

Audited Financial Statements

Town of Limerick, Maine

December 31, 2011



Proven Expertise and Integrity

TOWN OF LIMERICK, MAINE

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DECEMBER 31, 2011

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INDEPENDENT AUDITORS' REPORT

January 27, 2012

Board of Selectmen
Town of Limerick
Limerick, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Limerick, Maine, as of and for the year ended December 31, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Town of Limerick, Maine's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Limerick, Maine as of December 31, 2011, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain

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limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Limerick, Maine's financial statements as a whole. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RHR Smith & Company

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011**

(UNAUDITED)

The following management's discussion and analysis of the Town of Limerick, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2011. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Limerick'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 one column for the Town's one type of activity. The type of activity presented for the Town of Limerick is:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, education, recreation and culture 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 Limerick, 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 Limerick 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 Limerick 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 "Nonmajor 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 the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.

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 \$312,470 from \$7.07 million to \$7.38 million.

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 \$296,422 to a balance of \$3,055,776 at the end of this year.

Table 1
Town of Limerick, Maine
Net Assets
December 31,

	2011	2010
Assets:		
Current and Other Assets	\$ 3,090,461	\$ 2,782,563
Capital Assets	4,375,609	4,368,413
Total Assets	\$ 7,466,070	\$ 7,150,976
Liabilities:		
Current Liabilities	\$ 26,121	\$ 14,383
Long-term Debt Outstanding	57,544	66,658
Total Liabilities	\$ 83,665	\$ 81,041
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 4,308,951	\$ 4,292,773
Restricted Net Assets:		
Special Revenue funds	734	904
Permanent funds	16,944	16,904
Unrestricted Net Assets	3,055,776	2,759,354
Total Net Assets	\$ 7,382,405	\$ 7,069,935

Table 2
Town of Limerick, Maine
Change in Net Assets
For The Years Ended December 31,

	<u>2011</u>	<u>2010</u>
Revenues		
Taxes:		
Property	\$ 3,532,298	\$ 3,525,279
Excise	416,711	414,801
Intergovernmental	238,862	228,609
Charges for service	69,755	69,460
Miscellaneous	209,949	139,938
Total Revenue	<u>4,467,575</u>	<u>4,378,087</u>
Expenses		
Current:		
General government	407,047	411,849
Public works	388,860	531,719
Public safety	304,594	168,936
Waste & Sanitation	239,780	249,403
Community Services	56,659	60,856
Education	2,508,045	2,398,234
County tax	161,925	161,439
Community Assistance	11,700	11,700
Debt Service	9,839	38,996
Unclassified	66,656	232,286
Total Expenses	<u>4,155,105</u>	<u>4,265,418</u>
Change in Net Assets	312,470	112,669
Net Assets - January 1	<u>7,069,935</u>	<u>6,957,266</u>
Net Assets - December 31	<u>\$ 7,382,405</u>	<u>\$ 7,069,935</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 2.04%, while total expenses decreased by 2.59%. The increase in revenues is largely due to miscellaneous revenues received. Most of the Town's expenses had slight increases or decreases from last year while education and public safety had the largest of increases at \$109,811 and \$135,658, respectively.

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 Limerick, Maine
Fund Balances - Governmental Funds
December 31,

	2011	2010
General Fund:		
Unreserved		
Nonspendable	\$ 40,039	\$ 38,037
Committed	114,649	101,940
Unassigned	2,042,754	1,994,591
Total General Fund	\$ 2,197,442	\$ 2,134,568
Nonmajor Funds:		
Reserved		
Special revenue funds		
Restricted	\$ 734	\$ 904
Committed	141,402	133,185
Assigned	2,252	1,705
Capital project funds		
Committed	373,353	258,831
Permanent funds		
Restricted	16,944	16,904
Total Nonmajor Funds	\$ 534,685	\$ 411,529

The general fund total fund balance increased by \$62,874 over the prior fiscal year. The non-major fund balances increased by \$123,156 over the prior fiscal year.

Budgetary Highlights

There were significant differences between the original and final budget for the general fund. There was a special town meeting appropriating \$19,000 for public safety and applied receipts for franchise fee expenditures.

The general fund actual revenues did not meet the expected budget by \$54,248. Property taxes account for most of this balance, due to collections and the deferred tax revenue adjustment.

The general fund actual expenditures were under budget by \$238,062. All expenditures were under budget.

