

TOWN OF LAMOINE, MAINE

*FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT*

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2007*

TOWN OF LAMOINE, MAINE
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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Independent Auditor's Report

*To the Board of Selectmen
Town of Lamoine
Lamoine, Maine 04605*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lamoine, Maine (the Town) as of and for the fiscal year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Lamoine's management. Our responsibility is to express opinions on these financial statements and schedules based on our audit.

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

In our opinion, 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 of the Town of Lamoine, Maine as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2-4 and 18 are not a required part of the basic financial statements but are supplementary information required by 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 made for the purpose of forming an opinion on the basic financial statements that collectively comprise the Town of Lamoine, Maine basic financial statements. The introductory section and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Town. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

James W. Wadman, C.P.A.

James W. Wadman, C. P.A.
November 12, 2007

TOWN OF LAMOINE, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

Management of the Town of Lamoine, Maine provides this *Management's Discussion and Analysis* of the Town's financial performance for readers of the Town's financial statements. This narrative overview and analysis of the financial activities of the Town is for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

The financial statements herein include all of the activities of the Town of Lamoine, Maine (the Town) using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Assets – The assets of the Town exceeded its liabilities at fiscal year ending June 30, 2007 by \$10,255,018 (presented as “net assets”). Of this amount, \$1,027,827 was reported as “unrestricted net assets”. Unrestricted net assets represent the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Assets – The Town's total net assets decreased by \$43,988 (a 0.4% decrease) for the fiscal year ended June 30, 2007.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2007, the Town's governmental funds reported a combined ending fund balance of \$1,002,327 with \$457,278 being general undesignated fund balance. This undesignated fund balance represents approximately 19.5% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations decreased by \$25,018 (33%) during the current year. No new debt obligations were issued. Existing debt obligations were retired according to schedule.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison) and other supplementary information. These components are described below:

Government-wide Financial Statements

The Government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities (if applicable) separately. These statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt, if applicable). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

Fund Financial Statements

The fund financial statements include statements for each of the three categories of activities – governmental, business-type (if applicable) and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town’s own programs. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach.

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 the fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

Required Supplementary Information

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

The largest portion of the Town’s net assets (90%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets), less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town’s investment in its capital assets is reported net of related debt, if any, it should be noted that the resources needed to repay any debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	Business-like Activities	Total 2007	Total 2006
Current Assets	\$ 1,249,928		\$ 1,249,928	\$ 1,145,576
Capital Assets	\$ 9,277,173		\$ 9,277,173	\$ 9,504,352
<i>Total Assets</i>	<i>\$10,527,101</i>		<i>\$10,527,101</i>	<i>\$10,649,928</i>
Current Liabilities	\$ 231,912		\$ 231,912	\$ 286,317
Other Liabilities	\$ 40,171		\$ 40,171	\$ 64,605
Net Assets;				
Invested in Capital Assets	\$ 9,227,191		\$ 9,227,191	\$ 9,429,352
Designated	\$ 0		\$ 0	\$ 0
Unrestricted	\$ 1,027,827		\$ 1,027,827	\$ 869,654
<i>Total Liabilities and Net Assets</i>	<i>\$10,527,101</i>		<i>\$10,527,101</i>	<i>\$10,649,928</i>

Changes in Net Assets

Approximately 62 percent of the Town’s total revenue came from property and excise taxes, approximately 24 percent came from State subsidies and grants, and approximately 14 percent came from services, investment earnings and other sources. Depreciation expense on the Town’s governmental and business-like activity assets (if any) represents \$395,396 of the total expenses for the fiscal year.

	Governmental Activities	Business-like Activities	Total 2007	Total 2006
<i>Revenues;</i>				
Tax Revenues	\$ 1,965,967	\$ 0	\$ 1,965,967	\$ 2,041,087
Program Revenues	\$ 801,061	\$ 0	\$ 801,061	\$ 842,393
Investments	\$ 75,724	\$ 0	\$ 75,724	\$ 45,369
Revenue Sharing	\$ 66,918	\$ 0	\$ 66,918	\$ 83,876
Other	\$ 253,803	\$ 0	\$ 253,803	\$ 20,186
<i>Total Revenues</i>	\$ 3,163,474	\$ 0	\$ 3,163,474	\$ 3,032,910
<i>Expenses;</i>				
Administration	\$ 151,503	\$ 0	\$ 151,503	\$ 153,158
Protection	\$ 72,046	\$ 0	\$ 72,046	\$ 76,941
Health/Sanitation	\$ 89,055	\$ 0	\$ 89,055	\$ 71,874
Transportation	\$ 443,759	\$ 0	\$ 443,759	\$ 454,504
Education	\$ 2,334,586	\$ 0	\$ 2,334,586	\$ 2,282,547
Unclassified	\$ 21,033	\$ 0	\$ 21,033	\$ 9,543
Assessments	\$ 95,480	\$ 0	\$ 95,480	\$ 139,664
<i>Total Expenses</i>	\$ 3,207,463	\$ 0	\$ 3,207,463	\$ 3,188,231
<i>Changes in Net Assets</i>				
	\$ (43,988)	\$ 0	\$ (43,988)	\$ (155,322)

FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

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

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of \$1,002,327, an increase of \$158,359 in comparison with the prior year. Approximately 46 percent of this total amount constitutes undesignated fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-like activities (if any) amounts to \$18,858,386, net of accumulated depreciation of \$9,581,213, leaving a net book value of \$9,277,173. Current year additions include \$17,100 for fire station roof, \$1,160 of transfer station improvements, \$3,877 for salt/sand shed and \$146,079 of infrastructure were made. There were no current year retirements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Lamoine, 606 Douglas Highway, Lamoine, ME 04605.

TOWN OF LAMOINE, MAINE
STATEMENT OF NET ASSETS
JUNE 30, 2007

(Exhibit I)

	<u>Assets</u>	<u>Governmental Activities</u>
Cash and Cash Equivalents		\$54,463
Investments, at Fair Market Value		\$1,141,940
Accounts Receivable, net of Allowance for Uncollectible Accounts		\$21,153
Taxes and Tax Liens Receivable		\$30,834
Inventory		\$1,538
Capital Assets, net of Accumulated Depreciation		<u>\$9,277,173</u>
<u>Total Assets</u>		<u><u>\$10,527,101</u></u>
	<u>Liabilities</u>	
Accrued Teacher's Contracts		\$99,567
Accrued Compensated Absences		\$15,189
Accounts Payable		\$107,345
General Obligation Bonds Payable:		
Payable within 1 year		\$25,000
Payable in more than 1 year		<u>\$24,982</u>
<u>Total Liabilities</u>		<u>\$272,083</u>
	<u>Net Assets</u>	
Investment in Capital Assets, net of Related Debt		\$9,227,191
<u>Unrestricted:</u>		
Reserve Funds (Exhibit A-4)		\$494,965
Reserve for Inventory		\$1,538
Reserve for Encumbrances		\$41,499
Unrestricted		<u>\$489,825</u>
<u>Total Net Assets</u>		<u>\$10,255,018</u>
<u>Total Liabilities and Net Assets</u>		<u><u>\$10,527,101</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(Exhibit II)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Revenue and Changes in Net Assets</u>
<u>Primary Government</u>				<u>Governmental Activities</u>
<u>Governmental Activities</u>				
Administration	\$151,503	\$14,354		(\$137,150)
Protection	\$72,046			(\$72,046)
Health & Sanitation	\$89,055	\$1,848		(\$87,207)
Transportation	\$443,759		\$27,248	(\$416,511)
Education	\$2,334,586	\$95,225	\$651,436	(\$1,587,924)
Unclassified	\$21,033	\$10,950		(\$10,083)
Assessments	\$95,480			(\$95,480)
<u>Total Governmental Activities</u>	<u>\$3,207,463</u>	<u>\$122,377</u>	<u>\$678,684</u>	<u>(\$2,406,401)</u>
<u>Total Primary Government</u>	<u>\$3,207,463</u>	<u>\$122,377</u>	<u>\$678,684</u>	<u>(\$2,406,401)</u>
<u>General Revenues:</u>				
Tax Revenues, Including Homestead Exemption				\$1,657,270
Excise Taxes				\$301,965
State Revenue Sharing				\$66,918
Donations				\$1
Investment Earnings				\$75,724
Interest and Fees on Delinquent Taxes				\$6,732
Sale of Town Assets				\$237,101
Other Revenues				\$16,701
<u>Total Revenues</u>				<u>\$2,362,413</u>
<u>Changes in Net Assets</u>				<u>(\$43,988)</u>
<u>Net Assets - Beginning</u>				<u>\$10,299,006</u>
<u>Net Assets - Ending</u>				<u>\$10,255,018</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2007

(Exhibit III)

