

**TOWN OF LISBON, MAINE**

**Annual Financial Report**

**For The Fiscal Year Ended  
June 30, 2009**

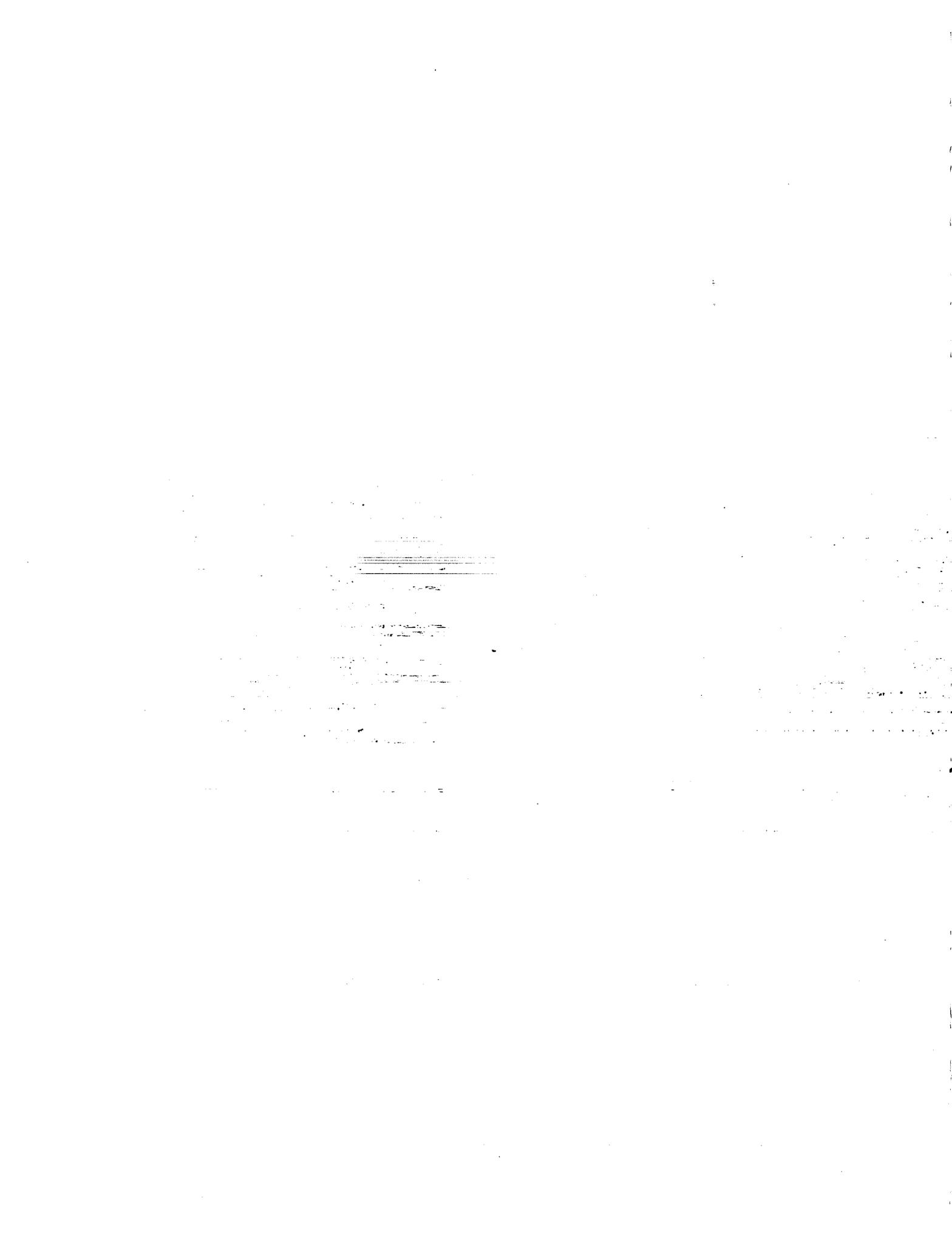


**TOWN OF LISBON, MAINE**  
**Annual Financial Report**  
**Year ended June 30, 2009**

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Certified Public Accountants and Business Consultants

## 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, 2009 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, 2009, 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 31<sup>st</sup> 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, 2009, 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 September 16, 2009, 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.



September 16, 2009  
South Portland, Maine

**TOWN OF LISBON, MAINE**  
**Management's Discussion and Analysis**  
**June 30, 2009**

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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, 2009.

**Financial Highlights**

- The assets of the Town of \$36,784,913 exceeded its liabilities at the close of the most recent fiscal year by \$20,079,784. Of this amount, \$4,822,909 may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town of Lisbon's total net assets increased by \$1,045,739 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 \$5,776,823, an increase of \$1,216,841 in comparison with the prior year. This was due to the issuance of general obligation bonds.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$1,148,982 for the Town, and \$337,926 for the School Department.
- The Town of Lisbon incurred \$1,485,602 in additional debt in the most recent fiscal year (including capital leases).

**Overview of the Financial Statements**

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

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

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

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

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

The government-wide financial statements can be found on pages 11-12 of this report.

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

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

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

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

The Town maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the loan program fund which are considered to be major funds. Data from the other 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 \$20,079,784 at the close of the most recent fiscal year.

		<b>Governmental Activities</b>			
		2009	2008	2007	2006
<b>Assets:</b>					
Current and other assets	\$	7,786,282	6,216,639	6,515,661	7,740,606
Capital assets		28,998,631	29,583,035	30,707,309	30,103,285
<b>Total assets</b>		<b>36,784,913</b>	<b>35,799,674</b>	<b>37,222,970</b>	<b>37,843,891</b>
<b>Liabilities:</b>					
Long-term liabilities outstanding		15,081,941	15,311,248	16,386,549	16,448,651
Other liabilities		1,623,187	1,279,645	1,246,476	1,772,363
<b>Total liabilities</b>		<b>16,705,128</b>	<b>16,590,893</b>	<b>17,633,025</b>	<b>18,221,014</b>
<b>Net assets:</b>					
Invested in capital assets, net of related debt		15,227,545	14,271,787	14,320,760	13,654,634
Restricted		29,330	54,115	56,411	70,545
Unrestricted		4,822,909	4,882,879	5,212,774	5,897,698
<b>Total net assets</b>	<b>\$</b>	<b>20,079,784</b>	<b>19,208,781</b>	<b>19,589,945</b>	<b>19,622,877</b>

