

Berry · Talbot · Royer

CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF SEBAGO FINANCIAL REPORT



JUNE 30, 2011



Communication • Trust • Commitment

TOWN OF SEBAGO, MAINE
JUNE 30, 2011

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INDEPENDENT AUDITORS' REPORT

Selectmen and Manager
Town of Sebago
Sebago, 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 Sebago, Maine as of June 30, 2011, and for the year then ended, 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 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 in the first paragraph 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 Sebago, Maine as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparison 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 information on pages 3 to 10 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 made for the purpose of forming opinions on the financial statements that collectively comprise the Town of Sebago, Maine's financial statements as a whole. The combining and individual fund statements presented as Exhibits 1-1 through 3-2, and Schedules 1 through 4 are for purposes of additional analysis and are not a required part of the financial statements of the Town of Sebago, Maine. The combining and individual 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.

A handwritten signature in cursive script that reads "Berry Talbot Royer".

Certified Public Accountants
February 15, 2012



TOWN OF SEBAGO

406 Bridgton Road

Sebago, ME 04029

(207) 787-2457

www.townofsebago.org

MANAGEMENT'S

DISCUSSION AND ANALYSIS (UNAUDITED) June 2011

As Deputy Treasurer of Sebago, I offer the readers of the Town of Sebago's financial statements this narrative overview and analysis of the financial activities of the Town of Sebago for the fiscal year ended June 30, 2011. I encourage the readers to consider the information presented here in conjunction with the financial statements presented.

This annual report consists of a series of financial statements. The Statement of Net Assets (Statement 1) and the Statement of Activities (Statement 2) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start with Statement 3. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE TOWN AS A WHOLE

The Statement of Net Assets (Statement 1) and the Statement of Activities (Statement 2)

The Statement of Net Assets and the Statement of Activities report information about the Town as a whole. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. You can think of the Town's net assets - the difference between assets and liabilities - as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

In these government-wide statements, the Town's activities are reported in one category:

Governmental activities - Most of the Town's basic services are reported here, including fire, general administration, roads, and recreation. Auto excise taxes, franchise fees, fines, state revenue sharing and state and federal grants finance most of these activities.

REPORTING THE TOWN'S MOST SIGNIFICANT FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the significant funds, but not on the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Selectmen establishes many other funds to help it control and manage money for particular purposes.

Governmental funds - The Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Town's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants.

This table identifies various revenue streams that are included in the Charges for Services amounts on Statement 2 – Statement of Activities.

General Government	Charges for photocopies, maps, building permits, plumbing permits, cable TV franchise fees, gas tax refund, grants and clerk fees.
Public Safety	Dispatching services agreement with Standish, other grants, dog license fees
Public Works	Urban/Rural Initiative program,
Cultural and Recreational	General assistance state reimbursement, parks and recreational fees and donations.

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

The assets of the Town of Sebago exceeded its liabilities at the close of the most recent fiscal year by \$4,969,983 per Statement 1 (Net Assets). Of this amount, \$1,900,492 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors. The Town's total net assets increased by \$206,673.

As of the close of the current fiscal year, the Town of Sebago's governmental funds reported combined ending fund balances of \$2,890,014, an increase of \$393,108. Of this, \$1,660,275 is available for spending at the Town's discretion (unreserved fund balance) in the general fund. At the end of the current fiscal year, the net change in fund balance of the general fund was \$206,673 or (4%) of total general fund expenditures.

Statement of Net Assets Information

The tables below provide a summary of the Town of Sebago's condensed net assets and statement of activities as of June 30, 2011 and for the year then ended.

Table 1
Fiscal Year Ended June 30
Statement of Net Assets

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 3,169,839	\$ 2,900,918
Capital Assets	<u>1,840,467</u>	<u>1,954,797</u>
Total Assets	<u>5,010,306</u>	<u>4,855,715</u>
Long Term Debt Outstanding	715	2,366
Other Liabilities	<u>39,608</u>	<u>65,241</u>
Total Liabilities	<u>40,323</u>	<u>67,607</u>
Net Assets		
Invested in Capital Assets, net of related debt	1,839,752	1,952,431
Restricted	1,229,739	1,043,304
Unrestricted	<u>1,900,492</u>	<u>1,792,373</u>
Total New Assets	<u>\$ 4,969,983</u>	<u>\$ 4,788,108</u>

By far, the largest portion of the Town's assets is its capital assets and cash as the largest portion of its liabilities relates to expenses and deferred revenue. Sebago saw a 4% increase in assets during the 2011 fiscal year.

Statement of Activities Information

Table 2
Changes in Net Assets
Year ended June 30, 2011

	<u>Governmental Activities</u>	
Revenues	<u>2011</u>	<u>2010</u>
Program Revenues:		
Charges for Services	\$ 82,779	\$ 165,180
Operating Grants & Contributions	186,189	121,551
General Revenues:		
Property Taxes	4,670,183	4,441,027
Excise Taxes	263,518	268,665
Intergovernmental	116,538	124,459
Investment Earnings	<u>52,690</u>	<u>50,173</u>
Total Revenues	5,371,897	5,171,055
Expenses	<u>2011</u>	<u>2010</u>
General Government	484,738	463,495
Public Safety	190,302	190,723
Public Works	794,527	581,059
Education	3,109,423	3,142,268
Health, Sanitation, and Welfare	161,936	204,576
Cultural and Recreational	46,462	42,482
Fixed Charges	233,423	245,558
For Designated Purposes	<u>169,211</u>	<u>105,466</u>
Total Expenses	<u>5,190,022</u>	<u>4,975,627</u>
Increase in Net Assets	<u>\$ 181,875</u>	<u>\$ 195,428</u>

Property and other taxes (primarily excise) constituted 92% of the total revenues of the Town for the fiscal year ended June 30, 2011 (91% in the prior year). Educational expenses comprise the largest expense at approximately 60% of the Town of Sebago's total expenses (63% in the prior year).

THE TOWN'S FUNDS

The following schedule presents a summary of General Fund revenues (see Statement 6) for the fiscal year ended June 30, 2011:

<u>Revenues</u>	<u>2011</u>	<u>2010</u>
Taxes	\$ 5,035,550	\$ 4,630,287
Intergovernmental	175,237	191,721
Licenses, Permits and Fees	49,987	53,229
Charges for Services	14,143	14,577
Miscellaneous	<u>62,039</u>	<u>129,555</u>
Total Revenues	<u>\$ 5,336,956</u>	<u>\$ 5,019,369</u>

2011 REVENUES BY SOURCE

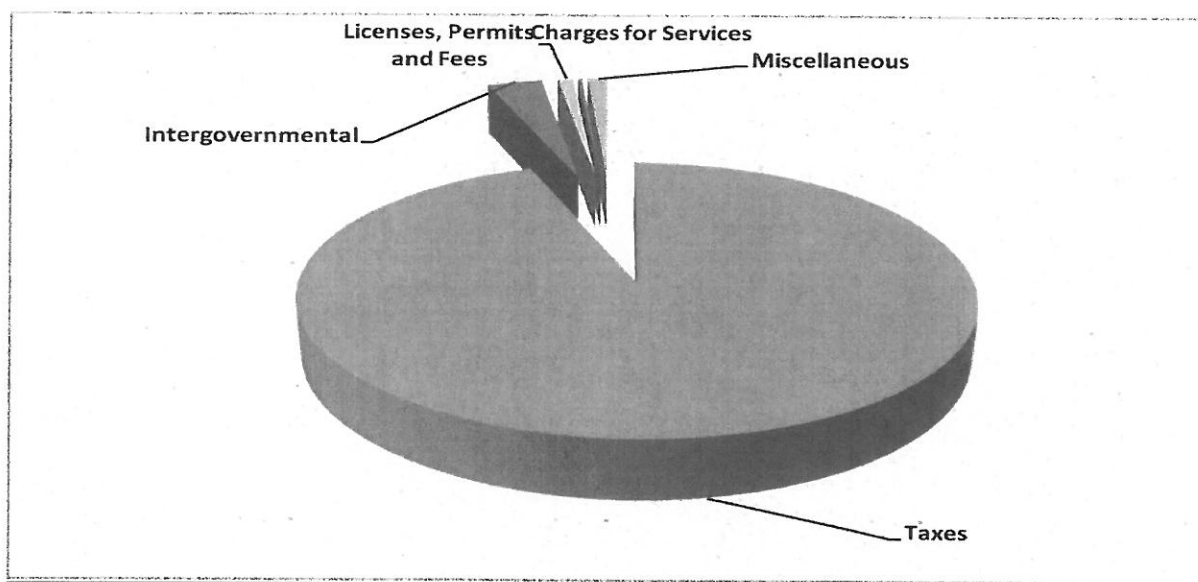


Chart A – 2011 Revenues by Source

The following schedule presents a summary of expenditures (see Statement 6) for the fiscal year ended June 30,:

Expenses	<u>2011</u>	<u>2010</u>
General Government	\$ 461,484	\$ 443,171
Public Safety	137,241	130,121
Public Works	735,787	699,612
Education	3,109,423	3,142,268
Health, Sanitation, and Welfare	158,641	203,109
Cultural and Recreational	46,464	42,482
Capital Outlay	239,320	274,389
Daytime Rescue	8,500	-
Fixed Charges	<u>233,423</u>	<u>245,558</u>
Total Expenses	<u>\$ 5,130,283</u>	<u>\$ 5,180,710</u>

Chart B graphically depicts expenditures by function.

