

TOWN OF LAMOINE, MAINE					
OPENING BALANCES					
JULY 1, 2010					
		6/30/2010	6/30/2010	Opening Balance	
		Town	Audit	Adjustment	
Account	DESCRIPTION	Balance	Balance	Debit	Credit
1-01-001	Cash - Checking First National	\$40,499.19	\$34,679.51		\$5,819.68
1-01-02.1	Investment Management - FNB	\$475,143.96	\$475,143.96		
1-01-09	Petty Cash	\$200.00	\$200.00		
1-01-20.00	Prepaid Taxes	(\$1,125.91)	(\$1,125.91)		
1-01-20-09	2009-10 Taxes Receivable	\$59,070.28	\$59,070.28		
1-01-21.03	PP Taxes Receivable 03/04	\$754.60	\$754.60		
1-01-23.00	Supplemental Taxes Receivable	\$1,233.60	\$1,233.60		
1-01-25.08	Tax Liens Receivable 08/09	\$16,109.01	\$16,109.01		
1-01-50	Accounts Receivable	\$6,750.03	\$6,750.03		
1-01-52	Demo Debris Accounts Receivable	\$635.80	\$635.80		
1-01-70	Due from Cemetery Funds	\$1,610.51	\$1,778.51	\$168.00	
1-02-01	Code Enforcement Fund	\$7,490.43	\$7,490.43		
1-03-50	Education Fund - Receivable	\$108,732.78	\$0.00		\$108,732.78
1-06-01	Fire Truck Reserve	\$1,950.86	\$1,950.86		
1-09-01	Road Assistance Fund	\$30,962.73	\$30,962.73		
1-10-01	Education Capital Reserve	\$9,184.00	\$9,184.00		
1-13-01	Revaluation Reserve	\$63,175.03	\$63,175.03		
1-14-01	Parks Reserve	\$4,683.80	\$4,683.80		
1-15-01	Cable TV Fund	\$14,988.01	\$14,988.01		
1-16-01	Insurance Deductible Fund	\$4,733.90	\$4,733.90		
1-17-01	Harbor Fund	\$8,394.58	\$8,394.58		
1-18-01	Veteran's Memorial Fund	\$117.39	\$117.39		
1-19-01	Capital Improvement Account	\$80,339.19	\$80,339.19		
1-20-01.1	Cemetery - East Lamoine	\$2,699.88	\$2,699.88		
1-20-01.2	Cemetery - Forest Hills	\$2,474.95	\$2,474.95		
1-20-01.3	Cemetery - Marlboro	\$8,936.02	\$8,936.02		
1-30	Fixed Assets	\$9,781,212.69	\$8,321,658.64		\$1,459,554.05
1-30-01	Land Conservation Fund	\$4,160.88	\$4,160.88		
2-1-01	Selectmen's Warrant Payable	(\$12,269.49)	(\$6,449.81)	\$5,819.68	
2-01-02	Accounts Payable	(\$21,929.75)	(\$42,223.24)		\$20,293.49
2-01-03	Encumbered Funds	(\$8,678.54)	(\$8,678.54)		
2-01-51	Town Hall Lease Deposits	(\$25.00)	(\$25.00)		
2-20-01	Due to General Fund (Cemetery)	(\$1,610.51)	(\$1,778.51)		\$168.00
2-40-01	Deferred Property Tax Revenue	(\$35,520.35)	(\$56,117.40)		\$20,597.05
3-01-01	Undesignated Fund Balance	(\$319,631.84)	(\$318,792.10)	\$839.74	
3-01-01.62	Flag Maint. Fund	(\$127.54)	(\$127.54)		
3-02-01	Code Enforcement Fund	(\$7,186.71)	(\$7,186.71)		
3-03-01	Education Fund	(\$249,347.93)	(\$120,314.35)	\$129,033.58	
3-06-01	Fire Truck Reserve	(\$9,450.86)	(\$9,450.86)		
3-09-01	Road Fund	(\$52,576.85)	(\$52,576.85)		
3-10-01	Education Capital Reserve	(\$9,218.83)	(\$9,218.83)		
3-12-01	Animal Control Fund	(\$3,656.30)	(\$3,656.30)		
3-13-01	Revaluation Fund	(\$63,175.03)	(\$63,175.03)		
3-14-02	Parks & Recreation Fund	(\$6,604.63)	(\$6,604.63)		
3-15-01	Cable TV Equipment Fund	(\$19,174.71)	(\$19,174.71)		
3-16-01	Insurance Deductible Fund	(\$5,155.32)	(\$5,155.32)		
3-17-01	Harbor Fund	(\$11,874.88)	(\$11,874.88)		
3-18-01	Reserve for Endowments	(\$12,332.34)	(\$12,332.34)		
3-18-02	Veteran's Memorial Fund	(\$5,619.41)	(\$5,619.41)		
3-19-01	Capital Improvement Fund	(\$94,203.87)	(\$74,453.87)	\$19,750.00	
3-30-01	Investment in Fixed Assets	(\$9,781,212.69)	(\$8,321,658.64)	\$1,459,554.05	
3-31-01	Land Conservation	(\$4,160.88)	(\$4,160.88)		
3-32-01	Conservation Commission Fund	(\$373.93)	(\$373.93)		
		\$0.00	\$0.00	\$1,615,165.05	\$1,615,165.05