**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.

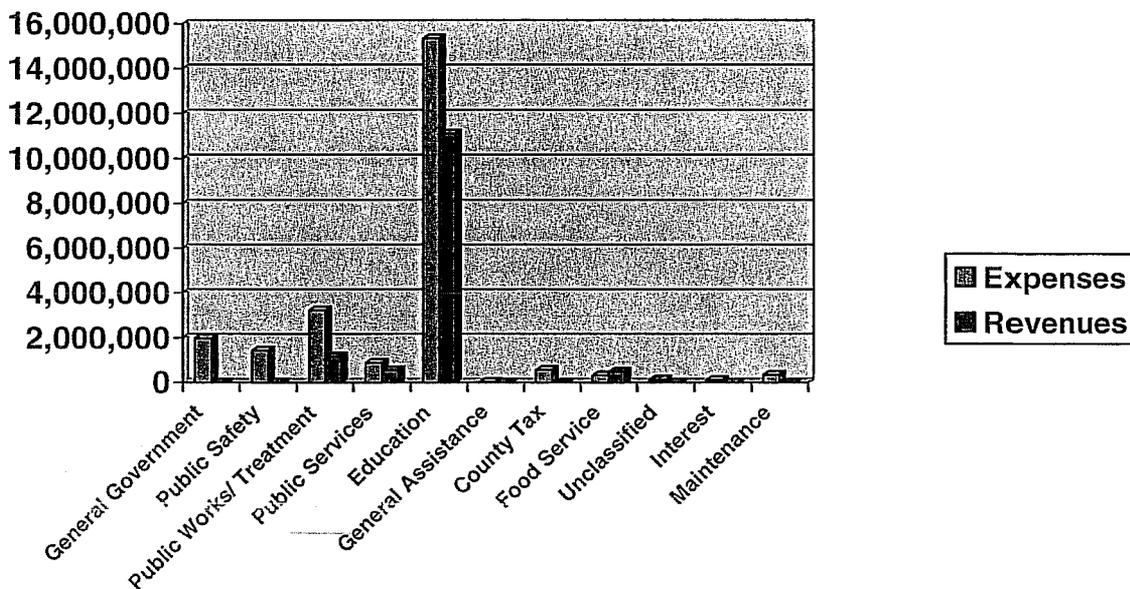
At the end of the current fiscal year, the Town of Lisbon is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental funds.

**CHANGE IN NET ASSETS**

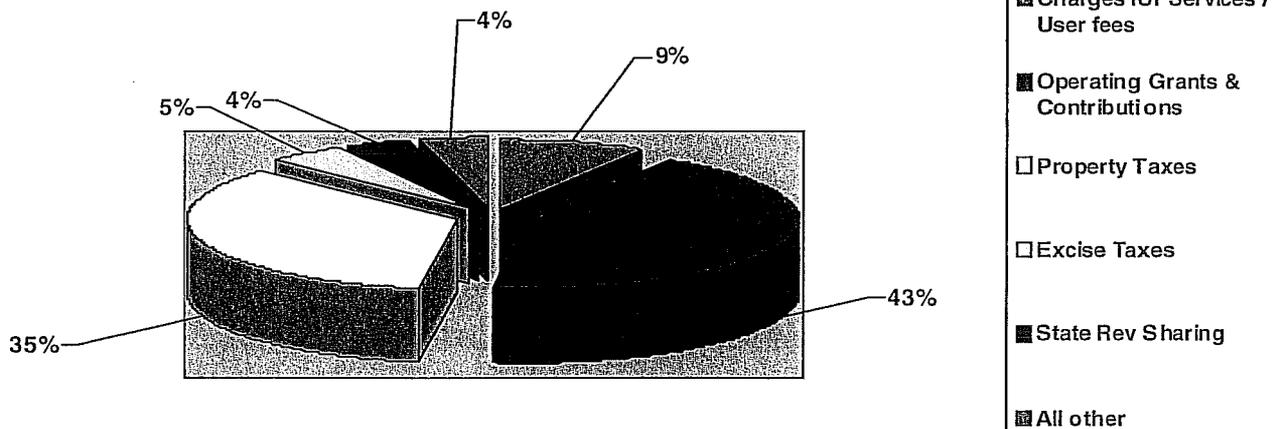
	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>
Revenues:				
Program revenues:				
Charges for services	\$ 2,172,056	1,756,303	1,710,030	1,560,355
Operating grants and contributions	11,170,530	12,066,907	9,606,802	8,941,519
General revenues:				
Property taxes	8,908,186	8,436,493	8,374,646	8,493,757
Motor vehicle excise taxes	1,211,212	1,331,167	1,319,157	1,314,269
Other State aid	512,278	164,691	216,304	5,461
State Revenue Sharing	970,408	1,098,220	998,434	1,065,542
Unrestricted investment earnings	97,491	220,679	322,321	312,262
Miscellaneous	446,418	895,341	595,738	708,788
Total revenues	<u>25,488,579</u>	<u>25,969,801</u>	<u>23,143,432</u>	<u>22,401,953</u>
Expenses:				
General government	1,985,405	1,951,320	1,826,459	1,728,261
Public safety	1,447,640	1,548,997	1,294,160	1,334,986
Public works	3,232,554	3,328,825	2,677,560	2,943,857
Public services	882,789	921,278	1,059,933	1,027,757
General assistance	33,936	50,619	55,875	53,417
County tax	565,433	547,555	514,674	494,702
Education	15,366,707	15,702,759	14,042,448	13,443,299
Food service	328,470	582,083	599,036	610,931
Unclassified	133,473	291,465	106,838	142,489
Interest on debt	109,080	493,778	622,284	692,868
Capital maintenance expenses	357,353	18,245	410,717	399,842
Total expenditures	<u>24,442,840</u>	<u>25,436,924</u>	<u>23,209,984</u>	<u>22,872,409</u>
Change in net assets	1,045,739	532,877	(66,552)	(470,456)
Net assets, beginning, as restated	19,034,044	18,675,904	19,656,497	20,093,333
<b>Net assets, ending</b>	<b>\$ 20,079,783</b>	<b>19,208,781</b>	<b>19,589,945</b>	<b>19,622,877</b>

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

**Expenses and Program Revenues - Governmental Activities  
For the Year Ended June 30, 2009**



**Revenues by Source - Governmental Activities  
For the Year Ended June 30, 2009**



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

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**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 \$5,776,823. Approximately 87 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 \$3,848,293, while total fund balance reached \$4,128,752. 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 increased \$1,300,424 during the current fiscal year. These changes are a result of bond proceeds that have not yet been spent. Revenue collections were under projections, but so were expenditures.

**Capital Asset and Debt Administration**

**Capital assets.** The Town's new investment in capital assets for its governmental activities as of June 30, 2009, amounted to \$1.46 million.

