

TOWN OF LISBON, MAINE

Annual Financial Report

**For The Fiscal Year Ended
June 30, 2010**

TOWN OF LISBON, MAINE
Annual Financial Report
Year ended June 30, 2010

Table of Contents

	<u>Page(s)</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-8
	<u>Statements</u>
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	1 11
Statement of Activities	2 12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	3 13
Statement of Revenues, Expenditures and Changes in Fund	
Balances - Governmental Funds	4 14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund	
Balances of Governmental Funds to the Statement of Activities	5 15
Statement of Revenues, Expenditures, and Changes in Fund Balance -	
Budget and Actual - General Fund	6 16
Statement of Fiduciary Net Assets - Fiduciary Funds	7 17
Notes to Financial Statements	18-32
	<u>Exhibits</u>
Combining and Individual Fund Statements and Schedules:	
General Fund:	
Comparative Balance Sheet	A-1 35
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual - Budgetary Basis	A-2 36-39
Nonmajor Governmental Funds:	
Combining Balance Sheet	B-1 43
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances	B-2 44
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	C-1 45
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances	C-2 46
Nonmajor Permanent Funds:	
Combining Balance Sheet	D-1 47
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances	D-2 48

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, 2010 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, 2010, 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 28).

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, 2010, and 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 October 19, 2010, 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 nonmajor 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 nonmajor 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.

October 19, 2010
South Portland, Maine

BASIC FINANCIAL STATEMENTS

TOWN OF LISBON, MAINE
Management's Discussion and Analysis
June 30, 2010

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, 2010.

Financial Highlights

- The assets of the Town of \$36,292,885 exceeded its liabilities at the close of the most recent fiscal year by \$18,746,989. Of this amount, \$3,474,764 may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town of Lisbon's total net assets decreased by \$1,249,405 primarily due to expenses exceeding revenues 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 \$4,781,361, a decrease of \$995,462 in comparison with the prior year. This was due to the use of fund balance.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$1,167,063 for the Town, and \$244,854 for the School Department.
- The Town of Lisbon incurred \$909,273 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 nine 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 seven 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 \$18,746,989 at the close of the most recent fiscal year.

		Governmental Activities			
		2010	2009	2008	2007
Assets:					
	Current and other assets	\$ 7,873,864	7,786,282	6,216,639	6,515,661
	Capital assets	28,419,021	28,998,631	29,583,035	30,707,309
	Total assets	36,292,885	36,784,913	35,799,674	37,222,970
Liabilities:					
	Long-term liabilities outstanding	14,841,838	15,081,941	15,311,248	16,386,549
	Other liabilities	2,704,058	1,623,187	1,279,645	1,246,476
	Total liabilities	17,545,896	16,705,128	16,590,893	17,633,025
Net assets:					
	Invested in capital assets, net of related debt	15,245,076	15,227,545	14,271,787	14,320,760
	Restricted	27,149	29,330	54,115	56,411
	Unrestricted	3,474,764	4,822,909	4,882,879	5,212,774
	Total net assets	\$ 18,746,989	20,079,784	19,208,781	19,589,945

