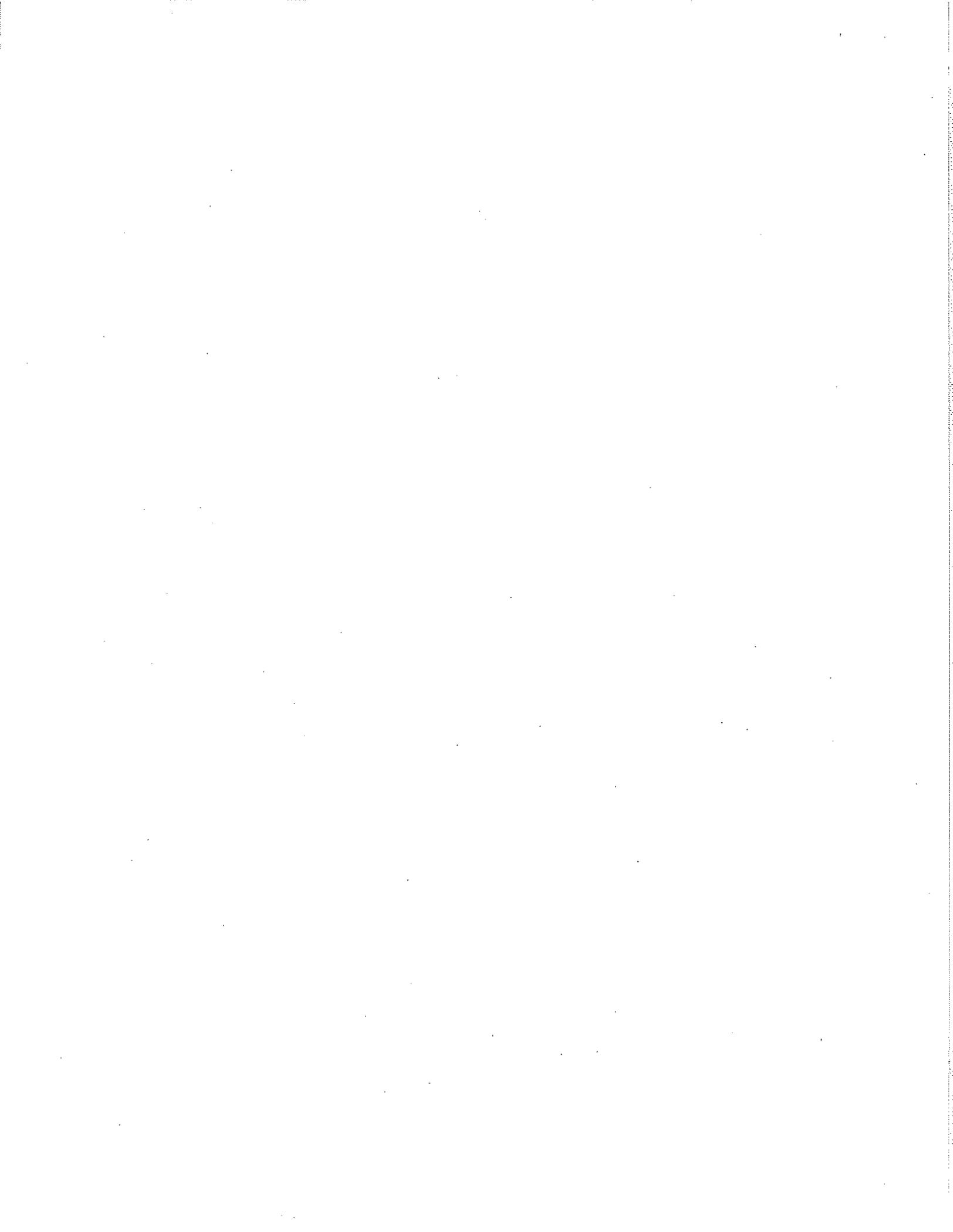


TOWN OF LISBON, MAINE

Annual Financial Report

**For The Fiscal Year Ended
June 30, 2011**



TOWN OF LISBON, MAINE
Annual Financial Report
Year ended June 30, 2011

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Independent Auditor's Report

Town Council
Town of Lisbon, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lisbon, Maine as of June 30, 2011 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.

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

In our opinion, because of the omission of the Water Department Fund, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Water Department Fund of the Town of Lisbon, Maine, as of June 30, 2011, or the changes in financial position or cash flows thereof for the year then ended.

In addition, in our opinion, except for the effects of not including financial information for the Water Department Fund as part of the business-type activities, as described above, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lisbon, Maine, as of June 30, 2011, the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 5, 2011, on our consideration of the Town of Lisbon, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



December 5, 2011
South Portland, Maine

TOWN OF LISBON, MAINE
Management's Discussion and Analysis
June 30, 2011

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, 2011.

Financial Highlights

- The assets of the Town of \$35,466,966 exceeded its liabilities at the close of the most recent fiscal year by \$18,744,509. Of this amount, \$2,358,773 may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town of Lisbon's total net assets decreased by \$2,480 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 \$4,684,903, a decrease of \$96,459 in comparison with the prior year. This was due to the use of fund balance.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,184,499.
- The Town of Lisbon & the School Department incurred \$780,515 in additional debt in the most recent fiscal year (including capital leases). New School Department QSCB bonds totaled \$350,000. The Town reclassified \$230,000 of debt from the Water Department to the Town from the May 2010 Bonds. Finally, the Town had \$200,515 of new 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

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

resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the loan program fund which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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 18-31 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 \$18,744,509 at the close of the most recent fiscal year.

Governmental Activities

	2011	2010	2009	2008
Assets:				
Current and other assets	\$ 7,456,574	\$ 7,873,864	7,786,282	6,216,639
Capital assets	28,010,392	28,419,021	28,998,631	29,583,035
Total assets	35,466,966	36,292,885	36,784,913	35,799,674
Liabilities:				
Long-term liabilities outstanding	14,421,780	14,841,838	15,081,941	15,311,248
Other liabilities	2,300,677	2,704,058	1,623,187	1,279,645
Total liabilities	16,722,457	17,545,896	16,705,128	16,590,893
Net assets:				
Invested in capital assets, net of related debt	14,570,777	15,245,076	15,227,545	14,271,787
Restricted	1,814,959	27,149	29,330	54,115
Unrestricted	2,358,773	3,474,764	4,822,909	4,882,879
Total net assets	\$ 18,744,509	\$ 18,746,989	20,079,784	19,208,781

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.

