 2012	2.50-3.45%	711,353
2004 Town Bond	May 2004	Nov. 2024	4.41%	10,964,755
2005 Town Bond (original issue \$368,000)	May 2005	Nov. 2020	1.50-3.70%	335,587
2005 Sewer Bond (original issue \$350,000)	Aug. 2004	Apr. 2024	1.93%	280,000
2005 Sewer Bond (original issue \$500,000)	Oct. 2005	Oct. 2025	1.43%	450,000
2006 Town Bond (original issue \$540,000)	Oct. 2006	Nov. 2021	1.8-6.25%	504,000
Total bonds and notes payable (1)				\$ 14,280,925

- (1) The Town also issued two bonds during 2005 and 2006 in the amounts of \$3,000,000 and \$393,000, 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 and 2025, and carry interest rates of 2.05% and 3.0-5.0%.
- (2) On March 1, 1990, the Town issued a \$315,630 sewer bond and a \$405,000 sewer refunding bond pursuant to the Maine Revolving Loan Fund Program. Although the interest rate on these bonds is nominally 0%, the intent of the program was to add these two bonds to the 1988 capital improvement bond (original issue of \$2,400,000), thereby decreasing the average variable interest rate on the cumulative amount from 7.123% to 5.123%. This transaction reduces the Town's total debt service payments over the life of the debt by approximately \$433,800 and resulted in an economic gain (difference between the present value of the debt service payments on the old and the new debt) of \$275,100.

The sewer and sewer refunding bond proceeds have been deposited in a trust with an escrow agent. The sewer bond provided funds for the upgrade and construction of improvements to the Town's Sabattus River pump station. The \$405,000 sewer refund bond proceeds were never received by the Town. Instead amounts are held in an escrow fund with the Trustee, the interest earned being paid to the Town to partially offset the interest expense of the original 1988 capital improvement bond.

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

H. Long-term Debt, continued

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

	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,503,899	552,770	2,056,669
2010	944,403	515,567	1,459,970
2011	920,838	474,199	1,395,037
2012	910,938	429,492	1,340,430
2013	917,079	392,957	1,310,036
2014-2018	3,844,364	1,463,395	5,307,759
2019-2023	3,774,176	679,075	4,453,251
2024-2027	1,465,228	63,699	1,528,927
Totals	\$ 14,280,925	4,571,154	18,852,079

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, 2008, 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.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2008 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	\$ 15,418,349	-	1,137,424	14,280,925	1,503,899
Capital leases	348,760	362,221	284,235	426,746	214,070
Compensated absences	619,440	-	15,863	603,577	-
Total governmental activity					
long-term liabilities	\$ 16,386,549	362,221	1,437,522	15,311,248	1,717,969

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

H. Long-term Debt, continued

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, 2008, the Town's share is \$38,220 (7.35%) of Androscoggin County's outstanding debt of \$520,000.

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.

I. Fund Balances - Designated for Subsequent Years

Fund balances designated for subsequent years at June 30, 2008 consisted of the following:

Designated - Town:

2008-09 budget	\$ 451,000
Computer equipment	1,002
Town Clerk - record restoration	4,017
Town Clerk - voting machines	7,016
Police Grants	6,625
Fire replacement and refurbishment	21,065
Rescue donations	563
Beaver Park repairs	1,500
Woodlot income	14,421
Wreath Fund	8,093
Conservation Fund	11,445
Town Engineer - professional services	1,800
Pipeline Damage Fund	4,635
Road improvements	8,579
Town paving	10,678
Bike/pedestrian trails	22,822
MTM Center improvements	17,218
Transfer station building improvements	17,613
Fitness Center	2,291
New recreation programs	1,536
Fitzgerald Grant	524
Track and Field 2008	1,650
Summer trips	141
Senter Grant	1,100
Floor donation	660

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

Sunshine Hill	\$ 7,068
Ball fields	62
Paper Mill Road matching	1,332
Town trail donations	1,734
Treatment plant	55,000
Project Canopy Grant	(5,000)
MTM Park construction	514
<u>Total designated - Town</u>	<u>678,704</u>
Designated School:	
2008-09 budget	346,535
<u>Total General Fund designated - School</u>	<u>346,535</u>
<u>Total designated fund balances</u>	<u>\$ 1,025,239</u>