2011 EXPENDITURES BY FUNCTION

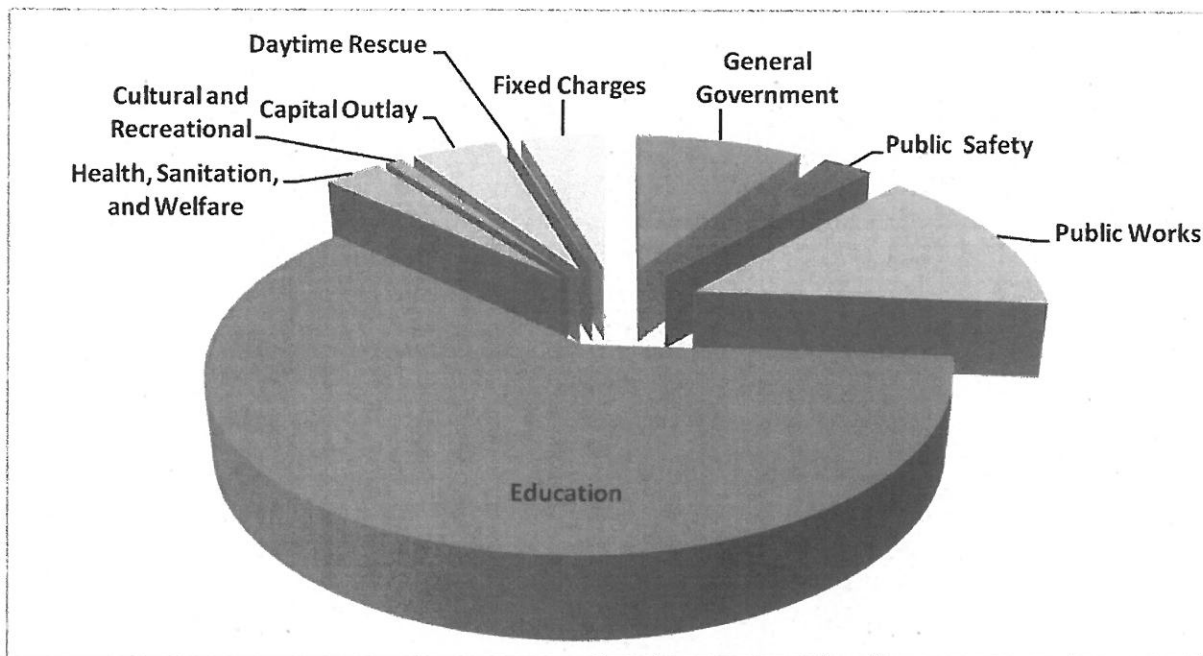


Chart B – 2011 Expenditures by Function

Analysis of Overall Financial Position and Results of Operations

Sebago's revenues exceeded expenses by \$206,673, as expenses were carefully controlled and revenues exceeded expectations.

- Taxes and excise collections were stronger
- Local Road Assistance funds were higher
- More building and plumbing permits were issued

Factors which affected a decrease in expenditures are as follows:

- General government was down \$20,367.
 - ✓ Employee Benefits (due to a resignation)
 - ✓ Lower Worker's Compensation Rates
 - ✓ Lower premium for property and causality insurance

Other areas which saw a decrease in expenditures were Public Safety and Health, Sanitation and Welfare.

Analysis of Significant Individual Fund Balances, Transactions and Changes in Fund Balance

The Town finished the year with a fund balance of \$1,660,275 an increase of \$206,673. In 2007, the Town voted to use funds from the Undesignated Fund Balance to build a Sand/Salt Shed with the understanding that we would be reimbursed by the State at which time the funds would be returned to the Undesignated Fund. As of the writing of this letter, Sebago is currently number one on the list to be reimbursed. We are anticipating \$101,941. A healthy Fund Balance will not only enhance the financial position of the Town both in terms of the cash flow today, but also in terms of the amount available to use for unexpected emergencies.

Analysis of Significant General Fund Budget Variances

Revenues continue to be slightly higher than expected, in various areas. Excise revenues continue to be stable. Although the Town continued to budget modest amounts, tax payments for the most part have been on track.

It is the Town's hope that the State will re-visit the funding formula (EPS) as property values have lowered in the Lakes Region.

Significant Capital Assets

At the end of 2011, the Town had \$1,840,467 net investment in capital assets.

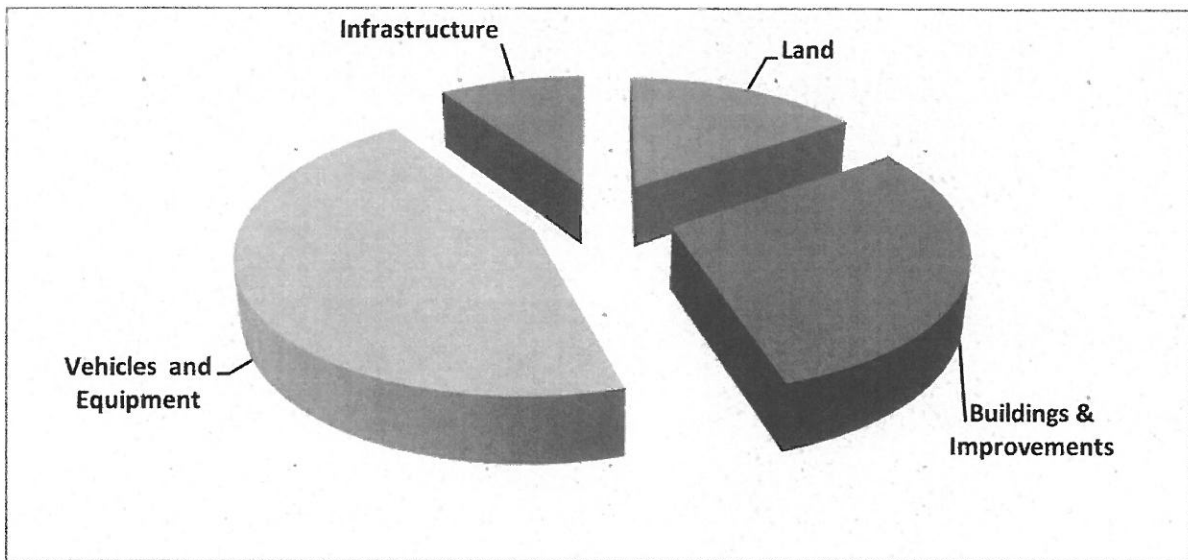
Table 3
Governmental Activities
Capital Assets
(Net of Depreciation)

	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>	<u>Capital Assets, net of Depreciation</u>
Land	\$ 301,905	\$ -	\$ 301,905
Buildings & Improvements	914,743	324,956	589,787
Vehicles & Equipment	2,046,649	1,260,849	785,800
Infrastructure	<u>232,531</u>	<u>69,556</u>	<u>162,975</u>
TOTAL	<u>\$ 3,495,828</u>	<u>\$ 1,655,361</u>	<u>\$ 1,840,467</u>

Capital assets net of depreciation decreased 6%.

The chart below provides a graphic depiction of the distribution of the 2011 net book value of fixed assets (capital assets, net of depreciation) by asset class.

2011 Net Book Value of Fixed Assets by Class



Long-Term Debt Activity

At year-end the Town had a total of \$715 of capital lease purchase obligations for photocopier equipment.

The following is a summary of capital lease obligations of the town for the year ended June 30, 2011.

Table 4
Fiscal Year Ended June 30
Capital Lease Obligations

	<u>Capital Lease Obligations</u> <u>2011</u>
Debt Payable at June 30, 2010	\$ 2,366
Less: Capital Leases Retired	<u>1,651</u>
Debt Payable at June 30, 2011	<u>\$ 715</u>

More detailed information about our long-term liabilities is included in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Messages were sent loud and clear to M.S.A.D. # 61 as the District's Towns rejected the school budget twice, passing it the third time by eighty-six (86) votes. One of the factors affecting the school budget is the first payment of the renovation bond for the high school is due. With reduced funds from the State, taxpayers are required to pay more.

Taxpayers at the Annual Town Meeting voted to use funds from the Engine II, Tank II, and Land Acquisition Reserve Accounts for the development of a future Fire/Rescue Building (Article 10, June 4, 2011 Annual Town Meeting). It is the hopes of the committee that a building plan and financing option will be available in the next year.

In the upcoming fiscal year the Town's Board of Selectmen, Town Manager, and Budget Committee will continue to monitor and evaluate local economic conditions keeping the following factors in mind:

- Changes in the State Education funding formula due to recent deterioration of economic conditions, both at the State and Federal levels.
- Reductions in State Revenue and Urban Rural Initiative Program (URIP)
- Continued bankruptcy and tax liens rising as a result of tough economic times
- Possibility of decreasing excise tax revenue and other non-intergovernmental revenue resources
- Increasing energy costs and other expenditures.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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 any questions about this report or need additional financial information, contact Town Manager; James M. Smith III or Deputy Treasurer: Michele A. Bukoveckas at 406 Bridgton Road, Sebago, Maine, 04029 or by phone at (207) 787-2457.

