

Audited Financial Statements and
Other Financial Information

Town of Lyman, Maine

June 30, 2007



Proven Expertise and Integrity

TOWN OF LYMAN, MAINE

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JUNE 30, 2007

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INDEPENDENT AUDITORS' REPORT

August 9, 2007

Board of Selectmen
Town of Lyman
Lyman, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lyman, Maine, as of and for the year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lyman, Maine as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Proven Expertise and Integrity

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lyman, Maine's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion.

RHR Smith & Company

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Town of Lyman, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the Town's financial statements.

Brief Discussion of the Basic 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 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 follow. 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

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 nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

- Governmental activities - All of the Town's basic services are reported here, including administration, education, public works, and other town supported activities. Property taxes, charges for services, and state reimbursements finance most of these activities.

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins on page 9. The fund financial statements provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town's Board of Selectmen establish many other funds to help them control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Transportation).

- Governmental funds - All 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.

2. Condensed Financial Information

The Town As A Whole

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activities. The Town's total net assets increased by \$492,109 from \$2,701,715 to \$3,193,824 or a 18.21 % increase.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased by \$138,640 from \$1,343,691 to a balance of \$1,205,051 at the end of this year.

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

	<u>2007</u>	<u>2006</u>
Assets:		
Current and other assets	\$ 1,952,314	\$ 1,976,612
Capital Assets	1,563,062	1,251,666
Total Assets	<u>\$ 3,515,376</u>	<u>\$ 3,228,278</u>
Liabilities:		
Current Liabilities	\$ 287,852	\$ 422,503
Long-term Debt Outstanding	33,700	104,060
Total Liabilities	<u>\$ 321,552</u>	<u>\$ 526,563</u>
Net Assets:		
Invested in Capital Assets, Net of related Debt	\$ 1,494,182	\$ 1,215,006
Restricted Net Assets		
General Fund	445,862	121,218
Permanent Fund	48,729	21,800
Unrestricted Net Assets	<u>1,205,051</u>	<u>1,343,691</u>
Total Net Assets	<u>\$ 3,193,824</u>	<u>\$ 2,701,715</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 3.10%, while total expenses decreased by 3.12%.

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

	<u>2007</u>	<u>2006</u>
Revenues		
Program Revenues:		
Charges for services	\$ 110,068	\$ 193,604
Operating grants and contributions	71,629	73,572
General Revenues:		
Property taxes	3,910,888	3,734,253
Excise taxes	795,388	800,569
Intergovernmental	327,538	
Grants and contributions not restricted to specific programs		305,644
Interest earnings	63,689	47,463
Miscellaneous	228,816	11,133
	<u>5,326,319</u>	<u>5,166,238</u>
Expenses		
General government	512,507	504,621
Public safety	151,603	131,876
Public works	366,772	327,802
Education	3,154,161	3,123,698
Recreation	51,069	56,654
County tax	196,170	186,954
Solid waste disposal	275,483	260,330
Social services	16,731	22,452
Interest on long-term debt	4,257	5,961
Unclassified	104,748	67,746
Computer reserve	708	-
Total Expenses	<u>4,834,209</u>	<u>4,688,094</u>
Change in Net Assets	492,110	478,144
Net Assets - July 1	<u>2,701,715</u>	<u>2,223,571</u>
Net Assets - June 30	<u><u>\$ 3,193,825</u></u>	<u><u>\$ 2,701,715</u></u>

The cost of all governmental activities this year was \$4,834,209 compared to \$4,688,094 last year. However, as shown in the Statement of Activities on pages 10 and 11, the amount that our towns ultimately financed for these activities through Town assessments was only \$4,652,512 because some of the cost was paid by those who directly benefited from the programs (\$110,068) or by other governments and organizations that subsidized certain programs with grants and contributions (\$71,629).

