TOWN OF CAMDEN, MAINE

Annual Financial Report

For The Fiscal Year Ended June 30, 2011

Runyon

CERTIFIED PUBLIC ACCOUNTANTS

Kersteen

AND BUSINESS CONSULTANTS

Ouellette

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Runyon Kersteen Ouellette

Certified Public Accountants and Business Consultants

Independent Auditor's Report

Select Board
Town of Camden, Maine

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Camden, Maine as of and for the year ended June 30, 2011, 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 opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. 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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Camden, Maine as of and for the year ended June 30, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2011, on our consideration of the Town of Camden, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Select Board
Town of Camden, Maine

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 Camden, Maine's financial statements as a whole. The combining and individual fund financial statements are presented for the purpose of additional analysis and are not a required part of the financial statements. They are the responsibility of the management and were derived from and relate directly to the underlying accounts 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.

Runyon Kersteen Ouellette

October 19, 2011
South Portland, Maine

Introduction

As the Financial Director of the Town of Camden, Maine, I am pleased to provide you with the Management Discussion and Analysis report as part of our annual financial statements for the fiscal year ending June 30, 2011 according to the standards set forth under Governmental Accounting Standards Board Statement No. 34, also known as GASB 34.

Financial Highlights

- The financial statements attached reflect all of the governmental, business-type and fiduciary funds of the Town of Camden, Maine. Total governmental and business-type assets were $18,157,626. Total governmental and business-type liabilities were $3,705,873 and net assets were $14,451,751. Of this figure, $7,863,689 is invested in capital assets, net of related debt and $2,150,626 is restricted for non-expendable trust principal. The remaining $3,717,814 is unrestricted.
- The Town of Camden's net assets increased by $749,983.
- As of the close of the most recent fiscal year, the Town of Camden's governmental funds reported combined ending fund balances of $6,517,247, an increase of $832,954 in comparison with the prior year.
- At the end of the most recent fiscal year, unassigned fund balance for the general fund was $2,098,541, or 12.6% of total general fund expenditures of $16,605,235.

Overview of the Financial Statements

This report is intended to serve as a helpful tool that will assist the reader and provide information about the Town of Camden's basic financial statements. The Town's financial statements can be separated into three groups: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. Other supplemental information to the basic financial statements is also provided.

Government-wide Financial Statements. The *government-wide financial statements* provide a broad overview of the Town of Camden, Maine's finances. The two statements used are the Statement of Net Assets and the Statement of Activities. Both statements include all Town assets and liabilities using the *accrual basis of accounting.*

The Statement of Net Assets presents information on the Town's assets and liabilities, with the difference between the two reported as *net assets*. Over time, changes in net assets (increases or decreases) may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net assets have changed during the last fiscal year. All changes in net assets are reported as soon as the change or event occurs, regardless of the timing of the cash flow. This means that revenues and expenses are reported in this statement even if the result in cash flow does not occur until future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish between the activities of the Town that are principally supported by taxes and intergovernmental revenues *(governmental activities)* and those activities that recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The Camden Snow Bowl is a business-type activity. Governmental activities include administration, public safety, public works, recreation programs, county tax, education, charitable aid, cemetery care, debt service and capital maintenance expenses.

The government-wide financial statements can be found on pages 11 and 12.

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 Camden, Maine, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to report most of the Town's basic services. Money flowing into and out of accounts can be tracked here. Balances left at year-end that are available for spending will also be reported here. 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 can help to determine what financial resources are available in the near future to finance the Town's activities.

The governmental funds financial statements can be found on pages 13 and 14.

Fiduciary funds are used to account for monies held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Camden, Maine's programs.

The fiduciary funds financial statements can be found on page 20.

Proprietary funds are used to report charges to customers for services provided by the Town. The Camden Snow Bowl is in a proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities.

The proprietary funds financial statements can be found on pages 17-19.

The Town of Camden, Maine as Trustee
The Town of Camden, Maine is trustee, or fiduciary, for assets (because of trust arrangements) that can be used only for the benefit of the trust's beneficiaries. The Camden Cemetery Association is reported in this category. This fiduciary activity is reported on page 20 of the audit report.

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 fund financial statements. The notes to the financial statements can be found on pages 21-35 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 39-65 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Camden, Maine, assets exceeded liabilities by $14,451,751 at the close of the most recent fiscal year.

A portion of the Town of Camden, Maine's net assets (54%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Camden's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 6,924,075	$ 6,165,815	$ 167,994	$ 109,413	$ 7,092,069	$ 6,275,228
Capital assets	10,631,781	10,259,457	432,805	453,888	11,064,586	10,713,345
Total assets	17,555,856	16,425,272	600,799	563,301	18,156,655	16,988,573
Long-term liabilities outstanding	3,510,141	3,118,106	25,392	22,504	3,535,533	3,140,610
Other liabilities	169,371	146,195	-	-	169,371	146,195
Total liabilities	3,679,512	3,264,301	25,392	22,504	3,704,904	3,286,805
Net assets:						
Invested in capital assets, net of related debt	7,430,884	7,447,138	432,805	453,888	7,863,689	7,901,026
Restricted	2,870,248	1,052,583	-	-	2,870,248	1,052,583
Unrestricted	3,575,212	4,661,250	142,602	86,909	3,717,814	4,748,159
Total net assets	$ 13,876,344	$ 13,160,971	$ 575,407	$ 540,797	$ 14,451,751	$ 13,701,768

An additional portion of the Town of Camden, Maine's net assets (14%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* ($3,717,814) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Camden, Maine is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Town of Camden's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 2,142,409	$ 1,879,643	$ 725,686	$ 609,692	$ 2,868,095	$ 2,489,335
Operating grants and contributions	205,965	104,433	-	-	205,965	104,433
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	14,969,812	14,563,526	-	-	14,969,812	14,563,526
Excise taxes	793,618	789,768	-	-	793,618	789,768
Grants not restricted to specific programs	360,276	396,482	-	-	360,276	396,482
Other	175,763	180,610	-	-	175,763	180,610
Total revenues	18,647,843	17,914,462	725,686	609,692	19,373,529	18,524,154
Expenses:						
General government	3,387,257	3,161,032	-	-	3,387,257	3,161,032
Public safety	1,663,881	1,643,606	-	-	1,663,881	1,643,606
Highways, streets and bridges	1,185,368	1,126,905	-	-	1,185,368	1,126,905
Human services	93,996	91,436	-	-	93,996	91,436
Leisure services	851,234	840,116	-	-	851,234	840,116
Cemeteries	86,648	95,198	-	-	86,648	95,198
Education	9,467,788	9,547,373	-	-	9,467,788	9,547,373
Solid waste, sewer and other	1,055,835	1,010,777	-	-	1,055,835	1,010,777
Debt service	99,843	97,301	-	-	99,843	97,301
Noncapital maintenance expenses	5,620	115,726	-	-	5,620	115,726
Camden Snow Bowl	-	-	726,076	653,648	726,076	653,648
Total expenses	17,897,470	17,729,470	726,076	653,648	18,623,546	18,383,118
Increase (decrease) in net assets before transfers	750,373	184,992	(390)	(43,956)	749,983	141,036
Transfers	(35,000)	(55,000)	35,000	55,000	-	-
Increase (decrease) in net assets	715,373	129,992	34,610	11,044	749,983	141,036
Net assets--July 1	13,160,971	13,030,979	540,797	529,753	13,701,768	13,560,732
Net assets--June 30	$ 13,876,344	$ 13,160,971	$ 575,407	$ 540,797	$ 14,451,751	$ 13,701,768

The Town of Camden, Maine's net assets increased by $749,983 (5.2%) during the current fiscal year. The increase in net assets for governmental activities was primarily the result of reduced spending. The increase in net assets in business-type activities was the result of higher revenues collected.