TOWN OF SEBAGO, MAINE
JUNE 30, 2011

BASIC FINANCIAL INFORMATION

TOWN OF SEBAGO, MAINE
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental <u>Activities</u>
ASSETS:	
Cash and Cash Equivalent	\$ 2,619,049
Receivables (Net of Allowance for Uncollectibles):	
Taxes	403,686
Liens	100,045
Accounts, Net of Allowance	47,059
Capital Assets:	
Land	301,905
Other Capital Assets, Net of Depreciation	1,538,562
Total Capital Assets	<u>1,840,467</u>
TOTAL ASSETS	<u>5,010,306</u>
LIABILITIES:	
Accounts Payable	21,101
Accrued Expenses	1,003
Internal Balances	3,570
Accrued Compensated Absences	12,341
Deferred Revenues	1,593
Long-Term Liabilities:	
Due Within One Year	715
Total Liabilities	<u>40,323</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	1,839,752
Restricted for:	
Special Revenues	29,038
Capital Projects	1,200,701
Unrestricted	<u>1,900,492</u>
TOTAL NET ASSETS	<u><u>\$ 4,969,983</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements.

TOWN OF SEBAGO, MAINE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalent	\$ 1,413,336	\$ 1,205,713	\$ 2,619,049
Receivables:			
Taxes - Current and Prior Years	403,686	-	403,686
Tax Liens	100,045	-	100,045
Accounts, Net of Allowance	30,951	16,108	47,059
Due from Other Funds	31,617	39,670	71,287
TOTAL ASSETS	<u><u>\$ 1,979,635</u></u>	<u><u>\$ 1,261,491</u></u>	<u><u>\$ 3,241,126</u></u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 21,101	\$ -	\$ 21,101
Accrued Expenses	1,003	-	1,003
Deferred Revenues	254,151	-	254,151
Due to Other Funds	43,105	31,752	74,857
	<u>319,360</u>	<u>31,752</u>	<u>351,112</u>
FUND BALANCES:			
Fund Balances:			
Restricted for:			
Special Revenues	-	29,038	29,038
Capital Projects	-	1,200,701	1,200,701
Unassigned, Reported in:			
General Fund	1,660,275	-	1,660,275
	<u>1,660,275</u>	<u>1,229,739</u>	<u>2,890,014</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,979,635</u></u>	<u><u>\$ 1,261,491</u></u>	

Amounts reported for governmental activities in the Statement of Net Assets (Statement 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,840,467
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Capital Leases Payable	(715)
Compensated Absences Payable	(12,341)
Funds are not available to pay for current period expenditures and therefore are deferred in the funds.	252,558
Net Assets of Governmental Activities	<u><u>\$ 4,969,983</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements.

TOWN OF SEBAGO, MAINE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	<u>General</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
REVENUES:			
Taxes	\$ 5,035,550	\$ -	\$ 5,035,550
Intergovernmental	175,237	-	175,237
Licenses, Permits and Fees	49,987	-	49,987
Charges for Services	14,143	-	14,143
Miscellaneous	62,039	136,790	198,829
	<u>5,336,956</u>	<u>136,790</u>	<u>5,473,746</u>
EXPENDITURES:			
General Government	461,484	-	461,484
Public Safety	137,241	-	137,241
Public Works	735,787	-	735,787
Education	3,109,423	-	3,109,423
Health, Sanitation and Welfare	158,641	-	158,641
Cultural and Recreational	46,464	-	46,464
Fixed Charges	233,423	-	233,423
For Designated Purpose	-	198,175	198,175
	<u>4,882,463</u>	<u>198,175</u>	<u>5,080,638</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	454,493	(61,385)	393,108
OTHER FINANCING SOURCES (USES)	<u>(247,820)</u>	<u>247,820</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	206,673	186,435	393,108
FUND BALANCE - JULY 1, 2010	<u>1,453,602</u>	<u>1,043,304</u>	<u>2,496,906</u>
FUND BALANCE - JUNE 30, 2011	<u><u>\$ 1,660,275</u></u>	<u><u>\$ 1,229,739</u></u>	<u><u>\$ 2,890,014</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements.

Berry Talbot Royer, Falmouth, Maine

TOWN OF SEBAGO, MAINE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balances - total governmental funds (from Statement 4)	\$ 393,108
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeded capital outlay in the current period is as follows:	
Capital Outlay	28,967
Depreciation	(143,297)
	<u>(114,330)</u>
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. The amount of capital lease repayments is as follows:	
Capital Lease Repayment	1,651
Revenues in the fund statement that provide current financial resources are not reported as revenues in the statement of activities	
	(101,849)
Expenditures reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	
Accrued Compensated Absences	3,295
Change in net assets of governmental activities (see Statement 2)	<u>\$ 181,875</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

Berry Talbot Royer, Falmouth, Maine

TOWN OF SEBAGO, MAINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	Initial and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES:			
Taxes	\$ 4,892,045	\$ 5,035,550	\$ 143,505
Intergovernmental	174,607	175,237	630
Licenses, Permits and Fees	41,800	49,987	8,187
Charges for Services	10,350	14,143	3,793
Other Revenues	39,500	62,039	22,539
TOTAL REVENUES	<u>5,158,302</u>	<u>5,336,956</u>	<u>178,654</u>
EXPENDITURES:			
General Government	481,851	461,484	20,367
Public Safety	146,930	137,241	9,689
Public Works	722,532	735,787	(13,255)
Education	3,109,423	3,109,423	-
Health, Sanitation and Welfare	174,004	158,641	15,363
Cultural and Recreational	53,401	46,464	6,937
Fixed Charges	239,941	233,423	6,518
TOTAL EXPENDITURES	<u>4,928,082</u>	<u>4,882,463</u>	<u>45,619</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	230,220	454,493	224,273
OTHER FINANCING SOURCES (USES):			
Budgeted Use of Surplus	17,600	-	(17,600)
Operating Transfer to Daytime Rescue	(8,500)	(8,500)	-
Operating Transfer Out	(239,320)	(239,320)	-
	<u>(230,220)</u>	<u>(247,820)</u>	<u>(17,600)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	206,673	<u>\$ 206,673</u>
FUND BALANCE - JULY 1		<u>1,453,602</u>	
FUND BALANCE - JUNE 30		<u>\$ 1,660,275</u>	

The Accompanying Notes are an Integral Part of these Financial Statements.

TOWN OF SEBAGO, MAINE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Private Purpose <u>Trust Funds</u>	<u>Agency Funds</u>
ASSETS:		
Cash	\$ 23,993	\$ 42,256
Due from Other Funds	<u>3,570</u>	<u>-</u>
	27,563	-
LIABILITIES:		
Due to Other Groups	<u>-</u>	<u>42,256</u>
NET ASSETS:		
Held in Trust for Other Purposes	<u><u>\$ 27,563</u></u>	<u><u>\$ -</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements.

Berry Talbot Royer, Falmouth, Maine

TOWN OF SEBAGO, MAINE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Private Purpose Trusts
	<u> </u>
ADDITIONS:	
Interest	\$ 48
Other	<u> 4,170</u>
	4,218
 DEDUCTIONS:	
Program Expenditures	<u> 9</u>
 CHANGE IN NET ASSETS	 4,209
 NET ASSETS - JULY 1, 2010	 <u> 23,354</u>
 NET ASSETS - JUNE 30, 2011	 <u><u> \$ 27,563</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements.

Berry Talbot Royer, Falmouth, Maine

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES

The Reporting Entity

The Town of Sebago, Maine, incorporated in 1826 operates under a Town Manager-Selectmen form of government. The Board of Selectmen consists of five members elected by the registered voters for three year staggered terms. The financial statements of the Town of Sebago conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (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. The more significant accounting policies established in GAAP and used by the Town are discussed below.

Principles Determining Scope of Reporting Entity

In evaluating the Town as a reporting entity, management has addressed all potential component units for which the Town may or may not be financially accountable and, as such, be includable within the Town's financial statements. In accordance with GASB Codification Section 2100, the Town (the primary government) is financially accountable if it appoints a voting majority of the organizations governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Town. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the Town's judgment and all pertinent facts derived from the analysis of the criteria, there were no potential component units required to be included in this report.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements, comprised of the statement of net assets and the statement of activities, report information on all of the non-fiduciary activities of the Town. Governmental activities are normally supported by taxes and intergovernmental revenues. The effect of interfund activity has been removed from the statements.

The statement of activities points out the extent to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function, service, program, or department. The Town does not allocate indirect expenses to programs or functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements

The financial transactions of the Town are reported in 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.

Governmental Activities

Governmental funds are identified as either general, special revenue, capital projects, or permanent funds based upon the following guidelines.

The *General Fund* is the operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Fiduciary Funds (Not included in the government-wide statements)

Private-Purpose Trust and Agency Funds - Trust funds are used to account for assets received by the Town and held in a trustee capacity. Non-expendable trust funds are those whose principal must be preserved intact. Expendable are those whose principal and income may be expended in the course of their designated operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements or results of operations. These funds are not incorporated into the Government-wide 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.