Capital Asset and Debt Administration

Capital Assets

As of December 31, 2011, the net book value of capital assets recorded by the Town increased by \$7,196 over the prior year. The increase can be associated with annual depreciation of \$174,113 less capital additions of \$181,309.

**Table 4
Town of Limerick, Maine
Capital Assets (Net of Depreciation)
December 31,**

	2011	2010
Land	\$ 267,950	\$ 267,950
Construction in progress	2,400	-
Buildings and improvements	473,355	480,696
Machinery and equipment	248,589	301,146
Vehicles	578,755	623,909
Infrastructure	2,804,560	2,694,712
Total	\$ 4,375,609	\$ 4,368,413

Debt

At December 31, 2011, the Town had \$66,658 in bonds and notes outstanding versus \$75,640 last year, a decrease of 11.87%, as shown in Note 5 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 Dept. at, 55 Washington Street, Limerick, Maine 04048.

STATEMENT A

TOWN OF LIMERICK, MAINE
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash	\$ 2,528,400
Accounts receivable (net of allowance for uncollectibles):	
Taxes	327,245
Liens	95,134
Other	99,643
Tax acquired property	40,039
Total current assets	<u>3,090,461</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	270,350
Buildings and equipment, net of accumulated depreciation	4,105,259
Total noncurrent assets	<u>4,375,609</u>
TOTAL ASSETS	<u><u>\$ 7,466,070</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 3,751
Accrued payroll	4,471
Prepaid taxes	735
Due to other governments	7,950
Payroll liabilities	100
Current portion of long-term obligations	9,114
Total current liabilities	<u>26,121</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations:	
Bonds payable	57,544
Total noncurrent liabilities	<u>57,544</u>
TOTAL LIABILITIES	<u>83,665</u>
NET ASSETS	
Invested in capital assets, net of related debt	4,308,951
Restricted:	
Special Revenue fund	734
Permanent funds	16,944
Unrestricted	3,055,776
TOTAL NET ASSETS	<u>7,382,405</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,466,070</u></u>

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

TOWN OF LIMERICK, MAINE
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities
Governmental activities					
Current:					
General government	\$ 407,047	\$ 36,442	\$ -	\$ -	\$ (370,605)
Public works	388,860	-	35,181	-	(353,679)
Public safety	304,594	4,088	-	-	(300,506)
Waste & sanitation	239,780	23,273	-	-	(216,507)
Community services	56,659	5,952	-	-	(50,707)
Education	2,508,045	-	-	-	(2,508,045)
County tax	161,925	-	-	-	(161,925)
Community assistance	11,700	-	-	-	(11,700)
Debt service	9,839	-	-	-	(9,839)
Unclassified	66,656	-	-	-	(66,656)
Total governmental activities	<u>4,155,105</u>	<u>69,755</u>	<u>35,181</u>	<u>-</u>	<u>(4,050,169)</u>

STATEMENT B (CONTINUED)
TOWN OF LIMERICK, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>\$ (4,050,169)</u>
General revenue:	
Taxes	
Property taxes, levied for general purposes	3,532,298
Excise taxes, levied for general purposes	416,711
Grants and contributions not restricted to specific programs	203,681
Miscellaneous	<u>209,949</u>
Total general revenue and transfers	<u>4,362,639</u>
Change in net assets	312,470
NET ASSETS - JANUARY 1, 2011	<u>7,069,935</u>
NET ASSETS - DECEMBER 31, 2011	<u><u>\$ 7,382,405</u></u>

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

TOWN OF LIMERICK, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash	\$ 2,299,461	\$ 228,939	\$ 2,528,400
Receivables (net of allowance for uncollectibles)			
Taxes	327,245	-	327,245
Liens	95,134	-	95,134
Other	5,146	94,497	99,643
Tax acquired property	40,039	-	40,039
Due from other funds	-	211,249	211,249
TOTAL ASSETS	\$ 2,767,025	\$ 534,685	\$ 3,301,710
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 3,751	\$ -	\$ 3,751
Accrued payroll	4,471	-	4,471
Prepaid taxes	735	-	735
Due to other governments	7,950	-	7,950
Other liabilities	100	-	100
Due to other funds	211,249	-	211,249
Deferred tax revenues	341,327	-	341,327
TOTAL LIABILITIES	569,583	-	569,583
Fund Equity			
Nonspendable	40,039	-	40,039
Restricted	-	17,678	17,678
Committed	114,649	514,755	629,404
Assigned	-	2,252	2,252
Unassigned	2,042,754	-	2,042,754
TOTAL FUND EQUITY	2,197,442	534,685	2,732,127
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,767,025	\$ 534,685	\$ 3,301,710