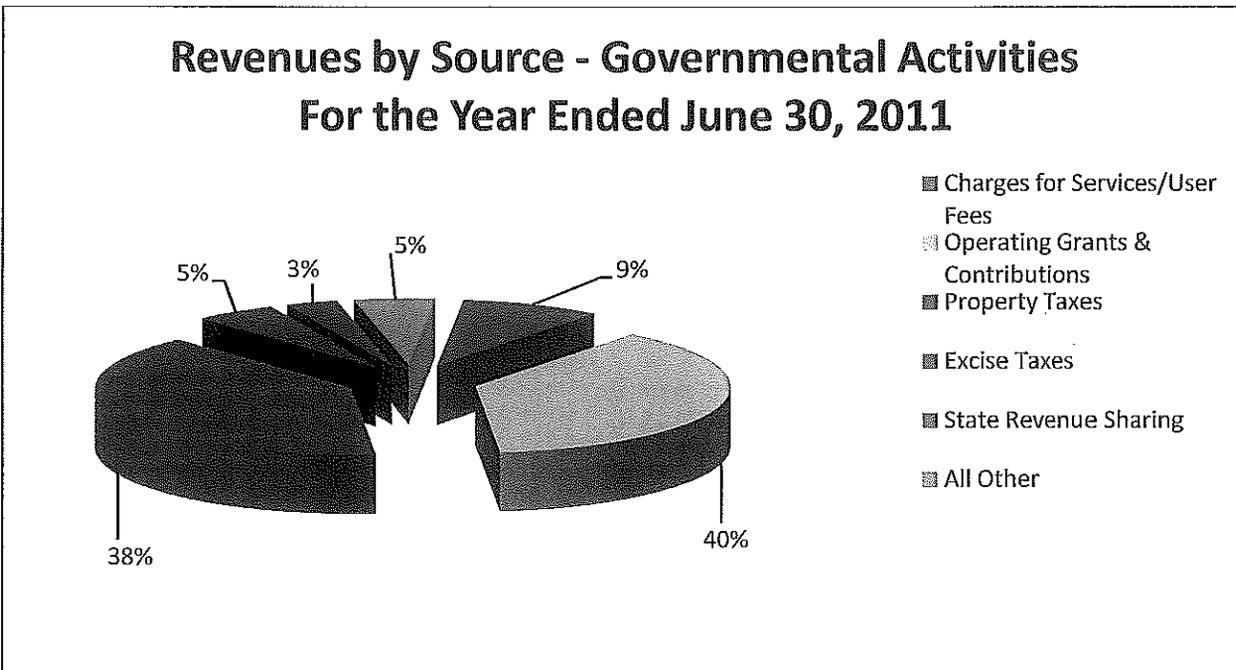
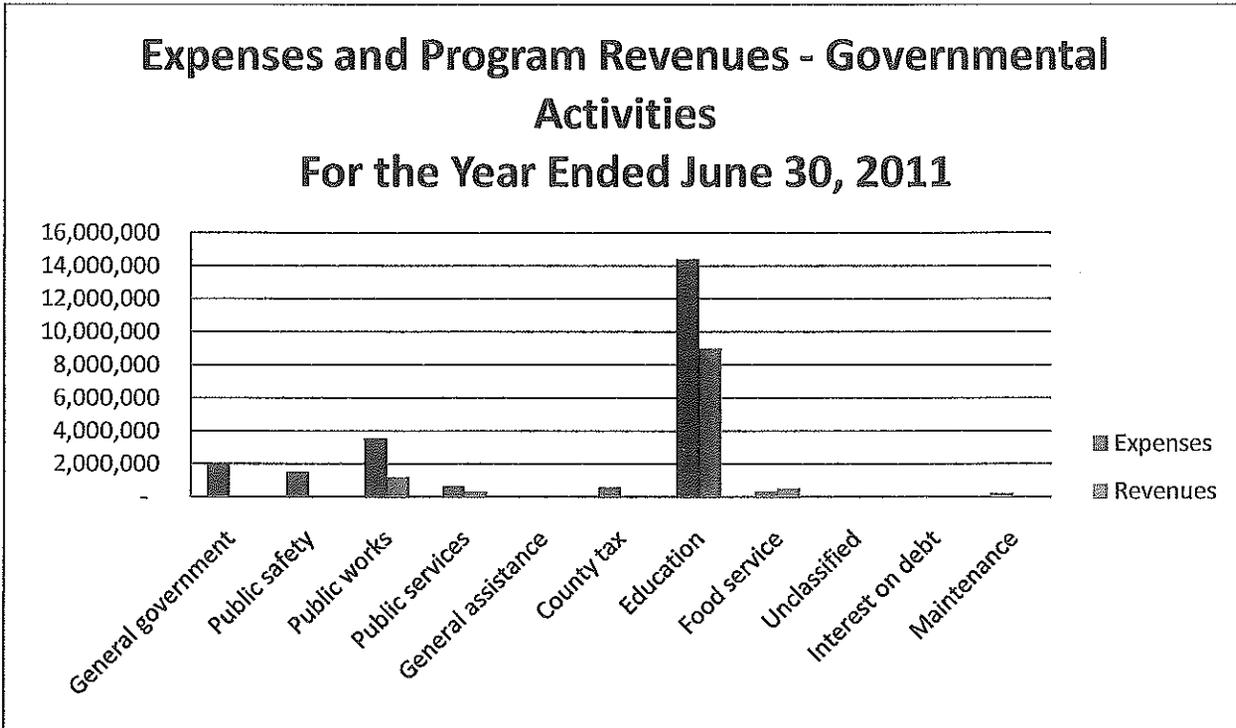
At the end of the current fiscal year, the Town of Lisbon is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental funds.

Change in Net Assets

	Governmental Activities 2011	Governmental Activities 2010	Governmental Activities 2009	Governmental Activities 2008
Revenues:				
Program Revenues:				
Charges for services	2,082,659	2,236,987	2,172,056	1,756,303
Operating grants and contributions	10,114,134	9,635,525	11,170,530	12,066,907
General Revenues:				
Property taxes	9,307,776	9,080,016	8,908,186	8,436,493
Motor vehicle excise taxes	1,198,092	1,193,331	1,211,212	1,331,167
Other State aid	919,398	463,709	512,278	164,691
State Revenue Sharing	764,126	754,944	970,408	1,098,220
Unrestricted investment earnings	70,705	57,695	97,491	220,679
Miscellaneous	200,980	214,352	446,418	895,341
Total revenues	24,657,870	23,636,559	25,488,579	25,969,801
Expenses:				
General government	2,041,744	2,103,627	1,985,405	1,951,320
Public safety	1,528,705	1,585,473	1,447,640	1,548,997
Public works	3,548,635	4,036,900	3,232,554	3,328,825
Public services	643,878	867,813	882,789	921,278
General assistance	28,492	32,043	33,936	50,619
County tax	579,878	570,792	565,433	547,555
Education	15,625,912	14,874,533	15,366,707	15,702,759
Food service	327,868	327,403	328,470	582,083
Unclassified	40,553	172,993	133,473	291,465
Interest on debt	87,992	277,055	109,080	493,778
Capital maintenance expenses	206,693	37,332	357,353	18,245
Total expenditures	24,660,350	24,885,964	24,442,840	25,436,924
Change in net assets	(2,480)	(1,249,405)	1,045,739	532,877
Net assets, beginning, as restated	18,746,989	19,996,394	19,034,044	18,675,904
Net assets, ending	18,744,509	18,746,989	20,079,783	19,208,781

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:



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,684,903. Approximately 26 percent of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* in some capacity to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,184,499, while total fund balance reached \$3,006,322.

General Fund Budgetary Highlights

The fund balance of the Town's general fund decreased \$166,075 during the current fiscal year. However, if looking at the individual components, the Town's portion decreased by \$105,009 and the School Department's component decreased by \$61,066. These changes are a result of revenue shortfalls for both the Town & School.

Capital Asset and Debt Administration

Capital assets. The Town's new investment in capital assets for its governmental activities as of June 30, 2011, amounted to \$1,134,576.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$13,511,555. 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 27-29 of this report.

Economic Factors and Next Year's Budgets and Rates

- The Town saw a decrease in the Town's total assessed value.
- Excise tax revenue has remained flat.
- State Revenue Sharing remains on the low side.

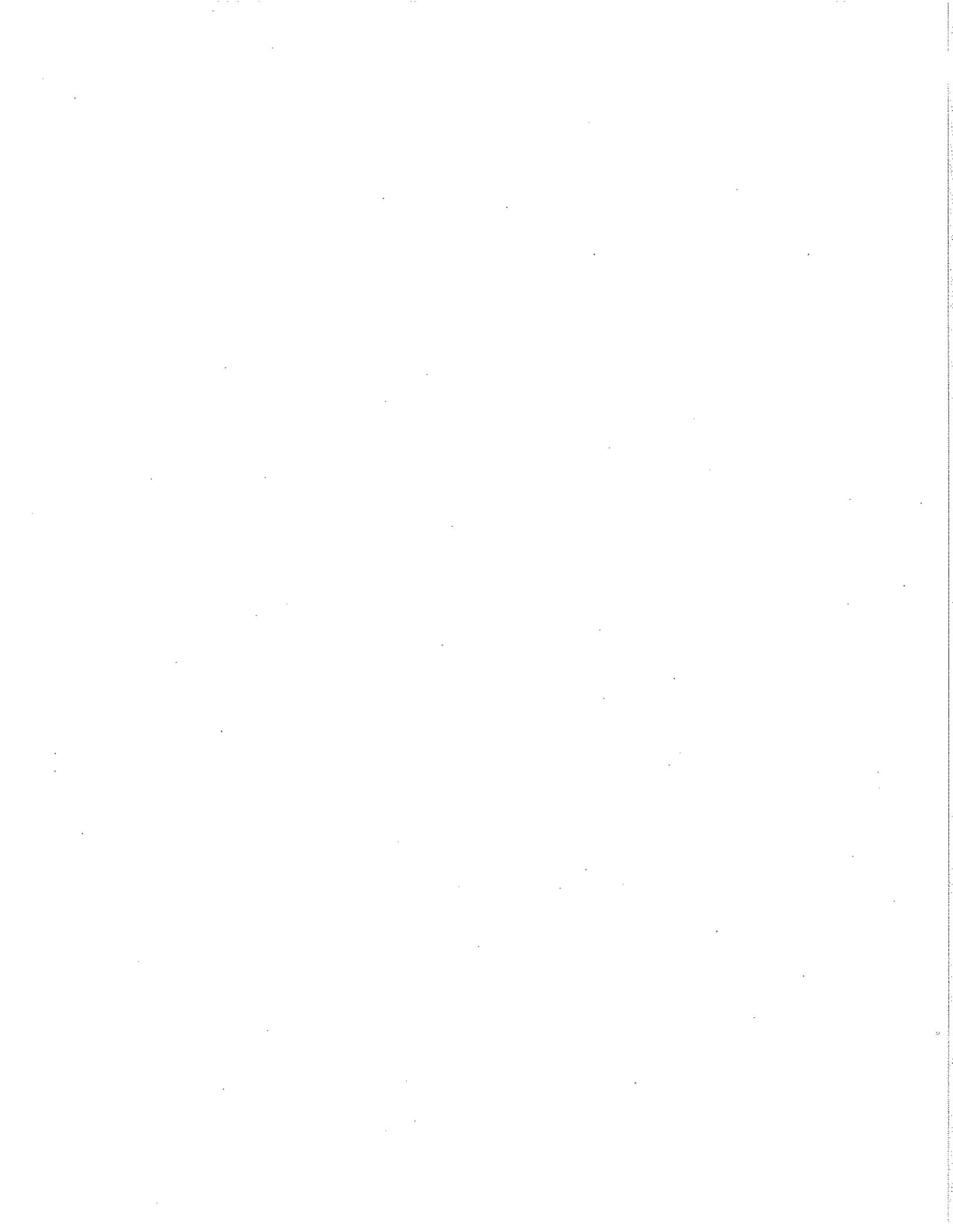
The Town's tax rate for the 2011-2012 fiscal year remained flat. This was due to the diligence of the Department Heads, the Town Manager and the Town Council, despite being faced with extreme economic conditions that begged otherwise. The Town continues to monitor the State budget situations, and continues to be concerned about potential cuts in State revenue sharing and/or School aid.

