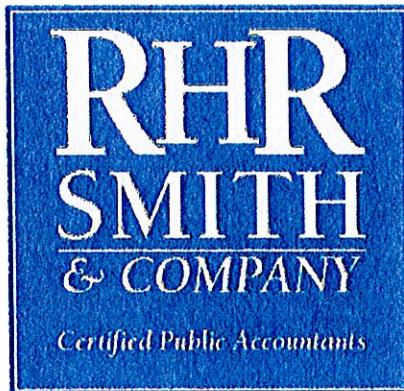


Audited Financial Statements

Town of Waterboro, Maine

June 30, 2008



Proven Expertise and Integrity

TOWN OF WATERBORO, MAINE

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JUNE 30, 2008

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INDEPENDENT AUDITORS' REPORT

July 24, 2008

Board of Selectmen
Town of Waterboro
East Waterboro, Maine

We have audited the accompanying financial statements of the government activities, each major fund, and the aggregate remaining fund information of the Town of Waterboro, as of and for the year ended June 30, 2008, 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 Waterboro as of June 30, 2008, 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 three through eight 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Waterboro, Maine's basic financial statements. The combining and individual nonmajor 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 nonmajor 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.

RHE Smith & Company
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Waterboro's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the Town's financial statements.

1. Brief Discussion of the Basic Financial Statements

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements follow. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Town as a Whole

One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting, used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. You can think of the Town's net assets - the difference between assets and liabilities - as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

In the Statement of Net Assets and the Statement of Activities, the Town's activities are classified solely as governmental activities:

- Governmental activities - All of the Town's basic services are reported here, including administration, library, parks and recreation, public safety, health and sanitation, public works, education, and debt service.

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins on page 14. The fund financial statements provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town's Board of Selectmen establish many other funds to help them control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the State of Maine Department of Transportation). The Town uses only one kind of fund - governmental funds.

- *Governmental funds* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

2. Condensed Financial Information

The Town As A Whole

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activities. The Town's total net assets decreased by \$24,369 from \$5,018,812 to \$4,994,443 or a .5% decrease.

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 \$117,266 from \$2,338,717 to a balance of \$2,455,983 at the end of this year.

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

Assets:	2008	2007
Current and other assets	\$ 3,355,402	\$ 3,571,006
Capital Assets	3,155,657	2,736,018
Total Assets	\$ 6,511,059	\$ 6,307,024
 Liabilities:		
Current Liabilities	\$ 448,245	\$ 524,217
Long-term Debt Outstanding	1,068,371	763,995
Total Liabilities	\$ 1,516,616	\$ 1,288,212
 Net Assets:		
Invested in Capital Assets, Net of related Debt	\$ 1,932,834	\$ 1,880,897
Restricted for:		-
General fund	-	128,977
Special revenue funds	330,780	402,650
Capital projects funds	255,747	248,576
Permanent funds	19,099	18,995
Unrestricted	2,426,433	2,338,717
Total Net Assets	\$ 4,964,893	\$ 5,018,812

Revenues and Expenses

Revenues for the Town's governmental activities increased by 1.56%, while total expenses increased by 1.25%.

Table 2
Town of Waterboro, Maine
Change in Net Assets
For the Year ended June 30,

	2008	2007
Revenues		
Taxes:		
Property	\$ 7,337,777	\$ 7,351,385
Excise	1,127,907	1,179,533
Intergovernmental	971,057	733,835
Charges for service	472,206	492,312
Miscellaneous	238,473	241,219
Total Revenues	10,147,420	9,998,284
Expenses		
Current:		
General government	926,710	644,458
Insurance	148,027	304,544
Library	99,388	84,681
Parks & recreation	192,737	201,621
Public safety	769,692	687,506
Health & Sanitation	651,315	596,705
Public works	734,462	1,023,574
Unclassified	90,083	102,939
Capital outlay	-	5,870
Education	6,064,196	5,956,831
Municipal building	70,397	61,076
County tax	334,844	309,211
Interest on Debt service	19,808	27,415
Unallocated depreciation	70,130	39,735
Total Expenses	10,171,789	10,046,166
Change in Net Assets	(24,369)	(47,882)
Net Assets - July 1	5,018,812	5,066,694
Net Assets - June 30	\$ 4,994,443	\$ 5,018,812

The cost of all governmental activities this year was \$10,171,789 compared to \$10,046,166 last year. However, as shown in the Statement of Activities on pages 10 and 11, the amount that our town had in net expenses for these activities was only \$9,583,584 because some of the cost was paid by those who directly benefited from the programs (\$472,206) or by other governments and organizations that subsidized certain programs with grants and contributions (\$115,999).

3. Analysis of Balances and Transactions of Individual Funds

Table 3
Town of Waterboro, Maine
Net Cost of Services
Year ended June 30, 2008

	Total Cost of Services	Total Revenue	Net Cost of Services
General government	\$ 926,710	\$ 142,069	\$ 784,641
Insurance	148,027	-	148,027
Library	99,388	3,845	95,543
Parks & recreation	192,737	102,703	90,034
Public safety	769,692	137,034	632,658
Health & sanitation	651,315	117,466	533,849
Public works	734,462	85,088	649,374
Unclassified	90,083	-	90,083
Education	6,064,196	-	6,064,196
Municipal building	70,397	-	70,397
All other departments	424,782	-	424,782
Totals	<u>\$ 10,171,789</u>	<u>\$ 588,205</u>	<u>\$ 9,583,584</u>

4. Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2008, the gross book value of capital assets recorded by the Town increased by \$463,155. This is the result of additions of vehicles, equipment and land. The land for the library was donated to the Town.

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

	<u>2008</u>	<u>2007</u>
Land and improvements	\$ 886,524	\$ 593,900
Buildings and improvements	1,093,678	1,226,895
Machinery and equipment	321,593	359,397
Vehicles	779,431	449,411
Infrastructure	<u>74,431</u>	<u>106,415</u>
Total	<u>\$ 3,155,657</u>	<u>\$ 2,736,018</u>

5. Budgetary Highlights

The Town's major budget variances for the year ended June 30, 2008 were as follows:

Property tax revenue had an unfavorable balance of \$80,162 due to a large increase in deferred property taxes.

