Audited Financial Statements and
Other Financial Information

Town of Lyman, Maine

June 30, 2010

RHR SMITH & COMPANY
Certified Public Accountants

Proven Expertise and Integrity

TOWN OF LYMAN, MAINE

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JUNE 30, 2010

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INDEPENDENT AUDITORS' REPORT

September 14, 2010

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, 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'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, 2010, 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 9 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.

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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 combining and individual non-major fund financial statements 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.

RHR Smith & Company

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

(UNAUDITED)

The following management's discussion and analysis of Town of Lyman, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Lyman's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government - Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short – term as well as long – term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government – wide financial statements include the following two statements:

The Statement of Net Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

The Statement of Activities – this statement presents information that shows how the government's net assets changed during the period. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have been presented for the following activity:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, education, recreation and other unclassified.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Lyman, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Lyman are categorized as one fund type: governmental funds.

Governmental funds: All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government – wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Lyman presents only two columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following Statement F.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a schedule of Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activities. The Town's total net assets increased by $175,191 from $3,931,933 to $4,107,124 or a 4.27% 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 - increased by $144,570 from $1,528,069 to a balance of $1,672,639 at the end of this year.

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

		2010	2009
Assets:			
Current and other assets		$ 2,299,929	$ 2,080,119
Capital Assets		2,058,796	2,121,892
Total Assets		$ 4,358,725	$ 4,202,011
Liabilities:			
Current Liabilities		$ 251,601	$ 270,078
Long-term Debt Outstanding		-	-
Total Liabilities		$ 251,601	$ 270,078
Net Assets:			
Invested in Capital Assets, Net of related Debt		$ 2,058,796	$ 2,105,042
Restricted Net Assets	General Fund	326,187	248,658
	Permanent Fund	49,502	50,164
Unrestricted Net Assets		1,672,639	1,528,069
Total Net Assets		$ 4,107,124	$ 3,931,933

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

	2010	2009
Revenues		
Charges for services	$ 48,471	$ 96,774
Operating grants and contributions	52,368	53,860
Property taxes	4,351,661	4,218,737
Excise taxes	720,997	739,055
Intergovernmental	224,617	277,097
Interest earnings	36,264	36,474
Miscellaneous	120,255	14,276
Total Revenues	5,554,633	5,436,273
Expenses		
General government	485,139	499,375
Public safety	169,602	161,223
Public works	588,968	458,356
Education	3,435,892	3,284,935
Recreation	53,888	53,114
County tax	254,182	244,650
Solid waste disposal	265,684	309,151
Social services	18,636	14,787
Interest on long-term debt	424	1,584
Unclassified	100,077	74,548
Reserve	6,950	120,000
Total Expenses	5,379,442	5,221,723
Change in Net Assets	175,191	214,550
Net Assets - July 1	3,931,933	3,717,383
Net Assets - June 30	$ 4,107,124	$ 3,931,933

Revenues and Expenses

Revenues for the Town's governmental activities increased by 2.18%, while total expenses increased by 3.02%.

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Town of Lyman, Maine
Fund Balances - Governmental Funds
June 30,

	2010	2009
General Fund:		
Unreserved		
Designated	$ 326,187	$ 248,658
Undesignated	1,441,883	1,266,260
Total General Fund	$ 1,768,070	$ 1,514,918
Nonmajor Funds:		
Permanent funds	$ 49,502	$ 50,164
Total Nonmajor Funds	$ 49,502	$ 50,164

The general fund total fund balance increased by $253,152 over the prior fiscal year. The non-major fund balances decreased by $662 over the prior fiscal year. Most of the increase in the general fund came as a result of increased revenue from the miscellaneous revenues and under-spent appropriations in general. The decrease in the non-major fund balances came as a result of scholarship expenses less interest income on permanent funds.

Budgetary Highlights

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues were over budget by $339,380. All accounts were over budget with the exception of state revenue sharing.

The general fund actual expenditures were under the budget by $644,605. All accounts were under budget with the exception of social services.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2010, the net book value of capital assets recorded by the Town decreased by $63,096 over the prior year. The decrease is the result of building and building improvement deletions of $42,000 and current year depreciation.

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

	2010	2009
Infrastructure	$ 1,129,693	$ 1,160,441
Land	420,553	420,553
Buildings & land improvements	472,633	502,736
Equipment	35,917	38,162
Total	$ 2,058,796	$ 2,121,892

Debt

At June 30, 2010, the Town had $0 in long term debt.

