

Audited Financial Statements and
Other Financial Information

Town of Lyman, Maine

June 30, 2009



Proven Expertise and Integrity

TOWN OF LYMAN, MAINE

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JUNE 30, 2009

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INDEPENDENT AUDITORS' REPORT

October 16, 2009

Board of Selectmen
Town of Lyman
Lyman, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lyman, Maine, as of and for the year ended June 30, 2009, 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's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 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 Lyman, Maine as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lyman, Maine's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have 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.

RHR Smith & Company

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

(UNAUDITED)

The following management's discussion and analysis of Town of Lyman, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Lyman's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government - Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short – term as well as long – term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government – wide financial statements include the following two statements:

The Statement of Net Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

The Statement of Activities – this statement presents information that shows how the government's net assets changed during the period. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have been presented for the following activity:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, education, recreation and culture, and donations and other unclassified.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Lyman, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Lyman are categorized as one fund type: governmental funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government – wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

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

The Town of Lyman presents only two columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget for. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

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 Financial Statements can be found following Statement F.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a schedule of Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activities. The Town's total net assets increased by \$214,551 from \$3,717,382 to \$3,931,933 or a 5.8% increase.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased by \$214,551 from \$3,717,382 to a balance of \$3,931,933 at the end of this year.

Table 1
Town of Lyman, Maine
Net Assets
June 30,

	2009	2008
Assets:		
Current and other assets	\$ 2,080,119	\$ 2,151,522
Capital Assets	2,121,892	1,871,550
Total Assets	<u>\$ 4,202,011</u>	<u>\$ 4,023,072</u>
Liabilities:		
Current Liabilities	\$ 270,078	\$ 288,840
Long-term Debt Outstanding	-	16,850
Total Liabilities	<u>\$ 270,078</u>	<u>\$ 305,690</u>
Net Assets:		
Invested in Capital Assets, Net of related Debt	\$ 2,105,042	\$ 1,837,850
Restricted Net Assets General Fund	-	-
Permanent Fund	-	-
Unrestricted Net Assets	1,826,891	1,879,532
Total Net Assets	<u>\$ 3,931,933</u>	<u>\$ 3,717,382</u>

Table 2
Town of Lyman, Maine
Change in Net Assets
For The Year Ended June 30,

	<u>2009</u>	<u>2008</u>
Revenues		
Charges for services	\$ 96,774	\$ 91,892
Operating grants and contributions	53,860	62,510
Property taxes	4,218,737	3,989,400
Excise taxes	739,055	786,810
Intergovernmental	277,097	272,268
Interest earnings	36,474	62,112
Miscellaneous	14,276	14,603
Total Revenues	<u>5,436,273</u>	<u>5,279,595</u>
Expenses		
General government	499,375	480,559
Public safety	161,223	149,928
Public works	458,356	335,145
Education	3,284,935	3,126,199
Recreation	53,114	52,574
County tax	244,650	226,580
Solid waste disposal	309,151	280,654
Social services	14,787	18,056
Interest on long-term debt	1,584	2,552
Unclassified	74,548	72,317
Reserve	120,000	11,472
Total Expenses	<u>5,221,723</u>	<u>4,756,036</u>
Change in Net Assets	214,550	523,559
Net Assets - July 1	<u>3,717,383</u>	<u>3,193,824</u>
Net Assets - June 30	<u><u>\$ 3,931,933</u></u>	<u><u>\$ 3,717,383</u></u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 2.97%, while total expenses increased by 9.79%. The increase in revenues is largely due to a \$229,337 increase in property tax revenue. Most of the Town's expenses were consistent with the previous year. The biggest increase in expenses was in education and public works.