Intergovernmental revenue had a favorable variance of \$285,398 due to FEMA reimbursements.

6. Debt

At June 30, 2008, the Town had \$468,250 in bonds outstanding versus \$571,410 last year, a decrease of 17%, as shown in Note 6 of the financial statements.

7. Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

During 2009 the Town will have to analyze the reserves set aside to pay for the lease payments on vehicles and equipment and make any adjustments accordingly.

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 Administrator at 24 Townhouse Road, East Waterboro, Maine 04030.

STATEMENT A

TOWN OF WATERBORO, MAINE

STATEMENT OF NET ASSETS
JUNE 30, 2008

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash	\$ 2,484,994
Accounts receivable (net allowance for uncollectibles):	
Taxes	513,357
Liens	149,002
Notes Receivable	147,148
Prepaid Expenses	6,712
Other	54,189
Total current assets	<u>3,355,402</u>
Noncurrent assets:	
Capital assets:	
Land, infrastructure, and other assets not being depreciated	793,900
Buildings and equipment, net of accumulated depreciation	2,361,757
Total noncurrent assets	<u>3,155,657</u>
TOTAL ASSETS	<u>\$ 6,511,059</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 40,818
Prepaid taxes	24,933
Accrued expenses	-
Deferred Revenues	147,148
Other liabilities	22,152
Current portion of long-term obligations	213,194
Total current liabilities	<u>448,245</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations:	
Bonds payable	364,913
Capital lease payable	644,716
Accrued compensated absences	58,742
Total noncurrent liabilities	<u>1,068,371</u>
TOTAL LIABILITIES	<u>1,516,616</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,932,834
Restricted	635,176
Unrestricted	2,426,433
TOTAL NET ASSETS	<u>4,994,443</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,511,059</u>

See accompanying independent auditors' report and notes to financial statements

STATEMENT B

TOWN OF WATERBORO, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Program Revenues			Charges for Services	Program Revenues		Net (Expense) Revenue & Changes in Net Assets
	Expenses	Operating Grants & Contributions	Capital Grants & Contributions		Operating Grants & Contributions	Capital Grants & Contributions	
Governmental activities							
Current:							
General government	\$ 926,710	\$ 111,158	\$ 30,911	\$ -	\$ -	\$ (784,641)	
Insurance	148,027	-	-	-	-	(148,027)	
Library	99,388	3,845	-	-	-	(95,543)	
Parks & recreation	192,737	102,703	-	-	-	(90,034)	
Public safety	769,692	137,034	-	-	-	(632,658)	
Health & sanitation	651,315	117,466	-	-	-	(533,849)	
Public works	734,462	-	-	-	85,088	(649,374)	
Unclassified	90,083	-	-	-	-	(90,083)	
Capital outlay	-	-	-	-	-	-	
Education	6,064,196	-	-	-	-	(6,064,196)	
Municipal building	70,397	-	-	-	-	(70,397)	
County tax	334,844	-	-	-	-	(334,844)	
Interest expense	19,808	-	-	-	-	(19,808)	
Unallocated depreciation	70,130	-	-	-	-	(70,130)	
	<u>10,171,789</u>	<u>472,206</u>	<u>30,911</u>	<u>85,088</u>	<u>85,088</u>	<u>(9,583,584)</u>	

STATEMENT B (CONTINUED)
TOWN OF WATERBORO, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

	Governmental Activities
Changes in net assets:	
Net (expense) revenue	(9,583,584)
General revenue:	
Property taxes	7,337,777
Excise taxes	1,127,907
Grants and contributions not restricted to specific programs	855,058
Miscellaneous	238,473
Total general revenue	9,559,215
Change in net assets	(24,369)
NET ASSETS - JULY 1, 2007	5,018,812
NET ASSETS - JUNE 30, 2008	\$ 4,994,443

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

TOWN OF WATERBORO, MAINE

BALANCE SHEET, GOVERNMENTAL FUNDS
JUNE 30, 2008

	General Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS			
Cash	\$ 2,295,395	\$ 189,599	\$ 2,484,994
Receivables (net of allowance):			
Taxes	513,357	-	513,357
Liens	149,002	-	149,002
Notes Receivable	147,148	-	147,148
Other	18,771	35,418	54,189
Prepaid expenses	6,712	-	6,712
Due from other funds	78,344	452,386	530,730
TOTAL ASSETS	<u>\$ 3,208,729</u>	<u>\$ 677,403</u>	<u>\$ 3,886,132</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 40,818	\$ -	\$ 40,818
Prepaid taxes	24,933	-	24,933
Accrued expenses	-	-	-
Deferred revenue	147,148	-	147,148
Due to other governments	22,152	-	22,152
Deferred tax revenues	456,951	-	456,951
Due to other funds	452,386	78,344	530,730
TOTAL LIABILITIES	<u>1,144,388</u>	<u>78,344</u>	<u>1,222,732</u>
Fund Equity			
Reserved for Capital Projects	-	-	-
Reserved for inventories	-	-	-
Unreserved, reported in:			
General Fund:			
Designated	29,550	-	29,550
Undesignated	2,034,791	(6,567)	2,028,224
Special revenue funds:	-	330,780	330,780
Capital project funds	-	255,747	255,747
Permanent funds	-	19,099	19,099
TOTAL FUND EQUITY	<u>2,064,341</u>	<u>599,059</u>	<u>2,663,400</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,208,729</u>	<u>\$ 677,403</u>	<u>\$ 3,886,132</u>

