

Audited Financial Statements and
Other Financial Information

Town of Lyman, Maine

June 30, 2012



Proven Expertise and Integrity

TOWN OF LYMAN, MAINE

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JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

December 10, 2012

Board of Selectmen
Town of Lyman
Lyman, Maine

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Town of Lyman, Maine, as of and for the year ended June 30, 2012, 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 Lyman's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Town of Lyman, Maine as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lyman, Maine's financial statements as a whole. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RHR Smith & Company

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

(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, 2012. 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, solid waste disposal, recreation 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 governmental funds.

Governmental funds: All 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. 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 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 \$97,324 from \$4,528,119 to \$4,625,443.

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 to a balance of \$2,532,882 at the end of this year.

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

	<u>2012</u>	<u>2011</u>
Assets:		
Current and Other Assets	\$ 2,794,178	\$ 2,850,797
Noncurrent Assets	<u>2,108,196</u>	<u>2,014,560</u>
Total Assets	<u>\$ 4,902,374</u>	<u>\$ 4,865,357</u>
Liabilities:		
Current Liabilities	<u>\$ 276,931</u>	<u>\$ 337,238</u>
Total Liabilities	<u>\$ 276,931</u>	<u>\$ 337,238</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 2,035,323	\$ 2,014,560
Restricted: General Fund	6,031	35,924
Permanent Fund	51,207	50,219
Unrestricted	<u>2,532,882</u>	<u>2,427,416</u>
Total Net Assets	<u>\$ 4,625,443</u>	<u>\$ 4,528,119</u>

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

	<u>2012</u>	<u>2011</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 72,260	\$ 70,336
Operating grants and contributions	52,368	52,368
<i>General Revenues:</i>		
Property taxes	4,981,578	5,031,430
Excise taxes	719,344	717,967
Grants and contributions not restricted to specific programs	245,404	254,929
Interest income	29,368	33,110
Miscellaneous	46,247	39,580
Total Revenues	<u>6,146,569</u>	<u>6,199,720</u>
Expenses		
General government	502,003	512,686
Public safety	232,157	198,820
Public works	948,291	721,696
Education	3,666,414	3,667,710
Recreation	48,105	58,484
County tax	263,075	259,870
Solid waste disposal	229,679	256,936
Social services	12,524	19,952
Unclassified	99,650	66,923
Reserve	46,237	15,648
Capital outlay	1,110	-
Total Expenses	<u>6,049,245</u>	<u>5,778,725</u>
Change in Net Assets	97,324	420,995
Net Assets - July 1	<u>4,528,119</u>	<u>4,107,124</u>
Net Assets - June 30	<u>\$ 4,625,443</u>	<u>\$ 4,528,119</u>

Revenues and Expenses

Revenues for the Town's governmental activities decreased by .86%, while total expenses increased by 4.68%.

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, unassigned 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,

	2012	2011
General Fund:		
Nonspendable	\$ 11,117	\$ 12,003
Restricted	6,031	35,924
Committed	129,587	126,360
Assigned	384,740	318,422
Unassigned	1,763,987	1,692,566
Total General Fund	\$ 2,295,462	\$ 2,185,275
Nonmajor Funds:		
Permanent funds		
Restricted	\$ 51,207	\$ 50,219
Total Nonmajor Funds	\$ 51,207	\$ 50,219

The general fund total fund balance increased by \$110,187 from the prior fiscal year. The non-major fund balances increased by \$988 over the prior fiscal year. Most of the increase in the general fund came as a result of increased revenue from the miscellaneous revenues and under-spent appropriations in general. The increase in the non-major fund balances came as a result of interest income less scholarship expenses on permanent funds.

Budgetary Highlights

Differences between the original and final budget for the general fund primarily resulted from utilization of assigned and unassigned fund balances along with applied revenues.

The general fund actual revenues were over budget by \$259,316. All accounts were over budget.

The general fund actual expenditures were under the budget by \$479,408. All accounts were under budget with the exception of public safety.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2012, the net book value of capital assets recorded by the Town increased by \$20,763 over the prior year. The increase is the result of current year additions of \$65,000 less current year depreciation expense of \$44,237.