Accrual

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

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Modified Accrual

Governmental funds 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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or 60 days 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. However, debt service expenditures, as well as certain compensated absences, claims and judgments, are recorded only when the payment is due.

GASB Codification Section 2200.152-153 sets forth minimum criteria (percentages of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The Town's major governmental fund is the General Fund. The General Fund accounts for all financial resources of the Town, except those required to be accounted for in another fund. The non-major funds are combined in the "Other Governmental Funds" column in the fund financial statements.

Budgetary Accounting

Each year a Budget is adopted for the general fund only. 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:

- In the second half of the last fiscal year, the Town prepared a budget for this fiscal year beginning July 1st. The operating budget includes proposed expenditures and the means of financing them.
- After giving public notice of the meeting, the inhabitants of the Town voted in June for the purpose of adopting the proposed budget.
- The budget was adopted subsequent to the vote by the inhabitants of the Town.

Formal budgetary integration is employed as a management control device during the year for the general fund. A comparison of budget to actual is presented in the financial statements.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Cash and Cash Equivalents

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. Town policy is that deposits can only be made in financial institutions insured by the FDIC. Investments are authorized in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, certain certificates of deposit and certain money market funds. The Town invests its funds in an effort to ensure preservation of capital, remain sufficiently liquid and attain a reasonable market rate of return. Investments, if any, are reported at fair value. Money market investments that have a remaining maturity at time of purchase of one year or less are stated at amortized cost.

Interfund Transactions

During the course of normal operations, the Town has transactions between funds including expenditures and transfers of resources to provide resources, construct assets and service debt. These transactions, if any, are reported as operating transfers.

Inventories of Supplies

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings and Building Improvements - 40 years
Vehicles and Equipment - 5 to 20 years
Infrastructure - 10 years

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

As permitted by GASB, capitalization of interest cost is applied on new construction, when applicable.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

***Capital Assets* (Continued)**

The Town of Sebago has elected not to retroactively report their major infrastructure assets.

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition. Fixed assets are not capitalized and related depreciation is not expensed in the fund financial statements.

Compensated Absences

Pursuant to the terms of the personnel policies, vacation time is granted in varying amounts according to length of service. At June 30, 2011, the accrual for compensated absences was determined to be \$12,341 (\$15,635 at June 30, 2010), which has been included in the government-wide financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs (if any) are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing resources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Net Assets and Fund Equity Classifications

Net assets are required to be classified into the following three components:

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

Capital assets	\$ 3,495,828
Accumulated depreciation	(1,655,361)
Capital Lease Obligations	<u>(715)</u>
Total invested in capital assets	
Net of related debt	<u>\$ 1,839,752</u>

Restricted - This component consists of constraints placed on the use of net assets which are either externally imposed by debt covenants, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

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

Fund Balance

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions* (required implementation date of June 2011). The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. Classifications are hierarchical and are based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this Standard, the fund balance classifications of reserved, designated, and undesignated were replaced with the following classifications:

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

***Fund Balance* (Continued)**

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

Restricted - represents those portions of fund equity that have externally enforceable legal restrictions.

Committed - describes the portion of the fund balance that represents resources whose use is constrained by limitations that the government imposes upon itself at its highest level of decision making and that remain binding unless removed in the same manner.

Assigned - This classification reflects the amounts constrained by the town's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Selectmen and Town Manager have the authority to assign amounts to be used for specific purposes.

Unassigned - represents amounts that are available for any purpose.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets, liabilities, the disclosure of contingent liabilities, and the reported revenues and expenses.

Note 2 - DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's will not be able to recover the value of its deposits and investments that are in the possession of an outside party.

Deposits

The Town has a deposit policy for custodial credit risk. As of June 30, 2011, the Town reported deposits of \$2,685,298 with a bank balance of \$2,743,792. Of the Town's bank balance, \$856,907 was covered by FDIC insurance, and \$1,886,885 was exposed to custodial credit risk. Of the balance exposed to custodial credit risk, \$1,224,761 was collateralized with government securities with an "AAA" rating by the pledging bank, but not held in the Town's name, and \$662,124 was uninsured and uncollateralized.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 3 - PROPERTY TAX

The Town's property taxes for the July 1, 2010 to June 30, 2011 fiscal year were committed on September 7, 2010. Taxes were due semi-annually on November 2, 2010 and May 3, 2011. Unpaid taxes are charged interest of 7.0% per annum. The tax commitment was based on the April 1, 2010 assessed real estate and personal property values totaling \$349,329,237.

The following summarizes the levy:

VALUATION AND ASSESSMENT

VALUATION:

Real Estate	\$ 347,289,954
Personal Property	<u>2,039,283</u>
Total Valuation	349,329,237

TAX RATE PER THOUSAND	<u>13.35</u>
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TAX COMMITMENT	<u>\$ 4,663,545</u>
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COLLECTION OF 2010/2011 TAXES

ORIGINAL COMMITMENT	\$ 4,663,546
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SUPPLEMENTAL COMMITMENT	<u>6,638</u>
	4,670,184

Less: Collection in Current Year (Net of Adjustments and Refunds)	\$ 4,268,824
--	--------------

Abatements	<u>3,250</u>	<u>4,272,074</u>
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TAXES RECEIVABLE-JUNE 30, 2011	<u>\$ 398,110</u>
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Taxes receivable at June 30, 2011 are as follows:

Taxes - Current Year	\$ 398,110
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Taxes - Prior Years	<u>5,576</u>
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	<u>\$ 403,686</u>
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The Town is permitted by the laws of the State of Maine to levy taxes 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 \$9,617 for the year ended June 30, 2011.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 3 - PROPERTY TAX (Continued)

Property taxes levied for the fiscal year are recorded as receivables at the time the levy is made. The receivables collected during the year and during the first sixty (60) days after June 30, 2011 are recognized as revenues. The remaining receivables estimated to be collectible subsequent to the sixty (60) day period are recorded as deferred revenues.

The 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. Property acquired by foreclosure for non-payment of taxes is recorded at the amount of expired tax liens plus the cost involved in foreclosure. Liens and any current taxes on the same parcel are not included as part of the tax acquired property account until expiration of statutory time limits.

Note 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was:

	Balance June 30, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2011</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 301,905	\$ -	\$ -	\$ 301,905
Capital assets, being depreciated:				
Buildings and Improvements	885,776	28,967	-	914,743
Machinery and equipment	2,046,649	-	-	2,046,649
Infrastructure	<u>232,531</u>	<u>-</u>	<u>-</u>	<u>232,531</u>
Total capital assets, being depreciated:	<u>3,164,956</u>	<u>28,967</u>	<u>-</u>	<u>3,193,923</u>
Less accumulated depreciation:				
Buildings and Improvements	303,430	21,526	-	324,956
Machinery and equipment	1,162,330	98,519	-	1,260,849
Infrastructure	<u>46,304</u>	<u>23,252</u>	<u>-</u>	<u>69,556</u>
Total	<u>1,512,064</u>	<u>143,297</u>	<u>-</u>	<u>1,655,361</u>
Governmental activities				
Capital assets, net	<u>\$ 1,954,797</u>	<u>\$ (114,330)</u>	<u>\$ -</u>	<u>\$ 1,840,467</u>

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 4 - CAPITAL ASSETS (Continued)

Depreciation was charged to Governmental functions as follows:

General Government	\$ 27,077
Public Safety	53,061
Public Works	59,765
Health, Sanitation and Welfare	<u>3,394</u>
Total Depreciation	<u>\$ 143,297</u>

Note 5 - CAPITAL LEASES

The Town's color copier lease expires in 2012. Annual payments are made for the principal and interest amounts. The following schedule presents a summary of the capital lease commitment as of June 30, 2011.

	<i>Year Ending</i> <u>June 30</u>	<u>Amount</u>
Total minimum lease payments	2012	\$ 725
Less: Amounts representing interest		<u>(10)</u>
Present value of net minimum lease payments		715
Less: Current maturities of capital lease obligations		<u>(715)</u>
Long-term capital lease obligations		<u>\$ -</u>

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. The Town's outstanding debt at June 30, 2011, of 715 was \$63,704,285 below the Town's statutory debt limit.

Note 6 - OVERLAPPING DEBT

The Town's proportionate share of Cumberland County's and Maine School Administrative District No. 61's bonded debt is not reported in the Town's financial statements. Debt service is included in the annual County and School assessments to the Town. The Town's share is 0.96% (\$13,897) of Cumberland County's outstanding debt of \$1,445,000 and 14.55% (\$2,722,863) of Maine School Administrative District No. 61's outstanding bonded debt of \$18,713,834.

Note 7 - CONTINGENT LIABILITY

The Town of Sebago and twenty-six other municipalities have entered into an agreement with Ecomaine for a material recycling facility. At June 30, 2011, outstanding material recycling facility bonds of Ecomaine totaled \$19,698,502, of which the Town of Sebago's share, based on estimated tonnage to be delivered, amounts to \$11,970. This amount has not been recorded in the basic financial statements.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 7 - CONTINGENT LIABILITY (Continued)

State and Federal Grants

The Town participates in state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Litigation

The Town is subject to certain legal proceedings and claims which arise in the ordinary course of conducting its activities. In the opinion of management, the Town has defensible positions and any ultimate liabilities are covered by insurance or will not materially affect the financial position of the Town.