Financial Analysis of the Town's Fund Statements

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

Table 3
Town of Lyman, Maine
Fund Balances - Governmental Funds
June 30,

	2009	2008
General Fund:		
Unreserved		
Designated	\$ 248,658	\$ 434,936
Undesignated	1,266,260	1,139,154
Total General Fund	\$ 1,514,918	\$ 1,574,090
 Nonmajor Funds:		
Permanent funds	\$ 50,164	\$ 49,689
Total Nonmajor Funds	\$ 50,164	\$ 49,689

The general fund total fund balance decreased by \$59,172 over the prior fiscal year. The non-major fund balances increased by \$475 over the prior fiscal year. Most of the decrease in the general fund came as a result of decreased revenue from the property taxes and over-spent appropriations in general. The increase in the non-major fund balances came as a result of interest income on permanent funds.

Budgetary Highlights

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues exceeded the budget by \$118,383. This was a result of miscellaneous revenue, intergovernmental revenues, charges for services and interest income.

The general fund actual expenditures were under the budget by \$438,689. The following expenditures were under budget which accounts for most of the balance:

General government	\$78,470
Unclassified	\$114,191
Reserve accounts	\$248,658

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2009, the gross book value of capital assets recorded by the Town increased by \$288,430 over the prior year. The increase is the result of an addition in infrastructure for road work.

Table 4
Town of Lyman, Maine
Capital Assets (Net of Depreciation)
June 30,

	<u>2009</u>	<u>2008</u>
Infrastructure	\$ 1,160,441	\$ 933,341
Land	420,553	420,553
Buildings & land improvements	502,736	476,358
Equipment	<u>38,162</u>	<u>41,298</u>
Total	<u><u>\$ 2,121,892</u></u>	<u><u>\$ 1,871,550</u></u>

Debt

At June 30, 2009, the Town had \$0 in long term debt.

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient undesignated fund balance to sustain government operations for a period of approximately two month, while also maintaining significant reserve accounts for future capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Department at 11 So. Waterboro Rd, Lyman, Maine 04002.

TOWN OF LYMAN, MAINE
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities
ASSETS	
Current assets:	
Cash	\$ 1,595,496
Investments	20,000
Receivables (net of allowance):	
Taxes	277,843
Liens	109,735
Subdivision escrow collateral	77,045
Total current assets	2,080,119
Noncurrent assets:	
Capital assets:	
Land, infrastructure, and other assets not being depreciated	420,553
Buildings and equipment, net of accumulated depreciation	1,701,339
Total noncurrent assets	2,121,892
TOTAL ASSETS	\$ 4,202,011
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 33,130
Prepaid taxes	5,626
Gravel pit escrow deposits	127,000
Subdivision escrow deposits	77,045
Other current liabilities	10,427
Current portion of long-term obligations	16,850
Total current liabilities	270,078
Noncurrent liabilities	
Noncurrent portion of long-term obligations:	
Bonds payable	-
Total noncurrent liabilities	-
TOTAL LIABILITIES	270,078
NET ASSETS	
Invested in capital assets, net of related debt	2,105,042
Restricted net assets General Fund	248,658
Permanent Fund	50,164
Unrestricted net assets	1,528,069
TOTAL NET ASSETS	3,931,933
TOTAL LIABILITIES AND NET ASSETS	\$ 4,202,011

See accompanying independent auditors' report and notes to financial statements

TOWN OF LYMAN, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Revenue & Changes in Net Assets
					Total Governmental Activities
Governmental activities					
General government	\$ 499,375	\$ 69,217	\$ -	\$ -	\$ (430,158)
Public safety	161,223	-	-	-	(161,223)
Public works	458,356	-	53,860	-	(404,496)
Education	3,284,935	-	-	-	(3,284,935)
Recreation	53,114	-	-	-	(53,114)
County tax	244,650	-	-	-	(244,650)
Solid waste disposal	309,151	27,557	-	-	(281,594)
Social services	14,787	-	-	-	(14,787)
Interest on long-term debt	1,584	-	-	-	(1,584)
Unclassified	74,547	-	-	-	(74,547)
Reserve	120,000	-	-	-	(120,000)
Total government	<u>5,221,722</u>	<u>96,774</u>	<u>53,860</u>	<u>-</u>	<u>(5,071,088)</u>

STATEMENT B (CONTINUED)