Analysis of Balances and Transactions of Individual Funds

Table 3
Town of Lyman, Maine
Net Cost of Services
For The Year Ended June 30, 2007

	Total Cost of Services	Total Revenue	Net Cost of Services
General government	\$ 512,507	\$ 45,956	\$ 466,551
Public safety	151,603	10,479	141,124
Public works	366,772	71,629	295,143
Education	3,154,161	-	3,154,161
County tax	196,170	-	196,170
All other departments	452,996	53,633	399,363
Totals	\$ 4,834,209	\$ 181,697	\$ 4,652,512

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2007, the gross book value of capital assets recorded by the Town increased by \$342,179 over the prior year. The increase is the result of new infrastructure purchased by the town.

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

	2007	2006
Infrastructure	\$ 611,021	\$ 284,843
Land	420,553	420,553
Buildings & land improvements	486,854	497,347
Equipment	44,634	48,923
Total	\$ 1,563,062	\$ 1,251,666

Budgetary Highlights

The Town's major budget variances for the year ended June 30, 2007 were as follows:

Solid waste disposal expenses had a favorable balance of \$247,263, this was due to the fact of special town meeting appropriations that were not utilized.

Public works expenses had a favorable balance of \$123,455, this was mostly due to most accounts having balances at the end of the year.

Debt

At June 30, 2007, the Town had \$68,880 in bonds payable versus \$104,060 last year, a decrease of 33.81%, as shown in Note 6 of the financial statements.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

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

Contacting the Town's Financial Management

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

STATEMENT A

TOWN OF LYMAN, MAINE
STATEMENT OF NET ASSETS
JUNE 30, 2007

		Governmental Activities
ASSETS		
Current assets:		
Cash	\$	282,521
Investments		1,277,691
Receivables (net of allowance):		
Taxes		231,305
Liens		47,196
Other		1,542
Subdivision escrow collateral		112,059
Total current assets		1,952,314
Noncurrent assets:		
Capital assets:		
Land, infrastructure, and other assets not being depreciated		420,553
Buildings and equipment, net of accumulated depreciation		1,142,509
Total noncurrent assets		1,563,062
TOTAL ASSETS	\$	3,515,376
LIABILITIES		
Current liabilities:		
Accounts payable	\$	39,440
Prepaid taxes		18,726
Gravel pit escrow deposits		75,000
Subdivision escrow deposits		112,059
Other current liabilities		7,447
Current portion of long-term obligations		35,180
Total current liabilities		287,852
Noncurrent liabilities		
Noncurrent portion of long-term obligations:		
Bonds payable		33,700
Total noncurrent liabilities		33,700
TOTAL LIABILITIES		321,552
NET ASSETS		
Invested in capital assets, net of related debt		1,494,182
Restricted net assets	General Fund	445,862
	Permanent Fund	48,729
Unrestricted net assets		1,205,051
TOTAL NET ASSETS		3,193,824
TOTAL LIABILITIES AND NET ASSETS	\$	3,515,376

See accompanying independent auditors' report and notes to financial statements

TOWN OF LYMAN, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense) Revenue & Changes in Net Assets
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Total Governmental Activities</u>
Governmental activities					
General government	\$ 512,507	\$ 45,956	\$ -	\$ -	\$ (466,551)
Public safety	151,603	10,479	-	-	(141,124)
Public works	366,772	-	71,629	-	(295,143)
Education	3,154,161	-	-	-	(3,154,161)
Recreation	51,069	13,198	-	-	(37,871)
County tax	196,170	-	-	-	(196,170)
Solid waste disposal	275,483	40,435	-	-	(235,048)
Social services	16,731	-	-	-	(16,731)
Interest on long-term debt	4,257	-	-	-	(4,257)
Unclassified	104,748	-	-	-	(104,748)
Computer reserve	708	-	-	-	(708)
Total government	<u>4,834,209</u>	<u>110,068</u>	<u>71,629</u>	<u>-</u>	<u>(4,652,512)</u>

STATEMENT B (CONTINUED)
TOWN OF LYMAN, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>(4,652,512)</u>
General revenue:	
Property taxes, levied for general purposes	3,910,888
Excise taxes, levied for general purposes	795,388
Grants and contributions not restricted to specific programs	255,909
Investment earnings	63,689
Miscellaneous	<u>118,748</u>
Total general revenue	<u>5,144,622</u>
Change in net assets	492,110
NET ASSETS - JULY 1	<u>2,701,715</u>
NET ASSETS - JUNE 30	<u><u>\$ 3,193,825</u></u>