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

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance Director, Town of Lisbon, 300 Lisbon Road, Lisbon, Maine 04250.

BASIC FINANCIAL STATEMENTS



TOWN OF LISBON, MAINE
Statement of Net Assets
June 30, 2011

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,571,004
Receivables:	
Accounts, net of allowance \$28,000	411,408
Intergovernmental	178,634
Taxes receivable	588,395
Tax liens	128,823
Notes, net of allowance \$25,000	553,627
Inventory	24,682
Capital assets not being depreciated	1,048,575
Capital assets being depreciated, net	26,961,817
Total assets	35,466,965
LIABILITIES	
Accounts payable and other current liabilities	1,100,643
Accrued interest	172,400
Accrued payroll	1,027,633
Noncurrent liabilities:	
Due within one year	1,265,945
Due in more than one year	13,155,834
Total liabilities	16,722,455
NET ASSETS	
Invested in capital assets, net of related debt	14,570,778
Restricted:	
Grants and loan programs	1,126,207
Education	529,386
Scholarships	132,217
Nonexpendable principal of permanent funds	27,149
Unrestricted	2,358,772
Total net assets	\$ 18,744,509

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Statement of Activities
For the year ended June 30, 2011

Functions/programs	Expenses	Program Revenues		Net (expense) revenue and changes in net assets
		Charges for services	Operating grants and contributions	Governmental activities
Governmental activities:				
General government	2,041,744	-	-	(2,041,744)
Public safety	1,528,705	7,286	-	(1,521,419)
Public works/treatment plant	3,548,635	1,197,489	-	(2,351,146)
Public services	643,878	297,136	-	(346,742)
General assistance	28,492	-	-	(28,492)
County tax	579,878	-	-	(579,878)
Education	15,625,912	78,023	10,114,134	(5,433,755)
Food service	327,868	502,725	-	174,857
Unclassified	40,553	-	-	(40,553)
Interest on debt	87,992	-	-	(87,992)
Capital maintenance expenses	206,693	-	-	(206,693)
Total governmental activities	24,660,350	2,082,659	10,114,134	(12,463,557)

General revenues:

Property taxes, levied for general purposes	9,307,776
Motor vehicle excise taxes	1,198,092
Other state aid	919,398
State Revenue Sharing	764,126
Unrestricted investment earnings	70,705
Miscellaneous	200,980
Total general revenues	12,461,077

Change in net assets (2,480)

Net assets - beginning 18,746,989

Net assets - ending \$ **18,744,509**

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Balance Sheet
Governmental Funds
June 30, 2011

	General	Loan Program Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	4,629,051	719,637	222,316	5,571,004
Receivables:				
Accounts, net of allowance	93,876	-	317,532	411,408
Intergovernmental	168,984	-	9,650	178,634
Taxes receivable - prior years	192,900	-	-	192,900
Taxes receivable - current year	395,495	-	-	395,495
Tax liens	128,823	-	-	128,823
Notes, net of allowance of 25,000, loan program	266,067	287,560	-	553,627
Interfund loans receivable	39,722	-	166,109	205,831
Inventory	-	-	24,682	24,682
Total assets	5,914,918	1,007,197	740,289	7,662,404
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	1,047,913	-	16,253	1,064,166
Accrued payroll	1,023,159	-	4,474	1,027,633
Interfund loans payable	157,653	23,387	24,791	205,831
Deferred revenues	643,393	-	-	643,393
Taxes collected in advance	36,478	-	-	36,478
Total liabilities	2,908,596	23,387	45,518	2,977,501
Fund balances:				
Nonspendable	266,067	287,560	51,831	605,458
Restricted	529,386	696,250	286,728	1,512,364
Committed	-	-	356,212	356,212
Assigned	1,026,370	-	-	1,026,370
Unassigned	1,184,499	-	-	1,184,499
Total fund balances	3,006,322	983,810	694,771	4,684,903
Total liabilities and fund balances	5,914,918	1,007,197	740,289	

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.	28,010,392
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	643,393
Accrued interest not recorded in the funds.	(172,400)
Accrued compensated absences not recorded in the funds.	(633,039)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	(13,788,740)

Net assets of governmental activities **\$ 18,744,509**

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, 2011

	General	Loan Program Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	10,579,738	-	180,876	10,760,614
Licenses and permits	32,060	-	-	32,060
Intergovernmental	10,819,444	-	978,214	11,797,658
Charges for services	113,357	-	1,573,411	1,686,768
Other	260,130	16,718	63,544	340,392
Total revenues	21,804,729	16,718	2,796,045	24,617,492
Expenditures:				
Current:				
General government	1,912,114	-	-	1,912,114
Public safety	1,416,771	-	-	1,416,771
Public works	2,175,573	-	954,467	3,130,040
Public services	415,828	-	228,050	643,878
General assistance	28,492	-	-	28,492
County tax	579,878	-	-	579,878
Education	14,214,432	-	1,522,885	15,737,317
Food service	-	-	327,868	327,868
Unclassified	12,229	29,163	-	41,392
Capital outlay	343,326	-	-	343,326
Debt service	1,333,390	-	-	1,333,390
Total expenditures	22,432,033	29,163	3,033,270	25,494,466
Excess (deficiency) of revenues over (under) expenditures	(627,304)	(12,445)	(237,225)	(876,974)
Other financing sources (uses):				
Proceeds from capital leases	200,515	-	-	200,515
Proceeds from bond issuance	230,000	-	350,000	580,000
Transfers from (to) other funds	30,714	-	(30,714)	-
Total other financing sources	461,229	-	319,286	780,515
Net change in fund balances	(166,075)	(12,445)	82,061	(96,459)
Fund balances, beginning of year	3,172,397	996,255	612,710	4,781,362
Fund balances, end of year	3,006,322	983,810	694,771	4,684,903

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, 2011

Net change in fund balances - total governmental funds (from Statement 4)

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because: (96,459)

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 (\$1,528,952) and the loss on disposal (\$14,253) in the current period exceeded capital outlay (1,134,576). (408,629)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 54,630

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. (34,958)

Change in accrued compensated absences reported as expenses in the statement of activities when earned. (16,907)

Change in accrued interest which is reported as an expense in the statement of activities when incurred. 27,920

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 by which repayments exceeded issuances. 471,923

Change in net assets of governmental activities (see Statement 2) \$ (2,480)