Additionally, certain fund balances have been reserved as follows:

General Fund:	
Reserve for a long-term receivable	\$ 285,416
Permanent Fund:	
Nonexpendable principal	27,830
Special Revenue Fund:	
Loan Programs - non current portion of loans receivable	486,280
School Nutrition Program:	
Inventory	26,285

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 participates in several public entity and self-insured risk pools sponsored by the Maine Municipal Association. Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2008.

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.

IV. OTHER INFORMATION, CONTINUED

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 2.8% 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 years ended June 30, 2008 was equal to the required contributions for the year. The rate was calculated net of the IUUAL credit which is being amortized over a 10 year period and amounted to approximately \$ 79,097 at June 30, 2007, 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 \$1,362,700 for the fiscal year 2008. This amount has been reported as an intergovernmental revenue and education 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 18.71% of their compensation. This cost is charged to the applicable grant.

C. Prior Period Adjustment – General Fund and Governmental Activities

The Town of Lisbon net assets for the governmental activities as of June 30, 2007 has been restated to correct errors in previously reported capital asset and related depreciation amounts totaling \$913,475. In addition, the general fund fund balance and the governmental activities net assets as of June 30, 2007 have been restated to correctly report compensated absences, in the amount of \$33,498.

GENERAL FUND



TOWN OF LISBON, MAINE
General Fund
Comparative Balance Sheet
June 30, 2008 and 2007

	2008	2007
ASSETS		
Cash and cash equivalents	\$ 3,724,868	4,286,740
Receivables:		
Accounts	50,978	127,534
Intergovernmental	1,815	31,438
Taxes receivable - prior years	14,523	6,265
Taxes receivable - current year	307,164	194,516
Tax liens	120,195	84,447
Prepaid expenses	67,188	-
Notes	285,416	206,744
Total assets	\$ 4,572,147	4,937,684
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	271,681	378,583
Accrued payroll	769,082	583,656
Interfund loans payable	105,374	191,383
Deferred revenues	393,275	256,000
Taxes collected in advance	29,670	18,166
Total liabilities	1,569,082	1,427,788
Fund balance:		
Reserved for non-current note receivable	285,416	206,744
Unreserved:		
Designated - School	346,535	365,000
Designated - Town	623,704	936,256
Undesignated - School	468,907	346,535
Undesignated - Town	1,278,503	1,655,361
Total fund balance	3,003,065	3,509,896
Total liabilities and fund balance	\$ 4,572,147	4,937,684

TOWN OF LISBON, MAINE
General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
Year ended June 30, 2008