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

TOWN OF LIMERICK, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Total Governmental Funds
Total Fund Equity	\$ 2,732,127
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	4,375,609
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	341,327
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(66,658)
Net assets of governmental activities	\$ 7,382,405

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

TOWN OF LIMERICK, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	Nonmajor Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 3,422,036	\$ -	\$ 3,422,036
Excise taxes	416,711	-	416,711
Intergovernmental	238,862	-	238,862
Charges for services	69,755	-	69,755
Miscellaneous revenues	64,910	145,039	209,949
TOTAL REVENUES	4,212,274	145,039	4,357,313
EXPENDITURES			
Current:			
General government	390,190	-	390,190
Public works	500,532	-	500,532
Public safety	216,975	-	216,975
Waste & Sanitation	248,762	-	248,762
Community Services	56,659	-	56,659
Education	2,508,045	-	2,508,045
County tax	161,925	-	161,925
Community Assistance	11,700	-	11,700
Debt Service	9,839	-	9,839
Unclassified	44,789	21,867	66,656
TOTAL EXPENDITURES	4,149,416	21,867	4,171,283
EXCESS REVENUES OVER (UNDER) EXPENDITURES	62,858	123,172	186,030
OTHER FINANCING SOURCES			
Transfers in	16	-	16
Transfers (out)	-	(16)	(16)
TOTAL OTHER FINANCING SOURCES (USES)	16	(16)	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	62,874	123,156	186,030
FUND BALANCE - JANUARY 1, 2011	2,134,568	411,529	2,546,097
FUND BALANCES - DECEMBER 31, 2011	<u>\$ 2,197,442</u>	<u>\$ 534,685</u>	<u>\$ 2,732,127</u>

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

TOWN OF LIMERICK, 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 DECEMBER 31, 2011

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 186,030</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 allocated those expenditures over the life of the assets:	
Capital asset purchases capitalized	181,309
Capital asset purchases disposed	-
Depreciation expense	<u>(174,113)</u>
	<u>7,196</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>110,262</u>
Debt proceeds provide current financial resources to governmental funds, but issuing long-term liabilities in the Statement of Net Assets.	
	<u>-</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, reduces long-term liabilities in the Statement of Net Assets	
	<u>8,982</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 312,470</u></u>

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Limerick 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, public safety, public works, waste and sanitation, community services, education, and community assistance.

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 Town as governmental.

In the government-wide Statement of Net Assets, the governmental 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 LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- d. 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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 January 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.
4. The Town does not adopt budgets for Special Revenue Funds.

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 Statutes 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 Limerick has no formal investment policy but instead follows the State of Maine Statutes. They are in the process of adopting a more detailed investment policy.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Receivables and Payables

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$0 as of December 31, 2011.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Compensated Absences

The Town does not have any compensated absences as of December 31, 2011.

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Fund Equity

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

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

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

The Town is in the process of adopting a set of financial policies to guide the financial operation of the Town. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied September 1, 2011 on the assessed value listed as of April 1, 2011, for all real and personal property located in the Town. Taxes were due on October 31, 2011. Interest on unpaid taxes commenced on November 1, 2011, at 7% 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 \$87,160 for the year ended December 31, 2011.

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

Program Revenues

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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.

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 LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

At December 31, 2011, the Town's deposits amounting to \$2,557,868 were comprised of \$391,476 which was insured by federal depository insurance and consequently was not exposed to custodial credit risk, and \$2,166,392 that was in excess of federal depository insurance which was collateralized with securities held in the entity's name and thus not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 124,533
Savings	228,938
Sweep	<u>2,204,397</u>
	<u><u>\$ 2,557,868</u></u>

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2011 consisted of the following individual fund receivables and payables.