TOWN OF LYMAN, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>(5,071,088)</u>
General revenue:	
Property taxes, levied for general purposes	4,218,737
Excise taxes, levied for general purposes	739,055
Grants and contributions not restricted to specific programs	277,097
Investment earnings	36,474
Miscellaneous	<u>14,276</u>
Total general revenue	<u>5,285,639</u>
Change in net assets	214,551
NET ASSETS - JULY 1	<u>3,717,382</u>
NET ASSETS - JUNE 30	<u><u>\$ 3,931,933</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LYMAN, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2009

	General Fund	Other Governmental Funds	Totals Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 1,565,332	\$ 30,164	\$ 1,595,496
Investments	-	20,000	20,000
Receivables (net of allowance):			
Taxes	277,843	-	277,843
Liens	109,735	-	109,735
Subdivision escrow collateral	77,045	-	77,045
TOTAL ASSETS	<u><u>\$ 2,029,955</u></u>	<u><u>\$ 50,164</u></u>	<u><u>\$ 2,080,119</u></u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 33,130	\$ -	\$ 33,130
Prepaid taxes	5,626	-	5,626
Deferred taxes	261,809	-	261,809
Gravel pit escrow deposits	127,000	-	127,000
Subdivision escrow deposits	77,045	-	77,045
Other current liabilities	10,427	-	10,427
TOTAL LIABILITIES	<u><u>515,037</u></u>	<u><u>-</u></u>	<u><u>515,037</u></u>
Fund Equity			
General Fund:			
Designated	248,658	-	248,658
Undesignated	1,266,260	-	1,266,260
Permanent Funds	-	50,164	50,164
TOTAL FUND EQUITY	<u><u>1,514,918</u></u>	<u><u>50,164</u></u>	<u><u>1,565,082</u></u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 2,029,955</u></u>	<u><u>\$ 50,164</u></u>	<u><u>\$ 2,080,119</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LYMAN, MAINE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET ASSETS
JUNE 30, 2009

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 1,565,082
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	2,121,892
Other long-term assets are not available to pay for current-period expenditures therefore are deferred in the funds shown above:	
Taxes and liens receivable	261,809
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bond payable	<u>(16,850)</u>
Net assets of governmental activities	<u><u>\$ 3,931,933</u></u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT E

TOWN OF LYMAN, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
FOR YEAR ENDED JUNE 30, 2009

	General Fund	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Property taxes	\$ 4,212,681	\$ -	\$ 4,212,681
Excise taxes	739,055	-	739,055
Intergovernmental revenues	330,957	-	330,957
Interest income	34,999	1,475	36,474
Other revenues	111,050	-	111,050
TOTAL REVENUES	5,428,742	1,475	5,430,217
EXPENDITURES			
General government	492,316	-	492,316
Public safety	161,223	-	161,223
Public works	716,541	-	716,541
Education	3,284,935	-	3,284,935
Recreation	52,330	-	52,330
County tax	244,650	-	244,650
Solid waste disposal	309,151	-	309,151
Social services	14,787	-	14,787
Debt service	18,434	-	18,434
Unclassified	73,547	1,000	74,547
Reserve accounts	120,000	-	120,000
TOTAL EXPENDITURES	5,487,914	1,000	5,488,914
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(59,172)	475	(58,697)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES USES	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(59,172)	475	(58,697)
FUND BALANCES - JULY 1	1,574,090	49,689	1,623,779
FUND BALANCES - JUNE 30	\$ 1,514,918	\$ 50,164	\$ 1,565,082

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LYMAN, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2009

Net change in fund balances - total governmental funds (Statement E)		\$ (58,697)
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		288,430
Depreciation expense		(38,088)
		250,342
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.		
		-
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets		
		16,850
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Taxes and liens receivable		6,056
		6,056
Change in net assets of governmental activities (Statement B)		\$ 214,551

See accompanying independent auditors' report and notes to financial statements.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Lyman was incorporated under the laws of the State of Maine. The Town operates under selectmen-treasurer form of government and provides the following services: general government services, public safety, public works, recreation and culture, education, and transfer station.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statement No. 39.

