

TOWN OF LINCOLNVILLE  
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JUNE 30, 2011

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## INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of Lincolnville  
493 Hope Road  
Lincolnville, Maine 04849

We have audited the accompanying general purpose financial statements of the Town of Lincolnville, as of and for the years ended June 30, 2011 and 2010, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town of Lincolnville'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 general purpose 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Town of Lincolnville as of June 30, 2011 and 2010, and the respective changes in financial position and cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on Schedule A-1 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 Lincolnville's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

December 13, 2011

## **Management's Discussion and Analysis**

As management of the Town of Lincolnville, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2011. Please read it together with the Town's financial statements.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Exhibits A & B) 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 Exhibit E. 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 and the Statement of Activities**

Our analysis of the Town as a whole begins on the next page. One of the most important questions asked about the Town's finances is, "Is the Town as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. 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 roads, to assess the overall health of the Town.

In the Statement of Net Assets and the Statement of Activities, we divide the Town into two kinds of activities:

- **Governmental activities** - Most of the Town's basic services are reported here, including the police, fire, general administration and public works. Property taxes, excise taxes and state funds finance most of these activities.
- **Business-type activities** - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The school lunch program is reported here.

For the year ended June 30, 2011 net assets changed as follows:

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
Beginning net assets	\$ 3,941	\$ 8,742,702
Increase (decrease)	(113)	541,606
Ending net assets	<u>\$ 3,828</u>	<u>\$ 9,284,308</u>

Overall the net assets of the community have increased by \$537,552 or 6.0% thus placing the community in a moderately stronger financial footing than at the last fiscal year end.

### **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, Expenses, 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. Some of the individual line item revenues reported for each function are:

General government	Building permits, town clerk and agent fees, land use fees, harbor fees, and plumbing/electric permits
Public works	State highway aid grants
Education	State subsidies and grants

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

## **Business-Type Activities**

The school lunch program is the only “business-type” activity. The revenue for this program is nearly split between the charges for services and the operating grants and contributions. This has been traditionally the case for a number of years. Overall expenses exceeded revenues by \$113.

## **THE TOWN AS TRUSTEE**

### **Reporting the Town’s Fiduciary Responsibilities**

The Town’s School Department is the trustee, or fiduciary, for various student activity related funds. All of the Town’s fiduciary activities are reported in a separate Statement of Net Assets - Agency Funds on Exhibit J. We exclude these activities 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 purposes.

## **THE TOWN’S FUNDS**

### **Reporting the Town’s Most Significant Funds - Fund Financial Statements**

Our analysis of the Town’s major funds begins with the fund financial statements on Exhibit E and provides detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law. However, the Town establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town’s two kinds of funds, governmental and proprietary, use different accounting approaches.

- **Governmental funds** – Most of 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.

- Proprietary Funds – When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Town’s enterprise fund is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.
- Reserve Funds – Reserve funds are similar to an individual’s savings account and are created with a designated future purpose in mind. The Town has set up several reserve funds in an attempt to cushion the impact of large future purchases on the taxpayers. As an example, the Town has set aside funds for the eventual replacement of a fire truck.

The following schedule presents a summary of general fund revenues for the fiscal year ended June 30, 2011, and the percentage of totals along with increases and decreases in relation to the prior year.

<u>Revenue</u>	<u>FY 2011 Amount</u>	<u>FY 2010 Amount</u>	<u>Increase (Decrease) From FY 2010</u>	<u>% Increase (Decrease)</u>
Property taxes	\$5,598,102	\$5,299,119	\$ 298,983	5.6%
Excise taxes	360,941	369,135	(8,194)	(2.2%)
Intergovernmental	149,443	156,509	(7,066)	(4.5%)
Miscellaneous	206,080	702,076	(495,996)	(70.7%)
<b>Total</b>	<u>\$6,314,566</u>	<u>\$6,526,839</u>	<u>\$ (212,273)</u>	<u>(3.3%)</u>

By far property taxes continue to be the Town’s major source of revenue. Donations to the Town have decreased with the completion of the new fire station, having a profound effect on miscellaneous income. State aid to the Town has declined 88.3% over the past two years. Undoubtedly if this continues an even greater demand will be placed on the property taxpayers.

The following schedule presents a summary of general fund expenditures for the fiscal year ended June 30, 2011, and the percentage of totals along with increases and decreases in relation to the prior year.

<u>Expenditures</u>	<u>FY 2011 Amount</u>	<u>FY 2010 Amount</u>	<u>Increase (Decrease) From FY 2010</u>	<u>% Increase (Decrease)</u>
General government	\$ 654,916	\$ 656,909	\$ (1,993)	(0.3%)
Public safety	251,265	239,470	11,795	(4.9%)
Municipal support	43,392	37,468	5,924	15.8%
Education	4,657,935	4,586,313	71,622	1.6%
Public works	723,644	689,005	34,639	5.0%
Unclassified	740,578	734,647	5,931	0.8%
Debt service - principal	56,666	56,666		
Debt service - interest	29,353	31,053	(1,700)	(5.4%)
Capital outlays	75,311	72,251	3,060	4.24%
	<u>\$ 7,233,060</u>	<u>\$7,103,782</u>	<u>\$ 129,278</u>	<u>1.8%</u>

Education spending continues to be the largest expenditure category. Municipal support was the only category that saw a significant change from the previous year. This was the result of increasing expenditures related to General Assistance.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The following schedule presents a summary of capital assets.

	<b>Governmental Activities</b>	
	<u>2011</u>	<u>2010</u>
Land	\$ 466,708	\$ 466,708
Construction in progress		272,845
Buildings and improvements	10,352,232	9,944,735
Vehicles	387,846	387,846
Furniture and equipment	660,238	645,489
Infrastructure	2,653,662	2,084,532
	<u>\$ 14,520,686</u>	<u>\$ 13,802,155</u>

At the fiscal year end (June 30, 2011), the Town had approximately \$14.5 million invested in capital assets. This represents a net increase of \$718,531 or 5.2% over last year. The increase was due primarily to the completion of the new fire station.

### Long-Term Liabilities

The following schedule presents a summary of long-term debt.

	<b>Governmental Activities</b>	
	<u>2011</u>	<u>2010</u>
Bond payable	\$ 5,712,294	\$ 6,100,668

Included in the total outstanding bonds are the debts for the Lincolnville Central School and the gravel roads improvements. The debt service for the school continues through November 2026 while the road improvement debt service continues through November 2023.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The property tax rate increased by .07% from the previous fiscal year. This increased revenues by approximately \$500,000. With the decline of state aid and the continued weak economy negatively impacting revenues and new construction it was challenging to maintain the same tax rate without a substantial reduction in services.

## **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 questions about this report or need additional financial information, contact the Town Office at (207) 763-3555 and ask for either the Finance Director or the Town Administrator. Citizens are welcome to visit with the appropriate staff on any financial matters.

TOWN OF LINCOLNVILLE  
STATEMENTS OF NET ASSETS  
JUNE 30, 2011

ASSETS				
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2011 TOTAL	2010 TOTAL
<b>CURRENT ASSETS:</b>				
Cash (Note B)	\$ 736,628.67	\$ 9,334.39	\$ 745,963.06	\$ 1,198,240.10
Investments (Note O)	1,950,027.84		1,950,027.84	1,815,130.85
Accounts Receivable	24,192.50	1,479.64	25,672.14	82,722.33
Prepaid Expenses	4,651.50		4,651.50	2,603.50
Taxes Receivable	365,292.10		365,292.10	287,258.23
Tax Liens	77,919.79		77,919.79	59,106.23
Tax Acquired Property	14,609.51		14,609.51	10,312.98
Inventory		2,996.12	2,996.12	2,490.66
Due From Other Funds	11,666.27		11,666.27	11,184.24
Total Current Assets	\$ 3,184,988.18	\$ 13,810.15	\$ 3,198,798.33	\$ 3,469,049.12
<b>PROPERTY, PLANT, AND EQUIPMENT (NOTE F):</b>				
Land	\$ 466,708.00	\$ -	\$ 466,708.00	\$ 466,708.00
Buildings	10,352,232.00		10,352,232.00	9,791,290.00
Infrastructure	2,227,372.00		2,227,372.00	2,084,532.00
Vehicles	387,846.00		387,846.00	387,846.00
Equipment	660,238.00		660,238.00	645,489.00
Pier	426,290.00		426,290.00	426,290.00
Total Property, Plant, and Equipment	\$ 14,520,686.00	\$ -	\$ 14,520,686.00	\$ 13,802,155.00
Less: Accumulated Depreciation	2,362,063.00		(2,362,063.00)	(1,994,851.00)
Net Property, Plant, and Equipment	\$ 12,158,623.00	\$ -	\$ 12,158,623.00	\$ 11,807,304.00
Total Assets	\$ 15,343,611.18	\$ 13,810.15	\$ 15,357,421.33	\$ 15,276,353.12
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Bonds Payable (Note H)	\$ 388,374.00	\$ -	\$ 388,374.00	\$ 388,374.00
Accounts Payable	45,409.79		45,409.79	73,704.82
Accrued Wages (Note J)	75,155.88		75,155.88	66,781.48
Accrued Expenses	55,830.72		55,830.72	37,369.62
Deferred Tax Revenue (Note D)	166,824.38		166,824.38	221,484.44
Prepaid Taxes	3,787.94		3,787.94	20,201.39
Due To Other Funds		9,982.50	9,982.50	9,500.47
Total Current Liabilities	\$ 735,382.71	\$ 9,982.50	\$ 745,365.21	\$ 817,416.22
<b>LONG-TERM LIABILITIES:</b>				
Bonds Payable - Net of Current Portion (Note H)	5,323,920.00		5,323,920.00	5,712,294.00
Total Liabilities	\$ 6,059,302.71	\$ 9,982.50	\$ 6,069,285.21	\$ 6,529,710.22
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	\$ 6,446,329.00	\$ -	\$ 6,446,329.00	\$ 5,706,636.00
Reserved	2,225,458.49	3,827.65	2,229,286.14	2,644,285.49
Unassigned	612,520.98		612,520.98	395,721.41
Total Net Assets	\$ 9,284,308.47	\$ 3,827.65	\$ 9,288,136.12	\$ 8,746,642.90
Total Liabilities and Net Assets	\$ 15,343,611.18	\$ 13,810.15	\$ 15,357,421.33	\$ 15,276,353.12

