

TOWN OF SEBAGO
FINANCIAL REPORT



JUNE 30, 2012

TOWN OF SEBAGO, MAINE
JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

Selectmen and Town 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 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'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, each major fund, and the aggregate remaining fund information of the Town of Sebago, Maine as of June 30, 2012, 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 on pages 3 to 11 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 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 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, reading "Berry Talbot Royer".

Certified Public Accountants
March 21, 2013



MANAGEMENT'S
DISCUSSION AND ANALYSIS (UNAUDITED) June 2012

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, 2012.

Financial Highlights

- The assets of the Town of Sebago exceeded its liabilities at the close of the most recent fiscal year by \$5,349,931 per Statement 1 (Net Assets). Of this amount, \$2,052,155 (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 \$437,612.
- As of the close of the current fiscal year, the Town of Sebago's governmental funds reported combined ending fund balances of \$3,122,201, an increase of \$232,187. Of this, \$1,756,565 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 \$96,290 or (1.9%) of total general fund expenditures.

Overview of the Financial Statements

This report is intended to serve as an introduction to the Town of Sebago's basic financial statements. The Town of Sebago's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Sebago's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the Town of Sebago's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town of Sebago is improving or deteriorating.

The *Statement of Activities* presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (eg. uncollected taxes and earned but unused vacation leaves).



Both of the government-wide financial statements distinguish functions of the Town of Sebago that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Sebago include general government, public safety, public works, recreation and culture, welfare and social services. The Town does not currently report any business-type activities.

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 Sebago, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Sebago consist only of governmental funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the 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 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*.

The Town of Sebago maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Sebago adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Basic governmental fund financial statements can be found on later pages of this report.

Fiduciary Funds These activities are omitted from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

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 fund financial statements.



Other Information. The combining statements referred to earlier in connection with non major governmental funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

Table 1
Fiscal Year Ended June 30
Statement of Net Assets

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 3,515,327	\$ 3,169,839
Capital Assets	<u>1,927,031</u>	<u>1,840,467</u>
Total Assets	<u>5,442,358</u>	<u>5,010,306</u>
Long Term Debt Outstanding	-	715
Other Liabilities	<u>92,427</u>	<u>39,608</u>
Total Liabilities	<u>92,427</u>	<u>40,323</u>
Net Assets		
Invested in Capital Assets, net of related debt	1,927,031	1,839,752
Restricted	1,370,745	1,239,903
Unrestricted	<u>2,052,155</u>	<u>1,890,328</u>
Total Net Assets	<u>\$ 5,349,931</u>	<u>\$ 4,969,983</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 9% increase in assets during the 2012 fiscal year. The Town of Sebago uses these capital assets to provide services to citizens' consequently; these assets are not available for future spending. Although the Town of Sebago's investment in its capital assets is reported net of related debit, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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Michele A. Bukoveckas
 Town Clerk/Tax Collector/Deputy Treasurer

Statement of Activities Information

Table 2
 Changes in Net Assets
 Year ended June 30, 2012

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 87,364	\$ 82,779
Operating Grants & Contributions	143,585	186,189
General Revenues:		
Property Taxes	4,772,386	4,670,183
Excise Taxes	257,769	263,518
Intergovernmental	159,561	116,538
Investment Earnings	<u>41,345</u>	<u>52,690</u>
Total Revenues	5,462,010	5,371,897
Expenses		
General Government	452,505	484,738
Public Safety	174,602	190,302
Public Works	610,255	794,527
Education	3,216,331	3,109,423
Health, Sanitation, and Welfare	159,212	161,936
Cultural and Recreational	45,173	46,462
Fixed Charges	223,115	233,423
For Designated Purposes	<u>143,205</u>	<u>169,211</u>
Total Expenses	<u>5,024,398</u>	<u>5,190,022</u>
Increase in Net Assets	<u>\$ 437,612</u>	<u>\$ 181,875</u>

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Town Clerk/Tax Collector/Deputy Treasurer

THE TOWN'S FUNDS

The following schedule presents a summary of General Fund revenues (see Statement 6) for the fiscal year ended June 30, 2012:

<u>Revenues</u>	<u>2012</u>	<u>2011</u>
Taxes	\$ 4,974,269	\$ 5,035,550
Intergovernmental	218,895	175,237
Licenses, Permits and Fees	56,500	49,987
Charges for Services	12,994	14,143
Miscellaneous	<u>51,784</u>	<u>62,039</u>
Total Revenues	<u>\$ 5,314,442</u>	<u>\$ 5,336,956</u>

2012 REVENUES BY SOURCE

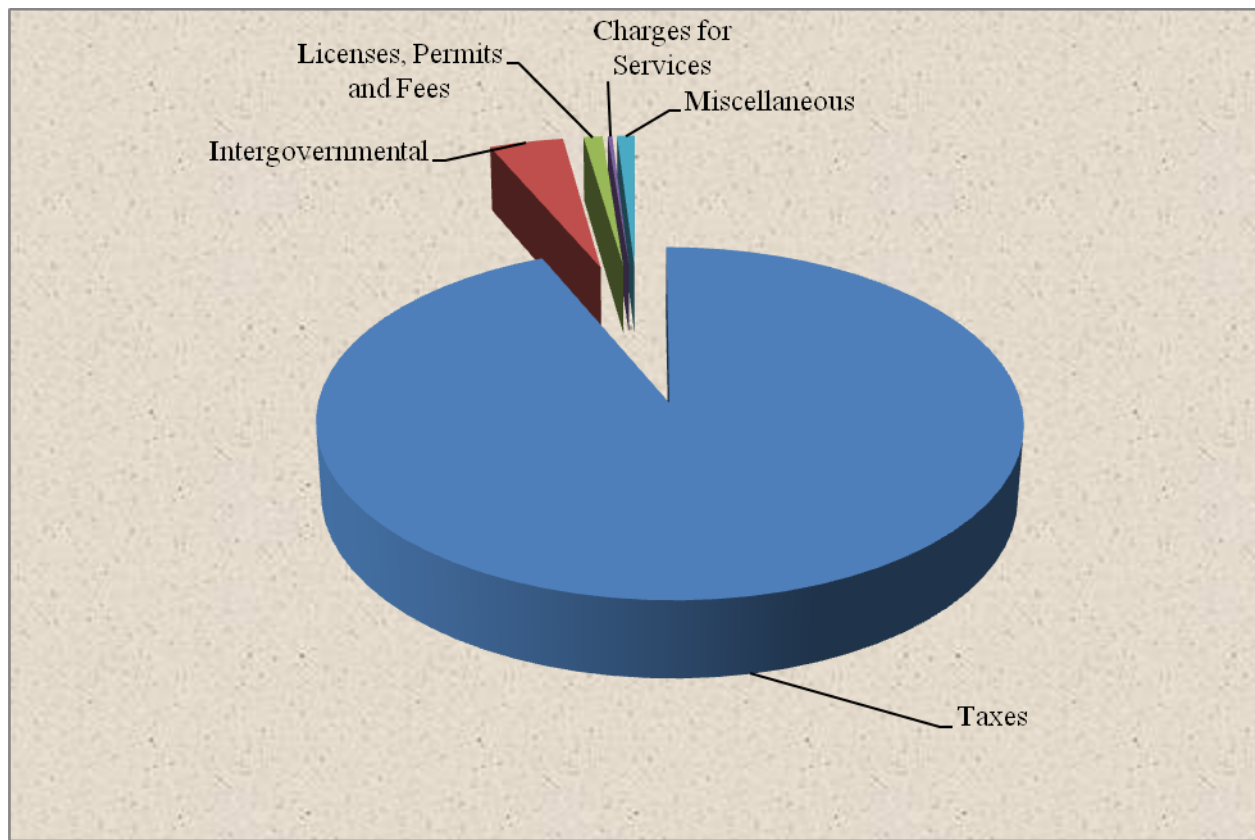


Chart A – 2012 Revenues by Source



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

Expenses	<u>2012</u>	<u>2011</u>
General Government	\$ 433,102	\$ 461,484
Public Safety	132,122	137,241
Public Works	752,765	735,787
Education	3,216,331	3,109,423
Health, Sanitation, and Welfare	157,641	158,641
Cultural and Recreational	45,173	46,464
Capital Outlay	192,724	239,320
Daytime Rescue	45,179	8,500
Fixed Charges	<u>223,115</u>	<u>233,423</u>
Total Expenses	<u>\$ 5,198,152</u>	<u>\$ 5,130,283</u>

Chart B graphically depicts expenditures by function.