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.

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.

TOWN OF LYMAN, MAINE

STATEMENT OF NET ASSETS
JUNE 30, 2010

		Governmental Activities
ASSETS		
Current assets:		
Cash	$	1,853,912
Investments		20,000
Receivables (net of allowance):		
Taxes		258,752
Liens		94,162
Subdivision escrow collateral		73,103
Total current assets		2,299,929
Noncurrent assets:		
Capital assets:		
Land, infrastructure, and other assets not being depreciated		420,553
Buildings and equipment, net of accumulated depreciation		1,638,243
Total noncurrent assets		2,058,796
TOTAL ASSETS	$	4,358,725
LIABILITIES		
Current liabilities:		
Accounts payable	$	23,826
Prepaid taxes		5,650
Gravel pit escrow deposits		132,000
Subdivision escrow deposits		73,103
Other current liabilities		17,022
Current portion of long-term obligations		-
Total current liabilities		251,601
Noncurrent liabilities		
Noncurrent portion of long-term obligations:		
Bonds payable		-
Total noncurrent liabilities		-
TOTAL LIABILITIES		251,601
NET ASSETS		
Invested in capital assets, net of related debt		2,058,796
Restricted net assets: General Fund		326,187
Permanent Fund		49,502
Unrestricted net assets		1,672,639
TOTAL NET ASSETS		4,107,124
TOTAL LIABILITIES AND NET ASSETS	$	4,358,725

See accompanying independent auditors' report and notes to financial statements

TOWN OF LYMAN, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities					
General government	$ 485,139	$ 25,749	$ -	$ -	$ (459,390)
Public safety	169,602	-	-	-	(169,602)
Public works	588,968	-	52,368	-	(536,600)
Education	3,435,892	-	-	-	(3,435,892)
Recreation	53,888	-	-	-	(53,888)
County tax	254,182	-	-	-	(254,182)
Solid waste disposal	265,684	22,722	-	-	(242,962)
Social services	18,636	-	-	-	(18,636)
Interest on long-term debt	424	-	-	-	(424)
Unclassified	100,077	-	-	-	(100,077)
Reserve	6,950	-	-	-	(6,950)
Total government	5,379,442	48,471	52,368	-	(5,278,603)

TOWN OF LYMAN, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

	Governmental Activities
Changes in net assets:	
Net (expense) revenue	(5,278,603)
General revenue:	
Property taxes, levied for general purposes	4,351,661
Excise taxes, levied for general purposes	720,997
Grants and contributions not restricted to specific programs	224,617
Investment earnings	36,264
Miscellaneous	120,255
Total general revenue	5,453,794
Change in net assets	175,191
NET ASSETS - JULY 1	3,931,933
NET ASSETS - JUNE 30	$ 4,107,124

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

TOWN OF LYMAN, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS			
Cash	$ 1,824,410	$ 29,502	$ 1,853,912
Investments	-	20,000	20,000
Receivables (net of allowance):			
Taxes	258,752	-	258,752
Liens	94,162	-	94,162
Subdivision escrow collateral	73,103	-	73,103
TOTAL ASSETS	$ 2,250,427	$ 49,502	$ 2,299,929
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	$ 23,826	$ -	$ 23,826
Prepaid taxes	5,650	-	5,650
Deferred taxes	230,756	-	230,756
Gravel pit escrow deposits	132,000	-	132,000
Subdivision escrow deposits	73,103	-	73,103
Other current liabilities	17,022	-	17,022
TOTAL LIABILITIES	482,357	-	482,357
Fund Equity			
General Fund:			
Designated	326,187	-	326,187
Undesignted	1,441,883	-	1,441,883
Permanent Funds	-	49,502	49,502
TOTAL FUND EQUITY	1,768,070	49,502	1,817,572
TOTAL LIABILITIES AND FUND EQUITY	$ 2,250,427	$ 49,502	$ 2,299,929

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

STATEMENT D

TOWN OF LYMAN, MAINE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

	Total Governmental Funds
Total Fund Equity	$ 1,817,572
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 accumluated depreciation	2,058,796
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	230,756
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bond payable	-
Net assets of governmental activities	$ 4,107,124

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

STATEMENT E

TOWN OF LYMAN, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR YEAR ENDED JUNE 30, 2010