The accompanying notes are an integral part of the financial statements

TOWN OF LINCOLNVILLE  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	2010 TOTAL
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 665,660.24	\$ 353,169.21	\$ -	\$ (312,491.03)	\$ (312,491.03)	\$ -	\$ (349,234.52)
Public safety	282,129.27		15,738.75		(266,390.52)		584,128.49
Health, Welfare, and Recreation	52,215.94				(52,215.94)		914,781.41
Education	4,576,482.16	923,329.73			(3,653,152.43)		(4,497,725.20)
Investment Fees	8,882.49				(8,882.49)		(6,267.37)
Public works	598,153.18		51,252.00		(546,901.18)		(247,637.24)
Unclassified	740,578.55				(738,428.43)		(730,736.04)
Capital Outlay	78,486.32	2,150.12			(78,486.32)		(25,756.80)
Debt Service	86,019.41				(86,019.41)		(87,719.39)
Program Expenses	33,933.15				(33,933.15)		(94,326.81)
On Behalf Payment	214,626.97		214,626.97				
<b>Total Governmental Activities</b>	<b>\$ 7,337,167.68</b>	<b>\$ 1,278,649.06</b>	<b>\$ 281,617.72</b>	<b>\$ -</b>	<b>\$ (5,776,900.90)</b>	<b>\$ -</b>	<b>\$ (4,540,493.47)</b>
<b>Business-Type Activities:</b>							
School lunch program	49,139.11	19,966.45	3,659.15		(25,513.51)		(23,262.56)
<b>Total Primary Government</b>	<b>\$ 7,386,306.79</b>	<b>\$ 1,298,615.51</b>	<b>\$ 285,276.87</b>	<b>\$ -</b>	<b>\$ (5,776,900.90)</b>	<b>\$ (25,513.51)</b>	<b>\$ (4,563,756.03)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes					\$ 5,598,101.97	\$ -	\$ 5,598,101.97
Excise Taxes					360,940.52	360,940.52	369,134.91
Intergovernmental					149,443.25	25,399.83	174,843.08
Interest and Dividends					42,675.20	42,675.20	23,882.00
Miscellaneous Contributions					100,836.26	100,836.26	661,295.67
Unrealized Gain (Loss)					62,569.27	62,569.27	16,897.93
<b>Total General Revenues</b>					<b>\$ 6,314,566.47</b>	<b>\$ 25,399.83</b>	<b>\$ 6,339,966.30</b>
Change in Net Assets					\$ 537,665.57	\$ (113.68)	\$ 1,987,740.83
Net Assets, July 1					8,746,642.90	3,941.33	8,750,584.23
Net Assets, June 30					<b>\$ 9,284,308.47</b>	<b>\$ 3,827.65</b>	<b>\$ 8,750,584.23</b>

The accompanying notes are an integral part of the financial statements

TOWN OF LINCOLNVILLE  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
GOVERNMENTAL FUND BALANCES:		
Unrestricted (Schedule A-3)	\$ 738,678.40	\$ 503,579.73
Restricted:		
Balance Forward (Schedule A-4)	531,399.48	577,095.23
Capital Projects	138,216.36	698,973.43
Special Revenue	1,555,842.65	1,364,275.50
Total Governmental Fund Balances	<u>\$ 2,964,136.89</u>	<u>\$ 3,143,923.89</u>
Amounts reported for governmental activities in the Statements of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	12,158,623.00	11,807,304.00
Notes and leases payable are not due and payable in the current period and therefore are not reported in the funds	(5,712,294.00)	(6,100,668.00)
Compensated absences are accrued when earned, not when paid and are reported in the funds	(75,155.88)	(66,781.48)
Accrued interest expense for notes payable are not reported in the funds	(51,001.54)	(37,135.51)
Net Assets of Governmental Activities (Exhibit A)	<u><u>\$ 9,284,308.47</u></u>	<u><u>\$ 8,746,642.90</u></u>

TOWN OF LINCOLNVILLE  
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGE IN  
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Net Change in Fund Balances - Total Governmental Funds (Exhibit F)	\$ (179,787.00)	\$ 1,303,011.85
Amounts reported for governmental activities in the Statements of Activities are different because:		
Governmental Funds report capital outlays as expenditures. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays.	351,317.00	398,876.00
Repayment of loan and lease principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statements of Net Assets.	388,374.00	388,374.00
The change in accrual for compensated absences is not recorded in the Governmental Fund Statements	(8,374.40)	(66,781.48)
The change in accrual for interest is not recorded in the Governmental Fund Statements	(13,864.03)	(37,137.51)
Change in Net Assets of Governmental Activities	<u>\$ 537,665.57</u>	<u>\$ 1,986,342.86</u>

The accompanying notes are an integral part of the financial statements

TOWN OF LINCOLNVILLE  
BALANCE SHEETS - GOVERNMENTAL FUNDS  
JUNE 30, 2011 AND 2010

	GOVERNMENTAL FUND TYPES			TOTALS (MEMORANDUM ONLY)	
	GENERAL	CAPITAL PROJECTS	CAPITAL RESERVES	2011	2010
<b>ASSETS:</b>					
Cash (Note B)	\$ 623,335.57	\$ 113,293.10	\$ -	\$ 736,628.67	\$ 1,192,903.85
Investments	435,511.59		1,514,516.25	1,950,027.84	1,815,130.85
Accounts Receivable	24,192.50			24,192.50	81,546.77
Prepaid Expenses	4,651.50			4,651.50	2,603.50
Taxes Receivable	365,292.10			365,292.10	287,258.23
Tax Liens	77,919.79			77,919.79	59,106.23
Tax Acquired Property	14,609.51			14,609.51	10,312.98
Due From Other Funds	18,692.54	28,070.78	44,705.15	91,468.47	139,595.95
<b>Total Assets</b>	<b><u>\$ 1,564,205.10</u></b>	<b><u>\$ 141,363.88</u></b>	<b><u>\$ 1,559,221.40</u></b>	<b><u>\$ 3,264,790.38</u></b>	<b><u>\$ 3,588,458.36</u></b>
<b>LIABILITIES, RESERVES, AND FUND EQUITY:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 45,409.79	\$ -	\$ -	\$ 45,409.79	\$ 73,704.82
Accrued Expenses	4,829.18			4,829.18	232.11
Prepaid Taxes	3,787.94			3,787.94	20,201.39
Due To Other Funds	73,275.93	3,147.52	3,378.75	79,802.20	128,911.71
<b>Total Liabilities</b>	<b><u>\$ 127,302.84</u></b>	<b><u>\$ 3,147.52</u></b>	<b><u>\$ 3,378.75</u></b>	<b><u>\$ 133,829.11</u></b>	<b><u>\$ 223,050.03</u></b>
<b>Reserves:</b>					
Deferred Tax Revenue (Note D)	\$ 166,824.38	\$ -	\$ -	\$ 166,824.38	\$ 221,484.44
<b>Fund Equity:</b>					
Unassigned	\$ 738,678.40	\$ -	\$ -	\$ 738,678.40	\$ 503,579.73
Reserved for Other Projects	531,399.48	138,216.36	1,555,842.65	2,225,458.49	2,640,344.16
<b>Total Fund Equity</b>	<b><u>\$ 1,270,077.88</u></b>	<b><u>\$ 138,216.36</u></b>	<b><u>\$ 1,555,842.65</u></b>	<b><u>\$ 2,964,136.89</u></b>	<b><u>\$ 3,143,923.89</u></b>
<b>Total Liabilities, Reserves, and Fund Equity</b>	<b><u>\$ 1,564,205.10</u></b>	<b><u>\$ 141,363.88</u></b>	<b><u>\$ 1,559,221.40</u></b>	<b><u>\$ 3,264,790.38</u></b>	<b><u>\$ 3,588,458.36</u></b>