	Town			School			2008 Combined		
	Adjusted Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Revenues:									
Taxes:									
Property taxes	\$ 3,545,939	3,558,305	12,366	4,878,188	4,878,188	-	8,424,127	8,436,493	12,366
Excise taxes	1,233,500	1,292,837	59,337	-	-	-	1,233,500	1,292,837	59,337
Interest and costs on taxes	31,000	38,330	7,330	-	-	-	31,000	38,330	7,330
Total taxes	4,810,439	4,889,472	79,033	4,878,188	4,878,188	-	9,688,627	9,767,660	79,033
Licenses and permits:									
Business permits and fees	3,600	2,556	(1,044)	-	-	-	3,600	2,556	(1,044)
All other construction fees	12,000	8,768	(3,232)	-	-	-	12,000	8,768	(3,232)
Town clerk	11,400	19,416	8,016	-	-	-	11,400	19,416	8,016
Total licenses and permits	27,000	30,740	3,740	-	-	-	27,000	30,740	3,740
Intergovernmental:									
Education subsidies	-	-	-	9,458,461	9,597,526	139,065	9,458,461	9,597,526	139,065
State revenue sharing	1,089,416	1,098,220	8,804	-	-	-	1,089,416	1,098,220	8,804
General assistance	12,500	19,426	6,926	-	-	-	12,500	19,426	6,926
Tree growth reimbursement	30,000	2,739	(27,261)	-	-	-	30,000	2,739	(27,261)
Urban rural incentive program	114,000	137,307	23,307	-	-	-	114,000	137,307	23,307
Veteran reimbursement	6,700	5,219	(1,481)	-	-	-	6,700	5,219	(1,481)
Total intergovernmental	1,252,616	1,262,911	10,295	9,458,461	9,597,526	139,065	10,711,077	10,860,437	149,360
Charges for services:									
Police - report fees, court fees	6,100	9,036	2,936	-	-	-	6,100	9,036	2,936
Animal control	37,675	33,013	(4,662)	-	-	-	37,675	33,013	(4,662)
School	-	-	-	126,465	208,031	81,566	126,465	208,031	81,566
Total charges for services	43,775	42,049	(1,726)	126,465	208,031	81,566	170,240	250,080	79,840
Investment income	179,310	168,135	(11,175)	-	-	-	179,310	168,135	(11,175)
Other revenues:									
Recreation Department	57,000	57,459	459	-	-	-	57,000	57,459	459
Recycling	125,000	149,320	24,320	-	-	-	125,000	149,320	24,320
Library	1,000	1,548	548	-	-	-	1,000	1,548	548
Teen Center	3,000	2,154	(846)	-	-	-	3,000	2,154	(846)
MTM Center	13,000	9,979	(3,021)	-	-	-	13,000	9,979	(3,021)
Parks Department	7,500	11,425	3,925	-	-	-	7,500	11,425	3,925
Other revenues	20,652	211,056	190,404	-	36,269	36,269	20,652	247,325	226,673
Total other revenues	227,152	442,941	215,789	-	36,269	36,269	227,152	479,210	252,058
Total revenues	6,540,292	6,836,248	295,956	14,463,114	14,720,014	256,900	21,003,406	21,556,262	552,856

TOWN OF LISBON, MAINE
General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	Town			School			2008 Combined		
	Adjusted Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Expenditures:									
Current:									
General governmental:									
Elected officials	\$ 23,208	23,208	-	-	-	-	23,208	23,208	-
Town Manager	148,722	148,722	-	-	-	-	148,722	148,722	-
Insurance	675,852	675,831	21	-	-	-	675,852	675,831	21
Legal	33,979	33,979	-	-	-	-	33,979	33,979	-
Finance	188,064	187,854	210	-	-	-	188,064	187,854	210
Computer operations	145,413	141,596	3,817	-	-	-	145,413	141,596	3,817
Town clerk	79,357	68,302	11,055	-	-	-	79,357	68,302	11,055
Assessing	107,007	106,909	98	-	-	-	107,007	106,909	98
Elections	25,565	23,324	2,241	-	-	-	25,565	23,324	2,241
Town buildings	159,394	159,394	-	-	-	-	159,394	159,394	-
MTM center	56,386	55,871	515	-	-	-	56,386	55,871	515
Planning Board	5,370	4,500	870	-	-	-	5,370	4,500	870
Board of Appeals	1,150	716	434	-	-	-	1,150	716	434
Maine PERS	28,063	27,235	828	-	-	-	28,063	27,235	828
Social Security	229,200	226,647	2,553	-	-	-	229,200	226,647	2,553
Economic development	49,573	45,710	3,863	-	-	-	49,573	45,710	3,863
Total general governmental	1,956,303	1,929,798	26,505	-	-	-	1,956,303	1,929,798	26,505
Public safety:									
Police	1,151,100	1,141,326	9,774	-	-	-	1,151,100	1,141,326	9,774
Emergency	11,975	11,975	-	-	-	-	11,975	11,975	-
Animal Control Officer	67,327	67,268	59	-	-	-	67,327	67,268	59
Fire	279,478	279,478	-	-	-	-	279,478	279,478	-
Fire department other projects	56,829	35,201	21,628	-	-	-	56,829	35,201	21,628
Total public safety	1,566,709	1,535,248	31,461	-	-	-	1,566,709	1,535,248	31,461
Public works:									
Public works operations	746,300	731,063	15,237	-	-	-	746,300	731,063	15,237
Operation projects	24,600	11,384	13,216	-	-	-	24,600	11,384	13,216
Snow removal	279,970	279,970	-	-	-	-	279,970	279,970	-
Hydrant rental	231,784	231,784	-	-	-	-	231,784	231,784	-
Street and traffic lights	103,070	103,070	-	-	-	-	103,070	103,070	-
Engineer	56,076	41,182	14,894	-	-	-	56,076	41,182	14,894
Solid waste	550,602	550,205	397	-	-	-	550,602	550,205	397
Total public works	1,992,402	1,948,658	43,744	-	-	-	1,992,402	1,948,658	43,744
Public services:									
AVCOG and MMA	15,878	15,878	-	-	-	-	15,878	15,878	-
Great Falls TV	5,000	5,000	-	-	-	-	5,000	5,000	-
Health officer	10,205	8,833	1,372	-	-	-	10,205	8,833	1,372
Community services - senior citizens	34,649	34,649	-	-	-	-	34,649	34,649	-
Lisbon Falls Library	165,829	165,784	45	-	-	-	165,829	165,784	45
Historical society	2,000	2,000	-	-	-	-	2,000	2,000	-
Moxie parade	2,500	2,500	-	-	-	-	2,500	2,500	-
Memorial day	1,424	818	606	-	-	-	1,424	818	606
Conservation commission	500	455	45	-	-	-	500	455	45
Contingency and grant matches	27,150	24,064	3,086	-	-	-	27,150	24,064	3,086
Recreation Department	153,687	142,342	11,345	-	-	-	153,687	142,342	11,345
Teen Center	39,413	37,632	1,781	-	-	-	39,413	37,632	1,781
Parks Department	71,233	47,220	24,013	-	-	-	71,233	47,220	24,013
Total public services	529,468	487,175	42,293	-	-	-	529,468	487,175	42,293