**Long-term debt.** At the end of the current fiscal year, the Town had total bonded debt outstanding of \$14,087,881. 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**

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**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**

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**TOWN OF LISBON, MAINE**  
**Statement of Net Assets**  
**June 30, 2009**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,900,144
Receivables:	
Accounts, net of allowance \$28,000	433,293
Intergovernmental	18,049
Taxes receivable	174,730
Tax liens	451,085
Notes , net of allowance \$25,000	668,238
Inventory	25,915
Prepaid expenses	114,828
Capital assets not being depreciated	1,048,575
Capital assets being depreciated, net	27,950,056
<b>Total assets</b>	<b>36,784,913</b>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	372,935
Accrued interest	188,000
Accrued payroll	1,062,252
Noncurrent liabilities:	
Due within one year	1,148,373
Due in more than one year	13,933,568
<b>Total liabilities</b>	<b>16,705,128</b>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	15,227,545
Restricted for:	
Nonexpendable trust principal	29,330
Unrestricted	4,822,909
<b>Total net assets</b>	<b>\$ 20,079,784</b>

*See accompanying notes to financial statements.*

**TOWN OF LISBON, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2009**

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	\$ 1,985,405	-	-	(1,985,405)
Public safety	1,447,640	9,128	-	(1,438,512)
Public works/treatment plant	3,232,554	1,163,735	-	(2,068,819)
Public services	882,789	557,986	-	(324,803)
General assistance	33,936	-	12,285	(21,651)
County tax	565,433	-	-	(565,433)
Education	15,366,707	217,266	10,903,710	(4,245,731)
Food service	328,470	223,940	254,535	150,005
Unclassified	133,473	-	-	(133,473)
Interest on debt	109,080	-	-	(109,080)
Capital maintenance expenses	357,353	-	-	(357,353)
<b>Total governmental activities</b>	<b>24,442,839</b>	<b>2,172,056</b>	<b>11,170,530</b>	<b>(11,100,253)</b>

## General revenues:

Property taxes, levied for general purposes	8,908,186
Motor vehicle excise taxes	1,211,212
Other state aid	512,278
State Revenue Sharing	970,408
Unrestricted investment earnings	97,491
Miscellaneous	446,418
<b>Total general revenues</b>	<b>12,145,993</b>

Change in net assets 1,045,740

Net assets - beginning, as restated 19,034,044

**Net assets - ending \$ 20,079,784**

*See accompanying notes to financial statements.*

**TOWN OF LISBON, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

	General	Loan Program Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,992,761	695,474	211,910	5,900,144
Receivables:				
Accounts, net of allowance	67,620	-	365,673	433,293
Intergovernmental	622	-	17,427	18,049
Taxes receivable - prior years	59,352	-	-	59,352
Taxes receivable - current year	115,378	-	-	115,378
Tax liens	451,085	-	-	451,085
Notes, net of allowance of \$25,000, loan program	280,459	387,779	-	668,238
Prepaid items	114,828	-	-	114,828
Interfund loans receivable	52,472	-	118,659	171,131
Inventory	-	-	25,915	25,915
<b>Total assets</b>	<b>\$ 6,134,576</b>	<b>1,083,253</b>	<b>739,584</b>	<b>7,957,413</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	341,670	-	3,634	345,303
Accrued payroll	1,062,252	-	-	1,062,252
Interfund loans payable	-	313	170,818	171,131
Deferred revenues	574,271	-	-	574,271
Taxes collected in advance	27,632	-	-	27,632
<b>Total liabilities</b>	<b>2,005,824</b>	<b>313</b>	<b>174,452</b>	<b>2,180,589</b>
Fund balances:				
Reserved for:				
Noncurrent receivables	280,459	387,779	-	668,238
Nonexpendable trust principal	-	-	29,330	29,330
Inventory	-	-	25,915	25,915
Unreserved, reported in:				
Designated - Town	1,762,691	-	-	1,762,691
Designated - School	598,694	-	-	598,694
General fund:				
Undesignated - School	337,926	-	-	337,926
Undesignated - Town	1,148,982	-	-	1,148,982
Special revenue funds	-	695,161	393,190	1,088,351
Permanent funds	-	-	116,697	116,697
<b>Total fund balances</b>	<b>4,128,752</b>	<b>1,082,940</b>	<b>565,132</b>	<b>5,776,823</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,134,576</b>	<b>1,083,253</b>	<b>739,584</b>	

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.	28,998,631
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	574,271
Accrued interest not recorded in the funds.	(188,000)
Accrued compensated absences not recorded in the funds.	(612,035)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	(14,469,906)
<b>Net assets of governmental activities</b>	<b>20,079,784</b>

*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, 2009**

	General	Loan Program Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 10,197,512	-	434,575	10,632,087
Licenses and permits	28,300	-	-	28,300
Intergovernmental	11,681,938	-	973,933	12,655,871
Charges for services	260,312	-	1,276,364	1,536,675
Other	284,394	89,708	80,547	454,650
<b>Total revenues</b>	<b>22,452,456</b>	<b>89,708</b>	<b>2,765,419</b>	<b>25,307,583</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,922,474	-	-	1,922,474
Public safety	1,512,979	-	-	1,512,979
Public works	1,934,953	-	1,168,540	3,103,493
Public services	439,588	-	457,905	897,493
General assistance	33,936	-	-	33,936
County tax	565,433	-	-	565,433
Education	14,279,324	-	697,228	14,976,552
Food service	-	-	328,470	328,470
Unclassified	8,382	94,839	-	103,221
Capital outlay	404,762	-	-	404,762
Debt service (includes education debt service)	1,727,532	-	-	1,727,532
<b>Total expenditures</b>	<b>22,829,362</b>	<b>94,839</b>	<b>2,652,143</b>	<b>25,576,344</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(376,906)</b>	<b>(5,131)</b>	<b>113,276</b>	<b>(268,761)</b>
<b>Other financing sources (uses):</b>				
Proceeds from capital leases	174,747	-	-	174,747
Transfers from (to) other funds	191,728	-	(191,728)	-
Bond proceeds	1,310,855	-	-	1,310,855
<b>Total other financing sources (uses)</b>	<b>1,677,330</b>	<b>-</b>	<b>(191,728)</b>	<b>1,485,602</b>
<b>Net change in fund balances</b>	<b>1,300,424</b>	<b>(5,131)</b>	<b>(78,452)</b>	<b>1,216,841</b>
<b>Fund balances, beginning of year, as restated</b>	<b>2,828,328</b>	<b>1,088,071</b>	<b>643,584</b>	<b>4,559,983</b>
<b>Fund balances, end of year</b>	<b>\$ 4,128,752</b>	<b>1,082,940</b>	<b>565,132</b>	<b>5,776,824</b>

*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, 2009**

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Net change in fund balances - total governmental funds (from Statement 4) \$ 1,216,841

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 (\$1,460,099) in the current exceeded capital outlay (\$875,695). (584,403)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 180,996

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. 44,721

Change in accrued compensated absences reported as expenses in the statement of activities when earned. (8,459)

Change in accrued interest which is reported as an expense in the statement of activities when incurred. 3,000

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 proceeds in excess of the repayments. 193,044

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**Change in net assets of governmental activities (see Statement 2) \$ 1,045,740**

