

Audited Financial Statements

Town of Limerick, Maine

December 31, 2012



Proven Expertise and Integrity

TOWN OF LIMERICK, MAINE

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DECEMBER 31, 2012

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INDEPENDENT AUDITORS' REPORT

January 16, 2013

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, 2012, 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, 2012, 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 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of 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, 2012**

(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, 2012. 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 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, waste and sanitation, education and community assistance.

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: 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 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 \$299,186 from \$7.38 million to \$7.68 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 to a balance of \$3,290,817 at the end of this year.

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

	<u>2012</u>	<u>2011</u>
Assets:		
Current and Other Assets	\$ 3,338,372	\$ 3,090,461
Capital Assets	<u>4,429,634</u>	<u>4,375,609</u>
Total Assets	<u>\$ 7,768,006</u>	<u>\$ 7,466,070</u>
Liabilities:		
Current Liabilities	\$ 38,118	\$ 26,121
Long-term Debt Outstanding	<u>48,297</u>	<u>57,544</u>
Total Liabilities	<u>\$ 86,415</u>	<u>\$ 83,665</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 4,372,090	\$ 4,308,951
Restricted	18,684	17,678
Unrestricted	<u>3,290,817</u>	<u>3,055,776</u>
Total Net Assets	<u>\$ 7,681,591</u>	<u>\$ 7,382,405</u>

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

	<u>2012</u>	<u>2011</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 60,939	\$ 69,755
Operating grants and contributions	46,908	35,181
<i>General Revenues:</i>		
Taxes	4,010,634	3,949,009
Grants and contributions not restricted to specific programs	235,884	203,681
Miscellaneous	232,211	209,949
Total Revenue	<u>4,586,576</u>	<u>4,467,575</u>
Expenses		
General government	386,547	407,047
Public works	421,672	388,860
Public safety	286,255	304,594
Waste & Sanitation	248,997	239,780
Community Services	48,623	56,659
Education	2,601,728	2,508,045
County tax	154,794	161,925
Community Assistance	13,600	11,700
Interest on long-term debt	767	857
Unclassified	124,407	75,638
Total Expenses	<u>4,287,390</u>	<u>4,155,105</u>
Change in Net Assets	299,186	312,470
Net Assets - January 1	<u>7,382,405</u>	<u>7,069,935</u>
Net Assets - December 31	<u><u>\$ 7,681,591</u></u>	<u><u>\$ 7,382,405</u></u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 2.66%, while total expenses increased by 3.18%. Revenue increases were realized in all categories except charges for services. Expenses increased primarily due to increases in education and public works costs.

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, unassigned 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,

	<u>2012</u>	<u>2011</u>
General Fund:		
Nonspendable	\$ 58,458	\$ 40,039
Committed	112,470	114,649
Unassigned	2,047,826	2,042,754
Total General Fund	<u>\$ 2,218,754</u>	<u>\$ 2,197,442</u>
Nonmajor Funds:		
Special revenue funds:		
Restricted	\$ 1,715	\$ 734
Committed	114,406	141,402
Assigned	6,395	2,252
Capital project funds:		
Committed	605,600	373,353
Permanent funds:		
Restricted	16,969	16,944
Total Nonmajor Funds	<u>\$ 745,085</u>	<u>\$ 534,685</u>

The general fund total fund balance increased by \$21,312 from the prior fiscal year. The non-major fund balances increased by \$210,400 from the prior fiscal year.

Budgetary Highlights

There were significant differences between the original and final budget for the general fund, primarily due to the use of committed fund balances and applied receipts.

The general fund actual revenues exceeded budget by \$170,623. All revenue categories were receipted in excess of budget.

The general fund actual expenditures were under budget by \$178,688. All expenditure categories were under budget.

Capital Asset and Debt Administration

Capital Assets

As of December 31, 2012, the net book value of capital assets recorded by the Town increased by \$54,025 from the prior year. The increase is due to capital additions of \$227,430 less annual depreciation of \$173,405.