2012 EXPENDITURES BY FUNCTION

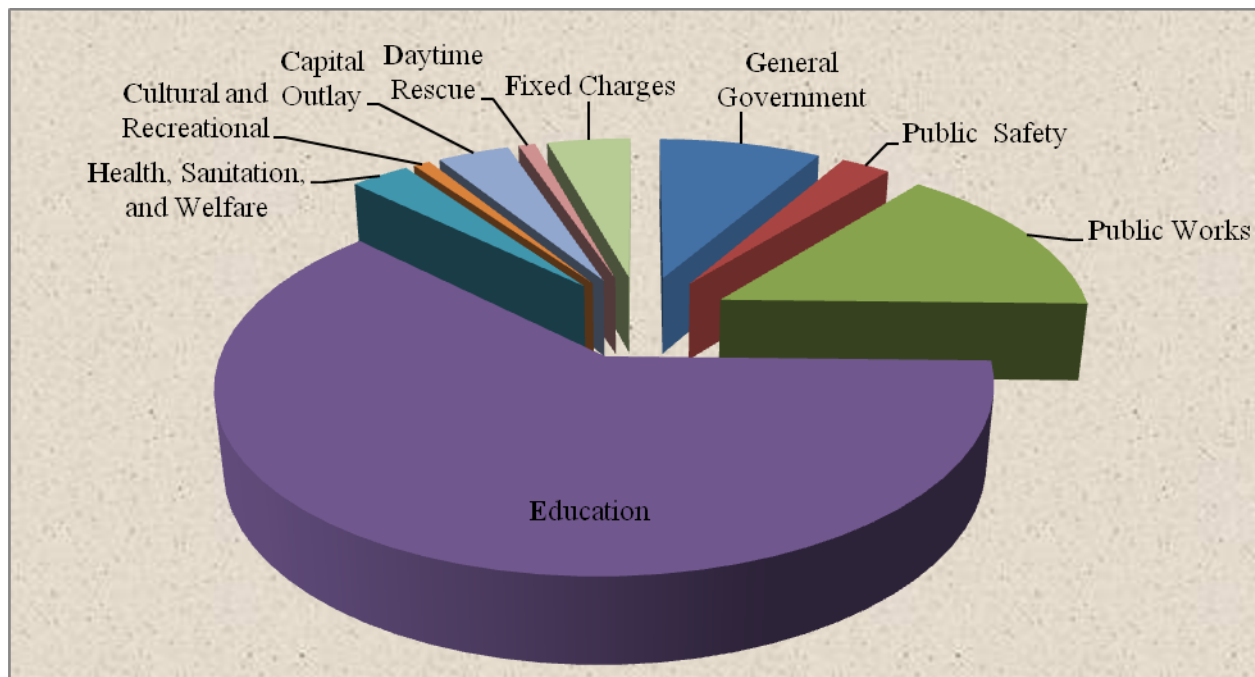


Chart B – 2012 Expenditures by Function



Analysis of Overall Financial Position and Results of Operations

Sebago's revenues exceeded expenses by \$437,612, as expenses were carefully controlled and revenues exceeded expectations. The Town budgeted revenues very conservative due to the economy, expecting to see a decrease, when in fact:

- Taxes and excise collections remained strong
- Local Road Assistance funds were slightly higher
- Building and plumbing permits continues to be strong
- Collected ordinance fines
- Funds received for scrap metal

Factors which affected a decrease in expenditures are as follows:

- General government was down \$32,233.
 - ✓ Employee Benefits due to a mild winter, there was less overtime
 - ✓ Decrease in Health Insurance Benefits as an employee is no longer participating in the Town's program.
 - ✓ There was lapse in Code Enforcement due to a resignation
 - ✓ General Assistance expenses were down

Significant Individual Fund Balances, Transactions and Changes in Fund Balance

The Town finished the year with a fund balance of \$1,756,565 an increase of \$96,290. 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. The Fund Balance also allows the Town to help defer the tax rate. We remain ever cautious, as to not place the Town in a position where a tax anticipation note will be necessary.

As of the writing of this letter, the Town of Sebago continues to wait for our reimbursement from the State for our Sand Salt Shed. We are anticipating \$101,941 which will be added to the Unassigned Fund.

Analysis of Significant General Fund Budget Variances

Excise revenues continue to be stable. Excise tax is the second highest form of revenue after taxes. There are many legislative bills at the State level which could affect this revenue and others. Unfortunately, any curtailment of the excise tax, or State funding will only shift the burden onto real estate taxes or force a cut in services at the local level.



Significant Capital Assets

At the end of 2012, the Town had \$1,927,031 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	905,132	301,560	603,572
Vehicles & Equipment	2,010,559	1,314,932	695,627
Infrastructure	<u>428,536</u>	<u>102,609</u>	<u>325,927</u>
TOTAL	<u>\$ 3,646,132</u>	<u>\$ 1,719,101</u>	<u>\$ 1,927,031</u>

Capital assets net of depreciation increased 5%.

The chart below provides a graphic depiction of the distribution of the 2012 net book value of fixed assets (capital assets, net of depreciation) by asset class.

2012 Net Book Value of Fixed Assets by Class

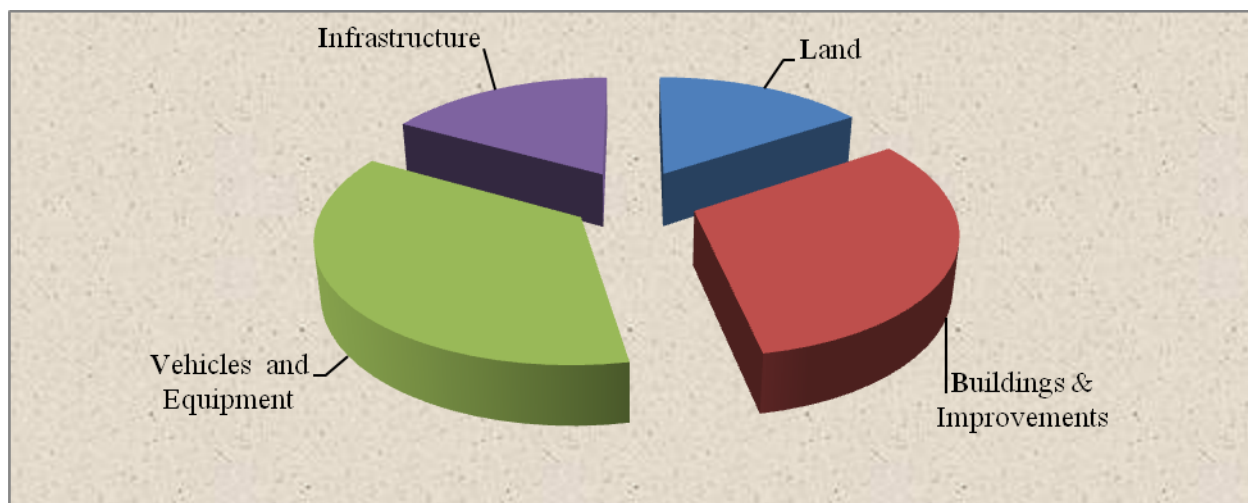


Chart C – 2012 Net Book Value of Fixed Assets by Class

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ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Taxpayers at a Referendum in June overwhelmingly rejected the development of a future Fire/Rescue Building. The funds were returned to the CIP line items from which they came from.