Financial Highlights (Fund Financial Statements)

The difference between the Town of Camden, Maine's assets and liabilities is called "fund balance". Fund balance can be broken down into two categories, assigned and unassigned. The Town's fund balance was $2,344,733 on June 30, 2011 (general fund only). Of this, the unassigned amount was $2,098,541 and the assigned amount was $246,192. Assigned funds are carried into the fiscal year 2011-2012 budget and used for projects that are ongoing or uncompleted at fiscal year-end. The total fund balance for the General Fund increased $318,993 from the June 30, 2010 fund balance of $2,025,740.

The Town reported two other major funds in 2011 (Statement 3 and Statement 4). The sewer operations fund ended the year with a fund balance of $533,404, an increase from 2010 of $93,414. The Charles Wood fund had an ending fund balance at June 30, 2011 of $1,462,461 which was an increase from 2010 of $216,100. Of the fund balance total of $1,462,461, $902,731 was restricted for nonspendable trust principal. All other governmental funds are reported in the aggregate as nonmajor funds on Statement 3 and Statement 4 as "Other Governmental Funds". Detail of these funds can be seen in the exhibits following the footnotes starting on page 49.

The Town's business-type activity, the Camden Snow Bowl, realized an increase in "operating" revenues of $115,994 or 16%. Snow Bowl "operating" expenses increased $116,672 or 16%. Final figures at year-end indicated a "net loss" before transfers of $(390). Cash on hand was $19,965.

The original budget as presented on Statement 6 was revised by adding $174,393 to the expenditure budget for prior year carryforward balances.

Revenues collected in the General Fund were over budget expectations by $228,476, supplemental property taxes of $107,608 and a decrease in deferred taxes. Other revenues made up for remainder of the excess over budgeted amounts. Expenditures were under budget by $384,910; however, of this amount $246,192 was carried forward as assigned fund balance for ongoing projects.

Capital Asset and Debt Administration

- Taxes increased $211,686
- Interest earned decreased $17,861
- Charges for services increased $7,830

Capital assets. The Town of Camden, Maine's investment in capital assets for its governmental and business-type activities as of June 30, 2011, amounts to $11,064,588 (net of accumulated depreciation). This investment in capital assets includes land and buildings, furniture and equipment, vehicles and infrastructure. The total increase in the Town of Camden, Maine's investment in capital assets for the current fiscal year was $351,243.

Major capital asset events during the recently ended fiscal year included the following:

- Steamboat Landing drainage project - $39,000
- Molyneaux drainage/bridges - $71,600

It should be noted that due to a tight budget year many capital projects and reserve accounts for future planned expenditures were not funded in this budget.

Additional information on the Town of Camden, Maine's capital assets can be found in the notes to the basic financial statements on pages 28-29 of this report.

The Town did incur changes in long-term liabilities. Outstanding bonds and notes began with a balance of $2,603,761. New debt limit was $660,000 for wastewater improvements. "Retired" debt was $244,788 ending the fiscal year with a balance of $3,018,973 in outstanding long-term debt. Capital leases, another long-term liability added $66,732 in new leases and retired $93,364 ending with a balance $181,926. Total long-term liabilities as of June 30, 2011 were $3,510,141, an increase of $392,035 over the prior year. Additional information on the Town of Camden, Maine's long-term debt activity can be found in the notes to the basic financial statements on pages 31-32 of this report.

Assets

Cash, Cash Equivalents and Investments

General Fund assets increased during this reporting period $125,617. Assets for FY 2011 were $3,689,028 and assets for FY 2010 were $3,563,411. Investments decreased $59,567.

Receivables

The Town of Camden, Maine continues to have an "excellent" tax collection rate with 94.23% of outstanding taxes collected in FY 2011 and 97.18% in 2010. When necessary, unpaid *prior* year real estate taxes are collected using the tax lien process. Personal property taxes are collected in Small Claims Court. The total *actual* amount of revenue for real estate taxes, personal property taxes and excise taxes (including interest, costs and the State's Homestead reimbursement) less abatements, refunds and a change in deferred property tax revenue of ($96,300) for FY 2011 was $15,990.843. This is $211,686 more than the original budgeted amount of $15,779,157. In comparison, the FY 2010 amount of tax revenue less than the original budget was ($46,083). We continue to meet tax revenue budget expectations which accounts for approximately 94% of the total revenues collected by the Town.

Expenditures

In comparing expenditures for FY 2011 to the prior year, total *actual* expenditures in the General Fund decreased $35,646. Capital improvements and reserves decreased by $97,322. Highways, streets and bridges decreased $18,704. Debt service decreased $5,270. Education decreased $79,585 and county tax decreased $14,622

Request for Information

This financial report is designed to provide a general overview of the Town of Camden, Maine's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Finance Director, Town of Camden, Maine, P.O. Box 1207, Camden, Maine 04843.

BASIC FINANCIAL STATEMENTS

TOWN OF CAMDEN, MAINE
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 253,721	19,965	273,686
Investments	5,236,747	-	5,236,747
Funds held in escrow	239,269	-	239,269
Receivables:			
Accounts (net of allowance of $2,676)	317,665	-	317,665
Taxes receivable - current year	895,029	-	895,029
Tax and sewer liens	114,451	-	114,451
Tax acquired property	16,191	-	16,191
Internal balances	(148,029)	148,029	-
Nondepreciable capital assets	1,485,486	160,000	1,645,486
Depreciable capital assets, net	9,146,297	272,805	9,419,102
Total assets	17,556,827	600,799	18,157,626
LIABILITIES			
Accounts payable and other current liabilities	135,097	-	135,097
Accrued interest	35,243	-	35,243
Noncurrent liabilities:			
Due within one year	320,819	-	320,819
Due in more than one year	3,189,322	25,392	3,214,714
Total liabilities	3,680,481	25,392	3,705,873
NET ASSETS			
Invested in capital assets, net of related debt	7,430,884	432,805	7,863,689
Restricted for:			
Nonexpendable trust principal	2,150,626	-	2,150,626
Grants and donations	719,622	-	719,622
Unrestricted	3,575,212	142,602	3,717,814
Total net assets	**$ 13,876,344**	**575,407**	**14,451,751**

See accompanying notes to financial statements.