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

TOWN OF LYMAN, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2007

	General Fund	Other Governmental Funds	Totals Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 253,792	\$ 28,729	\$ 282,521
Investments	1,257,691	20,000	1,277,691
Receivables (net of allowance):			
Taxes	231,305	-	231,305
Liens	47,196	-	47,196
Other	1,542	-	1,542
Due from other funds	-	-	-
Subdivision escrow collateral	112,059	-	112,059
TOTAL ASSETS	<u><u>\$ 1,903,585</u></u>	<u><u>\$ 48,729</u></u>	<u><u>\$ 1,952,314</u></u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 39,440	\$ -	\$ 39,440
Prepaid taxes	18,726	-	18,726
Deferred taxes	156,677	-	156,677
Due to other funds	-	-	-
Gravel pit escrow deposits	75,000	-	75,000
Subdivision escrow deposits	112,059	-	112,059
Other current liabilities	7,447	-	7,447
TOTAL LIABILITIES	<u><u>409,349</u></u>	<u><u>-</u></u>	<u><u>409,349</u></u>
Fund Equity			
General Fund:			
Designated	445,862	-	445,862
Undesignated	1,048,374	-	1,048,374
Permanent Funds	-	48,729	48,729
TOTAL FUND EQUITY	<u><u>1,494,236</u></u>	<u><u>48,729</u></u>	<u><u>1,542,965</u></u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 1,903,585</u></u>	<u><u>\$ 48,729</u></u>	<u><u>\$ 1,952,314</u></u>

STATEMENT C (CONTINUED)
TOWN OF LYMAN, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2007

	Total Governmental Funds
Total Fund Equity	\$ 1,542,965
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	1,563,062
Other long-term assets are not available to pay for current-period expenditures therefore are deferred in the funds shown above:	
Taxes and liens receivable	156,677
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bond payable	(68,880)
Net assets of governmental activities	\$ 3,193,824

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

TOWN OF LYMAN, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
FOR YEAR ENDED JUNE 30, 2007

	General Fund	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Property taxes	\$ 3,865,211	\$ -	\$ 3,865,211
Excise taxes	795,388	-	795,388
Intergovernmental revenues	327,538	-	327,538
Interest income	61,710	1,979	63,689
Other revenues	228,816	-	228,816
TOTAL REVENUES	5,278,663	1,979	5,280,642
EXPENDITURES			
General government	504,297	-	504,297
Public safety	151,603	-	151,603
Public works	687,163	-	687,163
Education	3,154,161	-	3,154,161
Recreation	50,285	-	50,285
County tax	196,170	-	196,170
Solid waste disposal	275,483	-	275,483
Social services	16,731	-	16,731
Debt service	39,437	-	39,437
Unclassified	104,748	-	104,748
Reserve accounts	708	-	708
TOTAL EXPENDITURES	5,180,786	-	5,180,786
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	97,877	1,979	99,856
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES USES	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	97,877	1,979	99,856
FUND BALANCES - JULY 1	1,396,359	46,750	1,443,109
FUND BALANCES - JUNE 30	\$ 1,494,236	\$ 48,729	\$ 1,542,965

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

TOWN OF LYMAN, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2007

Net change in fund balances - total governmental funds (Statement D)	<u>\$ 99,856</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	342,178
Depreciation expense	<u>(30,782)</u>
	<u>311,396</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.	
	<u>-</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	
	<u>35,180</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>45,677</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 492,109</u></u>

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

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Lyman, Maine conform to generally accepted accounting principles applicable to governmental units. The following is a summary of the more significant of such policies.

In June of 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 of the significant changes in the Statement include the following:

The financial statements 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 Authority's activities, including infrastructure (roads, bridges, sewer mains, etc.).

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 the notes to the financial statements).

Principles Determining Scope of Reporting Entity

The financial statements of the Town consist only of the funds of Town of Lyman, Maine.

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 either governmental or business-type. The Town's activities are all categorized as governmental activities.