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, 2011

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	10,501,030	10,501,030	10,579,738	78,708
Licenses and permits	27,700	27,700	32,060	4,360
Intergovernmental	9,927,355	9,927,355	9,587,348	(340,007)
Charges for services	73,148	73,148	113,357	40,209
Investment income	30,000	30,000	17,067	(12,933)
Other	266,800	266,800	243,063	(23,737)
Total revenues	20,826,033	20,826,033	20,572,633	(253,400)
Expenditures:				
Current:				
General government	2,104,847	2,104,847	1,912,114	192,733
Public safety	1,592,087	1,592,087	1,416,771	175,316
Public works	2,217,277	2,447,277	2,175,573	271,704
Public services	464,198	464,198	415,828	48,370
General assistance	35,812	35,812	28,492	7,320
County tax	579,878	579,878	579,878	-
Education	14,569,095	14,569,095	13,860,467	708,628
Unclassified	12,229	12,229	12,229	-
Capital outlay	420,835	420,835	142,811	278,024
Debt service	481,867	481,867	455,259	26,608
Total expenditures	22,478,125	22,708,125	20,999,422	1,708,703
Excess (deficiency) of revenues over (under) expenditures	(1,652,092)	(1,882,092)	(426,789)	1,455,303
Other financing sources (uses):				
Proceeds from bond issuance	-	230,000	230,000	-
Use of undesignated fund balance	595,597	595,597	-	(595,597)
Use of designated fund balances	891,495	891,495	-	(891,495)
Transfers from (to) other funds	165,000	165,000	30,714	(134,286)
Total other financing sources (uses)	1,652,092	1,882,092	260,714	(1,621,378)
Net change in fund balance	-	-	(166,075)	(166,075)
Fund balance, beginning of year			3,172,397	
Fund balance, end of year			3,006,322	

See accompanying notes to financial statements.

TOWN OF LISBON, MAINE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Agency Funds</u>
	Student Activity Funds
ASSETS	
Cash	90,912
Total assets	90,912
LIABILITIES	
Amounts held for other groups	90,912
Total liabilities	90,912

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

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 reports no business-type activities.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

Additionally, the Town reports the following fund type:

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

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits

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

2. Receivables and Payables

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

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

3. Inventory

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

5. Compensated Absences

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

6. Long-term Obligations

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

7. Fund Balance

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

8. Use of Estimates

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

9. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. The Town’s net assets invested in capital assets, net of related debt was calculated as follows at June 30, 2011:

	Governmental activities
Capital assets, net of depreciation	\$ 28,010,392
Bonds, notes and capital leases payable	(13,788,740)
Add back: non-capital debt (IRP)	312,329
Add back: unspent bond proceeds	36,797
<u>Total invested in capital assets net of related debt</u>	<u>\$ 14,570,778</u>

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At June 30, 2011, deposits and investments have been reported as "cash and cash equivalents" as follows:

Reported in governmental funds	\$ 5,571,004
Reported in fiduciary funds	90,912
<u>Total deposits and investments</u>	<u>\$ 5,661,916</u>

Deposits: Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2011, the Town reported deposits of \$5,661,916 with a bank balance of \$5,723,647. 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, 2011, the Town had two cash management accounts totaling \$1,459,438. 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, 2011, 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 \$1,459,438 investment in repurchase agreements (sweep accounts), 100% was collateralized by a stand by letter of credit totaling \$5,000,000.

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

B. Receivables

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

	<u>General</u>	<u>Loan program</u>	<u>Other governmental funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 588,395	-	-	588,395
Liens	128,823	-	-	128,823
Accounts	93,876	-	317,532	411,408
Intergovernmental	168,984	-	9,650	178,634
Notes	266,067	287,561	-	553,628
Net total receivables	\$ 1,246,145	287,561	327,182	1,860,888

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

	<u>Unavailable</u>
Deferred revenue for governmental funds	
Deferred tax revenue	\$ 643,393

C. Property Tax

Property taxes for the current year were committed on December 13, 2010 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, 2011 was based, was \$454,676,949. The assessed value was 80% 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 \$234,138 for the year ended June 30, 2011.

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

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

C. Property Tax, continued

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

The following summarizes the 2011 and 2010 levies:

	<u>2011</u>	<u>2010</u>
Assessed value	\$ 454,676,949	371,980,736
<u>Tax rate (per \$1,000)</u>	<u>21.00</u>	<u>25.50</u>
Commitment	9,548,216	9,485,509
<u>Supplemental taxes assessed</u>	<u>1,624</u>	<u>11,631</u>
Total levy	9,549,840	9,497,140
Less: abatements	12,229	61,601
<u>Less: collections</u>	<u>9,142,116</u>	<u>9,125,136</u>
Receivable at end of year	395,495	310,403
<u>Add: Prior taxes and liens receivable</u>	<u>321,723</u>	<u>302,438</u>
<u>Total taxes/liens receivable</u>	<u>\$ 717,218</u>	<u>612,841</u>
Due date(s)	½ September 15, 2010 ½ March 15, 2011	½ September 15, 2009 ½ March 15, 2010
Interest rate on delinquent taxes	7%	7%
Collection rate	96%	96%

Tax Increment Financing District - A portion of the total assessed value represents value within a Tax Increment Financing District. The taxes on 50% of the incremental value within this District is captured and paid over to a local business. The amount captured and paid during 2010-2011 amounted to \$180,876 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, 2011 was as follows:

	Balance June 30, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2011</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,048,575	-	-	1,048,575
Total capital assets, not being depreciated	1,048,575	-	-	1,048,575
Capital assets, being depreciated:				
Buildings	25,005,531	667,184	-	25,672,715
Equipment and vehicles	6,973,576	330,759	82,803	7,221,532
Infrastructure	21,587,044	136,633	-	21,723,677
Total capital assets being depreciated	53,566,151	1,134,576	82,803	54,617,924
Less accumulated depreciation for:				
Buildings	11,298,560	638,616	-	11,937,176
Equipment and vehicles	3,543,008	446,261	68,550	3,920,719
Infrastructure	11,354,137	444,075	-	11,798,212
Total accumulated depreciation	26,195,705	1,528,952	68,550	27,656,107
Total capital assets being depreciated, net	27,370,446	(394,376)	14,253	26,961,817
Governmental activities capital assets, net	\$ 28,419,021	(394,376)	14,253	28,010,392

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

Governmental activities:	
General government	\$ 129,631
Education	639,178
Public safety	134,923
Public works, including depreciation of general infrastructure assets	625,220
Total depreciation expense – governmental activities	\$ 1,528,952

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

II. 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, 2011, these balances were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>
General Fund	\$ 39,722	157,653
Loan programs	-	23,387
Nonmajor Governmental Funds:		
Dare Program	-	2,747
School Nutrition	67,463	-
School Capital	148	-
School Federal and other programs	51,737	22,044
Treatment Plant	44,014	-
Recreational Land Use	2,747	-
Total Nonmajor Governmental Funds	166,109	24,791
Totals	\$ 205,831	205,831

Individual fund transfers for the year ended June 30, 2011 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General fund	\$ 145,000	(114,286)
Nonmajor funds:		
School Nutrition Program	-	(145,000)
School Federal and Other Programs	114,286	-
Total nonmajor funds	114,286	(145,000)

F. Long-term Debt

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation debt	\$ 13,983,478	580,000	1,051,923	13,511,555	1,130,523
Capital leases	242,228	200,515	165,558	277,185	135,422
Compensated absences	616,132	16,907	-	633,039	-
Total governmental activity long-term liabilities	\$ 14,841,838	797,422	1,217,481	14,421,780	1,265,945

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

F. Long-term Debt, continued

Bonds and Notes Payable

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

	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance</u>
Bonds and notes payable:				
Governmental activities:				
1998 Intermediary relending loan	July 2000	July 2026	1.00%	312,329
2002 Capital Improvement (original issue \$1,330,000)	Oct. 2002	Nov. 2012	2.50-3.45%	298,579
2004 Town Bond (original issue \$12,899,710)	May 2004	Nov. 2024	4.41%	9,029,800
2005 Town Bond (original issue \$368,000)	May 2005	Nov. 2020	1.50-3.70%	272,577
2005 Sewer Bond (original issue \$350,000)	Aug. 2004	Apr. 2024	1.93%	227,500
2005 Sewer Bond (original issue \$500,000)	Oct. 2005	Oct. 2025	1.43%	375,000
2006 Town Bond (original issue \$540,000)	Oct. 2006	Nov. 2021	1.8-6.25%	396,000
2009 Town Bond (original issue \$1,310,855)	May 2009	Nov. 2019	2.08-5.58%	1,179,770
2010 Town Bond (original issue \$1,070,000)	May 2010	Nov. 2030	2.06-5.56%	1,070,000
2011 School QSCB Bond (original issue \$350,000)	July 2010	July 2020	5.28%	350,000

<u>Total bonds and notes payable</u>	<u>\$ 13,511,555</u>
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The Town also issued three bonds during 2005, 2006 and 2010 in the amounts of \$3,000,000, \$393,000 and \$970,000 respectively, on behalf of the Lisbon Water Department. These bonds are carried on the Water Department's financial statements as a liability of that Department. The Water Department issues separate financial statements which are not included in the financial statements of the Town. These bonds mature in 2024, 2025 and 2030, and carry interest rates of 2.05%, 3.0-5.0% and 2.06-5.56%. Balances at June 30, 2011 are \$2,179,884, \$294,750, and \$970,000, respectively.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,130,523	489,615	1,620,138
2013	1,136,664	445,702	1,582,366
2014	985,969	409,443	1,395,412
2015	987,151	367,685	1,354,836
2016	988,410	324,431	1,312,841
2017-2021	4,831,446	1,104,689	5,936,135
2022-2026	3,162,941	307,092	3,470,033
2027-2031	288,451	21,649	310,100
Totals	\$ 13,511,555	3,470,306	16,981,861

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

F. Long-term Debt, continued

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, 2011, the Town's outstanding debt did not exceed these limits.