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ -	\$ 211,249
Special Revenues	144,388	-
Capital Project	<u>66,861</u>	<u>-</u>
	<u><u>\$ 211,249</u></u>	<u><u>\$ 211,249</u></u>

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at December 31, 2011:

	Balance, 1/1/11	Additions	Disposals	Balance, 12/31/11
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 267,950	\$ -	\$ -	\$ 267,950
Construction in progress	-	2,400	-	2,400
	<u>267,950</u>	<u>2,400</u>	<u>-</u>	<u>270,350</u>
Depreciated assets:				
Buildings & improvements	821,094	6,275	-	827,369
Machinery & equipment	771,685	-	-	771,685
Vehicles	1,078,319	-	-	1,078,319
Infrastructure	3,103,830	172,634	-	3,276,464
	<u>5,774,928</u>	<u>178,909</u>	<u>-</u>	<u>5,953,837</u>
Less: accumulated depreciation				
Buildings & improvements	(340,398)	(13,616)	-	(354,014)
Machinery & equipment	(470,539)	(52,557)	-	(523,096)
Vehicles	(454,410)	(45,156)	-	(499,566)
Infrastructure	(409,118)	(62,784)	-	(471,902)
	<u>(1,674,465)</u>	<u>(174,113)</u>	<u>-</u>	<u>(1,848,578)</u>
Subtotal	<u>4,100,463</u>	<u>4,796</u>	<u>-</u>	<u>4,105,259</u>
Net capital assets	<u>\$ 4,368,413</u>	<u>\$ 7,196</u>	<u>\$ -</u>	<u>\$ 4,375,609</u>

Current year depreciation

Fire Department	\$ 90,019
Public Works	67,237
Town-Wide	16,857
Total depreciation expense	<u>\$ 174,113</u>

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 5 – LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended December 31, 2011:

	Balance 1/1/11	Additions	Reductions	Balance 12/31/11	Current Year Portion
Bonds payable	\$ 75,640	\$ -	\$ (8,982)	\$ 66,658	\$ 9,114
Totals	<u>\$ 75,640</u>	<u>\$ -</u>	<u>\$ (8,982)</u>	<u>\$ 66,658</u>	<u>\$ 9,114</u>

The following is a summary of outstanding bonds payable:

\$135,000, 2003 General Obligation bonds with Maine Municipal Bond Bank, due in annual installments through April 2018, interest is charged at a rate 1.0%.

\$ 66,658

The following is a summary of outstanding bond and note principal and interest requirements for the following fiscal years ending December 31:

	Principal	Interest	Total Debt Service
2012	\$ 9,114	\$ 767	\$ 9,881
2013	9,247	676	9,923
2014	9,382	583	9,965
2015	9,519	489	10,008
2016	9,658	394	10,052
2017-2021	19,738	497	20,235
	<u>\$ 66,658</u>	<u>\$ 3,406</u>	<u>\$ 70,064</u>

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 6 – RESERVED FUND BALANCE

The following net assets have been reserved at December 31, 2011 for the following purposes:

Restricted for special revenue funds	\$ 734
Restricted for permanent funds	<u>16,944</u>
	<u><u>\$ 17,678</u></u>

NOTE 7 – GENERAL FUND COMMITTED FUND EQUITY

At December 31, 2011, the general fund committed fund balance was made up of the following account balances carried forward into the subsequent year's budget:

General Fund:	
Fire department	\$ 17,600
Franchise fees	<u>97,049</u>
Totals	<u><u>\$ 114,649</u></u>

NOTE 8 – OVERSPENT APPROPRIATIONS

Treasurer (Article 13)	\$ 140
Administration payroll (Article 5)	2,567
General assistance (Article 9)	4,969
Bridges (Article 21)	65
Paramedic/FF (Article 30)	189
Library (Article 35)	<u>215</u>
	<u><u>\$ 8,145</u></u>

NOTE 9 – OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At December 31, 2011, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 12,821,105	1.01%	\$ 129,493
RSU #57	22,620,923	12.79%	<u>2,893,216</u>
			<u><u>\$ 3,022,709</u></u>

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 10 – RISK MANAGEMENT

The Town faces a full realm of risks typical of a thriving entity. Liabilities associated with torts and protections against damage of loss of assets are the general categories of risk for which the Town carries commercial insurance. Specific insurance related to these categories includes general, police and public officials liability coverage, workers compensation, and automobile insurance. The Town is liable for deductibles ranging up to \$10,000 for settlements exceeding the limits of coverage, which range from \$400,000 to \$3,000,000. The amount of settlements has not exceeded insurance coverage for each of the past three years.