<u>Assets</u>	<u>General Fund</u>	<u>Community Facilities School Lunch</u>	<u>Total Governmental Funds</u>
Cash On Hand and On Deposit	\$48,740	\$5,723	\$54,463
Investments, at Fair Market Value	\$1,141,940		\$1,141,940
Accounts Receivable	\$18,154	\$1,588	\$19,742
Property Taxes Due	\$30,834		\$30,834
Due from Other Funds	\$1,411		\$1,411
Inventories		\$1,538	\$1,538
<u>Total Assets</u>	<u>\$1,241,078</u>	<u>\$8,850</u>	<u>\$1,249,928</u>
<u>Liabilities & Fund Balances</u>			
<u>Liabilities:</u>			
Accrued Teacher's Contracts	\$99,567		\$99,567
Accrued Compensated Absences	\$15,189		\$15,189
Accounts Payable	\$107,081	\$264	\$107,345
Deferred Tax Revenue	\$25,499		\$25,499
<u>Total Liabilities</u>	<u>\$247,337</u>	<u>\$264</u>	<u>\$247,600</u>
<u>Fund Balance:</u>			
Reserve Funds	\$494,965		\$494,965
Reserve for Inventory		\$1,538	\$1,538
Reserve for Encumbrances	\$41,499		\$41,499
Undesignated Fund Balance	\$457,278	\$7,048	\$464,326
<u>Total Fund Balance</u>	<u>\$993,741</u>	<u>\$8,586</u>	<u>\$1,002,327</u>
<u>Total Liabilities & Fund Balance</u>	<u>\$1,241,078</u>	<u>\$8,850</u>	<u>\$1,249,928</u>
<u>Total Fund Balance - Governmental Funds</u>			<u>\$1,002,327</u>
<i>Net assets reported for governmental activities in the statement of nets assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			\$9,277,173
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are reported as deferred revenue (a liability) in governmental funds			\$25,499
Some liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds			(\$49,982)
<u>Net Assets of Governmental Activities</u>			<u>\$10,255,018</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE

(Exhibit IV)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>General Fund</u>	<u>Community Facilities School Lunch</u>	<u>Total Governmental Funds</u>
<u>Revenues:</u>			
Tax Revenues, Including Homestead Reimbursement	\$1,657,456		\$1,657,456
Excise Taxes	\$301,965		\$301,965
State Retirement Contribution	\$125,493		\$125,493
State Revenue Sharing	\$66,918		\$66,918
Investment Earnings (Includes Unrealized Gains / Losses)	\$75,715	\$9	\$75,724
Interest and Fees on Delinquent Taxes	\$6,732		\$6,732
Intergovernmental Revenues	\$3,171	\$27,473	\$30,644
Portable Classroom Lease	\$28,416		\$28,416
School Lunch Program		\$21,487	\$21,487
Gain on Sale of Assets	\$237,101		\$237,101
Other Revenues	\$13,481		\$13,481
<u>Total Revenues</u>	<u>\$2,516,448</u>	<u>\$48,970</u>	<u>\$2,565,418</u>
<u>Expenditures (Net of Departmental Revenues):</u>			
Administration and Planning	\$134,289		\$134,289
Protection	\$59,888		\$59,888
Health & Sanitation	\$88,362		\$88,362
Highways & Bridges	\$225,081		\$225,081
Education	\$1,580,787		\$1,580,787
Unclassified	\$10,083		\$10,083
Assessments and Debt Service	\$120,498		\$120,498
State Retirement Contribution	\$125,493		\$125,493
School Lunch Program		\$62,579	\$62,579
Total Expenditures	<u>\$2,344,480</u>	<u>\$62,579</u>	<u>\$2,407,059</u>
<u>Excess Revenues Over Expenditures</u>	\$171,968	(\$13,609)	\$158,359
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In		\$20,000	\$20,000
Operating Transfers Out	(\$20,000)		(\$20,000)
<u>Excess of Revenues and Other Sources Over Expenditures and Other Uses</u>	\$151,968	\$6,391	\$158,359
<u>Beginning Fund Balances</u>	<u>\$841,773</u>	<u>\$2,195</u>	<u>\$843,968</u>
<u>Ending Fund Balances</u>	<u>\$993,741</u>	<u>\$8,586</u>	<u>\$1,002,327</u>
<u>Reconciliation to Statement of Activities, changes in Net Assets:</u>			
Net Change in Fund Balances - Above			\$158,359
Deferred Revenue			(\$186)
Governmental funds report bond proceeds as an Other Financing Source, while repayment of a bond principal is reported as an expenditure. This amount reflects bond principal repayment.			\$25,018
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.			\$168,216
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources.			
Therefore, depreciation expense is not reported as expenditures in Governmental Funds.			<u>(\$395,396)</u>
<u>Changes in Net Assets of Governmental Activities</u>			<u>(\$43,988)</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2007

(Exhibit V)

	<u>Assets</u>	<u>Cemetery Trust</u>
Investments, at Fair Market Value		\$12,854
<u>Total Assets</u>		<u>\$12,854</u>
	<u>Liabilities and Net Assets</u>	
<u>Liabilities:</u>		
Due to Other Funds		\$1,411
<u>Total Liabilities</u>		<u>\$1,411</u>
<u>Net Assets:</u>		
Held in Trust for Private Purposes		\$11,444
<u>Total Net Assets</u>		<u>\$11,444</u>
<u>Total Liabilities and Net Assets</u>		<u>\$12,854</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(Exhibit VI)

	<u>Cemetery Trust</u>
<u>Additions:</u>	
Dividends and Interest Earned	\$580
<u>Total Additions</u>	<u>\$580</u>
<u>Reductions:</u>	
Operating Expenditures	\$809
<u>Total Reductions</u>	<u>\$809</u>
<u>Changes in Net Assets</u>	(\$229)
<u>Beginning Net Assets</u>	<u>\$11,672</u>
<u>Ending Net Assets</u>	<u><u>\$11,444</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Lamoine, Maine (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for the governmental accounting and financial reporting principles. The more significant of the Town's accounting principles are described below.