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

Overlapping Debt - The Town's proportionate share of Androscoggin County's debt (determined by the percentage of the Town's State valuation to the county's state valuation) is not reported in the Town's financial statements. Debt service is included in the annual county assessment to the Town. At June 30, 2011, 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.

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, 2011:

Cruisers (Town)	22,989
Other School equipment	101,145
Other Town equipment	206,625

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, 2011:

Fiscal year	<u>School</u>	<u>Town</u>	<u>Total</u>
<u>June 30,</u>			
2012	\$ 20,296	124,593	144,889
2013	20,296	79,014	99,310
2014	20,296	21,869	42,165
<u>2015</u>	<u>-</u>	<u>7,071</u>	<u>7,071</u>
Total minimum lease payments	60,888	232,547	293,435
Less: amount representing interest	(4,938)	(11,312)	(16,250)
Present value of future minimum			
lease payments	\$ 55,950	221,235	277,185

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

III. DETAILED NOTES ON ALL FUNDS, CONTINUED

G. Operating Leases

The Lisbon School Department has one operating lease for postage meters. Lease expenditures for the year ended June 30, 2011 amounted to \$1,294.

I. Fund Balances

The General Fund unassigned fund balance total of \$1,184,499 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. As of June 30, 2011, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Noncurrent receivables	\$ 266,067	-	-	-
Education	-	529,386	-	-
Carryforward balances	-	-	-	776,370
Subsequent year budget -- Town	-	-	-	250,000
Special Revenue Funds:				
Loan Program Fund (major)	287,561	696,250	-	-
Treatment Plant	-	-	-	-
Recreation Land Use	-	-	9,975	-
School Nutrition	24,682	76,524	-	-
Grants	-	41,190	-	-
Capital project Funds	-	36,797	-	-
Permanent Funds:				
Principal	27,149	-	-	-
Unexpended Income	-	132,217	-	-
Totals	\$ 605,459	1,512,364	356,212	1,026,370

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, 2011.

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

IV. OTHER INFORMATION

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

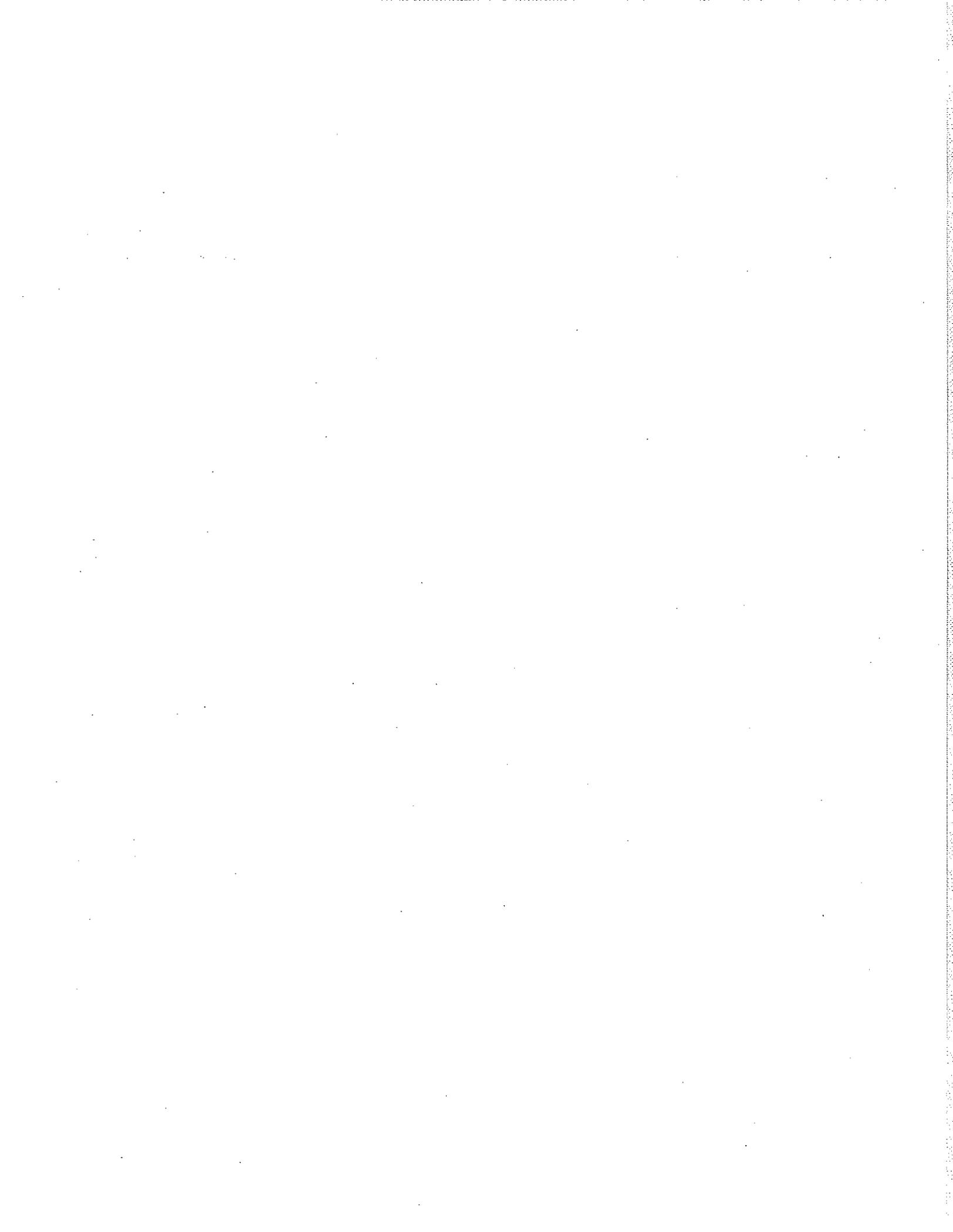
Description of the Plan - The Town contributes to Maine Public Employees Retirement System Consolidated Plan, a cost sharing multiple-employer public employee retirement system established by the Maine Public Employees legislature. The Maine Public Employees Retirement System provides retirement and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

Funding Policy - Plan members are required to contribute 6.5% of their annual covered salary and the Town of Lisbon is required to contribute an actuarially determined rate. The current rate is 3.5% of annual covered for Town employees' payroll. The contribution rates of plan members and the Town of Lisbon are established and may be amended by the Maine State Legislature. The Town's contributions to the Maine Public Employees Retirement System Consolidated Plan for the years ended June 30, 2011 was equal to the required contributions for the year. The rate was calculated net of the IUUAL credit which is being amortized over an 8 year period and amounted to approximately \$52,293 at June 30, 2010, the latest date available.