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

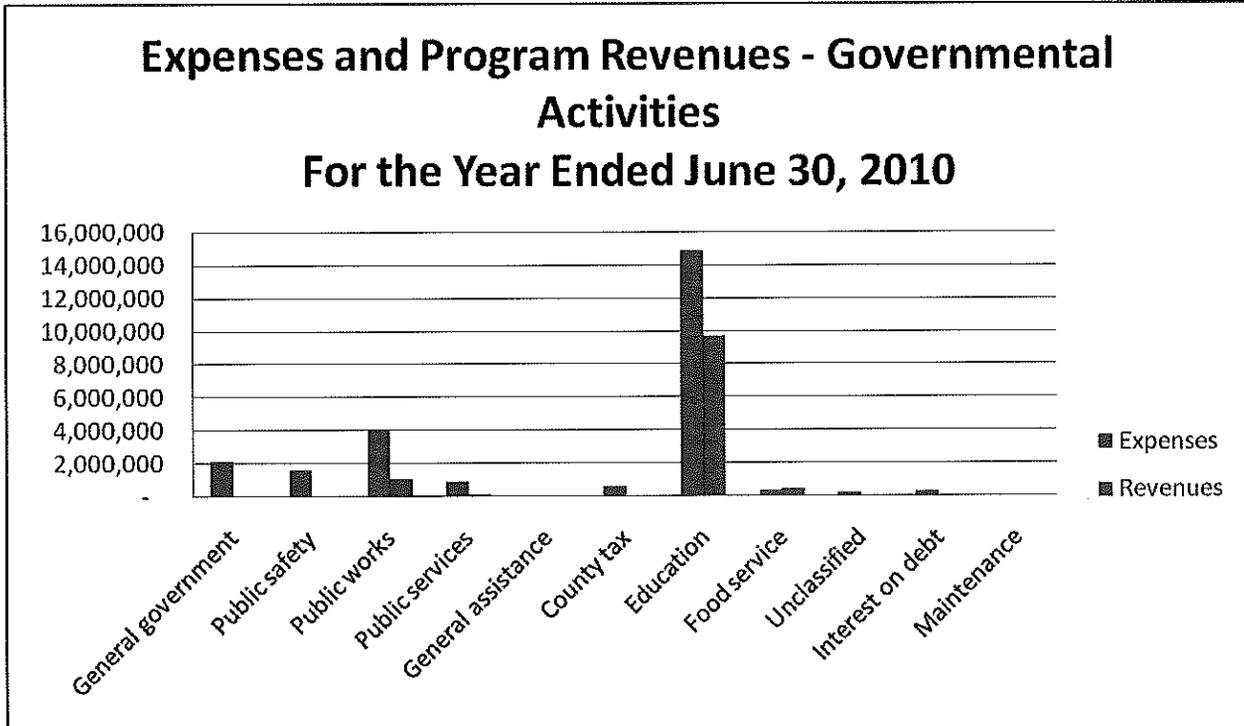
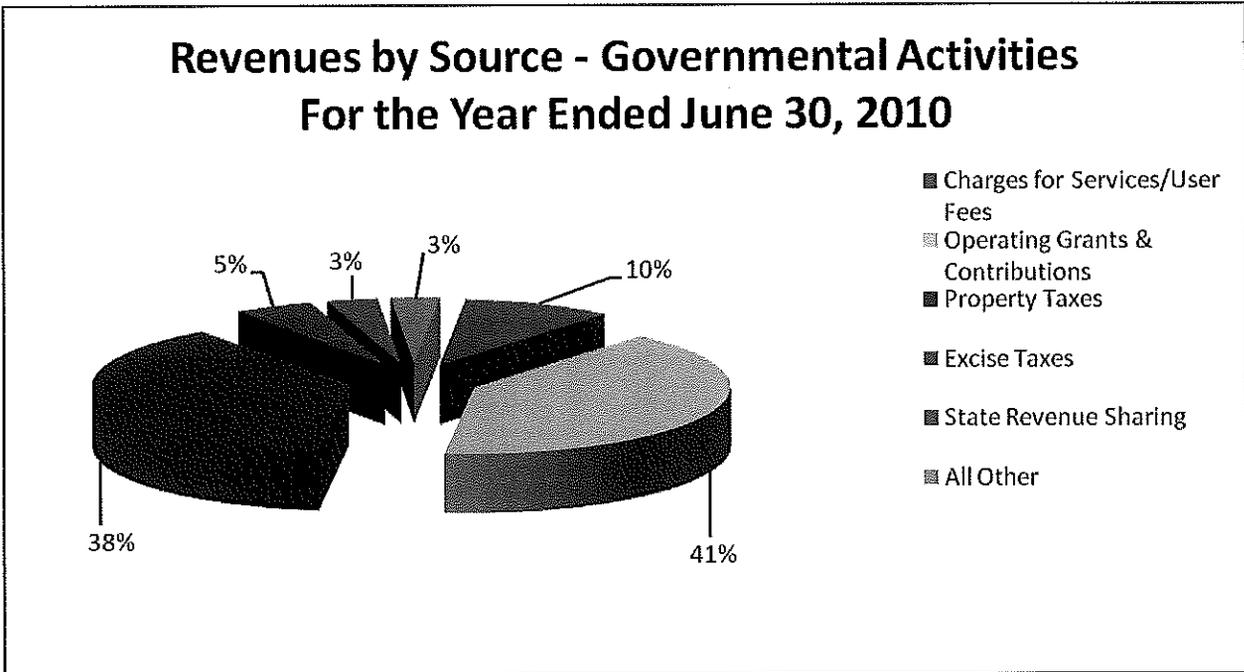
By far, the largest portion of the Town's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The largest portion of capital assets is the Town's roadways, buildings and 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 2010	Governmental Activities 2009	Governmental Activities 2008	Governmental Activities 2007
Revenues:					
Program Revenues:					
	Charges for services	2,236,987	2,172,056	1,756,303	1,710,030
	Operating grants and contributions	9,635,525	11,170,530	12,066,907	9,606,802
General Revenues:					
	Property taxes	9,080,016	8,908,186	8,436,493	8,374,646
	Motor vehicle excise taxes	1,193,331	1,211,212	1,331,167	1,319,157
	Other State aid	463,709	512,278	164,691	216,304
	State Revenue Sharing	754,944	970,408	1,098,220	998,434
	Unrestricted investment earnings	57,695	97,491	220,679	322,321
	Miscellaneous	214,352	446,418	895,341	595,738
	Total revenues	23,636,559	25,488,579	25,969,801	23,143,432
Expenses:					
	General government	2,103,627	1,985,405	1,951,320	1,826,459
	Public safety	1,585,473	1,447,640	1,548,997	1,294,160
	Public works	4,036,900	3,232,554	3,328,825	2,677,560
	Public services	867,813	882,789	921,278	1,059,933
	General assistance	32,043	33,936	50,619	55,875
	County tax	570,792	565,433	547,555	514,674
	Education	14,874,533	15,366,707	15,702,759	14,042,448
	Food service	327,403	328,470	582,083	599,036
	Unclassified	172,993	133,473	291,465	106,838
	Interest on debt	277,055	109,080	493,778	622,284
	Capital maintenance expenses	37,332	357,353	18,245	410,717
	Total expenditures	24,885,964	24,442,840	25,436,924	23,209,984
	Change in net assets	(1,249,405)	1,045,739	532,877	(66,552)
	Net assets, beginning, as restated	19,996,394	19,034,044	18,675,904	19,656,497
	Net assets, ending	18,746,989	20,079,783	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 \$4,781,361. Approximately 86 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 \$2,899,006, while total fund balance reached \$3,172,396. 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 \$880,447 during the current fiscal year. However, if looking at the individual components, the Town's portion decreased by \$534,278 and the School Department's component decreased by \$346,169. These changes are a result of State Revenue Sharing coming in \$245,056 under budget, Public works – snow removal coming in \$31,440 over budget, Abatements coming in \$53,601 over budget and School expenditures being \$48,390 over budget.

Capital Asset and Debt Administration

Capital assets. The Town's new investment in capital assets for its governmental activities as of June 30, 2010, amounted to \$924,358.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$13,983,478. 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 an increase in the Town's total assessed value.
- Excise tax revenue has increased.
- State Revenue Sharing has been declining and continues to decline.

The Town's tax rate for the 2010-2011 fiscal year decreased 3.9 mils. The Town is watching the State budget situation, and continues to be concerned about 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.

TOWN OF LISBON, MAINE
Statement of Net Assets
June 30, 2010

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 6,294,431
Receivables:	
Accounts, net of allowance \$28,000	330,812
Intergovernmental	17,487
Taxes receivable	209,002
Tax liens	403,839
Notes, net of allowance \$25,000	589,703
Inventory	28,590
Capital assets not being depreciated	1,048,575
Capital assets being depreciated, net	27,370,446
Total assets	36,292,885
LIABILITIES	
Accounts payable and other current liabilities	1,356,545
Accrued interest	200,318
Accrued payroll	1,147,195
Noncurrent liabilities:	
Due within one year	1,153,399
Due in more than one year	13,688,439
Total liabilities	17,545,896
NET ASSETS	
Invested in capital assets, net of related debt	15,245,076
Restricted for:	
Nonexpendable trust principal	27,149
Unrestricted	3,474,764
Total net assets	\$ 18,746,989

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Statement of Activities
For the year ended June 30, 2010