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

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. 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) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

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

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

Basic Financial Statements - Fund Financial Statements

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

The following fund types are used by the Town:

1. Governmental Funds:

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

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

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

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

1. Accrual

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.

2. Modified Accrual

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

Budget

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

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town does not adopt budgets for Special Revenue Funds, the Town does not have a Special Revenue Fund.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund types and similar trust funds consider all purchased government securities to be held on to for three months or less when purchased, to be cash equivalents.

Investments

It is the Town's policy to value investments at fair value at the balance sheet date.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town of Lyman does not utilize encumbrances accounting, therefore, reservation of fund balance is not provided for at June 30, 2007.

Accordingly, no differences exist between actual results and the applicable budgetary data presented in the accompanying combined financial statements.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition - Property Taxes

The Town's property tax for the current year was levied September 8, 2006 on the assessed value listed as of April 1, 2006, for all real and personal property located in the Town. Taxes were due on October 11, 2006 and April 11, 2007. Interest on unpaid taxes commenced on October 12, 2006 and April 12, 2007 at 11% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$61,798 for the year ended June 30, 2007.

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.

Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

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

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

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

At June 30, 2007, the Town's deposits amounting to \$321,369 were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 36,402
Certificates of deposit	<u>284,967</u>
	<u>\$ 321,369</u>

At June 30, 2007, all of the Town's investments amounting to \$1,278,316 were collateralized with securities held by the financial institution in the Town's name and consequently were not exposed to custodial credit risk.

<u>Investment Type</u>	<u>Fair Value</u>
Repurchase agreement	\$ 1,257,691
Bureau of Public Debt	<u>20,000</u>
	<u>\$ 1,277,691</u>

NOTE 3 - ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts was estimated to be \$ 0 at June 30, 2007.

NOTE 4 - CAPITAL ASSETS

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

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 4 - CAPITAL ASSETS (CONTINUED)

In 2006, the Town undertook a program to record its investment property, plant and equipment. An inventory of all existing assets with a useful life of more than five years and a value of greater than \$10,000 was taken. The assets were valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

GASB Statement No. 34 requires the Town to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

The Town elected to implement the general provisions of GASB Statement No. 34 and the retroactive infrastructure provisions in the fiscal year ended June 30, 2007.

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

The following is a summary of changes in capital assets at June 30, 2007:

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance, 7/1/06	Additions	Disposals	Balance, 6/30/07
Governmental activities				
Non-depreciated assets:				
Land	\$ 420,553	\$ -	\$ -	\$ 420,553
	<u>420,553</u>	<u>-</u>	<u>-</u>	<u>420,553</u>
Depreciated assets:				
Land improvements	31,444	-	-	31,444
Buildings and Improvements	573,596	-	-	573,596
Equipment	70,430	-	-	70,430
Infrastructure	297,839	342,178	-	640,017
	<u>973,309</u>	<u>342,178</u>	<u>-</u>	<u>1,315,487</u>
Less: accumulated depreciation	<u>(142,196)</u>	<u>(30,782)</u>	<u>-</u>	<u>(172,978)</u>
	<u>831,113</u>	<u>311,396</u>	<u>-</u>	<u>1,142,509</u>
Net capital assets	<u>\$ 1,251,666</u>	<u>\$ 311,396</u>	<u>\$ -</u>	<u>\$ 1,563,062</u>
Current year depreciation:				
General Government				\$ 8,211
Public works/infrastructure				21,787
Parks and recreations				784
Total depreciation expense				<u>\$ 30,782</u>

NOTE 5 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2007:

The Town had no over spent appropriations

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 6 – LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2007:

	Balance, 7/1/06	Additions	Deletions	Balance, 6/30/07	Current Portion
GMFD Bond	\$ 67,400	\$ -	\$ (16,850)	\$ 50,550	\$ 16,850
Town Hall Bond	36,660	-	(18,330)	18,330	18,330
Totals	<u>\$ 104,060</u>	<u>\$ -</u>	<u>\$ (35,180)</u>	<u>\$ 68,880</u>	<u>\$ 35,180</u>