*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, 2009**

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 10,100,739	10,100,739	10,197,512	96,773
Licenses and permits	27,000	27,000	28,300	1,300
Intergovernmental	10,559,430	10,559,430	10,418,313	(141,117)
Charges for services	150,565	150,565	260,312	109,747
Investment income	75,000	75,000	49,672	(25,328)
Other	230,112	230,112	234,722	4,610
<b>Total revenues</b>	<b>21,142,846</b>	<b>21,142,846</b>	<b>21,188,831</b>	<b>45,985</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	2,068,771	2,003,482	1,922,474	81,008
Public safety	1,616,108	1,618,800	1,512,979	105,821
Public works	2,038,729	2,092,495	1,934,953	157,542
Public services	491,424	491,873	439,588	52,285
General assistance	40,350	40,350	33,936	6,414
County tax	565,434	565,434	565,433	1
Education	14,716,333	14,716,333	14,283,829	432,504
Unclassified	-	8,382	8,382	-
Capital outlay	280,508	280,508	230,015	50,493
Debt service	460,427	460,427	459,402	1,025
<b>Total expenditures</b>	<b>22,278,084</b>	<b>22,278,084</b>	<b>21,390,991</b>	<b>887,093</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,135,238)</b>	<b>(1,135,238)</b>	<b>(202,160)</b>	<b>933,078</b>
<b>Other financing sources (uses):</b>				
Use of fund balances	970,238	970,238	-	(970,238)
Transfers from (to) other funds	165,000	165,000	191,728	26,728
Bond proceeds	-	-	1,310,855	1,310,855
<b>Total other financing sources (uses)</b>	<b>1,135,238</b>	<b>1,135,238</b>	<b>1,502,583</b>	<b>367,345</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>1,300,423</b>	<b>1,300,423</b>
<b>Fund balance, beginning of year, as restated</b>			<b>2,828,328</b>	
<b>Fund balance, end of year</b>	<b>\$</b>		<b>4,128,751</b>	

*See accompanying notes to financial statements.*

**TOWN OF LISBON, MAINE**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2009**

	<u>Agency Funds</u>
	<u>Student Activity Funds</u>
<b>ASSETS</b>	
Cash	\$ 77,818
Due from other groups	-
<b>Total assets</b>	<b>77,818</b>
<b>LIABILITIES</b>	
Interfund loans payable	-
Amounts held for other groups	77,818
<b>Total liabilities</b>	<b>\$ 77,818</b>

*See accompanying notes to financial statements.*

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

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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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.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**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.

**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**

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**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

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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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.

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II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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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.

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III. DETAILED NOTES ON ALL FUNDS

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A. Deposits and Investments

At June 30, 2009, deposits and investments have been reported as "cash and cash equivalents" as follows:

Reported in governmental funds	\$ 5,900,144
Reported in fiduciary funds	77,818
<b><u>Total deposits and investments</u></b>	<b><u>\$ 5,977,962</u></b>

*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, 2009, the Town had deposits of \$4,817,845 with a bank balance of \$5,115,796. 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, 2009, the Town had two cash management accounts totaling \$1,158,172. These accounts are swept daily.

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

**III. DETAILED NOTES ON ALL FUNDS, CONTINUED**

**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 (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, 2009, 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 \$1,158,172 investment in repurchase agreements (sweep accounts), 100% was collateralized by a stand by letter of credit totaling \$8,000,000.

**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	\$ 174,730	-	-	174,730
Liens	451,085	-	-	451,085
Accounts	67,620	-	365,673	433,293
Intergovernmental	622	-	17,427	18,089
Notes	280,459	387,779	-	668,238
<b><u>Net total receivables</u></b>	<b><u>\$ 974,516</u></b>	<b><u>387,779</u></b>	<b><u>383,100</u></b>	<b><u>1,745,395</u></b>

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	\$ 574,271

**C. Property Tax**

Property taxes for the current year were committed on September 5, 2008 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, 2009 was based, was \$372,752,560. The assessed value was 62% 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 \$291,158 for the year ended June 30, 2009.

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 2009 and 2008 levies:

	<u>2009</u>	<u>2008</u>
Assessed value	\$ 372,752,560	370,015,500
<u>Tax rate (per \$1,000)</u>	<u>25.50</u>	<u>23.75</u>
Commitment	9,505,200	8,787,868
<u>Supplemental taxes assessed</u>	<u>3,720</u>	<u>1,348</u>
Total levy	9,508,920	8,789,216
Less: abatements	8,382	31,237
<u>Less: collections</u>	<u>9,054,775</u>	<u>8,450,815</u>
<b><u>Receivable at end of year</u></b>	<b><u>\$ 445,763</u></b>	<b><u>307,164</u></b>
Due date(s)	½ September 15, 2008 ½ March 15, 2009	½ September 15, 2007 ½ March 15, 2008
Interest rate on		
delinquent taxes	9%	12%
Collection rate	95%	97%

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 2008-2009 amounted to \$434,575 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, 2009 was as follows:

	Balance June 30, <u>2008</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2009</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,024,329	24,246	-	1,048,575
<b>Total capital assets, not being depreciated</b>	<b>1,024,329</b>	<b>24,246</b>	<b>-</b>	<b>1,048,575</b>
Capital assets, being depreciated:				
Buildings	24,881,087	39,996		24,921,083
Equipment and vehicles	6,459,186	471,148	145,205	6,785,129
Infrastructure	20,595,276	340,305	-	20,935,581
<b>Total capital assets being depreciated</b>	<b>51,935,549</b>	<b>851,449</b>	<b>145,205</b>	<b>52,641,793</b>
Less accumulated depreciation for:				
Buildings	10,062,221	616,693	-	10,678,914
Equipment and vehicles	2,818,907	421,585	145,205	3,095,287
Infrastructure	10,495,715	421,821	-	10,917,536
<b>Total accumulated depreciation</b>	<b>23,376,843</b>	<b>1,460,099</b>	<b>145,205</b>	<b>24,691,737</b>
<b>Total capital assets being depreciated, net</b>	<b>28,558,706</b>	<b>(608,650)</b>	<b>-</b>	<b>27,950,056</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 29,583,035</b>	<b>(584,404)</b>	<b>-</b>	<b>28,998,631</b>

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

<b>Governmental activities:</b>	
General government	\$ 117,896
Education	634,072
Public safety	112,042
Public works, including depreciation of general infrastructure assets	596,089
<b>Total depreciation expense – governmental activities</b>	<b>\$ 1,460,099</b>

**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, 2009, these balances were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>
General Fund	\$ 52,472	-
Loan programs	-	313
Nonmajor Governmental Funds:		
School Nutrition	18,298	-
School Federal and other programs	100,361	-
Sewer	-	168,468
Recreational Land Use	-	2,000
Permanent Funds	-	350
<u>Total Nonmajor Governmental Funds</u>	<u>118,659</u>	<u>170,818</u>
<b><u>Totals</u></b>	<b><u>\$ 171,131</u></b>	<b><u>171,131</u></b>

Individual fund transfers for the year ended June 30, 2009 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General fund	\$191,728	-
Nonmajor special revenue funds:		
School lunch program	-	165,000
School Federal and Other Programs	-	26,728
<b><u>Totals</u></b>	<b><u>\$191,728</u></b>	<b><u>191,728</u></b>

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, 2009 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, 2009:

School buses	\$ 271,213
Trucks (Town)	283,095
Cruisers (Town)	31,253
Backhoe (Town)	65,750
Other School equipment	209,880
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, 2009:

Fiscal year <u>June 30,</u>	<u>School</u>	<u>Town</u>	<u>Total</u>
2010	\$ 100,610	103,714	204,324
2011	45,965	44,091	90,056
2012	20,296	38,632	58,928
2013	20,296	7,071	27,367
2014	20,296	7,071	27,367
2015	-	7,071	7,071
Total minimum lease payments	207,463	207,650	416,113
<u>Less: amount representing interest</u>	<u>(17,390)</u>	<u>(15,698)</u>	<u>(33,088)</u>
<b>Present value of future minimum</b>			
<b><u>lease payments</u></b>	<b><u>\$ 190,073</u></b>	<b><u>191,952</u></b>	<b><u>382,025</u></b>

**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 sewer 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:				
1989 Capital Improvement Bond (original issue \$629,000)	Oct. 1989	Nov. 2009	7.00-7.10%	\$ 29,000
1990 Sewer Refunding Bond (2)	March 1990	Nov. 2010	0.00%	31,561
1998 Intermediary relending loan	July 2000	July 2026	1.00%	347,996
2002 Capital Improvement (original issue \$1,330,000)	Oct. 2002	Nov. 2012	2.50-3.45%	577,867
2004 Town Bond (original issue \$12,899,710)	May 2004	Nov. 2024	4.41%	10,319,770
2005 Town Bond (original issue \$368,000)	May 2005	Nov. 2020	1.50-3.70%	315,332
2005 Sewer Bond (original issue \$350,000)	Aug. 2004	Apr. 2024	1.93%	262,500
2005 Sewer Bond (original issue \$500,000)	Oct. 2005	Oct. 2025	1.43%	425,000
2006 Town Bond (original issue \$540,000)	Oct. 2006	Nov. 2021	1.8-6.25%	468,000
2009 Town Bond (original issue \$1,310,855)	May 2009	Nov. 2019	2.08-5.58%	1,310,855
<b>Total bonds and notes payable (1)</b>				<b>\$ 14,087,881</b>

(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%. Balances at June 30, 2009 are \$2,459,194 and \$334,050, 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>
2010	\$ 944,403	553,437	1,497,840
2011	1,051,923	511,482	1,563,405
2012	1,042,023	459,796	1,501,819
2013	1,048,164	418,576	1,466,740
2014	897,469	384,074	1,281,543
2015-2019	4,506,266	1,348,197	5,854,463
2020-2024	3,840,288	531,252	4,371,541
2025-2027	757,345	17,113	774,458
<b>Totals</b>	<b>\$ 14,087,881</b>	<b>4,223,928</b>	<b>18,311,809</b>

**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, 2009, 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, 2009 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
General obligation debt	\$ 14,280,925	1,310,855	1,503,899	14,087,881	944,403
Capital leases	426,746	174,747	219,468	382,025	203,970
Compensated absences	603,577	8,458	-	612,035	-
<b>Total governmental activity</b>					
<b>long-term liabilities</b>	<b>\$ 15,311,248</b>	<b>1,494,060</b>	<b>1,723,367</b>	<b>15,081,941</b>	<b>1,148,373</b>

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

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**III. DETAILED NOTES ON ALL FUNDS, CONTINUED**

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**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, 2009, the Town's share is \$5,625 (7.50%) of Androscoggin County's outstanding debt of \$75,000.

**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, 2009 consisted of the following:

**Designated - Town:**

2009-10 budget	\$ 250,000
Technology software fees	16,222
Town Clerk - record restoration	800
Town Clerk - voting machines	7,016
Police Grants	5,521
Police Hire reimbursement	16,746
Fire replacement and refurbishment	19,528
Beaver Park repairs	200
Woodlot income	7,117
Wreath Fund	3,623
Conservation Fund	15,084
Town Engineer - professional services	1,989
Paper Mill Trail	1,332
Trail Donations	186
Bicycle/Pedestrian Trail	24,398
Road improvements	4,869
Town paving	48,096
Solid Waste - Communications	1,117
Fitness Center	1,090
New recreation programs	2,239
Fitzgerald Grant	1,658
Summer trips	1,557
After School Program	837
Senior Programs	371
Floor Donation	180

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

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**III. DETAILED NOTES ON ALL FUNDS, CONTINUED**

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Sunshine Hill	\$ 7,777
Project Adventure	300
Ball fields	2,062
Heating Assistance	959
Giving Tree	855
MTM Center Improvements	2,396
2009 Bond	1,310,855
Flag Fund	280
Senter Grant	317
Planning Board - Professional Services	4,636
<u>Thanksgiving Fund</u>	<u>478</u>
<u>Total designated - Town</u>	<u>1,762,691</u>
Designated School:	
<u>2008-09 budget</u>	<u>598,694</u>
<u>Total General Fund designated - School</u>	<u>598,694</u>
<b><u>Total designated fund balances</u></b>	<b><u>\$ 2,361,385</u></b>

Additionally, certain fund balances have been reserved as follows:

General Fund:	
Reserve for a long-term receivable	\$ 280,459
Permanent Fund:	
Nonexpendable principal	29,330
Special Revenue Fund:	
Loan Programs - noncurrent portion of loans receivable	387,779
School Nutrition Program:	
Inventory	25,915

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**IV. OTHER INFORMATION**

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**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, 2009.

**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.

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

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**IV. OTHER INFORMATION, CONTINUED**

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**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, 2009 was equal to the required contributions for the year. The rate was calculated net of the IUUAL credit which is being amortized over a 9 year period and amounted to approximately \$72,770 at June 30, 2008, 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 \$1,263,625 for the fiscal year 2009. 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 18.76% 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, 2008 has been restated to correct errors in previously reported in unrestricted net assets and fund balance unreserved undesignated school. The restatement reduced the previously reported amounts by \$174,737.

**GENERAL FUND**



**TOWN OF LISBON, MAINE**  
**General Fund**  
**Comparative Balance Sheet**  
**June 30, 2009 and 2008**

	2009	2008
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,992,761	3,724,868
Receivables:		
Accounts	67,620	50,978
Intergovernmental	622	1,815
Taxes receivable - prior years	59,352	14,523
Taxes receivable - current year	115,378	307,164
Tax liens	451,085	120,195
Prepaid items	114,828	67,188
Notes	280,459	285,416
Interfund loans receivable	171,131	-
<b>Total assets</b>	<b>6,253,235</b>	<b>4,572,147</b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	341,670	271,681
Accrued payroll	1,062,252	769,082
Interfund loans payable	118,659	105,374
Deferred revenues	574,271	393,275
Taxes collected in advance	27,632	29,670
<b>Total liabilities</b>	<b>2,124,483</b>	<b>1,569,082</b>
Fund balance:		
Reserved for non-current note receivable	280,459	285,416
Unreserved:		
Designated - School	598,694	346,535
Designated - Town	1,762,691	623,704
Undesignated - School	337,926	468,907
Undesignated - Town	1,148,982	1,278,503
<b>Total fund balance</b>	<b>4,128,752</b>	<b>3,003,065</b>
<b>Total liabilities and fund balance</b>	<b>\$ 6,253,235</b>	<b>4,572,147</b>