TOWN OF LINCOLNVILLE  
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE - GOVERNMENTAL FUNDS  
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	GOVERNMENTAL FUND TYPES			TOTALS (MEMORANDUM ONLY)	
	GENERAL	CAPITAL PROJECTS	CAPITAL RESERVES	2011	2010
<b>REVENUES:</b>					
State Revenue Sharing	\$ 113,421.25	\$ -	\$ -	\$ 113,421.25	\$ 112,179.50
Homestead Reimbursement	36,022.00			36,022.00	44,329.50
Property Taxes	5,598,101.97			5,598,101.97	5,299,118.82
Excise Tax (Auto and Boat)	360,940.52			360,940.52	369,134.91
General Government	352,657.03			352,657.03	321,826.07
Community School District	923,329.73			923,329.73	961,073.16
Public Works	51,252.00			51,252.00	51,252.00
Public Safety	15,738.75			15,738.75	4,311.85
Interest and Dividends		3,360.24	39,315.00	42,675.24	23,882.00
Miscellaneous			2,150.12	2,150.12	3,911.05
Unrealized Gain			100,836.26	100,836.26	16,897.93
Contributions			62,569.27	62,569.27	1,501,024.67
On Behalf Payment (Note I)	214,626.97			214,626.97	216,676.20
<b>Total Revenues</b>	<b>\$ 7,666,090.22</b>	<b>\$ 3,360.24</b>	<b>\$ 204,870.65</b>	<b>\$ 7,874,321.11</b>	<b>\$ 8,925,617.66</b>
<b>EXPENDITURES:</b>					
Education	\$ 4,657,934.33	\$ -	\$ -	\$ 4,657,934.33	\$ 4,561,515.36
General Government	654,915.84			654,915.84	656,909.11
Public Works	723,643.98			723,643.98	689,004.57
Public Safety	251,265.27			251,265.27	239,470.36
Health, Welfare, and Recreation	43,391.94			43,391.94	37,467.75
Special Assessments - County Tax	733,934.46			733,934.46	732,695.00
Special Assessments - Other	6,644.09			6,644.09	1,952.09
Debt Service	86,019.41			86,019.41	87,719.39
Capital Budget	75,311.01	564,117.31		639,428.32	298,601.80
Investment Fees			8,882.50	8,882.50	6,267.37
Program Expenses			33,421.00	33,421.00	94,326.81
On Behalf Payment (Note I)	214,626.97			214,626.97	216,676.20
<b>Total Expenditures</b>	<b>\$ 7,447,687.30</b>	<b>\$ 564,117.31</b>	<b>\$ 42,303.50</b>	<b>\$ 8,054,108.11</b>	<b>\$ 7,622,605.81</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 218,402.92</b>	<b>\$ (560,757.07)</b>	<b>\$ 162,567.15</b>	<b>\$ (179,787.00)</b>	<b>\$ 1,303,011.85</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers - In	\$ -	\$ -	\$ 29,000.00	\$ 29,000.00	\$ 48,000.00
Operating Transfers - Out	(29,000.00)			(29,000.00)	(48,000.00)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (29,000.00)</b>	<b>\$ -</b>	<b>\$ 29,000.00</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess of Revenues Over (Under) Expenditures and Other Uses</b>	<b>\$ 189,402.92</b>	<b>\$ (560,757.07)</b>	<b>\$ 191,567.15</b>	<b>\$ (179,787.00)</b>	<b>\$ 1,303,011.85</b>
Fund Balance, July 1	1,080,674.96	698,973.43	1,364,275.50	3,143,923.89	1,840,912.04
<b>Fund Balance, June 30</b>	<b>\$ 1,270,077.88</b>	<b>\$ 138,216.36</b>	<b>\$ 1,555,842.65</b>	<b>\$ 2,964,136.89</b>	<b>\$ 3,143,923.89</b>

TOWN OF LINCOLNVILLE  
STATEMENTS OF PROPRIETARY NET ASSETS - ENTERPRISE FUND  
SCHOOL LUNCH PROGRAM  
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash	\$ 9,334.39	\$ 9,275.58
Accounts Receivable	1,479.64	1,175.56
Inventory	2,996.12	2,490.66
Total Assets	<u>\$ 13,810.15</u>	<u>\$ 12,941.80</u>
LIABILITIES:		
Due To Other Funds	\$ 9,982.50	\$ 9,000.47
FUND EQUITY:		
Retained Earnings	3,827.65	3,941.33
Total Liabilities and Fund Equity	<u>\$ 13,810.15</u>	<u>\$ 12,941.80</u>

The accompanying notes are an integral part of the financial statements

TOWN OF LINCOLNVILLE  
 STATEMENTS OF REVENUES, EXPENDITURES, AND  
 CHANGE IN RETAINED EARNINGS - PROPRIETARY FUNDS  
 SCHOOL LUNCH PROGRAM  
 FOR THE YEARS ENDED JUNE 30, 2011

	2011	2010
REVENUES:		
Sales	\$ 19,966.45	\$ 21,465.83
Subsidy	25,399.83	24,658.53
Donated Commodities	3,659.15	3,466.73
Total Revenues	\$ 49,025.43	\$ 49,591.09
EXPENSES:		
Food	\$ 17,577.34	\$ 16,980.84
Labor	28,781.12	28,416.49
Supplies	1,104.36	1,384.93
Bank Service Charges	38.50	38.50
Licenses	100.00	100.00
Repairs/Maintenance	1,206.09	1,062.04
Miscellaneous	331.70	212.32
Total Expenses	\$ 49,139.11	\$ 48,195.12
Net Income (Loss)	\$ (113.68)	\$ 1,395.97
Retained Earnings, July 1	3,941.33	2,545.36
Retained Earnings, June 30	\$ 3,827.65	\$ 3,941.33

Exhibit I

STATEMENTS OF CASH FLOWS - PROPRIETARY FUND  
 SCHOOL LUNCH PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2011

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Received from Customers	\$ 19,966.45	\$ 21,465.83
Received from the State	25,095.75	25,075.92
Payments to Suppliers for Goods and Services	(17,204.30)	(16,104.74)
Net Amount Transferred to Town	(27,799.09)	(28,416.49)
Net Cash Provided by Operating Activities	\$ 58.81	\$ 2,020.52
Cash Balance, July 1	9,275.58	7,255.06
Cash Balance, June 30	\$ 9,334.39	\$ 9,275.58

The accompanying notes are an integral part of the financial statements

TOWN OF LINCOLNVILLE  
 STATEMENT OF NET ASSETS  
 AGENCY FUNDS  
 JUNE 30, 2011 AND 2010

	CEMETERY FUNDS	ALTON FRENCH	TOTALS (MEMORANDUM ONLY)	
			2011	2010
ASSETS:				
Cash	\$ 8,874.06	\$ -	\$ 8,874.06	\$ 6,879.45
Investments	28,830.30	24,206.36	53,036.66	47,000.82
Due From Other Funds	500.00		500.00	500.00
Total Assets	<u>\$ 38,204.36</u>	<u>\$ 24,206.36</u>	<u>\$ 62,410.72</u>	<u>\$ 54,380.27</u>
LIABILITIES:				
Due To Other Funds	\$ -	\$ 2,183.77	\$ 2,183.77	\$ 2,183.77
FUND BALANCES:				
Restricted	\$ 500.00	\$ -	\$ 500.00	\$ 500.00
Unrestricted	37,704.36	22,022.59	59,726.95	51,696.50
Total Fund Balances	<u>\$ 38,204.36</u>	<u>\$ 22,022.59</u>	<u>\$ 60,226.95</u>	<u>\$ 52,196.50</u>
Total Liabilities and Fund Balances	<u>\$ 38,204.36</u>	<u>\$ 24,206.36</u>	<u>\$ 62,410.72</u>	<u>\$ 54,380.27</u>

TOWN OF LINCOLNVILLE  
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS  
 AGENCY FUNDS  
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	CEMETERY FUNDS	ALTON FRENCH	TOTALS (MEMORANDUM ONLY)	
			2011	2010
REVENUES:				
Interest and Dividends	\$ 737.85	\$ 617.20	\$ 1,355.05	\$ 938.24
Unrealized Gain	1,880.27	1,547.33	3,427.60	1,305.17
Contributions	1,994.61	1,482.95	3,477.56	4,037.00
Capital Gains	41.74	35.03	76.77	
Total Revenues	<u>\$ 4,654.47</u>	<u>\$ 3,682.51</u>	<u>\$ 8,336.98</u>	<u>\$ 6,280.41</u>
EXPENDITURES:				
Investment Fees	\$ 167.03	\$ 139.50	\$ 306.53	\$ 275.03
Program Expense				7,686.31
Total Expenditures	<u>\$ 167.03</u>	<u>\$ 139.50</u>	<u>\$ 306.53</u>	<u>\$ 7,961.34</u>
Excess of Expenditures Over (Under) Revenues	<u>\$ 4,487.44</u>	<u>\$ 3,543.01</u>	<u>\$ 8,030.45</u>	<u>\$ (1,680.93)</u>
Fund Balance, July 1	33,716.92	18,479.58	52,196.50	53,877.43
Fund Balance, June 30	<u>\$ 38,204.36</u>	<u>\$ 22,022.59</u>	<u>\$ 60,226.95</u>	<u>\$ 52,196.50</u>

Exhibit L

STATEMENTS OF CASH FLOWS  
 AGENCY FUNDS  
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers and Users	\$ 1,994.61	\$ 3,000.00
Payments to Suppliers		(5,512.55)
Cash Flows Provided by (Used in) Operating Activities	<u>\$ 1,994.61</u>	<u>\$ (2,512.55)</u>
Increase (Decrease) in Cash	\$ 1,994.61	\$ (2,512.55)
Cash Balance, July 1	6,879.45	9,392.00
Cash Balance, June 30	<u>\$ 8,874.06</u>	<u>\$ 6,879.45</u>

The accompanying notes are an integral part of the financial statements

TOWN OF LINCOLNVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Town of Lincolnville conform to generally accepted accounting principles as applicable to governmental units.