NOTE 11 – CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

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

TOWN OF LIMERICK, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 2,134,568	\$ 2,134,568	\$ 2,134,568	\$ -
Resources (Inflows):				
Property taxes	3,527,666	3,527,666	3,422,036	(105,630)
Excise taxes	407,000	407,000	416,711	9,711
Intergovernmental:	230,218	230,218	238,862	8,644
Charges for service	68,300	68,300	69,755	1,455
Interest income	-	-	17,837	17,837
Miscellaneous revenues	-	33,354	47,073	13,719
Transfers from other funds	-	-	16	16
Amounts Available for Appropriation	<u>6,367,752</u>	<u>6,401,106</u>	<u>6,346,858</u>	<u>(54,248)</u>
Charges to Appropriations (Outflows):				
Current:				
General government	414,353	414,353	390,190	24,163
Public works	485,666	504,666	500,532	4,134
Public safety	236,184	236,184	216,975	19,209
Waste & Sanitation	262,372	262,372	248,762	13,610
Community Services	57,634	57,634	56,659	975
Education	2,508,045	2,508,045	2,508,045	-
County tax	161,925	161,925	161,925	-
Community Assistance	11,700	11,700	11,700	-
Debt Service	10,000	10,000	9,839	161
Unclassified	187,245	220,599	44,789	175,810
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>4,335,124</u>	<u>4,387,478</u>	<u>4,149,416</u>	<u>238,062</u>
Budgetary Fund Balance, December 31	<u>\$ 2,032,628</u>	<u>\$ 2,013,628</u>	<u>\$ 2,197,442</u>	<u>\$ 183,814</u>
Utilization of undesignated fund balance	\$ -	\$ 19,000	\$ -	\$ (19,000)
Utilization of designated fund balance	101,940	101,940	-	(101,940)
	<u>\$ 101,940</u>	<u>\$ 120,940</u>	<u>\$ -</u>	<u>\$ (120,940)</u>

See accompanying independent auditors' report.

TOWN OF LIMERICK, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
General tax revenues				
Property taxes	\$ 3,527,666	\$ 3,527,666	\$ 3,422,036	\$ (105,630)
Vehicle excise taxes	400,000	400,000	409,206	9,206
Boat/plane excise taxes	7,000	7,000	7,505	505
Intergovernmental revenues				
State revenue sharing	120,000	120,000	121,239	1,239
Homestead exemption	42,506	42,506	43,396	890
Urban rural	46,900	46,900	35,181	(11,719)
Veteran's exemption	-	-	1,737	1,737
Tree growth	-	-	11,442	11,442
Snowmobile reimbursement	-	-	1,350	1,350
BETE reimbursement	16,812	16,812	16,446	(366)
General assistance	4,000	4,000	8,071	4,071
Charges for services				
Agent fees	10,000	10,000	10,426	426
Clerk fees	3,000	3,000	3,257	257
Code enforcement	15,000	15,000	17,884	2,884
Board of appeals	300	300	100	(200)
Transfer station	25,000	25,000	23,273	(1,727)
Fire department	5,000	5,000	3,482	(1,518)
Costable permits	500	500	284	(216)
Animal control	400	400	322	(78)
Recreation registrations	7,200	7,200	4,625	(2,575)
Town hall rentals	1,500	1,500	375	(1,125)
Public areas	400	400	-	(400)
Planning board	-	-	4,400	4,400
Library	-	-	1,327	1,327
Investment income:				
Investment income	-	-	2,752	2,752
Interest / fees on taxes	-	-	15,085	15,085
Other income:				
Other income	-	-	6,439	6,439
Lien costs	-	-	2,770	2,770
Land payment	-	-	4,510	4,510
Cable franchise fees	-	33,354	33,354	-
Transfers from other funds				
Hillside Cemetery	-	-	16	16
Total revenues	<u>\$ 4,233,184</u>	<u>\$ 4,266,538</u>	<u>\$ 4,212,290</u>	<u>\$ (54,248)</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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Project Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds
- Combining Balance Sheet – Nonmajor Permanent Funds
- Combining Schedule of Revenue, 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