TOWN OF LISBON, MAINE
General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	Town			School			2008 Combined		
	Adjusted Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Expenditures, continued:									
Current, continued:									
General assistance	\$ 50,632	50,619	13	-	-	-	50,632	50,619	13
Intergovernmental - county tax	547,555	547,555	-	-	-	-	547,555	547,555	-
Education:									
Regular elementary/middle program	-	-	-	4,205,667	4,193,644	12,023	4,205,667	4,193,644	12,023
Regular secondary program	-	-	-	2,190,900	2,229,549	(38,649)	2,190,900	2,229,549	(38,649)
Support services	-	-	-	1,549,562	1,493,640	55,922	1,549,562	1,493,640	55,922
Special education	-	-	-	2,050,477	1,960,279	90,198	2,050,477	1,960,279	90,198
Co-curricular	-	-	-	366,129	328,771	37,358	366,129	328,771	37,358
General administration	-	-	-	662,497	580,863	81,634	662,497	580,863	81,634
Operation of plant and maintenance	-	-	-	2,680,273	2,713,712	(33,439)	2,680,273	2,713,712	(33,439)
Student transportation	-	-	-	714,410	719,968	(5,558)	714,410	719,968	(5,558)
Curriculum materials	-	-	-	55,800	54,700	1,100	55,800	54,700	1,100
Technology funds	-	-	-	51,000	49,501	1,499	51,000	49,501	1,499
Adult education	-	-	-	154,826	146,249	8,577	154,826	146,249	8,577
Food services	-	-	-	301,573	303,394	(1,821)	301,573	303,394	(1,821)
Total education	-	-	-	14,983,114	14,774,270	208,844	14,983,114	14,774,270	208,844
Unclassified:									
Tax abatements	31,237	31,237	-	-	-	-	31,237	31,237	-
Total unclassified	31,237	31,237	-	-	-	-	31,237	31,237	-
Debt service:									
Town	476,187	475,674	513	-	-	-	476,187	475,674	513
Total debt service	476,187	475,674	513	-	-	-	476,187	475,674	513
Capital outlays:									
Bonded items	226,725	180,202	46,523	-	-	-	226,725	180,202	46,523
Town paving	238,000	227,322	10,678	-	-	-	238,000	227,322	10,678
Total capital outlays	464,725	407,524	57,201	-	-	-	464,725	407,524	57,201
Total expenditures	7,615,218	7,413,488	201,730	14,983,114	14,774,270	208,844	22,598,332	22,187,758	410,574
Excess (deficiency) of revenues over (under) expenditures	(1,074,926)	(577,240)	497,686	(520,000)	(54,256)	465,744	(1,594,926)	(631,496)	963,430