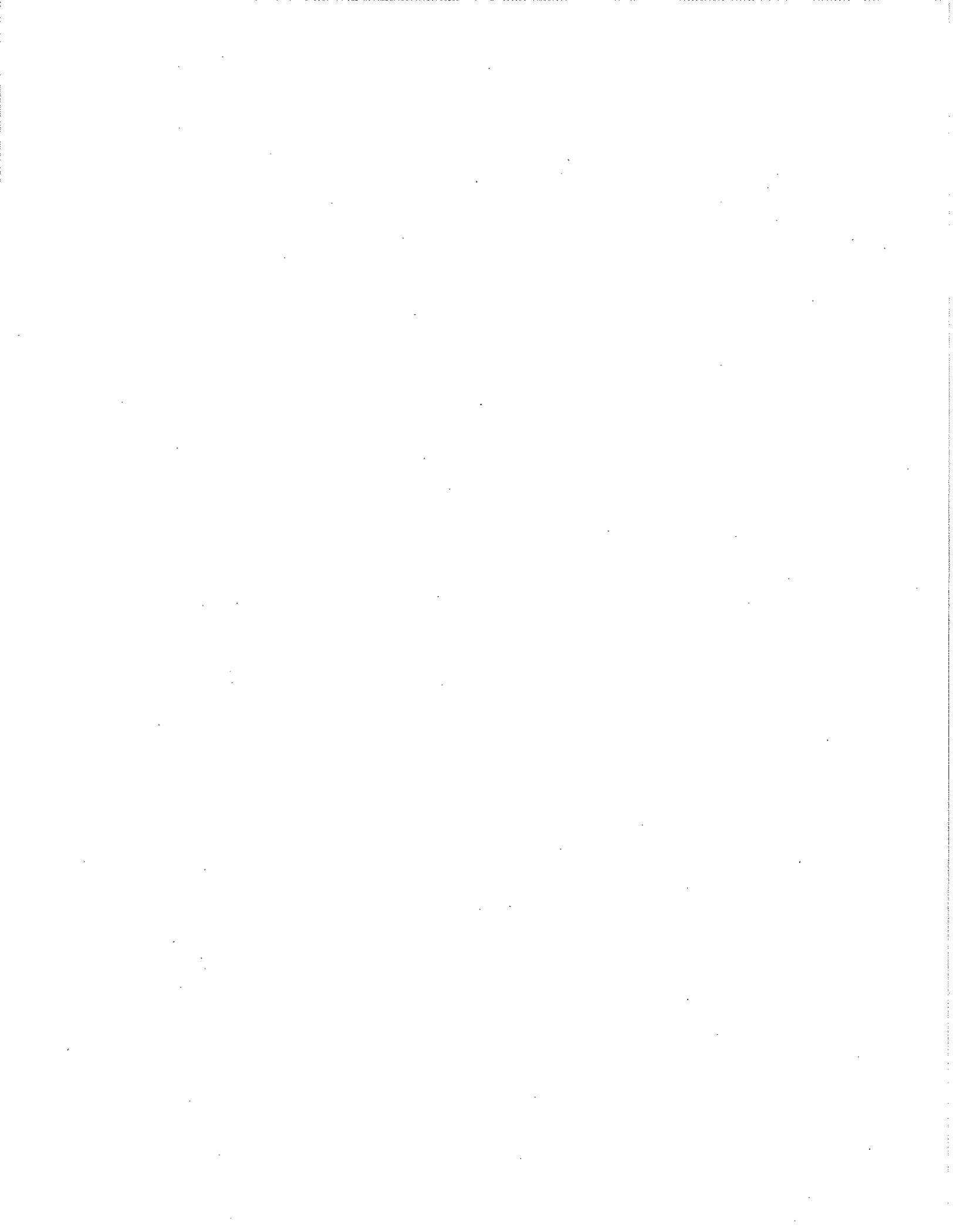
Maine PERS Teacher's Group

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 \$1,232,096 (17.76%) for the fiscal year 2011. This amount has been reported as an intergovernmental revenue and retirement expenditure in the statement of activities (Statement 2) and in statement 4 (GAAP basis). There is no contribution required by the School except for federally funded teachers, for which the School contributed 17.76% of their compensation. This cost is charged to the applicable grant.



GENERAL FUND



TOWN OF LISBON, MAINE
General Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash and cash equivalents	4,629,051	5,403,195
Receivables:		
Accounts	93,876	17,703
Intergovernmental	168,984	7,837
Taxes receivable - prior years	192,900	170,772
Taxes receivable - current year	395,495	38,230
Tax liens	128,823	403,839
Notes	266,067	273,390
Interfund loans receivable	39,722	66,165
Total assets	5,914,918	6,381,131
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	1,047,913	1,340,524
Accrued payroll	1,023,159	1,138,263
Interfund loans payable	157,653	141,185
Deferred revenues	643,393	588,763
Taxes collected in advance	36,478	-
Total liabilities	2,908,596	3,208,735
Fund balance:		
Nonspendable:		
Long-term notes receivable	266,067	273,390
Restricted:		
Education	529,386	590,451
Assigned:		
For next year's town budget	250,000	250,000
For carried forward appropriations	776,370	891,492
Unassigned	1,184,499	1,167,063
Total fund balance	3,006,322	3,172,396
Total liabilities and fund balance	5,914,918	6,381,131

TOWN OF LISBON, MAINE
General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended June 30, 2011

	Town			School			2011 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Revenues:									
Taxes:									
Property taxes	3,947,859	4,031,995	84,136	5,275,781	5,275,781	-	9,223,640	9,307,776	84,136
Excise taxes	1,206,000	1,198,092	(7,908)	-	-	-	1,206,000	1,198,092	(7,908)
Registration fees	23,000	29,874	6,874	-	-	-	23,000	29,874	6,874
Interest and costs on taxes	48,390	43,996	(4,394)	-	-	-	48,390	43,996	(4,394)
Total taxes	5,225,249	5,303,957	78,708	5,275,781	5,275,781	-	10,501,030	10,579,738	78,708
Licenses and permits:									
Business permits and fees	5,700	5,714	14	-	-	-	5,700	5,714	14
All other construction fees	5,000	6,882	1,882	-	-	-	5,000	6,882	1,882
Town clerk	17,000	19,464	2,464	-	-	-	17,000	19,464	2,464
Total licenses and permits	27,700	32,060	4,360	-	-	-	27,700	32,060	4,360
Intergovernmental:									
Education subsidies	-	-	-	8,261,984	7,903,824	(358,160)	8,261,984	7,903,824	(358,160)
State revenue sharing	750,000	764,126	14,126	-	-	-	750,000	764,126	14,126
General assistance	20,000	-	(20,000)	-	-	-	20,000	-	(20,000)
Tree growth reimbursement	2,700	-	(2,700)	-	-	-	2,700	-	(2,700)
BETE reimbursement	103,004	103,034	30	-	-	-	103,004	103,034	30
Homestead reimbursement	166,672	166,656	(16)	-	-	-	166,672	166,656	(16)
Miscellaneous state aid	-	36,055	36,055	505,795	505,795	-	505,795	541,850	36,055
Urban rural incentive program	112,000	100,967	(11,033)	-	-	-	112,000	100,967	(11,033)
Veteran reimbursement	5,200	6,891	1,691	-	-	-	5,200	6,891	1,691
Total intergovernmental	1,159,576	1,177,729	18,153	8,767,779	8,409,619	(358,160)	9,927,355	9,587,348	(340,007)
Charges for services:									
Police - report fees, court fees	6,200	7,286	1,086	-	-	-	6,200	7,286	1,086
Animal control	52,010	28,048	(23,962)	-	-	-	52,010	28,048	(23,962)
School	-	-	-	14,938	78,023	63,085	14,938	78,023	63,085
Total charges for services	58,210	35,334	(22,876)	14,938	78,023	63,085	73,148	113,357	40,209
Investment income	30,000	17,067	(12,933)	-	-	-	30,000	17,067	(12,933)
Other revenues:									
Recreation Department	56,000	70,109	14,109	-	-	-	56,000	70,109	14,109
Recycling	125,000	126,803	1,803	-	-	-	125,000	126,803	1,803
Library	2,000	2,134	134	-	-	-	2,000	2,134	134
MTM Center	14,000	7,003	(6,997)	-	-	-	14,000	7,003	(6,997)
Parks Department	10,000	12,712	2,712	-	-	-	10,000	12,712	2,712
Other revenues	59,800	19,038	(40,762)	-	5,264	5,264	59,800	24,302	(35,498)
Total other revenues	266,800	237,799	(29,001)	-	5,264	5,264	266,800	243,063	(23,737)
Total revenues	6,767,535	6,803,946	36,411	14,058,498	13,768,687	(289,811)	20,826,033	20,572,633	(253,400)