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance 1/1/2011	Original Budget	Budget Adjustments	Final Budget	Actual	Balance	
						Lapsed	Carried
EXPENDITURES							
General government:							
Treasurer	\$ -	\$ 34,011	\$ -	\$ 34,011	\$ 34,151	\$ (140)	\$ -
Town Clerk/Tax Collector	-	54,557	-	54,557	50,532	4,025	-
Adminstration payroll	-	75,470	-	75,470	78,037	(2,567)	-
Payroll expenses	-	23,000	-	23,000	18,918	4,082	-
Legal	-	43,900	-	43,900	40,006	3,894	-
Assessing	-	20,500	-	20,500	18,165	2,335	-
General assistance	-	12,000	-	12,000	16,969	(4,969)	-
Incidentals	-	12,700	-	12,700	12,441	259	-
Board of appeals	-	300	-	300	133	167	-
Elections	-	11,387	-	11,387	9,360	2,027	-
Code Enforcement Officer	-	51,342	-	51,342	49,137	2,205	-
Planning board	-	6,356	-	6,356	5,725	631	-
Comprehensive plan	-	2,430	-	2,430	728	1,702	-
Municipal Building	-	49,000	-	49,000	42,930	6,070	-
Town hall	-	12,000	-	12,000	11,869	131	-
Grange hall	-	4,500	-	4,500	317	4,183	-
Moore building	-	900	-	900	772	128	-
	-	414,353	-	414,353	390,190	24,163	-
Public Works:							
Repair of highways	-	141,916	-	141,916	139,367	2,549	-
Tarring	-	160,000	-	160,000	160,000	-	-
Bridges	-	10,450	1,500	11,950	11,950	-	-
Snow Removal:							
Snow removal of roads	-	152,000	17,500	169,500	169,500	-	-
Snow removal sidewalks	-	21,300	-	21,300	19,715	1,585	-
	-	485,666	19,000	504,666	500,532	4,134	-

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance 1/1/2011	Original Budget	Budget Adjustments	Final Budget	Actual	Balance	
						Lapsed	Carried
Public Safety							
Fire department	20,000	115,820	-	135,820	118,165	55	17,600
Paramedic/FF	-	39,832	-	39,832	40,021	(189)	-
Hydrant rental	-	25,524	-	25,524	25,524	-	-
E.M.A.	-	3,857	-	3,857	3,508	349	-
Constables	-	200	-	200	86	114	-
Traffic Signals	-	13,000	-	13,000	11,613	1,387	-
FEMA Fire Department	7,043	-	-	7,043	7,629	(586)	-
Animal control	-	10,908	-	10,908	10,429	479	-
	<u>27,043</u>	<u>209,141</u>	<u>-</u>	<u>236,184</u>	<u>216,975</u>	<u>1,609</u>	<u>17,600</u>
Waste & Sanitation				-		-	-
Sanitation & Recycling Facility	-	78,915	-	78,915	70,537	8,378	-
Door to Door	-	85,000	-	85,000	80,000	5,000	-
Household tipping fees	-	95,000	-	95,000	94,768	232	-
FEMA - Transfer Station	3,457	-	-	3,457	3,457	-	-
	<u>3,457</u>	<u>258,915</u>	<u>-</u>	<u>262,372</u>	<u>248,762</u>	<u>13,610</u>	<u>-</u>
Community Services							
Library	-	48,286	-	48,286	48,501	(215)	-
Recreation	-	9,348	-	9,348	8,158	1,190	-
	<u>-</u>	<u>57,634</u>	<u>-</u>	<u>57,634</u>	<u>56,659</u>	<u>975</u>	<u>-</u>
Education	-	2,508,045	-	2,508,045	2,508,045	-	-
County Tax	-	161,925	-	161,925	161,925	-	-

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance 1/1/2011	Original Budget	Budget Adjustments	Final Budget	Actual	Balance	
						Lapsed	Carried
Community Assistance							
Saco river corridor	-	300	-	300	300	-	-
Memorial day purposes	-	1,000	-	1,000	1,000	-	-
St. Matthew's food pantry	-	650	-	650	650	-	-
York County Community Action	-	2,050	-	2,050	2,050	-	-
Counseling Services, Inc.	-	1,650	-	1,650	1,650	-	-
American Red Cross	-	1,450	-	1,450	1,450	-	-
Southern Maine Area on Aging	-	3,050	-	3,050	3,050	-	-
York County Child Abuse & Neglect	-	450	-	450	450	-	-
York County Shelter	-	550	-	550	550	-	-
Home Health Visiting Nurses	-	550	-	550	550	-	-
	-	11,700	-	11,700	11,700	-	-
Debt Service							
Bond - interest	-	8,982	-	8,982	8,982	-	-
Bond - principal	-	1,018	-	1,018	857	161	-
	-	10,000	-	10,000	9,839	161	-
Unclassified:							
Public places	-	7,139	-	7,139	6,327	812	-
Milfoil	-	3,000	-	3,000	3,000	-	-
Franchise fees	71,440	18,506	33,354	123,300	26,251	-	97,049
Overlay	-	87,160	-	87,160	9,211	77,949	-
	71,440	115,805	33,354	220,599	44,789	78,761	97,049
Totals	\$ 101,940	\$ 4,233,184	\$ 52,354	\$ 4,387,478	\$ 4,149,416	\$ 123,413	\$ 114,649

See accompanying independent auditors' report.