STATEMENT C (CONTINUED)
TOWN OF WATERBORO, MAINE

BALANCE SHEET, GOVERNMENTAL FUNDS
JUNE 30, 2008

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 2,663,400
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	3,155,657
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	456,951
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	(468,250)
Capital Lease Payable	(754,573)
Accrued compensated absences	<u>(58,742)</u>
Net assets of governmental activities	<u>\$ 4,994,443</u>

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

TOWN OF WATERBORO, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Other Governmental Funds	Totals Governmental Funds
REVENUES			
Property taxes	\$ 7,277,540	\$ -	\$ 7,277,540
Excise taxes	1,127,907	-	1,127,907
Intergovernmental revenues	971,057	-	971,057
Charges for services	472,206	-	472,206
Investment Income	94,832	-	94,832
Miscellaneous revenues	102,273	38,208	140,481
TOTAL REVENUES	<u>10,045,815</u>	<u>38,208</u>	<u>10,084,023</u>
EXPENDITURES			
Current:			
General government	905,899	-	905,899
Insurance	148,027	-	148,027
Library	99,388	-	99,388
Parks & recreation	190,409	-	190,409
Public safety	685,104	-	685,104
Health & Sanitation	635,291	-	635,291
Public works	707,534	-	707,534
Unclassified	37,979	52,104	90,083
Capital outlay	-	62,000	62,000
Education	6,064,196	-	6,064,196
Municipal building	70,397	-	70,397
County tax	334,844	-	334,844
Debt service:			
Principal	100,000	-	100,000
Interest	19,808	-	19,808
Lease payments	60,877	-	60,877
TOTAL EXPENDITURES	<u>10,059,753</u>	<u>114,104</u>	<u>10,173,857</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,938)</u>	<u>(75,896)</u>	<u>(89,834)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	17,000	133,873	150,873
Operating transfers out	<u>(28,301)</u>	<u>(122,572)</u>	<u>(150,873)</u>
TOTAL OTHER FINANCING SOURCES USES	<u>(11,301)</u>	<u>11,301</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(25,239)</u>	<u>(64,595)</u>	<u>(89,834)</u>
FUND BALANCES - JULY 1	<u>2,089,580</u>	<u>663,654</u>	<u>2,753,234</u>
FUND BALANCES - JUNE 30	<u>\$ 2,064,341</u>	<u>\$ 599,059</u>	<u>\$ 2,663,400</u>

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

TOWN OF WATERBORO, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds (Statement D)	<u>\$ (89,834)</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocated those expenditures over the life of the assets:</p>	
Capital asset purchases capitalized	832,875
Capital assets disposed of	(215,160)
Depreciation expense	<u>(198,076)</u>
	<u>419,639</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.</p>	
	<u>(539,172)</u>
<p>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</p>	
	<u>171,470</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>	
Accrued compensated absences	<u>(46,709)</u>
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>	
Taxes and liens receivable	<u>60,237</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ (24,369)</u></u>

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

TOWN OF WATERBORO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Waterboro, Maine was incorporated under the laws of the State of Maine. The Town operates under the selectmen-manager form of government and provides the following services: general government services, public safety, public works, health and welfare, education, library, and recreation.

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

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

The financial statements include:

A Management's Discussion and Analysis (MD&A) section providing an analysis of the Town's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Town's activities, including infrastructure (roads, bridges, sewer mains, etc.).

A change in the fund financial statements to focus on the major funds. These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements).

Principles Determining Scope of Reporting Entity

The financial statements of the Town consist only of the funds of Town of Waterboro.

Basic Financial Statements - Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's activities are all categorized as governmental activities.

TOWN OF WATERBORO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the government-wide Statement of Net Assets, the governmental activity column is (a) presented on a consolidated basis by column, and (b) is reported on a full and obligations. The Town's net assets are reported in two parts - invested in capital assets, net of related debt and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions. The functions are also supported by general government revenues (taxes, certain intergovernmental revenues and charges for services, 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.

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

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

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

Basic Financial Statements - Fund Financial Statements

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

The following fund type is 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:

TOWN OF WATERBORO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. The Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to the general rule include principal and interest on general long-term debt which is recognized when due.

TOWN OF WATERBORO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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 prior fiscal year the Town prepared a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings on the budget were held.
3. The proposed budget was then approved by a majority of the Town citizens.

Inventories

Inventories of supplies are stated at cost.

Interfund Receivables and Payables

Any residual balances outstanding between governmental 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 Governmental Funds.

Long-term Debt

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 resources are reported as liabilities in government-wide statements. The long-term debt consists primarily of notes or bonds payable and compensated absences.

TOWN OF WATERBORO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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.

Compensated Absences

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

Revenue Recognition – Property Taxes – Modified Accrual Basis

The Town's property tax for the current year was levied on October 4, 2007, on the assessed value listed as of April 1, 2007, for all taxable real and personal property located in the Town. Taxes were due in two installments on Nov. 30, 2007, and May 31, 2008. Interest on unpaid taxes commenced on December 1, 2007 and June 1, 2008, at 12.0% 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 \$221,358 for the year ended June 30, 2008.

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 unless designated as carry forwards by the Town citizens. Waterboro's General Fund does not utilize encumbrance accounting, therefore, reservation of fund balance is not provided for at June 30, 2008. Accordingly, no difference exists between actual results and the applicable budgetary data presented in the accompanying combined financial statements.

TOWN OF WATERBORO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2 - CASH

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, 2008, the Town's deposits amounting to \$2,527,432 were all insured by federal depository insurance and / or securities held in the entity's name and consequently were not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 2,337,833
Savings accounts	<u>189,599</u>
	<u>\$ 2,527,432</u>

The Town has determined that it has complied with state and federal laws governing the deposit of public funds.

TOWN OF WATERBORO, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2008 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 78,344	\$ 452,386
Special Revenue Fund	180,025	71,777
Capital Projects Fund	255,747	6,567
Trust Fund	16,614	-
	\$ 530,730	\$ 530,730

NOTE 4 - ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts was estimated to be \$65,773 at June 30, 2008. This allowance account was established for the rescue billing receivables in the Special Revenue Fund.