	General Fund	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Property taxes	$ 4,382,714	$ -	$ 4,382,714
Excise taxes	720,997	-	720,997
Intergovernmental revenues	276,985	-	276,985
Interest income	34,926	1,338	36,264
Other revenues	168,726	-	168,726
TOTAL REVENUES	5,584,348	1,338	5,585,686
EXPENDITURES			
General government	460,837	-	460,837
Public safety	169,602	-	169,602
Public works	550,958	-	550,958
Education	3,435,892	-	3,435,892
Recreation	53,104	-	53,104
County tax	254,182	-	254,182
Solid waste disposal	265,684	-	265,684
Social services	18,636	-	18,636
Debt service	17,274	-	17,274
Unclassified	98,077	2,000	100,077
Reserve accounts	6,950	-	6,950
TOTAL EXPENDITURES	5,331,196	2,000	5,333,196
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	253,152	(662)	252,490
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)	253,152	(662)	252,490
FUND BALANCES - JULY 1	1,514,918	50,164	1,565,082
FUND BALANCES - JUNE 30	$ 1,768,070	$ 49,502	$ 1,817,572

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, 2010

Net change in fund balances - total governmental funds (Statement E)	$ 252,490
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	-
Capital asset dispositions	(18,860)
Depreciation expense	(44,236)
	(63,096)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.	-
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	16,850
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	(31,053)
Change in net assets of governmental activities (Statement B)	$ 175,191

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Lyman was incorporated under the laws of the State of Maine. The Town operates under the selectmen-treasurer form of government and provides the following services: general government services, public safety, public works, recreation, education, and solid waste disposal.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statement No. 39.

Government –Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental. The Town categorizes all activities of the as governmental.

In the government-wide Statement of Net Assets, the governmental column is (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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government – wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

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

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

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Permanent Funds are used to account for assets held by the Town in trust for specific purposes.

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

Basis of Accounting

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

1. Accrual

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

2. Modified Accrual

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

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

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.

2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.

3. The budget was adopted subsequent to passage by the inhabitants of the Town.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statues to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Town of Lyman has a formal investment policy but instead follows the State of Maine Statutes.

Inventories

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be $0 as of June 30, 2010.

Capital Assets

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

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactivity recorded infrastructure.

Estimated useful lives are as follows:

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

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes or bonds payable and compensated absences.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Reserves

The Town records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use, which is indicated by the title of each reserves listed in the balance sheet and statement of net assets. It is the Town's policy to first use restricted assets for restricted programs and only unrestricted assets after the restricted assets have been exhausted.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied August 25, 2009 on the assessed value listed as of April 1, 2009, for all real and personal property located in the Town. Taxes were due on in two installments on October 7, 2009 and April 7, 2010. Interest on unpaid taxes commenced on October 8, 2009 and April 8, 2010, at 9.00% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to $95,388 for the year ended June 30, 2010.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses / expenditures during the reporting period. Actual results may differ from these estimates.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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.

At June 30, 2010, the Town's deposits amounting to $1,850,741 were comprised of $496,779, which was insured by federal depository insurance and consequently was not exposed to custodial credit risk, and $1,353,962 which was collateralized with securities held by the financial institution in the Town's name and consequently were not exposed to custodial credit risk.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Account Type	Bank Balance
Checking accounts	$ 1,627,916
Money Market	1,225
Certificates of deposit	221,600
	$ 1,850,741

At June 30, 2010, all of the Town's investments of stocks amounting to $20,000 are not insured or collateralized.

Investment Type	Fair Value
Stocks	$ 20,000
	$ 20,000

NOTE 3 - CAPITAL ASSETS

A summary of capital assets is as follows:

	Balance, 7/1/09	Additions	Disposals	Balance, 6/30/10
Governmental activities				
Non-depreciated assets:				
Land	$ 420,553	$ -	$ -	$ 420,553
	420,553	-	-	420,553
Depreciated assets:				
Land improvements	31,444	-	-	31,444
Buildings and Improvements	610,468	-	(42,000)	568,468
Equipment	70,430	-	-	70,430
Infrastructure	1,229,895	-	-	1,229,895
	1,942,237	-	(42,000)	1,900,237
Less: accumulated depreciation	(240,898)	(44,236)	23,140	(261,994)
	1,701,339	(44,236)	(18,860)	1,638,243
Net capital assets	$ 2,121,892	$ (44,236)	$ (18,860)	$ 2,058,796