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net assets
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities
Governmental activities:					
General government	\$ 2,103,627	-	-	-	(2,103,627)
Public safety	1,585,473	7,404	-	-	(1,578,069)
Public works/treatment plant	4,036,900	1,112,696	-	-	(2,924,204)
Public services and payments	867,813	532,654	-	-	(335,159)
General assistance	32,043	-	8	-	(32,035)
County tax	570,792	-	-	-	(570,792)
Education	14,874,533	92,278	9,635,517	-	(5,146,738)
Food service	327,403	491,955	-	-	164,552
Unclassified	172,993	-	-	-	(172,993)
Interest on debt	277,055	-	-	-	(277,055)
Capital maintenance expenses	37,332	-	-	-	(37,332)
Total governmental activities	24,885,964	2,236,987	9,635,525	-	(13,013,452)
General revenues:					
Property taxes, levied for general purposes					9,080,016
Motor vehicle excise taxes					1,193,331
Other state aid					463,709
State Revenue Sharing					754,944
Unrestricted investment earnings					57,695
Miscellaneous					214,352
Total general revenues					11,764,047
Change in net assets					(1,249,405)
Net assets - beginning, as restated					19,996,394
Net assets - ending					\$ 18,746,989

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Balance Sheet
Governmental Funds
June 30, 2010

	General	Loan Program Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,403,195	687,716	203,520	6,294,431
Receivables:				
Accounts, net of allowance	17,703	-	313,109	330,812
Intergovernmental	7,837	-	9,650	17,487
Taxes receivable - prior years	170,772	-	-	170,772
Taxes receivable - current year	38,230	-	-	38,230
Tax liens	403,839	-	-	403,839
Notes, net of allowance of \$25,000, loan program	273,390	316,313	-	589,703
Interfund loans receivable	66,165	-	141,185	207,350
Inventory	-	-	28,590	28,590
Total assets	\$ 6,381,131	1,004,029	696,054	8,081,214
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	1,340,524	-	16,021	1,356,545
Accrued payroll	1,138,263	-	8,932	1,147,195
Interfund loans payable	141,185	7,774	58,391	207,350
Deferred revenues	588,763	-	-	588,763
Total liabilities	3,208,735	7,774	83,344	3,299,853
Fund balances:				
Reserved for:				
Noncurrent receivables	273,390	316,313	-	589,703
Nonexpendable trust principal	-	-	27,149	27,149
Inventory	-	-	28,590	28,590
Unreserved, reported in:				
Designated - Town	1,141,492	-	-	1,141,492
Designated - School	345,597	-	-	345,597
General fund:				
Undesignated - School	244,854	-	-	244,854
Undesignated - Town	1,167,063	-	-	1,167,063
Special revenue funds	-	679,942	427,466	1,107,408
Permanent funds	-	-	129,505	129,505
Total fund balances	3,172,396	996,255	612,710	4,781,361
Total liabilities and fund balances	\$ 6,381,131	1,004,029	696,054	

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.	28,419,021
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	588,763
Accrued interest not recorded in the funds.	(200,318)
Accrued compensated absences not recorded in the funds.	(616,132)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	(14,225,706)

Net assets of governmental activities **18,746,989**

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, 2010

	General	Loan Program Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 10,361,984	-	406,995	10,768,979
Licenses and permits	31,197	-	-	31,197
Intergovernmental	9,918,238	-	935,940	10,854,178
Charges for services	118,762	-	1,480,111	1,598,873
Other	274,648	27,061	67,131	368,840
Total revenues	20,704,829	27,061	2,890,177	23,622,067
Expenditures:				
Current:				
General government	1,976,821	-	-	1,976,821
Public safety	1,452,765	-	-	1,452,765
Public works	2,473,765	-	947,861	3,421,626
Public services and payments	417,541	-	450,272	867,813
General assistance	32,043	-	-	32,043
County tax	570,792	-	-	570,792
Education	13,284,321	-	954,581	14,238,902
Food service	-	-	327,403	327,403
Unclassified	61,601	113,746	-	175,347
Capital outlay	961,690	-	-	961,690
Debt service (includes education debt service)	1,418,210	-	-	1,418,210
Total expenditures	22,649,549	113,746	2,680,117	25,443,412
Excess (deficiency) of revenues over (under) expenditures	(1,944,720)	(86,685)	210,060	(1,821,345)
Other financing sources (uses):				
Proceeds from capital leases	69,273	-	-	69,273
Transfers from (to) other funds	155,000	-	(155,000)	-
Bond proceeds	840,000	-	-	840,000
Total other financing sources (uses)	1,064,273	-	(155,000)	909,273
Net change in fund balances	(880,447)	(86,685)	55,060	(912,072)
Fund balances, beginning of year	4,052,843	1,082,940	557,650	5,693,433
Fund balances, end of year	\$ 3,172,396	996,255	612,710	4,781,361

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, 2010

Net change in fund balances - total governmental funds (from Statement 4)	\$	(912,072)
---	----	-----------

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 (\$1,503,968) in the current exceeded capital outlay (\$924,358).		(579,610)
---	--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		14,492
--	--	--------

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.		139,797
---	--	---------

Change in accrued compensated absences reported as expenses in the statement of activities when earned.		(4,097)
---	--	---------

Change in accrued interest which is reported as an expense in the statement of activities when incurred.		(12,318)
--	--	----------

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 (\$944,403) in excess of the proceeds from new debt (\$840,000).		104,403
--	--	---------

Change in net assets of governmental activities (see Statement 2)	\$	(1,249,405)
--	-----------	--------------------

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, 2010

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 9,758,229	9,758,229	10,361,984	603,755
Licenses and permits	25,000	25,000	31,197	6,197
Intergovernmental	10,112,952	10,112,952	9,918,238	(194,714)
Charges for services	75,006	75,006	118,762	43,756
Investment income	45,000	45,000	24,449	(20,551)
Other	202,200	202,200	250,199	47,999
Total revenues	20,218,387	20,218,387	20,704,829	486,442
Expenditures:				
Current:				
General government	1,995,088	1,995,088	1,976,821	18,267
Public safety	1,564,278	1,564,278	1,452,765	111,513
Public works	2,836,102	2,836,102	2,473,765	362,337
Public services	470,665	470,665	417,541	53,124
General assistance	42,114	42,114	32,043	10,071
County tax	570,792	570,792	570,792	-
Education	14,356,349	14,356,349	14,404,739	(48,390)
Unclassified	8,000	8,000	61,601	(53,601)
Capital outlay	1,313,252	1,313,252	892,417	420,835
Debt service - Town	298,345	298,345	297,792	553
Total expenditures	23,454,985	23,454,985	22,580,276	874,709
Excess (deficiency) of revenues over (under) expenditures	(3,236,598)	(3,236,598)	(1,875,447)	1,361,151
Other financing sources (uses):				
Use of fund balances	2,231,598	2,231,598	-	(2,231,598)
Transfers from (to) other funds	165,000	165,000	155,000	(10,000)
Bond proceeds	840,000	840,000	840,000	-
Total other financing sources (uses)	3,236,598	3,236,598	995,000	(2,241,598)
Net change in fund balance	-	-	(880,447)	(880,447)
Fund balance, beginning of year, as restated			4,052,843	
Fund balance, end of year	\$		3,172,396	

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Agency Funds	
	Water Department Bond Fund	Student Activity Funds
ASSETS		
Cash	\$ 951,329	99,849
Total assets	951,329	99,849
LIABILITIES		
Amounts held for other groups	951,329	99,849
Total liabilities	\$ 951,329	99,849

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.