TOWN OF LAMOINE, MAINE

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

*FOR THE FISCAL YEAR
ENDED JUNE 30, 2010*

TOWN OF LAMOINE, MAINE
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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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, 2010, 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, 2010, 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 2-5 and 17 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.
January 17, 2011

TOWN OF LAMOINE, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

The management of the Town of Lamoine, Maine (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2010. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Assets – The assets of the Town exceeded its liabilities at the fiscal year ending June 30, 2010 by \$9,064,538 (presented as “net assets”). Of this amount, \$777,880 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 \$942,819 (a 9.4% decrease) for the fiscal year ended June 30, 2010.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2010, the Town's governmental funds reported a combined ending fund balance of \$736,864, a decrease of \$144,818 in comparison with the prior year. Of this total fund balance, \$322,729 represents general undesignated fund balance. This undesignated fund balance represents approximately 11% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations decreased by a net \$613,200 (94.6%) during the current fiscal year. There was a new \$35,000 debt obligation issued in the current year for the purchase of a fire truck. As part of the school department consolidation with RSU #24, as of July 1, 2009, the existing debt for the school renovations of \$648,200 was transferred to RSU #24. At that consolidation date, the assets and related debt for the school building were constructively transferred per State consolidation laws, even though title to the building has not been legally transferred to RSU #24 as of June 30, 2010.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three component's: 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 and are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. They distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of net assets includes all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt), with the difference between the two reported as net assets. The statement of activities shows how the Town's net assets changed during the year, regardless of the timing of related cash flows. The government-wide financial statements can be found on pages 6-7 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 fund financial statements include statements for one category of activity – governmental funds.

The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting and are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Both

the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to explain the differences between the governmental funds and governmental activities. The basic governmental fund financial statements can be found on pages 8-9 of this report.

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 on pages 10-16 of this report.

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). Required supplementary information can be found on page 17 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

The largest portion of the Town's net assets (91.4%) 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 capital 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, 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.

	Governmental Activities	Business-like Activities	Total 2010	Total 2009
Current Assets	\$ 842,805	\$ 0	\$ 842,805	\$ 1,147,507
Capital Assets	\$ 8,321,659	\$ 0	\$ 8,321,659	\$ 9,750,857
<i>Total Assets</i>	\$ 9,164,464	\$ 0	\$ 9,164,464	\$10,898,364
Current Liabilities	\$ 56,824	\$ 0	\$ 56,824	\$ 286,585
Other Liabilities	\$ 43,102	\$ 0	\$ 43,102	\$ 616,644
Net Assets;				
Invested in Capital Assets	\$ 8,286,659	\$ 0	\$ 8,286,659	\$ 9,102,657
Restricted	\$ 0	\$ 0	\$ 0	\$ 0
Unrestricted	\$ 777,880	\$ 0	\$ 777,880	\$ 892,479
<i>Total Liabilities and Net Assets</i>	\$ 9,164,464	\$ 0	\$ 9,164,464	\$10,898,364

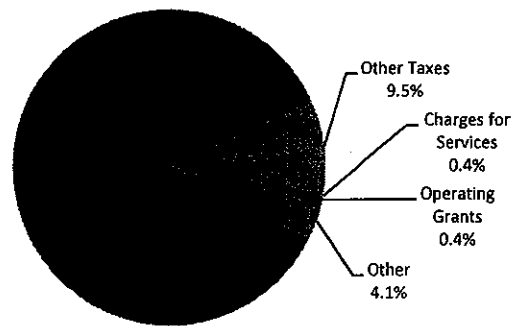
The remaining balance of unrestricted net assets (8.6%) may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in Net Assets

Governmental activities decreased the Town's net assets by \$942,819. This decrease was primarily due to \$656,991 of school department assets being transferred to RSU #24 as part of the State school consolidation laws. This amount represents the net basis in the school department assets as of July 1, 2009 offset by the related debt at the same date, plus the school lunch fund balance. Also, the Town funded portions of the capital assets acquired and constructed through prior year carry forward balances.

	Governmental Activities	Business-like Activities	Total 2010	Total 2009
<i>Revenues;</i>				
Tax Revenues	\$ 2,712,295	\$ 0	\$ 2,712,295	\$ 2,571,669
Program Revenues	\$ 22,802	\$ 0	\$ 22,802	\$ 428,934
Investments	\$ 16,831	\$ 0	\$ 16,831	\$ 30,565
Revenue Sharing	\$ 49,114	\$ 0	\$ 49,114	\$ 62,389
Other	\$ 50,366	\$ 0	\$ 50,366	\$ 25,808
RSU #24 Transfers	\$ (656,991)	\$ 0	\$ (656,991)	\$ 0
<i>Total Revenues</i>	\$ 2,194,418	\$ 0	\$ 2,194,418	\$ 3,119,364
<i>Expenses;</i>				
Administration	\$ 171,593	\$ 0	\$ 171,593	\$ 200,082
Protection	\$ 73,275	\$ 0	\$ 73,275	\$ 77,564
Health/Sanitation	\$ 84,753	\$ 0	\$ 84,753	\$ 88,540
Transportation	\$ 431,148	\$ 0	\$ 431,148	\$ 402,281
Education	\$ 2,246,064	\$ 0	\$ 2,246,064	\$ 2,347,258
Unclassified	\$ 21,017	\$ 0	\$ 21,017	\$ 31,889
Assessments	\$ 109,386	\$ 0	\$ 109,386	\$ 102,594
<i>Total Expenses</i>	\$ 3,137,237	\$ 0	\$ 3,137,237	\$ 3,250,208
Changes in Net Assets	\$ (942,819)	\$ 0	\$ (942,819)	\$ (130,844)