Current year depreciation:	
General government	$ 5,442
Public works/infrastructure	38,010
Parks and recreations	784
Total depreciation expense	$ 44,236

NOTE 4 – LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2010:

	Balance, 7/1/09	Additions	Deletions	Balance, 6/30/10	Current Portion
GMFD Bond	$ 16,850	$ -	$ (16,850)	$ -	$ -
Totals	$ 16,850	$ -	$ (16,850)	$ -	$ -

NOTE 5 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2010:

Street Signs	$ 401
Electrical Inspector	5,626
Snow Removal	3,510
Road Maintenance/Repair	47,181
General Assistance	1,036
PSAP	24,668
Social Service Agencies	1,000
Town Hall Generator	9,300
	$ 92,722

NOTE 6 – RISK MANAGEMENT – PARTICIPATION IN A PUBLIC ENTITY RISK POOL

The Town is a member of the Maine Municipal Association – Property and Casualty Pool ("Pool"). The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the Pool, coverage is provided after the deductible is met, and is based on replacement cost. Under the liability portion of the Pool, coverage is provided after the deductible is met, to $1,000,000.

NOTE 7 – DESIGNATED FOR SUBSEQUENT YEARS EXPENDITURES

At June 30, 2010, the General Fund balances designated for subsequent years expenditures consisted of the following:

Animal Control	$ 11,663
Transfer Station Capital	50,000
Computer reserve	31,563
Capital improvement account	138,211
Town Hall reserve	15,000
Fire truck account	52,885
Revaluation	26,865
	$326,187

NOTE 8 - CONTINGENCIES

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At June 30, 2010, the Town's share was approximately:

	Outstanding Debt	Town's Percentage	Total Share
County of York	$ 11,900,000	1.63%	$ 193,970
MSAD # 57	22,620,923	18.88%	4,269,913
			$ 4,463,883

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 2010 were $189,051.44.

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

NOTE 8 - CONTINGENCIES

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, 2010, outstanding bonds of ECO totaled $9,210,000 of which the Lyman share, based on estimated tonnage to be delivered, amounted to $190,808 (2.07%).

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, 2010, the most recent date as of which the information is available, projected landfill closure and post closure costs for ECO totaled $14,834,132 of which the Lyman share, based on estimated tonnage to be delivered, amounted to $306,650 (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, 2010, outstanding material recycling facility bonds of ECO totaled $1,980,000 of which Lyman's share, based on estimated yardage to be delivered, amounts to $26,730 (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.

NOTE 9 – 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, 2010, the Town held such collateral for three developers in the amount of $73,103.

Required Supplementary Information

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

- Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual - General Fund

SCHEDULE 1

TOWN OF LYMAN, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,514,918	$ 1,514,918	$ 1,514,918	$ -
Resources (Inflows):				
Taxes:				
Property taxes	4,347,164	4,347,164	4,382,714	35,550
Excise taxes	662,018	662,018	720,997	58,979
Intergovernmental revenues:				
DOT Block Grant	-	-	52,368	52,368
State Revenue Sharing	175,000	175,000	155,760	(19,240)
Homestead exemption	60,786	60,786	61,056	270
Other intergovernmental	-	-	7,801	7,801
Miscellaneous revenues	-	-	120,255	120,255
Interest income	-	-	34,926	34,926
Charges for service	-	-	48,471	48,471
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	6,759,886	6,759,886	7,099,266	339,380
Charges to Appropriations (Outflows):				
General government	554,989	554,989	460,837	94,152
Public safety	204,323	204,323	169,602	34,721
Public works	629,750	629,750	550,958	78,792
Education	3,435,892	3,435,892	3,435,892	-
Recreation	57,350	57,350	53,104	4,246
County tax	254,182	254,182	254,182	-
Solid waste disposal	321,550	321,550	265,684	55,866
Social services	16,700	16,700	18,636	(1,936)
Debt service	18,973	18,973	17,274	1,699
Unclassified	162,234	162,234	98,077	64,157
Reserve accounts	319,858	319,858	6,950	312,908
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	5,975,801	5,975,801	5,331,196	644,605
Budgetary Fund Balance, June 30	$ 784,085	$ 784,085	$ 1,768,070	$ 983,985
Use of Designated Fund Balance	$ 278,206	$ 278,206	$ -	$ 278,206
Use of Undesignated Fund Balance	452,627	452,627	-	452,627
	$ 730,833	$ 730,833	$ -	$ 730,833

See accompanying independent auditors' report.