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* 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 the Water Department Bond Funds, which is a fund of the Town, and the 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.

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 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 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.

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

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At June 30, 2010, deposits and investments have been reported as "cash and cash equivalents" as follows:

Reported in governmental funds	\$ 6,294,431
Reported in fiduciary funds	1,051,178
Total deposits and investments	\$ 7,345,609

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, 2010, the Town had deposits of \$6,432,283 with a bank balance of \$7,336,112. 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.

In addition to the above, at June 30, 2010, the Town had two cash management accounts totaling \$916,350. These accounts are 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, 2010, 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 \$916,350 investment in repurchase agreements (sweep accounts), 100% was collateralized by a stand by letter of credit totaling \$5,500,000.

A. 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	\$ 209,002	-	-	209,002
Liens	403,839	-	-	403,839
Accounts	17,703	-	313,109	330,812
Intergovernmental	7,837	-	9,650	17,487
Notes	273,390	316,313	-	589,703
Net total receivables	\$ 911,771	316,313	322,759	1,550,843

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

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>
Total deferred revenue for governmental funds	\$ 588,763

C. Property Tax

Property taxes for the current year were committed on August 17, 2009 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, 2010 was based, was \$371,980,736. The assessed value was 56% 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 \$367,487 for the year ended June 30, 2010.

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 2010 and 2009 levies:

	<u>2010</u>	<u>2009</u>
Assessed value	\$ 371,980,736	372,752,560
Tax rate (per \$1,000)	25.50	25.50
Commitment	9,485,509	9,505,200
Supplemental taxes assessed	11,631	3,720
Total levy	9,497,140	9,508,920
Less: abatements	61,601	8,382
Less: collections	9,125,136	9,054,775
Receivable at end of year	310,403	445,763
Add: Prior taxes and liens receivable	302,438	180,052
<u>Total taxes / liens receivable</u>	<u>\$ 612,841</u>	<u>625,815</u>

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

C. Property Tax, Continued

Due date(s)	½ September 15, 2009 ½ March 15, 2010	½ September 15, 2008 ½ March 15, 2009
Interest rate on delinquent taxes	7%	9%
Collection rate	96%	95%

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 2009-2010 amounted to \$406,995 and has been reflected as revenue and expenditures in the TIF special revenue fund.

D. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance June 30, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2010</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	24,921,083	84,448	-	25,005,531
Equipment and vehicles	6,785,129	188,447	-	6,973,576
Infrastructure	20,935,581	651,463	-	21,587,044
Total capital assets being depreciated	52,641,793	924,358	-	53,566,151
Less accumulated depreciation for:				
Buildings	10,678,914	619,646	-	11,298,560
Equipment and vehicles	3,095,287	447,721	-	3,543,008
Infrastructure	10,917,536	436,601	-	11,354,137
Total accumulated depreciation	24,691,737	1,503,968	-	26,195,705
Total capital assets being depreciated, net	27,950,056	(579,610)	-	27,370,446
Governmental activities capital assets, net	\$ 28,998,631	(579,610)	-	28,419,021

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

Governmental activities:	
General government	\$ 126,806
Education	629,180
Public safety	132,708
<u>Public works, including depreciation of general infrastructure assets:</u>	<u>615,274</u>
Total depreciation expense – governmental activities	\$ 1,503,968

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, 2010, these balances were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>
<u>General Fund</u>	<u>\$ 66,165</u>	<u>141,185</u>
<u>Loan programs</u>	<u>-</u>	<u>7,774</u>
Nonmajor Governmental Funds:		
Dare Program	2,747	-
School Nutrition	33,321	-
School Federal and other programs	105,117	-
Treatment Plant	-	58,391
Recreational Land Use	-	-
Permanent Funds	-	-
<u>Total Nonmajor Governmental Funds</u>	<u>141,185</u>	<u>58,391</u>
<u>Totals</u>	<u>\$ 207,350</u>	<u>207,350</u>

Individual fund transfers for the year ended June 30, 2010 were as follows:

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

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, 2010 amounted to \$36,895. There are no future minimum rents due under this contract.

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 lease as of June 30, 2010:

School buses	\$ 74,105
Trucks (Town)	142,799
Cruisers (Town)	76,595
Other School equipment	89,471
Other Town equipment	52,737

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, 2010:

Fiscal year <u>June 30,</u>	<u>School</u>	<u>Town</u>	<u>Total</u>
2011	\$ 45,965	66,252	112,217
2012	20,296	60,794	81,090
2013	20,296	15,215	35,511
2014	20,296	7,071	27,367
<u>2015</u>	<u>-</u>	<u>7,071</u>	<u>7,071</u>
Total minimum lease payments	106,853	156,403	263,256
Less: amount representing interest	(9,104)	(11,924)	(21,028)
Present value of future minimum lease payments	<u>\$ 97,749</u>	<u>144,479</u>	<u>242,228</u>

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 and the Treatment Plant 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:				
1990 Sewer Refunding Bond (2)	March 1990	Nov. 2010	0.00%	\$ 15,780
1998 Intermediary relending loan	July 2000	July 2026	1.00%	330,251
2002 Capital Improvement (original issue \$1,330,000)	Oct. 2002	Nov. 2012	2.50-3.45%	440,451
2004 Town Bond (original issue \$12,899,710)	May 2004	Nov. 2024	4.41%	9,674,785
2005 Town Bond (original issue \$368,000)	May 2005	Nov. 2020	1.50-3.70%	294,356
2005 Sewer Bond (original issue \$350,000)	Aug. 2004	Apr. 2024	1.93%	245,000
2005 Sewer Bond (original issue \$500,000)	Oct. 2005	Oct. 2025	1.43%	400,000
2006 Town Bond (original issue \$540,000)	Oct. 2006	Nov. 2021	1.8-6.25%	432,000
2009 Town Bond (original issue \$1,310,855)	May 2009	Nov. 2019	2.08-5.58%	1,310,855
2010 Town Bond (original issue 840,000)	May 2010	Nov. 2030	2.06-5.56%	840,000
Total bonds and notes payable (1)				\$ 13,983,478

(1) The Town also issued three bonds during 2005, 2006 and 2010 in the amounts of \$3,000,000, \$393,000, and \$1,200,000 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, 2010 are \$2,320,336, \$314,400 and \$1,200,000, respectively.