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

	<u>2012</u>	<u>2011</u>
Land	\$ 267,950	\$ 267,950
Construction in progress	11,800	2,400
Buildings and improvements	486,250	473,355
Machinery and equipment	217,993	248,589
Vehicles	534,099	578,755
Infrastructure	<u>2,911,542</u>	<u>2,804,560</u>
Total	<u>\$ 4,429,634</u>	<u>\$ 4,375,609</u>

Debt

At December 31, 2012, the Town had \$57,544 in bonds outstanding versus \$66,658 last year, a decrease of 13.67%. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient unassigned 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, 2012

	Governmental Activities
<hr/>	
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,720,861
Investments	16,969
Accounts receivable (net of allowance for uncollectibles):	
Taxes	322,208
Liens	98,907
Other	120,969
Tax acquired property	58,458
Total current assets	<hr/> 3,338,372 <hr/>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	279,750
Buildings and equipment, net of accumulated depreciation	4,149,884
Total noncurrent assets	<hr/> 4,429,634 <hr/>
TOTAL ASSETS	<hr/> \$ 7,768,006 <hr/>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 18,883
Accrued payroll	5,374
Prepaid taxes	581
Due to other governments	4,033
Current portion of long-term obligations	9,247
Total current liabilities	<hr/> 38,118 <hr/>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	48,297
Total noncurrent liabilities	<hr/> 48,297 <hr/>
TOTAL LIABILITIES	<hr/> 86,415 <hr/>
NET ASSETS	
Invested in capital assets, net of related debt	4,372,090
Restricted	18,684
Unrestricted	3,290,817
TOTAL NET ASSETS	<hr/> 7,681,591 <hr/>
TOTAL LIABILITIES AND NET ASSETS	<hr/> \$ 7,768,006 <hr/>

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

STATEMENT B

TOWN OF LIMERICK, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental activities:					
General government	\$ 386,547	\$ 30,238	\$ -	\$ -	(356,309)
Public works	421,672	-	46,908	-	(374,764)
Public safety	286,255	2,174	-	-	(284,081)
Waste & sanitation	248,997	22,584	-	-	(226,413)
Community services	48,623	5,943	-	-	(42,680)
Education	2,601,728	-	-	-	(2,601,728)
County tax	154,794	-	-	-	(154,794)
Community assistance	13,600	-	-	-	(13,600)
Interest on long-term debt	767	-	-	-	(767)
Unclassified	124,407	-	-	-	(124,407)
Total government	<u>\$ 4,287,390</u>	<u>\$ 60,939</u>	<u>\$ 46,908</u>	<u>\$ -</u>	<u>(4,179,543)</u>

STATEMENT B (CONTINUED)

TOWN OF LIMERICK, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>\$ (4,179,543)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	3,593,871
Excise taxes	416,763
Grants and contributions not restricted to specific programs	235,884
Miscellaneous	<u>232,211</u>
Total general revenues	<u>4,478,729</u>
Change in net assets	299,186
NET ASSETS - JANUARY 1, 2012	<u>7,382,405</u>
NET ASSETS - DECEMBER 31, 2012	<u><u>\$ 7,681,591</u></u>

STATEMENT C

TOWN OF LIMERICK, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,441,365	\$ 279,496	\$ 2,720,861
Investments	-	16,969	16,969
Accounts receivable (net of allowance for uncollectibles):			
Taxes	322,208	-	322,208
Liens	98,907	-	98,907
Other	4,882	116,087	120,969
Tax acquired property	58,458	-	58,458
Due from other funds	-	332,533	332,533
TOTAL ASSETS	<u>\$ 2,925,820</u>	<u>\$ 745,085</u>	<u>\$ 3,670,905</u>
LIABILITIES			
Accounts payable	\$ 18,883	\$ -	\$ 18,883
Accrued payroll	5,374	-	5,374
Prepaid taxes	581	-	581
Due to other governments	4,033	-	4,033
Due to other funds	332,533	-	332,533
Deferred tax revenues	345,662	-	345,662
TOTAL LIABILITIES	<u>707,066</u>	<u>-</u>	<u>707,066</u>
FUND BALANCES			
Nonspendable	58,458	-	58,458
Restricted	-	18,684	18,684
Committed	112,470	720,006	832,476
Assigned	-	6,395	6,395
Unassigned	2,047,826	-	2,047,826
TOTAL FUND BALANCES	<u>2,218,754</u>	<u>745,085</u>	<u>2,963,839</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,925,820</u>	<u>\$ 745,085</u>	<u>\$ 3,670,905</u>