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

	2012	2011
Land	\$ 485,553	\$ 420,553
Buildings & land improvements	450,148	461,390
Equipment	31,427	33,672
Infrastructure	1,068,195	1,098,945
 Total	 \$ 2,035,323	 \$ 2,014,560

Debt

At June 30, 2012, the Town had \$0 in long term debt.

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately two months.

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 Office at 11 South Waterboro Road, Lyman, Maine 04002.

TOWN OF LYMAN, MAINE

STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,361,968
Investments	20,000
Receivables (net of allowance for uncollectibles):	
Taxes	289,200
Liens	105,176
Other	6,717
Tax acquired property	11,117
Total current assets	<u>2,794,178</u>
Noncurrent assets:	
Restricted cash and cash equivalents:	
Subdivision escrow collateral	72,873
Capital assets:	
Land, infrastructure, and other assets not being depreciated	485,553
Buildings and equipment, net of accumulated depreciation	1,549,770
Total noncurrent assets	<u>2,108,196</u>
TOTAL ASSETS	<u><u>\$ 4,902,374</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 42,094
Prepaid taxes	7,058
Gravel pit escrow deposits	133,000
Subdivision escrow deposits	72,873
Other current liabilities	21,906
Total current liabilities	<u>276,931</u>
TOTAL LIABILITIES	<u>276,931</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,035,323
Restricted: General Fund	6,031
Permanent Fund	51,207
Unrestricted	2,532,882
TOTAL NET ASSETS	<u>4,625,443</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,902,374</u></u>

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

TOWN OF LYMAN, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

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	\$ 502,003	\$ 72,260	\$ -	\$ -	\$ (429,743)
Public safety	232,157	-	-	-	(232,157)
Public works	948,291	-	52,368	-	(895,923)
Education	3,666,414	-	-	-	(3,666,414)
Recreation	48,105	-	-	-	(48,105)
County tax	263,075	-	-	-	(263,075)
Solid waste disposal	229,679	-	-	-	(229,679)
Social services	12,524	-	-	-	(12,524)
Unclassified	99,650	-	-	-	(99,650)
Reserve	46,237	-	-	-	(46,237)
Capital outlay	1,110	-	-	-	(1,110)
Total government	<u>\$ 6,049,245</u>	<u>\$ 72,260</u>	<u>\$ 52,368</u>	<u>\$ -</u>	<u>(5,924,617)</u>

STATEMENT B (CONTINUED)

TOWN OF LYMAN, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Activities
Changes in net assets:	
Net (expense) revenue	(5,924,617)
General revenues:	
Taxes:	
Property taxes, levied for general purposes	4,981,578
Excise taxes	719,344
Grants and contributions not restricted to specific programs	245,404
Interest income	29,368
Miscellaneous	46,247
Total general revenues	6,021,941
Change in net assets	97,324
NET ASSETS - JULY 1	4,528,119
NET ASSETS - JUNE 30	\$ 4,625,443

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

TOWN OF LYMAN, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Other Governmental Funds	Totals Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 2,330,529	\$ 31,439	\$ 2,361,968
Investments	-	20,000	20,000
Receivables (net of allowance for uncollectibles):			
Taxes	289,200	-	289,200
Liens	105,176	-	105,176
Other	6,717	-	6,717
Tax acquired property	11,117	-	11,117
Due from other funds	232	-	232
Subdivision escrow collateral	72,873	-	72,873
TOTAL ASSETS	<u><u>\$ 2,815,844</u></u>	<u><u>\$ 51,439</u></u>	<u><u>\$ 2,867,283</u></u>
LIABILITIES			
Accounts payable	\$ 42,094	\$ -	\$ 42,094
Prepaid taxes	7,058	-	7,058
Deferred taxes	243,451	-	243,451
Gravel pit escrow deposits	133,000	-	133,000
Subdivision escrow deposits	72,873	-	72,873
Other current liabilities	21,906	-	21,906
Due to other funds	-	232	232
TOTAL LIABILITIES	<u><u>520,382</u></u>	<u><u>232</u></u>	<u><u>520,614</u></u>
FUND BALANCES			
Nonspendable	11,117	-	11,117
Restricted	6,031	51,207	57,238
Committed	129,587	-	129,587
Assigned	384,740	-	384,740
Unassigned	1,763,987	-	1,763,987
TOTAL FUND BALANCES	<u><u>2,295,462</u></u>	<u><u>51,207</u></u>	<u><u>2,346,669</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,815,844</u></u>	<u><u>\$ 51,439</u></u>	<u><u>\$ 2,867,283</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, 2012