Government –Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental. The Town categorizes all activities of the as governmental.

In the government-wide Statement of Net Assets, the governmental column is (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Town first utilizes restricted resources to finance qualifying activities.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government – wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net assets resulting from the current year's activities.

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Permanent Funds are used to account for assets held by the Town in trust for specific purposes.

The emphasis in fund financial statements is on the major funds in governmental activities categories. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

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 three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town of Lyman has a formal investment policy but instead follows the State of Maine Statutes.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2009.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes or bonds payable and compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Reserves

The Town records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use, which is indicated by the title of each reserves listed in the balance sheet and statement of net assets. It is the Town's policy to first use restricted assets for restricted programs and only unrestricted assets after the restricted assets have been exhausted.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied August 27, 2008 on the assessed value listed as of April 1, 2008, for all real and personal property located in the Town. Taxes were due on in two installments on October 1, 2008 and April 1, 2009. Interest on unpaid taxes commenced on October 2, 2008 and April 2, 2009, at 9.65% per annum.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$112,704 for the year ended June 30, 2009.

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

Program Revenues

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses / expenditures during the reporting period. Actual results may differ from these estimates.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 - CASH AND INVESTMENTS

The Town's investment policies, which follow state statutes, authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Town funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk.

At June 30, 2009, the Town's deposits amounting to \$281,843 were comprised of \$281,843 which was insured by federal depository insurance and consequently was not exposed to custodial credit risk, and zero that was in excess of federal depository insurance, and therefore, not insured or collateralized.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 29,541
Money Market	2,322
Certificates of deposit	<u>249,980</u>
	<u>\$ 281,843</u>

At June 30, 2009, all of the Town's investments amounting to \$1,361,250 were collateralized with securities held by the financial institution in the Town's name and consequently were not exposed to custodial credit risk.

<u>Investment Type</u>	<u>Fair Value</u>
Repurchase agreement	\$ 1,361,250
	<u>\$ 1,361,250</u>

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 -CAPITAL ASSETS

A summary of capital assets is as follows:

	Balance, 7/1/08	Additions	Disposals	Balance, 6/30/09
Governmental activities				
Non-depreciated assets:				
Land	\$ 420,553	\$ -	\$ -	\$ 420,553
	<u>420,553</u>	<u>-</u>	<u>-</u>	<u>420,553</u>
Depreciated assets:				
Land improvements	31,444	-	-	31,444
Buildings and Improvements	573,596	36,872	-	610,468
Equipment	70,430	-	-	70,430
Infrastructure	978,337	251,558	-	1,229,895
	1,653,807	288,430	-	1,942,237
Less: accumulated depreciation	(202,810)	(38,088)	-	(240,898)
	<u>1,450,997</u>	<u>250,342</u>	<u>-</u>	<u>1,701,339</u>
Net capital assets	<u>\$ 1,871,550</u>	<u>\$ 250,342</u>	<u>\$ -</u>	<u>\$ 2,121,892</u>
Current year depreciation:				
General Government				\$ 7,059
Public works/infrastructure				30,245
Parks and recreations				784
Total depreciation expense				<u>\$ 38,088</u>

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2009:

	<u>Balance, 7/1/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, 6/30/09</u>	<u>Current Portion</u>
GMFD Bond	\$ 33,700	\$ -	\$ (16,850)	\$ 16,850	\$ 16,850
Town Hall Bond	-	-	-	-	-
Totals	<u>\$ 33,700</u>	<u>\$ -</u>	<u>\$ (16,850)</u>	<u>\$ 16,850</u>	<u>\$ 16,850</u>

The following is a summary of outstanding bonds payable:

\$168,500, 1999 Goodwin Mills Fire Station bond payable with Maine Municipal Bond Bank, due in varying annual installments through 2009, interest at a rate of 4.038% to 5.038%

\$ 16,850

The following is a summary of outstanding bond principal and interest requirements for the next five fiscal years ending June 30:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 16,850	\$ 424	\$ 17,274
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
	<u>\$ 16,850</u>	<u>\$ 424</u>	<u>\$ 17,274</u>