1. Financial Reporting Entity

The Town of Lincolnville was incorporated in 1802. The Town operates under a town meeting form of government. Major services provided by the Town are public safety, public works, administrative services, and code enforcement.

In evaluating the Town of Lincolnville as a reporting entity, management has addressed all potential component units. The primary criteria for including a component reporting entity are the exercise of financial accountability by the Town of Lincolnville's municipal officials.

The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. 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 are used by the Town as discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain significant changes in the Statement include the following:

1. Financial statements now include:
  - A Management's Discussion and Analysis (MD&A) section providing an analysis of the Town's overall financial position and results of operations.
  - Financial statements prepared using full accrual accounting for all of the Town's activities, including infrastructure (roads, bridges, etc.).
2. A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

2. Basic Financial Statements - Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The Town's public safety, recreation, public works, and general administrative services are classified as governmental activities.

TOWN OF LINCOLNVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

2. Basic Financial Statements - Government-Wide Statements (Cont'd)

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (public safety, public works, administrative, etc.). The functions are also supported by general government revenues (property, certain intergovernmental revenues, fines, permits, and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, intergovernmental revenues, interest income, etc.).

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

3. Basic Financial Statements - 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.

The following fund types are used by the Town:

a. Governmental Funds:

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

1. General Fund:

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

2. Capital Projects Funds:

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment.

TOWN OF LINCOLNVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

3. Basic Financial Statements - Fund Financial Statements (Cont'd)

a. Governmental Funds (cont'd):

3. Capital Reserves:

Capital Reserve Funds are used to account for financial resources to be used for specific projects as determined by the Town's administrator.

4. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

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

The Town's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

5. Proprietary Funds:

The Proprietary Fund is the fund used to account for all financial resources relating to the school nutrition program. The generally accepted accounting principles applicable are those similar to business in the private sector.

4. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied:

a. Accrual:

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

TOWN OF LINCOLNVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

4. Basis of Accounting (Cont'd)

b. Modified Accrual:

The 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. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

5. Financial Statement Amounts

a. Cash and Cash Equivalents:

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent. Statutes authorize the Treasurer of the Town, as directed by the municipal officers, to invest all municipal funds, including reserve and trust funds, to the extent that the terms of the instrument, order, or article creating the fund do not prohibit the investment in financial institutions as described in Section 5706 MRSA and securities as described in Sections 5711 through 5717 MRSA.

b. Capital Assets:

Capital assets purchased or acquired with an original cost of \$10,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 Years
Equipment	5-10 Years
Improvements	20 Years
Vehicles	5-15 Years

c. Revenues:

Substantially, all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

TOWN OF LINCOLNVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statement Amounts (Cont'd):

d. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

e. Fund Balance:

In accordance with GASB Statement No. 54, the Town employed new terminology and classifications for fund balance items during the fiscal year ending June 30, 2011.

Non-spendable fund balances include amounts that are not expected to be converted to cash, or that are legally required to be maintained intake. The fund balance of the Town's Cemetery Perpetual Care Fund is classified as non-spendable.

Restricted fund balances are amounts that can be used only for specific purposes because of legislation or restrictions imposed by donors. The school budget carryforward amount and the fund balances of the Special Revenue Funds are classified as restricted.

Committed fund balances are amounts that can be used only for specific purposes because of a formal action taken by town government. Budget carryforward amounts (other than the school budget) and the fund balances in the Capital Projects Fund and the Cemetery Maintenance Fund are in this category.

Unassigned fund balance is all amounts in the General Fund that are not assigned to another category. Only the General Fund can have an unassigned fund balance.

f. Compensated Absences:

The Town accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

g. Use of Estimates:

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF LINCOLNVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2011

NOTE B - CASH AND CASH EQUIVALENTS:

The Town's cash consists of deposits with financial institutions. Deposits are categorized as follows to give an indication of the level of risk assumed by the Town at year-end: category one (1) includes deposits covered by federal depository insurance or by collateral held by the Town or by the Town's agent in the Town's name; category two (2) includes uninsured deposits covered by collateral held by the pledging financial institution's trust department or agent in the Town's name; category three (3) includes uninsured and uncollateralized deposits.

At June 30, 2011 cash consisted of:

ACCOUNT TYPE	CARRYING AMOUNT	BANK BALANCE	CATEGORY		
			#1	#2	#3
Checking and Savings Accounts	\$ 754,837.12	\$ 820,620.88	\$ 231,827.65	\$ 588,793.23	\$

NOTE C - GENERAL FUND BUDGET:

The Town's property tax for the current year was levied August 9, 2010 on the assessed value listed as of April 1, 2010 for all real and personal property located in the Town. Taxes were due October 8, 2010 with the balance due April 8, 2011. Interest of 7.0% was charged on delinquent taxes on the unpaid portion not paid on or before October 9, 2010 and April 9, 2011.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$86,467.17 for the year ended June 30, 2011.

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.

At the annual town meeting, held in June of each year, the townspeople vote on various articles, on which amounts for appropriations have been recommended by the Board of Selectmen, Town Manager, or Budget Committee.

NOTE D - REVENUE RECOGNITION - PROPERTY TAXES:

The National Council on Governmental Accounting (N.C.G.A.) Interpretation No. 3 requires that property tax revenue be recognized only to the extent it will be collected within 60 days following the year end. The deferred tax revenue shown on the balance sheet represents property taxes not expected to be collected within 60 days after the year end.

Property taxes are recognized when they become available. Available includes those taxes expected to be collected within 60 days after the year end as stated above. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

TOWN OF LINCOLNVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2011

NOTE E - PENSION PLAN - DEFINED BENEFITS:

The Town of Lincolnville offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until their termination, retirement, death, or unforeseeable emergency.

NOTE F - PROPERTY, PLANT, AND EQUIPMENT:

The following is a summary of changes in fixed assets at June 30, 2011:

	BALANCE JULY 1, 2010	ADDITIONS	DISPOSALS	BALANCE JUNE 30, 2011
General Government:				
Land	\$ 466,708.00	\$	\$	\$ 466,708.00
Buildings	9,791,290.00	560,942.00		10,352,232.00
Infrastructure	2,084,532.00	142,840.00		2,227,372.00
Vehicles	387,846.00			387,846.00
Equipment	645,489.00	14,749.00		660,238.00
Pier	426,290.00			426,290.00
Total Property, Plant, and Equipment	\$ 13,802,155.00	\$ 718,531.00	\$	\$ 14,520,686.00
Accumulated Depreciation	(1,994,849.00)	(367,214.00)		(2,362,063.00)
Net Property, Plant, and Equipment	\$ 11,807,306.00	\$ 351,317.00	\$	\$ 12,158,623.00

Depreciation expense for the period totaled \$367,214.00. Of that amount, \$2,370.00 was administration, \$78,685.00 was public works, \$39,864.00 was public safety, \$8,824.00 was health, welfare, and recreation, and \$237,471.00 was education.

NOTE G - EXPENDITURES IN EXCESS OF APPROPRIATIONS:

During the year expenditures exceeded total appropriations in the following general fund categories:

FUNCTION	APPROPRIATION AND REVENUE	EXPENDITURES	VARIANCE
Planning & Appeals Board	\$ 2,892.00	\$ 6,166.70	\$ (3,274.70)
General Assistance	\$ 12,010.00	\$ 19,319.52	\$ (7,309.52)
Ballot Clerks	\$ 300.00	\$ 551.27	\$ (251.27)
LIA Building	\$ 2,500.00	\$ 2,848.00	\$ (348.00)
Historical Society	\$ 820.00	\$ 824.00	\$ (4.00)
Animal Control	\$ 5,160.00	\$ 5,262.87	\$ (102.87)
Fire Department	\$ 41,495.00	\$ 42,006.64	\$ (511.64)
Insurance	\$ 113,478.00	\$ 117,504.14	\$ (4,026.14)
Street Lights	\$ 3,000.00	\$ 3,442.54	\$ (442.54)
Moody Mountain	\$ 72,186.00	\$ 72,186.01	\$ (.01)
HBR Repairs	\$	\$ 3,125.00	\$ (3,125.00)
Abatements	\$	\$ 15,825.29	\$ (15,825.29)

TOWN OF LINCOLNVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2011

NOTE G - EXPENDITURES IN EXCESS OF APPROPRIATIONS (CONT'D):

The overdrafts are the result of expenditures exceeding budgeted amounts and revenues not meeting budgeted figures. Abatements are typically not budgeted for.