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
- 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, 2012

BASIC FINANCIAL INFORMATION

TOWN OF SEBAGO, MAINE
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
ASSETS:	
Cash and Cash Equivalent	\$ 2,972,829
Receivables (Net of Allowance for Uncollectibles):	
Taxes	362,772
Liens	125,521
Accounts, Net of Allowance	54,205
Capital Assets:	
Land	301,905
Other Capital Assets, Net of Depreciation	1,625,126
Total Capital Assets	<u>1,927,031</u>
TOTAL ASSETS	<u>5,442,358</u>
LIABILITIES:	
Accounts Payable	61,116
Accrued Expenses	14,910
Internal Balances	3,562
Accrued Compensated Absences	7,742
Deferred Revenues	5,097
Total Liabilities	<u>92,427</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	1,927,031
Restricted for:	
Special Revenues	47,379
Capital Projects	1,323,366
Unrestricted	<u>2,052,155</u>
TOTAL NET ASSETS	<u><u>\$ 5,349,931</u></u>

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

TOWN OF SEBAGO, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	Program Revenues			Net (Expense)
	Charges for Services	Operating Grants and Contributions	In Net Assets	Revenue and Changes
	Expenses			
FUNCTIONS/PROGRAMS				
Primary Government				
Governmental Activities				
General Government	\$ 452,505	\$ 12,595	\$ -	\$ (439,910)
Public Safety	174,602	29,246	-	(145,356)
Public Works	610,255	-	53,712	(556,543)
Education	3,216,331	-	-	(3,216,331)
Health, Sanitation and Welfare	159,212	32,135	-	(127,077)
Cultural and Recreational	45,173	13,388	-	(31,785)
Fixed Charges	223,115	-	-	(223,115)
For Designated Purpose	143,205	-	89,873	(53,332)
Total Governmental Activities	<u>5,024,398</u>	<u>87,364</u>	<u>143,585</u>	<u>(4,793,449)</u>
TOTAL PRIMARY GOVERNMENT	\$ 5,024,398	\$ 87,364	\$ 143,585	\$ (4,793,449)
	General Revenues (Expenses):			
	Property Taxes			\$ 4,772,386
	Excise Taxes			257,769
	Intergovernmental			159,561
	Investment Earnings			41,345
	Total General Revenues, Special Items and Transfers			<u>5,231,061</u>
	Change in Net Assets			<u>437,612</u>
	Net Assets - July 1, 2011			4,969,983
	Prior Period Adjustment			(57,664)
	Net Assets - June 30, 2012			\$ 5,349,931

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

Berry Talbot Royer, Falmouth, Maine

TOWN OF SEBAGO, MAINE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalent	\$ 1,874,854	\$ 1,097,975	\$ 2,972,829
Receivables:			
Taxes - Current and Prior Years	362,772	-	362,772
Tax Liens	125,521	-	125,521
Accounts, Net of Allowance	34,871	19,334	54,205
Due from Other Funds	22,100	271,290	293,390
TOTAL ASSETS	<u><u>\$ 2,420,118</u></u>	<u><u>\$ 1,388,599</u></u>	<u><u>\$ 3,808,717</u></u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 61,116	\$ -	\$ 61,116
Accrued Expenses	14,910	-	14,910
Deferred Revenues	313,538	-	313,538
Due to Other Funds	273,989	22,963	296,952
	<u>663,553</u>	<u>22,963</u>	<u>686,516</u>
FUND BALANCES:			
Fund Balances:			
Restricted for:			
Special Revenues	-	47,379	47,379
Capital Projects	-	1,323,366	1,323,366
Unassigned	1,756,565	(5,109)	1,751,456
	<u>1,756,565</u>	<u>1,365,636</u>	<u>3,122,201</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,420,118</u></u>	<u><u>\$ 1,388,599</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.	1,927,031
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(7,742)
Funds are not available to pay for current period expenditures and therefore are deferred in the funds.	308,441
Net Assets of Governmental Activities	<u><u>\$ 5,349,931</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, 2012

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Taxes	\$ 4,974,269	\$ -	\$ 4,974,269
Intergovernmental	218,895	-	218,895
Licenses, Permits and Fees	56,500	-	56,500
Charges for Services	12,994	-	12,994
Miscellaneous	51,784	91,683	143,467
	<u>5,314,442</u>	<u>91,683</u>	<u>5,406,125</u>
EXPENDITURES:			
General Government	433,102	-	433,102
Public Safety	132,122	-	132,122
Public Works	752,765	-	752,765
Education	3,216,331	-	3,216,331
Health, Sanitation and Welfare	157,641	-	157,641
Cultural and Recreational	45,173	-	45,173
Fixed Charges	223,115	-	223,115
For Designated Purpose	-	213,689	213,689
	<u>4,960,249</u>	<u>213,689</u>	<u>5,173,938</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	354,193	(122,006)	232,187
OTHER FINANCING SOURCES (USES)	<u>(237,903)</u>	<u>237,903</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	116,290	115,897	232,187
FUND BALANCE - JULY 1, 2011	1,660,275	1,229,739	2,890,014
TRANSFER IN (OUT)	<u>(20,000)</u>	<u>20,000</u>	<u>-</u>
FUND BALANCE - JUNE 30, 2012	<u>\$ 1,756,565</u>	<u>\$ 1,365,636</u>	<u>\$ 3,122,201</u>

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

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, 2012

Net change in fund balances - total governmental funds (from Statement 4) **\$ 232,187**

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. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	285,688
Depreciation	<u>(141,460)</u>
	<u>144,228</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	715
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Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the fund statements.

55,886

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	<u>4,596</u>
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Change in net assets of governmental activities (see Statement 2) **\$ 437,612**

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, 2012

	Initial and Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Taxes	\$ 4,980,886	\$ 4,974,269	\$ (6,617)
Intergovernmental	187,573	218,895	31,322
Licenses, Permits and Fees	42,950	56,500	13,550
Charges for Services	10,350	12,994	2,644
Other Revenues	43,450	51,784	8,334
TOTAL REVENUES	5,265,209	5,314,442	49,233
EXPENDITURES:			
General Government	450,015	433,102	16,913
Public Safety	154,694	132,122	22,572
Public Works	755,194	752,765	2,429
Education	3,216,331	3,216,331	-
Health, Sanitation and Welfare	169,945	157,641	12,304
Cultural and Recreational	50,395	45,173	5,222
Fixed Charges	235,698	223,115	12,583
TOTAL EXPENDITURES	5,032,272	4,960,249	72,023
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	232,937	354,193	121,256
OTHER FINANCING SOURCES (USES):			
Budgeted Use of Surplus	5,000	-	(5,000)
Operating Transfer to Daytime Rescue	(45,213)	(45,179)	34
Operating Transfer Out	(192,724)	(192,724)	-
	(232,937)	(237,903)	(4,966)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	116,290	\$ 116,290
FUND BALANCE - JULY 1		1,660,275	
TRANSFER TO DAYTIME RESCUE		(20,000)	
FUND BALANCE - JUNE 30		\$ 1,756,565	

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

TOWN OF SEBAGO, MAINE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS:		
Cash	\$ 25,525	\$ 42,199
Due from Other Funds	<u>3,562</u>	<u>-</u>
	<u>29,087</u>	<u>42,199</u>
LIABILITIES:		
Due to Other Groups	<u>-</u>	<u>42,199</u>
NET ASSETS:		
Held in Trust for Other Purposes	<u><u>\$ 29,087</u></u>	<u><u>\$ -</u></u>

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

TOWN OF SEBAGO, MAINE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Private Purpose Trusts
	<u> </u>
ADDITIONS:	
Interest	\$ 36
Other	<u> 1,500</u>
	<u> 1,536</u>
 DEDUCTIONS:	
Program Expenditures	<u> 12</u>
 CHANGE IN NET ASSETS	 1,524
 NET ASSETS - JULY 1, 2011	 <u> 27,563</u>
 NET ASSETS - JUNE 30, 2012	 <u><u> \$ 29,087</u></u>

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

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus is on major funds rather than reporting funds by type. GASB 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.