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

STATEMENT D

TOWN OF LIMERICK, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2012

	Total Governmental Funds
	<hr/>
Total Fund Balances	\$ 2,963,839
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	4,429,634
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	345,662
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	(57,544)
Net assets of governmental activities	<hr/> <hr/> \$ 7,681,591

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, 2012

	General Fund	Nonmajor Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 3,589,536	\$ -	\$ 3,589,536
Excise taxes	416,763	-	416,763
Intergovernmental	282,792	-	282,792
Charges for services	60,939	-	60,939
Miscellaneous revenues	102,686	129,525	232,211
TOTAL REVENUES	<u>4,452,716</u>	<u>129,525</u>	<u>4,582,241</u>
EXPENDITURES			
Current:			
General government	386,547	-	386,547
Public works	523,156	-	523,156
Public safety	239,348	-	239,348
Waste & Sanitation	248,997	-	248,997
Community Services	55,623	-	55,623
Education	2,601,728	-	2,601,728
County tax	154,794	-	154,794
Community Assistance	13,600	-	13,600
Unclassified	47,730	69,125	116,855
Debt service:			
Principal	9,114	-	9,114
Interest	767	-	767
TOTAL EXPENDITURES	<u>4,281,404</u>	<u>69,125</u>	<u>4,350,529</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>171,312</u>	<u>60,400</u>	<u>231,712</u>
OTHER FINANCING SOURCES			
Operating Transfers In	-	150,000	150,000
Operating Transfers (Out)	(150,000)	-	(150,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(150,000)</u>	<u>150,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	21,312	210,400	231,712
FUND BALANCES - JANUARY 1	<u>2,197,442</u>	<u>534,685</u>	<u>2,732,127</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,218,754</u>	<u>\$ 745,085</u>	<u>\$ 2,963,839</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, 2012

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 231,712</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 allocated to those expenditures over the life of the assets:	
Capital asset purchases capitalized	227,430
Capital asset purchases disposed	-
Depreciation expense	<u>(173,405)</u>
	<u>54,025</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>4,335</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>9,114</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 299,186</u></u>

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

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

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, 2012

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, fund balances, 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, 2012

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, 2012

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, 2012

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 \$38,696 as of December 31, 2012.

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, 2012

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.

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, 2012.

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.

TOWN OF LIMERICK, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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.

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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2012 on the assessed value listed as of April 1, 2012, for all real and personal property located in the Town. Taxes were due on October 31, 2012. Interest on unpaid taxes commenced on November 1, 2012, 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 \$25,402 for the year ended December 31, 2012.

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).

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.

TOWN OF LIMERICK, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 follows state statutes for the investment of funds, which 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 apply to all Town funds.

Deposits:

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. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At December 31, 2012, the Town's cash balance of \$2,720,861 was comprised of bank deposits amounting to \$2,725,386. This entire amount was insured by federal depository insurance or collateralized with an irrevocable standby letter of credit held in the entity's name and thus not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 132,471
Savings	279,497
Sweep	2,313,418
	<u>\$ 2,725,386</u>

TOWN OF LIMERICK, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

At December 31, 2012, the Town's investments and maturities were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>< 1 Year</u>	<u>1 - 5 Years</u>
Certificates of Deposit	\$ 16,969	\$ -	\$ 16,969	
	<u>\$ 16,969</u>	<u>\$ -</u>	<u>\$ 16,969</u>	<u>\$ -</u>

At December 31, 2012, the Town's investments of \$16,969 of certificates of deposit were all insured by federal depository insurance and consequently were not exposed to custodial credit risk.

Credit risk – Statutes for the State of Maine 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. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in savings accounts and various certificates of deposit.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a policy related to interest rate risk.