	Total Governmental Funds
	Total Governmental Funds
Total Fund Balances	\$ 2,346,669
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	2,035,323
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	243,451
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	-
Net assets of governmental activities	\$ 4,625,443

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

TOWN OF LYMAN, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
FOR YEAR ENDED JUNE 30, 2012

	General Fund	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Property taxes	\$ 5,016,192	\$ -	\$ 5,016,192
Excise taxes	719,344	-	719,344
Intergovernmental revenues	297,772	-	297,772
Interest income	27,880	1,488	29,368
Other revenues	118,507	-	118,507
TOTAL REVENUES	<u>6,179,695</u>	<u>1,488</u>	<u>6,181,183</u>
EXPENDITURES			
Current:			
General government	496,561	-	496,561
Public safety	232,157	-	232,157
Public works	910,280	-	910,280
Education	3,666,414	-	3,666,414
Recreation	47,321	-	47,321
County tax	263,075	-	263,075
Solid waste disposal	229,679	-	229,679
Social services	12,524	-	12,524
Unclassified	99,150	500	99,650
Reserve accounts	46,237	-	46,237
Capital outlay	66,110	-	66,110
TOTAL EXPENDITURES	<u>6,069,508</u>	<u>500</u>	<u>6,003,898</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>110,187</u>	<u>988</u>	<u>111,175</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	110,187	988	111,175
FUND BALANCES - JULY 1	<u>2,185,275</u>	<u>50,219</u>	<u>2,235,494</u>
FUND BALANCES - JUNE 30	<u>\$ 2,295,462</u>	<u>\$ 51,207</u>	<u>\$ 2,346,669</u>

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, 2012

Net change in fund balances - total governmental funds (Statement E)	<u>\$</u>	<u>111,175</u>
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		65,000
Capital asset dispositions		-
Depreciation expense		<u>(44,237)</u>
		<u>20,763</u>
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		<u>(34,614)</u>
Change in net assets of governmental activities (Statement B)	<u>\$</u>	<u>97,324</u>

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

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 the selectmen-treasurer form of government and provides the following services: general government services, public safety, public works, recreation, education, and solid waste disposal.

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 Town as governmental.

In the government-wide Statement of Net Assets, the governmental column is (a) presented on a consolidated basis by column, and (b) is 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, 2012

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, fund balances, 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, 2012

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, 2012

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

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.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2012.

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.

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. Long-term debt generally consists of notes or bonds payable and compensated absences.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied August 22, 2011 on the assessed value listed as of April 1, 2011, for all real and personal property located in the Town. Taxes were due on in two installments on October 3, 2011 and April 3, 2012. Interest on unpaid taxes commenced on October 4, 2011 and April 4, 2012, at 7.00% per annum.

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 \$215,698 for the year ended June 30, 2012.

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.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

The Town is in the process of adopting a set of financial policies to guide the financial operation of the Town. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

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. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2012, the Town's deposits amounting to \$2,361,968 were comprised of bank deposits of \$2,469,230. Of these deposits, \$2,469,230 was fully covered by

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

federal depository insurance, or covered with an irrevocable stand by letter of credit and consequently was not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	139,030
Sweep accounts	1,835,335
Money Market	45,408
Certificates of deposit	449,457
	<u>\$ 2,469,230</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. The Town's investment in U.S. Treasury Obligations, for \$20,000, is not exposed to custodial credit risk because that security is registered in the Town's name.

At June 30, 2012, the Town had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>
U.S. Treasury Obligation	\$ 20,000	\$ -	\$ -	\$ 20,000
	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000</u>

Credit risk – Statutes for the State of Maine 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. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in money market accounts and various insured certificates of deposit.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a policy related to interest rate risk.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 - CAPITAL ASSETS

A summary of capital assets is as follows:

	Balance, 7/1/11	Additions	Disposals	Balance, 6/30/12
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 420,553	\$ 65,000	\$ -	\$ 485,553
	<u>420,553</u>	<u>65,000</u>	<u>-</u>	<u>485,553</u>
Depreciated assets:				
Land improvements	31,444	-	-	31,444
Buildings and Improvements	568,468	-	-	568,468
Equipment	70,430	-	-	70,430
Infrastructure	1,229,895	-	-	1,229,895
	<u>1,900,237</u>	<u>-</u>	<u>-</u>	<u>1,900,237</u>
Less: accumulated depreciation	<u>(306,230)</u>	<u>(44,237)</u>	<u>-</u>	<u>(350,467)</u>
	<u>1,594,007</u>	<u>(44,237)</u>	<u>-</u>	<u>1,549,770</u>
Net capital assets	<u>\$ 2,014,560</u>	<u>\$ 20,763</u>	<u>\$ -</u>	<u>\$ 2,035,323</u>
Current year depreciation:				
General government				\$ 5,442
Public works/infrastructure				38,011
Parks and recreations				784
Total depreciation expense				<u>\$ 44,237</u>

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2012 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General fund	\$ 232	\$ -
Permanent funds	-	232
	<u>\$ 232</u>	<u>\$ 232</u>

NOTE 5 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2012:

Legal	\$ 4,565
Town website	25
GMFD personnel	139
Fire commission legal	8,781
Street Signs	27
Electrical Inspector	212
Road maintenance/repair	741
457 Fees	113
Cousens School	1,938
	<u>\$ 16,541</u>

NOTE 6 – RISK MANAGEMENT

The Town is a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker’s compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker’s compensation coverage. The Town’s agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial company’s reinsurance contracts, individual stop loss coverage for member Town’s for claims in excess of \$400,000 with an excess limit of \$2,000,000.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 – RISK MANAGEMENT (CONTINUED)

The Town is also a member of the Maine Municipal Association – Property and Casualty Pool (“Pool”). As with the Fund above, the Pool was created to obtain lower rates for its members. 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, to \$26,000,000. Under the liability portion of the Pool, coverage is provided after the deductible is met, to \$1,000,000.

NOTE 7 – NONSPENDABLE FUND BALANCES

At June 30, 2012, the Town had the following nonspendable fund balances:

Tax acquired property	<u>\$ 11,117</u>
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NOTE 8 – RESTRICTED FUND BALANCES

At June 30, 2012, the Town had the following restricted fund balances:

Animal Control	\$ 6,031
Nonmajor permanent funds (Schedule D)	<u>51,207</u>
	<u>\$ 57,238</u>

NOTE 9 – COMMITTED FUND BALANCES

At June 30, 2012, the Town had the following committed fund balances:

Fire Chief	\$ 60,000
Road Reconstruction	37,214
Resurfacing	<u>32,373</u>
	<u>\$ 129,587</u>

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10 – ASSIGNED FUND BALANCES

At June 30, 2012, the Town had the following assigned fund balances:

Revaluation account	\$ 47,607
Fire truck account	52,452
Capital improvements fund	161,588
Computer reserve	17,279
Parks & recreation signs	300
Tax map reserves	4,900
Transfer station reserve	75,857
Charter commission	8,883
Child abuse prevention council	250
Woodford's	300
Town hall reserve	15,324
	<u>\$ 384,740</u>

NOTE 11 - 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, 2012, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 9,900,000	1.63%	\$ 161,370
RSU No. 57	19,070,230	18.24%	3,477,747
			<u>\$ 3,639,117</u>

NOTE 12 – 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, 2012, the Town held such collateral for two developers in the amount of \$72,873.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 13 – JOINT VENTURES

The Town is a member of a joint venture with 45 other municipalities throughout Cumberland, Oxford and York counties. ecomaine is a solid waste management corporation that creates electricity through its processing of waste and also operates as an extensive recycling program. A joint committee, made up of the Town of Lyman and 20 other member communities owns and controls the corporation. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing, and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore has not reported an asset in the financial statements in connection with its participation in ecomaine. The Town of Lyman has an owner membership of 1.96% in ecomaine as of June 30, 2012.

ecomaine has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of ecomaine, payable from and secured by a pledge of ecomaine 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 a political subdivision of the State of Maine. ecomaine has no taxing power. 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, 2012, outstanding "Incinerator Debt" of ecomaine totaled \$2,660,000 and "Material Recycling Facility Debt" of ecomaine totaled \$1,900,000 of which the Town of Lyman's share, based on estimated tonnage to be delivered, amounted to \$55,328 and \$25,650, respectively. Additionally, the Town's share of the projected landfill closure and post closure cost relating to ecomaine is estimated to be \$326,720.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 13 – JOINT VENTURES (CONTINUED)