Note 8 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Town either carries commercial insurance or participates in a public entity risk pool. Currently, the Town participates in a public entity risk pool sponsored by the Maine Municipal Association.

Based on coverage provided by the pool, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2011.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 9 - INTERFUND ACTIVITY

Interfund balances at June 30, 2011 consisted of the following:

<u>Due From</u>	
General Fund	\$ 31,617
Non Major Governmental Funds:	
Special Revenue Funds	
Adelphia Cable TV	2,290
Recreation Grant	2,257
Intercom Grant	938
FEMA-Homeland Security	30,712
Capital Project Funds	
Public Safety Building	86
Local Match for Federal Grants	3,252
Server	135
Fiduciary Funds:	
Private Purpose Funds	
Perpetual Care Funds	<u>3,570</u>
TOTAL	<u>\$ 74,857</u>
 <u>Due To</u>	
General Fund	\$ 43,105
Non Major Governmental Funds:	
Special Revenue Funds	
Weatherization Grant	711
EMS Daytime Rescue	27,658
Capital Project Fund	
Brush Dump	400
Rte 114 Drainage	135
Town Hall Shelter	<u>2,848</u>
TOTAL	<u>\$ 74,857</u>

The purpose of the interfund account is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 9 - INTERFUND ACTIVITY (Continued)

Interfund transfers for the year ended June 30, 2011 consisted of the following:

<u>Transfer From</u>	
General Fund	<u>\$ 247,820</u>
<u>Transfer To</u>	
Non Major Governmental Funds:	
Capital Projects:	\$ 239,320
Special Revenues:	
Daytime Rescue	<u>8,500</u>
TOTAL	<u>\$ 247,820</u>

Transfers are used to move revenues from the fund that statute or budget requires them to be collected, to the fund that statute or budget requires them to be expended.

Note 10 - BUDGETED USE OF SURPLUS

During the year ended June 30, 2011, the Town budgeted to utilize \$17,600 of prior year unassigned (undesignated) fund balance as a budgeted use of surplus.

Note 11 - RETIREMENT PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 408(p) on November 14, 2000. The plan, available to eligible Town employees, permits them to defer a portion of their salary until future years. The Town matches up to 3% of each qualified employees' earnings. An employee who regularly works 20 hours per week and has completed a period of 30 days of consecutive employment may become a participant in this plan. Currently seven employees participate in this plan.

Assets of the plan are placed in trusts for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred, including earnings on plan assets, are not included in the Town's financial statements.

In addition, the Town participates in the Social Security Retirement Program. The Town's contribution to Social Security was \$29,805, for the year ended June 30, 2011.

Note 12 - SUBSEQUENT EVENTS

In preparing these financial statements, the town has evaluated events and transactions for potential recognition or disclosure through February 15, 2012, the date the financial statements were available to be issued.

TOWN OF SEBAGO, MAINE
JUNE 30, 2011

SUPPLEMENTAL DATA

GENERAL FUND

The General Fund accounts for all revenues and expenditures of the Town which are not accounted for in other funds. Most governmental services are provided by the General Fund including public works, public safety, education, recreation, health and welfare, and general administrative services.

TOWN OF SEBAGO, MAINE
BALANCE SHEETS - GENERAL FUND
JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Cash Equivalent	\$ 1,413,336	\$ 1,254,995
Receivables:		
Taxes - Current and Prior Years	403,686	451,090
Tax Liens	100,045	112,512
Accounts	30,951	33,732
Due from Other Funds	<u>31,617</u>	<u>20,556</u>
TOTAL ASSETS	<u><u>\$ 1,979,635</u></u>	<u><u>\$ 1,872,885</u></u>
 LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	\$ 21,101	\$ 39,079
Accrued Expenses	1,003	8,017
Deferred Revenues	254,151	356,916
Due to Other Funds	<u>43,105</u>	<u>15,271</u>
	<u>319,360</u>	<u>419,283</u>
 Fund Balances:		
Unassigned	<u>1,660,275</u>	<u>1,453,602</u>
	<u>1,660,275</u>	<u>1,453,602</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,979,635</u></u>	<u><u>\$ 1,872,885</u></u>

TOWN OF SEBAGO, MAINE
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2011

	Initial and Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Taxes:			
Property	\$ 4,663,545	\$ 4,663,545	\$ -
Change in Deferred Property Tax Revenues	-	101,849	101,849
Excise	228,500	263,518	35,018
Supplemental Taxes	-	6,638	6,638
	<u>4,892,045</u>	<u>5,035,550</u>	<u>143,505</u>
Intergovernmental:			
State Revenue Sharing	78,000	69,882	(8,118)
State Homestead Reimbursement	25,057	25,057	-
Veterans Exemption	1,300	1,668	368
Tree Growth	20,000	19,931	(69)
Highway Block Grant	40,000	51,836	11,836
General Assistance	9,500	5,644	(3,856)
State Park Sharing	750	1,219	469
	<u>174,607</u>	<u>175,237</u>	<u>630</u>
Licenses, Permits and Fees:			
Building Permits	8,000	14,935	6,935
Plumbing Permits	3,000	3,466	466
Agent Fees	6,000	7,866	1,866
Vital Statistics	1,200	1,793	593
Dog Fees	100	178	78
Transfer Station Fees	23,500	21,749	(1,751)
	<u>41,800</u>	<u>49,987</u>	<u>8,187</u>
Charges for Services:			
Cable TV Franchise Fees	6,000	9,146	3,146
Planning Board	150	1,129	979
Appeals Board	200	400	200
Douglas Mountain Parking	1,500	1,275	(225)
Recreation	2,500	2,193	(307)
	<u>10,350</u>	<u>14,143</u>	<u>3,793</u>

TOWN OF SEBAGO, MAINE
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2011

	Initial and Final Budget	Actual	Variance Positive (Negative)
Other Revenues:			
Interest	\$ -	\$ 2,056	\$ 2,056
Tax Lien Interest	32,000	40,135	8,135
Lien Notice Filing Charges	4,500	8,229	3,729
Leases/Rentals	100	1,000	900
Parking Fines	-	600	600
Ordinance Fines	1,000	4,440	3,440
Cemetery Lot Sales	300	913	613
Donations	1,000	1,446	446
Other	600	3,220	2,620
	<u>39,500</u>	<u>62,039</u>	<u>22,539</u>
TOTAL REVENUES	<u>5,158,302</u>	<u>5,336,956</u>	<u>178,654</u>
EXPENDITURES:			
General Government	481,851	461,484	20,367
Public Safety	146,930	137,241	9,689
Public Works	722,532	735,787	(13,255)
Education	3,109,423	3,109,423	-
Health, Sanitation and Welfare	174,004	158,641	15,363
Cultural and Recreational	53,401	46,464	6,937
Fixed Charges	239,941	233,423	6,518
	<u>4,928,082</u>	<u>4,882,463</u>	<u>45,619</u>
TOTAL EXPENDITURES	<u>4,928,082</u>	<u>4,882,463</u>	<u>45,619</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>230,220</u>	<u>454,493</u>	<u>224,273</u>
OTHER FINANCING SOURCES (USES):			
Budgeted Use of Surplus	17,600	-	(17,600)
Operating Transfer to Daytime Rescue	(8,500)	(8,500)	-
Operating Transfer Out	(239,320)	(239,320)	-
	<u>(230,220)</u>	<u>(247,820)</u>	<u>(17,600)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(230,220)</u>	<u>(247,820)</u>	<u>(17,600)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 206,673</u>	<u>\$ 206,673</u>

TOWN OF SEBAGO, MAINE
STATEMENT OF CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED JUNE 30, 2011

	<u>Unassigned</u>
FUND BALANCE - JULY 1, 2010	\$ 1,453,602
EXCESS OF ACTUAL REVENUES AND OTHER SOURCES OVER (UNDER) ACTUAL EXPENDITURES AND OTHER USES	<u>206,673</u>
FUND BALANCE - JUNE 30, 2011	<u><u>\$ 1,660,275</u></u>

OTHER GOVERNMENTAL FUNDS

The Town of Sebago, Maine has the following non-major funds:

SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

CAPITAL PROJECTS FUND

Capital Projects Fund is used to account for financial resources segregated for the acquisition or construction or capital facilities other than those financed by enterprise operations.