NOTE 5 - 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.

In 2004, the Town undertook a program to record its investment property, plant and equipment. An inventory of all existing assets with a useful life of more than five years and a value of greater than \$5,000 was taken. The assets were valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets were valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

TOWN OF WATERBORO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5 - CAPITAL ASSETS (CONTINUED)

GASB Statement No. 34 requires the Town to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2007. The Town has elected to implement both the general provisions of GASB Statement No. 34 and the retroactive infrastructure provisions.

Buildings	20-50 years
Infrastructure	50-100 years
Machinery and equipment	03-50 years
Vehicles	03-25 years

TOWN OF WATERBORO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

A summary of capital assets is as follows:

	Balance, 7/1/07	Additions	Disposals	Balance, 6/30/08
Governmental activities				
Non-depreciated assets:				
Land	\$ 593,900	\$ 200,000	\$ -	\$ 793,900
Depreciated assets:				
Buildings	2,003,490	32,000	(18,000)	2,017,490
Machinery & Equipment	662,662	149,008	(212,500)	599,170
Vehicles	828,404	451,867	(139,220)	1,141,051
Infrastructure	163,210	-	-	163,210
	<u>3,657,766</u>	<u>632,875</u>	<u>(369,720)</u>	<u>3,920,921</u>
Less: accumulated depreciation	<u>(1,515,648)</u>	<u>(198,076)</u>	<u>154,560</u>	<u>(1,559,164)</u>
	<u>2,142,118</u>	<u>434,799</u>	<u>(215,160)</u>	<u>2,361,757</u>
Net capital assets	<u>\$ 2,736,018</u>	<u>\$ 634,799</u>	<u>\$ (215,160)</u>	<u>\$ 3,155,657</u>
Current year depreciation:				
Town Hall				\$ 9,134
Public Works				15,250
Fire Department				96,887
Transfer Station				4,347
Parks & Rec				2,328
Town-Wide				70,130
Total depreciation expense				<u>\$ 198,076</u>

NOTE 6 – LONG TERM DEBT

The following is a summary of changes in the General Long-Term Debt Account Group for the year ended June 30, 2008:

	Balance, 7/1/07	Additions	Deletions	Balance, 6/30/08	Current Portion
Bonds payable	\$ 571,410	\$ -	\$ (103,160)	\$ 468,250	\$ 103,337
Capital leases payable	283,711	539,172	(68,310)	754,573	109,857
Accrued compensated absences	12,033	46,709	-	58,742	-
	<u>\$ 867,154</u>	<u>\$ 585,881</u>	<u>\$ (171,470)</u>	<u>\$ 1,281,565</u>	<u>\$ 213,194</u>

TOWN OF WATERBORO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 6 – LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds payable:

Maine Municipal Bond Bank

2001 General Obligation Bond, annual interest rate from 4/15% to 4.57%, annual principal payments of \$100,000, maturity in November, 2011.

\$ 400,000

USDA Rural Development

1993 Water Bond, annual interest rate at 5.63%, annual principal and interest payments of \$7,176, maturity in September, 2021.

68,250

\$ 468,250

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2009	\$ 103,337	\$ 19,423	\$ 122,760
2010	103,525	14,912	118,437
2011	103,723	10,264	113,987
2012	103,932	5,531	109,463
2013	4,153	3,023	7,176
2014-2018	24,547	11,333	35,880
2019-2023	<u>25,033</u>	<u>3,612</u>	<u>28,645</u>
	<u>\$ 468,250</u>	<u>\$ 68,098</u>	<u>\$ 536,348</u>

All bonds payable and notes payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

TOWN OF WATERBORO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 6 – LONG-TERM DEBT (CONTINUED)

The following is a summary of capital leases payable for the year ended June 30, 2008:

<u>Bank of America</u>	
Pumper and chassis lease maturing in 2017, 5.4% interest rate, payable in annual installments of \$20,419 including interest.	\$ 142,583
<u>Kansas State / Baystone Financial Services</u>	
Scott Air Packs equipment lease maturing May 2014, 59% interest rate, payable in annual installments of \$17,250 including interest.	88,920
<u>North Fork Bank</u>	
Ladder Truck lease maturing July 2017, 4.84% interest rate, payable in annual installments of \$49,411 including interest.	384,522
<u>Sugarloaf Ambulance/Rescue</u>	
Ambulance lease maturing October 2009, 4.65% interest rate, payable in annual installments of \$23,081.59 including interest.	43,132
<u>Kansas State Bank</u>	
Zoll Defibrillators lease maturing April 2011, payable in semi-annual installments of \$5,528.01 including interest.	30,449
<u>Caterpillar Financial Services</u>	
Backhoe loader lease maturing August 2012. 5.350% interest rate, payable in monthly installments of \$1,637.75 including interest.	64,967
	<u>\$ 754,573</u>

The following is a summary of future capital lease payments:

Year Ending June 30:	
2009	\$ 140,862
2010	140,862
2011	117,780
2012	106,724
2013	90,354
2014-2018	345,981
Total minimum lease payment	<u>942,563</u>
Less amount representing interest	<u>(187,990)</u>
Present value of future minimum lease payments	<u>\$ 754,573</u>

TOWN OF WATERBORO, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

NOTE 7 – RESERVED FUND BALANCE

The following net assets have been reserved at June 30, 2008 for the following purposes:

Reserved for general fund designations	\$ 29,550
Reserved for special revenue funds	330,780
Reserved for capital projects funds	255,747
Reserved for permanent funds	<u>19,099</u>
	<u>\$ 635,176</u>

NOTE 8 – EXPENDITURES OVER APPROPRIATIONS

	Excess
General assistance	\$ 43,996
Treasurer	338
Transfer station	10,291
	<u>\$ 54,625</u>

NOTE 9 - 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, 2008, the Town's share was approximately:

	Outstanding Debt	Town's Percentage	Total Share
County of York	\$ 13,900,000	2.50%	\$ 347,500
MSAD # 57	\$ 19,089,386	35.00%	<u>6,681,285</u>
			<u>\$ 7,028,785</u>

TOWN OF WATERBORO, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 9 – CONTINGENCIES (CONTINUED)

In the normal course of operations, the Town receives grant funds from Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with condition precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Town is also a member of ECO Maine. By an interlocal agreement dated December 1, 2006, the Town has joined other Maine municipalities in this waste handling agreement. This agreement states that the Town may be responsible for liabilities it incurs during its membership that may not have been paid for. It may withdraw its membership at anytime with one years warning to the corporation. An amount for any contingent liabilities at this time cannot be determined.