TOWN OF CAMDEN, MAINE
Statement of Activities
For the year ended June 30, 2011

Functions/programs	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions	Net (expense) revenue and changes in net assets: Primary Government: Governmental activities	Net (expense) revenue and changes in net assets: Primary Government: Business-type activities	Net (expense) revenue and changes in net assets: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 3,387,257	175,015	-	-	(3,212,242)	-	(3,212,242)
Public safety	1,663,881	16,282	-	-	(1,647,599)	-	(1,647,599)
Highways, streets and bridges	1,185,368	-	56,892	-	(1,128,476)	-	(1,128,476)
Human services	93,996	-	-	-	(93,996)	-	(93,996)
Leisure services	851,234	242,726	23,162	-	(585,346)	-	(585,346)
Cemeteries	86,648	251,587	-	-	164,939	-	164,939
Education	9,467,788	-	-	-	(9,467,788)	-	(9,467,788)
Solid waste, sewer and other	1,055,835	1,453,799	117,309	-	515,273	-	515,273
Interest on debt service	99,843	-	8,602	-	(91,241)	-	(91,241)
Non-capital maintenance expenses	5,620	3,000	-	-	(2,620)	-	(2,620)
Total governmental activities	17,897,470	2,142,409	205,965	-	(15,549,096)	-	(15,549,096)
Business-type activities:							
Camden Snow Bowl	726,076	725,686	-	-	-	(390)	(390)
Total business-type activities	726,076	725,686	-	-	-	(390)	(390)
Total primary government	**$ 18,623,546**	**2,868,095**	**205,965**	**-**	**(15,549,096)**	**(390)**	**(15,549,486)**
General revenues:							
Property taxes, levied for general purposes					14,969,812	-	14,969,812
Interest and costs on taxes					74,725	-	74,725
Motor vehicle excise taxes					793,618	-	793,618
Franchise taxes					62,475	-	62,475
Grants and contributions not restricted to specific programs:							
Homestead exemption					48,821	-	48,821
Other State aid					17,908	-	17,908
State Revenue Sharing					293,547	-	293,547
Unrestricted investment earnings					15,139	-	15,139
Miscellaneous revenues					23,424	-	23,424
Transfers					(35,000)	35,000	-
Total general revenues and transfers					16,264,469	35,000	16,299,469
Change in net assets					715,373	34,610	749,983
Net assets - beginning					13,160,971	540,797	13,701,768
Net assets - ending					**$ 13,876,344**	**575,407**	**14,451,751**

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Balance Sheet
Governmental Funds
June 30, 2011

	General	Sewer Operations Fund	Charles Wood Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 79,744	-	16,205	157,772	253,721
Investments	2,531,437	-	1,431,256	1,274,054	5,236,747
Funds held in escrow	-	239,269	-	-	239,269
Receivables:					
Accounts (net of allowance of $2,676)	52,866	221,946	-	3,244	278,056
Taxes receivable - current year	895,029	-	-	-	895,029
Tax and sewer liens	113,761	690	-	-	114,451
Tax acquired property	16,191	-	-	-	16,191
Interfund loans receivable	-	71,499	15,000	832,442	918,941
Total assets	**$ 3,689,028**	**533,404**	**1,462,461**	**2,267,512**	**7,952,405**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	99,602	-	-	26,668	126,270
Interfund loans payable	963,166	-	-	64,195	1,027,361
Deferred tax revenue	272,700	-	-	-	272,700
Other deferred revenue	8,827	-	-	-	8,827
Total liabilities	1,344,295	-	-	90,863	1,435,158
Fund balances:					
Nonspendable - trust principal	-	-	902,731	1,247,895	2,150,626
Restricted	-	-	559,730	159,892	719,622
Committed	-	345,176	-	829,672	1,174,848
Assigned	246,192	188,228	-	-	434,420
Unassigned	2,098,541	-	-	(60,810)	2,037,731
Total fund balances	2,344,733	533,404	1,462,461	2,176,649	6,517,247
Total liabilities and fund balances	**$ 3,689,028**	**533,404**	**1,462,461**	**2,267,512**	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,631,781
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	272,700
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds payable	(3,018,973)
Capital leases	(181,926)
Accrued interest	(35,243)
Accrued compensated absences	(309,242)
Net assets of governmental activities	**$ 13,876,344**

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2011

	General	Sewer Operations Fund	Charles Wood Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 15,990,843	-	-	-	15,990,843
Intergovernmental	383,942	-	-	117,309	501,251
Licenses and permits	140,451	-	-	-	140,451
Charges for services	307,252	775,005	-	-	1,082,257
Interest income	15,139	-	22,300	20,563	58,002
Contributions	-	-	20,000	74,821	94,821
Realized and unrealized gains (losses)	-	-	221,484	194,427	415,911
Other	140,268	3,050	104	317,185	460,607
Total revenues	16,977,895	778,055	263,888	724,305	18,744,143
Expenditures:					
Current:					
General government	1,559,477	-	-	42,908	1,602,385
Public safety	1,581,074	-	-	-	1,581,074
Highways, streets and bridges	1,081,191	-	-	-	1,081,191
Human services	19,921	-	-	74,075	93,996
Leisure services	805,016	-	-	22,728	827,744
Cemeteries	63,264	-	-	23,384	86,648
Contingency	47,906	-	-	-	47,906
Education	9,467,788	-	-	-	9,467,788
County tax	1,095,390	-	-	-	1,095,390
Solid waste	240,658	-	-	-	240,658
Sewer operations	-	672,057	-	-	672,057
Unclassified	-	-	47,788	442,163	489,951
Debt service	423,426	-	-	-	423,426
Capital improvements and reserves	220,124	672,584	-	-	892,708
Total expenditures	16,605,235	1,344,641	47,788	605,258	18,602,922
Excess (deficiency) of revenues over (under) expenditures	372,660	(566,586)	216,100	119,047	141,221
Other financing sources (uses):					
Proceeds from capital lease	66,733	-	-	-	66,733
Bond proceeds	-	660,000	-	-	660,000
Transfers from other funds	-	-	-	85,400	85,400
Transfers to other funds	(120,400)	-	-	-	(120,400)
Total other financing sources (uses)	(53,667)	660,000	-	85,400	691,733
Net change in fund balances	318,993	93,414	216,100	204,447	832,954
Fund balances, beginning of year	2,025,740	439,990	1,246,361	1,972,202	5,684,293
Fund balances, end of year	**$ 2,344,733**	**533,404**	**1,462,461**	**2,176,649**	**6,517,247**