TOWN OF LIMERICK, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2012 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General fund	\$ -	\$ 332,533
Nonmajor special revenue funds	122,516	-
Nonmajor capital project funds	210,017	-
	<u>\$ 332,533</u>	<u>\$ 332,533</u>

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at December 31, 2012:

	Balance, 1/1/12	Additions	Deletions	Balance, 12/31/12
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 267,950	\$ -	\$ -	\$ 267,950
Construction in progress	2,400	9,400	-	11,800
	<u>270,350</u>	<u>9,400</u>	<u>-</u>	<u>279,750</u>
Depreciated assets:				
Buildings & improvements	827,369	27,564	-	854,933
Machinery & equipment	771,685	9,190	-	780,875
Vehicles	1,078,319	-	-	1,078,319
Infrastructure	3,276,464	181,276	-	3,457,740
	<u>5,953,837</u>	<u>218,030</u>	<u>-</u>	<u>6,171,867</u>
Less: accumulated depreciation				
Buildings & improvements	(354,014)	(14,669)	-	(368,683)
Machinery & equipment	(523,096)	(39,786)	-	(562,882)
Vehicles	(499,566)	(44,654)	-	(544,220)
Infrastructure	(471,902)	(74,296)	-	(546,198)
	<u>(1,848,578)</u>	<u>(173,405)</u>	<u>-</u>	<u>(2,021,983)</u>
Subtotal	<u>4,105,259</u>	<u>44,625</u>	<u>-</u>	<u>4,149,884</u>
Net capital assets	<u>\$ 4,375,609</u>	<u>\$ 54,025</u>	<u>\$ -</u>	<u>\$ 4,429,634</u>

Current year depreciation

Fire Department

\$ 79,467

Public Works

79,792

Town-Wide

14,146

Total depreciation expense

\$ 173,405

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 5 – LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended December 31, 2012:

	Balance 1/1/12	Additions	Reductions	Balance 12/31/12	Current Year Portion
Bonds payable	\$ 66,658	\$ -	\$ (9,114)	\$ 57,544	\$ 9,247
Totals	<u>\$ 66,658</u>	<u>\$ -</u>	<u>\$ (9,114)</u>	<u>\$ 57,544</u>	<u>\$ 9,247</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%.

\$ 57,544

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
2013	\$ 9,247	\$ 676	\$ 9,923
2014	9,381	583	9,964
2015	9,519	489	10,008
2016	9,657	394	10,051
2017	9,799	398	10,197
2018-2022	9,941	99	10,040
	<u>\$ 57,544</u>	<u>\$ 2,639</u>	<u>\$ 60,183</u>

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 6 – NONSPENDABLE FUND BALANCES

At December 31, 2012, the Town had the following nonspendable fund balances:

Tax acquired property	<u>\$ 58,458</u>
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NOTE 7 – RESTRICTED FUND BALANCES

At December 31, 2012, the Town had the following restricted fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 1,715
Nonmajor permanent funds (Schedule H)	16,969
	<u>\$ 18,684</u>

NOTE 8 – COMMITTED FUND BALANCES

At December 31, 2012, the Town had the following committed fund balances:

Fire department	\$ 7,669
Franchise fees	104,801
Nonmajor special revenue funds (Schedule D)	114,406
Nonmajor capital project funds (Schedule F)	605,600
	<u>\$ 832,476</u>

NOTE 9 – ASSIGNED FUND BALANCES

At December 31, 2012, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule D)	<u>\$ 6,395</u>
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NOTE 10 – OVERSPENT APPROPRIATIONS

At December 31, 2012, the Town had the following overspent expenditures:

Incidentals (Article 8)	\$ 1,131
Code enforcement (Article 12)	19
	<u>\$ 1,150</u>

TOWN OF LIMERICK, MAINE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 11 – 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, 2012, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 9,900,000	1.01%	\$ 99,990
RSU #57	16,150,391	12.98%	<u>2,095,513</u>
			<u>\$ 2,195,503</u>

NOTE 12 – RISK MANAGEMENT

The Town faces a full realm of risks typical of a thriving entity. Liabilities associated with torts and protections against damage or 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 \$50,000 for settlements exceeding the limits of coverage, which range from \$1,000 to \$4,288,163. The amount of settlements has not exceeded insurance coverage for each of the past three years.

NOTE 13 – 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 requirements 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.

TOWN OF LIMERICK, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 14 – LETTER OF CREDIT

At December 31, 2012, the Town has an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD, Bank, N.A. This letter of credit, which expires at the close of business on January 23, 2013, authorizes one draw only up to the amount of \$500,000.00. There were no draws for the year ended December 31, 2012.