The following is a summary of outstanding bonds payable:

The following is a summary of outstanding bonds payable:

\$168,500, 1999 Goodwin Mills Fire Station bond payable with Maine Municipal Bond Bank, due in varying annual installments through 2009, interest at a rate of 4.038% to 5.038%	\$ 50,550
\$183,300, 1997 Town Hall bond with Maine Municipal Bond Bank, due in varying annual installments through 2007, interest at a rate of 4.537% to 4.687%	<u>18,330</u>
	<u>\$ 68,880</u>

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

<u>Bonds Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2008	\$ 35,180	\$ 2,552	\$ 37,732
2009	16,850	1,273	18,123
2010	16,850	424	17,274
2011	-	-	-
2012	-	-	-
	<u>\$ 68,880</u>	<u>\$ 4,250</u>	<u>\$ 73,130</u>

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance Related Legal Provisions

The Town has no material violations of finance related provisions.

NOTE 8 - RESTRICTED NET ASSETS

The following net assets have been reserved at June 30, 2007 for the following purposes:

Reserved for general fund designations	\$ 445,862
Reserved for permanent funds	<u>48,729</u>
	<u>\$ 494,591</u>

NOTE 9 – OVERLAPPING DEBT

The Town is responsible for its proportionate share of County debt and debt associated with its participating School District. As of June 30, 2007 the Town's share was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 22,429,400	1.56%	\$ 350,376
MSAD # 57	28,398,958	18.17%	<u>5,158,784</u>
			<u>\$ 5,509,161</u>

NOTE 10 – CONTINGENCIES

The Town has entered into a joint venture known as ECO Maine (ECO) (formerly known as Regional Waste System (RWS)). ECO provides solid waste disposal services to its twenty-one participating communities. The governing bodies of the participating communities appoint the Board of Directors which establishes the budget and charges the communities and commercial enterprises that use the facility. Total charges to the Town for fiscal 2007 were \$212,199.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 10 – CONTINGENCIES (CONTINUED)

ECO has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of ECO, payable from and secured by a pledge of ECO revenues. The bonds do not constitute a debt or liability within the meaning of any constitutional or statutory provision of the State of Maine, or a pledge of the full faith and credit of any political subdivision of the State of Maine. ECO has no taxing power. However, pursuant to the Waste Handling Agreements, the participating municipalities are obligated severally to deliver certain of the solid waste produced within each such participating municipality to ECO for processing and to make service payments and pay tipping fees for such processing in amounts which, when added to other available monies, will at least equal required debt service of the bonds. The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. On June 30, 2007, outstanding bonds of ECO totaled \$35,772,000 of which the Lyman share, based on estimated tonnage to be delivered, amounted to \$200,022 (0.56%).

In accordance with Governmental Accounting Standards Board Statement No. 18 ECO has begun to record and accrue landfill closure and post closure costs. Pursuant to the aforementioned Waste Handling Agreements, the participating municipalities are obligated severally to deliver certain of the service payments and pay tipping fees for such processing in amounts which, when added to other participating municipalities, will at least equal the projected landfill closure and post closure costs. As of June 30, 2006, the most recent date as of which the information is available, projected landfill closure and post closure costs for ECO totaled \$20,454,988 of which the Lyman share, based on estimated tonnage to be delivered, amounted to \$423,219 (2.07%).

Additionally the Town of Lyman and twenty-six other municipalities have entered into an agreement with ECO for a material recycling facility. At June 30, 2007, outstanding material recycling facility bonds of ECO totaled \$4,418,000 of which Lyman's share, based on estimated yardage to be delivered, amounts to \$59,643 (1.35%). A portion of the tipping fee each year is designated to amortize the bonds. The amount changes each year as the principal is reduced.

Separate financial statements for ECO are available through ECO.