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2011

Net change in fund balances - total governmental funds (from Statement 4)	$	832,954
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay ($874,088) exceeded depreciation expense ($479,795) and loss on disposal ($21,969) in the current period.		372,324
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(96,300)
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 the governmental funds. This is the change in accrued compensated absences ($3,455) and accrued interest ($1,570).		(5,025)
Bond and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
This is the amount by which bond proceeds ($660,000) exceeded repayments ($244,788).		(415,212)
This is the amount by which lease repayments ($99,364) exceeded proceeds ($66,732).		26,632
Change in net assets of governmental activities (see Statement 2)	**$**	**715,373**

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2011

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 15,779,157	15,779,157	15,990,843	211,686
Intergovernmental	392,540	392,540	383,942	(8,598)
Licenses and permits	121,300	121,300	140,451	19,151
Charges for services	299,422	299,422	307,252	7,830
Interest earned	33,000	33,000	15,139	(17,861)
Other	124,000	124,000	140,268	16,268
Total revenues	16,749,419	16,749,419	16,977,895	228,476
Expenditures:				
Current:				
General government	1,423,740	1,457,525	1,372,854	84,671
Public safety	1,707,257	1,730,231	1,581,074	149,157
Highways, streets and bridges	1,083,800	1,139,730	1,081,191	58,539
Health and welfare	19,921	19,921	19,921	-
Leisure services	825,566	825,566	820,016	5,550
Cemeteries	77,447	79,029	63,264	15,765
Contingency	46,000	103,084	47,906	55,178
Unclassified	10,960,984	10,960,984	10,990,459	(29,475)
Debt service	482,704	482,704	423,426	59,278
Capital improvements and reserves	136,600	139,638	153,391	(13,753)
Total expenditures	16,764,019	16,938,412	16,553,502	384,910
Excess (deficiency) of revenues over (under) expenditures	(14,600)	(188,993)	424,393	613,386
Other financing sources (uses):				
Transfers out	(105,400)	(105,400)	(105,400)	-
Revenue budget variance	(30,000)	(30,000)	-	30,000
Utilization of prior year surplus	150,000	150,000	150,000	-
Utilization of carryforward balances	-	174,393	-	(174,393)
Total other financing sources (uses)	14,600	188,993	44,600	(144,393)
Net change in fund balance, budgetary basis	-	-	468,993	468,993
Reconciliation to GAAP:				
Utilization of fund balance			(150,000)	
Net change in fund balance, GAAP basis			318,993	
Fund balance, beginning of year			2,025,740	
Fund balance, end of year	$		**2,344,733**	

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities - Enterprise Funds
	Camden Snow Bowl
ASSETS	
Current assets:	
Cash and cash equivalents	$ 19,965
Interfund loans receivable	148,029
Total current assets	167,994
Noncurrent assets:	
Property, plant, and equipment	1,099,935
Less accumulated depreciation	(667,130)
Total noncurrent assets	432,805
Total assets	600,799
LIABILITIES	
Noncurrent liabilities:	
Accrued compensated absences	25,392
Total current liabilities	25,392
NET ASSETS	
Invested in capital assets, net of related debt	432,805
Unrestricted	142,602
Total net assets	**$ 575,407**

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2011

	Business-type Activities - Enterprise Funds	
		Camden Snow Bowl
Operating revenues:		
Lift tickets	$	397,456
Toboggan and tube income		95,137
Lesson and racing fees		115,029
Rental income		79,823
Food and merchandise		25,902
Other		12,339
Total operating revenues		725,686
Operating expenses:		
Administration		173,073
Lodge		22,480
Maintenance shop		5,372
Alpine		404,077
Rental shop		44,980
Toboggan chute		41,469
Tube slide		7,439
Depreciation		21,083
Total operating expenses		719,973
Operating income		5,713
Nonoperating revenue (expenses):		
Capital maintenance expenses - reserves		(7,103)
Revenue in reserves		1,000
Total nonoperating revenue (expense)		(6,103)
Net loss before transfers		(390)
Transfers:		
Transfer from other funds		35,000
Total transfers		35,000
Change in net assets		34,610
Total net assets, beginning of year		540,797
Total net assets, end of year	**$**	**575,407**

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2011

	Business-type Activities - Enterprise Funds	
		Camden Snow Bowl
Cash flows from operating activities:		
Receipts from customers and users	$	725,686
Payments to suppliers		(405,287)
Payments to employees		(342,403)
Net cash provided by (used in) operating activities		(22,004)
Cash flows from non-capital financing activities:		
Transfers from other funds		35,000
Net cash provided by non-capital financing activities		35,000
Cash flows from capital and related financing activities:		
Capital reserve revenues (expenses)		(6,103)
Net cash used in financing activities		(6,103)
Increase in cash		6,893
Cash, beginning of year		13,072
Cash, end of year	**$**	**19,965**
Reconciliation of operating loss to net cash used in operating activities:		
Operating income	$	5,713
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		21,083
Increase (decrease) in operating assets and liabilities:		
Accounts receivable		-
Accrued compensated absences		2,888
Interfund loans		(51,688)
Net cash provided by (used in) operating activities		(22,004)

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Statement of Fiduciary Net Assets
Agency Funds
June 30, 2011

		Agency Funds
ASSETS		
Cash and cash equivalents	$	50,704
Accounts receivable		23,384
Total assets		**74,088**
LIABILITIES		
Interfund loans payable		39,609
Held on behalf of others		34,479
Total liabilities	**$**	**74,088**

See accompanying notes to basic financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Camden is located in Knox County. It was organized in 1891 and operates under a Town Manager-Select Board form of government.

The accounting policies of the Town of Camden, Maine conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies:

Reporting Entity - In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in GAAP. The criterion used is that set forth by GASB which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or it citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Included within the reporting entity:

The following entity has been included in the reporting entity. The Cemetery Association is considered to be a separate legal entity from the Town of Camden, Maine for reporting purposes. The financial activity related to this organization has been included as an Agency Fund in these basic financial statements. The following is a brief description of the entity:

Camden Cemetery Association - Administers the Town's two cemeteries. The Town maintains the Association's financial records.

Excluded from the reporting entity:

Mid Coast Solid Waste Corporation - The Town of Camden, Maine has entered into a joint venture with the Towns of Rockport, Lincolnville, and Hope to operate a four-town transfer station and recycling facility. During fiscal 1994, the form of this venture was modified and the Mid Coast Solid Waste Corporation was formed. Although the Town provides a portion of the entity's financial support, other criteria for inclusion in the Town's basic financial statements are absent.

The Corporation's joint Board of Directors selects management staff, sets user charges, establishes budgets, and controls all aspects of its operations. The interlocal agreement for this organization does not stipulate that the participants have a present or future claim to the net resources of the organization, except on dissolution; therefore, no equity interest has been reported in these basic financial statements.

Financial statements for Mid Coast Solid Waste Corporation can be obtained by contacting the Town of Camden Finance Director.

Camden Public Library - Although the Town does provide a portion of the entity's financial support, other criteria for inclusion are absent. The organization is independently operated and there is no control or oversight exercised by the Town.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property taxes and one year for all other revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Sewer Operations accounts for the operation of a sewer system in Camden.