(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.

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>
2011	\$ 1,051,923	531,016	1,582,939
2012	1,084,023	479,683	1,563,706
2013	1,090,164	436,349	1,526,513
2014	939,469	400,467	1,339,936
2015	940,651	358,947	1,299,598
2016-2020	4,723,014	1,238,819	5,961,833
2021-2025	3,835,476	427,174	4,262,650
2026-2030	276,758	19,848	296,606
2031	42,000	544	42,544
Totals	\$ 13,983,478	3,892,847	17,876,325

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, 2010, 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, 2010 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	\$ 14,087,881	840,000	944,403	13,983,478	1,051,923
Capital leases	382,025	69,273	209,070	242,228	101,476
Compensated absences	612,035	4,097	-	616,132	-
Total governmental activity					
long-term liabilities	\$ 15,081,941	913,370	1,153,473	14,841,838	1,153,399

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, 2010 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.

I. Fund Balances - Designated for Subsequent Years

Fund balances designated for subsequent years at June 30, 2010 consisted of the following:

Designated - Town:

Park revenue	\$ 2,630
Town buildings	8,500
Assessing	4,000
Economic development	11,945
Town clerk	10,016
Police	16,830
Fire	70,692
Town engineer	299,648
Solid waste	3,400
Parks department	18,472
Recreation department	19,862
General assistance	4,662
Bond issues	420,835
<u>2010-11 budget</u>	<u>250,000</u>
<u>Total designated – Town</u>	<u>1,141,492</u>

Designated School:

<u>2010-11 budget</u>	<u>345,597</u>
<u>Total General Fund designated - School</u>	<u>345,597</u>

Total designated fund balances **\$ 1,487,089**

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

Additionally, certain fund balances have been reserved as follows:

General Fund:	
Reserve for a long-term receivable	\$ 273,390
Permanent Fund:	
Nonexpendable principal	27,149
Special Revenue Fund:	
Loan Programs - noncurrent portion of loans receivable	316,313
School Nutrition Program:	
Inventory	28,590

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 carries commercial insurance. The Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2010.

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 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, 2010 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 \$57,379 at June 30, 2009, the latest date available.

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

IV. OTHER INFORMATION, CONTINUED

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 \$1,314,894 for the fiscal year 2010. 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 17.78% 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 and fund balance for the general fund as of June 30, 2009 has been restated to properly record accrued payroll. The restatement reduced the previously reported amounts by \$83,390.

D. Subsequent Event – Bond issuance

The school department for the Town of Lisbon signed bond closing documents on July 31, 2010 for a \$350,000 bond payable.

GENERAL FUND

TOWN OF LISBON, MAINE
General Fund
Comparative Balance Sheet
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	\$ 5,403,195	4,992,761
Receivables:		
Accounts	17,703	67,620
Intergovernmental	7,837	622
Taxes receivable - prior years	170,772	59,352
Taxes receivable - current year	38,230	115,378
Tax liens	403,839	451,085
Notes	273,390	280,459
Interfund loans receivable	66,165	171,131
Prepaid items	-	114,828
Total assets	6,381,131	6,253,235
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	1,340,524	341,670
Accrued payroll	1,138,263	1,062,252
Interfund loans payable	141,185	118,659
Deferred revenues	588,763	574,271
Taxes collected in advance	-	27,632
Total liabilities	3,208,735	2,124,483
Fund balance:		
Reserved for non-current note receivable	273,390	280,459
Unreserved:		
Designated - School	345,597	598,694
Designated - Town	1,141,492	1,762,691
Undesignated - School	244,854	337,926
Undesignated - Town	1,167,063	1,148,982
Total fund balance	3,172,396	4,128,752
Total liabilities and fund balance	\$ 6,381,131	6,253,235

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, 2010

	Town			School			2010 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Revenues:									
Taxes:									
Property taxes	\$ 3,721,018	4,082,005	360,987	4,998,011	4,998,011	-	8,719,029	9,080,016	360,987
Excise taxes	972,000	1,193,331	221,331	-	-	-	972,000	1,193,331	221,331
Registration fees	23,000	30,100	7,100	-	-	-	23,000	30,100	7,100
Interest and costs on taxes	44,200	58,537	14,337	-	-	-	44,200	58,537	14,337
Total taxes	4,760,218	5,363,973	603,755	4,998,011	4,998,011	-	9,758,229	10,361,984	603,755
Licenses and permits:									
Business permits and fees	3,000	5,697	2,697	-	-	-	3,000	5,697	2,697
All other construction fees	5,000	5,508	508	-	-	-	5,000	5,508	508
Town clerk	17,000	19,992	2,992	-	-	-	17,000	19,992	2,992
Total licenses and permits	25,000	31,197	6,197	-	-	-	25,000	31,197	6,197
Intergovernmental:									
Education subsidies	-	-	-	8,664,039	8,699,577	(35,538)	8,664,039	8,699,577	35,538
State revenue sharing	1,000,000	754,944	(245,056)	-	-	-	1,000,000	754,944	(245,056)
General assistance	15,000	8	(14,992)	-	-	-	15,000	8	(14,992)
Tree growth reimbursement	2,700	782	(1,918)	-	-	-	2,700	782	(1,918)
BETE reimbursement	84,444	84,458	14	-	-	-	84,444	84,458	14
Homestead reimbursement	184,115	184,115	-	-	-	-	184,115	184,115	-
Miscellaneous state aid	-	-	-	45,454	85,190	(39,736)	45,454	85,190	39,736
Urban rural incentive program	112,000	109,164	(2,836)	-	-	-	112,000	109,164	(2,836)
Veteran reimbursement	5,200	-	(5,200)	-	-	-	5,200	-	(5,200)
Total intergovernmental	1,403,459	1,133,471	(269,988)	8,709,493	8,784,767	(75,274)	10,112,952	9,918,238	(194,714)
Charges for services:									
Police - report fees, court fees	23,400	7,404	(15,996)	-	-	-	23,400	7,404	(15,996)
Animal control	36,668	19,080	(17,588)	-	-	-	36,668	19,080	(17,588)
School	-	-	-	14,938	92,278	(77,340)	14,938	92,278	77,340
Total charges for services	60,068	26,484	(33,584)	14,938	92,278	(77,340)	75,006	118,762	43,756
Investment income	45,000	24,449	(20,551)	-	-	-	45,000	24,449	(20,551)
Other revenues:									
MTM center	10,000	7,184	(2,816)	-	-	-	10,000	7,184	(2,816)
Recycling	100,000	124,540	24,540	-	-	-	100,000	124,540	24,540
Library	1,500	2,814	1,314	-	-	-	1,500	2,814	1,314
Recreation department	60,000	74,291	14,291	-	-	-	60,000	74,291	14,291
Other revenues	30,700	12,856	(17,844)	-	-	-	30,700	12,856	(17,844)
Total other revenues	202,200	221,685	19,485	28,514	28,514	(28,514)	202,200	250,199	47,999
Total revenues	6,495,945	6,801,259	305,314	13,722,442	13,903,570	(181,128)	20,218,387	20,704,829	486,442