TOWN OF SEBAGO, MAINE
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

			<u>Total</u>	
			Memorandum Only	
	<u>Special</u>	<u>Capital</u>	<u>2011</u>	<u>2010</u>
	<u>Revenues</u>	<u>Projects</u>		
	(Schedule 1)	(Schedule 2)		
ASSETS:				
Cash and Cash Equivalent	\$ 5,102	\$ 1,200,611	\$ 1,205,713	\$ 1,029,700
Accounts Receivable, Net of Allowance	16,108	-	16,108	18,889
Due from Other Funds	36,197	3,473	39,670	15,271
TOTAL ASSETS	<u>\$ 57,407</u>	<u>\$ 1,204,084</u>	<u>\$ 1,261,491</u>	<u>\$ 1,063,860</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Due to Other Funds	\$ 28,369	\$ 3,383	\$ 31,752	\$ 20,556
Fund Balance	29,038	1,200,701	1,229,739	1,043,304
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 57,407</u>	<u>\$ 1,204,084</u>	<u>\$ 1,261,491</u>	<u>\$ 1,063,860</u>

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011
(With Comparative totals for the Year ended June 30, 2010)

			<u>Total</u>	
			Memorandum Only	
	<u>Special</u>	<u>Capital</u>	<u>2011</u>	<u>2010</u>
	<u>Revenues</u>	<u>Projects</u>		
	(Schedule 1a)	(Schedule 2a)		
REVENUES:				
Interest	\$ -	\$ 2,270	\$ 2,270	\$ 2,090
Other	<u>134,353</u>	<u>167</u>	<u>134,520</u>	<u>70,191</u>
	134,353	2,437	136,790	72,281
EXPENDITURES				
Fees	<u>132,526</u>	<u>65,649</u>	<u>198,175</u>	<u>250,224</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,827	(63,212)	(61,385)	(177,943)
OTHER FINANCING SOURCES (USES):				
Transfers In (Out)	<u>8,500</u>	<u>239,320</u>	<u>247,820</u>	<u>274,389</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	10,327	176,108	186,435	96,446
FUND BALANCE - JULY 1	<u>18,711</u>	<u>1,024,593</u>	<u>1,043,304</u>	<u>946,858</u>
FUND BALANCE - JUNE 30	<u>\$ 29,038</u>	<u>\$ 1,200,701</u>	<u>\$ 1,229,739</u>	<u>\$ 1,043,304</u>

FIDUCIARY FUNDS

Fiduciary Funds are established to account for assets received and held by the Town in a trustee or agent capacity. These include Expendable Trust, Nonexpendable Trust and Agency Funds.

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

	Private Purpose Funds				Agency funds			Total	
	Perpetual Care Funds	Pooled Cemetery Funds	Potter Sunday	Potter Sunday	Potter Education			Memorandum Only	
ASSETS:									
Cash and Cash Equivalent	\$ 14,182	\$ 9,811	\$ 8,405	\$ 881	\$ 32,970	\$ 66,249	\$ 66,127		
Due from Other Funds	3,570	-	-	-	-	3,570	-		
	<u>17,752</u>	<u>9,811</u>	<u>8,405</u>	<u>881</u>	<u>32,970</u>	<u>69,819</u>	<u>66,127</u>		
LIABILITIES:									
Due to Other Groups	-	-	8,405	881	32,970	42,256	42,773		
NET ASSETS:									
NonExpendable	11,400	8,434	-	-	-	19,834	19,834		
Expendable	6,352	1,377	-	-	-	7,729	3,520		
	<u>\$ 17,752</u>	<u>\$ 9,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,563</u>	<u>\$ 23,354</u>		

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

	<u>Private Purpose Funds</u>		<u>Total</u>	
	<u>Perpetual</u>	<u>Pooled</u>	Memorandum Only	
	<u>Care</u>	<u>Cemetery</u>	<u>2011</u>	<u>2010</u>
	<u>Funds</u>	<u>Funds</u>		
		(Schedule 3)		
ADDITIONS:				
Interest	\$ 28	\$ 20	\$ 48	\$ 53
Other	4,170	-	4,170	300
	<u>4,198</u>	<u>20</u>	<u>4,218</u>	<u>353</u>
DEDUCTIONS:				
Fees	<u>-</u>	<u>9</u>	<u>9</u>	<u>1,154</u>
CHANGE IN NET ASSETS	4,198	11	4,209	(801)
NET ASSETS - JULY 1	<u>13,554</u>	<u>9,800</u>	<u>23,354</u>	<u>24,155</u>
NET ASSETS - JUNE 30	<u>\$ 17,752</u>	<u>\$ 9,811</u>	<u>\$ 27,563</u>	<u>\$ 23,354</u>

The following schedules are presented for purposes of additional analysis and are also not a required part of the basic financial statements of the Town of Sebago, Maine. Such information in these schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

TOWN OF SEBAGO, MAINE
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

	<u>Recreation Grant</u>	<u>Weatherization Grant</u>	<u>Intercom Grant</u>	<u>EMS Daytime Rescue</u>	<u>Adelphia Cable TV Equipment</u>	<u>FEMA- Homeland Security</u>
ASSETS:						
Cash and Cash Equivalent	\$ -	\$ -	\$ -	\$ 4,945	\$ -	\$ -
Accounts Receivable, Net of Allowance	-	-	-	16,108	-	-
Due from Other Funds	<u>2,257</u>	<u>-</u>	<u>938</u>	<u>-</u>	<u>2,290</u>	<u>30,712</u>
TOTAL ASSETS	<u>\$ 2,257</u>	<u>\$ -</u>	<u>\$ 938</u>	<u>\$ 21,053</u>	<u>\$ 2,290</u>	<u>\$ 30,712</u>
LIABILITIES AND FUND BALANCE:						
Liabilities:						
Due to Other Funds	\$ -	\$ 711	\$ -	\$ 27,658	\$ -	\$ -
Fund Balance (Deficit)	<u>2,257</u>	<u>(711)</u>	<u>938</u>	<u>(6,605)</u>	<u>2,290</u>	<u>30,712</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,257</u>	<u>\$ -</u>	<u>\$ 938</u>	<u>\$ 21,053</u>	<u>\$ 2,290</u>	<u>\$ 30,712</u>

TOWN OF SEBAGO, MAINE
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

	Teddy Bear Fund		Comprehensive Planning		Narragansett Grant	CDBG Grant	Total Memorandum Only	
							2011	2010
ASSETS:								
Cash and Cash Equivalent	\$	157	\$	-	\$	-	\$	5,102
Accounts Receivable, Net of Allowance		-		-		-		16,108
Due from Other Funds		-		-		-		36,197
TOTAL ASSETS	\$	<u>157</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>57,407</u>
								\$ 36,252
LIABILITIES AND FUND BALANCE:								
Liabilities:								
Due to Other Funds	\$	-	\$	-	\$	-	\$	28,369
								18,711
Fund Balance (Deficit)		<u>157</u>		<u>-</u>		<u>-</u>		<u>29,038</u>
TOTAL LIABILITIES AND FUND BALANCE	\$	<u>157</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>57,407</u>
								\$ 36,252

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2011
 (With Comparative Totals for the Year ended June 30, 2010)

	<u>Recreation Grant</u>	<u>Weatherization Grant</u>	<u>Intercom Grant</u>	<u>EMS Daytime Rescue</u>	<u>Adelphia Cable TV Equipment</u>	<u>FEMA- Homeland Security</u>
REVENUES:						
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	<u>4,802</u>	<u>16,762</u>	<u>21,278</u>	<u>44,231</u>	<u>-</u>	<u>42,842</u>
				<u>44,231</u>		<u>42,842</u>
EXPENDITURES:						
For Designated Purposes	<u>2,545</u>	<u>17,473</u>	<u>20,340</u>	<u>75,366</u>	<u>500</u>	<u>12,130</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,257</u>	<u>(711)</u>	<u>938</u>	<u>(31,135)</u>	<u>(500)</u>	<u>30,712</u>
OTHER FINANCING SOURCES						
Transfers In	-	-	-	8,500	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>2,257</u>	<u>(711)</u>	<u>938</u>	<u>(22,635)</u>	<u>(500)</u>	<u>30,712</u>
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,030</u>	<u>2,790</u>	<u>-</u>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 2,257</u>	<u>\$ (711)</u>	<u>\$ 938</u>	<u>\$ (6,605)</u>	<u>\$ 2,290</u>	<u>\$ 30,712</u>

TOWN OF SEBAGO, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2011

(With Comparative Totals for the Year ended June 30, 2010)

	Teddy Bear Fund	Comprehensive Planning	Narragansett Grant	CDBG Grant	Total Memorandum Only	
					2011	2010
REVENUES:						
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	4,438	134,353	70,191
	-	-	-	4,438	134,353	70,191
EXPENDITURES:						
For Designated Purposes	-	74	272	3,826	132,526	94,564
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(74)	(272)	612	1,827	(24,373)
OTHER FINANCING SOURCES						
Transfers In	-	-	-	-	8,500	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	-	(74)	(272)	612	10,327	-
FUND BALANCES - JULY 1	157	74	272	(612)	18,711	43,084
FUND BALANCES (DEFICIT) - JUNE 30	\$ 157	\$ -	\$ -	\$ -	\$ 29,038	\$ 18,711

TOWN OF SEBAGO, MAINE
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

	Plow Truck #1	Plow Truck #2	4X4 Backhoe	Plow Truck #2	Rescue Ambulance	Folly Bridge Reserve	Brush Dump	Fire Engine #2	Fire Engine #3
ASSETS:									
Cash and Cash Equivalent	\$ 55,272	\$ 42,762	\$ 76,802	\$ 30,872	\$ 87,753	\$ 1,868	\$ 11,644	\$ 165,785	\$ 77,699
Due from Other Funds	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 55,272	\$ 42,762	\$ 76,802	\$ 30,872	\$ 87,753	\$ 1,868	\$ 11,644	\$ 165,785	\$ 77,699
LIABILITIES AND FUND BALANCE:									
Liabilities:									
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ -	\$ -
Fund Balance (Deficit)	55,272	42,762	76,802	30,872	87,753	1,868	11,244	165,785	77,699
TOTAL LIABILITIES AND FUND BALANCE	\$ 55,272	\$ 42,762	\$ 76,802	\$ 30,872	\$ 87,753	\$ 1,868	\$ 11,644	\$ 165,785	\$ 77,699