A. Financial Reporting Entity

The Town is governed under an Administration Assistant/Selectmen form of government. The Town engages in a comprehensive range of municipal services, including administrative services, public safety, health and sanitation, transportation, education and cultural services.

In June 1999, GASB issued Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". This statement, known as the "Reporting Model" statement affects the way the Town prepares and presents financial information. State and local governments traditionally have used a financial reporting model substantially different from the one used to prepare private-sector financial reports.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes:

Management's Discussion and Analysis

GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD & A). This analysis is similar to analysis the private sector provides in their annual reports.

Government-wide Financial Statements

The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Assets

The Statement of Net Assets is designed to display the financial position of the primary government (government and business-type activities). Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Assets and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Program Activities

The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for example, through user charges or intergovernmental grants).

Budgetary Comparison Schedules

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a

keen interest in following the actual financial progress of their governments over the course of the year. The Town and many other governments may revise their original budgets over the course of the year for a variety of reasons. Under GASB Statement No. 34, governments continue to provide budgetary comparison information in their annual reports. GASB Statement No. 34 requires that the Town add the original budget to the current comparison of the final budget and actual results.

B. Fund Accounting

The accounts of the Town are organized and operated using funds. A fund is an independent fiscal and accounting entity with a set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the Town's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the servicing of general long-term debt (debt service fund). The General Fund is used to account for all activities of the general government not accounted in some other fund.

Proprietary funds are established to account for activities for which a fee is charged to external or internal users for goods or services. Their reporting focuses on the determination of operating income and changes in net assets. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other agencies primarily within the Town (internal service funds). The Town presently has no proprietary funds.

Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the Town's own programs.

C. 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. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and various intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly from goods, services or privileges provided by a given function or segment and 2) grants and standard revenues 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 instead as general revenues.

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

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.

Additionally, the Town reports the following fund types:

Private purpose trust funds account for monies held in trust by the Town, the investment earnings from which may only be used for the operation of the program.

D. Basis of Accounting, Measurement Focus 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 proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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. The Town 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 the fund liability is incurred. However, debt service expenditures (if any) are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports deferred revenue on its governmental fund financial statements. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the selectman level, since individual department heads do not exist. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Board of Selectmen or required by law.

F. Cash Equivalents

For purposes of the Statement of Cash Flows, the Town's proprietary funds consider cash equivalents to be all highly liquid investments with maturities of 12 months or less.

G. Investments

Investments are stated at fair market value.

H. Inventories

Inventories are stated at cost and are accounted for using the consumption method. Under this method, inventories are recorded as expenditures when used. Inventory in the School Lunch program consists of food, supplies and donated commodities.

I. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds effected in the period in which transactions are executed.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased and constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	30-50
Sewer Lines	40
Equipment	5-10

K. Compensated Absences

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrue to employees. In accordance GASB Statement No. 16, no liability is recorded for nonvesting accumulated right to receive sick pay benefits.

L. Fund Balances / Net Assets

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. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose.

Note 2 - Deposits and Investments

Governmental Accounting Standards Board Statement No. 40 requires the disclosure of interest rate risk, credit risk and custodial risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town invests in short term repurchase obligations and short term investments held by a local banking institution. As a means of limiting its exposure to credit risk, the Town limits its investments to those authorized by Maine State Statutes, which authorize the Town to make deposits/ investments in insured commercial banks, insured credit unions and direct debt securities of the United State Government unless such an investment is expressly prohibited by law. For an investment, custodial risk is the risk that in the event of the failure of the counter party the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As a means of limiting its exposure to custodial risk, the Town requires that, at the time funds are invested, collateral for repurchase agreements be held in the Town's name by a custodial agent for the term of the agreement and investments in obligations of the United States or its agencies be held by the Federal Reserve.

At year end, the carrying value of the Town's deposits was \$48,540 and the bank balance was \$64,928. Of the bank balance, the entire balance was collateralized by Federal Deposit Insurance Corporation insurance.