Other Supplementary Information

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

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

SCHEDULE A

TOWN OF LYMAN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Appropriated	Carry Forward	Receipts/ Utilization of Undesignated	Total Available	Expended	Balance Lapsed	Balance Carried
General Government -							
Wages and salaries	$ 343,440	$ -	$ -	$ 343,440	$ 288,734	$ 54,706	$ -
Insurance	-	-	85,000	85,000	71,582	13,418	-
Audit	-	-	6,400	6,400	6,400	-	-
Operating expenses	-	-	77,300	77,300	75,168	2,132	-
Building repair/maintenance	-	-	15,000	15,000	-	15,000	-
Office equipment	3,000	-	-	3,000	1,654	1,346	-
Legal	-	-	18,000	18,000	17,299	701	-
Tax maps	-	-	4,000	4,000	-	4,000	-
Town website	2,849	-	-	2,849	-	2,849	-
Subtotal General Government	349,289	-	205,700	554,989	460,837	94,152	-
Public Safety-							
Fire department personnel	-	-	50,972	50,972	50,972	-	-
Fire department contract	87,865	-	-	87,865	87,865	-	-
Fire department dispatch	27,300	-	-	27,300	1,750	25,550	-
Goodwin Mills Fire	1,750	-	-	1,750	-	1,750	-
Street lights/Electricity	-	-	11,000	11,000	10,056	944	-
Street signs	-	-	2,500	2,500	2,901	(401)	-
Animal Control	-	4,548	18,388	22,936	10,432	841	11,663
Electrical Inspector	-	-	-	-	5,626	(5,626)	-
Subtotal Public Safety	116,915	4,548	82,860	204,323	169,602	27,300	11,663

TOWN OF LYMAN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Appropriated	Carry Forward	Receipts/ Utilization of Undesignated	Total Available	Expended	Balance Lapsed	Balance Carried
Public Works-							
Snow removal	-	-	250,750	250,750	254,260	(3,510)	-
Road reconstruction	-	-	145,000	145,000	127,101	17,899	-
Road maintenance and repair	-	-	47,000	47,000	94,181	(47,181)	-
Re-surface town roads	-	-	132,000	132,000	75,416	56,584	-
Transfer station capital	-	25,000	25,000	50,000	-	-	50,000
Tree pruning/plantations	-	-	5,000	5,000	-	5,000	-
Subtotal Public Works	-	25,000	604,750	629,750	550,958	28,792	50,000
Education	3,435,892	-	-	3,435,892	3,435,892	-	-
County tax	254,182	-	-	254,182	254,182	-	-
Recreation-							
Recreation Committee	-	-	26,410	26,410	23,039	3,371	-
Bunganut Lake town park	-	-	30,940	30,940	30,065	875	-
Subtotal Recreation	-	-	57,350	57,350	53,104	4,246	-
Solid Waste Disposal	321,550	-	-	321,550	265,684	55,866	-
Social Services-							
General Assistance	-	-	1,000	1,000	2,036	(1,036)	-
Food pantry	-	-	3,000	3,000	2,900	100	-
Social Service Agencies	-	-	12,700	12,700	13,700	(1,000)	-
Subtotal Social Services	-	-	16,700	16,700	18,636	(1,936)	-

TOWN OF LYMAN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Appropriated	Carry Forward	Receipts/ Utilization of Undesignated	Total Available	Expended	Balance Lapsed	Balance Carried
Debt service-- fire station							
Debt service fire station	-	-	18,973	18,973	17,274	1,699	-
Subtotal Debt service	-	-	18,973	18,973	17,274	1,699	-
Unclassified-							
Library	-	-	26,100	26,100	26,100	-	-
Librarian	-	-	37,446	37,446	37,446	-	-
PSAP	-	-	-	-	24,668	(24,668)	-
Conservation committee	-	-	500	500	-	500	-
Military graves	-	-	300	300	300	-	-
Eleven-town group	-	-	500	500	200	300	-
Contingency	-	-	2,000	2,000	63	1,937	-
Town hall generator	-	-	-	-	9,300	(9,300)	-
Overlay	95,388	-	-	95,388	-	95,388	-
Subtotal Unclassified	95,388	-	66,846	162,234	98,077	64,157	-
Reserve Accounts-							
Computer reserve	-	16,929	15,000	31,929	-	366	31,563
Capital improvement account	-	144,208	10,000	154,208	2,950	13,047	138,211
Town Hall reserve	-	-	15,000	15,000	-	-	15,000
Fire truck account	-	66,880	21,200	88,080	4,000	31,195	52,885
Revaluation	10,000	20,641	-	30,641	-	3,776	26,865
Subtotal Reserve Accounts	10,000	248,658	61,200	319,858	6,950	48,384	264,524
Total Departmental Operations	$ 4,583,216	$278,206	$ 1,114,379	$5,975,801	$5,331,196	$ 322,660	$326,187

See accompanying independent auditors' report.