Required Supplementary Information

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

- Budgetary Comparison Schedule - General Fund

TOWN OF WATERBORO, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,089,580	\$ 2,089,580	\$ 2,089,580	\$ -
Revenues (Inflows):				
Taxes:				
Property taxes	7,358,182	7,358,182	7,277,540	(80,642)
Excise taxes	1,181,651	1,181,651	1,127,907	(53,744)
Intergovernmental revenues	685,659	685,659	971,057	285,398
Charges for services	533,464	533,464	472,206	(61,258)
Interest income	47,000	47,000	94,832	47,832
Miscellaneous revenues	30,263	30,263	102,273	72,010
Transfers from other funds	149,862	149,862	17,000	(132,862)
Amounts Available for Appropriation	<u>12,075,661</u>	<u>12,075,661</u>	<u>12,152,395</u>	<u>76,734</u>
EXPENDITURES				
Current:				
General government	837,314	933,999	905,899	28,100
Insurance	161,000	161,000	148,027	12,973
Library	109,515	109,515	99,388	10,127
Parks & recreation	192,491	190,409	190,409	-
Public safety	744,459	744,459	685,104	59,355
Health & sanitation	625,000	625,000	635,291	(10,291)
Public works	761,825	833,322	707,534	125,788
Unclassified	49,213	49,213	37,979	11,234
Capital outlay	62,000	62,000	-	62,000
Education	6,064,196	6,064,196	6,064,196	-
Municipal building	75,050	75,050	70,397	4,653
County tax	334,844	334,844	334,844	-
Debt service:				
Principal	100,000	100,000	100,000	-
Interest	81,294	19,808	19,808	-
Lease payments	61,486	61,486	60,877	609
Overlay	221,358	221,358	-	221,358
Transfers to other funds	17,850	28,301	28,301	-
Total Charges to Appropriations	<u>10,498,895</u>	<u>10,613,960</u>	<u>10,088,054</u>	<u>525,906</u>
Budgetary Fund Balance, June 30	<u>\$ 1,576,766</u>	<u>\$ 1,461,701</u>	<u>\$ 2,064,341</u>	<u>\$ 602,640</u>
Utilization of undesignated fund balance	\$ 399,328	\$ 399,328	\$ 399,328	\$ -
Utilization of designated fund balance	125,697	125,697	125,697	-
	<u>\$ 525,025</u>	<u>\$ 525,025</u>	<u>\$ 525,025</u>	<u>\$ -</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.

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

TOWN OF WATERBORO, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUE
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amount	Actual Amounts	Variance Positive (Negative)
Revenues (Inflows):			
Taxes:			
Property taxes	\$ 7,358,182	\$ 7,277,540	\$ (80,642)
Auto excise	1,181,651	1,112,616	(69,035)
Boat excise	2,000	15,291	13,291
Intergovernmental revenues:			
State revenue sharing	477,391	477,611	220
Homestead reimbursement	81,068	81,426	358
Highway block grant	83,000	85,088	2,088
FEMA reimbursement	-	272,376	272,376
Tree growth	-	1,836	1,836
General assistance	40,000	48,514	8,514
Veteran's / other reimbursement	4,200	4,206	6
Charges for services			
Rescue billing fees	154,000	137,034	(16,966)
Code enforcement	86,199	58,309	(27,890)
Library fees	2,800	3,845	1,045
Transfer station	125,000	117,466	(7,534)
Parks and recreation	111,645	98,036	(13,609)
Motor vehicle agent fees	20,000	24,356	4,356
Planning board	14,698	10,720	(3,978)
Passport fees	3,500	3,040	(460)
Certified copies	3,200	3,810	610
Fish / game fees	5,000	4,667	(333)
Other general government fees	500	4,528	4,028
Dog fines / charges	6,922	6,395	(527)
Interest income			
Tax interest	47,000	46,209	(791)
Interest income	50,000	48,623	(1,377)
Miscellaneous revenues			
Cable tv franchise fees	21,163	65,319	44,156
Lien fees	9,100	10,794	1,694
Misc. other	-	26,160	26,160
Transfers from other funds	149,862	17,000	(132,862)
Fund balance	399,328	-	(399,328)
Amounts Available for Appropriation	<u>10,437,409</u>	<u>10,062,815</u>	<u>(374,594)</u>

See accompanying independent auditors' report.