Charles Wood Fund was established with a gift from Charles Wood. The income is to be used by the Town to benefit the poor and needy in Camden.

The Town reports the following major proprietary fund:

Camden Snow Bowl accounts for revenues received and expenses incurred in the operation of a ski mountain and lift facility owned by the Town.

Additionally, the Town reports the following fund type:

Fiduciary funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. Fiduciary funds use the economic resources measurement focus, with the exception of Agency Funds which have no measurement focus. The Town's fiduciary funds include the following type:

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. The funds are used to account for assets that the Town holds for others in an agency capacity. The Town's Agency Fund accounts for funds held by the Town on behalf of the Mt. View and Oak Hill Cemetery Associations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and charges between the Town's sewer fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrator expenses and depreciation on capital assets. All revenues and expenses not meeting this definition

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

are reported as non operating revenues and expenses.

Cash and Investments - Cash includes amounts in demand deposits, savings accounts and certificates of deposit. State statutes authorize the Town to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments are stated at fair value. For the purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Short-term Interfund Receivables/Payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund loans on the balance sheet.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Unbilled revenues from the Sewer Fund are recognized at the end of each fiscal year on a pro rata basis. This amount is based on billings during the months following the close of the fiscal year.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $7,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material to the basic financial statements is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the assets' estimated useful lives ranging from 3 to 60 years.

Vacation and Sick Leave - Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service and is accrued ratably over the year. Regular part-time employees receive vacation and sick leave on a pro-rated basis. Accumulated vacation time has been recorded in the Statement of Net Assets for the governmental activities and in the Proprietary Funds for the business-type activities. Accrued sick time is recorded in the Statement of Net Assets (Statement 1) and for the portion attributable to the enterprise fund which is recorded as a current liability on Statement 7. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee registrations and retirements.

Long-term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

premium or discount. Bond issuance costs are reported as deferred charged and amortized over the term of the related debt.

Fund Equity - Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.

- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.

- *Assigned* – resources that are constrained by the government's intent to be used for a specific purposes, but are neither restricted nor committed.

- *Unassigned* – resources which have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The citizens have the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. For assigned fund balance amounts the Town Manager has been authorized by the voters to assign unspent budgeted amounts to specific purposes in the General Fund at year end based on Department requests. The Town has a formal fund balance policy which determines targeted minimum unassigned General Fund fund balance.

Although the Town does not have a formal policy, when both restricted and unrestricted resources are available for use, it is the government's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the Town's practice to use committed or assigned resources first, and then unassigned resources as they are needed.

The General Fund unassigned fund balance total of $2,098,541 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. Unassigned fund deficits totaling $60,810 are also reported for several special revenue funds that have negative fund balances as of June 30, 2011 as shown in Exhibit C-1 and D-1.

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates - Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Comparative Data/Reclassifications - Comparative data for the prior year have been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets are adopted for the General Fund only and are adopted on a basis consistent with generally accepted accounting principles (GAAP). The level of control (level at which expenditures may not exceed budget) is the warrant article level. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year except some on-going projects which may be designated for subsequent year expenditure and some non-lapsing accounts which are carried forward to the next fiscal year.

The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

B. Revised Budget

The revised budget presented for the General Fund in the Statement of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual (Statement 6), includes various adjustments as follows:

	Revenues	Expenditures	Other financing sources (uses)
2011 budget as originally adopted	$ 16,749,419	(16,764,019)	14,600
Assigned carryforward balances	-	(174,393)	174,393
Totals	**$ 16,749,419**	**(16,938,412)**	**188,993**

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2011, General Fund expenditures plus designations exceeded appropriations in the following departments:

Professional services	$ 11,511
Information technology	2,726
Hydrant rental	1,483
Public works	8,269
Tree program	3,780
Parks	12,769
Sea Street/Steamboat	23,173

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

D. Deficit Fund Balance

At June 30, 2011, the following funds had deficit fund balances:

Special Revenue Funds:	
Grant Funds	$ 11,357
Restricted Funds	24,788
Seabright Fund	24,665

These deficits will be funded by future user fees, grant revenue, or transfers from the General Fund.

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2011, the Town reported deposits of $324,390 with a bank balance of $373,784. Of the Town's bank balances of $373,784, none was exposed to custodial credit risk. The entire bank balance of $373,784 was covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	$ 253,721
Reported in business-type activities	19,965
Reported in fiduciary funds	50,704
Total deposits	**$ 324,390**

B. Investments

At June 30, 2011, the Town had the following investments and maturities:

	Fair value	Less than 1 year	1-5 years	More than 5 years
Corporate bonds and notes	$ 402,140	-	331,527	70,613
Money market funds	493,332	493,332	-	-
Certificates of deposit	101,778	-	101,778	-
Equities/stock	1,436,588	-	-	-
Mutual funds (1)	271,472	-	-	-
Repurchase agreements	2,531,437	2,531,437	-	-
Total investments	**$ 5,236,747**	**3,024,769**	**433,305**	**70,613**

(1) Mutual funds are not considered securities and are except from credit risk disclosure noted above.

CAPITAL ASSETS, CONTINUED

Less accumulated depreciation for:				
Land improvements	236,712	41,550	-	278,262
Buildings and building improvements	2,598,492	162,264	-	2,760,756
Machinery and equipment	945,879	31,113	-	976,992
Furniture and office equipment	51,923	480	-	52,403
Vehicles	1,792,293	127,686	29,005	1,890,974
Infrastructure	795,432	116,702	34,500	877,634
Total accumulated depreciation	6,420,731	479,795	63,505	6,837,021
Total capital assets being depreciated, net	8,817,553	350,711	21,967	9,146,297
Governmental activities capital assets, net	**$ 10,259,457**	**394,293**	**21,967**	**10,631,783**

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 160,000	-	-	160,000
Total capital assets, not being depreciated	160,000	-	-	160,000
Capital assets, being depreciated:				
Buildings and building improvements	172,000	-	-	172,000
Machinery and equipment	673,334	-	-	673,334
Vehicles	94,601	-	-	94,601
Total capital assets being depreciated	939,935	-	-	939,935
Less accumulated depreciation for:				
Buildings and building improvements	97,733	2,850	-	100,583
Machinery and equipment	495,948	11,682	-	507,630
Vehicles	52,366	6,551	-	58,917
Total accumulated depreciation	646,047	21,083	-	667,130
Total capital assets being depreciated, net	293,888	(21,083)	-	272,805
Business-type activities capital assets, net	**$ 453,888**	**(21,083)**	**-**	**432,805**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 126,201
Public safety	82,807
Highways, streets and bridges	104,177
Leisure services	23,490
Sewer operations	143,120
Total depreciation expense – governmental activities	**$ 479,795**
Business-type activities:	
Snow Bowl	21,083
Total depreciation expense – governmental and business activities	**$ 21,083**

INTERFUND LOAN BALANCES

Individual interfund loan receivable and payable balances at the year ended June 30, 2011, were as follows:

	Interfund receivables	Interfund payables
General Fund	$ -	963,166
Sewer Operations Fund	71,499	-
Charles Wood Fund	15,000	-
Nonmajor special revenue funds:		
Grant funds	-	11,357
Restricted funds	-	28,032
Reserve funds	829,672	-
Seabright fund	-	24,665
Total nonmajor special revenue funds	829,672	64,054
Nonmajor permanent funds:		
Nellie Knowlton Fund	509	-
Shadie Niles Trust	-	141
Olive Coates Trust	2,261	-
Total nonmajor permanent funds	2,770	141
Proprietary funds:		
Camden Snow Bowl	148,029	-
Agency funds:		
Cemetery	-	39,609
Total interfund loan receivables and payables	**$ 1,066,970**	**1,066,970**

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account.