The following is selected financial information for Ecomaine for the years ending June 30, 2011 and June 30, 2010 (the latest information available):

	<u>2011</u>	<u>2010</u>
Total assets	<u>\$ 59,636,994</u>	<u>\$ 63,873,260</u>
Total liabilities	<u>28,808,855</u>	<u>41,020,585</u>
Net assets	<u>30,828,139</u>	<u>22,852,675</u>
Total liabilities and net assets	<u>\$ 59,636,994</u>	<u>\$ 63,873,260</u>
Operating revenue	\$ 27,736,255	\$ 28,429,230
Operating expenses	14,834,492	14,480,489
Net income before depreciation and amortization	12,901,763	13,948,741
Depreciation and amortization	3,918,179	3,886,599
Non-operating revenue (expense)	(1,008,120)	(683,277)
Net change in members' equity	7,975,464	9,378,865

The separate audited financial statements of Ecomaine may be obtained from the Town's Finance Department.

NOTE 14 – LETTER OF CREDIT

At June 30, 2012, the Town has an outstanding irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD Bank, N.A. This letter of credit, which expires at the close of business on September 25, 2012, authorizes one draw only up to the amount of \$3,000,000. There were no draws for the year ended June 30, 2012.

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 - Budgetary Basis - Budget and Actual - General Fund

TOWN OF LYMAN, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 2,185,275	\$ 2,185,275	\$ 2,185,275	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	4,990,934	4,990,934	5,016,192	25,258
Excise taxes	681,420	681,420	719,344	37,924
Intergovernmental revenues:				
DOT Block Grant	-	52,368	52,368	-
State Revenue Sharing	125,000	125,000	167,027	42,027
Homestead exemption	59,432	59,432	61,945	2,513
Other intergovernmental	154	154	16,432	16,278
Miscellaneous revenues	-	11,071	46,247	35,176
Interest income	-	-	27,880	27,880
Charges for service	-	-	72,260	72,260
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>8,042,215</u>	<u>8,105,654</u>	<u>8,364,970</u>	<u>259,316</u>
Charges to Appropriations (Outflows):				
General government	545,621	547,121	496,561	50,560
Public safety	189,500	229,867	232,157	(2,290)
Public works	593,920	1,000,199	910,280	89,919
Education	3,666,414	3,666,414	3,666,414	-
Recreation	56,050	56,050	47,321	8,729
County tax	263,075	263,075	263,075	-
Solid waste disposal	263,900	263,900	229,679	34,221
Social services	18,273	18,273	12,524	5,749
Unclassified	322,320	334,718	99,150	235,568
Reserve accounts	85,000	99,299	46,237	53,062
Capital outlay	-	70,000	66,110	3,890
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>6,004,073</u>	<u>6,548,916</u>	<u>6,069,508</u>	<u>479,408</u>
Budgetary Fund Balance, June 30	<u>\$ 2,038,142</u>	<u>\$ 1,556,738</u>	<u>\$ 2,295,462</u>	<u>\$ 738,724</u>
Use of Assigned Fund Balance	\$ 5,610	\$ 54,121	\$ -	\$ 54,121
Use of Unassigned Fund Balance	141,523	574,416	-	(574,416)
	<u>\$ 147,133</u>	<u>\$ 628,537</u>	<u>\$ -</u>	<u>\$ (520,295)</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 Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - 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, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
General Government -					
Wages and salaries	\$ 332,671	\$ -	\$ 332,671	\$ 308,366	\$ 24,305
Selectmen	-	1,500	1,500	1,500	-
Insurance	85,000	-	85,000	75,059	9,941
Audit	6,500	-	6,500	6,400	100
Operating expenses	80,800	-	80,800	72,611	8,189
Building repair/maintenance	18,000	-	18,000	8,271	9,729
Office equipment	2,000	-	2,000	1,114	886
Legal	18,000	-	18,000	22,565	(4,565)
Tax maps	2,000	-	2,000	-	2,000
Town website	650	-	650	675	(25)
Subtotal General Government	<u>545,621</u>	<u>1,500</u>	<u>547,121</u>	<u>496,561</u>	<u>50,560</u>
Public Safety-					
GMFD	89,615	-	89,615	89,615	-
GMFD Personnel	51,627	-	51,627	51,766	(139)
Fire commission legal	-	40,367	40,367	49,148	(8,781)
Fire Chief	24,000	-	24,000	18,047	5,953
Street lights/Electricity	10,485	-	10,485	9,778	707
Street signs	2,500	-	2,500	2,527	(27)
Animal Control	11,273	-	11,273	11,064	209
Electrical Inspector	-	-	-	212	(212)
Subtotal Public Safety	<u>189,500</u>	<u>40,367</u>	<u>229,867</u>	<u>232,157</u>	<u>(2,290)</u>