SCHEDULE A

TOWN OF WATERBORO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	2007 Carry Forwards	Budget	Applied Revenues	Total Available	Actual	Lapsed	Carried
General Government -							
Administration	\$ 38,000	\$ 442,409	\$ -	\$ 480,409	\$ 441,749	\$ 9,110	\$ 29,550
Town clerk	-	65,587	-	65,587	59,835	5,752	-
Tax Collector	-	47,886	-	47,886	47,496	390	-
Treasurer	-	52,468	-	52,468	52,806	(338)	-
Tax Assessor	-	70,692	-	70,692	69,954	738	-
CEO	-	96,199	-	96,199	92,419	3,780	-
Planning board	-	39,698	-	39,698	26,755	12,943	-
Zoning board	10,171	2,375	-	12,546	2,375	10,171	-
General assistance	-	20,000	48,514	68,514	112,510	(43,996)	-
	48,171	837,314	48,514	933,999	905,899	(1,450)	29,550
Insurance	-	161,000	-	161,000	148,027	12,973	-
	-	161,000	-	161,000	148,027	12,973	-
Library	-	109,515	-	109,515	99,388	10,127	-
	-	109,515	-	109,515	99,388	10,127	-
Parks and recreation	6,029	192,491	(8,111)	190,409	190,409	-	-
	6,029	192,491	(8,111)	190,409	190,409	-	-
Public Safety -							
Fire department	-	530,493	-	530,493	531,563	(1,070)	-
Sheriff / deputy	-	74,102	-	74,102	74,102	-	-
Rescue	-	136,670	-	136,670	77,146	59,524	-
EMA	-	3,194	-	3,194	2,293	901	-
	-	744,459	-	744,459	685,104	59,355	-
Health & Sanitation	-	625,000	-	625,000	635,291	(10,291)	-
Transfer/Recycle center	-	625,000	-	625,000	635,291	(10,291)	-
Public Works -							
Roads/Garage	-	761,825	-	761,825	679,534	82,291	-
Snow plowing/removal	-	-	-	-	-	-	-
Storm projects	71,497	-	-	71,497	28,000	43,497	-
	71,497	761,825	-	833,322	707,534	125,788	-

SCHEDULE A (CONTINUED)

TOWN OF WATERBORO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	2007 Carry Forwards	Budget	Applied Revenues	Total Available	Actual	Lapsed	Carried
Debt Service -							
Principal	-	100,000	-	100,000	100,000	-	-
Interest	-	19,808	-	19,808	19,808	-	-
Capital leases	-	61,486	-	61,486	60,877	609	-
	-	181,294	-	181,294	180,685	609	-
Unclassified							
Access facilities	-	21,163	-	21,163	21,248	(85)	-
Other	-	28,050	-	28,050	16,731	11,319	-
	-	49,213	-	49,213	37,979	11,234	-
Capital Outlay							
Capital projects	-	62,000	-	62,000	-	62,000	-
	-	62,000	-	62,000	-	62,000	-
Education -							
SAD Assess	-	6,064,196	-	6,064,196	6,064,196	-	-
Municipal building	-	75,050	-	75,050	70,397	4,653	-
County tax	-	334,844	-	334,844	334,844	-	-
Overlay	-	221,358	-	221,358	-	221,358	-
Transfers							
Capital projects	-	-	7,171	7,171	7,171	-	-
Special revenue	3,280	17,850	-	21,130	21,130	-	-
	-	17,850	7,171	28,301	28,301	-	-
Total departmental operations	\$ 125,697	\$ 10,437,409	\$ 47,574	\$ 10,613,960	\$ 10,088,054	\$ 496,356	\$ 29,550

See accompanying independent auditors' report.

TOWN OF WATERBORO, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 187,114	\$ -	\$ 2,485	\$ 189,599
Accounts receivable(net of allowance)	35,418	-	-	35,418
Inventory	-	-	-	-
Due from other funds	180,025	255,747	16,614	452,386
TOTAL ASSETS	<u>\$ 402,557</u>	<u>\$ 255,747</u>	<u>\$ 19,099</u>	<u>\$ 677,403</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	71,777	6,567	-	78,344
TOTAL LIABILITIES	<u>71,777</u>	<u>6,567</u>	<u>-</u>	<u>78,344</u>
FUND EQUITY				
Fund balance:				
Reserved for endowments	-	-	-	-
Reserved for inventories	-	-	-	-
Designated for subsequent years' expenditures	333,436	255,747	16,614	605,797
Undesignated	(2,656)	(6,567)	2,485	(6,738)
	<u>330,780</u>	<u>249,180</u>	<u>19,099</u>	<u>599,059</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 402,557</u>	<u>\$ 255,747</u>	<u>\$ 19,099</u>	<u>\$ 677,403</u>

See accompanying independent auditors' report.

TOWN OF WATERBORO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES	\$ 38,104	\$ -	\$ 104	\$ 38,208
EXPENDITURES	114,104	-	-	114,104
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(76,000)	-	104	(75,896)
OTHER FINANCING SOURCES (USES)				
Operating Transfer In	101,702	32,171	-	133,873
Operating Transfers Out	(97,572)	(25,000)	-	(122,572)
TOTAL OTHER FINANCING SOURCES (USES)	4,130	7,171	-	11,301
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(71,870)	7,171	104	(64,595)
FUND BALANCES, JULY 1	402,650	242,009	18,995	663,654
FUND BALANCES, JUNE 30	\$ 330,780	\$ 249,180	\$ 19,099	\$ 599,059

See accompanying independent auditors' report.

Special Revenue Funds Description

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

TOWN OF WATERBORO, MAINE

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Rescue Fund Billing	Revaluation	Library Fund	Rescue Equipment	Conservation Funds	Parks & Recreation
ASSETS						
Cash	\$ 182,148	\$ -	\$ -	\$ -	\$ -	\$ 4,078
Accounts receivable(net of allowance)	35,418	-	-	-	-	-
Inventory	-	-	-	-	-	-
Due from other funds	-	-	5,057	97,930	40,396	8,317
	<u>\$ 217,566</u>	<u>\$ -</u>	<u>\$ 5,057</u>	<u>\$ 97,930</u>	<u>\$ 40,396</u>	<u>\$ 12,395</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	69,121	2,656	-	-	-	-
TOTAL LIABILITIES	<u>69,121</u>	<u>2,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY						
Fund balance:						
Reserved for endowments						
Reserved for inventories						
Designated for subsequent years' expenditures	148,445	-	5,057	97,930	40,396	12,395
Undesignated	-	(2,656)	-	-	-	-
TOTAL FUND EQUITY	<u>148,445</u>	<u>(2,656)</u>	<u>5,057</u>	<u>97,930</u>	<u>40,396</u>	<u>12,395</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 217,566</u>	<u>\$ -</u>	<u>\$ 5,057</u>	<u>\$ 97,930</u>	<u>\$ 40,396</u>	<u>\$ 12,395</u>