The financial transactions of the Town are reported in individual funds in the fund financial statements in order to aid financial management and to demonstrate legal compliance. 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, or capital projects 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.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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.

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.

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 were 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, 2012

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Cash and Investments

The Town's cash and investments 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 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 operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/ due from other funds" on the balance sheet of the governmental funds and fiduciary funds. As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

Operating transfers occur when the Town transfers budgeted resources between funds.

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, 2012

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, 2012, the accrual for compensated absences was determined to be \$7,742, 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, 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 expenditures.

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, 2012

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	\$ 3,646,132
Accumulated depreciation	<u>(1,719,101)</u>
Total invested in capital assets	
Net of Depreciation	<u>\$ 1,927,031</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 “ net investment in capital assets”.

Fund Balance

In the fund financial statements, governmental fund balance is presented in five possible categories that comprise a hierarchy based on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. The categories are as follows:

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.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

***Fund Balance* (Continued)**

Assigned - 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.

The Town has no formal revenue spending policy for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

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 AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town 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, 2012, the Town reported deposits of \$1,216,675 with a bank balance of \$1,254,526. The Town's bank balance was covered by FDIC insurance.

Investments

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies and repurchase agreements. The Town has no investment policy that would further limit its investment choices. Generally, the Town invests such excess funds in repurchase agreements.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2012, investments consisted of the following:

	<u>Fair Value</u>	<u>Less than 1 Year</u>
Repurchase Agreements	<u>\$ 1,823,878</u>	<u>\$ 1,823,878</u>

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer. All of the Town's investments are in repurchase agreements.

Note 3 - PROPERTY TAX

The Town's property taxes for the July 1, 2011 to June 30, 2012 fiscal year were committed on September 20, 2011. Taxes were due semi-annually on November 1, 2011 and May 1, 2012. Unpaid taxes are charged interest of 7.0% per annum. The tax commitment was based on the April 1, 2011 assessed real estate and personal property values totaling \$350,910,713.

The following summarizes the levy:

VALUATION AND ASSESSMENT

VALUATION:

Real Estate	\$ 349,024,030
Personal Property	<u>1,886,683</u>
Total Valuation	350,910,713

TAX RATE PER THOUSAND	<u>13.60</u>
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TAX COMMITMENT	<u>\$ 4,772,386</u>
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COLLECTION OF 2011/2012 TAXES

ORIGINAL COMMITMENT	<u>\$ 4,772,386</u>
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Less: Collection in Current Year (Net of Adjustments and Refunds)	\$ 4,408,807
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Abatements	<u>807</u>	<u>4,409,614</u>
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TAXES RECEIVABLE-JUNE 30, 2012	<u>\$ 362,772</u>
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TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 3 - PROPERTY TAX (Continued)

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 \$13,981 for the year ended June 30, 2012.

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, 2012 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, 2012 was:

	Balance June 30, <u>2011</u> (restated)	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2012</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 301,905	\$ -	\$ -	\$ 301,905
Capital assets, being depreciated:				
Buildings and Improvements	841,687	63,445	-	905,132
Machinery and Equipment	1,984,321	26,238	-	2,010,559
Infrastructure	<u>232,531</u>	<u>196,005</u>	<u>-</u>	<u>428,536</u>
Total capital assets, being depreciated:	<u>3,058,539</u>	<u>285,688</u>	<u>-</u>	<u>3,344,227</u>
Less accumulated depreciation:				
Buildings and Improvements	280,477	21,083	-	301,560
Machinery and Equipment	1,227,608	87,324	-	1,314,932
Infrastructure	<u>69,556</u>	<u>33,053</u>	<u>-</u>	<u>102,609</u>
Total	<u>1,577,641</u>	<u>141,460</u>	<u>-</u>	<u>1,719,101</u>
Governmental activities				
Capital assets, net	<u>\$ 1,782,803</u>	<u>\$ 144,228</u>	<u>\$ -</u>	<u>\$ 1,927,031</u>

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 4 - CAPITAL ASSETS (Continued)

Depreciation was charged to Governmental functions as follows:

General Government	\$ 24,716
Public Safety	43,005
Public Works	72,170
Health, Sanitation and Welfare	<u>1,569</u>
Total Depreciation	<u>\$ 141,460</u>

Note 5 - 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 0.98% (\$363,040) of Cumberland County's outstanding debt of \$37,220,000 and 14.07% (\$2,484,569) of Maine School Administrative District No. 61's outstanding bonded debt of \$17,658,630.

Note 6 - CONTINGENT LIABILITY

ecomaine is a solid waste management corporation serving forty municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by twenty-one member communities, ecomaine creates electricity through its processing of waste and also operates an extensive recycling program. The Town is an associate member community in ecomaine. 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 these financial statements in connection with its participation in ecomaine. Selected balance sheet information for ecomaine for the year ended June 30, 2011, (the latest data available,) includes total assets of \$59,636,994, total liabilities of \$28,808,855 and unrestricted net assets of \$7,088,994. The liabilities include an accrual for landfill closure and postclosure care amounting to \$15,416,704. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained from the Town's finance office.

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.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 6 - CONTINGENT LIABILITY (Continued)

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 7 - 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, 2012.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 8 - INTERFUND ACTIVITY

Interfund balances at June 30, 2012 consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 22,100	\$ 273,989
Non Major Governmental Funds:		
Special Revenue Funds	32,997	18,451
Capital Project Funds	238,293	4,512
Fiduciary Funds:		
Private Purpose Funds	<u>3,562</u>	<u>-</u>
TOTAL	<u>\$ 296,952</u>	<u>\$ 296,952</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.

Interfund transfers for the year ended June 30, 2012 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 237,903	\$ -
Non Major Governmental Funds:		
Capital Projects:	-	192,724
Special Revenues:		
Daytime Rescue	<u>-</u>	<u>45,179</u>
TOTAL	<u>\$ 237,903</u>	<u>\$ 237,903</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.

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 - COMPONENTS OF FUND BALANCE

Fund balance classifications for the governmental funds as of June 30, 2012 are as follows:

Other Governmental Funds	Restricted	Unassigned
Special Revenues:		
Fuel Assistance Fund	\$ 1,380	\$ -
EMS Daytime Rescue	14,224	-
Adelphia Cable TV Equipment	1,790	-
CDBG	315	-
FEMA-Homeland Security	29,512	-
Teddy Bear Fund	158	-
Weatherization Grant	-	(2,261)
Other Governmental Funds		
Capital Projects:		
Plow Truck #1	78,205	-
Plow Truck #2	63,370	-
4x4 Backhoe	89,086	-
Plow Truck #2	41,552	-
Rescue Ambulance	99,409	-
Folly Bridge Reserve	1,871	-
Brush Dump	11,264	-
Fire Engine #2	241	-
Fire Engine #3	85,961	-
Fire Engine #4	160,520	-
Revaluation	29,110	-
50 Yd	2,406	-
Fire Truck Tank #2	150,356	-
Town Hall Parking Lot	22,045	-
Trash Compactor	25,256	-
Fire Truck Tank #1	56,876	-
Transfer Station Enhancements	11,335	-
1 Ton Plow Truck	47,106	-
Public Safety Building	235,178	-
Radio Repeater	3,470	-
Land Acquisition	1,455	-
Roll Off Truck	30,808	-
Forestry Truck #1	37,548	-
Public Works Storage	854	-
Route 114 Drainage	8,793	-
Server	8,257	-
PW Truck	18,782	-
Town Hall Shelter	-	(2,848)
Local Match for Federal Grants	2,252	-
Total	<u>\$ 1,370,745</u>	<u>\$ (5,109)</u>

TOWN OF SEBAGO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 10 - BUDGETED USE OF SURPLUS

During the year ended June 30, 2012, the Town budgeted to utilize \$5,000 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 \$29,529, for the year ended June 30, 2012.