NOTE 15 – RELATED PARTY TRANSACTIONS

A member of the Board of Selectmen is related to the vendor that was awarded the contract for snow plowing of municipal plots. The Town requests contract proposals for this service annually. During the year ended December 31, 2012, payments to this vendor for snow plowing totaled \$11,660. Also, the Town's Tax collector/Town Clerk is related to a vendor that provides vehicle maintenance services to the Town. During the year ended December 31, 2012, payments to this vendor totaled \$884.

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

SCHEDULE 1

TOWN OF LIMERICK, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, January 1	\$ 2,197,442	\$ 2,197,442	\$ 2,197,442	\$ -
Resources (Inflows):				
Property taxes	3,579,901	3,582,343	3,589,536	7,193
Excise taxes	407,000	407,000	416,763	9,763
Intergovernmental:	214,748	230,200	282,792	52,592
Charges for service	58,875	58,875	60,939	2,064
Interest income	-	-	20,714	20,714
Miscellaneous revenues	3,625	3,675	81,972	78,297
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>6,461,591</u>	<u>6,479,535</u>	<u>6,650,158</u>	<u>170,623</u>
Charges to Appropriations (Outflows):				
General government	419,864	422,356	386,547	35,809
Public works	534,851	534,851	523,156	11,695
Public safety	243,944	243,944	239,348	4,596
Waste & Sanitation:	260,234	275,686	248,997	26,689
Community Services:	55,905	55,905	55,623	282
Education	2,601,728	2,601,728	2,601,728	-
County tax	154,794	154,794	154,794	-
Community Assistance:	12,250	13,600	13,600	-
Unclassified	32,579	147,228	47,730	99,498
Debt service:				
Principal	9,114	9,114	9,114	-
Interest	886	886	767	119
Transfers to other funds	150,000	150,000	150,000	-
Total Charges to Appropriations	<u>4,476,149</u>	<u>4,610,092</u>	<u>4,431,404</u>	<u>178,688</u>
Budgetary Fund Balance, December 31	<u>\$ 1,985,442</u>	<u>\$ 1,869,443</u>	<u>\$ 2,218,754</u>	<u>\$ 349,311</u>
Utilization of unassigned fund balance	\$ 212,000	\$ 213,350	\$ -	\$ (213,350)
Utilization of committed fund balance	-	114,649	-	(114,649)
	<u>\$ 212,000</u>	<u>\$ 327,999</u>	<u>\$ -</u>	<u>\$ (327,999)</u>

See accompanying independent auditors' report.

SCHEDULE 2

TOWN OF LIMERICK, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
General tax revenues:				
Property taxes	\$ 3,579,901	\$ 3,582,343	\$ 3,589,536	\$ 7,193
Vehicle excise taxes	400,000	400,000	408,997	8,997
Boat/plane excise taxes	7,000	7,000	7,766	766
Intergovernmental revenues:				
State revenue sharing	120,000	120,000	139,265	19,265
Homestead exemption	46,710	46,710	48,554	1,844
Local road assistance	35,000	35,000	46,908	11,908
Veteran's exemption	-	-	1,864	1,864
Tree growth	-	-	12,496	12,496
BETE reimbursement	13,038	13,038	13,046	8
Other	-	15,452	20,659	5,207
Charges for services:				
Agent fees	10,000	10,000	10,360	360
Clerk fees	3,000	3,000	3,688	688
Code enforcement	15,000	15,000	12,940	(2,060)
Board of appeals	100	100	-	(100)
Transfer station	22,000	22,000	22,584	584
Fire department	3,400	3,400	1,730	(1,670)
Costable permits	200	200	55	(145)
Animal control	-	-	389	389
Recreation registrations	4,600	4,600	4,950	350
Town hall rentals	375	375	1,050	675
Public areas	-	-	-	-
Planning board	200	200	2,200	2,000
Library	-	-	993	993
Investment income:				
Investment income	-	-	2,700	2,700
Interest / fees on taxes	-	-	18,014	18,014
Other income:				
Other income	3,625	3,675	34,638	30,963
Lien costs	-	-	4,138	4,138
Land payment	-	-	9,935	9,935
Cable franchise fees	-	-	33,261	33,261
Transfers from other funds	-	-	-	-
TOTAL REVENUES	<u>\$ 4,264,149</u>	<u>\$ 4,282,093</u>	<u>\$ 4,452,716</u>	<u>\$ 170,623</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