INTERFUND TRANSFERS

Individual fund transfers for the year ended June 30, 2011 were as follows:

	Transfers in	Transfers out
General Fund	$ -	120,400
Nonmajor special revenue funds:		
Reserve funds	85,400	-
Total nonmajor special revenue funds	85,400	-
Proprietary funds:		
Camden Snow Bowl	35,000	-
Total proprietary funds	35,000	-
Totals	**$ 120,400**	**120,400**

These transfers were budgeted transfers to fund certain activities.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	$ 2,603,761	660,000	244,788	3,018,973	265,948
Capital leases	208,558	66,732	93,364	181,926	54,871
Compensated absences (1)	305,787	3,455	-	309,242	-
Governmental activity long-term liabilities	**$ 3,118,106**	**730,187**	**338,152**	**3,510,141**	**320,819**
Business-type activities:					
Compensated absences (1)	$ 22,505	3,887	-	25,392	-
Business-type activity long-term liabilities	**$ 22,505**	**3,887**	**-**	**25,392**	**-**

(1) Compensated absences are shown as long-term since the amount due within one year cannot be reasonably estimated.

LONG-TERM DEBT

Bonds and notes payable and capital leases at June 30, 2011, are comprised of the following:

	Amount issued	Date of issue	Date of maturity	Interest rate	Balance
Governmental activities:					
Bonds and notes payable:					
Public safety building	$ 999,200	2003	2023	varies	649,480
Library bond	350,000	2003	2018	varies	186,669
Sewer bond	566,000	2003	2013	varies	173,764
Tannery loan	836,000	2006	2025	3.79%	683,185
Wastewater loan	885,000	2007	2022	1.33%	665,875
Wastewater loan	660,000	2010	2025	1.0%	660,000
Total bonds and notes payable					3,018,973
Capital leases:					
Sewer cleaner	66,733	3/15/2011	3/15/2015	2.99%	53,733
GMC truck	86,815	6/15/2009	6/15/2013	4.10%	35,381
Street sweeper	125,000	8/15/2006	8/15/2015	5.37%	67,027
Chevy Fire Truck	53,663	10/23/2009	10/23/2012	3.86%	25,785
Total capital leases					181,926
Total governmental activities					**$ 3,200,899**

All governmental activities long-term debt service requirements are paid by the General Fund. Business-type debt is paid by the proprietary enterprise fund.

Assets capitalized under capital leases are $332,211 for the governmental activities.

The annual debt service requirements to amortize bonds and notes payable are as follows:

Governmental Activities

	Bonds and Notes			Capital Leases		
	Principal	Interest	Total	Principal	Interest	Total
2012	$ 265,948	75,644	341,592	54,871	7,649	65,520
2013	268,368	75,767	344,135	57,100	5,420	65,520
2014	270,996	68,543	339,539	26,993	3,097	30,090
2015	214,862	63,142	278,004	28,118	1,972	30,090
2016	217,131	57,581	274,712	14,844	797	15,641
2017-2021	1,075,377	200,748	1,276,125	-	-	-
2022-2026	706,291	53,179	759,470	-	-	-
Totals	**$ 3,018,973**	**594,604**	**3,613,577**	**181,926**	**18,935**	**200,861**

STATUTORY DEBT LIMIT

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its state assessed valuation. At June 30, 2011, the Town's outstanding debt did not exceed these limits.

Overlapping Debt

The Town's proportionate share of debt of all local government units which provide services within the Town's boundaries, and which must be borne by properties in the Town is summarized as follows:

Units	Net debt outstanding June 30, 2011	Percentage applicable to the Town	Town's proportionate share of debt
Five Town CSD	$ 10,355,851	40.47%	4,191,013
School Administrative District No. 28	15,665,554	53.33%	8,354,440
Mid Coast Solid Waste Corporation	302,916	43.64%	132,193

The Town's proportionate share of overlapping debt is paid through annual assessments by the respective units.

FUND BALANCE

As of June 30, 2011 other fund balance components consisted of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund:				
Carry forward balances $	-	-	-	246,192
Special Revenue Funds:				
Sewer Operations Fund (Exhibit C-6)	-	-	345,176	188,228
Grant Funds (Exhibit C-3)	-	-	-	-
Restricted Funds (Exhibit C-3)	-	-	-	-
Reserve Funds (Exhibit C-4)	-	-	829,672	-
Permanent Funds:				
Charles Wood Fund	902,731	559,730	-	-
Nonmajor Permanent Funds	1,247,895	159,892	-	-
Totals $	**2,150,626**	**719,622**	**1,174,848**	**434,420**

FUND BALANCE, CONTINUED

At June 30, 2011 and 2010 fund balances were assigned to future periods as follows:

	2011	2010
General Fund:		
Administration	$ 17,943	9,338
Legal	1,915	2,000
Engineering	-	1,750
Planning and development	508	713
Information Technology	-	10,000
Insurance	-	2,500
Opera House/Town offices	10,360	7,000
Opera House auditorium	3,394	484
Police department	45,786	8,275
Fire department	13,605	14,699
Public Safety Building	6,900	
Highways, streets and bridges	61,473	55,930
Dams	5,491	
Cemeteries	15,765	1,582
Capital improvements:		
Tannery demolition	-	1,984
Megunticook Lake boat ramp	1,054	1,054
Maolyneaux drainage	6,820	-
Contingency	55,178	57,084
Total General Fund assigned fund balance	**$ 246,192**	**174,393**
Sewer Operations Fund:		
Sewer Operations	170,062	35,554
Administration	-	2,500
Inflow and infiltration	18,166	-
Capital improvements	-	4,000
Total Sewer Operations Fund assigned fund balance	**$ 188,228**	**42,054**

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 bonds and capital leases payable and adding back any 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. The Town's net assets invested in capital assets, net of related debt was calculated as follows at June 30, 2011:

NET ASSETS, CONTINUED

	Governmental activities	Business-type activities
Capital assets	$ 17,468,804	1,099,935
Accumulated depreciation	(6,837,021)	(667,130)
Bonds payable	(3,018,973)	-
Capital leases	(181,926)	-
Total invested in capital assets, net of related debt	**$ 7,430,884**	**432,805**

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town either carries commercial insurance, participates in public entity risk pools, or is effectively self-insured. Currently, the Town participates in several public entity and self insured risk pools sponsored by the Maine Municipal Association (MMA). Based on the coverage provided by these pools, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2011.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS)

Maine PERS - Consolidated Plan

Description of the Plan - The Town contributes to the Maine Public Employees Retirement System Consolidated Plan, a cost sharing multiple-employer retirement system established by the Maine State legislature. Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 6.5% of their annual covered salary and the Town is required to contribute an actuarially determined rate. The current rate is 3.5% of annual covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine State legislature. The Town's contributions to the Maine Public Employees Retirement System Consolidated Plan for the year ended June 30, 2011, 2010 and 2009 were $74,129, $57,183 and $55,149, respectively.