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, 2009

	Town		School		2009 Combined		Variance positive (negative)
	Final Budget	Actual	Final Budget	Actual	Budget	Actual	
<b>Revenues:</b>							
<b>Taxes:</b>							
Property taxes	\$ 3,675,046	3,803,773	128,727	5,104,413	8,779,459	8,908,186	128,727
Excise taxes	1,270,280	1,211,212	(59,068)	-	1,270,280	1,211,212	(59,068)
Registration fees	20,000	26,446	6,446	-	20,000	26,446	6,446
Interest and costs on taxes	31,000	51,568	20,568	-	31,000	51,568	20,568
Total taxes	4,996,326	5,093,099	96,773	5,104,413	10,100,739	10,197,512	96,773
<b>Licenses and permits:</b>							
Business permits and fees	3,500	2,570	(931)	-	3,500	2,570	(931)
All other construction fees	7,000	4,997	(2,003)	-	7,000	4,997	(2,003)
Town clerk	16,500	20,734	4,234	-	16,500	20,734	4,234
Total licenses and permits	27,000	28,300	1,300	-	27,000	28,300	1,300
<b>Intergovernmental:</b>							
Education subsidies	-	-	-	8,923,342	8,924,508	8,923,342	(1,166)
State revenue sharing	1,163,260	970,408	(192,852)	-	1,163,260	970,408	(192,852)
General assistance	15,000	12,285	(2,715)	-	15,000	12,285	(2,715)
Tree growth reimbursement	30,000	295	(29,705)	-	30,000	295	(29,705)
BETE reimbursement	50,084	50,106	22	-	50,084	50,106	22
Homestead reimbursement	197,378	197,442	64	-	197,378	197,442	64
Miscellaneous state aid	-	14,689	14,689	133,073	60,000	147,762	87,762
Urban rural incentive program	114,000	109,172	(4,828)	-	114,000	109,172	(4,828)
Veteran reimbursement	5,200	7,501	2,301	-	5,200	7,501	2,301
Total intergovernmental	1,574,922	1,361,898	(213,024)	9,056,415	8,984,508	10,418,313	(141,117)
<b>Charges for services:</b>							
Police - report fees, court fees	7,100	9,128	2,028	-	7,100	9,128	2,028
Animal control	37,000	33,917	(3,083)	-	37,000	33,917	(3,083)
School	-	-	-	217,266	106,465	217,266	110,801
Total charges for services	44,100	43,046	(1,054)	217,266	106,465	260,312	109,747
Investment income	75,000	49,672	(25,328)	-	75,000	49,672	(25,328)
<b>Other revenues:</b>							
Recreation Department	60,000	54,101	(5,899)	-	60,000	54,101	(5,899)
Recycling	125,000	111,311	(13,689)	-	125,000	111,311	(13,689)
Library	1,200	2,256	1,056	-	1,200	2,256	1,056
MTM Center	12,000	9,191	(2,810)	-	12,000	9,191	(2,810)
Parks Department	7,500	11,139	3,639	-	7,500	11,139	3,639
Other revenues	15,000	36,803	21,803	9,922	9,412	46,725	22,313
Total other revenues	220,700	224,800	4,100	9,922	230,112	234,722	4,610
Total revenues	6,938,048	6,800,815	(137,233)	14,388,016	21,142,846	21,188,831	45,985

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, 2009

	Town			School			2009 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Expenditures:									
Current:									
General government:									
Elected officials	\$ 21,480	21,362	118	-	-	-	21,480	21,362	118
Town Manager	138,950	135,966	2,984	-	-	-	138,950	135,966	2,984
Insurance	667,485	640,225	27,261	-	-	-	667,485	640,225	27,261
Legal	47,849	47,849	-	-	-	-	47,849	47,849	-
Finance	128,211	124,554	3,657	-	-	-	128,211	124,554	3,657
Tax Collector	117,949	117,951	(2)	-	-	-	117,949	117,951	(2)
Town clerk	114,084	106,268	7,816	-	-	-	114,084	106,268	7,816
Assessing	109,415	109,415	-	-	-	-	109,415	109,415	-
Town buildings	201,374	200,946	428	-	-	-	201,374	200,946	428
Technology	103,083	86,861	16,222	-	-	-	103,083	86,861	16,222
Planning Board	13,070	5,939	7,131	-	-	-	13,070	5,939	7,131
Board of Appeals	1,150	870	280	-	-	-	1,150	870	280
Maine PERS	41,843	41,843	-	-	-	-	41,843	41,843	-
Social Security	227,639	213,376	14,263	-	-	-	227,639	213,376	14,263
Economic development	69,900	69,049	851	-	-	-	69,900	69,049	851
Total general government	2,003,482	1,922,474	81,008	-	-	-	2,003,482	1,922,474	81,008
Public safety:									
Police	1,198,235	1,114,713	83,522	-	-	-	1,198,235	1,114,713	83,522
Animal Control Officer	69,944	67,173	2,771	-	-	-	69,944	67,173	2,771
Fire	350,621	331,093	19,528	-	-	-	350,621	331,093	19,528
Total public safety	1,618,800	1,512,979	105,821	-	-	-	1,618,800	1,512,979	105,821
Public works:									
Public works	867,473	794,480	72,993	-	-	-	867,473	794,480	72,993
Snow removal	228,835	228,835	-	-	-	-	228,835	228,835	-
Hydrant rental	231,784	231,784	-	-	-	-	231,784	231,784	-
Street and traffic lights	103,775	101,149	2,626	-	-	-	103,775	101,149	2,626
Engineer	62,920	33,106	29,814	-	-	-	62,920	33,106	29,814
Solid waste	597,708	545,598	52,110	-	-	-	597,708	545,598	52,110
Total public works	2,092,495	1,934,953	157,542	-	-	-	2,092,495	1,934,953	157,542
Public services:									
Health officer	10,514	9,909	605	-	-	-	10,514	9,909	605
Community services - senior citizens	30,750	28,308	2,442	-	-	-	30,750	28,308	2,442
Lisbon Falls Library	167,508	164,295	3,213	-	-	-	167,508	164,295	3,213
Miscellaneous Public Service	23,139	22,988	151	-	-	-	23,139	22,988	151
Conservation commission	600	596	4	-	-	-	600	596	4
Contingency and grant matches	10,449	10,449	-	-	-	-	10,449	10,449	-
Recreation Department	168,425	145,058	23,367	-	-	-	168,425	145,058	23,367
Parks Department	80,487	57,985	22,503	-	-	-	80,487	57,985	22,503
Total public services	491,873	439,588	52,284	-	-	-	491,873	439,588	52,284