TOWN OF LYMAN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
Public Works-					
Plowing/sanding	269,920	-	269,920	248,847	21,073
Road reconstruction	145,000	367,716	512,716	475,502	37,214
Road maintenance and repair	47,000	-	47,000	47,741	(741)
Re-surface town roads	132,000	38,563	170,563	138,190	32,373
Subtotal Public Works	<u>593,920</u>	<u>406,279</u>	<u>1,000,199</u>	<u>910,280</u>	<u>89,919</u>
Education	<u>3,666,414</u>	<u>-</u>	<u>3,666,414</u>	<u>3,666,414</u>	<u>-</u>
County tax	<u>263,075</u>	<u>-</u>	<u>263,075</u>	<u>263,075</u>	<u>-</u>
Recreation-					
Recreation Committee	24,010	-	24,010	18,315	5,695
Bunganut Lake town park	32,040	-	32,040	29,006	3,034
Subtotal Recreation	<u>56,050</u>	<u>-</u>	<u>56,050</u>	<u>47,321</u>	<u>8,729</u>
Solid Waste Disposal	<u>263,900</u>	<u>-</u>	<u>263,900</u>	<u>229,679</u>	<u>34,221</u>
Social Services-					
General Assistance	6,000	-	6,000	801	5,199
Food pantry	-	-	-	-	-
Social Service Agencies	12,273	-	12,273	11,723	550
Subtotal Social Services	<u>18,273</u>	<u>-</u>	<u>18,273</u>	<u>12,524</u>	<u>5,749</u>

TOWN OF LYMAN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
Capital Outlay					
Edna Rollins Land	-	70,000	70,000	66,110	3,890
Subtotal Capital Outlay	<u>-</u>	<u>70,000</u>	<u>70,000</u>	<u>66,110</u>	<u>3,890</u>
Unclassified-					
Conservation committee	500	-	500	-	500
Revaluation expenses	10,000	-	10,000	-	10,000
Eleven-town group	500	-	500	200	300
PSAP	25,838	2,398	28,236	28,236	-
457 Fees	1,600	-	1,600	1,713	(113)
Military graves	300	-	300	300	-
Library	65,884	-	65,884	65,884	-
Charter commission	-	10,000	10,000	1,117	8,883
Contingency	2,000	-	2,000	1,700	300
Overlay	215,698	-	215,698	-	215,698
Subtotal Unclassified	<u>322,320</u>	<u>12,398</u>	<u>334,718</u>	<u>99,150</u>	<u>235,568</u>
Reserve Accounts-					
Cousens School	30,000	14,299	44,299	46,237	(1,938)
Capital improvement account	10,000	-	10,000	-	10,000
Fire truck capital	20,000	-	20,000	-	20,000
Transfer station capital	25,000	-	25,000	-	25,000
Subtotal Reserve Accounts	<u>85,000</u>	<u>14,299</u>	<u>99,299</u>	<u>46,237</u>	<u>53,062</u>
Total Departmental Operations	<u>\$ 6,004,073</u>	<u>\$ 544,843</u>	<u>\$ 6,548,916</u>	<u>\$ 6,069,508</u>	<u>\$ 479,408</u>

See accompanying independent auditors' report.