457 RETIREMENT PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, through the International City Management Association (ICMA). The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Assets of the plan are automatically placed in trust for the exclusive benefit of participants and their beneficiaries by ICMA. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets are not included in the Town's financial statements.

GENERAL FUND

The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The fund pays general operating expenditures, fixed charges, and capital improvement costs which are not paid through other funds.

TOWN OF CAMDEN, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2011

	2010 Carryforward balance	2011 Original budget	2011 Total available	2011 Actual	2011 Variance positive (negative)
Revenues:					
Taxes:					
Property taxes	$ -	14,862,204	14,862,204	14,862,204	-
Tax increment financing districts	-	(20,598)	(20,598)	-	20,598
Supplemental taxes	-	-	-	107,608	107,608
Homestead reimbursement	-	67,834	67,834	48,821	(19,013)
BETE reimbursement	-	7,517	7,517	7,567	50
Change in deferred property tax revenue	-	-	-	96,300	96,300
Excise taxes	-	810,200	810,200	793,618	(16,582)
Interest and costs on taxes	-	52,000	52,000	74,725	22,725
Total taxes	-	15,779,157	15,779,157	15,990,843	211,686
Intergovernmental:					
State Revenue Sharing	-	315,000	315,000	293,547	(21,453)
State road assistance	-	50,000	50,000	56,892	6,892
Tree growth reimbursement	-	4,500	4,500	4,425	(75)
Snowmobile reimbursement	-	500	500	377	(123)
Veterans reimbursement	-	3,500	3,500	5,539	2,039
Pumpout boat grant	-	14,040	14,040	15,614	1,574
State park reimbursement	-	5,000	5,000	7,548	2,548
Total intergovernmental	-	392,540	392,540	383,942	(8,598)
Licenses and permits:					
Animal control fees	-	2,300	2,300	2,554	254
Town Clerk fees	-	13,000	13,000	15,818	2,818
Plumbing fees	-	3,000	3,000	4,739	1,739
Building permits	-	30,000	30,000	36,418	6,418
Administration fees	-	15,000	15,000	15,938	938
Cable TV franchise	-	55,000	55,000	62,475	7,475
Electrical fees	-	3,000	3,000	2,509	(491)
Total licenses and permits	-	121,300	121,300	140,451	19,151

TOWN OF CAMDEN, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, Continued

	2010 Carryforward balance	2011 Original Budget	2011 Total available	2011 Actual	2011 Variance positive (negative)
Revenues, continued:					
Charges for services:					
Harbor fees	$ -	191,200	191,200	207,907	16,707
Police revenue	-	3,000	3,000	2,600	(400)
Parking tickets	-	16,000	16,000	13,682	(2,318)
Parks and recreation revenue	-	21,000	21,000	14,341	(6,659)
Parks and recreation mowing	-	5,000	5,000	5,500	500
Cemetery maintenance	-	56,447	56,447	56,447	-
Harbor Park mowing	-	6,775	6,775	6,775	-
Total charges for services	-	299,422	299,422	307,252	7,830
Interest earned	-	33,000	33,000	15,139	(17,861)
Total interest earned	-	33,000	33,000	15,139	(17,861)
Other revenues:					
Opera House	-	63,000	63,000	68,735	5,735
Yacht Club lease	-	19,000	19,000	20,162	1,162
Cell Tower lease	-	14,400	14,400	15,600	1,200
Transfer from trust funds	-	5,000	5,000	5,000	-
Sale of surplus equipment	-	-	-	3,000	3,000
Wastewater bond reimbursement	-	8,600	8,600	8,602	2
Public Landing leases	-	-	-	8,203	8,203
Insurance dividends	-	9,000	9,000	8,142	(858)
Miscellaneous	-	5,000	5,000	2,824	(2,176)
Total other revenues	-	124,000	124,000	140,268	16,268
Total revenues	-	16,749,419	16,749,419	16,977,895	228,476

TOWN OF CAMDEN, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, Continued

	2010 Carryforward balance	2011 Original budget	2011 Total available	2011 Actual	2011 Variance positive (negative)
Expenditures:					
Current:					
General government:					
Administration, finance, codes and assessing	$ 9,338	814,520	823,858	762,557	61,301
Professional services	3,750	52,000	55,750	67,261	(11,511)
Planning and development	713	95,770	96,483	94,174	2,309
Information technology	10,000	56,200	66,200	68,926	(2,726)
Insurance	2,500	158,300	160,800	140,143	20,657
Opera House/Town offices	7,000	79,950	86,950	73,621	13,329
Opera House/auditorium	484	167,000	167,484	166,172	1,312
Total general government	33,785	1,423,740	1,457,525	1,372,854	84,671
Public safety:					
Police department	8,275	937,850	946,125	855,538	90,587
County dispatch	-	116,602	116,602	116,602	-
Fire department	12,500	328,005	340,505	299,428	41,077
Public safety building	2,199	50,800	52,999	40,856	12,143
Hydrant rental	-	214,000	214,000	215,483	(1,483)
Street lights	-	60,000	60,000	53,167	6,833
Total public safety	22,974	1,707,257	1,730,231	1,581,074	149,157
Highways, streets and bridges:					
Public works	1,500	782,200	783,700	791,969	(8,269)
Street and sidewalks	54,430	295,200	349,630	279,569	70,061
Parking	-	2,600	2,600	2,073	527
Tree program	-	3,800	3,800	7,580	(3,780)
Total highways, streets and bridges	55,930	1,083,800	1,139,730	1,081,191	58,539