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, 2011

	Town			School			2011 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Expenditures:									
Current:									
General government:									
Elected Officials	22,330	21,032	1,298	-	-	-	22,330	21,032	1,298
Town Manager	146,410	145,259	1,151	-	-	-	146,410	145,259	1,151
Insurance	714,080	629,527	84,553	-	-	-	714,080	629,527	84,553
Legal	52,799	52,799	-	-	-	-	52,799	52,799	-
Finance	128,614	124,914	3,700	-	-	-	128,614	124,914	3,700
Tax Collector	106,894	99,820	7,074	-	-	-	106,894	99,820	7,074
Town Clerk	118,541	101,356	17,185	-	-	-	118,541	101,356	17,185
Assessing	122,881	117,289	5,592	-	-	-	122,881	117,289	5,592
Town Buildings	225,634	214,978	10,656	-	-	-	225,634	214,978	10,656
Technology	96,821	84,087	12,734	-	-	-	96,821	84,087	12,734
Planning Board	5,691	5,463	228	-	-	-	5,691	5,463	228
Board of Appeals	1,035	879	156	-	-	-	1,035	879	156
Maine PERS	72,810	61,988	10,822	-	-	-	72,810	61,988	10,822
Social Security	218,000	210,280	7,720	-	-	-	218,000	210,280	7,720
Economic development	72,307	42,443	29,864	-	-	-	72,307	42,443	29,864
Total general government	2,104,847	1,912,114	192,733	-	-	-	2,104,847	1,912,114	192,733
Public safety:									
Police	1,121,653	1,046,631	75,022	-	-	-	1,121,653	1,046,631	75,022
Animal Control Officer	65,637	61,157	4,480	-	-	-	65,637	61,157	4,480
Fire	404,797	308,983	95,814	-	-	-	404,797	308,983	95,814
Total public safety	1,592,087	1,416,771	175,316	-	-	-	1,592,087	1,416,771	175,316
Public works:									
Public works	724,350	709,150	15,200	-	-	-	724,350	709,150	15,200
Snow removal	211,975	206,291	5,684	-	-	-	211,975	206,291	5,684
Hydrant rental	292,000	290,857	1,143	-	-	-	292,000	290,857	1,143
Street and traffic lights	101,061	101,061	-	-	-	-	101,061	101,061	-
Engineer	586,919	338,433	248,486	-	-	-	586,919	338,433	248,486
Solid waste	530,972	529,781	1,191	-	-	-	530,972	529,781	1,191
Total public works	2,447,277	2,175,573	271,704	-	-	-	2,447,277	2,175,573	271,704
Public services:									
Health officer	10,757	10,592	165	-	-	-	10,757	10,592	165
Community services - senior citizens	30,750	27,290	3,460	-	-	-	30,750	27,290	3,460
Lisbon Falls Library	156,646	154,138	2,508	-	-	-	156,646	154,138	2,508
Miscellaneous Public Service	23,733	23,587	146	-	-	-	23,733	23,587	146
Conservation commission	575	444	131	-	-	-	575	444	131
Contingency and grant matches	10,000	2,980	7,020	-	-	-	10,000	2,980	7,020
Recreation Department	167,262	149,774	17,488	-	-	-	167,262	149,774	17,488
Parks Department	64,475	47,023	17,452	-	-	-	64,475	47,023	17,452
Total public services	464,198	415,828	48,370	-	-	-	464,198	415,828	48,370

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, 2011

	Town			School			2011 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Expenditures, continued:									
Current, continued:									
General assistance	35,812	28,492	7,320	-	-	-	35,812	28,492	7,320
Intergovernmental - county tax	579,878	579,878	-	-	-	-	579,878	579,878	-
Education:									
Regular elementary	-	-	-	5,853,310	5,577,560	275,750	5,853,310	5,577,560	275,750
Special education	-	-	-	1,911,625	1,820,614	91,011	1,911,625	1,820,614	91,011
Other instruction	-	-	-	399,453	391,853	7,600	399,453	391,853	7,600
Student and support staff	-	-	-	976,657	965,409	11,248	976,657	965,409	11,248
System administration	-	-	-	383,706	378,111	5,595	383,706	378,111	5,595
School administration	-	-	-	708,703	705,970	2,733	708,703	705,970	2,733
Transportation	-	-	-	632,043	586,112	45,931	632,043	586,112	45,931
Facilities maintenance	-	-	-	1,597,610	1,566,234	31,376	1,597,610	1,566,234	31,376
Adult Ed	-	-	-	159,287	157,040	2,247	159,287	157,040	2,247
All other expenditures	-	-	-	319,967	319,967	-	319,967	319,967	-
Debt service	-	-	-	1,113,268	878,131	235,137	1,113,268	878,131	235,137
SFSF Basic (ARRA)	-	-	-	513,466	513,466	-	513,466	513,466	-
Total education	-	-	-	14,569,095	13,860,467	708,628	14,569,095	13,860,467	708,628
Unclassified:									
Tax abatements	12,229	12,229	-	-	-	-	12,229	12,229	-
Total unclassified	12,229	12,229	-	-	-	-	12,229	12,229	-
Debt service:									
Town	481,867	455,259	26,608	-	-	-	481,867	455,259	26,608
Total debt service	481,867	455,259	26,608	-	-	-	481,867	455,259	26,608
Capital outlays:									
Bonded items	420,835	142,811	278,024	-	-	-	420,835	142,811	278,024
Total capital outlays	420,835	142,811	278,024	-	-	-	420,835	142,811	278,024
Total expenditures	8,139,030	7,138,955	1,000,075	14,569,095	13,860,467	708,628	22,708,125	20,999,422	1,708,703
Excess (deficiency) of revenues over (under) expenditures	(1,371,495)	(335,009)	(963,664)	(510,597)	(91,780)	418,817	(1,882,092)	(426,789)	1,455,303

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, 2011

	Town			School			2011 Combined		
	Final Budget	Actual	Variance positive (negative)	Final Budget	Actual	Variance positive (negative)	Budget	Actual	Variance positive (negative)
Other financing sources (uses):									
Transfer from other funds	-	-	-	165,000	145,000	20,000	165,000	145,000	(20,000)
Transfer to other Funds	-	-	-	-	(114,286)	114,286	-	(114,286)	(114,286)
Proceeds of Bond Issuance	230,000	230,000	-	-	-	-	230,000	230,000	-
Carryforward balances:									
All other	891,495	-	(891,495)	-	-	-	891,495	-	(891,495)
Budgeted use of surplus	250,000	-	(250,000)	345,597	-	345,597	595,597	-	(595,597)
Total other financing sources (uses)	1,371,495	230,000	(1,141,495)	510,597	30,714	479,883	1,882,092	260,714	(1,621,378)
Net change in fund balance	-	(105,009)	(105,009)	-	(61,066)	(61,066)	-	(166,075)	(166,075)
Fund balance, beginning of year		2,581,945			590,452			3,172,397	
Fund balance, end of year		2,476,936			529,386			3,006,322	

NONMAJOR GOVENMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

CAPITAL PROJECT FUNDS

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

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

PERMANENT FUNDS

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

Potter Patten Cemetery
Maine Research Company Charity Fund
Kevin Curtis Memorial Scholarship
Arther Barron
Blanche M. Jalbert Fund
Bruce McEwen Rotary Scholarship
Class of 1941 Scholarship Fund
Dunton Memorial Fund
Earl Higgins Memorial
Edna D. Purington Memorail 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

NONMAJOR GOVENMENTAL FUNDS

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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, 2011

	Special Revenue Funds	Capital Project Fund	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	26,301	36,649	159,366	222,316
Accounts receivable, net of 28,000 allowance	317,532	-	-	317,532
Inventory	24,682	-	-	24,682
Due from other governments	9,650	-	-	9,650
Interfund loans receivable	165,961	148	-	166,109
Total assets	544,126	36,797	159,366	740,289
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund loans payable	24,791	-	-	24,791
Accrued payroll	4,474	-	-	4,474
Accounts payable	16,253	-	-	16,253
Total liabilities	45,518	-	-	45,518
Fund balances:				
Nonspendable:				
Inventory	24,682	-	-	24,682
Principal	-	-	27,149	27,149
Restricted:				
School lunch	76,524	-	-	76,524
Grants	41,190	-	-	41,190
Capital projects	-	36,797	-	36,797
Scholarships	-	-	132,217	132,217
Committed:				
Sewer	346,237	-	-	346,237
Other	9,975	-	-	9,975
Total fund balances	498,608	36,797	159,366	694,771
Total liabilities and fund balances	544,126	36,797	159,366	740,289

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2011

	Special Revenue Funds	Capital Project Fund	Permanent Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	180,876	-	-	180,876
Intergovernmental revenue	978,214	-	-	978,214
User fees	1,070,686	-	-	1,070,686
Charges for services	502,725	-	-	502,725
Investment income and other	53,376	260	9,908	63,544
Total revenues	2,785,877	260	9,908	2,796,045
Expenditures:				
Current:				
Public works	954,467	-	-	954,467
Public services	220,854	-	7,196	228,050
Education	1,067,638	455,247	-	1,522,885
Food service	327,868	-	-	327,868
Total expenditures	2,570,827	455,247	7,196	3,033,270
Excess (deficiency) of revenues over (under) expenditures	215,050	(454,987)	2,712	(237,225)
Other financing sources (uses):				
Transfer from other funds	(145,000)	114,286	-	(30,714)
Proceeds from bond issuance	-	350,000	-	350,000
Total other financing sources (uses)	(145,000)	464,286	-	319,286
Net change in fund balances	70,050	9,299	2,712	82,061
Fund balances, beginning of year	428,558	27,498	156,654	612,710
Fund balances, end of year	498,608	36,797	159,366	694,771