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2009:

Street Lights and Electricity	\$ 4,794
Electrical inspector	3,993
Snow removal	39,786
Road reconstruction	68,712
Re-surface town roads	19,787
Debt services	310
Library	126
PSAP	9,487
Total	<u>\$ 146,995</u>

NOTE 6 – RISK MANAGEMENT – PARTICIPATION IN A PUBLIC ENTITY RISK POOL

The Town is a member of the Maine Municipal Association – Property and Casualty Pool (“Pool”). The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the Pool, coverage is provided after the deductible is met, and is based on replacement cost. Under the liability portion of the Pool, coverage is provided after the deductible is met, to \$1,000,000.

NOTE 7 – DESIGNATED FOR SUBSEQUENT YEARS EXPENDITURES

At June 30, 2009, the General Fund balances designated for subsequent years expenditures consisted of the following:

Computer reserve	\$ 16,929
Capital improvement account	144,208
Fire truck account	66,880
Revaluation	20,641
	<u>\$ 248,658</u>

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 8 - CONTINGENCIES

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At June 30, 2009, the Town's share was approximately:

	Outstanding Debt	Town's Percentage	Total Share
County of York	\$ 12,900,000	1.63%	\$ 210,270
MSAD # 57	26,341,233	18.63%	4,907,372
			<u>\$ 5,117,642</u>

The Town has entered into a joint venture known as ECO Maine (ECO) (formerly known as Regional Waste System (RWS)). ECO provides solid waste disposal services to its twenty-one participating communities. The governing bodies of the participating communities appoint the Board of Directors which establishes the budget and charges the communities and commercial enterprises that use the facility. Total charges to the Town for fiscal 2009 were \$200,373.

ECO has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of ECO, payable from and secured by a pledge of ECO revenues. The bonds do not constitute a debt or liability within the meaning of any constitutional or statutory provision of the State of Maine, or a pledge of the full faith and credit of any political subdivision of the State of Maine. ECO has no taxing power. However, pursuant to the Waste Handling Agreements, the participating municipalities are obligated severally to deliver certain of the solid waste produced within each such participating municipality to ECO for processing and to make service payments and pay tipping fees for such processing in amounts which, when added to other available monies, will at least equal required debt service of the bonds. The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. On June 30, 2009, outstanding bonds of ECO totaled \$35,772,000 of which the Lyman share, based on estimated tonnage to be delivered, amounted to \$200,022 (0.56%).

In accordance with Governmental Accounting Standards Board Statement No. 18 ECO has begun to record and accrue landfill closure and post closure costs. Pursuant to the aforementioned Waste Handling Agreements, the participating municipalities are obligated severally to deliver certain of the service payments and pay tipping fees for such processing in amounts which, when added to other participating municipalities, will

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 8 – CONTINGENCIES (CONTINUED)

at least equal the projected landfill closure and post closure costs. As of June 30, 2006, the most recent date as of which the information is available, projected landfill closure and post closure costs for ECO totaled \$20,454,988 of which the Lyman share, based on estimated tonnage to be delivered, amounted to \$423,219 (2.07%).

Additionally the Town of Lyman and twenty-six other municipalities have entered into an agreement with ECO for a material recycling facility. At June 30, 2009, outstanding material recycling facility bonds of ECO totaled \$4,418,000 of which Lyman's share, based on estimated yardage to be delivered, amounts to \$59,643 (1.35%). A portion of the tipping fee each year is designated to amortize the bonds. The amount changes each year as the principal is reduced.

Separate financial statements for ECO are available through ECO.

NOTE 9 – SUBDIVISION ESCROW COLLATERAL

The Town has instituted a policy of requiring collateral from subdivision contractors desiring to build within the Town. The amount of the collateral is 150% of the estimated cost of the roads to be built within the subdivision.