NOTE H - NOTE AND LOANS PAYABLE:

The following is a summary of debt transactions for the year:

	<u>BALANCE</u> <u>JULY 1, 2010</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
Maine Municipal Bond Bank School Renovation	\$ 5,307,334.00	\$	\$ 331,708.00	\$ 4,975,626.00
Maine Municipal Bond Bank Road Repair/Improvement	793,334.00		56,666.00	736,668.00
	<u>\$ 6,100,668.00</u>	<u>\$</u>	<u>\$ 388,374.00</u>	<u>\$ 5,712,294.00</u>

The annual requirements to amortize the note and loans are as follows:

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2012	\$ 388,374.00	\$ 242,070.00	\$ 630,444.00
2013	388,374.00	225,170.47	613,544.47
2014	388,374.00	208,355.94	596,729.94
2015	388,375.00	189,926.73	578,301.73
2016	388,375.00	165,083.44	553,458.44
2017-2021	1,941,875.00	565,478.57	2,507,353.57
2022-2026	1,828,547.00	147,676.17	1,976,223.17
	<u>\$ 5,712,294.00</u>	<u>\$ 1,743,761.32</u>	<u>\$ 7,456,055.32</u>

NOTE I - RETIREMENT PLAN:

The school teachers employed by the Town of Lincolnville School Department contribute to the Maine Public Employees Retirement System, an agent multiple - employer public employee retirement system that acts as a common investment and administrative agent for public school teachers, state employees, and political subdivisions. Employees are required to contribute a percentage of their salary to the System with the State of Maine contributing the remaining amounts necessary to fund the System, using an actuarial basis specified by statute.

The covered payroll for teachers is \$1,270,795.72. As required by accounting standards, the amounts paid on behalf of the School Department by the State of Maine have been recorded as a revenue and an expenditure which amount to \$214,626.97. Information concerning the pension benefit obligation for public teachers is available from the Maine Public Employees Retirement System.

TOWN OF LINCOLNVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE J - COMPENSATED ABSENCES:

As of June 30, 2011, the accrued salaries due for hours worked in the 2011 fiscal year was \$13,702.57. The accrued sick time was \$53,078.91.

Employees earn three (3) personal days each year beginning after 1 year of employment. Half of all unused personal days are paid to employees upon termination of employment.

NOTE K - 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; injuries to employees; and natural disasters. All significant losses are covered by commercial insurance. There has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE L - OVERLAPPING DEBT:

The Town of Lincolnville is situated in Waldo County and is therefore subject to annual assessment of its proportional share of county expenses. There was no long-term debt outstanding in Waldo County for which the Town of Lincolnville would be proportionally responsible in the event the County defaulted at December 31, 2010. The Town of Lincolnville's share would be 10.07% of the debt.

The Town of Lincolnville participates in the Mid-Coast Solid Waste Corporation and is therefore subject to annual assessment of its proportional share of the Corporation's expenses. Long-term debt outstanding at June 30, 2011 for the district totaled \$313,434.00 of that amount the Town of Lincolnville would be responsible for 16.89% or \$52,939.

The Town of Lincolnville participates in the Five Town CSD and is therefore subject to annual assessment of its proportional share of school expenses. Long-term debt outstanding in Five Town CSD for which the Town of Lincolnville would be proportionally responsible in the event the school defaulted amounted to \$10,544,532.00 at June 30, 2011. The Town of Lincolnville's share would be 17.41% of the debt, or \$1,835,803.02.

NOTE M - INTEREST COSTS INCURRED:

During the current year the Town incurred interest costs totaling \$259,811.10 which was charged as an expense to education for \$230,457.69 and public works for \$29,353.41.

NOTE N - SUBSEQUENT EVENT:

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

TOWN OF LINCOLNVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2011

NOTE O - INVESTMENTS:

Investments at June 30, 2011 consisted of the following:

	<u>COST</u>	<u>UNREALIZED APPRECIATION</u>	<u>FAIR MARKET VALUE</u>
Money Market	\$ 262,028.70	\$	\$ 262,028.70
Exchange Traded Funds	188,643.24	18,275.72	206,918.96
Mutual Funds	1,128,324.71	39,421.62	1,167,746.33
Government Bonds	350,243.42	16,127.09	366,370.51
	<u>\$ 1,929,240.07</u>	<u>\$ 73,824.43</u>	<u>\$ 2,003,064.50</u>

NOTE P - OXTON FUND:

The Town is a beneficiary of the Oxton Trust Fund. They receive 2% of the trust's income each year.

NOTE Q - RETIREMENT PLAN:

The Town maintains a 457(b) retirement plan for the benefit of eligible town employees. Total value of the Plan at June 30, 2011 was \$88,992.67. Total contributions to the Plan for the year ended June 30, 2011 was \$19,333.21.

TOWN OF LINCOLNVILLE  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES:</b>		
State Revenue Sharing	\$ 102,237.00	\$ 113,421.25
Homestead Reimbursement	36,022.00	36,022.00
Property Taxes	5,559,267.20	5,598,101.97
Excise Tax	355,000.00	360,940.52
General Government		352,657.03
Community School District	476,685.00	923,329.73
Public Works	51,525.00	51,252.00
On Behalf Payment		214,626.97
Public Safety		15,738.75
<b>Total Revenues</b>	<u>\$6,580,736.20</u>	<u>\$7,666,090.22</u>
<b>EXPENDITURES:</b>		
General Government	\$ 482,270.00	\$ 654,915.84
Health, Welfare, and Recreation	35,996.00	43,391.94
Public Works	815,482.00	723,643.98
Community School District	4,262,936.57	4,657,934.33
Special Assessments - County Tax	733,934.46	733,934.46
Special Assessments - Miscellaneous	8,000.00	6,644.09
Public Safety	240,630.00	251,265.27
Debt Service	86,020.00	86,019.41
Capital Budget		75,311.01
On Behalf Payment		214,626.97
<b>Total Expenditures</b>	<u>\$6,665,269.03</u>	<u>\$7,447,687.30</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ (84,532.83)</u>	<u>\$ 218,402.92</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating Transfers - In	\$ -	\$ -
Operating Transfers - Out	(29,000.00)	(29,000.00)
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (29,000.00)</u>	<u>\$ (29,000.00)</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ (113,532.83)</u>	<u>\$ 189,402.92</u>
Fund Balance, July 1, 2010	1,076,130.32	1,080,674.96
Fund Balance, June 30, 2011	<u>\$ 962,597.49</u>	<u>\$1,270,077.88</u>

TOWN OF LINCOLNVILLE  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

Cash Balance, July 1, 2010		\$ 493,436.54
ADD: CASH RECEIPTS:		
Tax Collections:		
Current Year	\$ 5,164,894.26	
Prior Years	<u>254,764.15</u>	
Total Tax Collections	\$ 5,419,658.41	
Departmental (Schedule A-4)	1,317,419.91	
Excise Tax	360,940.52	
State Revenue Sharing	113,421.25	
Homestead Reimbursement	25,579.00	
Prior Year Accounts Receivable	81,546.77	
Special Revenue	94,326.81	
Prepaid Property Tax	<u>3,787.94</u>	
Total Cash Receipts		<u>7,416,680.61</u>
Total Cash Available		<u>\$ 7,910,117.15</u>
LESS: CASH DISBURSEMENTS:		
Departmental (Schedule A-4)	\$ 7,082,624.56	
Prior Year Account Payable	73,704.82	
Transfers to Capital Reserves	29,000.00	
Current Year Accounts Receivable	14,295.17	
Prepaid Expenses	4,651.50	
Special Revenue	982.03	
School Checking	<u>81,523.50</u>	
Total Cash Disbursements		<u>7,286,781.58</u>
Cash Balance, June 30, 2011		<u><u>\$ 623,335.57</u></u>

TOWN OF LINCOLNVILLE  
STATEMENT OF CHANGES IN UNAPPROPRIATED SURPLUS  
FOR THE YEAR ENDED JUNE 30, 2011

Unappropriated Surplus, July 1, 2010		\$ 478,162.59
Prior period adjustments		25,417.14
INCREASE:		
Operating Account Balances Lapsed (Schedule A-4)	\$ 380,438.61	
Decrease in Deferred Tax Revenue	<u>54,660.06</u>	
		435,098.67
DECREASE:		
Appropriated at Town Meeting		(200,000.00)
Unappropriated Surplus, June 30, 2011		<u><u>\$ 738,678.40</u></u>

TOWN OF LINCOLNVILLE  
STATEMENT OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2011