TOWN OF LISBON, MAINE
Combining Balance Sheet
Other Nonmajor Funds
June 30, 2011

	Special Revenue funds						Capital Project funds	Totals
	Sewer	Tax Increment Financing	Recreation Land Use	DARE Program	School Nutrition Program	School Federal and Other programs	School Capital Fund	
ASSETS								
Cash and cash equivalents	-	-	7,228	19,285	(212)	-	36,649	62,950
Accounts receivable, net of 28,000 allowance in Sewer	317,532	-	-	-	-	-	-	317,532
Inventory	-	-	-	-	24,682	-	-	24,682
Due from other governments	-	-	-	-	9,650	-	-	9,650
Interfund loans receivable	44,014	-	2,747	-	67,463	51,737	148	166,109
Total assets	361,546	-	9,975	19,285	101,583	51,737	36,797	580,923
LIABILITIES AND FUND BALANCES								
Liabilities:								
Interfund loans payable	-	-	-	2,747	-	22,044	-	24,791
Accrued payroll	4,474	-	-	-	-	-	-	4,474
Accounts payable and accrued expenses	10,835	-	-	-	377	5,041	-	16,253
Total liabilities	15,309	-	-	2,747	377	27,085	-	45,518
Fund balances:								
Nonspendable:								
Inventory	-	-	-	-	24,682	-	-	24,682
Restricted:								
School lunch	-	-	-	-	76,524	-	-	76,524
Grants	-	-	-	16,538	-	24,652	-	41,190
Capital projects	-	-	-	-	-	-	36,797	36,797
Committed:								
Sewer	346,237	-	-	-	-	-	-	346,237
Other	-	-	9,975	-	-	-	-	9,975
Total fund balances	346,237	-	9,975	16,538	101,206	24,652	36,797	535,405
Total liabilities and fund balances	361,546	-	9,975	19,285	101,583	51,737	36,797	580,923

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2011

	Special Revenue funds						Capital Project funds	Totals
	Sewer	Tax Increment Financing	Recreation Land Use	DARE Program	School Nutrition Program	School Federal and Other programs	School Capital Fund	
Revenues:								
Property Taxes	-	180,876	-	-	-	-	-	180,876
Intergovernmental revenue	-	-	-	-	-	978,214	-	978,214
User fees	1,070,686	-	-	-	-	-	-	1,070,686
Charges for services	-	-	-	-	502,725	-	-	502,725
Investment income and other	-	-	5,093	39,283	-	9,000	260	53,636
Total revenues	1,070,686	180,876	5,093	39,283	502,725	987,214	260	2,786,137
Expenditures:								
Current:								
Public works	954,467	-	-	-	-	-	-	954,467
Public services	-	180,876	-	39,978	-	-	-	220,854
Education	-	-	-	-	-	1,067,638	455,247	1,522,885
Food service	-	-	-	-	327,868	-	-	327,868
Total expenditures	954,467	180,876	-	39,978	327,868	1,067,638	455,247	3,026,074
Excess (deficiency) of revenues over (under) expenditures	116,219	-	5,093	(695)	174,857	(80,424)	(454,987)	(239,937)
Other financing sources (uses):								
Transfer from (to) other funds	-	-	-	-	(145,000)	-	114,286	(30,714)
Proceeds from bond issuance	-	-	-	-	-	-	350,000	350,000
Total other financing sources (uses)	-	-	-	-	(145,000)	-	464,286	319,286
Net change in fund balances	116,219	-	5,093	(695)	29,857	(80,424)	9,299	79,349
Fund balances, beginning of year	230,018	-	4,882	17,233	71,349	105,076	27,498	456,056
Fund balances, end of year	346,237	-	9,975	16,538	101,206	24,652	36,797	535,405

TOWN OF LISBON, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2011

	Cash	Total assets	Principal	Unexpended income	Total fund balances
Permanent funds:					
Potter Patten Cemetery	\$ 288	288	75	213	288
Maine Research Company Charity Fund	2,671	2,671	630	2,041	2,671
Kevin Curtis Memorial Scholarship	414	414	-	414	414
Arther Barron	120	120	-	120	120
Blanche M. Jalbert Fund	5,651	5,651	1,795	3,856	5,651
Bruce McEwen Rotary Scholarship	15,015	15,015	-	15,015	15,015
Class of 1941 Scholarship Fund	21,970	21,970	-	21,970	21,970
Dunton Memorial	3,937	3,937	700	3,237	3,937
Earl Higgins Memorial	4,754	4,754	3,281	1,473	4,754
Edna D. Purington Memorial Scholarship Award	1,698	1,698	1,135	563	1,698
Farmer	6,255	6,255	-	6,255	6,255
Frank Wimmer Trust	12,314	12,314	-	12,314	12,314
Peggy McGraw	4,430	4,430	1,500	2,930	4,430
Leon E. Bard, Sr. Memorial Music Scholarship Award	2,858	2,858	1,572	1,286	2,858
Lisbon High School Memorial Library Fund	8,630	8,630	876	7,754	8,630
Marion T. Morse Secretarial Award	1,645	1,645	1,000	645	1,645
Maude Frow Fund	4,697	4,697	1,000	3,697	4,697
Michael F. Strout Memorial Scholarship Fund	4,815	4,815	3,200	1,615	4,815
Richard S. Ladner Scholarship Fund	6,764	6,764	4,909	1,855	6,764
Sugg Middle School Trust Fund	9,502	9,502	3,845	5,657	9,502
Summer camp	71	71	-	71	71
Thompson Memorial Fund	3,260	3,260	1,631	1,629	3,260
Walter Huston Memorial Scholarship	37,607	37,607	-	37,607	37,607
Total permanent funds	\$ 159,366	159,366	27,149	132,217	159,366

TOWN OF LISBON, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2011

	Fund balances, beginning of year		Interest earned	Contributions and other receipts	Disbursements	Fund balances, end of year	
	Principal (nonspendable)	Unexpended income				Principal (nonspendable)	Unexpended income
Permanent funds:							
Potter Patten Cemetery	\$ 75	274	-	-	61	75	213
Maine Research Company Charity Fund	630	2,039	2	-	-	630	2,041
Kevin Curtis Memorial Scholarship	-	414	-	-	-	-	414
Arther Barron	-	618	2	-	500	-	120
Blanche M. Jalbert Fund	1,795	3,909	47	-	100	1,795	3,856
Bruce McEwen Rotary Scholarship	-	14,603	162	250	-	-	15,015
Class of 1941 Scholarship Fund	-	21,000	1,170	-	200	-	21,970
Dunton Memorial	700	3,191	46	-	-	700	3,237
Earl Higgins Memorial	3,281	1,466	7	-	-	3,281	1,473
Edna D. Purington Memorial Scholarship Award	1,135	429	14	620	500	1,135	563
Farmer	-	4,813	32	4,070	2,660	-	6,255
Frank Wimmer Trust	-	10,825	19	1,470	-	-	12,314
Peggy McGraw	1,500	2,886	44	500	500	1,500	2,930
Leon E. Bard, Sr. Memorial Music Scholarship Award	1,572	1,300	86	-	100	1,572	1,286
Lisbon High School Memorial Library Fund	876	7,569	185	-	-	876	7,754
Marion T. Morse Secretarial Award	1,000	642	3	-	-	1,000	645
Maude Frow Fund	1,000	3,860	37	-	200	1,000	3,697
Michael F. Strout Memorial Scholarship Fund	3,200	1,712	103	-	200	3,200	1,615
Richard S. Ladner Scholarship Fund	4,909	1,956	74	-	175	4,909	1,855
Sugg Middle School Trust Fund	3,845	4,960	197	500	-	3,845	5,657
Summer camp	-	71	-	-	-	-	71
Thompson Memorial Fund	1,631	1,584	45	-	-	1,631	1,629
Walter Huston Memorial Scholarship	-	39,384	223	-	2,000	-	37,607
Total permanent funds	\$ 27,149	129,505	2,498	7,410	7,196	27,149	132,217