Under this agreement the potential developers are required to deposit into a bank account the required amount of the collateral. Only the Treasurer of the Town has the authority to withdraw funds, and is required to release the funds back to the developer upon receiving confirmation from the Code Enforcement Officer that the Town's consulting engineer has approved the refund payment based upon a site inspection, and has certified that a certain percentage of the required work has been performed by the developer. At June 30, 2009, the Town held such collateral for three developers in the amount of \$77,045.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - General Fund

TOWN OF LYMAN, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
Budgetary Fund Balance, July 1	\$ 1,574,090	\$ 1,574,090	\$ 1,574,090	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	4,210,520	4,210,520	4,212,681	2,161
Excise taxes	844,539	844,539	739,055	(105,484)
Intergovernmental revenues:				
DOT Block Grant	-	-	53,860	53,860
State Revenue Sharing	195,000	195,000	189,786	(5,214)
Homestead exemption	60,300	60,300	60,370	70
Other intergovernmental	-	-	26,941	26,941
Miscellaneous revenues	-	-	14,276	14,276
Interest income	-	-	34,999	34,999
Charges for service	-	-	96,774	96,774
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>6,884,449</u>	<u>6,884,449</u>	<u>7,002,832</u>	<u>118,383</u>
EXPENDITURES				
General government	576,096	576,096	492,316	83,780
Public safety	165,500	165,500	161,223	4,277
Public works	656,858	656,858	716,541	(59,683)
Education	3,284,935	3,284,935	3,284,935	-
Recreation	55,550	55,550	52,330	3,220
County tax	244,650	244,650	244,650	-
Solid waste disposal	357,554	357,554	309,151	48,403
Social services	16,250	16,250	14,787	1,463
Debt service	18,124	18,124	18,434	(310)
Unclassified	197,226	197,226	73,547	123,679
Reserve accounts	368,658	368,658	120,000	248,658
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>5,941,401</u>	<u>5,941,401</u>	<u>5,487,914</u>	<u>453,487</u>
Budgetary Fund Balance, June 30	<u>\$ 943,048</u>	<u>\$ 943,048</u>	<u>\$ 1,514,918</u>	<u>\$ 571,870</u>
Use of Designated Fund Balance	\$ 332,024	\$ 332,024	\$ -	\$ 332,024
Use of Undesignated Fund Balance	<u>299,018</u>	<u>299,018</u>	<u>-</u>	<u>299,018</u>
	<u>\$ 631,042</u>	<u>\$ 631,042</u>	<u>\$ -</u>	<u>\$ 631,042</u>

See accompanying independent auditors' report.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations – General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF LYMAN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Appropriated	Carry Forward	Receipts/ Utilization of Undesignated	Total Available	Expended	Balance Lapsed	Carried
General Government -							
Wages and salaries	\$ 349,251	\$ -	\$ 8,425	\$ 357,676	\$ 324,080	\$ 33,596	\$ -
Insurance	-	-	80,510	80,510	67,412	13,098	-
Audit	-	-	6,400	6,400	6,400	-	-
Operating expenses	-	-	75,200	75,200	62,208	12,992	-
Building repair/maintenance	-	-	15,000	15,000	9,871	5,129	-
Building electricity	-	-	11,700	11,700	7,079	4,621	-
Office equipment	3,000	-	-	3,000	1,398	1,602	-
Computer service	-	-	-	-	-	-	-
Legal	-	-	18,000	18,000	8,318	9,682	-
Tax maps	-	-	6,810	6,810	3,750	3,060	-
Town website	1,800	-	-	1,800	1,800	-	-
Subtotal General Government	<u>354,051</u>	<u>-</u>	<u>222,045</u>	<u>576,096</u>	<u>492,316</u>	<u>83,780</u>	<u>-</u>
Public Safety-							
Civil emergency preparedness	600	-	-	600	-	600	-
Fire department contract	83,774	-	-	83,774	83,774	-	-
Fire department dispatch	17,551	-	-	17,551	8,062	9,489	-
Fire department personnel	-	-	49,875	49,875	49,875	-	-
Street lights	-	-	-	-	4,794	(4,794)	-
Street signs	-	-	2,700	2,700	-	2,700	-
Animal Control	-	-	11,000	11,000	10,725	275	-
Electrical Inspector	-	-	-	-	3,993	(3,993)	-
Subtotal Public Safety	<u>101,925</u>	<u>-</u>	<u>63,575</u>	<u>165,500</u>	<u>161,223</u>	<u>10,089</u>	<u>-</u>