Revenues by Source - Governmental Activities



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 spendable 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 \$736,864, a decrease of \$144,818 in comparison with the prior year. Approximately 44 percent of this total amount constitutes undesignated fund balance. The remainder is reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

GENERAL FUND BUDGETARY HIGHLIGHTS

Variations between actual General Fund revenues and expenditures and the final amended budget included the following:

- \$54,326 negative variance in real estate and personal property tax. Actual collections were 97.5% of the levy as compared to 98.0% in the prior year. This, plus fewer collections of prior year's property tax receivables, led to an increase in deferred tax revenue. The remainder of the variance is primarily due to other revenues being over budgeted.
- \$105,401 negative variance in education expenses. This is primarily due to school consolidation of prior receivables and payables, which included receivables for the remaining portion of school renovation bond proceeds that had not been drawn down for the project as of June 30, 2009.
- \$60,010 positive variance in assessments. This is primarily due to overlay.
- \$89,943 negative variance in capital outlay. This is primarily due to portions of some of the significant capital asset acquisitions and construction was funded by prior year reserve balances.
- \$69,732 positive variance in other expenses. This is primarily due to the Town controlling the expenses for the other departments and keeping them under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities amounts to \$18,660,591, net of accumulated depreciation of \$10,338,932, leaving a net book value of \$8,321,659. Current year additions include \$2,000 for transfer station privy, \$2,837 for park kiosk, \$3,074 for fire station equipment, \$3,861 for cable TV equipment, \$2,226 for town office equipment, \$93,271 for new fire truck purchase, and \$167,674 for town roads. There was a current year retirement of town equipment and a sale of an older fire truck. There were no current year impairments. As part of the school department consolidation with RSU #24, as of July 1, 2009, the Town transferred school department assets to RSU #24 with a net basis as of the consolidation date of \$1,300,704. At that consolidation date, the assets and related debt for the school building were constructively transferred per State consolidation laws, even though title to the building has not been legally transferred to RSU #24 as of June 30, 2010. Additional information on the Town's capital assets can be found in Note 4 of the notes to the financial statements on page 14 of this report.

Debt

The Town has total bonded debt outstanding of \$35,000 that is backed by the full faith and credit of the Town. The total outstanding debt of the Town decreased \$613,200 during the current fiscal year. There was a new \$35,000 debt obligation issued during the year for the purchase of a new fire truck. As part of the school department consolidation with RSU #24, as of July 1, 2009, the existing debt for the school renovations of \$648,200 was transferred to RSU #24. At that consolidation date, the assets and related debt for the school building were constructively transferred per State consolidation laws, even though title to the building has not been legally transferred to RSU #24 as of June 30, 2010. Additional information on the Town's long-term debt can be found in Note 6 of the notes to the financial statements on page 15 of this report.

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, 2010

(Exhibit I)

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$34,880
Investments, at Fair Market Value	\$723,373
Accounts Receivable, net of Allowance for Uncollectible Accounts	\$7,386
Taxes and Tax Liens Receivable	\$77,167
Capital Assets, net of Accumulated Depreciation	<u>\$8,321,659</u>
<u>Total Assets</u>	<u>\$9,164,464</u>
<u>Liabilities</u>	
Accounts Payable	\$49,824
Accrued Compensated Absences	\$15,102
<u>General Obligation Bonds Payable:</u>	
Payable within 1 year	\$7,000
Payable in more than 1 year	<u>\$28,000</u>
<u>Total Liabilities</u>	<u>\$99,926</u>
<u>Net Assets</u>	
Investment in Capital Assets, net of Related Debt	\$8,286,659
<u>Unrestricted:</u>	
Reserve Funds	\$405,456
Reserve for Encumbrances	\$8,679
Unrestricted	<u>\$363,745</u>
<u>Total Net Assets</u>	<u>\$9,064,538</u>
<u>Total Liabilities and Net Assets</u>	<u>\$9,164,464</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, 2010

(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	\$171,593	\$8,178		(\$163,415)
Protection	\$73,275			(\$73,275)
Health & Sanitation	\$84,753	\$1,472		(\$83,281)
Transportation	\$431,148			(\$431,148)
Education	\$2,246,064		\$10,207	(\$2,235,857)
Unclassified	\$21,017	\$2,945		(\$18,072)
Assessments	\$109,386			(\$109,386)
<u>Total Governmental Activities</u>	<u>\$3,137,237</u>	<u>\$12,595</u>	<u>\$10,207</u>	<u>(\$3,114,435)</u>
<u>Total Primary Government</u>	<u>\$3,137,237</u>	<u>\$12,595</u>	<u>\$10,207</u>	<u>(\$3,114,435)</u>
<u>General Revenues:</u>				
Tax Revenues, Including Homestead Exemption				\$2,430,778
Excise Taxes				\$272,036
State Revenue Sharing				\$49,114
Donations				\$20,673
Investment Earnings				\$16,831
Interest and Fees on Delinquent Taxes				\$9,481
Other Revenues				\$29,693
Transfer Fixed Assets and Related Debt to RSU #24				(\$652,504)
Transfer School Lunch to RSU #24				(\$4,487)
<u>Total Revenues</u>				<u>\$2,171,616</u>
<u>Changes in Net Assets</u>				<u>(\$942,819)</u>
<u>Net Assets - Beginning</u>				<u>\$10,007,357</u>
<u>Net Assets - Ending</u>				<u>\$9,064,538</u>