TOWN OF LYMAN, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 11 – DESIGNATED FOR SUBSEQUENT YEARS' EXPENDITURES

At June 30, 2007, the General Fund balances designated for subsequent years' expenditures consisted of:

DOT URIP Road funds	\$ 86,866
State Revenue Sharing	28,937
Road reconstruction	41,329
Revaluation reserve	10,641
Fire truck reserve	144,480
Capital improvement reserve	118,947
Computer reserve	<u>14,662</u>
	<u>\$ 445,862</u>

NOTE 12 – SUBDIVISION ESCROW COLLATERAL

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

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

At June 30, 2007, the Town held such collateral for three developers in the amount of \$112,059.

Required Supplementary Information

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

- Budgetary Comparison Schedule - General Fund

TOWN OF LYMAN, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
Budgetary Fund Balance, July 1	\$ 1,396,359	\$ 1,396,359	\$ 1,396,359	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	3,911,737	3,911,737	3,865,211	(46,526)
Excise taxes	774,144	774,144	795,388	21,244
Intergovernmental revenues:				
DOT Block Grant	71,629	71,629	71,629	-
State Revenue Sharing	225,000	225,000	199,777	(25,223)
Homestead exemption	70,135	70,135	56,132	(14,003)
Other intergovernmental	-	-	-	-
Miscellaneous revenues	93,937	93,937	166,816	72,879
Interest income	-	-	61,710	61,710
Tax acquired property sale	-	-	62,000	62,000
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>6,542,941</u>	<u>6,542,941</u>	<u>6,675,022</u>	<u>132,081</u>
EXPENDITURES				
General government	535,157	535,157	504,297	30,860
Public safety	159,890	159,890	151,603	8,287
Public works	810,618	810,618	687,163	123,455
Education	3,154,161	3,154,161	3,154,161	-
Recreation	52,575	52,575	50,285	2,290
County tax	196,170	196,170	196,170	0
Solid waste disposal	522,746	522,746	275,483	247,263
Social services	18,509	18,509	16,731	1,778
Debt service	39,437	39,437	39,437	-
Unclassified	134,536	134,536	104,748	29,788
Reserve accounts	289,438	289,438	708	288,730
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>5,913,237</u>	<u>5,913,237</u>	<u>5,180,786</u>	<u>732,451</u>
Budgetary Fund Balance, June 30	<u>\$ 629,703</u>	<u>\$ 629,703</u>	<u>\$ 1,494,236</u>	<u>\$ 864,533</u>
Use of Designated Fund Balance	\$ 437,036	\$ 437,036	\$ -	\$ 437,036
Use of Undesignated Fund Balance	<u>\$ 329,620</u>	<u>\$ 329,620</u>	<u>\$ -</u>	<u>\$ 329,620</u>

See accompanying independent auditors' report.

Other Supplementary Information

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

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

TOWN OF LYMAN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Appropriated	Cary Forward	Excise Tax	Other Receipts/ Utilization of Undesignated	Total Available	Expended	Balance Lapsed	Carried
General Government -								
Wages and salaries	\$ 346,630	\$ -	\$ -	\$ -	\$ 346,630	\$ 319,504	\$ 27,126	\$ -
Insurance	-	-	64,880	-	64,880	61,472	-	-
Audit	-	-	-	9,912	9,912	9,544	368	-
Operating expenses	-	-	-	68,600	68,600	68,201	399	-
Building repair/maintenance	-	-	13,000	-	13,000	10,022	2,978	-
Building electricity	-	-	-	525	525	10,172	(9,647)	-
Office equipment	3,000	-	-	-	3,000	5,346	(2,346)	-
Computer service	-	-	-	-	-	-	-	-
Legal	-	-	15,000	5,000	20,000	12,943	7,057	-
Tax maps	-	-	-	6,810	6,810	5,293	1,517	-
Town website	1,800	-	-	-	1,800	1,800	-	-
Subtotal General Government	<u>351,430</u>	<u>-</u>	<u>92,880</u>	<u>90,847</u>	<u>535,157</u>	<u>504,297</u>	<u>27,452</u>	<u>-</u>
Public Safety-								
Civil emergency preparedness	600	-	-	-	600	266	334	-
Fire department contract	75,813	-	-	-	75,813	78,965	(3,152)	-
Fire department dispatch	7,500	-	-	-	7,500	7,500	-	-
Fire department personnel	-	-	43,243	-	43,243	43,243	-	-
Street lights	-	-	-	10,043	10,043	-	10,043	-
Street signs	-	-	2,500	-	2,500	2,488	12	-
Animal Control	-	-	11,000	-	11,000	9,700	1,300	-
Electrical Inspector	-	-	-	9,191	9,191	9,441	(250)	-
Subtotal Public Safety	<u>83,913</u>	<u>-</u>	<u>56,743</u>	<u>19,234</u>	<u>159,890</u>	<u>151,603</u>	<u>(2,818)</u>	<u>-</u>
Public Works-								
Snow removal	-	-	210,000	691	210,691	225,216	(14,525)	-
Road reconstruction	-	113,740	137,500	-	251,240	291,963	(82,052)	41,329
Road maintenance and repair	-	67,058	47,000	71,629	185,687	98,821	-	86,866
Re-surface town roads	-	-	100,000	-	100,000	71,163	28,837	-
DOT road construction	-	-	-	58,000	58,000	-	58,000	-
Tree pruning/plantations	-	-	-	5,000	5,000	-	5,000	-
Subtotal Public Works	<u>-</u>	<u>180,798</u>	<u>494,500</u>	<u>135,320</u>	<u>810,618</u>	<u>687,163</u>	<u>(4,740)</u>	<u>128,195</u>
Education	<u>3,154,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,154,161</u>	<u>3,154,161</u>	<u>-</u>	<u>-</u>
County tax	<u>196,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,170</u>	<u>196,170</u>	<u>-</u>	<u>0</u>