	BALANCE FORWARD JULY 1, 2010	APPROPRIATIONS	CASH RECEIPTS	OTHER CREDITS	TOTAL	CASH DISBURSED	OTHER CHARGES	TOTAL	UNEXPENDED (OVERDRAFT)	BALANCE FORWARD JUNE 30, 2011
<b>GENERAL GOVERNMENT:</b>										
Administration	\$ -	\$ 319,855.00	\$ -	\$ -	\$ 319,855.00	\$ 313,976.48	\$ -	\$ 313,976.48	\$ 5,878.52	\$ -
Assessors		77,205.00			77,205.00	76,288.43		76,288.43	916.57	
Custodian		2,530.00			2,530.00	2,448.60		2,448.60	81.40	
Finance Department		56,841.00			56,841.00	56,515.13		56,515.13	325.87	
Forest Grant	5,377.00				5,377.00	303.31		303.31		5,073.69
Miscellaneous	33,270.54	350.00			33,620.54	3,381.00		3,381.00		30,239.54
Municipal Buildings	4,668.30	15,388.00			20,056.30	15,371.54	347.60	15,719.14	(3,274.70)	4,337.16
Planning/Appeals Board		2,892.00			2,892.00	6,166.70		6,166.70		
Selection		7,209.00			7,209.00	7,196.83		7,196.83	12.17	
	\$ 43,315.84	\$ 482,270.00	\$ -	\$ -	\$ 525,585.84	\$ 481,648.02	\$ 347.60	\$ 481,995.62	\$ 3,939.83	\$ 39,650.39
<b>GOVERNMENTAL REVENUES:</b>										
Excise Taxes	\$ -	\$ -	\$ -	\$ 360,940.52	\$ 360,940.52	\$ -	\$ 355,000.00	\$ 355,000.00	\$ 5,940.52	\$ -
State Revenue Sharing				113,421.25	113,421.25		102,237.00	102,237.00	11,184.25	
Miscellaneous Revenue			16,869.75	2,944.46	19,814.21	241.60		241.60	19,572.61	
Tax Collections			11,047.68		11,047.68				11,047.68	
State Reimbursement			6,162.94		6,162.94				6,162.94	
Municipal Agent Fees			13,976.00		13,976.00				13,976.00	
Post Office Land Lease			1,200.00		1,200.00				1,200.00	
Donations			3,102.00		3,102.00				3,102.00	
Interest			5,590.89		5,590.89				5,590.89	
Interest/Liens on Taxes			35,542.02	37,656.65	43,247.54				43,247.54	
Alton French Receipts			3,824.17		3,824.17				3,824.17	
Tree Growth Reimbursement			5,628.07		5,628.07				5,628.07	
Veterans Reimbursement			1,508.00		1,508.00				1,508.00	
Planning Board Fees			50.00		50.00				50.00	
Appeals Board Fees			250.00		250.00				250.00	
Wave Screen Reimbursement			172,678.62		172,678.62		172,678.62	172,678.62		
Licenses and Permits			26,086.98		26,086.98				26,086.98	
Parks and Recreation			8,538.80		8,538.80				8,538.80	
Homestead Reimbursement				36,022.00	36,022.00	241.60	36,022.00	36,022.00		
	\$ -	\$ -	\$ 312,055.92	\$ 550,984.88	\$ 863,040.80	\$ 241.60	\$ 665,937.62	\$ 666,179.22	\$ 196,861.58	\$ -
<b>HEALTH, WELFARE, AND RECREATION:</b>										
General Assistance	\$ -	\$ 12,010.00	\$ -	\$ -	\$ 12,010.00	\$ 19,319.52	\$ -	\$ 19,319.52	\$ (7,309.52)	\$ -
Moderator		225.00			225.00	150.00		150.00	75.00	
Ballot Clerks		300.00			300.00	551.27		551.27	(251.27)	
Registrar of Voters		350.00			350.00	110.27		110.27	239.73	
Megunticook Watershed	1,876.00	3,000.00			4,876.00	3,000.00		3,000.00	1,876.00	
Cemeteries		4,100.00			4,100.00	4,000.00		4,000.00	100.00	
LIA Building		2,500.00			2,500.00	2,848.00		2,848.00	(348.00)	
Memorial Day		950.00			950.00	847.88		847.88	102.12	
Historical Society		820.00			820.00	824.00		824.00	(4.00)	
Provider Agencies		9,741.00			9,741.00	9,741.00		9,741.00		
Tanglewood		1,000.00			1,000.00	1,000.00		1,000.00		
CRL Chamber		1,000.00			1,000.00	1,000.00		1,000.00		
	\$ 1,876.00	\$ 35,996.00	\$ -	\$ -	\$ 37,872.00	\$ 43,391.94	\$ -	\$ 43,391.94	\$ (7,395.94)	\$ 1,876.00

TOWN OF LINCOLNVILLE  
STATEMENT OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2011

	BALANCE FORWARD JULY 1, 2010	APPROPRIATIONS	CASH RECEIPTS	OTHER CREDITS	TOTAL	CASH DISBURSED	OTHER CHARGES	TOTAL	UNEXPENDED (OVERDRAFT)	BALANCE FORWARD JUNE 30, 2011
<b>PUBLIC WORKS:</b>										
Highways and Bridges	\$ 133,017.03	\$ 189,449.00	\$ 51,252.00	\$ -	\$ 373,718.03	\$ 171,762.25	\$ 55,273.00	\$ 227,035.25	\$ -	\$ 146,682.78
Paving and Construction		219,866.00			219,866.00	143,379.79		143,379.79	76,486.21	
Public Works Department	9,892.61	33,050.00			32,942.61	12,063.08		12,063.08		20,579.53
Harbor/Pier	95,931.79	34,604.00			130,535.79	80,747.94		80,747.94		49,787.85
Winter Operations		254,555.00			254,555.00	217,984.92		217,984.92	36,570.08	
Transfer Station		93,958.00			93,958.00	93,958.00		93,958.00		
	\$ 238,841.43	\$ 815,482.00	\$ 51,252.00	\$ -	\$ 1,105,575.43	\$ 719,895.98	\$ 55,273.00	\$ 775,168.98	\$ 113,056.29	\$ 217,050.16
<b>SPECIAL ASSESSMENTS AND ORGANIZATIONS:</b>										
Community School District	\$ 213,126.89	\$ 4,262,936.57	\$ 938,373.24	\$ -	\$ 5,414,436.70	\$ 4,655,272.78	\$ 494,390.06	\$ 5,149,662.84	\$ -	\$ 264,773.86
County Tax Assessment Overlay		733,934.46			733,934.46	733,934.46		733,934.46		
Contingency		86,467.17			86,467.17	6,644.09		6,644.09	86,467.17	
Abatements		8,000.00			8,000.00				1,355.91	
	\$ 213,126.89	\$ 5,091,338.20	\$ 938,373.24	\$ -	\$ 6,242,838.33	\$ 5,395,851.33	\$ 15,825.29	\$ 5,906,066.68	\$ 71,997.79	\$ 264,773.86
<b>PUBLIC SAFETY:</b>										
Animal Control	\$ -	\$ 5,160.00	\$ -	\$ -	\$ 5,160.00	\$ 5,262.87	\$ -	\$ 5,262.87	\$ (102.87)	\$ -
Ambulance		7,500.00			7,500.00	7,500.00		7,500.00		
Dispatch Services		6,797.00			6,797.00	6,704.00		6,704.00	93.00	
Fire Department		41,495.00	15,738.75		57,233.75	57,745.39		57,745.39	(511.64)	
Insurance		33,200.00			33,200.00	29,839.00		29,839.00	3,361.00	
Police Department		113,478.00			113,478.00	117,504.14		117,504.14	(4,026.14)	
Street Lights		3,000.00			3,000.00	3,442.54		3,442.54	(442.54)	
Legal		30,000.00			30,000.00	23,267.33		23,267.33	6,732.67	
	\$ -	\$ 240,630.00	\$ 15,738.75	\$ -	\$ 256,368.75	\$ 231,265.27	\$ -	\$ 231,265.27	\$ 5,103.48	\$ -
<b>DEBT SERVICE</b>	\$ -	\$ 86,020.00	\$ -	\$ -	\$ 86,020.00	\$ 86,019.41	\$ -	\$ 86,019.41	\$ 0.59	\$ -
<b>CAPITAL BUDGET:</b>										
Capital Reserves	\$ -	\$ 29,000.00	\$ -	\$ -	\$ 29,000.00	\$ 29,000.00	\$ -	\$ 29,000.00	\$ -	\$ -
Moody Mountain	72,186.00				72,186.00	72,186.01		72,186.01	(0.01)	
Youngtown/Thurflow Roads					7,749.07					7,749.07
Harbor Repairs						3,125.00		3,125.00	(3,125.00)	
	\$ 79,935.07	\$ 29,000.00	\$ -	\$ -	\$ 108,935.07	\$ 104,311.01	\$ -	\$ 104,311.01	\$ (3,125.01)	\$ 7,749.07
	\$ 577,095.23	\$ 6,780,736.20	\$ 1,317,419.91	\$ 550,984.88	\$ 9,226,236.22	\$ 7,082,624.56	\$ 1,231,773.57	\$ 8,314,398.13	\$ 380,438.61	\$ 531,399.48

TOWN OF LINCOLNVILLE  
VALUATION, ASSESSMENT, AND COLLECTIONS  
FOR THE YEAR ENDED JUNE 30, 2011

VALUATION:		
Real Estate	\$ 446,154,600.00	
Personal Property	2,173,400.00	
Total	<u>\$ 448,328,000.00</u>	
ASSESSMENT:		
Valuation x Rate (\$448,328,000.00 x .0124)	\$ 5,559,267.20	
Supplemental Taxes	<u>53.09</u>	
		\$ 5,559,320.29
COLLECTIONS AND CREDITS:		
Cash Collections (92.91% of Assessment)	\$ 5,164,894.26	
Abatements	12,928.24	
Prepaid Taxes	<u>20,201.39</u>	
Total Cash Collections and Credits		<u>5,198,023.89</u>
2010-11 Taxes Receivable, June 30, 2011		<u>\$ 361,296.40</u>