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

TOWN OF LAMOINE, MAINE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

(Exhibit III)

<u>Assets</u>	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
Cash On Hand and On Deposit	\$34,880	\$0	\$34,880
Investments, at Fair Market Value	\$709,262	\$14,111	\$723,373
Accounts Receivable	\$7,386	\$0	\$7,386
Property Taxes Due	\$77,167	\$0	\$77,167
Due from Other Funds	\$1,779	\$0	\$1,779
<u>Total Assets</u>	<u>\$830,473</u>	<u>\$14,111</u>	<u>\$844,584</u>
<u>Liabilities & Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$49,824	\$0	\$49,824
Due to Other Funds	\$0	\$1,779	\$1,779
Deferred Tax Revenue	\$56,117	\$0	\$56,117
<u>Total Liabilities</u>	<u>\$105,941</u>	<u>\$1,779</u>	<u>\$107,720</u>
<u>Fund Balance:</u>			
Reserve Funds	\$393,124	\$12,332	\$405,456
Reserve for Encumbrances	\$8,679	\$0	\$8,679
Undesignated Fund Balance	\$322,729	\$0	\$322,729
<u>Total Fund Balance</u>	<u>\$724,532</u>	<u>\$12,332</u>	<u>\$736,864</u>
<u>Total Liabilities & Fund Balance</u>	<u>\$830,473</u>	<u>\$14,111</u>	<u>\$844,584</u>
<u>Total Fund Balance - Governmental Funds</u>			<u>\$736,864</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			\$8,321,659
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			\$56,117
Some liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore, are not reported in the funds			(\$50,102)
<u>Net Assets of Governmental Activities</u>			<u>\$9,064,538</u>

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

TOWN OF LAMOINE, MAINE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Exhibit IV)

	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues:</u>			
Tax Revenues, Including Homestead Reimbursement	\$2,410,181	\$0	\$2,410,181
Excise Taxes	\$272,036	\$0	\$272,036
State Revenue Sharing	\$49,114	\$0	\$49,114
Investment Earnings (Includes Unrealized Gains / Losses)	\$16,486	\$344	\$16,831
Interest and Fees on Delinquent Taxes	\$9,481	\$0	\$9,481
Intergovernmental Revenues	\$5,345	\$0	\$5,345
Other Revenues	\$24,347	\$0	\$24,347
<u>Total Revenues</u>	<u>\$2,786,992</u>	<u>\$344</u>	<u>\$2,787,336</u>
<u>Expenditures (Net of Departmental Revenues):</u>			
Administration and Planning	\$164,671	\$0	\$164,671
Protection	\$20,074	\$0	\$20,074
Health & Sanitation	\$83,182	\$0	\$83,182
Highways & Bridges	\$62,564	\$0	\$62,564
Education	\$2,235,857	\$0	\$2,235,857
Unclassified	\$16,243	\$234	\$16,477
Assessments and Debt Service	\$109,386	\$0	\$109,386
Capital Outlay	\$274,943	\$0	\$274,943
Total Expenditures	<u>\$2,966,920</u>	<u>\$234</u>	<u>\$2,967,154</u>
<u>Excess Revenues Over Expenditures</u>	<u>(\$179,928)</u>	<u>\$111</u>	<u>(\$179,818)</u>
<u>Other Financing Sources (Uses):</u>			
Bond Proceeds	<u>\$35,000</u>	<u>\$0</u>	<u>\$35,000</u>
<u>Excess of Revenues and Other Sources Over Expenditures and Other Uses</u>	<u>(\$144,928)</u>	<u>\$111</u>	<u>(\$144,818)</u>
<u>Beginning Fund Balances</u>	<u>\$869,460</u>	<u>\$12,222</u>	<u>\$881,682</u>
<u>Ending Fund Balances</u>	<u>\$724,532</u>	<u>\$12,332</u>	<u>\$736,864</u>
<u>Reconciliation to Statement of Activities, changes in Net Assets:</u>			
Net Change in Fund Balances - Above			(\$144,818)
Deferred Revenue			\$20,597
Compensated Absences			\$1,887
Transfer beginning of the year school lunch fund balance to RSU #24			(\$4,487)
Governmental funds report bond proceeds as an Other Financing Source, while repayment of a bond principal is reported as an expenditure.			
This amount represents bond proceeds			(\$35,000)
Transfer of debt related to school fixed assets to RSU #24			\$648,200
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.			
Transfer of fixed assets to RSU #24			\$274,943
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.			(\$1,300,704)
Therefore, depreciation expense is not reported as expenditures in Governmental Funds.			
<u>Changes in Net Assets of Governmental Activities</u>			<u>(\$403,438)</u>
			<u>(\$942,819)</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, 2010

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 accompanying financial statements present the government of the Town of Lamoine, Maine, which is identified based upon the criteria identified in Governmental Accounting Standards Board (GASB) Statement 14, *The 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. The financial statements include all operations of the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

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 primary government. Fiduciary activities, whose resources are not available to finance the Town's programs are excluded from the government-wide statements. The effect of material 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 statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *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 instead as *general revenues*.