At year end, the Town's Governmental and Fiduciary Funds investment balances were as follows:

	<i>Fair Market Value</i>	<i>Maturities (yrs)</i>		
		<i>Less than 1 yr</i>	<i>1-5 yrs</i>	<i>Long-term</i>
U.S. Treasury Securities- Agencies	\$454,892	\$149,083	\$305,810	\$0
Other	\$699,902	\$699,902	\$0	\$0
	<u>\$1,154,794</u>	<u>\$848,984</u>	<u>\$305,810</u>	<u>\$0</u>

Note 3 - Property Taxes

Property taxes were assessed on April 1, 2006 and committed on August 8, 2006. Interest of 11.0% per annum is charged on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid eight to twelve months after the commitment date. Tax liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Governmental Activities;</i>				
<i>Capital assets not being depreciated</i>				
Land	\$133,140			\$133,140
<i>Capital assets being depreciated</i>				
Buildings / Improvements	\$1,319,467	\$22,137		\$1,341,604
Equipment	\$574,160			\$574,160
Infrastructure	\$16,663,403	\$146,079		\$16,809,483
<i>Total capital assets being depreciated</i>	<u>\$18,557,030</u>	<u>\$168,216</u>	<u>\$0</u>	<u>\$18,725,246</u>
	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Less accumulated depreciation for</i>				
Buildings	\$538,656	\$27,546		\$566,202
Equipment	\$393,379	\$26,463		\$419,842
Infrastructure	\$8,253,782	\$341,387		\$8,595,169
<i>Total accumulated depreciation</i>	<u>\$9,185,818</u>	<u>\$395,396</u>	<u>\$0</u>	<u>\$9,581,213</u>
<i>Net capital assets being depreciated</i>	<u>\$9,371,212</u>	<u>(\$227,179)</u>	<u>\$0</u>	<u>\$9,144,033</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$9,504,352</u>	<u>(\$227,179)</u>	<u>\$0</u>	<u>\$9,277,173</u>

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

Governmental Activities

Administration	\$2,861
Education	\$21,885
Protection	\$29,258
Health & Sanitation	\$5
Highways, including depreciation of general infrastructure assets	\$341,387
Total Depreciation Expense - Governmental Activities	<u>\$395,396</u>

Note 5 - Pending Litigation

According to Town management, there are no matters that would result in adverse losses, claims, or assessments against the Town of Lamoine, Maine through the date of the audit report.

Note 6 - Disclosure of Certain Significant Risks and Uncertainties

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 7 - Defined Benefit Employee Pension Plan

Most employees of the School Department participate in the Maine State Retirement System. The Maine State Retirement System is a multiple-employer, cost sharing pension plan. Benefits provided by the Maine State Retirement System arise from employee and employer contributions determined on a statutory actuarial reserve basis.

School Department employees are eligible for normal retirement at age 60, provided that they have 25 years of service credited under the System. School Department employees over age 60 who become permanently disabled receive normal retirement benefits. School Department employees under the age of 60 who become permanently disabled receive 2/3 of their average final compensation, reduced by other forms of disability benefits received.

School Department employees contribute 7.65% of their salaries to the Retirement System while the School Department's share is the responsibility of the State of Maine. The School Department is responsible for the employer contributions for employees paid with Federal funds. The cost of these benefits is charged to the applicable Federally funded program. The School Department's total earnings covered by the program were \$655,659 for the fiscal year ended June 30, 2007. Employee contributions totaled \$50,158. Employer contributions made to the pooled account by the State, estimated at a rate of 19.14%, are \$125,493. Employer contributions made by the School Department for Federal programs totaled \$2,805. A financial report for the Maine State Retirement System can be obtained at the following address: Maine State Retirement System, 46 State House Station, Augusta, Maine 04333.

Note 8 - Municipal Solid Waste Landfill Closure and Postclosure Care Cost

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town of Lamoine, Maine has completed the closure of its municipal landfill. The Town will fund any future postclosure monitoring costs on an as needed basis through town meeting appropriations.

Note 9 - Long-Term Debt

The following is a summary of long-term debt transactions of the Town of Lamoine, Maine for the fiscal year ended June 30, 2007:

<u>Long-Term Debt payable at July 1,</u>	\$75,000
<u>Long-Term Debt Retired</u>	<u>(\$25,018)</u>
<u>Long-Term Debt payable at June 30,</u>	<u>\$49,982</u>

General Obligation bonds and notes are direct obligations and pledge the full faith and credit of the Town of Lamoine, Maine. Outstanding bonds at June 30, 2007 are as follows:

In 2004, the Town issued bonds for a fire truck purchase with the Union Trust Company. The bonds were authorized by the Town for \$125,000. The entire amount was borrowed during the fiscal year. The bonds are to be repaid over a 5 year period with interest of 3.24%. The principal balance outstanding at June 30, 2007 is \$49,982.