TOWN OF LISBON, MAINE
General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	Town			School			2008 Combined		
	Adjusted Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Other financing sources (uses):									
Transfers in - nutrition programs	\$ -	-	-	155,000	155,000	-	155,000	155,000	-
Carryforward balances:									
All other	361,257	-	(361,257)	-	-	-	361,257	-	(361,257)
Budgeted use of surplus	713,669	-	(713,669)	365,000	-	(365,000)	1,078,669	-	(1,078,669)
Total other financing sources (uses)	1,074,926	-	(1,074,926)	520,000	155,000	(365,000)	1,594,926	155,000	(1,439,926)
Net change in fund balance	-	(577,240)	(577,240)	-	100,744	100,744	-	(476,496)	(476,496)
Fund balance, beginning of year		2,764,863			714,698			3,479,561	
Fund balance, end of year	\$	2,187,623			815,442			3,003,065	



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Treatment Plant - To account for monies received from sewer user fees and sewer connection fees, pursuant to the Town Sewer Ordinance

Tax Increment Financing - To account for revenue captured and paid out under tax increment financing agreements

Recreation Land Use - To account for funds used for recreational land purposes

Sewer Assessment - To account for outstanding sewer assessments receivable

DARE Program - To account for revenues and expenditures for student programs

School Nutrition Program - To account for monies generated via the school lunch programs

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

School Federal and Other Programs - To account for monies received from federal, state and local sources