NOTE 12 - PRIOR PERIOD ADJUSTMENT

The Town has restated its' previously issued 2011 financial statements due to asset disposals in prior years in the amount of \$57,664. As a result of the adjustment, the 2012 beginning net assets were decreased by \$57,664.

Note 13 - SUBSEQUENT EVENTS

In July 2012, the Selectmen voted to authorize a lease purchase agreement for an excavator in the amount of \$114,300 that matures in July 2019.

In preparing these financial statements, the town has evaluated events and transactions for potential recognition or disclosure through March 21, 2013, the date the financial statements were available to be issued.

TOWN OF SEBAGO, MAINE
JUNE 30, 2012

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, 2012
(With Comparative Totals for the Year ended June 30, 2011)

	<u>2012</u>	<u>2011</u>
ASSETS:		
Cash and Cash Equivalent	\$ 1,874,854	\$ 1,413,336
Receivables:		
Taxes - Current and Prior Years	362,772	402,090
Tax Liens	125,521	100,045
Accounts	34,871	30,951
Due from Other Funds	<u>22,100</u>	<u>31,617</u>
TOTAL ASSETS	<u><u>\$ 2,420,118</u></u>	<u><u>\$ 1,978,039</u></u>
 LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts Payable	\$ 61,116	\$ 21,101
Accrued Expenses	14,910	1,003
Deferred Revenues	313,538	252,555
Due to Other Funds	<u>273,989</u>	<u>43,105</u>
	<u>663,553</u>	<u>317,764</u>
 Fund Balances:		
Unassigned	<u>1,756,565</u>	<u>1,660,275</u>
	<u>1,756,565</u>	<u>1,660,275</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,420,118</u></u>	<u><u>\$ 1,978,039</u></u>

TOWN OF SEBAGO, MAINE
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Initial and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES:			
Taxes:			
Property	\$ 4,772,386	\$ 4,772,386	\$ -
Change in Deferred Property Tax Revenues	-	(55,886)	(55,886)
Excise	208,500	257,769	49,269
	<u>4,980,886</u>	<u>4,974,269</u>	<u>(6,617)</u>
Intergovernmental:			
State Revenue Sharing	82,387	94,663	12,276
State Homestead Reimbursement	27,336	27,336	-
Veterans Exemption	1,100	1,562	462
Tree Growth	20,000	36,000	16,000
Highway Block Grant	52,500	53,712	1,212
General Assistance	3,500	3,438	(62)
State Park Sharing	750	2,184	1,434
	<u>187,573</u>	<u>218,895</u>	<u>31,322</u>
Licenses, Permits and Fees:			
Building Permits	8,200	15,299	7,099
Plumbing Permits	3,000	4,350	1,350
Agent Fees	6,000	7,582	1,582
Vital Statistics	1,000	1,885	885
Dog Fees	250	226	(24)
Transfer Station Fees	24,500	27,158	2,658
	<u>42,950</u>	<u>56,500</u>	<u>13,550</u>
Charges for Services:			
Cable TV Franchise Fees	7,000	9,360	2,360
Planning Board	150	293	143
Appeals Board	200	1,496	1,296
Douglas Mountain Parking	1,000	191	(809)
Recreation	2,000	1,654	(346)
	<u>10,350</u>	<u>12,994</u>	<u>2,644</u>

TOWN OF SEBAGO, MAINE
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	<u>Initial and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Revenues:			
Interest	\$ 1,500	\$ 1,429	\$ (71)
Tax Lien Interest	32,000	29,659	(2,341)
Lien Notice Filing Charges	7,300	8,447	1,147
Leases/Rentals	100	500	400
Parking Fines	-	4,600	4,600
Cemetery Lot Sales	300	1,539	1,239
Donations	1,500	411	(1,089)
Other	750	5,199	4,449
	<u>43,450</u>	<u>51,784</u>	<u>8,334</u>
TOTAL REVENUES	<u>5,265,209</u>	<u>5,314,442</u>	<u>49,233</u>
EXPENDITURES:			
General Government	450,015	433,102	16,913
Public Safety	154,694	132,122	22,572
Public Works	755,194	752,765	2,429
Education	3,216,331	3,216,331	-
Health, Sanitation and Welfare	169,945	157,641	12,304
Cultural and Recreational	50,395	45,173	5,222
Fixed Charges	235,698	223,115	12,583
	<u>5,032,272</u>	<u>4,960,249</u>	<u>72,023</u>
TOTAL EXPENDITURES	<u>5,032,272</u>	<u>4,960,249</u>	<u>72,023</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>232,937</u>	<u>354,193</u>	<u>121,256</u>
OTHER FINANCING SOURCES (USES):			
Budgeted Use of Surplus	5,000	-	(5,000)
Operating Transfer to Daytime Rescue	(45,213)	(45,179)	34
Operating Transfer Out	(192,724)	(192,724)	-
	<u>(232,937)</u>	<u>(237,903)</u>	<u>(4,966)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(232,937)</u>	<u>(237,903)</u>	<u>(4,966)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 116,290</u>	<u>\$ 116,290</u>

TOWN OF SEBAGO, MAINE
STATEMENT OF CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	<u>Unassigned</u>
FUND BALANCE - JULY 1, 2011	\$ 1,660,275
TRANSFER TO DAYTIME RESCUE	(20,000)
EXCESS OF ACTUAL REVENUES AND OTHER SOURCES OVER (UNDER) ACTUAL EXPENDITURES AND OTHER USES	<u>116,290</u>
FUND BALANCE - JUNE 30, 2012	<u><u>\$ 1,756,565</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, 2012
(With Comparative Totals for the Year ended June 30, 2011)

	Special Revenues (Schedule 1)	Capital Projects (Schedule 2)	Total Memorandum Only	
			<u>2012</u>	<u>2011</u>
ASSETS:				
Cash and Cash Equivalent	\$ 11,238	\$ 1,086,737	\$ 1,097,975	\$ 1,205,713
Accounts Receivable, Net of Allowance	19,334	-	19,334	16,108
Due from Other Funds	<u>32,997</u>	<u>238,293</u>	<u>271,290</u>	<u>39,670</u>
TOTAL ASSETS	<u>\$ 63,569</u>	<u>\$ 1,325,030</u>	<u>\$ 1,388,599</u>	<u>\$ 1,261,491</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Due to Other Funds	\$ 18,451	\$ 4,512	\$ 22,963	\$ 31,752
Fund Balance	<u>45,118</u>	<u>1,320,518</u>	<u>1,365,636</u>	<u>1,229,739</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 63,569</u>	<u>\$ 1,325,030</u>	<u>\$ 1,388,599</u>	<u>\$ 1,261,491</u>

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012
(With Comparative totals for the Year ended June 30, 2011)