COMPUTATION OF ASSESSMENT

Tax Commitment	\$ 5,559,267.20	
Motor Vehicle Excise Tax	350,000.00	
Boat Excise Tax	5,000.00	
Highway Block Grant	51,525.00	
Municipal Revenue Sharing	102,237.00	
Homestead Reimbursement	36,022.00	
School State Reimbursement	374,285.00	
School Carryover	100,000.00	
Surplus	200,000.00	
MBNA Junior Achievement	<u>2,400.00</u>	
		\$ 6,780,736.20
REQUIREMENTS:		
Appropriations	\$ 5,960,334.57	
County Tax	<u>733,934.46</u>	
		<u>6,694,269.03</u>
OVERLAY		<u>\$ 86,467.17</u>

TOWN OF LINCOLNVILLE  
RECONCILIATION OF TREASURER'S CASH BALANCE  
JUNE 30, 2011

Cash on Hand		\$ 700.00
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## GENERAL FUND CHECKING ACCOUNT:

The First		
Balance Per Bank Statement	\$ 613,794.61	
Add: Deposits in Transit	19,411.54	
Deduct: Outstanding Checks	<u>(11,314.08)</u>	
		621,892.07

The First		
Community Septic Grant		741.50

The First		1.00
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The First		1.00
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Cash Balance, June 30, 2011		<u><u>\$ 623,335.57</u></u>
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STATEMENT OF TAXES RECEIVABLE  
JUNE 30, 2011

2009-2010	Real Estate	\$ 357,543.30
2009-2010	Personal Property	3,753.10
2008-2009	Personal Property	1,246.05
2007-2008	Personal Property	1,725.90
2006-2007	Personal Property	<u>1,023.75</u>
		<u><u>\$ 365,292.10</u></u>

TOWN OF LINCOLNVILLE  
TAXES RECEIVABLE  
JUNE 30, 2011

2010-2011Real Estate

Albano, Kerry J. & Michael J. (JT)	\$ 1,136.46
Albano, Kerry J. & Michael J. (JT)	275.90
Anderson, Peter C. & Mary	806.00
Andrews, Craig B.	2,024.92
Appleton, Barney	2,280.36
Appleton, Barney	112.84
Baas, Jacobus & Lynda - TTEES	1,988.34
Ballou, Richard D. & Patricia	4,709.52
Ballou, Richard D. & Patricia	1,114.76
Ballou, Richard D., Jr. & Karen E. (JT)	4,011.40
Ballou, Scott J.	1,432.82
Bex, Michael	2,310.12
Brower, Amanda	192.20
Brower, Amanda	202.12
Brower, Amanda	183.52
Brower, Amanda	184.76
Brower, Andrea C.	183.52
Brower, Andrea C.	182.28
Brower, Andrea C.	353.40
Brower, Andrea C.	202.12
Brower, Andrea C.	183.52
Brower, Andrea C.	1,842.64
Brower, Andrea C. & Peter M.	362.08
Brower, Andrea C. & Peter M.	329.84
Brower, Andrea C. et al - TTEES	194.68
Brower, Andrea C. et al - TTEES	183.52
Brower, Howard S.	367.04
Brower, Howard S.	704.32
Brower, Howard S.	45.88
Brower, Howard S.	1,459.48
Brown, Glenn	1,339.20
Cain, Robert E., Jr. Life Lease	4,995.96
Carpentier, Whitney E. & Christopher M.	1,540.08
Carver, Carol	1,954.24
Ciraldo, Gregory S. & Virginia L. (JT)	3,246.32
Ciraldo, Gregory S. & Virginia L. (JT)	2,466.36
Ciraldo, Gregory S. & Virginia L. (JT)	3,698.92
Ciraldo, Virginia L.	525.76
Ciraldo, Virginia L.	445.16
Clement, Philip Y. & Buckley, Christine B. (JT)	3,788.20
Crowley Investments LLC	86.80
Crowley Investments LLC	3,210.36
Crowley Investments LLC	17.36
Dodge, Arthur R., Jr. & Sherry A. (JT)	768.80
Dodge, Arthur R., Jr. & Sherry A. (JT)	1,227.60
Domenichelli, Angela	394.66
Ducktrap Resources, Inc.	310.00
Dunn, Kim & David	1,307.89

TOWN OF LINCOLNVILLE  
TAXES RECEIVABLE  
JUNE 30, 2011

2009-2010 (Cont'd)Real Estate (Cont'd)

Durkee, Adam J.	\$ 4,364.80
Dyer, Daniel E.	1,972.84
Eaton, Charles E., Sr. & Cathy	425.32
Edwardson, Virginia et als	10.41
Feener, Brian J.	2,358.48
Feener, Michael A. & Robin D. (JT)	2,538.28
Filippi, Linda M.	314.96
Flynn, Daniel J. & Gloria	1,067.02
Foss, William P. & Stacy	664.20
Frye, Claire C.	683.42
Geary, Michael C. & Melissa	2,382.04
Goldblatt, Mitch & Heather (JT)	493.52
Graffam, Janice	1,198.46
Graffam, Janice	1,562.40
Grant-Johnson, Susan	1,130.88
Green, Peter C.	2,352.28
Green, Peter C.	715.48
Greyhound Investments LLC	1,618.25
Grinnell, Arthur E., Jr. & Kimberly S.	1,842.64
Grinnell, Arthur E., Jr. & Kimberly S. (JT)	584.04
Grotton, Phyllis J.	1,453.28
Hatch, Barbara J.	2,656.08
Hayes, Ronald & Sandra	2,591.60
Haynes, Stephen & Donna	590.24
Heald, Donald R., IV	2,302.68
Heald, Nancy E.	424.08
Heald, Nancy E.	124.00
Hedstrom, Donald C. - TTEE	6,683.60
Hedstrom, Donald C. - TTEE (1/2 INT)	116.56
Hedstrom, Donald C. - TTEE (1/2 INT)	998.20
Hedstrom, Mark D. (1/2 INT)	4,392.08
Herrick, Tina M.	1,691.36
Hoops, Benjamin	2,342.36
Hulbert, David H.	2,215.71
Hutchins, Wallace E.	33.48
Jacobs, Edwin C.	701.84
Kirby, Norman W.	416.64
Kirby, Norman W. & April A. (JT)	622.48
Laiter, Ruth C.	1,365.44
Laiter, Justin C. & Jonie E. (JT)	837.00
Landwehr, Deborah A.	217.62
Landwehr, Deborah A.	1,253.02
Lanning, Wayne B.	2,600.28
Lanning, Wayne B.	1,108.56
Lanning, Wayne B.	331.08
Lanning, Wayne B.	355.88
Lanning, Wayne B.	379.44
Lanning, Wayne B.	298.84

TOWN OF LINCOLNVILLE  
TAXES RECEIVABLE  
JUNE 30, 2011

2009-2010 (Cont'd)Real Estate (Cont'd)

Lanning, Wayne B.	\$ 297.60
Lanning, Wayne B.	302.56
Lanning, Wayne B.	317.44
Lanning, Wayne B.	298.84
Lanning, Wayne B.	300.08
Lanning, Wayne B. & Victoria (JT)	2,026.16
Libby, Chalorne	2,403.12
Libby, Edna - TTEE	1,249.92
Libby, Edna - TTEE	3,597.86
Libby, Edna - TTEE	3,209.74
Littlefield, Paul T.	417.88
Lydon, Shane P. & Judith (JT)	16.62
Lynch, Mary P.	1,775.68
MacDonald, Robert A.	1,579.76
Macleod, Heather	1,364.00
Mastromarino, Victoria	1,702.52
McKinney, Linda M.	677.92
Milliken, Todd	778.72
Moran, Ronald J. & Kim A. (JT)	722.92
Nelson, Ralph E., Jr.	1,510.32
Northeast Maine, Inc.	1,741.78
Northeast Maine, Inc.	7,226.24
Northeast Maine, Inc.	425.38
Ocean Falls Estates LLC	2,767.68
Ocean Falls Estates LLC	2,625.08
Ocean Falls Estates LLC	2,739.16
Old Coast Investors, LLC	3,464.56
Pendleton, Clifford J.	2,064.60
Pendleton, Kenneth	695.56
Peters, Joanne L.	1,656.64
Piotti, Kathryn A.	403.00
Reilly, Thomas	636.12
Reisner, Gary	1,753.36
Reuter, Craig	14.33
Rosenberg, Richard	1,755.84
Rutland, James	14,441.04
Rutland, James	202.12
Rutland, James	549.32
Rutland, James Lincolnville Nominee Trust	15,620.28
Rutland, James M.	336.04
Rutland, James M.	492.28
Rutland, James M.	1,727.32
Rutland, James M.	3,904.76
Rutland, James M.	483.60
Rutland, James M.	560.48
Rutland, James M.	375.72
Rutland, James M.	374.48
Salvo, Michael J. & Patricia A. (JT)	3,422.40

TOWN OF LINCOLNVILLE  
TAXES RECEIVABLE  
JUNE 30, 2011

2009-2010 (Cont'd)Real Estate (Cont'd)