TOWN OF LISBON, MAINE
General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued
For the year ended June 30, 2010

	Town			School			2010 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Expenditures:									
Current:									
General government:									
Elected officials	\$ 20,230	20,452	(222)	-	-	-	20,230	20,452	(222)
Town Manager	137,847	141,645	(3,798)	-	-	-	137,847	141,645	(3,798)
Insurance	621,441	620,608	833	-	-	-	621,441	620,608	833
Legal	34,000	65,399	(31,399)	-	-	-	34,000	65,399	(31,399)
Finance	125,701	125,503	198	-	-	-	125,701	125,503	198
Tax Collector	120,380	105,792	14,588	-	-	-	120,380	105,792	14,588
Town clerk	113,629	101,997	11,632	-	-	-	113,629	101,997	11,632
Assessing	77,290	86,149	(8,859)	-	-	-	77,290	86,149	(8,859)
Town buildings	274,134	281,350	(7,216)	-	-	-	274,134	281,350	(7,216)
Technology	132,272	122,433	9,839	-	-	-	132,272	122,433	9,839
Planning Board	10,206	15,628	(5,422)	-	-	-	10,206	15,628	(5,422)
Board of Appeals	1,150	939	211	-	-	-	1,150	939	211
Maine PERS	53,000	35,604	17,396	-	-	-	53,000	35,604	17,396
Social Security	215,000	206,527	8,473	-	-	-	215,000	206,527	8,473
Economic development	58,808	46,795	12,013	-	-	-	58,808	46,795	12,013
Total general government	1,995,088	1,976,821	18,267	-	-	-	1,995,088	1,976,821	18,267
Public safety:									
Police	1,162,446	1,106,889	55,557	-	-	-	1,162,446	1,106,889	55,557
Animal Control Officer	60,887	59,194	1,693	-	-	-	60,887	59,194	1,693
Fire	340,945	286,682	54,263	-	-	-	340,945	286,682	54,263
Total public safety	1,564,278	1,452,765	111,513	-	-	-	1,564,278	1,452,765	111,513
Public works:									
Public works	847,282	794,476	52,806	-	-	-	847,282	794,476	52,806
Snow removal	179,429	210,869	(31,440)	-	-	-	179,429	210,869	(31,440)
Hydrant rental	231,784	232,168	(384)	-	-	-	231,784	232,168	(384)
Street and traffic lights	103,775	102,778	997	-	-	-	103,775	102,778	997
Engineer	67,374	49,686	17,688	-	-	-	67,374	49,686	17,688
Solid waste	566,458	529,438	37,020	-	-	-	566,458	529,438	37,020
Androscoggin river trail	320,000	38,900	281,100	-	-	-	320,000	38,900	281,100
Rt. 9 water line	520,000	499,178	20,822	-	-	-	520,000	499,178	20,822
Special projects	-	16,272	(16,272)	-	-	-	-	16,272	(16,272)
Total public works	2,836,102	2,473,765	362,337	-	-	-	2,836,102	2,473,765	362,337
Public services:									
Health officer	10,514	9,738	776	-	-	-	10,514	9,738	776
Community services - senior citizens	30,750	27,709	3,041	-	-	-	30,750	27,709	3,041
Lisbon Falls Library	165,859	164,691	1,168	-	-	-	165,859	164,691	1,168
Miscellaneous Public Service	23,481	22,768	713	-	-	-	23,481	22,768	713
Conservation commission	575	496	79	-	-	-	575	496	79
Contingency and grant matches	10,000	5,000	5,000	-	-	-	10,000	5,000	5,000
Recreation Department	160,259	136,083	24,176	-	-	-	160,259	136,083	24,176
Parks Department	69,227	51,056	18,171	-	-	-	69,227	51,056	18,171
Total public services	470,665	417,541	53,124	-	-	-	470,665	417,541	53,124

TOWN OF LISBON, MAINE
General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued
For the year ended June 30, 2010