Annual debt service requirements to maturity of the general obligation bonds including estimated interest are as follows:

<i>Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2008	\$25,000	\$1,624	\$26,624
2009	\$24,982	\$810	\$25,792
	<u>\$49,982</u>	<u>\$2,434</u>	<u>\$52,417</u>

Note 10 - Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Fiduciary Fund financial statements, the payables are classified as Due to Other Funds with offsetting receivables on the Governmental Fund financial statements classified as Due from Other Funds. At June 30, 2007, the offsetting receivable and payable balances were \$1,411. The balances represent amounts due to the general fund for cemetery care and is expected to be repaid within the next year.

Note 11 - Participation in Public Entity Risk Pool

The Town of Lamoine, Maine participates in Public Entity Risk Pools for the purposes of Workers Compensation, Property and Liability Insurance and Unemployment Compensation. The Public Entity Risk Pool is administered by the Maine Municipal Association. The Public Entity Risk Pools were established for the purposes of lowering costs for members and for developing specific programs to control losses. Members pay annual premiums to the Maine Municipal Association for the participation in the respective programs.

The Town is exposed to various risks of loss related to torts, theft of, damage, or destruction of assets, errors or omissions, and natural disasters for which it carries commercial and municipal insurance. Based on the coverage provided by this insurance, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2007.

TOWN OF LAMOINE, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(Exhibit VII)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Tax Revenues	\$1,657,134	\$1,657,134	\$1,657,456	\$322
Excise Taxes	\$284,000	\$284,000	\$301,965	\$17,965
State Revenue Sharing	\$67,234	\$67,234	\$66,918	(\$315)
Investment Earnings (Includes Unrealized Losses)	\$24,000	\$24,000	\$75,715	\$51,715
Interest and Fees on Delinquent Taxes	\$7,000	\$7,000	\$6,732	(\$268)
Intergovernmental Revenues	\$27,036	\$27,036	\$30,419	\$3,383
Portable Classroom Lease	\$28,416	\$28,416	\$28,416	\$0
Gain on Sale of Assets	\$0	\$0	\$237,101	\$237,101
Other Revenues	\$8,265	\$8,265	\$13,481	\$5,216
<u>Total Revenues</u>	<u>\$2,103,085</u>	<u>\$2,103,085</u>	<u>\$2,418,203</u>	<u>\$315,119</u>
<u>Expenditures (Net of Departmental Revenues):</u>				
Administration and Planning	\$152,547	\$152,547	\$134,289	\$18,258
Protection	\$60,338	\$60,338	\$59,888	\$450
Health & Sanitation	\$91,556	\$91,556	\$88,362	\$3,194
Highways & Bridges	\$267,275	\$267,275	\$252,329	\$14,946
Education	\$1,607,252	\$1,607,252	\$1,580,787	\$26,465
Unclassified	\$21,768	\$21,768	\$10,083	\$11,685
Assessments & Debt Service	\$166,418	\$166,418	\$120,498	\$45,920
<u>Total Expenditures</u>	<u>\$2,367,153</u>	<u>\$2,367,153</u>	<u>\$2,246,235</u>	<u>\$120,918</u>
<u>Excess Revenues Over Expenditures</u>	<u>(\$264,069)</u>	<u>(\$264,069)</u>	<u>\$171,968</u>	<u>\$436,037</u>
<u>Other Financing Uses:</u>				
Operating Transfers Out	(\$20,000)	(\$20,000)	(\$20,000)	\$0
	(\$284,069)	(\$284,069)	\$151,968	\$436,037
<u>Beginning Fund Balances</u>	<u>\$841,773</u>	<u>\$841,773</u>	<u>\$841,773</u>	<u>\$0</u>
<u>Ending Fund Balances</u>	<u>\$557,705</u>	<u>\$557,705</u>	<u>\$993,741</u>	<u>\$436,037</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE

(Exhibit VII)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Tax Revenues	\$1,657,134	\$1,657,134	\$1,657,456	\$322
Excise Taxes	\$284,000	\$284,000	\$301,965	\$17,965
State Revenue Sharing	\$67,234	\$67,234	\$66,918	(\$315)
Investment Earnings (Includes Unrealized Losses)	\$24,000	\$24,000	\$75,715	\$51,715
Interest and Fees on Delinquent Taxes	\$7,000	\$7,000	\$6,732	(\$268)
Intergovernmental Revenues	\$27,036	\$27,036	\$30,419	\$3,383
Portable Classroom Lease	\$28,416	\$28,416	\$28,416	\$0
Gain on Sale of Assets	\$0	\$0	\$237,101	\$237,101
Other Revenues	\$8,265	\$8,265	\$13,481	\$5,216
<u>Total Revenues</u>	<u>\$2,103,085</u>	<u>\$2,103,085</u>	<u>\$2,418,203</u>	<u>\$315,119</u>
<u>Expenditures (Net of Departmental Revenues):</u>				
Administration and Planning	\$152,547	\$152,547	\$134,289	\$18,258
Protection	\$60,338	\$60,338	\$59,888	\$450
Health & Sanitation	\$91,556	\$91,556	\$88,362	\$3,194
Highways & Bridges	\$267,275	\$267,275	\$252,329	\$14,946
Education	\$1,607,252	\$1,607,252	\$1,580,787	\$26,465
Unclassified	\$21,768	\$21,768	\$10,083	\$11,685
Assessments & Debt Service	\$166,418	\$166,418	\$120,498	\$45,920
<u>Total Expenditures</u>	<u>\$2,367,153</u>	<u>\$2,367,153</u>	<u>\$2,246,235</u>	<u>\$120,918</u>
<u>Excess Revenues Over Expenditures</u>	<u>(\$264,069)</u>	<u>(\$264,069)</u>	<u>\$171,968</u>	<u>\$436,037</u>
<u>Other Financing Uses:</u>				
Operating Transfers Out	<u>(\$20,000)</u>	<u>(\$20,000)</u>	<u>(\$20,000)</u>	<u>\$0</u>
	<u>(\$284,069)</u>	<u>(\$284,069)</u>	<u>\$151,968</u>	<u>\$436,037</u>
<u>Beginning Fund Balances</u>	<u>\$841,773</u>	<u>\$841,773</u>	<u>\$841,773</u>	<u>\$0</u>
<u>Ending Fund Balances</u>	<u>\$557,705</u>	<u>\$557,705</u>	<u>\$993,741</u>	<u>\$436,037</u>

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE

(Exhibit A-1)

SCHEDULE OF DEPARTMENTAL OPERATIONS (NON-CONTINUING ACCOUNTS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

<u>Department</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Administration:</u>			
General Government	\$145,547	\$136,045	\$9,502
Planning Board	\$1,200	\$627	\$573
	<u>\$146,747</u>	<u>\$136,671</u>	<u>\$10,075</u>
<u>Protection:</u>			
Public Safety	\$43,538	\$43,088	\$450
Fire Station Roof Repair	\$16,800	\$16,800	\$0
	<u>\$60,338</u>	<u>\$59,888</u>	<u>\$450</u>
<u>Health & Sanitation:</u>			
Solid Waste	\$92,256	\$83,469	\$8,787
Dump Closing	\$0	\$5,317	(\$5,317)
	<u>\$92,256</u>	<u>\$88,786</u>	<u>\$3,470</u>
<u>Unclassified:</u>			
Appeals & Charities	\$5,719	\$5,719	\$0
Library Contract	\$5,835	\$5,835	\$0
	<u>\$11,554</u>	<u>\$11,554</u>	<u>\$0</u>
<u>Assessments and Debt Service:</u>			
County Tax	\$92,258	\$92,258	\$0
Fire Truck Debt	\$28,240	\$28,240	\$0
Overlay	\$45,920	\$0	\$45,920
	<u>\$166,418</u>	<u>\$120,498</u>	<u>\$45,920</u>
<u>TOTALS</u>	<u>\$477,312</u>	<u>\$417,397</u>	<u>\$59,915</u>

TOWN OF LAMOINE, MAINE

(Exhibit A-2)

**SCHEDULE OF CHANGES IN UNDESIGNATED FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

<u>Beginning Undesignated Fund Balance</u>		\$440,260
<u>Additions:</u>		
Lapsed Accounts (Exhibit A-1)	\$59,915	
Excise Taxes (Net of Appropriation)	\$17,965	
Supplemental Taxes	\$491	
Decrease in Deferred Tax Revenues (Note 3)	\$186	
Increase in Fair Market Value of Investments	\$4,744	
Investment Earnings (Net of Appropriation)	\$32,568	
Other State Revenues (Net of Appropriation)	\$2,693	
Fees Collected (Net of Appropriation)	\$1,596	
Other Revenues (Net of Appropriation)	\$6,621	
	<hr/>	
<u>Total Additions</u>		\$126,779
<u>Reductions:</u>		
Appropriations from Undesignated Fund Balance	\$108,800	
Delinquent Tax Interest (Net of Appropriation)	\$268	
State Revenue Sharing (Net of Appropriation)	\$315	
Abatements Granted	\$377	
	<hr/>	
<u>Total Reductions</u>		\$109,761
		<hr/>
<u>Ending Undesignated Fund Balance</u>		\$457,278
		<hr/> <hr/>

TOWN OF LAMOINE, MAINE
SCHEDULE OF VALUATION, COMMITMENT AND COLLECTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(Exhibit A-3)

Taxable Valuation:

Land and Buildings	\$231,452,700
Personal Property	\$2,271,400
	<hr/>

Total Taxable Valuation

\$233,724,100

Rate per \$1 Valuation

\$0.0070

Tax Commitment

\$1,636,069

Collections and Adjustments:

Cash Collections	\$1,613,952
Supplemental Tax	(\$491)
Abatements on Commitment	\$377
	<hr/>

Total Collections and Adjustments

\$1,613,838

Uncollected Taxes June 30, 2007

\$22,231

TOWN OF LAMOINE, MAINE.
SCHEDULE OF RESERVE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007.