TOWN OF LYMAN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Appropriated	Carry Forward	Receipts/ Utilization of Undesignated	Total Available	Expended	Balance Lapsed	Carried
Public Works-							
Snow removal	-	-	225,750	225,750	265,536	(39,786)	-
Road reconstruction	-	11,566	145,000	156,566	225,278	(68,712)	-
Road maintenance and repair	-	-	47,000	47,000	66,787	(19,787)	-
Re-surface town roads	-	-	132,000	132,000	129,486	2,514	-
DOT road construction	-	-	55,542	55,542	-	55,542	-
Sand/salt shed	-	-	35,000	35,000	29,454	5,546	-
Tree pruning/plantations	-	-	5,000	5,000	-	5,000	-
Subtotal Public Works	-	11,566	645,292	656,858	716,541	(59,683)	-
Education	3,284,936	-	-	3,284,936	3,284,935	-	-
County tax	244,650	-	-	244,650	244,650	-	-
Recreation							
Recreation Committee	-	-	23,610	23,610	20,446	3,164	-
Chadborne Ballfield	-	-	-	-	-	-	-
Bunganut Lake town park	-	-	31,940	31,940	31,884	56	-
Subtotal Recreation	-	-	55,550	55,550	52,330	3,220	-
Solid Waste Disposal	357,554	-	-	357,554	309,151	48,403	-
Social Services							
General Assistance	-	-	4,000	4,000	2,815	1,185	-
Social Service Agencies	-	-	12,250	12,250	11,972	278	-
Subtotal Social Services	-	-	16,250	16,250	14,787	1,463	-

TOWN OF LYMAN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Appropriated	Carry Forward	Receipts/ Utilization of Undesignated	Total Available	Expended	Balance Lapsed	Carried
Debt service							
Debt service-- fire station	-	-	18,124	18,124	18,434	(310)	-
Debt service-- town hall	-	-	-	-	-	-	-
Subtotal Debt service	-	-	18,124	18,124	18,434	(310)	-
Unclassified							
YC soil & water conserv. grant	-	-	-	-	-	-	-
Comp plan committee	-	-	-	-	-	-	-
Revaluation account	10,000	-	-	10,000	-	10,000	-
Library	-	-	26,100	26,100	26,226	(126)	-
Librarian	-	-	37,034	37,034	37,034	-	-
Decorating vet's graves	-	-	-	-	-	-	-
Conservation committee	-	-	1,100	1,100	-	1,100	-
Military graves	-	-	300	300	300	-	-
Eleven-town group	-	-	500	500	500	-	-
PSAP	-	-	9,488	9,488	9,487	1	-
Overlay	112,704	-	-	112,704	-	112,704	-
Subtotal Unclassified	122,704	-	74,522	197,226	73,547	123,679	-
Reserve Accounts							
Computer reserve	-	14,929	2,000	16,929	-	-	16,929
Capital improvement account	-	119,208	25,000	144,208	-	-	144,208
Fire truck account	-	165,680	21,200	186,880	120,000	-	66,880
Revaluation	-	20,641	-	20,641	-	-	20,641
Subtotal Reserve Accounts	-	320,458	48,200	368,658	120,000	-	248,658
Total Departmental Operations	<u>\$ 4,465,820</u>	<u>\$ 332,024</u>	<u>\$ 1,143,558</u>	<u>\$ 5,941,402</u>	<u>\$ 5,487,914</u>	<u>\$ 210,641</u>	<u>\$ 248,658</u>

See accompanying independent auditors' report.