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ -	\$ 211,995	\$ 16,944	\$ 228,939
Investments	-	-	-	-
Accounts receivable	-	94,497	-	94,497
Due from other funds	144,388	66,861	-	211,249
Total assets	<u>\$ 144,388</u>	<u>\$ 373,353</u>	<u>\$ 16,944</u>	<u>\$ 534,685</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY				
Nonspendable	-	-	-	-
Restricted	734	-	16,944	17,678
Committed	141,402	373,353	-	514,755
Assigned	2,252	-	-	2,252
Unassigned	-	-	-	-
Total fund equity	<u>144,388</u>	<u>373,353</u>	<u>16,944</u>	<u>534,685</u>
Total liabilities and fund equity	<u>\$ 144,388</u>	<u>\$ 373,353</u>	<u>\$ 16,944</u>	<u>\$ 534,685</u>

See accompanying independent auditors' report.

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES	<u>\$ 11,171</u>	<u>\$ 133,812</u>	<u>\$ 56</u>	<u>\$ 145,039</u>
EXPENDITURES	<u>2,577</u>	<u>19,290</u>	<u>-</u>	<u>21,867</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,594</u>	<u>114,522</u>	<u>56</u>	<u>123,172</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	-	-	(16)	(16)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(16)</u>	<u>(16)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>8,594</u>	<u>114,522</u>	<u>40</u>	<u>123,156</u>
FUND BALANCE, JANUARY 1	<u>135,794</u>	<u>258,831</u>	<u>16,904</u>	<u>411,529</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 144,388</u></u>	<u><u>\$ 373,353</u></u>	<u><u>\$ 16,944</u></u>	<u><u>\$ 534,685</u></u>

See accompanying independent auditors' report.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

1. Business Park
2. Lakes Environmental Grant
3. Recreation Donations
4. Outreach
5. Library Book Sales
6. Fire Dept Donations

SCHEDULE D

TOWN OF LIMERICK, MAINE
 COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2011

	Business Park	Lakes Environmental Grant	Recreation Donations	Outreach	Library Book Sales	Fire Dept Donations	Total
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	141,402	71	160	663	287	1,805	144,388
TOTAL ASSETS	\$ 141,402	\$ 71	\$ 160	\$ 663	\$ 287	\$ 1,805	\$ 144,388
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND EQUITY							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	71	-	663	-	-	734
Committed	141,402	-	-	-	-	-	141,402
Assigned	-	-	160	-	287	1,805	2,252
Unassigned	-	-	-	-	-	-	-
TOTAL FUND EQUITY	141,402	71	160	663	287	1,805	144,388
TOTAL LIABILITIES AND FUND EQUITY	\$ -	\$ -	\$ 160	\$ -	\$ 287	\$ 1,805	\$ 144,388

See accompanying independent auditors' report.

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Business Park	Lakes Environmental Grant	Recreation Donations	Outreach	Library Book Sales	Fire Dept Donations	Total
REVENUES	\$ 8,217	\$ 400	\$ 160	\$ 500	\$ 1,794	\$ 100	\$ 11,171
EXPENDITURES	-	400	-	670	1,507	-	2,577
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,217	-	160	(170)	287	100	8,594
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)	8,217	-	160	(170)	287	100	8,594
FUND BALANCE, JANUARY 1	133,185	71	-	833	-	1,705	135,794
FUND BALANCE, DECEMBER 31	\$ 141,402	\$ 71	\$ 160	\$ 663	\$ 287	\$ 1,805	\$ 144,388

See accompanying independent auditors' report.

Capital Project Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

1. Limerick Rescue
2. Business Association
3. Town Hall Handicap Access

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2011

	<u>Limerick Rescue</u>	<u>Business Association</u>	<u>Town Hall Handicap Access</u>	<u>Total</u>
ASSETS				
Cash	\$ 153,556	\$ 1,988	\$ 56,451	\$ 211,995
Investments	-	-	-	-
Accounts receivable	94,497	-	-	94,497
Due from other funds	66,834	27	-	66,861
TOTAL ASSETS	<u><u>\$ 314,887</u></u>	<u><u>\$ 2,015</u></u>	<u><u>\$ 56,451</u></u>	<u><u>\$ 373,353</u></u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND EQUITY				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	314,887	2,015	56,451	373,353
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND EQUITY	<u><u>314,887</u></u>	<u><u>2,015</u></u>	<u><u>56,451</u></u>	<u><u>373,353</u></u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 314,887</u></u>	<u><u>\$ 2,015</u></u>	<u><u>\$ 56,451</u></u>	<u><u>\$ 373,353</u></u>

See accompanying independent auditors' report.