	Town			School			2010 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Expenditures, continued:									
Current, continued:									
General assistance	\$ 42,114	32,043	10,071	-	-	-	42,114	32,043	10,071
Intergovernmental - county tax	570,792	570,792	-	-	-	-	570,792	570,792	-
Education:									
Regular elementary	-	-	-	6,082,923	6,007,850	75,073	6,082,923	6,007,850	75,073
Special education	-	-	-	2,042,393	2,041,818	575	2,042,393	2,041,818	575
Other instruction	-	-	-	329,407	327,276	2,131	329,407	327,276	2,131
Student and support staff	-	-	-	1,010,289	1,005,437	4,852	1,010,289	1,005,437	4,852
System administration	-	-	-	384,124	380,046	4,078	384,124	380,046	4,078
School administration	-	-	-	775,906	768,018	7,888	775,906	768,018	7,888
Transportation	-	-	-	641,039	600,578	40,461	641,039	600,578	40,461
Facilities maintenance	-	-	-	1,519,483	1,561,323	(41,840)	1,519,483	1,561,323	(41,840)
Adult education	-	-	-	143,830	136,368	7,462	143,830	136,368	7,462
All other expenditures	-	-	-	306,537	306,536	1	306,537	306,536	1
Debt service	-	-	-	1,120,418	1,120,418	-	1,120,418	1,120,418	-
SFSP Basic (ARRA)	-	-	-	-	149,071	(149,071)	-	149,071	(149,071)
Total education	-	-	-	14,356,349	14,404,739	(48,390)	14,356,349	14,404,739	(48,390)
Unclassified:									
Tax abatements	8,000	61,601	(53,601)	-	-	-	8,000	61,601	(53,601)
Total unclassified	8,000	61,601	(53,601)	-	-	-	8,000	61,601	(53,601)
Debt service:									
Town	298,345	297,792	553	-	-	-	298,345	297,792	553
Total debt service	298,345	297,792	553	-	-	-	298,345	297,792	553
Capital outlays:									
Bonded items	1,313,252	892,417	420,835	-	-	-	1,313,252	892,417	420,835
Total capital outlays	1,313,252	892,417	420,835	-	-	-	1,313,252	892,417	420,835
Total expenditures	9,098,636	8,175,537	923,099	14,356,349	14,404,739	(48,390)	23,454,985	22,580,276	874,709
Excess (deficiency) of revenues over (under) expenditures	(2,602,691)	(1,374,278)	(617,785)	(633,907)	(501,169)	132,738	(3,236,598)	(1,875,447)	1,361,151

TOWN OF LISBON, MAINE
General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued
For the year ended June 30, 2010

	Town			School			2010 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Other financing sources (uses):									
Transfers in - nutrition programs	\$ -	-	-	165,000	155,000	10,000	165,000	155,000	(10,000)
Proceeds of Bond Issuance	840,000	840,000	-	-	-	-	840,000	840,000	-
Carryforward balances:									
All other	1,512,691	-	(1,512,691)	-	-	-	1,512,691	-	(1,512,691)
Budgeted use of surplus	250,000	-	(250,000)	468,907	-	468,907	718,907	-	(718,907)
Total other financing sources (uses)	2,602,691	840,000	(1,762,691)	633,907	155,000	478,907	3,236,598	995,000	(2,241,598)
Net change in fund balance	-	(534,278)	(534,278)	-	(346,169)	(346,169)	-	(880,447)	(880,447)
Fund balance, beginning of year, as restated		3,116,223		936,620			4,052,843		
Fund balance, end of year	\$	2,581,945		590,451			3,172,396		

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

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

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

Edna D. Purington Memorial Scholarship Award

Farmer

Frank Wimmer Trust

Peggy McGraw

Leon E. Bard Sr. Memorial Music Scholarship Award

Lisbon High School Memorial Library Fund

Marion T. Morse Secretarial Award

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, 2010

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 46,866	156,654	203,520
Accounts receivable, net of \$28,000 allowance	313,109	-	313,109
Inventory	28,590	-	28,590
Due from other governments	9,650	-	9,650
Interfund loans receivable	141,185	-	141,185
Total assets	\$ 539,400	156,654	696,054
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund loans payable	58,391	-	58,391
Accrued payroll	8,932	-	8,932
Accounts payable	16,021	-	16,021
Total liabilities	83,344	-	83,344
Fund balances:			
Reserved for:			
Inventory	28,590	-	28,590
Nonexpendable trust principal	-	27,149	27,149
Unreserved, reported in:			
Special revenues - undesignated	427,466	-	427,466
Permanent Funds	-	129,505	129,505
Total fund balances	456,056	156,654	612,710
Total liabilities and fund balances	\$ 539,400	156,654	696,054

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2010

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 406,995	-	406,995
Intergovernmental revenue	935,940	-	935,940
User fees	988,156	-	988,156
Charges for services	491,955	-	491,955
Investment income and other	33,246	33,885	67,131
Total revenues	2,856,292	33,885	2,890,177
Expenditures:			
Current:			
Public works	947,861	-	947,861
Public services	427,014	23,258	450,272
Education	954,581	-	954,581
Food service	327,403	-	327,403
Total expenditures	2,656,859	23,258	2,680,117
Excess (deficiency) of revenues over (under) expenditures	199,433	10,627	210,060
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	44,433	10,627	55,060
Fund balances, beginning of year	411,623	146,027	557,650
Fund balances, end of year	\$ 456,056	156,654	612,710

TOWN OF LISBON, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Treatment Plant	TIF fund	Recreation			DARE Program	School Nutrition Program	School Capital Fund	School		Totals
			Land Use						Federal and Other programs		
ASSETS											
Cash and cash equivalents	-	-	4,882	14,486	-	27,498	-	-	46,866		
Accounts receivable, net of \$28,000 allowance in Treatment Plant	313,109	-	-	-	-	-	-	-	313,109		
Inventory	-	-	-	-	28,590	-	-	-	28,590		
Due from other governments	-	-	-	-	9,650	-	-	-	9,650		
Interfund loans receivable	-	-	-	2,747	33,321	-	-	105,117	141,185		
Total assets	\$ 313,109	-	4,882	17,233	71,561	27,498	-	105,117	539,400		
LIABILITIES AND FUND BALANCES											
Liabilities:											
Interfund loans payable	58,391	-	-	-	-	-	-	-	58,391		
Accrued payroll	8,932	-	-	-	-	-	-	-	8,932		
Accounts payable and accrued expenses	15,768	-	-	-	212	-	-	41	16,021		
Total liabilities	83,091	-	-	-	212	-	-	41	83,344		
Fund balances:											
Reserved for inventory	-	-	-	-	28,590	-	-	-	28,590		
Unreserved:											
Designated	-	-	-	-	-	-	-	-	-		
Unreserved, undesignated	230,018	-	4,882	17,233	42,759	27,498	-	105,076	427,466		
Total fund balances	230,018	-	4,882	17,233	71,349	27,498	-	105,076	456,056		
Total liabilities and fund balances	\$ 313,109	-	4,882	17,233	71,561	27,498	-	105,117	539,400		