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

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*. Revenues and additions are recorded when earned and expenses and deductions 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 (i.e. intended to finance). Grants are recognized as revenue as soon as all eligibility requirements have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when 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 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 a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, 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.

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.

Permanent funds are used to account for assets held in perpetuity and therefore cannot be used to support the Town's own programs, but the investment earnings may be used for designated purposes.

D. Assets, Liabilities and Net Assets or Fund Equity

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of one year or less from the date of acquisition. These investments are not specifically identified with any one fund.

The Town may invest in certificates of deposit, in time deposits, and in any securities in which State of Maine Statutes authorize them to invest in.

Investments are carried at fair market value. Income from investments held by the individual funds are recorded in the respective funds as it is earned.

Accounts Receivable and Payable

All material receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

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

Interfund Receivables and Payables

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

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.

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. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Fund Equity

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

Net Assets

Net assets are required to be classified into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt - This component of net assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This component of net assets consists of restrictions placed on net assets use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulation of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$0 of restricted net assets.

Unrestricted - This component consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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. Estimates

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 2 - Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk requires compliance with the provisions authorized by Maine State Statutes. The Town requires that, at the time funds are deposited, there is collateral in place to cover the deposits in excess of the FDIC insurance limits.

State Statutes require banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town in the amount of the Town's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposits insured by the Federal Deposit Insurance Corporation (FDIC).

The financial institution holding the Town's cash accounts is participating in the FDIC Transaction Account Guarantee Program. Under the program, through December 31, 2010, all noninterest bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. For interest bearing cash accounts, the Town's cash deposits, including certificates of deposit, are insured up to \$250,000 by the FDIC. Any cash deposits, including certificates of deposit, in excess of the \$250,000 FDIC limits are covered by collateral held in a Federal Reserve pledge account and this no custodial risk exists.

At year end, the carrying value of the Town's deposits was \$34,680 and the bank balance was \$77,932. The Town has no uninsured and uncollateralized deposits as of June 30, 2010.

Investments

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

	<u>Fair Market Value</u>	<u>Maturities (yrs)</u>		
		<u>Less than 1 yr</u>	<u>1-5 yrs</u>	<u>Long-term</u>
U.S. Treasury Securities- Agencies	\$200,911	\$0	\$50,366	\$150,545
Other	\$522,462	\$272,462	\$250,000	\$0
	<u>\$723,373</u>	<u>\$272,462</u>	<u>\$300,366</u>	<u>\$150,545</u>

Generally, the Town's investing activities are managed under the custody of the Town Treasurer. Investing is performed in accordance with State Statutes. The Town may legally invest in U.S. Government securities and agencies, U.S. Government sponsored agencies and in bank repurchase agreements.

Custodial credit risk - for an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment securities that are in the possession of an outside party. As a means of limiting its exposure to custodial credit 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.

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town invests in short-term investments held by a local institution.

Credit risk - credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town limits its investments to those authorized by Maine State Statutes, which authorize the Town to make deposits/ investments in insured commercial bank, insured credit unions and direct debt securities of the United States Government unless such an investment is expressly prohibited by law.

Note 3 - Property Taxes

Property taxes were assessed on April 1, 2009 and committed on August 17, 2009. Interest of 9.0% 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. Accordingly, \$56,117 of the property taxes receivable have been classified as deferred tax revenue on the general fund balance sheet.

Note 4 - Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental Activities:</i>				
<i>Capital assets not being depreciated</i>				
Land	\$85,288			\$85,288
<i>Capital assets being depreciated</i>				
Buildings / Improvements	\$2,357,055	\$6,647	\$1,717,657	\$646,044
Equipment	\$623,611	\$100,623	\$81,362	\$642,871
Infrastructure	\$17,118,714	\$167,674		\$17,286,388
<i>Total capital assets being depreciated</i>	<u>\$20,099,379</u>	<u>\$274,943</u>	<u>\$1,799,019</u>	<u>\$18,575,303</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Less accumulated depreciation for</i>				
Buildings	\$636,729	\$13,868	\$424,597	\$226,000
Equipment	\$496,363	\$24,785	\$73,717	\$447,431
Infrastructure	\$9,300,717	\$364,784		\$9,665,501
<i>Total accumulated depreciation</i>	<u>\$10,433,809</u>	<u>\$403,438</u>	<u>\$498,315</u>	<u>\$10,338,932</u>
<i>Net capital assets being depreciated</i>	<u>\$9,665,570</u>	<u>(\$128,495)</u>	<u>\$1,300,704</u>	<u>\$8,236,371</u>
<i>Governmental Activities</i>				
<i>Governmental Activities, Capital Assets, net</i>	<u>\$9,750,857</u>	<u>(\$128,495)</u>	<u>\$1,300,704</u>	<u>\$8,321,659</u>

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

Governmental Activities

Administration	\$631
Protection	\$32,528
Health & Sanitation	\$100
Unclassified	\$1,595
Highways, including depreciation of general infrastructure assets	\$368,584
Total Depreciation Expense - Governmental Activities	<u>\$403,438</u>

On July 1, 2009, the assets of the school department constructively were transferred to RSU #24 as part of the Town's vote to comply with State consolidation laws. As of June 30, 2010, the assets have not had title legally transferred to RSU #24 by deed, but per State consolidation laws, the assets officially passed on the consolidation date. The net book value of the assets transferred as of July 1, 2009 was \$1,300,704.