SCHEDULE A (CONTINUED)

TOWN OF LYMAN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Appropriated</u>	<u>Carry Forward</u>	<u>Excise Tax</u>	<u>Receipts/ Utilization of Undesignated</u>	<u>Total Available</u>	<u>Expended</u>	<u>Balance</u>	
							<u>Lapsed</u>	<u>Carried</u>
Recreation								
Recreation Committee	-	-	-	23,575	23,575	21,556	2,019	-
Bunganut Lake town park	-	-	-	29,000	29,000	28,729	271	-
Subtotal Recreation	-	-	-	52,575	52,575	50,285	2,290	-
Solid Waste Disposal	360,000	-	78,000	84,746	522,746	275,483	247,263	-
Social Services								
General Assistance	-	-	1,000	2,500	3,500	1,722	1,778	-
Social Service Agencies	-	-	-	15,009	15,009	15,009	-	-
Subtotal Social Services	-	-	1,000	17,509	18,509	16,731	1,778	-
Debt service								
Debt service-- fire station	-	-	19,821	-	19,821	19,821	-	-
Debt service-- town hall	-	-	-	19,616	19,616	19,616	-	-
Subtotal Debt service	-	-	19,821	19,616	39,437	39,437	-	-
Unclassified								
YC soil & water conserv. grant	-	-	-	2,000	2,000	-	2,000	-
Comp plan committee	-	-	-	-	-	-	-	-
Revaluation account	-	-	-	-	-	35,110	(35,110)	-
Library	-	-	-	25,100	25,100	25,100	-	-
Librarian	-	-	-	34,250	34,250	34,250	0	-
Decorating vet's graves	-	-	-	300	300	300	-	-
Conservation committee	-	-	-	1,100	1,100	-	1,100	-
Ten-town group	-	-	-	500	500	500	-	-
PSAP	-	-	-	9,488	9,488	9,488	-	-
Overlay	61,798	-	-	-	61,798	-	61,798	-
Subtotal Unclassified	61,798	-	-	72,738	134,536	104,748	29,788	-
Reserve Accounts								
Computer reserve	-	13,370	-	2,000	15,370	708	-	14,662
Capital improvement account	-	108,947	10,000	-	118,947	-	-	118,947
Fire truck account	-	123,280	21,200	-	144,480	-	-	144,480
Revaluation	-	10,641	-	-	10,641	-	-	10,641
Subtotal Transfers to "Reserve Accounts"	-	256,238	31,200	2,000	289,438	708	-	288,730
TOTAL DEPARTMENTAL OPERATIONS	\$ 4,207,472	\$ 437,036	\$ 774,144	\$ 494,585	\$ 5,913,237	\$ 5,180,786	\$ 301,013	\$ 416,925

See accompanying independent auditors' report.