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, 2009

	Town			School			2009 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Expenditures, continued:									
Current, continued:									
General assistance	\$ 40,350	33,936	6,414	-	-	-	40,350	33,936	6,414
Intergovernmental - county tax	565,434	565,433	1	-	-	-	565,434	565,433	1
Education:									
Regular elementary	-	-	-	3,959,951	3,892,676	67,275	3,959,951	3,892,676	67,275
Regular secondary program	-	-	-	2,203,938	2,149,522	54,416	2,203,938	2,149,522	54,416
Support services	-	-	-	969,948	892,268	77,680	969,948	892,268	77,680
Special education	-	-	-	2,088,193	2,014,595	73,598	2,088,193	2,014,595	73,598
Co-curricular	-	-	-	346,834	324,661	22,173	346,834	324,661	22,173
School Nutrition	-	-	-	296,921	296,912	9	296,921	296,912	9
General Administration	-	-	-	1,214,570	1,174,169	40,401	1,214,570	1,174,169	40,401
Operation of plant and maintenance	-	-	-	1,520,758	1,479,463	41,295	1,520,758	1,479,463	41,295
Student transportation	-	-	-	1,883,997	1,852,913	31,084	1,883,997	1,852,913	31,084
Curriculum materials	-	-	-	53,800	48,774	5,026	53,800	48,774	5,026
Technology funds	-	-	-	31,000	27,304	3,696	31,000	27,304	3,696
SFSP Basic (ARRA)	-	-	-	-	4,721	(4,721)	-	4,721	(4,721)
Adult Ed	-	-	-	146,423	125,851	20,572	146,423	125,851	20,572
Total education	-	-	-	14,716,333	14,283,829	432,504	14,716,333	14,283,829	432,504
Unclassified:									
Tax abatements	8,382	8,382	-	-	-	-	8,382	8,382	-
Total unclassified	8,382	8,382	-	-	-	-	8,382	8,382	-
Debt service:									
Town	460,427	459,402	1,025	-	-	-	460,427	459,402	1,025
Total debt service	460,427	459,402	1,025	-	-	-	460,427	459,402	1,025
Capital outlays:									
Bonded items	34,831	32,433	2,397	-	-	-	34,831	32,433	2,397
Town paving	245,678	197,582	48,096	-	-	-	245,678	197,582	48,096
Total capital outlays	280,508	230,015	50,493	-	-	-	280,508	230,015	50,493
Total expenditures	7,561,751	7,107,161	454,590	14,716,333	14,283,829	432,504	22,278,084	21,390,990	887,094
Excess (deficiency) of revenues over (under) expenditures	(623,703)	(306,346)	(591,823)	(511,535)	104,187	615,722	(1,135,238)	(202,159)	933,078

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, 2009

	Town			School			2009 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	191,728	(26,728)	165,000	191,728	26,728
Proceeds of Bond Issuance	-	1,310,855	1,310,855	-	-	-	-	1,310,855	1,310,855
Carryforward balances:									
All other	172,703	-	(172,703)	346,535	-	346,535	519,238	-	(519,238)
Budgeted use of surplus	451,000	-	(451,000)	-	-	-	451,000	-	(451,000)
Total other financing sources (uses)	623,703	1,310,855	687,152	511,535	191,728	319,807	1,135,238	1,502,583	367,345
Net change in fund balance	-	1,004,509	1,004,509	-	295,915	295,915	-	1,300,424	1,300,424
Fund balance, beginning of year, as restated		2,187,623			640,705			2,828,328	
<b>Fund balance, end of year</b>	<b>\$</b>	<b>3,192,132</b>		<b>936,620</b>				<b>4,128,752</b>	



## **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.

**Sewer** - 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

**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**

**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, 2009**

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 65,533	146,377	211,910
Accounts receivable, net of \$28,000 allowance	365,673	-	365,673
Inventory	25,915	-	25,915
Due from other governments	17,427	-	17,427
Interfund loans receivable	118,659	-	118,659
<b>Total assets</b>	<b>\$ 593,207</b>	<b>146,377</b>	<b>739,584</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Interfund loans payable	170,468	350	170,818
Accrued payroll	-	-	-
Accounts payable	3,634	-	3,634
<b>Total liabilities</b>	<b>174,102</b>	<b>350</b>	<b>174,452</b>
Fund balances:			
Reserved for:			
Inventory	25,915	-	25,915
Nonexpendable trust principal	-	29,330	29,330
Unreserved, reported in:			
Special revenues - designated	-	-	-
Special revenues - undesignated	393,190	-	393,190
Permanent Funds	-	116,697	116,697
<b>Total fund balances</b>	<b>419,105</b>	<b>146,027</b>	<b>565,132</b>
<b>Total liabilities and fund balances</b>	<b>\$ 593,207</b>	<b>146,377</b>	<b>739,584</b>

**TOWN OF LISBON, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2009**

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental revenue	\$ 973,933	-	973,933
User fees	1,052,424	-	1,052,424
Property taxes	434,575	-	434,575
Charges for services	223,940	-	223,940
Investment income and other	47,819	32,728	80,547
Total revenues	2,732,691	32,728	2,765,419
Expenditures:			
Current:			
Public works	1,168,540	-	1,168,540
Public services	453,461	4,444	457,905
Education	697,228	-	697,228
Food service	328,470	-	328,470
Total expenditures	2,647,699	4,444	2,652,143
Excess (deficiency) of revenues over (under) expenditures	84,992	28,284	113,276
Other financing sources (uses):			
Transfer from other funds	(191,728)	-	(191,728)
Total other financing sources (uses)	(191,728)	-	(191,728)
Net change in fund balances	(106,736)	28,284	(78,452)
Fund balances, beginning of year	525,841	117,743	643,584
Fund balances, end of year	\$ 419,105	146,027	565,132

**TOWN OF LISBON, MAINE**  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2009

	Sewer	Tax Increment Financing	Recreation		DARE Program	School Nutrition Program	School Capital Fund	School Federal and Other programs	Totals
			Land Use						
<b>ASSETS</b>									
Cash and cash equivalents			16,768	21,179	157	27,429		65,533	
Accounts receivable, net of \$28,000 allowance in Sewer Inventory	365,673	-	-	-	25,915	-	-	365,673	
Due from other governments	-	-	-	-	17,427	-	-	17,427	
Interfund loans receivable	-	-	-	-	18,298	-	100,361	118,659	
<b>Total assets</b>	<b>\$ 365,673</b>	<b>-</b>	<b>16,768</b>	<b>21,179</b>	<b>61,797</b>	<b>27,429</b>	<b>100,361</b>	<b>593,207</b>	
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Interfund loans payable	168,468	-	2,000	-	-	-	-	170,468	
Accrued payroll	-	-	-	-	-	-	-	-	
Accounts payable and accrued expenses	-	-	-	-	-	-	3,634	3,634	
<b>Total liabilities</b>	<b>168,468</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,634</b>	<b>174,102</b>	
<b>Fund balances:</b>									
Reserved for inventory	-	-	-	-	25,915	-	-	25,915	
Unreserved:									
Designated	-	-	-	-	-	-	-	-	
Unreserved, undesignated	197,205	-	14,768	21,179	35,882	27,429	96,727	393,190	
<b>Total fund balances</b>	<b>197,205</b>	<b>-</b>	<b>14,768</b>	<b>21,179</b>	<b>61,797</b>	<b>27,429</b>	<b>96,727</b>	<b>419,105</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 365,673</b>	<b>-</b>	<b>16,768</b>	<b>21,179</b>	<b>61,797</b>	<b>27,429</b>	<b>100,361</b>	<b>593,207</b>	