Note 5 - 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 Governmental Fund financial statements, the payables are classified as Due to Other Funds with offsetting receivables

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. Accordingly, \$56,117 of the property taxes receivable have been classified as deferred tax revenue on the general fund balance sheet.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental Activities:</i>				
<i>Capital assets not being depreciated</i>				
Land	\$85,288			\$85,288
<i>Capital assets being depreciated</i>				
Buildings / Improvements	\$2,357,055	\$6,647	\$1,717,657	\$646,044
Equipment	\$623,611	\$100,623	\$81,362	\$642,871
Infrastructure	\$17,118,714	\$167,674		\$17,286,388
<i>Total capital assets being depreciated</i>	<u>\$20,099,379</u>	<u>\$274,943</u>	<u>\$1,799,019</u>	<u>\$18,575,303</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Less accumulated depreciation for</i>				
Buildings	\$636,729	\$13,868	\$424,597	\$226,000
Equipment	\$496,363	\$24,785	\$73,717	\$447,431
Infrastructure	\$9,300,717	\$364,784		\$9,665,501
<i>Total accumulated depreciation</i>	<u>\$10,433,809</u>	<u>\$403,438</u>	<u>\$498,315</u>	<u>\$10,338,932</u>
<i>Net capital assets being depreciated</i>	<u>\$9,665,570</u>	<u>(\$128,495)</u>	<u>\$1,300,704</u>	<u>\$8,236,371</u>
<i>Governmental Activities</i>				
<i>Governmental Activities, Capital Assets, net</i>	<u>\$9,750,857</u>	<u>(\$128,495)</u>	<u>\$1,300,704</u>	<u>\$8,321,659</u>

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

Governmental Activities

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Protection	\$32,528
Health & Sanitation	\$100
Unclassified	\$1,595
Highways, including depreciation of general infrastructure assets	\$368,584
Total Depreciation Expense - Governmental Activities	<u>\$403,438</u>

On July 1, 2009, the assets of the school department constructively were transferred to RSU #24 as part of the Town's vote to comply with State consolidation laws. As of June 30, 2010, the assets have not had title legally transferred to RSU #24 by deed, but per State consolidation laws, the assets officially passed on the consolidation date. The net book value of the assets transferred as of July 1, 2009 was \$1,300,704.

Note 5 - 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 Governmental 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, 2010, the offsetting receivable and payable balances were \$1,779. The balances represent amounts due to the general fund for cemetery care and is expected to be repaid within the next year.

Note 6 - 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, 2010:

<u>Long-Term Debt payable at July 1,</u>		\$648,200
	Long-Term Debt Issued	\$35,000
	Long-Term Debt Transferred to RSU #24	(\$648,200)
	Long-Term Debt Retired	\$0
<u>Long-Term Debt payable at June 30,</u>		<u>\$35,000</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, 2010 are as follows:

In August 2009, the Town issued bonds for a fire truck purchase with Bar Harbor Banking & Trust. The bonds were authorized by the Town for \$35,000. The entire amount was borrowed during the fiscal year. The bonds are to be repaid over a 5 year period with interest of 3.19%. The principal balance outstanding at June 30, 2010 is \$35,000.

On July 1, 2009, the assets of the school department constructively were transferred to RSU #24 as part of the Town's vote to comply with State consolidation laws. As of June 30, 2010, the assets have not had title legally transferred to RSU #24 by deed, but per State consolidation laws, the assets officially passed on the consolidation date. As part of the consolidation, the debt related to the transferred assets also transfers, therefore, as of 7/1/09, \$648,200 of bonds related to school renovations transferred to RSU #24.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$7,000	\$1,133	\$8,133
2012	\$7,000	\$906	\$7,906
2013	\$7,000	\$680	\$7,680
2014	\$7,000	\$453	\$7,453
2015	\$7,000	\$298	\$7,298
	<u>\$35,000</u>	<u>\$3,470</u>	<u>\$38,470</u>

Note 7 - 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 8 - 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, 2010.

Note 9 - 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.