	Balance 7/1/2006	Investment Earnings (Net of Fees)	Appropriated to Reserves	Revenues	Total Available	Appropriated from Reserves	Expenditures	Balance 6/30/2007
<u>General Administration:</u>								
Code Enforcement	\$22,446	\$488	\$17,800	\$14,354	\$55,088	\$26,000	\$16,571	\$12,517
Revaluation	\$17,952	\$1,134	\$10,000	\$0	\$29,086	\$0	\$0	\$29,086
Insurance Deductible	\$4,078	\$176	\$0	\$0	\$4,255	\$0	\$0	\$4,255
	\$44,477	\$1,799	\$27,800	\$14,354	\$88,429	\$26,000	\$16,571	\$45,858
<u>Public Safety:</u>								
Fire Truck	\$10,546	\$456	\$0	\$0	\$11,002	\$0	\$0	\$11,002
	\$10,546	\$456	\$0	\$0	\$11,002	\$0	\$0	\$11,002
<u>Health & Sanitation:</u>								
Animal Control	\$642	\$0	\$0	\$1,848	\$2,490	\$700	\$1,424	\$365
	\$642	\$0	\$0	\$1,848	\$2,490	\$700	\$1,424	\$365
<u>Highways & Bridges:</u>								
Road Fund	\$26,358	\$531	\$277,275	\$28,724	\$332,888	\$53,536	\$263,652	\$15,699
Salt/Sand Shed	\$47,279	\$2,260	\$0	\$0	\$49,539	\$0	\$3,877	\$45,662
	\$73,637	\$2,792	\$277,275	\$28,724	\$382,427	\$53,536	\$267,529	\$61,362
<u>Education:</u>								
Education Fund	\$227,861	\$0	\$2,130,273	\$581,384	\$2,939,518	\$658,290	\$2,181,721	\$99,508
Education Capital	\$2,564	\$111	\$0	\$0	\$2,675	\$0	\$0	\$2,675
Education Construction	\$5,883	\$283	\$1,000	\$28,416	\$35,582	\$28,416	\$450	\$6,716
	\$236,308	\$394	\$2,131,273	\$609,800	\$2,977,775	\$686,706	\$2,182,171	\$108,899
<u>Unclassified:</u>								
Harbor	\$4,355	\$156	\$0	\$2,910	\$7,420	\$0	\$1,057	\$6,363
Capital Improvement	\$0	\$8,481	\$0	\$237,101	\$245,582	\$0	\$0	\$245,582
Cable Television	\$5,524	\$202	\$5,000	\$6,965	\$17,692	\$5,000	\$1,095	\$11,597
Summer Recreation	\$50	\$0	\$0	\$0	\$50	\$0	\$0	\$50
Parks & Recreation	\$3,474	\$124	\$10,214	\$1,075	\$14,887	\$0	\$11,001	\$3,886
	\$13,403	\$8,963	\$15,214	\$248,052	\$285,631	\$5,000	\$13,153	\$267,478
Total Reserve Funds	\$379,013	\$14,403	\$2,451,562	\$902,777	\$3,747,755	\$771,942	\$2,480,848	\$494,965

TOWN OF LAMOINE, MAINE
SCHEDULE OF APPROPRIATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

(Exhibit A-5)

Revenues:

Property Taxes, Including Homestead Exemption	\$1,657,134
Education Funding	\$504,021
Excise Taxes	\$284,000
State Revenue Sharing	\$67,234
Portable Classroom Rental	\$28,416
Local Road Assistance	\$26,536
Investment Interest	\$24,000
Interest on Delinquent Taxes	\$7,000
Code Enforcement Fees	\$12,000
General Assistance Reimbursements	\$500
Other Revenues	\$13,965

Fund Balance Appropriations:

Code Enforcement Reserve	\$14,000
Education Reserve	\$154,269
Road Reserve	\$17,000
Revaluation Reserve	(\$10,000)
Undesignated Fund Balance	\$108,800

Total Fund Balance Appropriations

\$284,069

Total Revenues

\$2,908,874

Expenditures:

Administration and Planning	\$164,547
Protection	\$60,338
Health & Sanitation	\$92,256
Highways & Bridges	\$267,275
Education	\$2,131,273
Unclassified	\$26,768
Assessments & Debt Service	\$166,418

Total Expenditures

\$2,908,874