SCHEDULE A

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
General government:					
Treasurer	\$ 36,698	\$ (2,073)	\$ 34,625	\$ 34,619	\$ 6
Town Clerk/Tax Collector	45,609	(1,391)	44,218	43,492	726
Administration payroll	74,211	8,136	82,347	77,172	5,175
Payroll expenses	22,106	-	22,106	20,795	1,311
Legal	52,294	-	52,294	43,974	8,320
Assessing	23,000	-	23,000	19,250	3,750
General assistance	18,100	-	18,100	9,769	8,331
Incidentals	15,200	50	15,250	16,381	(1,131)
Board of appeals	298	-	298	105	193
Elections	11,944	-	11,944	11,927	17
Code Enforcement Officer	43,404	(2,230)	41,174	41,193	(19)
Planning board	5,500	-	5,500	5,297	203
Comprehensive plan	2,300	-	2,300	885	1,415
Municipal Building	47,200	-	47,200	45,605	1,595
Town hall	16,600	-	16,600	11,924	4,676
Grange hall	4,500	-	4,500	3,428	1,072
Moore building	900	-	900	731	169
	<u>419,864</u>	<u>2,492</u>	<u>422,356</u>	<u>386,547</u>	<u>35,809</u>
Public Works:					
Repair of highways	140,941	-	140,941	135,986	4,955
Tarring	162,360	-	162,360	162,360	-
Bridges	15,050	-	15,050	11,660	3,390
Snow Removal:					
Snow removal of roads	195,000	-	195,000	195,000	-
Snow removal sidewalks	21,500	-	21,500	18,150	3,350
	<u>534,851</u>	<u>-</u>	<u>534,851</u>	<u>523,156</u>	<u>11,695</u>

SCHEDULE A (CONTINUED)

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
Public Safety:					
Fire department	135,657	-	135,657	135,031	626
Paramedic/FF	39,832	-	39,832	39,331	501
Hydrant rental	25,524	-	25,524	25,524	-
E.M.A.	15,807	-	15,807	13,322	2,485
Constables	200	-	200	109	91
Traffic Signals	11,700	-	11,700	11,700	-
Hosac Tower	3,600	-	3,600	3,049	551
Animal control	11,624	-	11,624	11,282	342
	243,944	-	243,944	239,348	4,596
Waste & Sanitation:					
Sanitation & Recycling Facility	75,529	-	75,529	63,503	12,026
Door to Door	80,255	-	80,255	79,773	482
Household tipping fees	104,450	-	104,450	99,431	5,019
FEMA - Transfer Station	-	15,452	15,452	6,290	9,162
	260,234	15,452	275,686	248,997	26,689
Community Services:					
Library	48,326	-	48,326	48,294	32
Recreation	7,579	-	7,579	7,329	250
	55,905	-	55,905	55,623	282

SCHEDULE A (CONTINUED)

TOWN OF LIMERICK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
Education	2,601,728	-	2,601,728	2,601,728	-
County Tax	154,794	-	154,794	154,794	-
Community Assistance:					
Charity organizations	12,250	-	12,250	12,250	-
Snowmobile group	-	1,350	1,350	1,350	-
	12,250	1,350	13,600	13,600	-
Debt Service:					
Bond - principal	9,114	-	9,114	9,114	-
Bond - interest	886	-	886	767	119
	10,000	-	10,000	9,881	119
Unclassified:					
Public places	7,177	-	7,177	7,090	87
Capital projects	-	17,600	17,600	9,931	7,669
Franchise fees	-	97,049	97,049	25,509	71,540
Overlay	25,402	-	25,402	5,200	20,202
	32,579	114,649	147,228	47,730	99,498
Total departmental expenditures	\$ 4,326,149	\$ 133,943	\$ 4,460,092	\$ 4,281,404	\$ 178,688

See accompanying independent auditors' report.