TOWN OF LYMAN, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2012

	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 31,439	\$ 31,439
Investments	20,000	20,000
TOTAL ASSETS	<u>\$ 51,439</u>	<u>\$ 51,439</u>
LIABILITIES		
Due to other funds	\$ 232	\$ 232
TOTAL LIABILITIES	<u>232</u>	<u>232</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	51,207	51,207
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>51,207</u>	<u>51,207</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 51,439</u>	<u>\$ 51,439</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, 2012

	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES		
Interest	\$ 1,488	\$ 1,488
Other	-	-
TOTAL REVENUES	<u>1,488</u>	<u>1,488</u>
EXPENDITURES		
Capital outlay	-	-
Other	500	500
TOTAL EXPENDITURES	<u>500</u>	<u>500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>988</u>	<u>988</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers In	-	-
Operating Transfers (Out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	988	988
FUND BALANCES, JULY 1	<u>50,219</u>	<u>50,219</u>
FUND BALANCES, JUNE 30	<u>\$ 51,207</u>	<u>\$ 51,207</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, 2012

	H. Cousens Educational Fund	J. Emmons Cemetery Fund	E. Rumery Cemetery Fund	J. Littlefield Fund	Totals
ASSETS					
Cash and cash equivalents	\$ 27,027	\$ 222	\$ 2,327	\$ 1,863	\$ 31,439
Investments	20,000	-	-	-	20,000
TOTAL ASSETS	<u>\$ 47,027</u>	<u>\$ 222</u>	<u>\$ 2,327</u>	<u>\$ 1,863</u>	<u>\$ 51,439</u>
LIABILITIES					
Due to other funds	\$ 205	\$ 2	\$ 25	\$ -	\$ 232
TOTAL LIABILITIES	<u>205</u>	<u>2</u>	<u>25</u>	<u>-</u>	<u>232</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	46,822	220	2,302	1,863	51,207
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>46,822</u>	<u>220</u>	<u>2,302</u>	<u>1,863</u>	<u>51,207</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 47,027</u>	<u>\$ 222</u>	<u>\$ 2,327</u>	<u>\$ 1,863</u>	<u>\$ 51,439</u>

See accompanying independent auditors' report.

TOWN OF LYMAN, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	H. Cousens Educational Fund	J. Emmons Cemetery Fund	E. Rumery Cemetery Fund	J. Littlefield Fund	Totals
REVENUES					
Interest	\$ 1,483	\$ -	\$ 2	\$ 3	\$ 1,488
Other	-	-	-	-	-
TOTAL REVENUES	<u>1,483</u>	<u>-</u>	<u>2</u>	<u>3</u>	<u>1,488</u>
EXPENDITURES					
Other	500	-	-	-	500
TOTAL EXPENDITURES	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>983</u>	<u>-</u>	<u>2</u>	<u>3</u>	<u>988</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	983	-	2	3	988
FUND BALANCES, JULY 1	<u>45,839</u>	<u>220</u>	<u>2,300</u>	<u>1,860</u>	<u>50,219</u>
FUND BALANCES, JUNE 30	<u>\$ 46,822</u>	<u>\$ 220</u>	<u>\$ 2,302</u>	<u>\$ 1,863</u>	<u>\$ 51,207</u>

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, 2012

	Land and Non-depreciable Assets	Buildings Buildings Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
General Government	\$ 183,203	\$ 311,502	\$ 14,310	\$ -	\$ 509,015
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>485,553</u>	<u>599,912</u>	<u>70,430</u>	<u>1,229,895</u>	<u>2,385,790</u>
Less: Accumulated Depreciation	<u>-</u>	<u>(149,764)</u>	<u>(39,003)</u>	<u>(161,700)</u>	<u>(350,467)</u>
Net General Capital Assets	<u>\$ 485,553</u>	<u>\$ 450,148</u>	<u>\$ 31,427</u>	<u>\$ 1,068,195</u>	<u>\$ 2,035,323</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, 2012

	General Capital Assets 7/1/11	Additions	Deletions	General Capital Assets 6/30/12
General Government	\$ 444,015	\$ 65,000	\$ -	\$ 509,015
Public works	1,535,397	-	-	1,535,397
Parks and recreations	39,328	-	-	39,328
Town wide	302,050	-	-	302,050
Total General Capital Assets	<u>2,320,790</u>	<u>65,000</u>	<u>-</u>	<u>2,385,790</u>
Less: Accumulated Depreciation	<u>(306,230)</u>	<u>(44,237)</u>	<u>-</u>	<u>(350,467)</u>
Net General Capital Assets	<u><u>\$ 2,014,560</u></u>	<u><u>\$ 20,763</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,035,323</u></u>

See accompanying independent auditors' report.