			Total	
			Memorandum Only	
	Special	Capital	2012	2011
	Revenues	Projects		
	(Schedule 1a)	(Schedule 2a)		
REVENUES:				
Interest	\$ 1	\$ 1,809	\$ 1,810	\$ 2,270
Other	89,873	-	89,873	134,520
	<u>89,874</u>	<u>1,809</u>	<u>91,683</u>	<u>136,790</u>
EXPENDITURES				
Fees	<u>138,973</u>	<u>74,716</u>	<u>213,689</u>	<u>198,175</u>
EXCESS OF REVENUES OVER EXPENDITURES	(49,099)	(72,907)	(122,006)	(61,385)
OTHER FINANCING SOURCES:				
Transfers In	<u>45,179</u>	<u>192,724</u>	<u>237,903</u>	<u>247,820</u>
EXCESS OF REVENUES AND OTHER SOURCES				
OVER (UNDER) EXPENDITURES AND				
OTHER USES	(3,920)	119,817	115,897	186,435
FUND BALANCE - JULY 1	29,038	1,200,701	1,229,739	1,043,304
TRANSFER FROM GENERAL FUND	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
FUND BALANCE - JUNE 30	<u>\$ 45,118</u>	<u>\$ 1,320,518</u>	<u>\$ 1,365,636</u>	<u>\$ 1,229,739</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, 2012
 (With Comparative Totals for the Year ended June 30, 2011)

	Private Purpose Funds			Agency funds			Total	
	<u>Perpetual Care Funds</u>	<u>Pooled Cemetery Funds</u>	<u>Potter Sunday</u>	<u>Potter Sunday</u>	<u>Potter Education</u>	<u>Memorandum Only</u>	<u>2012</u>	<u>2011</u>
ASSETS:								
Cash and Cash Equivalent	\$ 15,706	\$ 9,819	\$ 8,593	\$ 900	\$ 32,706	\$ 67,724	\$ 66,249	
Due from Other Funds	<u>3,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,562</u>	<u>3,570</u>	
	19,268	9,819	8,593	900	32,706	71,286	69,819	
LIABILITIES:								
Due to Other Groups	-	-	8,593	900	32,706	42,199	42,256	
NET ASSETS:								
NonExpendable	11,400	8,434	-	-	-	19,834	19,834	
Expendable	<u>7,868</u>	<u>1,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,253</u>	<u>7,729</u>	
	\$ 19,268	\$ 9,819	\$ -	\$ -	\$ -	\$ 29,087	\$ 27,563	

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2012
(With Comparative Totals for the Year ended June 30, 2011)

	<u>Private Purpose Funds</u>		<u>Total</u>	
	<u>Perpetual</u>	<u>Pooled</u>	<u>Memorandum Only</u>	
	<u>Care</u>	<u>Cemetery</u>		
	<u>Funds</u>	<u>Funds</u>	<u>2012</u>	<u>2011</u>
		(Schedule 3)		
ADDITIONS:				
Interest	\$ 16	\$ 20	\$ 36	\$ 48
Other	1,500	-	1,500	4,170
	<u>1,516</u>	<u>20</u>	<u>1,536</u>	<u>4,218</u>
DEDUCTIONS:				
Fees	<u>-</u>	<u>12</u>	<u>12</u>	<u>9</u>
CHANGE IN NET ASSETS	1,516	8	1,524	4,209
NET ASSETS - JULY 1	<u>17,752</u>	<u>9,811</u>	<u>27,563</u>	<u>23,354</u>
NET ASSETS - JUNE 30	<u>\$ 19,268</u>	<u>\$ 9,819</u>	<u>\$ 29,087</u>	<u>\$ 27,563</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, 2012
 (With Comparative Totals for the Year ended June 30, 2011)

ASSETS:	Recreation Grant	Weatherization Grant	Intercom Grant	EMS Daytime Rescue	Adelphia Cable TV Equipment	FEMA - Homeland Security
Cash and Cash Equivalent	\$ -	\$ -	\$ -	\$ 11,080	\$ -	\$ -
Accounts Receivable, Net of Allowance	-	-	-	19,334	-	-
Due from Other Funds	-	-	-	-	1,790	29,512
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 30,414	\$ 1,790	\$ 29,512
LIABILITIES AND FUND BALANCE:						
Liabilities:						
Due to Other Funds	\$ -	\$ 2,261	\$ -	\$ 16,190	\$ -	\$ -
Fund Balance (Deficit)	-	(2,261)	-	14,224	1,790	29,512
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ -	\$ -	\$ 30,414	\$ 1,790	\$ 29,512

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012
(With Comparative Totals for the Year ended June 30, 2011)

	<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	-	16,524	-	38,384	-	-
	<u>-</u>	<u>16,524</u>	<u>-</u>	<u>38,384</u>	<u>-</u>	<u>-</u>
EXPENDITURES:						
For Designated Purposes	<u>2,257</u>	<u>18,074</u>	<u>938</u>	<u>82,734</u>	<u>500</u>	<u>1,200</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,257)</u>	<u>(1,550)</u>	<u>(938)</u>	<u>(44,350)</u>	<u>(500)</u>	<u>(1,200)</u>
OTHER FINANCING SOURCES						
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,179</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>(2,257)</u>	<u>(1,550)</u>	<u>(938)</u>	<u>829</u>	<u>(500)</u>	<u>(1,200)</u>
FUND BALANCES - JULY 1	<u>2,257</u>	<u>(711)</u>	<u>938</u>	<u>(6,605)</u>	<u>2,290</u>	<u>30,712</u>
TRANSFER FROM GENERAL FUND	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ -</u>	<u>\$ (2,261)</u>	<u>\$ -</u>	<u>\$ 14,224</u>	<u>\$ 1,790</u>	<u>\$ 29,512</u>

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012
 (With Comparative Totals for the Year ended June 30, 2011)

	Teddy Bear Fund	Fuel Assistance Fund	King Grant	CDBG Grant	Total Memorandum Only	
					2012	2011
REVENUES:						
Interest	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ -
Other	-	3,576	12,700	18,689	89,873	134,353
	1	3,576	12,700	18,689	89,874	134,353
EXPENDITURES:						
For Designated Purposes	-	2,196	12,700	18,374	138,973	132,526
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1	1,380	-	315	(49,099)	1,827
OTHER FINANCING SOURCES						
Transfers In	-	-	-	-	45,179	8,500
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	1	1,380	-	315	(3,920)	10,327
FUND BALANCES - JULY 1	157	-	-	-	29,038	18,711
TRANSFER FROM GENERAL FUND	-	-	-	-	20,000	-
FUND BALANCES (DEFICIT) - JUNE 30	\$ 158	\$ 1,380	\$ -	\$ 315	\$ 45,118	\$ 29,038

TOWN OF SEBAGO, MAINE
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012
(With Comparative Totals for the Year ended June 30, 2011)

	<u>Plow Truck #1</u>	<u>Plow Truck #2</u>	<u>4X4 Backhoe</u>	<u>Plow Truck #2</u>	<u>Rescue Ambulance</u>	<u>Folly Bridge Reserve</u>	<u>Brush Dump</u>	<u>Fire Engine #2</u>	<u>Fire Engine #3</u>
ASSETS:									
Cash and Cash Equivalent	\$ 78,205	\$ 63,370	\$ 89,086	\$ 41,552	\$ 99,409	\$ 1,871	\$ 12,064	\$ 241	\$ 85,961
Due from Other Funds	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 78,205</u>	<u>\$ 63,370</u>	<u>\$ 89,086</u>	<u>\$ 41,552</u>	<u>\$ 99,409</u>	<u>\$ 1,871</u>	<u>\$ 12,064</u>	<u>\$ 241</u>	<u>\$ 85,961</u>
LIABILITIES AND FUND BALANCE:									
Liabilities:									
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ -	\$ -
Fund Balance (Deficit)	78,205	63,370	89,086	41,552	99,409	1,871	11,264	241	85,961
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 78,205</u>	<u>\$ 63,370</u>	<u>\$ 89,086</u>	<u>\$ 41,552</u>	<u>\$ 99,409</u>	<u>\$ 1,871</u>	<u>\$ 12,064</u>	<u>\$ 241</u>	<u>\$ 85,961</u>

TOWN OF SEBAGO, MAINE
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS (Continued)
JUNE 30, 2012
 (With Comparative Totals for the Year ended June 30, 2011)