TOWN OF LYMAN, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2007

	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash	\$ 28,729	\$ 28,729
Investments	20,000	20,000
	<u>\$ 48,729</u>	<u>\$ 48,729</u>
LIABILITIES		
Due to other funds	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>
FUND EQUITY		
Fund balance:		
Designated for subsequent years' expenditures	48,729	48,729
Undesignated	-	-
	<u>48,729</u>	<u>48,729</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 48,729</u>	<u>\$ 48,729</u>

See accompanying independent auditors' report.

TOWN OF LYMAN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENITURES AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
REVENUES	\$ 1,979	\$ 1,979
EXPENDITURES	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,979</u>	<u>1,979</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers In	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,979	1,979
FUND BALANCES, JULY 1	<u>46,750</u>	<u>46,750</u>
FUND BALANCES, JUNE 30	<u>\$ 48,729</u>	<u>\$ 48,729</u>

See accompanying independent auditors' report.

Permanent Funds Description

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

TOWN OF LYMAN, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2007

	H. Cousens Educational Fund	J. Emmons Cemetery Fund	E. Rumery Cemetery Fund	J. Littlefield Fund	Totals
ASSETS					
Cash	\$ 24,658	\$ 201	\$ 2,108	\$ 1,762	\$ 28,729
Investments	20,000	-	-	-	20,000
Total Assets	\$ 44,658	\$ 201	\$ 2,108	\$ 1,762	\$ 48,729
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
FUND EQUITY					
Fund balance:					
Designated	44,658	201	2,108	1,762	48,729
Undesignated	-	-	-	-	-
TOTAL LIABILITIES AND FUND EQUITY	\$ 44,658	\$ 201	\$ 2,108	\$ 1,762	\$ 48,729

See accompanying independent auditors' report.

TOWN OF LYMAN, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR
PERMANENT FUNDS
FOR YEAR ENDED JUNE 30, 2007

	H. Cousens Educational Fund	J. Emmons Cemetery Fund	E. Rumery Cemetery Fund	J. Littlefield Fund	Totals
REVENUE	\$ 1,835	\$ 9	\$ 94	\$ 41	\$ 1,979
EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	1,835	9	94	41	1,979
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,835	9	94	41	1,979
FUND BALANCES, JULY 1	42,823	192	2,014	1,721	46,750
FUND BALANCES, JUNE 30	\$ 44,658	\$ 201	\$ 2,108	\$ 1,762	\$ 48,729

See accompanying independent auditors' report.

General Capital Assets

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

TOWN OF LYMAN, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2007

	Land and Non-depreciable Assets	Buildings Buildings Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General Government	\$ 118,203	\$ 353,502	\$ 14,310	\$ -	\$ 486,015
Public works	-	212,510	56,120	640,017	908,647
Parks and recreations	300	39,028	-	-	39,328
Town wide	302,050	-	-	-	302,050
Total General Capital Assets	420,553	605,040	70,430	640,017	1,736,040
Less: Accumulated Depreciation	-	(118,186)	(25,796)	(28,996)	(172,978)
Net General Capital Assets	\$ 420,553	\$ 486,854	\$ 44,634	\$ 611,021	\$ 1,563,062

See accompanying independent auditors' report.

TOWN OF LYMAN, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR YEAR ENDED JUNE 30, 2007

	General Assets 7/1/06	Additions	Deletions	General Capital Assets 6/30/07
General Government	\$ 486,015	\$ -	\$ -	\$ 486,015
Public works	566,469	342,178	-	908,647
Parks and recreations	39,328	-	-	39,328
Town wide	302,050	-	-	302,050
Total General Capital Assets	1,393,862	342,178	-	1,736,040
Less: Accumulated Depreciation	(142,196)	(30,782)	-	(172,978)
Net General Capital Assets	\$ 1,251,666	\$ 311,396	\$ -	\$ 1,563,062

See accompanying independent auditors' report.