TOWN OF SEBAGO, MAINE
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS (Continued)
JUNE 30, 2011
 (With Comparative Totals for the Year ended June 30, 2010)

	<u>Fire Engine #4</u>	<u>Long Beach</u>	<u>Revaluation</u>	<u>50 Yd</u>	<u>Fire Truck Tank #2</u>	<u>Town Hall Parking Lot</u>	<u>Trash Compactor</u>	<u>Fire Truck Tank #1</u>
ASSETS:								
Cash and Cash Equivalent	\$ 142,516	\$ 1,201	\$ 29,063	\$ 2,403	\$ 203,074	\$ 18,629	\$ 20,323	\$ 37,629
Due from Other Funds	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 142,516</u>	<u>\$ 1,201</u>	<u>\$ 29,063</u>	<u>\$ 2,403</u>	<u>\$ 203,074</u>	<u>\$ 18,629</u>	<u>\$ 20,323</u>	<u>\$ 37,629</u>
LIABILITIES AND FUND BALANCE:								
Liabilities:								
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance (Deficit)	<u>142,516</u>	<u>1,201</u>	<u>29,063</u>	<u>2,403</u>	<u>203,074</u>	<u>18,629</u>	<u>20,323</u>	<u>37,629</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 142,516</u>	<u>\$ 1,201</u>	<u>\$ 29,063</u>	<u>\$ 2,403</u>	<u>\$ 203,074</u>	<u>\$ 18,629</u>	<u>\$ 20,323</u>	<u>\$ 37,629</u>

TOWN OF SEBAGO, MAINE
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS (Continued)
JUNE 30, 2011
 (With Comparative Totals for the Year ended June 30, 2010)

	<u>Transfer Station Enhancements</u>	<u>1 Ton Plow Truck</u>	<u>Public Safety Building</u>	<u>Radio Repeater</u>	<u>Land Acquisition</u>	<u>Roll Off Truck</u>	<u>Forestry Truck #1</u>	<u>Public Works Storage</u>
ASSETS:								
Cash and Cash Equivalent	\$ 17,506	\$ 40,877	\$ 15,250	\$ 2,739	\$ 37,154	\$ 24,166	\$ 29,896	\$ 4,438
Due from Other Funds	-	-	86	-	-	-	-	-
TOTAL ASSETS	<u>\$ 17,506</u>	<u>\$ 40,877</u>	<u>\$ 15,336</u>	<u>\$ 2,739</u>	<u>\$ 37,154</u>	<u>\$ 24,166</u>	<u>\$ 29,896</u>	<u>\$ 4,438</u>
LIABILITIES AND FUND BALANCE:								
Liabilities:								
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance (Deficit)	<u>17,506</u>	<u>40,877</u>	<u>15,336</u>	<u>2,739</u>	<u>37,154</u>	<u>24,166</u>	<u>29,896</u>	<u>4,438</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 17,506</u>	<u>\$ 40,877</u>	<u>\$ 15,336</u>	<u>\$ 2,739</u>	<u>\$ 37,154</u>	<u>\$ 24,166</u>	<u>\$ 29,896</u>	<u>\$ 4,438</u>

TOWN OF SEBAGO, MAINE
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS (Continued)
JUNE 30, 2011
 (With Comparative Totals for the Year ended June 30, 2010)

	<u>Rte 114 Drainage</u>	<u>Fire Station</u>	<u>Server</u>	<u>PW Truck</u>	<u>Local Match for Federal Grants</u>	<u>Town Hall Shelter</u>	<u>Total</u>	
							<u>2011</u>	<u>Memorandum Only 2010</u>
ASSETS:								
Cash and Cash Equivalent	\$ 5,288	\$ -	\$ 5,480	\$ 12,522	\$ -	\$ -	\$ 1,200,611	\$ 1,015,399
Due from Other Funds	-	-	135	-	3,252	-	3,473	12,209
TOTAL ASSETS	<u>\$ 5,288</u>	<u>\$ -</u>	<u>\$ 5,615</u>	<u>\$ 12,522</u>	<u>\$ 3,252</u>	<u>\$ -</u>	<u>\$ 1,204,084</u>	<u>\$ 1,027,608</u>
LIABILITIES AND FUND BALANCE:								
Liabilities:								
Due to Other Funds	\$ 135	\$ -	\$ -	\$ -	\$ -	\$ 2,848	\$ 3,383	\$ 3,015
Fund Balance (Deficit)	<u>5,153</u>	<u>-</u>	<u>5,615</u>	<u>12,522</u>	<u>3,252</u>	<u>(2,848)</u>	<u>1,200,701</u>	<u>1,024,593</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,288</u>	<u>\$ -</u>	<u>\$ 5,615</u>	<u>\$ 12,522</u>	<u>\$ 3,252</u>	<u>\$ -</u>	<u>\$ 1,204,084</u>	<u>\$ 1,027,608</u>

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011
(With Comparative Totals for the Year ended June 30, 2010)

	Plow Truck #1	Plow Truck #2	4X4 Backhoe	Plow Truck #2	Rescue Ambulance	Folly Bridge Reserve	Brush Dump	Fire Engine #2	Fire Engine #3
REVENUES:									
Interest	\$ 105	\$ 81	\$ 143	\$ 52	\$ 166	\$ 6	\$ 34	\$ 319	\$ 149
Other	<u>105</u>	<u>81</u>	<u>143</u>	<u>52</u>	<u>166</u>	<u>6</u>	<u>34</u>	<u>319</u>	<u>149</u>
EXPENDITURES:									
For Designated Purposes	-	-	-	-	-	580	12,278	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	105	81	143	52	166	(574)	(12,244)	319	149
OTHER FINANCING SOURCES (USES):									
Operating Transfer In	6,289	5,431	12,172	10,626	11,538	-	-	16,082	8,143
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	6,394	5,512	12,315	10,678	11,704	(574)	(12,244)	16,401	8,292
FUND BALANCES - JULY 1	48,878	37,250	64,487	20,194	76,049	2,442	23,488	149,384	69,407
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 55,272</u>	<u>\$ 42,762</u>	<u>\$ 76,802</u>	<u>\$ 30,872</u>	<u>\$ 87,753</u>	<u>\$ 1,868</u>	<u>\$ 11,244</u>	<u>\$ 165,785</u>	<u>\$ 77,699</u>

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011
 (With Comparative Totals for the Year ended June 30, 2010)

	<u>Fire Engine #4</u>	<u>Long Beach</u>	<u>Revaluation</u>	<u>50 Yd</u>	<u>Fire Truck Tank #2</u>	<u>Town Hall Parking Lot</u>	<u>Trash Compactor</u>	<u>Fire Truck Tank #1</u>
REVENUES:								
Interest	\$ 271	\$ 3	\$ 59	\$ 3	\$ 379	\$ 33	\$ 36	\$ 58
Other	-	-	-	-	-	-	-	167
	<u>271</u>	<u>3</u>	<u>59</u>	<u>3</u>	<u>379</u>	<u>33</u>	<u>36</u>	<u>225</u>
EXPENDITURES:								
For Designated Purposes	-	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	271	3	59	3	379	33	36	225
OTHER FINANCING SOURCES (USES):								
Operating Transfer In	17,788	-	-	2,400	32,168	3,423	4,911	19,173
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	18,059	3	59	2,403	32,547	3,456	4,947	19,398
FUND BALANCES - JULY 1	124,457	1,198	29,004	-	170,527	15,173	15,376	18,231
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 142,516</u>	<u>\$ 1,201</u>	<u>\$ 29,063</u>	<u>\$ 2,403</u>	<u>\$ 203,074</u>	<u>\$ 18,629</u>	<u>\$ 20,323</u>	<u>\$ 37,629</u>

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011
 (With Comparative Totals for the Year ended June 30, 2010)

	Transfer Station Enhancements	1 Ton Plow Truck	Public Safety Building	Radio Repeater	Land Acquisition	Roll Off Truck	Forestry Truck #1	Public Works Storage
REVENUES:								
Interest	\$ 39	\$ 71	\$ 27	\$ 4	\$ 63	\$ 39	\$ 50	\$ 42
Other	<u>39</u>	<u>71</u>	<u>27</u>	<u>4</u>	<u>63</u>	<u>39</u>	<u>50</u>	<u>42</u>
EXPENDITURES:								
For Designated Purposes	<u>6,358</u>	<u>-</u>	<u>4,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,629</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,319)</u>	<u>71</u>	<u>(4,373)</u>	<u>4</u>	<u>63</u>	<u>39</u>	<u>50</u>	<u>(40,587)</u>
OTHER FINANCING SOURCES (USES):								
Operating Transfer In	<u>2,538</u>	<u>12,333</u>	<u>4,976</u>	<u>1,454</u>	<u>12,905</u>	<u>10,463</u>	<u>10,235</u>	<u>22,962</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(3,781)</u>	<u>12,404</u>	<u>603</u>	<u>1,458</u>	<u>12,968</u>	<u>10,502</u>	<u>10,285</u>	<u>(17,625)</u>
FUND BALANCES - JULY 1	<u>21,287</u>	<u>28,473</u>	<u>14,733</u>	<u>1,281</u>	<u>24,186</u>	<u>13,664</u>	<u>19,611</u>	<u>22,063</u>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 17,506</u>	<u>\$ 40,877</u>	<u>\$ 15,336</u>	<u>\$ 2,739</u>	<u>\$ 37,154</u>	<u>\$ 24,166</u>	<u>\$ 29,896</u>	<u>\$ 4,438</u>