PERMANENT FUND

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

Maine Research Company Charity Fund

Kevin Curtis Memorial Scholarship

Arther Barron

Blanche M. Jalbert Fund

Class of 1941 Scholarship Fund

Dunton Memorial Fund

Earl Higgins Memorial

Frank Wimmer Trust

Edna D. Purington Memorial Scholarship Award

Farmer

Leon E. Bard Sr. Memorial Music Scholarship Award

Lisbon High School Memorial Library Fund

Marion T. Morse Secretarial Award

Mark Adam Cielinski Memorial Scholarship Fund

Maude Frow Fund

Michael F. Strout Memorial Scholarship Fund

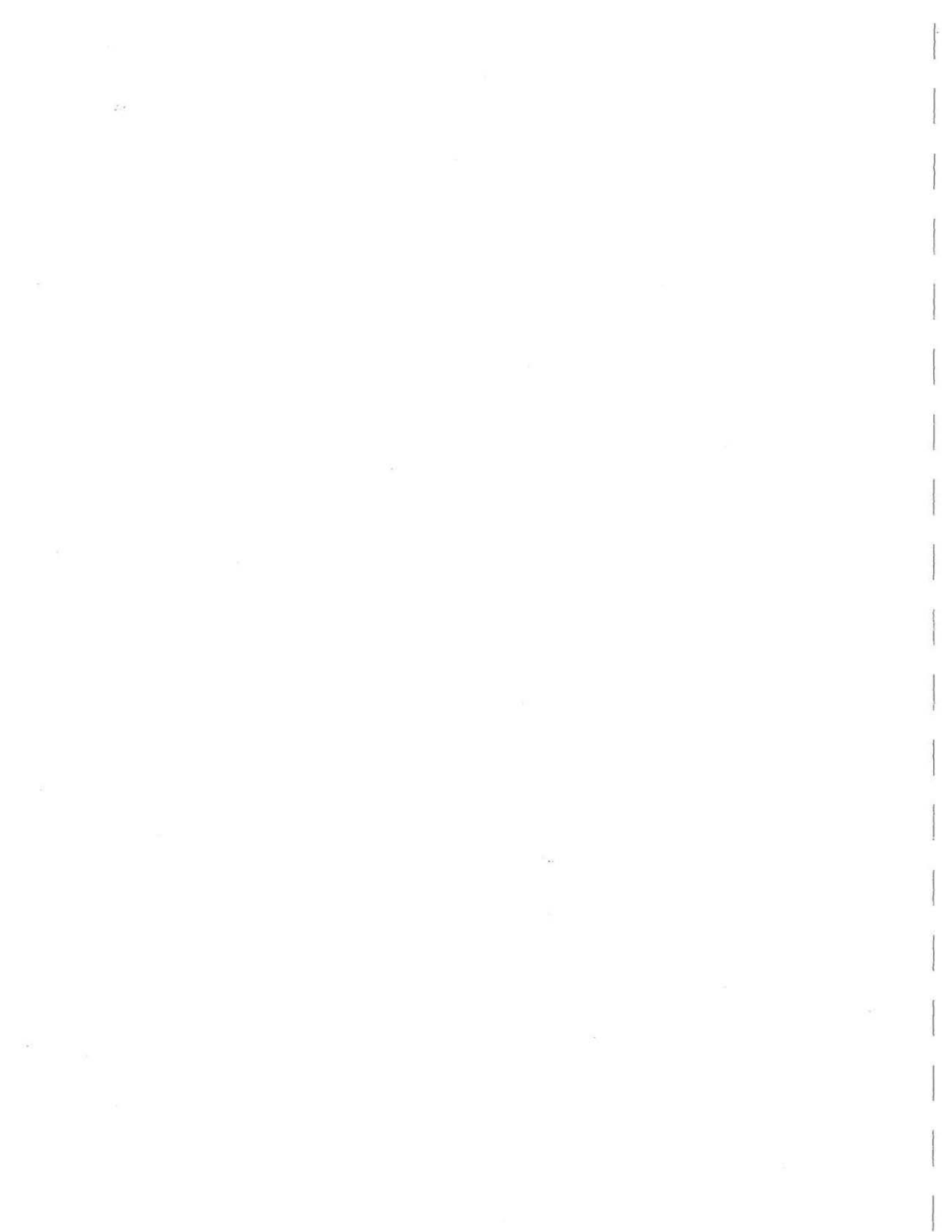
Richard S. Ladner Scholarship Fund

Sugg Middle School Trust Fund

Summer Camp

Thompson Memorial Fund

Walter Huston Memorial Scholarship



TOWN OF LISBON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 58,914	117,743	176,657
Accounts receivable, net of \$28,000 allowance	350,398	-	350,398
Inventory	26,285	-	26,285
Due from other governments	11,358	-	11,358
Interfund loans receivable	142,296	-	142,296
Total assets	\$ 589,251	117,743	706,994
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund loans payable	45,199	-	45,199
Accrued payroll	17,735	-	17,735
Accounts payable	476	-	476
Total liabilities	63,410	-	63,410
Fund balances:			
Reserved for:			
Inventory	26,285	-	26,285
Nonexpendable trust principal	-	27,830	27,830
Unreserved, reported in:			
Special revenues - designated	55,000	-	55,000
Special revenues - undesignated	444,556	-	444,556
Permanent Funds	-	89,913	89,913
Total fund balances	525,841	117,743	643,584
Total liabilities and fund balances	\$ 589,251	117,743	706,994

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2008

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental revenue	\$ 1,363,779	-	1,363,779
User fees - all sewer	1,033,468	-	1,033,468
Charges for services	210,651	-	210,651
Investment income and other	39,105	13,439	52,544
Total revenues	2,647,003	13,439	2,660,442
Expenditures:			
Current:			
Public works	1,060,212	-	1,060,212
Public services	434,103	-	434,103
Education	708,237	-	708,237
Food service	278,689	-	278,689
Unclassified	-	4,345	4,345
Total expenditures	2,481,241	4,345	2,485,586
Excess (deficiency) of revenues over (under) expenditures	165,762	9,094	174,856
Other financing sources (uses):			
Transfer from other funds	(155,000)	-	(155,000)
Total other financing sources (uses)	(155,000)	-	(155,000)
Net change in fund balances	10,762	9,094	19,856
Fund balances, beginning of year	515,079	108,649	623,728
Fund balances, end of year	\$ 525,841	117,743	643,584