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 279,496	\$ -	\$ 279,496
Investments	-	-	16,969	16,969
Accounts receivable (net of allowance for uncollectibles)	-	116,087	-	116,087
Due from other funds	122,516	210,017	-	332,533
TOTAL ASSETS	<u>\$ 122,516</u>	<u>\$ 605,600</u>	<u>\$ 16,969</u>	<u>\$ 745,085</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	1,715	-	16,969	18,684
Committed	114,406	605,600	-	720,006
Assigned	6,395	-	-	6,395
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>122,516</u>	<u>605,600</u>	<u>16,969</u>	<u>745,085</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 122,516</u>	<u>\$ 605,600</u>	<u>\$ 16,969</u>	<u>\$ 745,085</u>

SCHEDULE C

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 1,181	\$ -	\$ -	\$ 1,181
Interest	-	640	25	665
Other	8,689	118,990	-	127,679
TOTAL REVENUES	<u>9,870</u>	<u>119,630</u>	<u>25</u>	<u>129,525</u>
EXPENDITURES				
Capital outlay	-	16,039	-	16,039
Other	31,742	21,344	-	53,086
TOTAL EXPENDITURES	<u>31,742</u>	<u>37,383</u>	<u>-</u>	<u>69,125</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,872)</u>	<u>82,247</u>	<u>25</u>	<u>60,400</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	150,000	-	150,000
Operating Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCES	<u>(21,872)</u>	<u>232,247</u>	<u>25</u>	<u>210,400</u>
FUND BALANCES - JANUARY 1	<u>144,388</u>	<u>373,353</u>	<u>16,944</u>	<u>534,685</u>
FUND BALANCES - DECEMBER 31	<u>\$ 122,516</u>	<u>\$ 605,600</u>	<u>\$ 16,969</u>	<u>\$ 745,085</u>

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 Department Donations
7. Transfer Station Grant

SCHEDULE D

TOWN OF LIMERICK, MAINE
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012

	Business Park	Lakes Environmental Grant	Recreation Donations	Outreach	Library Book Sales	Fire Dept Donations	Transfer Station Grant	Totals
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	114,406	471	160	663	4,296	1,939	581	122,516
TOTAL ASSETS	\$ 114,406	\$ 471	\$ 160	\$ 663	\$ 4,296	\$ 1,939	\$ 581	\$ 122,516
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	471	-	663	-	-	581	1,715
Committed	114,406	-	-	-	-	-	-	114,406
Assigned	-	-	160	-	4,296	1,939	-	6,395
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	114,406	471	160	663	4,296	1,939	581	122,516
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 160	\$ -	\$ 4,296	\$ 1,939	\$ -	\$ 122,516

SCHEDULE E

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business Park	Lakes Environmental Grant	Recreation Donations	Outreach	Library Book Sales	Fire Dept Donations	Transfer Station Grant	Totals
REVENUES								
Intergovernmental	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ 581	\$ 1,181
Other	836	-	-	-	7,719	134	-	8,689
TOTAL REVENUES	836	600	-	-	7,719	134	581	9,870
EXPENDITURES								
	27,832	200	-	-	3,710	-	-	31,742
EXCESS OF REVENUES OVER (UNDER)								
EXPENDITURES	(26,996)	400	-	-	4,009	134	581	(21,872)
OTHER FINANCING SOURCES (USES)								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(26,996)	400	-	-	4,009	134	581	(21,872)
FUND BALANCES - JANUARY 1	141,402	71	160	663	287	1,805	-	144,388
FUND BALANCES - DECEMBER 31	\$ 114,406	\$ 471	\$ 160	\$ 663	\$ 4,296	\$ 1,939	\$ 581	\$ 122,516

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

SCHEDULE F

TOWN OF LIMERICK, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2012

	Limerick Rescue	Business Association	Limerick Rescue	Municipal Building Reserve	Capital Reserve	Totals
ASSETS						
Cash and cash equivalents	\$ 220,921	\$ 1,993	\$ 56,582	\$ -	\$ -	\$ 279,496
Accounts receivable (net of allowance for uncollectibles)	116,087	-	-	-	-	116,087
Due from other funds	74,529	27	-	33,961	101,500	210,017
TOTAL ASSETS	<u>\$ 411,537</u>	<u>\$ 2,020</u>	<u>\$ 56,582</u>	<u>\$ 33,961</u>	<u>\$ 101,500</u>	<u>\$ 605,600</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	411,537	2,020	56,582	33,961	101,500	605,600
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>411,537</u>	<u>2,020</u>	<u>56,582</u>	<u>33,961</u>	<u>101,500</u>	<u>605,600</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 411,537</u>	<u>\$ 2,020</u>	<u>\$ 56,582</u>	<u>\$ 33,961</u>	<u>\$ 101,500</u>	<u>\$ 605,600</u>

See accompanying independent auditors' report.