SCHEDULE B

TOWN OF LYMAN, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS		
Cash	$ 29,502	$ 29,502
Investments	20,000	20,000
Total assets	$ 49,502	$ 49,502
LIABILITIES		
Due to other funds	$ -	$ -
Total liabilities	-	-
FUND EQUITY		
Fund balance:		
Designated for subsequent years' expenditures	49,502	49,502
Undesignated	-	-
Total equity	49,502	49,502
Total Liabilities and Fund Equity	$ 49,502	$ 49,502

See accompanying independent auditors' report.

SCHEDULE C

TOWN OF LYMAN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES	$ 1,338	$ 1,338
EXPENDITURES	2,000	2,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(662)	(662)
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)	(662)	(662)
FUND BALANCES, JULY 1	50,164	50,164
FUND BALANCES, JUNE 30	$ 49,502	$ 49,502

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.

SCHEDULE D

TOWN OF LYMAN, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2010

	H. Cousens Educational Fund	J. Emmons Cemetary Fund	E. Rumery Cemetary Fund	J. Littlefield Fund	Totals
ASSETS					
Cash	$ 25,157	$ 217	$ 2,273	$ 1,855	$ 29,502
Investments	20,000	-	-	-	20,000
Total Assets	$ 45,157	$ 217	$ 2,273	$ 1,855	$ 49,502
LIABILITIES					
Due to other funds	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-
FUND EQUITY					
Fund balance:					
Designated	45,157	217	2,273	1,855	49,502
Undesignated	-	-	-	-	-
Total fund equity	45,157	217	2,273	1,855	49,502
TOTAL LIABILITIES AND FUND EQUITY	$ 45,157	$ 217	$ 2,273	$ 1,855	$ 49,502

See accompanying independent auditors' report.

SCHEDULE E

TOWN OF LYMAN, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	H. Cousens Educational Fund	J. Emmons Cemetary Fund	E. Rumery Cemetary Fund	J. Littlefield Fund	Totals
REVENUES	$ 1,280	$ 3	$ 35	$ 20	$ 1,338
EXPENDITURES	2,000	-	-	-	2,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(720)	3	35	20	(662)
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)	(720)	3	35	20	(662)
FUND BALANCES, JULY 1	45,877	214	2,238	1,835	50,164
FUND BALANCES, JUNE 30	$ 45,157	$ 217	$ 2,273	$ 1,855	$ 49,502

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, 2010

	Land and Non-depreciable Assets	Buildings Buildings Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General Government	$ 118,203	$ 311,502	$ 14,310	$ -	$ 444,015
Public works/infrastructure	-	249,382	56,120	1,229,895	1,535,397
Parks and recreations	300	39,028	-	-	39,328
Town wide	302,050	-	-	-	302,050
Total General Capital Assets	420,553	599,912	70,430	1,229,895	2,320,790
Less: Accumulated Depreciation	-	(127,279)	(34,513)	(100,202)	(261,994)
Net General Capital Assets	$ 420,553	$ 472,633	$ 35,917	$ 1,129,693	$ 2,058,796

See accompanying independent auditors' report.

TOWN OF LYMAN, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2010

	General Capital Assets 7/1/09	Additions	Deletions	General Capital Assets 6/30/10
General Government	$ 486,015	$ -	$ (42,000)	$ 444,015
Public works	1,535,397	-	-	1,535,397
Parks and recreations	39,328	-	-	39,328
Town wide	302,050	-	-	302,050
Total General Capital Assets	2,362,790	-	(42,000)	2,320,790
Less: Accumulated Depreciation	(240,898)	(44,236)	23,140	(261,994)
Net General Capital Assets	$ 2,121,892	$ (44,236)	$ (18,860)	$ 2,058,796

See accompanying independent auditors' report.