TOWN OF LISBON, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	Treatment Plant Fund	Tax Increment Financing	Recreation Land Use	Sewer Assessment	DARE Program	School Nutrition Program	School Capital Fund	School Federal and Other programs	Totals
ASSETS									
Cash and cash equivalents	\$ -	-	21,317	-	10,414	-	27,183	-	58,914
Accounts receivable, net of \$28,000 allowance in Treatment Plant	326,171	-	-	24,227	-	-	-	-	350,398
Inventory	-	-	-	-	-	26,285	-	-	26,285
Due from other governments	-	-	-	-	-	10,976	-	382	11,358
Interfund loans receivable	-	-	-	8,122	-	39,531	-	94,643	142,296
Total assets	\$ 326,171	-	21,317	32,349	10,414	76,792	27,183	95,025	589,251
LIABILITIES AND FUND BALANCES									
Liabilities:									
Interfund loans payable	45,199	-	-	-	-	-	-	-	45,199
Accrued payroll	-	-	-	-	-	-	-	17,735	17,735
Accounts payable and accrued expenses	-	-	-	-	-	-	-	476	476
Total liabilities	45,199	-	-	-	-	-	-	18,211	63,410
Fund balances:									
Reserved for inventory	-	-	-	-	-	26,285	-	-	26,285
Unreserved:									
Designated	55,000	-	-	-	-	-	-	-	55,000
Unreserved, undesignated	225,972	-	21,317	32,349	10,414	50,507	27,183	76,814	444,556
Total fund balances	280,972	-	21,317	32,349	10,414	76,792	27,183	76,814	525,841
Total liabilities and fund balances	\$ 326,171	-	21,317	32,349	10,414	76,792	27,183	95,025	589,251

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2008

	Treatment Plant Fund	Tax Increment Financing	Recreation Land Use	Sewer Assessment	DARE Program	School Nutrition Program	School Capital Fund	School Federal and Other programs	Totals
Revenues:									
Intergovernmental revenue	\$ -	416,570	-	-	-	228,981	-	718,228	1,363,779
User fees - all sewer	1,033,468	-	-	-	-	-	-	-	1,033,468
Charges for services	-	-	-	-	-	210,651	-	-	210,651
Investment income and other	-	-	2,410	-	2,871	-	828	32,996	39,105
Total revenues	1,033,468	416,570	2,410	-	2,871	439,632	828	751,224	2,647,003
Expenditures:									
Current:									
Public works	1,060,212	-	-	-	-	-	-	-	1,060,212
Public services	-	416,570	5,200	2,250	10,083	-	-	-	434,103
Education	-	-	-	-	-	-	-	708,237	708,237
Food service	-	-	-	-	-	278,689	-	-	278,689
Total expenditures	1,060,212	416,570	5,200	2,250	10,083	278,689	-	708,237	2,481,241
Excess (deficiency) of revenues over (under) expenditures	(26,744)	-	(2,790)	(2,250)	(7,212)	160,943	828	42,987	165,762
Other financing sources (uses):									
Transfer to (from) other funds	-	-	-	-	-	(155,000)	-	-	(155,000)
Total other financing sources (uses)	-	-	-	-	-	(155,000)	-	-	(155,000)
Net change in fund balances	(26,744)	-	(2,790)	(2,250)	(7,212)	5,943	828	42,987	10,762
Fund balances, beginning of year	307,716	-	24,107	34,599	17,626	70,849	26,355	33,827	515,079
Fund balances, end of year	\$ 280,972	-	21,317	32,349	10,414	76,792	27,183	76,814	525,841