SCHEDULE D (CONTINUED)

TOWN OF WATERBORO, MAINE

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Ambulance Subscription	Old Home Days	Taylor House	Dog Fines
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	24,107	-	213
	<u>\$ -</u>	<u>\$ 24,107</u>	<u>\$ -</u>	<u>\$ 213</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY				
Fund balance:				
Reserved for endowments	-	-	-	-
Reserved for inventories	-	-	-	-
Designated for subsequent years' expenditures	-	24,107	-	213
Undesignated	-	-	-	-
TOTAL FUND EQUITY	<u>-</u>	<u>24,107</u>	<u>-</u>	<u>213</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ 24,107</u>	<u>\$ -</u>	<u>\$ 213</u>

SCHEDULE D (CONTINUED)

TOWN OF WATERBORO, MAINE

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Emergency Response Training	Community Center Project	Ossipee Fire Tower	Totals
ASSETS				
Cash	\$ -	\$ 888	-	\$ 187,114
Accounts receivable	-	-	-	35,418
Inventory	-	-	-	-
Due from other funds	3,912	-	93	180,025
	<u>\$ 3,912</u>	<u>\$ 888</u>	<u>\$ 93</u>	<u>\$ 402,557</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ -	\$ -	-	\$ -
Due to other funds	-	-	-	71,777
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,777</u>
FUND EQUITY				
Fund balance:				
Reserved for endowments	-	-	-	-
Reserved for inventories	-	-	-	-
Designated for subsequent years' expenditures	3,912	888	93	333,436
Undesignated	-	-	-	(2,656)
TOTAL FUND EQUITY	<u>3,912</u>	<u>888</u>	<u>93</u>	<u>330,780</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,912</u>	<u>\$ 888</u>	<u>\$ 93</u>	<u>\$ 402,557</u>

See accompanying independent auditors' report.

SCHEDULE E

TOWN OF WATERBORO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Rescue Fund Billing	Revaluation	Library Fund	Rescue Equipment	Conservation Funds	Parks & Recreation
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	4,613
Other revenue	6,130	-	-	12,149	-	-
TOTAL REVENUES	<u>6,130</u>	<u>-</u>	<u>-</u>	<u>12,149</u>	<u>-</u>	<u>4,613</u>
EXPENDITURES						
Unclassified	-	27,147	-	-	-	872
Public safety	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	62,000	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>27,147</u>	<u>-</u>	<u>62,000</u>	<u>-</u>	<u>872</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>6,130</u>	<u>(27,147)</u>	<u>-</u>	<u>(49,851)</u>	<u>-</u>	<u>3,741</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	-	-	80,572	-	-
Operating Transfers Out	(17,000)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(17,000)</u>	<u>-</u>	<u>-</u>	<u>80,572</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(10,870)</u>	<u>(27,147)</u>	<u>-</u>	<u>30,721</u>	<u>-</u>	<u>3,741</u>
FUND BALANCES, JULY 1	<u>159,315</u>	<u>24,491</u>	<u>5,057</u>	<u>67,209</u>	<u>40,396</u>	<u>8,654</u>
FUND BALANCES, JUNE 30	<u>\$ 148,445</u>	<u>\$ (2,656)</u>	<u>\$ 5,057</u>	<u>\$ 97,930</u>	<u>\$ 40,396</u>	<u>\$ 12,395</u>

SCHEDULE E (CONTINUED)

TOWN OF WATERBORO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Ambulance Subscription	Old Home Days	Taylor House	Dog Fines	Generators Homeland Security
REVENUES					
Intergovernmental revenue	\$ -	-	\$ -	-	\$ -
Charges for services	8,016	7,192	-	-	-
Other revenue	-	-	-	-	-
TOTAL REVENUES	<u>8,016</u>	<u>7,192</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Unclassified	-	24,085	-	-	-
Public safety	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>24,085</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>8,016</u>	<u>(16,893)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	21,130	-	-	-
Operating Transfers Out	(80,572)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(80,572)</u>	<u>21,130</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(72,556)</u>	<u>4,237</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, JULY 1	<u>72,556</u>	<u>19,870</u>	<u>-</u>	<u>213</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ 24,107</u>	<u>\$ -</u>	<u>\$ 213</u>	<u>\$ -</u>

TOWN OF WATERBORO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Emergency Response Training	Community Center Project	Ossipee Fire Tower	Totals
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	19,821
Other revenue	-	4	-	18,283
TOTAL REVENUES	-	4	-	38,104
EXPENDITURES				
Unclassified	-	-	-	52,104
Public safety	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	62,000
TOTAL EXPENDITURES	-	-	-	114,104
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	4	-	(76,000)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	101,702
Operating Transfers Out	-	-	-	(97,572)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	4,130
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	4	-	(71,870)
FUND BALANCES, JULY 1	3,912	884	93	402,650
FUND BALANCES, JUNE 30	\$ 3,912	\$ 888	\$ 93	\$ 330,780

See accompanying independent auditors' report.