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2010

	Treatment Plant	TIF fund	Recreation		DARE Program	School Nutrition Program	School Capital Fund	School		Totals
			Land Use					Federal and	Other programs	
Revenues:										
Property tax revenue	\$ -	406,995	-	-	-	-	-	-	-	406,995
Intergovernmental revenue	-	-	-	-	-	-	-	935,940	-	935,940
User fees	988,156	-	-	-	-	-	-	-	-	988,156
Charges for services	-	-	-	-	-	491,955	-	-	-	491,955
Investment income and other	-	-	5	6,182	-	-	69	26,990	-	33,246
Total revenues	988,156	406,995	5	6,182	10,128	491,955	69	962,930	69	2,856,292
Expenditures:										
Current:										
Public works	947,861	-	-	-	-	-	-	-	-	947,861
Public services and payments	-	406,995	9,891	10,128	-	-	-	-	-	427,014
Education	-	-	-	-	-	-	-	954,581	-	954,581
Food service	-	-	-	-	-	327,403	-	-	-	327,403
Total expenditures	947,861	406,995	9,891	10,128	10,128	327,403	-	954,581	-	2,656,859
Excess (deficiency) of revenues over (under) expenditures	40,295	-	(9,886)	(3,946)	164,552	69	8,349	199,433		
Other financing sources (uses):										
Transfer to (from) other funds	-	-	-	-	(155,000)	-	-	(155,000)		(155,000)
Total other financing sources (uses)	-	-	-	-	(155,000)	-	-	(155,000)	-	(155,000)
Net change in fund balances	40,295	-	(9,886)	(3,946)	9,552	69	8,349	44,433		
Fund balances, beginning of year	189,723	-	14,768	21,179	61,797	27,429	96,727	411,623		
Fund balances, end of year	\$ 230,018	-	4,882	17,233	71,349	27,498	105,076	456,056		

TOWN OF LISBON, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2010

	Cash	Total assets	Due To General	Total Liabilities	Principal	Unexpended income	Total fund balances
Permanent funds:							
Potter Patten Cemetery	\$ 349	349	-	-	75	274	349
Maine Research Company Charity Fund	2,669	2,669	-	-	630	2,039	2,669
Kevin Curtis Memorial Scholarship	414	414	-	-	-	414	414
Arther Barron	618	618	-	-	-	618	618
Blanche M. Jalbert Fund	5,704	5,704	-	-	1,795	3,909	5,704
Bruce McEwen Rotary Scholarship	14,603	14,603	-	-	-	14,603	14,603
Class of 1941 Scholarship Fund	21,000	21,000	-	-	-	21,000	21,000
Dunton Memorial	3,891	3,891	-	-	700	3,191	3,891
Earl Higgins Memorial	4,747	4,747	-	-	3,281	1,466	4,747
Edna D. Purington Memorial Scholarship Award	1,564	1,564	-	-	1,135	429	1,564
Farmer	4,813	4,813	-	-	-	4,813	4,813
Frank Wimmer Trust	10,825	10,825	-	-	-	10,825	10,825
Peggy McGraw	4,386	4,386	-	-	1,500	2,886	4,386
Leon E. Bard, Sr. Memorial Music Scholarship Award	2,872	2,872	-	-	1,572	1,300	2,872
Lisbon High School Memorial Library Fund	8,445	8,445	-	-	876	7,569	8,445
Marion T. Morse Secretarial Award	1,642	1,642	-	-	1,000	642	1,642
Mark Adam Cielinski Memorial Scholarship Fund	-	-	-	-	-	-	-
Maude Frow Fund	4,860	4,860	-	-	1,000	3,860	4,860
Michael F. Strout Memorial Scholarship Fund	4,912	4,912	-	-	3,200	1,712	4,912
Richard S. Ladner Scholarship Fund	6,865	6,865	-	-	4,909	1,956	6,865
Sugg Middle School Trust Fund	8,805	8,805	-	-	3,845	4,960	8,805
Summer camp	71	71	-	-	-	71	71
Thompson Memorial Fund	3,215	3,215	-	-	1,631	1,584	3,215
Walter Huston Memorial Scholarship	39,384	39,384	-	-	-	39,384	39,384
Total permanent funds	\$ 156,654	156,654	-	-	27,149	129,505	156,654

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2010

	Fund balances, beginning of year		Interest earned	Contributions and other receipts		Disbursements	Fund balances, end of year	
	Principal	Unexpended income		Principal	Unexpended income		Principal	Unexpended income
Permanent funds:								
Potter Patten Cemetery	\$ 75	304	-	30	60	75	274	
Maine Research Company Charity Fund	630	2,038	1	-	-	630	2,039	
Kevin Curtis Memorial Scholarship	-	413	1	-	-	-	414	
Arther Barron	-	117	1	500	-	-	618	
Blanche M. Jalbert Fund	1,795	3,835	148	-	74	1,795	3,909	
Bruce McEwen Rotary Scholarship	-	-	200	14,403	-	-	14,603	
Class of 1941 Scholarship Fund	-	21,199	1	-	200	-	21,000	
Dunton Memorial	700	3,113	78	-	-	700	3,191	
Earl Higgins Memorial	3,281	1,603	13	-	150	3,281	1,466	
Edna D. Purington Memorial Scholarship Award	1,135	482	22	446	521	1,135	429	
Farmer	-	6,264	49	-	1,500	-	4,813	
Frank Wimmer Trust	-	8,840	1,985	-	-	-	10,825	
Peggy McGraw	1,500	3,308	78	-	500	1,500	2,886	
Leon E. Bard, Sr. Memorial Music Scholarship Award	1,572	1,200	100	-	-	1,572	1,300	
Lisbon High School Memorial Library Fund	876	7,526	243	-	200	876	7,569	
Marion T. Morse Secretarial Award	1,000	638	4	-	-	1,000	642	
Mark Adam Cielinski Memorial Scholarship Fund	2,181	539	39	2,021	4,780	-	-	
Maude Frow Fund	1,000	3,789	77	65	71	1,000	3,860	
Michael F. Strout Memorial Scholarship Fund	3,200	1,807	105	-	200	3,200	1,712	
Richard S. Ladner Scholarship Fund	4,909	2,416	135	12,002	12,597	4,909	1,956	
Sugg Middle School Trust Fund	3,845	5,084	181	500	805	3,845	4,960	
Summer camp	-	171	-	-	100	-	71	
Thompson Memorial Fund	1,631	1,536	48	-	-	1,631	1,584	
Walter Huston Memorial Scholarship	-	40,475	409	-	1,500	-	39,384	
Total permanent funds	\$ 29,330	116,697	3,918	29,967	23,258	27,149	129,505	