TOWN OF LAMOINE, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Exhibit VII)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Tax Revenues	\$2,425,253	\$2,425,253	\$2,410,181	(\$15,072)
Excise Taxes	\$298,500	\$298,500	\$272,036	(\$26,464)
State Revenue Sharing	\$56,715	\$56,715	\$49,114	(\$7,601)
Investment Earnings (Includes Unrealized Losses)	\$25,000	\$25,000	\$16,486	(\$8,514)
Interest and Fees on Delinquent Taxes	\$5,500	\$5,500	\$9,481	\$3,981
Intergovernmental Revenues	\$1,500	\$1,500	\$5,345	\$3,845
Other Revenues	\$28,850	\$28,850	\$24,347	(\$4,503)
<u>Total Revenues</u>	<u>\$2,841,318</u>	<u>\$2,841,318</u>	<u>\$2,786,992</u>	<u>(\$54,326)</u>
<u>Expenditures (Net of Departmental Revenues):</u>				
Administration and Planning	\$177,797	\$177,797	\$164,671	\$13,125
Protection	\$51,950	\$51,950	\$20,074	\$31,876
Health & Sanitation	\$100,280	\$100,280	\$83,182	\$17,098
Highways & Bridges	\$61,465	\$61,465	\$62,564	(\$1,099)
Education	\$2,130,455	\$2,130,455	\$2,235,857	(\$105,401)
Unclassified	\$24,975	\$24,975	\$16,243	\$8,732
Assessments & Debt Service	\$169,396	\$169,396	\$109,386	\$60,010
Capital Outlay	\$185,000	\$185,000	\$274,943	(\$89,943)
<u>Total Expenditures</u>	<u>\$2,901,318</u>	<u>\$2,901,318</u>	<u>\$2,966,920</u>	<u>(\$65,602)</u>
<u>Excess Revenues Over Expenditures</u>	<u>(\$60,000)</u>	<u>(\$60,000)</u>	<u>(\$179,928)</u>	<u>(\$119,928)</u>
<u>Other Financing Uses:</u>				
Bond Proceeds	\$35,000	\$35,000	\$35,000	\$0
	(\$25,000)	(\$25,000)	(\$144,928)	(\$119,928)
<u>Beginning Fund Balances</u>	<u>\$869,460</u>	<u>\$869,460</u>	<u>\$869,460</u>	<u>\$0</u>
<u>Ending Fund Balances</u>	<u>\$844,460</u>	<u>\$844,460</u>	<u>\$724,532</u>	<u>(\$119,928)</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, 2010

<u>Department</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Administration:</u>			
General Government	\$156,857	\$155,991	\$866
Planning Board	\$975	\$207	\$768
	<u>\$157,832</u>	<u>\$156,198</u>	<u>\$1,634</u>
<u>Protection:</u>			
Public Safety	\$51,950	\$51,331	\$619
	<u>\$51,950</u>	<u>\$51,331</u>	<u>\$619</u>
<u>Health & Sanitation:</u>			
Solid Waste	\$99,480	\$83,074	\$16,406
Dump Closing	\$0	\$1,870	(\$1,870)
	<u>\$99,480</u>	<u>\$84,944</u>	<u>\$14,536</u>
<u>Unclassified:</u>			
Appeals & Charities	\$10,389	\$10,389	\$0
Library Contract	\$6,270	\$6,270	\$0
	<u>\$16,659</u>	<u>\$16,659</u>	<u>\$0</u>
<u>Assessments and Debt Service:</u>			
County Tax	\$101,350	\$101,350	\$0
Fire Truck Debt	\$8,750	\$8,036	\$714
Overlay	\$59,296	\$0	\$59,296
	<u>\$169,396</u>	<u>\$109,386</u>	<u>\$60,010</u>
<u>TOTALS</u>	<u>\$495,317</u>	<u>\$418,518</u>	<u>\$76,799</u>

TOWN OF LAMOINE, MAINE
SCHEDULE OF CHANGES IN UNDESIGNATED FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Exhibit A-2)

<u>Beginning Undesignated Fund Balance</u>		\$306,100
<u>Additions:</u>		
Lapsed Accounts (Exhibit A-1)	\$76,799	
Supplemental Taxes	\$7,459	
Increase in Fair Market Value of Investments	\$3,937	
Delinquent Tax Interest (Net of Appropriation)	\$3,981	
Fees Collected (Net of Appropriation)	\$586	
Other State Revenues (Net of Appropriation)	\$3,965	
Lease Income	\$13,025	
Other Revenues (Net of Appropriation)	\$1,819	
	<hr/>	
<u>Total Additions</u>		\$111,570
<u>Reductions:</u>		
Appropriations from Undesignated Fund Balance	\$25,000	
Increase in Deferred Tax Revenues (Note 3)	\$20,597	
Excise Taxes (Net of Appropriation)	\$26,464	
State Revenue Sharing (Net of Appropriation)	\$7,601	
Investment Earnings (Net of Appropriation)	\$13,294	
Abatements Granted	\$1,985	
	<hr/>	
<u>Total Reductions</u>		\$94,941
		<hr/>
<u>Ending Undesignated Fund Balance</u>		\$322,729
		<hr/> <hr/>

TOWN OF LAMOINE, MAINE
SCHEDULE OF VALUATION, COMMITMENT AND COLLECTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Exhibit A-3)

Taxable Valuation:

Land and Buildings	\$244,753,250	
Personal Property	\$2,280,800	
		<hr/>

Total Taxable Valuation

\$247,034,050

Rate per \$1 Valuation

\$0.0097

Tax Commitment

\$2,396,230

Collections and Adjustments:

Cash Collections	\$2,342,634	
Supplementals	(\$7,459)	
Abatements on Commitment	\$1,985	
		<hr/>