**TOWN OF LISBON, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the year ended June 30, 2009**

	Sewer	Tax Increment Financing	Recreation Land Use	DARE Program	School Nutrition Program	School Capital Fund	School Federal and Other programs	Totals
<b>Revenues:</b>								
Intergovernmental revenue	\$ -	-	2,655	-	254,535	-	716,743	973,933
User fees	1,052,424	-	-	-	-	-	-	1,052,424
Property taxes	-	434,575	-	-	-	-	-	434,575
Charges for services	-	-	-	-	223,940	-	-	223,940
Investment income and other	-	-	14	20,434	-	245	27,126	47,819
<b>Total revenues</b>	<b>1,052,424</b>	<b>434,575</b>	<b>2,668</b>	<b>20,434</b>	<b>478,475</b>	<b>245</b>	<b>743,869</b>	<b>2,732,691</b>
<b>Expenditures:</b>								
<b>Current:</b>								
Public works	1,168,540	-	-	-	-	-	-	1,168,540
Public services	-	434,575	9,217	9,669	-	-	-	453,461
Education	-	-	-	-	-	-	697,228	697,228
Food service	-	-	-	-	328,470	-	-	328,470
<b>Total expenditures</b>	<b>1,168,540</b>	<b>434,575</b>	<b>9,217</b>	<b>9,669</b>	<b>328,470</b>	<b>-</b>	<b>697,228</b>	<b>2,647,699</b>
Excess (deficiency) of revenues over (under) expenditures	(116,116)	-	(6,549)	10,765	150,005	245	46,641	84,992
<b>Other financing sources (uses):</b>								
Transfer to (from) other funds	-	-	-	-	(165,000)	-	(26,728)	(191,728)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(165,000)</b>	<b>-</b>	<b>(26,728)</b>	<b>(191,728)</b>
<b>Net change in fund balances</b>	<b>(116,116)</b>	<b>-</b>	<b>(6,549)</b>	<b>10,765</b>	<b>(14,995)</b>	<b>245</b>	<b>19,913</b>	<b>(106,736)</b>
Fund balances, beginning of year	313,321	-	21,317	10,414	76,792	27,183	76,814	525,841
<b>Fund balances, end of year</b>	<b>\$ 197,205</b>	<b>-</b>	<b>14,768</b>	<b>21,179</b>	<b>61,797</b>	<b>27,428</b>	<b>96,727</b>	<b>419,105</b>

TOWN OF LISBON, MAINE  
Combining Balance Sheet  
Nonmajor Permanent Funds  
June 30, 2009

	Cash	Total assets	Due To General	Total Liabilities	Principal	Unexpended income	Total fund balances
Permanent funds:							
Potter Patten Cemetery	\$ 379	379	-	-	75	304	379
Maine Research Company Charity Fund	2,668	2,668	-	-	630	2,038	2,668
Kevin Curtis Memorial Scholarship	763	763	350	350	-	413	413
Arther Barron	117	117	-	-	-	117	117
Blanche M. Jalbert Fund	5,630	5,630	-	-	1,795	3,835	5,630
Class of 1941 Scholarship Fund	21,199	21,199	-	-	-	21,199	21,199
Dunton Memorial	3,813	3,813	-	-	700	3,113	3,813
Earl Higgins Memorial	4,884	4,884	-	-	3,281	1,603	4,884
Edna D. Purington Memorial Scholarship Award	1,617	1,617	-	-	1,135	482	1,617
Farmer	6,264	6,264	-	-	-	6,264	6,264
Frank Wimmer Trust	8,840	8,840	-	-	-	8,840	8,840
Peggy McGraw	4,808	4,808	-	-	1,500	3,308	4,808
Leon E. Bard, Sr. Memorial Music Scholarship Award	2,772	2,772	-	-	1,572	1,200	2,772
Lisbon High School Memorial Library Fund	8,402	8,402	-	-	876	7,526	8,402
Marion T. Morse Secretarial Award	1,638	1,638	-	-	1,000	638	1,638
Mark Adam Cielinski Memorial Scholarship Fund	2,720	2,720	-	-	2,181	539	2,720
Maude Frow Fund	4,789	4,789	-	-	1,000	3,789	4,789
Michael F. Strout Memorial Scholarship Fund	5,007	5,007	-	-	3,200	1,807	5,007
Richard S. Ladner Scholarship Fund	7,325	7,325	-	-	4,909	2,416	7,325
Sugg Middle School Trust Fund	8,929	8,929	-	-	3,845	5,084	8,929
Summer camp	171	171	-	-	-	171	171
Thompson Memorial Fund	3,167	3,167	-	-	1,631	1,536	3,167
Walter Huston Memorial Scholarship	40,475	40,475	-	-	-	40,475	40,475
<b>Total permanent funds</b>	<b>\$ 146,377</b>	<b>146,377</b>	<b>350</b>	<b>350</b>	<b>29,330</b>	<b>116,697</b>	<b>146,027</b>

**TOWN OF LISBON, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the year ended June 30, 2009**

	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	304	-	-	-	75	304	
Maine Research Company Charity Fund	630	2,037	1	-	-	630	2,038	
Kevin Curtis Memorial Scholarship	-	762	1	-	350	-	413	
Arther Barron	-	616	1	-	500	-	117	
Blanche M. Jalbert Fund	1,795	3,723	51	108	47	1,795	3,835	
Class of 1941 Scholarship Fund	-	314	1	21,084	200	-	21,199	
Dunton Memorial	700	3,206	213	-	306	700	3,113	
Earl Higgins Memorial	3,281	1,731	22	-	150	3,281	1,603	
Edna D. Purington Memorial Scholarship Award	1,135	452	15	30	15	1,135	482	
Farmer	-	5,880	184	200	-	-	6,264	
Frank Wimmer Trust	-	6,721	15	2,104	-	-	8,840	
Peggy McGraw	-	-	95	5,213	500	1,500	3,308	
Leon E. Bard, Sr. Memorial Music Scholarship Award	1,572	1,199	97	-	96	1,572	1,200	
Lisbon High School Memorial Library Fund	876	7,570	256	-	300	876	7,526	
Marion T. Morse Secretarial Award	1,000	631	7	-	-	1,000	638	
Mark Adam Cielinski Memorial Scholarship Fund	2,181	463	132	-	56	2,181	539	
Maude Frow Fund	1,000	3,670	51	116	48	1,000	3,789	
Michael F. Strout Memorial Scholarship Fund	3,200	1,705	102	101	101	3,200	1,807	
Richard S. Ladner Scholarship Fund	4,909	1,108	89	1,219	-	4,909	2,416	
Sugg Middle School Trust Fund	3,845	5,378	181	300	775	3,845	5,084	
Summer camp	-	171	-	-	-	-	171	
Thompson Memorial Fund	1,631	1,443	93	-	-	1,631	1,536	
Walter Huston Memorial Scholarship	-	40,829	646	-	1,000	-	40,475	
<b>Total permanent funds</b>	<b>\$ 27,830</b>	<b>89,913</b>	<b>2,253</b>	<b>30,475</b>	<b>4,444</b>	<b>29,330</b>	<b>116,697</b>	