Senn, Corelyn F.	\$ 2,406.40	
Simmons, Donald E. & Tina L. (JT)	925.64	
Smith, Amy & Leon (JT)	3,370.32	
Smith, Irving & Marilyn	1,219.69	
Smith, Jeffrey S.	2,638.72	
Smith, Kendall W.	948.60	
Spector, Rita	897.76	
St. Clair, Heather A.	575.52	
Stephens, John M., Jr. & Rebecca	1,545.04	
Stevens, Christine O.	786.70	
Stinson, Edward P., Jr.	783.32	
Svedberg, Lisa A.	3,344.28	
Tanglewood Forest Subdivision LLC	623.72	
Thomas, Peter A.	1,871.16	
Thomas, Peter A.	342.24	
Thomas, Peter A.	199.64	
Thomas, Peter A. & Zachary J. (JT)	555.52	
Thomas, Stephen & Suzanne	849.40	
Thomas, Stephen & Suzanne	3,227.72	
Thomas, Stephen D. & Suzanne B. (JT)	1,811.64	
Thomas, Suzanne	389.36	
Thomas, Suzanne	1,985.24	
Thompson, Shannon L.	5,752.36	
Trundy, Jason W. & Lorraine M. (TC)	1,363.04	
Vinal, William J.	779.96	
Walker, Charles L., Jr. & Rotman, Craig L. (JT)	897.76	
Weed, Walter J. & Mary J.	2,058.40	
Welbourn, Dotha S. Trustee et al	6,750.12	
West Bay Realty LLC	50,255.96	
West Bay Realty LLC	24,602.84	
White, Mack H. & Sarah	993.24	
Wiggins, Jonell	832.66	
Wiley, Patricia A. & Glenn	1,713.03	
Wood, Jasen C. & Lori B. (JT)	1,759.29	
Yandell, Melissa	96.72	
Young, Andrew I.	3,114.88	
	3,114.88	\$ 357,543.30

2010-2011Personal Property

Ciraldo, Gregory S. & Virginia	\$ 241.80	
Michelson, Bruce & Anita	12.40	
Northeast Maine, Inc.	119.28	
Rutland, James	1,116.00	
Salvo, Michael & Patricia	50.22	
Tanglewood Timber Co., LLC	6.20	
West Bay Realty LLC	2,207.20	
	2,207.20	3,753.10

TOWN OF LINCOLNVILLE  
TAXES RECEIVABLE  
JUNE 30, 2011

2009-2010Personal Property

Northeast Maine, Inc.	\$	187.20	
Rutland, James		1,053.00	
Tanglewood Timber Co. LLC		5.85	
		5.85	
	\$		1,246.05

2008-2009Personal Property

Crowley Investments LLC	\$	87.75	
Crowley Investments LLC		585.15	
Rutland, James		1,053.00	
		1,053.00	
			1,725.90

2007-2008Personal Property

Crowley Investments	\$	78.75	
Rutland, James		945.00	
		945.00	
			1,023.75

			\$ 365,292.10
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TOWN OF LINCOLNVILLE  
TAX LIENS  
JUNE 30, 2011

Andrews, Craig B.	\$ 1,875.51
Bex, Michael	2,179.71
Brown, Glenn	1,263.60
Carpentier, Witney E. & Christopher M.	1,494.09
Carver, Carol	1,960.92
Clement, Philip Y. & Buckley, Christine B.	3,260.93
Crowley Investments LLC	81.90
Crowley Investments LLC	3,029.13
Crowley Investments LLC	16.38
Dodge, Arthur R., Jr. & Sherry A. (JT)	612.43
Dodge, Arthur R., Jr. & Sherry A. (JT)	1,158.30
Ducktrap Resources, Inc.	292.50
Durkee, Adam J.	4,118.40
Dyer, Daniel E.	1,826.37
Eaton, Charles E., Sr. & Cathy	366.21
Feener, Brian J.	1,272.84
Filippi, Linda M.	297.18
Geary, Michael C. & Melissa	368.11
Goldblatt, Mitch & Heather (JT)	465.66
Grotton, Phyllis J.	544.15
Hayes, Ronald & Sandra	916.80
Hedstrom, Donald C., Trustee	6,306.30
Hedstrom, Mark David (1/2 INT)	4,144.14
Herrick, Tina M.	1,560.78
Hertel, Van E., Jr.	176.16
Hoops, Benjamin	1,105.06
Hutchins, Wallace E.	58.50
Lanning, Wayne B. & Victoria (JT)	1,911.78
Lanning, Wayne B.	2,418.39
Lanning, Wayne B.	1,045.98
Lanning, Wayne B.	312.39
Lanning, Wayne B.	335.79
Lanning, Wayne B.	358.02
Lanning, Wayne B.	281.97
Lanning, Wayne B.	280.80
Lanning, Wayne B.	285.48
Lanning, Wayne B.	299.52
Lanning, Wayne B.	281.97
Lanning, Wayne B.	283.14
Libby, Chalorne	665.14
Lynch, Mary P.	1,675.44
Maccormack, Marie E.	552.24
Macleod, Heather	1,287.00
Mastromarino, Victoria	877.20
Milliken, Todd	734.76
Moran, Ronald J. & Kim A. (JT)	647.01
Northeast Maine Inc.	1,650.28
Northeast Maine Inc.	6,692.98

TOWN OF LINCOLNVILLE  
TAX LIENS  
JUNE 30, 2011

Northeast Maine Inc.	\$	439.92	
Ocean Falls Estates LLC		2,611.44	
Ocean Falls Estates LLC		2,476.89	
Ocean Falls Estates LLC		2,584.53	
Old Coast Investors LLC		1,634.49	
Piotti, Kathryn A.		380.25	
Stephens, John M., Jr. & Rebecca		1,305.72	
Thomas, Peter A.		865.21	
Thomas, Peter A.		161.46	
Thomas, Peter A.		35.10	
Thomas, Peter A. & Zachary J. (JT)		524.16	
Walker, Charles L., Jr. & Rotman, Craig		593.85	
Weed, Walter J. & Mary J.		1,907.10	
White, Mack H. & Sarah		902.07	
			\$ 80,051.53

TOWN OF LINCOLNVILLE  
 COMBINING BALANCE SHEET - CAPITAL RESERVES  
 FOR THE YEAR ENDED JUNE 30, 2011

	FIRE TRUCK	SHADE TREE	DRINKWATER SCHOOL	ALTON OXTON	PIER	CAPITAL INVESTMENT	WATERSHED ACCOUNT	FIRE DEPARTMENT BUILDING	CHARACTER GENERATOR	POLICE CRUISER	FOREST FIRE EMERGENCY	REVALUATION PARK FLOAT	BREEZEMERE FLOAT	COOMBS & GRIFFIN - TOWN	COOMBS & GRIFFIN - SCHOOL	NORTON POND FLOAT	CAPITAL CAMPAIGN	MEGUNTICOOK DAM	TOTAL	
ASSETS:																				
Investments	\$ 202,441.66	\$ 2,370.04	\$ 428.17	\$ 16,610.85	\$ 44,121.42	\$ 243,658.69	\$ 569.76	\$ 215,205.47	\$ 3,107.03	\$ 25,699.42	\$ 13,094.61	\$ 24,193.00	\$ 20,000.00	\$ 147,454.24	\$ 286,517.16	\$ 10,897.82	\$ 262,576.53	\$ 39,763.38	\$ 1,514,516.25	
Due From Other Funds	\$ 202,441.66	\$ 2,370.04	\$ 428.17	\$ 16,610.85	\$ 44,633.57	\$ 243,658.69	\$ 569.76	\$ 215,205.47	\$ 3,107.03	\$ 25,699.42	\$ 13,094.61	\$ 24,193.00	\$ 20,000.00	\$ 147,454.24	\$ 286,517.16	\$ 10,897.82	\$ 262,576.53	\$ 39,763.38	\$ 1,559,221.40	
Total Assets	\$ 202,441.66	\$ 2,370.04	\$ 428.17	\$ 16,610.85	\$ 44,633.57	\$ 243,658.69	\$ 569.76	\$ 215,205.47	\$ 3,107.03	\$ 25,699.42	\$ 13,094.61	\$ 24,193.00	\$ 20,000.00	\$ 147,454.24	\$ 286,517.16	\$ 10,897.82	\$ 262,576.53	\$ 39,763.38	\$ 1,559,221.40	
LIABILITIES AND FUND EQUITY:																				
Liabilities:																				
Due To Other Funds	\$ -	\$ -	\$ -	\$ 3,378.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,378.75
FUND EQUITY:																				
Reserved for Other Projects	202,441.66	2,370.04	428.17	13,232.10	44,633.57	243,658.69	569.76	215,205.47	3,107.03	25,699.42	13,094.61	24,193.00	20,000.00	147,454.24	286,517.16	10,897.82	262,576.53	39,763.38	1,555,842.65	
Total Liabilities and Fund Equity	\$ 202,441.66	\$ 2,370.04	\$ 428.17	\$ 16,610.85	\$ 44,633.57	\$ 243,658.69	\$ 569.76	\$ 215,205.47	\$ 3,107.03	\$ 25,699.42	\$ 13,094.61	\$ 24,193.00	\$ 20,000.00	\$ 147,454.24	\$ 286,517.16	\$ 10,897.82	\$ 262,576.53	\$ 39,763.38	\$ 1,559,221.40	