	<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	\$ 160,520	\$ -	\$ 29,110	\$ 2,406	\$ 150,356	\$ 22,045	\$ 25,256	\$ 56,876
Due from Other Funds	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 160,520</u>	<u>\$ -</u>	<u>\$ 29,110</u>	<u>\$ 2,406</u>	<u>\$ 150,356</u>	<u>\$ 22,045</u>	<u>\$ 25,256</u>	<u>\$ 56,876</u>
LIABILITIES AND FUND BALANCE:								
Liabilities:								
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance (Deficit)	<u>160,520</u>	<u>-</u>	<u>29,110</u>	<u>2,406</u>	<u>150,356</u>	<u>22,045</u>	<u>25,256</u>	<u>56,876</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 160,520</u>	<u>\$ -</u>	<u>\$ 29,110</u>	<u>\$ 2,406</u>	<u>\$ 150,356</u>	<u>\$ 22,045</u>	<u>\$ 25,256</u>	<u>\$ 56,876</u>

TOWN OF SEBAGO, MAINE
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS (Continued)
JUNE 30, 2012
(With Comparative Totals for the Year ended June 30, 2011)

	<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	\$ 11,335	\$ 47,106	\$ 1	\$ 3,470	\$ 1,455	\$ 30,808	\$ 37,548	\$ 854
Due from Other Funds	-	-	235,177	-	-	-	-	-
TOTAL ASSETS	<u>\$ 11,335</u>	<u>\$ 47,106</u>	<u>\$235,178</u>	<u>\$ 3,470</u>	<u>\$ 1,455</u>	<u>\$ 30,808</u>	<u>\$ 37,548</u>	<u>\$ 854</u>
LIABILITIES AND FUND BALANCE:								
Liabilities:								
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance (Deficit)	<u>11,335</u>	<u>47,106</u>	<u>235,178</u>	<u>3,470</u>	<u>1,455</u>	<u>30,808</u>	<u>37,548</u>	<u>854</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,335</u>	<u>\$ 47,106</u>	<u>\$235,178</u>	<u>\$ 3,470</u>	<u>\$ 1,455</u>	<u>\$ 30,808</u>	<u>\$ 37,548</u>	<u>\$ 854</u>

TOWN OF SEBAGO, MAINE
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS (Continued)
JUNE 30, 2012
 (With Comparative Totals for the Year ended June 30, 2011)

	<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>2012</u>	<u>2011</u>
ASSETS:								
Cash and Cash Equivalent	\$ 7,929	\$ -	\$ 9,121	\$ 18,782	\$ -	\$ -	\$ 1,086,737	\$ 1,200,611
Due from Other Funds	864	-	-	-	2,252	-	238,293	3,473
TOTAL ASSETS	<u>\$ 8,793</u>	<u>\$ -</u>	<u>\$ 9,121</u>	<u>\$ 18,782</u>	<u>\$ 2,252</u>	<u>\$ -</u>	<u>\$ 1,325,030</u>	<u>\$ 1,204,084</u>
LIABILITIES AND FUND BALANCE:								
Liabilities:								
Due to Other Funds	\$ -	\$ -	\$ 864	\$ -	\$ -	\$ 2,848	\$ 4,512	\$ 3,383
Fund Balance (Deficit)	<u>8,793</u>	<u>-</u>	<u>8,257</u>	<u>18,782</u>	<u>2,252</u>	<u>(2,848)</u>	<u>1,320,518</u>	<u>1,200,701</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 8,793</u>	<u>\$ -</u>	<u>\$ 9,121</u>	<u>\$ 18,782</u>	<u>\$ 2,252</u>	<u>\$ -</u>	<u>\$ 1,325,030</u>	<u>\$ 1,204,084</u>

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012
(With Comparative Totals for the Year ended June 30, 2011)

	<u>Plow Truck #1</u>	<u>Plow Truck #2</u>	<u>4X4 Backhoe</u>	<u>Plow Truck #2</u>	<u>Rescue Ambulance</u>	<u>Folly Bridge Reserve</u>	<u>Brush Dump</u>	<u>Fire Engine #2</u>	<u>Fire Engine #3</u>
REVENUES:									
Interest	\$ 108	\$ 86	\$ 133	\$ 58	\$ 150	\$ 3	\$ 20	\$ 130	\$ 131
Other	-	-	-	-	-	-	-	-	-
	<u>108</u>	<u>86</u>	<u>133</u>	<u>58</u>	<u>150</u>	<u>3</u>	<u>20</u>	<u>130</u>	<u>131</u>
EXPENDITURES:									
For Designated Purposes	-	-	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	108	86	133	58	150	3	20	130	131
OTHER FINANCING SOURCES (USES):									
Operating Transfer In	22,825	20,522	12,151	10,622	11,506	-	-	-	8,131
Intrafund Transfers	-	-	-	-	-	-	-	(165,674)	-
	<u>22,825</u>	<u>20,522</u>	<u>12,151</u>	<u>10,622</u>	<u>11,506</u>	<u>-</u>	<u>-</u>	<u>(165,674)</u>	<u>8,131</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	22,933	20,608	12,284	10,680	11,656	3	20	(165,544)	8,262
FUND BALANCES (DEFICIT) - JULY 1	55,272	42,762	76,802	30,872	87,753	1,868	11,244	165,785	77,699
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 78,205</u>	<u>\$ 63,370</u>	<u>\$ 89,086</u>	<u>\$ 41,552</u>	<u>\$ 99,409</u>	<u>\$ 1,871</u>	<u>\$ 11,264</u>	<u>\$ 241</u>	<u>\$ 85,961</u>

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012
(With Comparative Totals for the Year ended June 30, 2011)

	<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	\$ 243	\$ -	\$ 47	\$ 3	\$ 282	\$ 33	\$ 36	\$ 76
Other	<u>243</u>	<u>-</u>	<u>47</u>	<u>3</u>	<u>282</u>	<u>33</u>	<u>36</u>	<u>76</u>
EXPENDITURES:								
For Designated Purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	243	-	47	3	282	33	36	76
OTHER FINANCING SOURCES (USES):								
Operating Transfer In	17,761	-	-	-	-	3,383	4,897	19,171
Intrafund Transfers	<u>-</u>	<u>(1,201)</u>	<u>-</u>	<u>-</u>	<u>(53,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>17,761</u>	<u>(1,201)</u>	<u>-</u>	<u>-</u>	<u>(53,000)</u>	<u>3,383</u>	<u>4,897</u>	<u>19,171</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	18,004	(1,201)	47	3	(52,718)	3,416	4,933	19,247
FUND BALANCES (DEFICIT) - JULY 1	<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>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 160,520</u>	<u>\$ -</u>	<u>\$ 29,110</u>	<u>\$ 2,406</u>	<u>\$ 150,356</u>	<u>\$ 22,045</u>	<u>\$ 25,256</u>	<u>\$ 56,876</u>

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012
(With Comparative Totals for the Year ended June 30, 2011)

	<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>
REVENUES:								
Interest	\$ 17	\$ 70	\$ 7	\$ 5	\$ 30	\$ 45	\$ 49	\$ 1
Other	-	-	-	-	-	-	-	-
	<u>17</u>	<u>70</u>	<u>7</u>	<u>5</u>	<u>30</u>	<u>45</u>	<u>49</u>	<u>1</u>
EXPENDITURES:								
For Designated Purposes	13,694	-	53,812	-	-	-	2,625	3,585
	<u>(13,677)</u>	<u>70</u>	<u>(53,805)</u>	<u>5</u>	<u>30</u>	<u>45</u>	<u>(2,576)</u>	<u>(3,584)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES								
OTHER FINANCING SOURCES (USES):								
Operating Transfer In	7,506	6,159	4,973	726	14,271	6,597	10,228	-
Intrafund Transfers	-	-	268,674	-	(50,000)	-	-	-
	<u>7,506</u>	<u>6,159</u>	<u>273,647</u>	<u>726</u>	<u>(35,729)</u>	<u>6,597</u>	<u>10,228</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES								
	(6,171)	6,229	219,842	731	(35,699)	6,642	7,652	(3,584)
FUND BALANCES (DEFICIT) - JULY 1	<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>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 11,335</u>	<u>\$ 47,106</u>	<u>\$ 235,178</u>	<u>\$ 3,470</u>	<u>\$ 1,455</u>	<u>\$ 30,808</u>	<u>\$ 37,548</u>	<u>\$ 854</u>