Total Collections and Adjustments

\$2,337,160

Uncollected Taxes June 30

\$59,070

TOWN OF LAMOINE, MAINE
SCHEDULE OF RESERVE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance 7/1/2009	Investment Earnings (Net of Fees)	Appropriated to Reserves	Revenues	Total Available	Appropriated from Reserves	Expenditures	Balance 6/30/2010
<u>General Administration:</u>								
Code Enforcement	\$7,301	\$169	\$19,715	\$8,178	\$35,364	\$10,500	\$17,677	\$7,187
Revaluation	\$52,036	\$1,139	\$10,000	\$0	\$63,175	\$0	\$0	\$63,175
Flag Maintenance	\$0	\$0	\$0	\$331	\$331	\$0	\$204	\$128
Insurance Deductible	\$4,649	\$85	\$750	\$150	\$5,634	\$0	\$479	\$5,155
	<u>\$63,986</u>	<u>\$1,394</u>	<u>\$30,465</u>	<u>\$8,659</u>	<u>\$104,504</u>	<u>\$10,500</u>	<u>\$18,359</u>	<u>\$75,645</u>
<u>Public Safety:</u>								
Fire Truck	\$11,839	\$112	\$90,000	\$28,173	\$130,124	\$30,000	\$90,673	\$9,451
	<u>\$11,839</u>	<u>\$112</u>	<u>\$90,000</u>	<u>\$28,173</u>	<u>\$130,124</u>	<u>\$30,000</u>	<u>\$90,673</u>	<u>\$9,451</u>
<u>Health & Sanitation:</u>								
Animal Control	\$3,094	\$0	\$2,000	\$1,472	\$6,566	\$1,200	\$1,710	\$3,656
	<u>\$3,094</u>	<u>\$0</u>	<u>\$2,000</u>	<u>\$1,472</u>	<u>\$6,566</u>	<u>\$1,200</u>	<u>\$1,710</u>	<u>\$3,656</u>
<u>Highways & Bridges:</u>								
Road Fund	\$70,562	\$1,088	\$256,145	\$39,470	\$367,265	\$64,680	\$250,008	\$52,577
	<u>\$70,562</u>	<u>\$1,088</u>	<u>\$256,145</u>	<u>\$39,470</u>	<u>\$367,265</u>	<u>\$64,680</u>	<u>\$250,008</u>	<u>\$52,577</u>
<u>Education:</u>								
Education Fund	\$224,738	\$0	\$2,130,455	\$10,207	\$2,365,401	\$0	\$2,245,087	\$120,314
Education Capital	\$10,004	\$192	\$0	\$0	\$10,196	\$0	\$978	\$9,219
	<u>\$234,743</u>	<u>\$192</u>	<u>\$2,130,455</u>	<u>\$10,207</u>	<u>\$2,375,597</u>	<u>\$0</u>	<u>\$2,246,064</u>	<u>\$129,533</u>
<u>Unclassified:</u>								
Harbor	\$10,041	\$166	\$0	\$2,945	\$13,152	\$0	\$1,277	\$11,875
Capital Improvement	\$98,829	\$1,794	\$8,000	\$3,358	\$111,980	\$33,000	\$4,526	\$74,454
Cable Television	\$14,656	\$332	\$5,000	\$10,170	\$30,158	\$5,000	\$5,983	\$19,175
Parks & Recreation	\$4,437	\$93	\$7,316	\$1,418	\$13,263	\$0	\$6,659	\$6,605
Veteran's Memorial	\$8,845	\$39	\$0	\$338	\$9,222	\$0	\$3,603	\$5,619
Conservation Commission	\$0	\$0	\$0	\$374	\$374	\$0	\$0	\$374
Land Conservation	\$3,090	\$71	\$1,000	\$0	\$4,161	\$0	\$0	\$4,161
	<u>\$139,897</u>	<u>\$2,494</u>	<u>\$21,316</u>	<u>\$18,603</u>	<u>\$182,310</u>	<u>\$38,000</u>	<u>\$22,048</u>	<u>\$122,262</u>
Total Reserve Funds	<u>\$524,120</u>	<u>\$5,280</u>	<u>\$2,530,381</u>	<u>\$106,585</u>	<u>\$3,166,366</u>	<u>\$144,380</u>	<u>\$2,628,862</u>	<u>\$393,124</u>

TOWN OF LAMOINE, MAINE
SCHEDULE OF APPROPRIATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Exhibit A-5)

Revenues:

Property Taxes, Including Homestead Exemption		\$2,425,253
Education Funding		
Excise Taxes		\$298,500
State Revenue Sharing		\$56,715
Local Road Assistance		\$24,680
Investment Interest		\$25,000
Interest on Delinquent Taxes		\$5,500
Code Enforcement Fees		\$9,500
Donations		\$20,000
Fire Truck Loan Proceeds		\$35,000
General Assistance Reimbursements		\$1,500
Other Revenues		\$8,850

Fund Balance Appropriations:

Road Reserve	\$40,000
Fire Truck	\$10,000
Code Enforcement	\$1,000
Capital Improvement Fund	\$25,000
Undesignated Fund Balance	\$25,000

Total Fund Balance Appropriations

\$101,000

Total Revenues

\$3,011,498

Expenditures:

Administration and Planning	\$188,297
Protection	\$51,950
Fire Truck Purchase	\$90,000
Health & Sanitation	\$100,280
Highways & Bridges	\$256,145
Education	\$2,130,455
Unclassified	\$24,975
Assessments & Debt Service	\$169,396

Total Expenditures

\$3,011,498