TOWN OF LISBON, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2008

	Cash	Total assets	Principal	Unexpended income	Total fund balances
Permanent funds:					
Potter Patten Cemetery	\$ 379	379	75	304	379
Maine Research Company Charity Fund	2,667	2,667	630	2,037	2,667
Kevin Curtis Memorial Scholarship	762	762	-	762	762
Arther Barron	616	616	-	616	616
Blanche M. Jalbert Fund	5,518	5,518	1,795	3,723	5,518
Class of 1941 Scholarship Fund	314	314	-	314	314
Dunton Memorial	3,906	3,906	700	3,206	3,906
Earl Higgins Memorial	5,012	5,012	3,281	1,731	5,012
Edna D. Purington Memorial Scholarship Award	1,587	1,587	1,135	452	1,587
Farmer	5,880	5,880	-	5,880	5,880
Frank Wimmer Trust	6,721	6,721	-	6,721	6,721
John Goldrup Memorial Scholarship Fund	-	-	-	-	-
Leon E. Bard, Sr. Memorial Music Scholarship Award	2,771	2,771	1,572	1,199	2,771
Lisbon High School Memorial Library Fund	8,446	8,446	876	7,570	8,446
Marion T. Morse Secretarial Award	1,631	1,631	1,000	631	1,631
Mark Adam Cielinski Memorial Scholarship Fund	2,644	2,644	2,181	463	2,644
Maude Frow Fund	4,670	4,670	1,000	3,670	4,670
Michael F. Strout Memorial Scholarship Fund	4,905	4,905	3,200	1,705	4,905
Richard S. Ladner Scholarship Fund	6,017	6,017	4,909	1,108	6,017
Sugg Middle School Trust Fund	9,223	9,223	3,845	5,378	9,223
Summer camp	171	171	-	171	171
Thompson Memorial Fund	3,074	3,074	1,631	1,443	3,074
Walter Huston Memorial Scholarship	40,829	40,829	-	40,829	40,829
Total permanent funds	\$ 117,743	117,743	27,830	89,913	117,743

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2008

	Fund balances, beginning of year		Interest earned	Contributions and other receipts	Disbursements	Fund balances, end of year	
	Principal	Unexpended income				Principal	Unexpended income
Permanent funds:							
Potter Patten Cemetery	\$ 75	303	1	-	-	75	304
Maine Research Company Charity Fund	630	2,032	5	-	-	630	2,037
Kevin Curtis Memorial Scholarship	-	-	2	760	-	-	762
Arther Barron	-	-	1	615	-	-	616
Blanche M. Jalbert Fund	1,795	3,552	319	-	148	1,795	3,723
Class of 1941 Scholarship Fund	-	122	2	390	200	-	314
Dunton Memorial	700	3,222	184	-	200	700	3,206
Earl Higgins Memorial	3,281	1,846	35	-	150	3,281	1,731
Edna D. Purington Memorial Scholarship Award	1,135	108	105	341	102	1,135	452
Farmer	-	-	52	5,828	-	-	5,880
Frank Wimmer Trust	-	4,759	38	1,924	-	-	6,721
John Goldrup Memorial Scholarship Fund	2,226	(1,724)	-	-	502	-	-
Leon E. Bard, Sr. Memorial Music Scholarship Award	1,572	1,196	103	-	100	1,572	1,199
Lisbon High School Memorial Library Fund	876	7,315	255	-	-	876	7,570
Marion T. Morse Secretarial Award	1,000	720	11	-	100	1,000	631
Mark Adam Cielinski Memorial Scholarship Fund	2,181	364	99	-	-	2,181	463
Maude Frow Fund	1,000	3,507	316	-	153	1,000	3,670
Michael F. Strout Memorial Scholarship Fund	3,200	1,704	101	-	100	3,200	1,705
Richard S. Ladner Scholarship Fund	4,909	1,103	495	-	490	4,909	1,108
Sugg Middle School Trust Fund	3,845	4,993	385	-	-	3,845	5,378
Summer camp	-	270	1	-	100	-	171
Thompson Memorial Fund	1,631	1,330	113	-	-	1,631	1,443
Walter Huston Memorial Scholarship	-	41,871	958	-	2,000	-	40,829
Total permanent funds	\$ 30,056	78,593	3,581	9,858	4,345	27,830	89,913