TOWN OF SEBAGO, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012
(With Comparative Totals for the Year ended June 30, 2011)

	Rte 114 Drainage	Fire Station	Server	PW Truck	Local Match for Federal Grants	Town Hall Shelter	Total	
							2012	2011
REVENUES:								
Interest	\$ 10	\$ -	\$ 11	\$ 25	\$ -	\$ -	\$ 1,809	\$ 2,270
Other	-	-	-	-	-	-	-	167
	<u>10</u>	<u>-</u>	<u>11</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>1,809</u>	<u>2,437</u>
EXPENDITURES:								
For Designated Purposes	-	-	-	-	1,000	-	74,716	65,649
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10	-	11	25	(1,000)	-	(72,907)	(63,212)
OTHER FINANCING SOURCES (USES):								
Operating Transfer In	2,429	-	2,631	6,235	-	-	192,724	239,320
Intrafund Transfers	<u>1,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,630</u>	<u>-</u>	<u>2,631</u>	<u>6,235</u>	<u>-</u>	<u>-</u>	<u>192,724</u>	<u>239,320</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,640	-	2,642	6,260	(1,000)	-	119,817	176,108
FUND BALANCES (DEFICIT) - JULY 1	<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>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 8,793</u>	<u>\$ -</u>	<u>\$ 8,257</u>	<u>\$ 18,782</u>	<u>\$ 2,252</u>	<u>\$ (2,848)</u>	<u>\$ 1,320,518</u>	<u>\$ 1,200,701</u>

TOWN OF SEBAGO, MAINE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
CEMETERY TRUST FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>06/30/11</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/12</u>
Orin Douglas - Haley	\$ 192	\$ -	\$ 1	\$ 191
Fred Meserve - Haley	292	1	1	292
William Fitch - Route 107	997	-	2	995
Emory Martin	1,359	5	-	1,364
Nathan & James Chadbourne	503	1	1	503
Fannie Fitch - Fitch's Store	1,048	3	-	1,051
Laura Parker Fitch	1,436	3	-	1,439
Emory Martin - Haley	100	-	-	100
Lillian Meserve - Poor Cemetery	999	2	-	1,001
Emma Douglas - Haley	101	-	1	100
Alfred Gray, Stiles, Gray McKenney	202	-	1	201
James & Cassandra Haley	100	-	-	100
Millard & Marjorie Tripp - Haley	101	-	-	101
Walter McDonald - Haley	69	-	-	69
Earle Norman Durrell - Haley	512	1	1	512
Grover & Ethel Douglas - Haley	197	-	-	197
Lendora & Guy Lewis - Haley	401	1	1	401
Granville Durrell - Haley	1,002	2	2	1,002
Alvin, Rose, Herbet, Elise, Gladys Gray	200	1	1	200
	<u>\$ 9,811</u>	<u>\$ 20</u>	<u>\$ 12</u>	<u>\$ 9,819</u>

TOWN OF SEBAGO, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS
YEAR ENDED JUNE 30, 2012

	<u>Appropriation Balances</u>			
	<u>Appropriations</u>	<u>Transfers and Other Credits</u>	<u>Total Available</u>	<u>Expenditures</u>
				<u>Overdrawn</u>
				<u>Lapsed</u>
				<u>Unexpended</u>
GENERAL GOVERNMENT:				
General Administration	\$ 270,787	\$ -	\$ 270,787	\$ 242,798
Selectmen	12,320	-	12,320	12,000
Town Manager	57,880	-	57,880	69,901
Clerk/Treasurer	80,800	-	80,800	83,522
Code Enforcement	24,328	-	24,328	21,538
Health Officer	1,000	-	1,000	967
Elections	2,200	-	2,200	2,281
Appeals Board	300	-	300	-
Planning Board	400	-	400	95
	<u>450,015</u>	<u>-</u>	<u>450,015</u>	<u>433,102</u>
				<u>14,824</u>
				<u>31,737</u>
PUBLIC SAFETY:				
Alarm	4,000	-	4,000	2,016
Animal Control	3,850	-	3,850	3,707
Rescue	50,823	-	50,823	41,469
Fire	86,091	-	86,091	75,862
Dispatch	9,930	-	9,930	9,068
	<u>154,694</u>	<u>-</u>	<u>154,694</u>	<u>132,122</u>
				<u>-</u>
				<u>22,572</u>
PUBLIC WORKS:				
Roads	467,385	-	467,385	458,638
Snow Removal	242,400	-	242,400	241,564
Street Lights	8,000	-	8,000	6,308
Town Hall	13,475	-	13,475	18,322
Town Office	12,993	-	12,993	14,164
Town Garage	10,941	-	10,941	13,769
	<u>755,194</u>	<u>-</u>	<u>755,194</u>	<u>752,765</u>
				<u>8,846</u>
				<u>11,275</u>

TOWN OF SEBAGO, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS
YEAR ENDED JUNE 30, 2012

	<u>Appropriations</u>	<u>Transfers and Other Credits</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Overdrawn</u>	<u>Lapsed Unexpended</u>
	\$ 3,216,331	\$ -	\$ 3,216,331	\$ 3,216,331	\$ -	\$ -
EDUCATION:						
Maine School Administrative District No. 61						
HEALTH, SANITATION AND WELFARE:						
General Assistance	20,675	-	20,675	9,204	-	11,471
Service Organizations	4,725	-	4,725	2,775	-	1,950
Solid Waste	133,745	-	133,745	136,302	2,557	-
Hazardous Waste	7,000	-	7,000	5,443	-	1,557
Veteran's Graves	550	-	550	438	-	112
Sebago Cemetery	150	-	150	143	-	7
Veteran's Flags	700	-	700	836	136	-
Small Cemetery	1,000	-	1,000	1,600	600	-
Historical	1,400	-	1,400	900	-	500
	<u>169,945</u>	<u>-</u>	<u>169,945</u>	<u>157,641</u>	<u>3,293</u>	<u>15,597</u>
CULTURAL AND RECREATIONAL:						
Sebago Days	3,600	-	3,600	3,600	-	-
Memorial Day	400	-	400	-	-	400
Parks & Recreation-General Admin	12,970	-	12,970	11,086	-	1,884
Douglas Mountain	2,800	-	2,800	621	-	2,179
Town Beach	3,925	-	3,925	3,292	-	633
SYAA Baseball	4,000	-	4,000	4,000	-	-
SYAA Soccer	1,200	-	1,200	1,005	-	195
Basketball	1,000	-	1,000	1,069	69	-
Library	18,500	-	18,500	18,500	-	-
Food Pantry	2,000	-	2,000	2,000	-	-
	<u>50,395</u>	<u>-</u>	<u>50,395</u>	<u>45,173</u>	<u>69</u>	<u>5,291</u>

TOWN OF SEBAGO, MAINE
STATEMENT OF DEPARTMENTAL OPERATIONS
YEAR ENDED JUNE 30, 2012

	<u>Appropriation Balances</u>			
	<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	\$ 217,117	\$ -	\$ 217,117	\$ -
Overlay	13,981	-	13,981	13,174
Debt Service	4,600	-	4,600	591
	<u>235,698</u>	<u>-</u>	<u>235,698</u>	<u>13,174</u>
TOTAL	<u>\$ 5,032,272</u>	<u>\$ -</u>	<u>\$ 5,032,272</u>	<u>\$ 27,623</u>
				<u>\$ 99,646</u>