SCHEDULE G

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Limerick Rescue	Business Association	Capital Reserve	Municipal Building Reserve	Capital Reserve	Totals
REVENUES						
Interest	\$ 504	\$ 5	\$ 131	\$ -	\$ -	\$ 640
Other	117,490	-	-	-	1,500	118,990
TOTAL REVENUES	117,994	5	131	-	1,500	119,630
EXPENDITURES						
Capital outlay	-	-	-	16,039	-	16,039
Other	21,344	-	-	-	-	21,344
TOTAL EXPENDITURES	21,344	-	-	16,039	-	37,383
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	96,650	5	131	(16,039)	1,500	82,247
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	-	-	50,000	100,000	150,000
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	50,000	100,000	150,000
NET CHANGE IN FUND BALANCES	96,650	5	131	33,961	101,500	232,247
FUND BALANCES - JANUARY 1	314,887	2,015	56,451	-	-	373,353
FUND BALANCES - DECEMBER 31	\$ 411,537	\$ 2,020	\$ 56,582	\$ 33,961	\$ 101,500	\$ 605,600

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, 2012

	Hillside Cemetery	Elizabeth Felch Durrell	Totals
ASSETS			
Investments	\$ 8,228	\$ 8,741	\$ 16,969
Due from other funds	-	-	-
TOTAL ASSETS	<u>\$ 8,228</u>	<u>\$ 8,741</u>	<u>\$ 16,969</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	8,229	8,740	16,969
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>8,229</u>	<u>8,740</u>	<u>16,969</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,229</u>	<u>\$ 8,740</u>	<u>\$ 16,969</u>

TOWN OF LIMERICK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Hillside Cemetery	Elizabeth Felch Durrell	Totals
REVENUES			
Interest	\$ 10	\$ 15	\$ 25
Other	-	-	-
TOTAL REVENUES	<u>10</u>	<u>15</u>	<u>25</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>10</u>	<u>15</u>	<u>25</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	10	15	25
FUND BALANCES - JANUARY 1	<u>8,219</u>	<u>8,725</u>	<u>16,944</u>
FUND BALANCES - DECEMBER 31	<u>\$ 8,229</u>	<u>\$ 8,740</u>	<u>\$ 16,969</u>

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.

SCHEDULE J

TOWN OF LIMERICK, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2012

	Land, Non- Depreciable Infrastructure and Construction in Progress	Buildings, Land and Building Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Totals
Fire Department	\$ 22,070	\$ 77,102	\$ 1,779,346	\$ -	\$ 1,878,518
Public Works	-	41,854	35,635	3,457,740	3,535,229
Library	-	7,000	-	-	7,000
Town-Wide	257,680	728,977	44,213	-	1,030,870
Total General Capital Assets	279,750	854,933	1,859,194	3,457,740	6,451,617
Less: Accumulated Depreciation	-	(368,683)	(1,107,102)	(546,198)	(2,021,983)
Net General Capital Assets	\$ 559,500	\$ 486,250	\$ 752,092	\$ 2,911,542	\$ 4,429,634

See accompanying independent auditors' report.

SCHEDULE K

TOWN OF LIMERICK, MAINE

SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Capital Assets 1/1/12	Additions	Deletions	General Capital Assets 12/31/12
Fire Department	\$ 1,845,958	\$ 32,560	\$ -	\$ 1,878,518
Public Works	3,353,953	181,276	-	3,535,229
Library	-	7,000	-	7,000
Town-Wide	1,024,276	6,594	-	1,030,870
Total General Capital Assets	6,224,187	227,430	-	6,451,617
Less: Accumulated Depreciation	(1,848,578)	(173,405)	-	(2,021,983)
Net General Capital Assets	\$ 4,375,609	\$ 54,025	\$ -	\$ 4,429,634

See accompanying independent auditors' report.