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Limerick Rescue</u>	<u>Business Association</u>	<u>Town Hall Handicap Access</u>	<u>Total</u>
REVENUES				
Interest	\$ 298	\$ 4	\$ 125	\$ 427
Other	133,385	-	-	133,385
TOTAL REVENUES	<u>133,683</u>	<u>4</u>	<u>125</u>	<u>133,812</u>
EXPENDITURES	<u>19,290</u>	<u>-</u>	<u>-</u>	<u>19,290</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>114,393</u>	<u>4</u>	<u>125</u>	<u>114,522</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	114,393	4	125	114,522
FUND BALANCE, JANUARY 1,	<u>200,494</u>	<u>2,011</u>	<u>56,326</u>	<u>258,831</u>
FUND BALANCE, DECEMBER 31,	<u>\$ 314,887</u>	<u>\$ 2,015</u>	<u>\$ 56,451</u>	<u>\$ 373,353</u>

See accompanying independent auditors' report.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Limerick, Maine in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

1. Hillside Cemetery
2. Elizabeth Felch Durrell

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET- NONMAJOR PERMANENT FUNDS
DECEMBER 31, 2011

	Hillside Cemetery	Elizabeth Felch Durrell	Total
ASSETS			
Cash	\$ 8,219	\$ 8,725	\$ 16,944
Investments	-	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 8,219</u>	<u>\$ 8,725</u>	<u>\$ 16,944</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY			
Nonespendable	-	-	-
Restricted	8,219	8,725	16,944
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund equity	<u>8,219</u>	<u>8,725</u>	<u>16,944</u>
Total liabilities and fund equity	<u>\$ 8,219</u>	<u>\$ 8,725</u>	<u>\$ 16,944</u>

See accompanying independent auditors' report.

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Hillside Cemetery	Elizabeth Felch Durrell	Total
REVENUES			
Interest	\$ 32	\$ 24	\$ 56
Other	-	-	-
TOTAL REVENUES	<u>32</u>	<u>24</u>	<u>56</u>
EXPENDITURES			
Scholarships	-	-	-
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>32</u>	<u>24</u>	<u>56</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer in	-	-	-
Operating transfer (out)	<u>(16)</u>	<u>-</u>	<u>(16)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(16)</u>	<u>-</u>	<u>(16)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	16	24	40
FUND BALANCES - JANUARY 1, 2011	<u>8,203</u>	<u>8,701</u>	<u>16,904</u>
FUND BALANCES - DECEMBER 31, 2011	<u>\$ 8,219</u>	<u>\$ 8,725</u>	<u>\$ 16,944</u>

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 LIMERICK, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2011

	Land, Non- Depreciable Infrastructure and Construction in Progress	Buildings, Land and Building Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
Fire Department	\$ 12,670	\$ 63,132	\$ 1,770,156	\$ -	\$ 1,845,958
Public Works	-	41,854	35,635	3,276,464	3,353,953
Town-Wide	257,680	722,383	44,213	-	1,024,276
Total General Capital Assets	270,350	827,369	1,850,004	3,276,464	6,224,187
Less: Accumulated Depreciation	-	(354,014)	(1,022,660)	(471,904)	(1,848,578)
Net General Capital Assets	\$ 540,700	\$ 473,355	\$ 827,344	\$ 2,804,560	\$ 4,375,609

See accompanying independent auditors' report.

TOWN OF LIMERICK, MAINE

SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Capital Assets 1/1/11	Additions	Deletions	General Capital Assets 12/31/11
Fire Department	\$ 1,843,558	\$ 2,400	\$ -	\$ 1,845,958
Public Works	3,175,044	178,909	-	3,353,953
Town-Wide	1,024,276	-	-	1,024,276
Total General Capital Assets	6,042,878	181,309	-	6,224,187
Less: Accumulated Depreciation	(1,674,465)	(174,113)	-	(1,848,578)
Net General Capital Assets	<u>\$ 4,368,413</u>	<u>\$ 7,196</u>	<u>\$ -</u>	<u>\$ 4,375,609</u>

See accompanying independent auditors' report.