Capital Projects 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

SCHEDULE F

TOWN OF WATERBORO, MAINE

COMBINING BALANCE SHEET -
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2008

	Transfer Station	Municipal Building	Memorial Park	North Station Capital	Salt & Sand Shed	Friendship Field	Fire Dept Cap
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	149,292	7,171	-	25,000	16,815	12,059	-
	<u>\$ 149,292</u>	<u>\$ 7,171</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 16,815</u>	<u>\$ 12,059</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,850
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,850</u>
FUND EQUITY							
Fund balance:							
Designated for subsequent years' expenditures	149,292	7,171	-	25,000	16,815	12,059	-
Undesignated	-	-	-	-	-	-	(1,850)
TOTAL FUND EQUITY	<u>149,292</u>	<u>7,171</u>	<u>-</u>	<u>25,000</u>	<u>16,815</u>	<u>12,059</u>	<u>(1,850)</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 149,292</u>	<u>\$ 7,171</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 16,815</u>	<u>\$ 12,059</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

TOWN OF WATERBORO, MAINE
 COMBINING BALANCE SHEET -
 NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2008

	Storage Shed	Ross Corner Fire Truck	Muni Complex	Safety EMS	Library	Totals
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	11,000	-	4,342	5,317	24,751	255,747
	<u>\$ 11,000</u>	<u>\$ -</u>	<u>\$ 4,342</u>	<u>\$ 5,317</u>	<u>\$ 24,751</u>	<u>\$ 255,747</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Due to other funds	\$ -	\$ 4,717	\$ -	\$ -	\$ -	\$ 6,567
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 4,717</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,567</u>
FUND EQUITY						
Fund balance:						
Designated for subsequent years' expenditures	11,000	-	4,342	5,317	24,751	255,747
Undesignated	-	(4,717)	-	-	-	(6,567)
TOTAL FUND EQUITY	<u>11,000</u>	<u>(4,717)</u>	<u>4,342</u>	<u>5,317</u>	<u>24,751</u>	<u>249,180</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 11,000</u>	<u>\$ -</u>	<u>\$ 4,342</u>	<u>\$ 5,317</u>	<u>\$ 24,751</u>	<u>\$ 255,747</u>

See accompanying independent auditors' report.

SCHEDULE G

TOWN OF WATERBORO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Transfer Station	Municipal Building	Memorial Park	North Station Capital	Salt & Sand Shed	Friendship Field	Fire Dept Cap
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Public safety	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	7,171	-	25,000	-	-	-
Operating Transfers Out	-	-	(25,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	7,171	(25,000)	25,000	-	-	-
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES							
FUND BALANCES, JULY 1	149,292	-	25,000	-	16,815	12,059	(1,850)
FUND BALANCES, JUNE 30	<u>\$ 149,292</u>	<u>\$ 7,171</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 16,815</u>	<u>\$ 12,059</u>	<u>\$ (1,850)</u>

See accompanying independent auditors' report.

SCHEDULE G (CONTINUED)

TOWN OF WATERBORO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Storage Shed	Ross Corner Fire Truck	Muni Complex	Safety EMS	Library	Capital Projects	Totals
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Public safety	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	32,171
Operating Transfers Out	-	-	-	-	-	-	(25,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	7,171
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	-	7,171
FUND BALANCES, JULY 1	11,000	(4,717)	4,342	5,317	24,751	34,366	242,009
FUND BALANCES, JUNE 30	\$ 11,000	\$ (4,717)	\$ 4,342	\$ 5,317	\$ 24,751	\$ 34,366	\$ 249,180

See accompanying independent auditors' report.

Permanent Funds

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

TOWN OF WATERBORO, MAINE

COMBINING BALANCE SHEET -
NONMAJOR PERMANENT FUNDS
JUNE 30, 2008

	<u>Library</u>	<u>Cemeteries</u>	<u>Totals</u>
ASSETS			
Cash	\$ 2,485	\$ -	\$ 2,485
Due from other funds	-	16,614	16,614
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 16,614</u>	<u>\$ 19,099</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY			
Fund balance:			
Reserved for endowments	-	-	-
Designated for subsequent years' expenditures	-	16,614	16,614
Undesignated	2,485	-	2,485
TOTAL FUND EQUITY	<u>2,485</u>	<u>16,614</u>	<u>19,099</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 2,485</u>	<u>\$ 16,614</u>	<u>\$ 19,099</u>

See accompanying independent auditors' report.

TOWN OF WATERBORO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES -
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDING JUNE 30, 2008

	<u>Library</u>	<u>Cemeteries</u>	<u>Totals</u>
REVENUE	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 104</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>104</u>	<u>-</u>	<u>104</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	104	-	104
FUND BALANCES, JULY 1	<u>2,381</u>	<u>16,614</u>	<u>18,995</u>
FUND BALANCES, JUNE 30	<u>\$ 2,485</u>	<u>\$ 16,614</u>	<u>\$ 19,099</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 WATERBORO, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2008

	Land and Non-depreciable Assets	Buildings Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
Town Hall	\$ 82,000	-	\$ 67,795	\$ -	\$ 149,795
Library	223,700	-	-	-	223,700
Public Works	-	77,076	134,745	-	211,821
Fire Department	98,200	580,763	1,499,448	-	2,178,411
Transfer Station	29,500	32,000	38,233	-	99,733
Parks & Rec	73,600	68,644	-	-	142,244
Town-Wide	286,900	1,259,007	-	163,210	1,709,117
Total General Capital Assets	793,900	2,017,490	1,740,221	163,210	4,714,821
Less: Accumulated Depreciation	-	(831,188)	(639,197)	(88,779)	(1,559,164)
Net General Capital Assets	\$ 793,900	\$ 1,186,302	\$ 1,101,024	\$ 74,431	\$ 3,155,657

See accompanying independent auditors' report.

SCHEDULE K

TOWN OF WATERBORO, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDING JUNE 30, 2008

	General Assets 7/1/07	Additions	Deletions	General Capital Assets 6/30/08
Town Hall	\$ 157,788	\$ 7,527	\$ (15,520)	\$ 149,795
Library	23,700	200,000	-	223,700
Public Works	191,976	19,845	-	211,821
Fire Department	1,963,608	551,003	(336,200)	2,178,411
Transfer Station	45,233	54,500	-	99,733
Parks & Rec	142,244	-	-	142,244
Town-Wide	1,727,117	-	(18,000)	1,709,117
Total General Capital Assets	4,251,666	832,875	(369,720)	4,714,821
Less: Accumulated Depreciation	(1,515,648)	(198,076)	154,560	(1,559,164)
Net General Capital Assets	\$ 2,736,018	\$ 634,799	\$ (215,160)	\$ 3,155,657

See accompanying independent auditors' report.