TOWN OF LYMAN, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2009

	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash	\$ 30,164	\$ 30,164
Investments	20,000	20,000
Total assets	<u>\$ 50,164</u>	<u>\$ 50,164</u>
LIABILITIES		
Due to other funds	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>
FUND EQUITY		
Fund balance:		
Designated for subsequent years' expenditures	50,164	50,164
Undesignated	-	-
Total equity	<u>50,164</u>	<u>50,164</u>
Total Liabilities and Fund Equity	<u>\$ 50,164</u>	<u>\$ 50,164</u>

See accompanying independent auditors' report.

TOWN OF LYMAN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENITURES AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
REVENUES	<u>\$ 1,475</u>	<u>\$ 1,475</u>
EXPENDITURES	<u>1,000</u>	<u>1,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>475</u>	<u>475</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers In	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	475	475
FUND BALANCES, JULY 1	<u>49,689</u>	<u>49,689</u>
FUND BALANCES, JUNE 30	<u>\$ 50,164</u>	<u>\$ 50,164</u>

See accompanying independent auditors' report.

Permanent Funds Description

To account for assets held by Town of Lyman, Maine in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

TOWN OF LYMAN, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
 JUNE 30, 2009

	H. Cousens Educational Fund	J. Emmons Cemetary Fund	E. Rumery Cemetary Fund	J. Littlefield Fund	Totals
ASSETS					
Cash	\$ 25,877	\$ 214	\$ 2,238	\$ 1,835	\$ 30,164
Investments	20,000	-	-	-	20,000
Total Assets	\$ 45,877	\$ 214	\$ 2,238	\$ 1,835	\$ 50,164
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
FUND EQUITY					
Fund balance:					
Designated	45,877	214	2,238	1,835	50,164
Undesignated	-	-	-	-	-
Total fund equity	45,877	214	2,238	1,835	50,164
TOTAL LIABILITIES AND FUND EQUITY	\$ 45,877	\$ 214	\$ 2,238	\$ 1,835	\$ 50,164

TOWN OF LYMAN, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR PERMANENT FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	H. Cousens Educational Fund	J. Emmons Cemetery Fund	E. Rumery Cemetery Fund	J. Littlefield Fund	Totals
REVENUES	\$ 1,373	\$ 5	\$ 44	\$ 53	\$ 1,475
EXPENDITURES	1,000	-	-	-	1,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	373	5	44	53	475
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	373	5	44	53	475
FUND BALANCES, JULY 1	45,504	209	2,194	1,782	49,689
FUND BALANCES, JUNE 30	\$ 45,877	\$ 214	\$ 2,238	\$ 1,835	\$ 50,164

See accompanying independent auditors' report.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets.

TOWN OF LYMAN, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2009

	Land and Non-depreciable Assets	Buildings Buildings Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General Government	\$ 118,203	\$ 353,502	\$ 14,310	\$ -	\$ 486,015
Public works/infrastructure	-	249,382	56,120	1,229,895	1,535,397
Parks and recreations	300	39,028	-	-	39,328
Town wide	302,050	-	-	-	302,050
Total General Capital Assets	<u>420,553</u>	<u>641,912</u>	<u>70,430</u>	<u>1,229,895</u>	<u>2,362,790</u>
Less: Accumulated Depreciation	<u>-</u>	<u>(139,176)</u>	<u>(32,268)</u>	<u>(69,454)</u>	<u>(240,898)</u>
Net General Capital Assets	<u>\$ 420,553</u>	<u>\$ 502,736</u>	<u>\$ 38,162</u>	<u>\$ 1,160,441</u>	<u>\$ 2,121,892</u>

See accompanying independent auditors' report.

TOWN OF LYMAN, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2009

	General Capital Assets 7/1/08	Additions	Deletions	General Capital Assets 6/30/09
General Government	\$ 486,015	\$ -	\$ -	\$ 486,015
Public works	1,246,967	288,430	-	1,535,397
Parks and recreations	39,328	-	-	39,328
Town wide	302,050	-	-	302,050
Total General Capital Assets	2,074,360	288,430	-	2,362,790
Less: Accumulated Depreciation	(202,810)	(38,088)	-	(240,898)
Net General Capital Assets	\$ 1,871,550	\$ 250,342	\$ -	\$ 2,121,892

See accompanying independent auditors' report.