Schedule 2a (Continued)

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2011
 With Comparative Totals for the Year ended June 30, 2010)

	<u>Rte 114</u>		<u>Fire</u>		<u>Server</u>		<u>PW Truck</u>		<u>Local Match</u>		<u>Town Hall</u>		<u>Memorandum Only</u>		<u>Total</u>	
	<u>Drainage</u>		<u>Station</u>		<u>Shelter</u>		<u>Grants</u>		<u>Shelter</u>		<u>2011</u>		<u>2010</u>			
REVENUES:																
Interest	\$ 9	\$ 1	\$ 9	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,270	\$ 2,090				
Other	-	-	-	-	-	-	-	-	-	-	167	-				
	9	1	9	19	-	-	-	-	-	-	2,437	2,090				
EXPENDITURES:																
For Designated Purposes	-	391	-	-	-	-	1,013	-	-	-	65,649	155,660				
EXCESS OF REVENUES OVER																
(UNDER) EXPENDITURES	9	(390)	9	19	(1,013)	-	(1,013)	-	-	-	(63,212)	(153,570)				
OTHER FINANCING SOURCES (USES):																
Operating Transfer In	2,465	-	2,600	6,245	-	-	-	-	-	-	239,320	274,389				
EXCESS OF REVENUES AND OTHER SOURCES																
OVER (UNDER) EXPENDITURES AND	2,474	(390)	2,609	6,264	(1,013)	-	(1,013)	-	-	-	176,108	120,819				
OTHER USES																
	2,679	390	3,006	6,258	4,265	(2,848)	4,265	-	(2,848)	-	1,024,593	903,774				
FUND BALANCES - JULY 1																
	\$ 5,153	\$ -	\$ 5,615	\$ 12,522	\$ 3,252	\$ (2,848)	\$ 3,252	\$ -	\$ (2,848)	\$ -	\$ 1,200,701	\$ 1,024,593				
FUND BALANCES (DEFICIT) - JUNE 30																

TOWN OF SEBAGO, MAINE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
CEMETERY TRUST FUNDS
YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>06/30/10</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/11</u>
Orin Douglas - Haley	\$ 192	\$ -	\$ -	\$ 192
Fred Meserve - Haley	292	-	-	292
William Fitch - Route 107	986	20	9	997
Emory Martin	1,359	-	-	1,359
Nathan & James Chadbourne	503	-	-	503
Fannie Fitch - Fitch's Store	1,048	-	-	1,048
Laura Parker Fitch	1,436	-	-	1,436
Emory Martin - Haley	100	-	-	100
Lillian Meserve - Poor Cemetery	999	-	-	999
Emma Douglas - Haley	101	-	-	101
Alfred Gray, Stiles, Gray McKenney	202	-	-	202
James & Cassandra Haley	100	-	-	100
Millard & Marjorie Tripp - Haley	101	-	-	101
Walter McDonald - Haley	69	-	-	69
Earle Norman Durrell - Haley	512	-	-	512
Grover & Ethel Douglas - Haley	197	-	-	197
Lendora & Guy Lewis - Haley	401	-	-	401
Granville Durrell - Haley	1,002	-	-	1,002
Alvin, Rose, Herbet, Elsie, Gladys Gray	200	-	-	200
	<u>\$ 9,800</u>	<u>\$ 20</u>	<u>\$ 9</u>	<u>\$ 9,811</u>

TOWN OF SEBAGO, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS
YEAR ENDED JUNE 30, 2011

	<u>Appropriations</u>	<u>Transfers and Other Credits</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Appropriation Balances</u>	
					<u>Overdrawn</u>	<u>Lapsed Unexpended</u>
GENERAL GOVERNMENT:						
General Administration	\$ 294,844	\$ -	\$ 294,844	\$ 267,336	\$ -	\$ 27,508
Selectmen	12,450	-	12,450	11,200	-	1,250
Town Manager	59,140	-	59,140	64,961	5,821	-
Clerk/Treasurer	86,409	-	86,409	88,892	2,483	-
Code Enforcement	24,228	-	24,228	25,121	893	-
Health Officer	700	-	700	652	-	48
Elections	2,300	-	2,300	2,023	-	277
Appeals Board	455	-	455	584	129	-
Planning Board	1,325	-	1,325	715	-	610
	<u>481,851</u>	<u>-</u>	<u>481,851</u>	<u>461,484</u>	<u>9,326</u>	<u>29,693</u>
PUBLIC SAFETY:						
Alarm	4,000	-	4,000	2,665	-	1,335
Animal Control	5,250	-	5,250	3,105	-	2,145
Rescue	40,200	-	40,200	45,805	5,605	-
Fire	88,230	-	88,230	77,432	-	10,798
Dispatch	9,250	-	9,250	8,234	-	1,016
	<u>146,930</u>	<u>-</u>	<u>146,930</u>	<u>137,241</u>	<u>5,605</u>	<u>15,294</u>
PUBLIC WORKS:						
Roads	428,778	-	428,778	427,045	-	1,733
Snow Removal	234,654	-	234,654	249,047	14,393	-
Street Lights	8,000	-	8,000	6,468	-	1,532
Town Hall	15,450	-	15,450	19,408	3,958	-
Town Office	21,850	-	21,850	17,064	-	4,786
Town Garage	13,800	-	13,800	16,755	2,955	-
	<u>722,532</u>	<u>-</u>	<u>722,532</u>	<u>735,787</u>	<u>21,306</u>	<u>8,051</u>

Berry Talbot Royer, Falmouth, Maine

TOWN OF SEBAGO, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS
YEAR ENDED JUNE 30, 2011

	<u>Appropriations</u>	<u>Transfers and Other Credits</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Overdrawn</u>	<u>Lapsed Unexpended</u>	<u>Appropriation Balances</u>
	\$ 3,109,423	\$ -	\$ 3,109,423	\$ 3,109,423	\$ -	\$ -	\$ -
EDUCATION:							
Maine School Administrative District No. 61							
HEALTH, SANITATION AND WELFARE:							
General Assistance	20,875	-	20,875	12,010	-	8,865	
Service Organizations	6,425	-	6,425	6,425	-	-	
Solid Waste	133,504	-	133,504	129,936	-	3,568	
Hazardous Waste	9,000	-	9,000	5,088	-	3,912	
Veteran's Graves	500	-	500	975	475	-	
Sebago Cemetery	100	-	100	797	697	-	
Veteran's Flags	700	-	700	896	196	-	
Small Cemetery	1,500	-	1,500	1,500	-	-	
Historical	1,400	-	1,400	1,014	-	386	
	<u>174,004</u>	<u>-</u>	<u>174,004</u>	<u>158,641</u>	<u>1,368</u>	<u>16,731</u>	
CULTURAL AND RECREATIONAL:							
Sebago Days	3,600	-	3,600	3,600	-	-	
Memorial Day	200	-	200	200	-	-	
Parks & Recreation-General Admin	17,301	-	17,301	12,060	-	5,241	
Douglas Mountain	2,700	-	2,700	1,538	-	1,162	
Town Beach	2,900	-	2,900	3,192	292	-	
SYAA Baseball	4,000	-	4,000	4,000	-	-	
SYAA Soccer	1,500	-	1,500	1,441	-	59	
Basketball	1,500	-	1,500	733	-	767	
Library	18,500	-	18,500	18,500	-	-	
Food Pantry	1,200	-	1,200	1,200	-	-	
	<u>53,401</u>	<u>-</u>	<u>53,401</u>	<u>46,464</u>	<u>292</u>	<u>7,229</u>	

TOWN OF SEBAGO, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS
YEAR ENDED JUNE 30, 2011

	<u>Appropriations</u>	<u>Transfers and Other Credits</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Overdrawn</u>	<u>Lapsed Unexpended</u>
FIXED CHARGES:						
County Tax	\$ 225,574	\$ -	\$ 225,574	\$ 225,574	\$ -	\$ -
Overlay	9,617	-	9,617	3,250	-	6,367
Debt Service	4,750	-	4,750	4,599	-	151
	<u>239,941</u>	<u>-</u>	<u>239,941</u>	<u>233,423</u>	<u>-</u>	<u>6,518</u>
TOTAL	<u>\$ 4,928,082</u>	<u>\$ -</u>	<u>\$ 4,928,082</u>	<u>\$ 4,882,463</u>	<u>\$ 37,897</u>	<u>\$ 83,516</u>