TOWN OF CAMDEN, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, Continued

	2010 Carryforward balance	2011 Original budget	2011 Total available	2011 Actual	2011 Variance positive (negative)
Expenditures, continued					
Current, continued:					
Health and welfare:					
Provider agencies	$ -	19,921	19,921	19,921	-
Total health and welfare	-	19,921	19,921	19,921	-
Leisure services:					
Community services	-	17,735	17,735	17,735	-
Camden Public Library	-	340,000	340,000	340,000	-
Harbor and landing	-	139,150	139,150	137,717	1,433
Recreation	-	120,954	120,954	112,270	8,684
Parks	-	176,652	176,652	189,421	(12,769)
Snow Bowl Match/Capital	-	15,000	15,000	15,000	-
Dams	-	9,300	9,300	3,809	5,491
Harbor Park	-	6,775	6,775	4,064	2,711
Total leisure services	-	825,566	825,566	820,016	5,550
Cemeteries:					
Cemetery association	-	21,000	21,000	21,000	-
Cemetery maintenance	1,582	56,447	58,029	42,264	15,765
Total cemeteries	1,582	77,447	79,029	63,264	15,765
Debt service:					
Principal	-	382,649	382,649	325,154	57,495
Interest	-	100,055	100,055	98,272	1,783
Total debt service	-	482,704	482,704	423,426	59,278
Contingency	57,084	46,000	103,084	47,906	55,178
Unclassified:					
MCSWC assessment	-	240,658	240,658	240,658	-
Educations - MSAD #28	-	5,719,622	5,719,622	5,719,622	-
Education - Five Town CSD	-	3,748,166	3,748,166	3,748,166	-
County tax	-	1,095,390	1,095,390	1,095,390	-
Overlay/abatements	-	157,148	157,148	186,623	(29,475)
Total unclassified	-	10,960,984	10,960,984	10,990,459	(29,475)

TOWN OF CAMDEN, MAINE
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund, Continued

		2011			
	2010 Carryforward balance	Original budget	Total available	Actual	Variance positive (negative)
Expenditures, continued:					
Capital improvements and reserves:					
Capital improvements:					
Tannery demolition	$ 1,984	-	1,984	1,984	-
Police cruiser	-	26,000	26,000	24,332	1,668
Molyneaux drainage	-	71,600	71,600	64,780	6,820
MDOT Route 1	-	-	-	122	(122)
Sea Street/Steamboat	-	39,000	39,000	62,173	(23,173)
Megunticook Lake boat ramp	1,054	-	1,054	-	1,054
Total capital improvements and reserves	3,038	136,600	139,638	153,391	(13,753)
Total expenditures	174,393	16,764,019	16,938,412	16,553,502	384,910
Excess (deficiency) of revenues over (under) expenditures	(174,393)	(14,600)	(188,993)	424,393	613,386
Other financing sources (uses):					
Transfers out:					
Snow Bowl	-	(20,000)	(20,000)	(20,000)	-
Reserves	-	(85,400)	(85,400)	(85,400)	-
Revenue budget variance	-	(30,000)	(30,000)	-	30,000
Utilization of prior year surplus	-	150,000	150,000	150,000	-
Utilization of carryforward balances	174,393	-	174,393	-	(174,393)
Total other financing sources (uses)	174,393	14,600	188,993	44,600	(144,393)
Net change in fund balances, budgetary basis	-	-	-	468,993	468,993
Reconciliation to GAAP:					
Utilization of fund balance				(150,000)	
Net change in fund balances, GAAP basis				318,993	
Fund balance, beginning of year				2,025,740	
Fund balance, end of year	$			**2,344,733**	

ALL OTHER GOVERNMENTAL FUNDS

Exhibit B-1

TOWN OF CAMDEN, MAINE
Combining Balance Sheet
All Other Governmental Funds
June 30, 2011

		Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	$	-	157,772	157,772
Investments		-	1,274,054	1,274,054
Accounts receivable		3,244	-	3,244
Interfund loans receivable		829,672	2,770	832,442
Total assets	**$**	**832,916**	**1,434,596**	**2,267,512**
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable		-	26,668	26,668
Interfund loans payable		64,054	141	64,195
Total liabilities		64,054	26,809	90,863
Fund balances:				
Nonspendable - trust principal		-	1,247,895	1,247,895
Restricted		-	159,892	159,892
Committed		829,672	-	829,672
Unassigned		(60,810)	-	(60,810)
Total fund balance		768,862	1,407,787	2,176,649
Total liabilities and fund balances	**$**	**832,916**	**1,434,596**	**2,267,512**

TOWN OF CAMDEN, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Other Governmental Funds
For the year ended June 30, 2011

	Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
Revenues:			
Contributions	$ -	74,821	74,821
Realized and unrealized gains (losses)	-	194,427	194,427
Intergovernmental	117,309	-	117,309
Other	309,585	7,600	317,185
Investment income	-	20,563	20,563
Total revenues	426,894	297,411	724,305
Expenditures:			
Current:			
General government	42,908	-	42,908
Public Safety	-	-	-
Leisure services	22,728	-	22,728
Charitable aid	-	74,075	74,075
Cemetery care	-	23,384	23,384
Other	442,163	-	442,163
Total expenditures	507,799	97,459	605,258
Excess (deficiency) of revenues over (under) expenditures	(80,905)	199,952	119,047
Other financing sources:			
Transfer from other funds	85,400	-	85,400
Total other financing sources	85,400	-	85,400
Net change in fund balances	4,495	199,952	204,447
Fund balances, beginning of year, as restated	764,367	1,207,835	1,972,202
Fund balances, end of year	**$ 768,862**	**1,407,787**	**2,176,649**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes that are restricted by law or administrative action.

Special Revenue Funds have been established for the following purposes:

Grant Funds - To account for various grants received by the Town.

Restricted Funds - To account for various donations and other funds received by the Town that are restricted to specific purposes.

Reserve Funds -To account for various capital reserves.

Seabright Fund - To account for activity related to the Seabright Dam.

Exhibit C-1

TOWN OF CAMDEN, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2011

		Grant Funds	Restricted Funds	Reserve Funds	Seabright Fund	Totals
ASSETS						
Accounts receivable	$	-	3,244	-	-	3,244
Interfund loans receivable		-	-	829,672	-	829,672
Total assets	**$**	**-**	**3,244**	**829,672**	**-**	**832,916**
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable		-	-	-	-	-
Interfund loans payable		11,357	28,032	-	24,665	64,054
Total liabilities		11,357	28,032	-	24,665	64,054
Fund balances:						
Restricted		-	-	-	-	-
Committed		-	-	829,672	-	829,672
Unassigned		(11,357)	(24,788)	-	(24,665)	(60,810)
Total fund balances (deficit)		(11,357)	(24,788)	829,672	(24,665)	768,862
Total liabilities and fund balances	**$**	**-**	**3,244**	**829,672**	**-**	**832,916**

TOWN OF CAMDEN, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2011

		Grant Funds	Restricted Funds	Reserve Funds	Seabright Fund	Totals
Revenues:						
Intergovernmental	$	117,309	-	-	-	117,309
Other		-	307,251	2,334	-	309,585
Investment income		-	-	-	-	-
Total revenues		117,309	307,251	2,334	-	426,894
Expenditures:						
Current:						
General government		-	-	42,908	-	42,908
Leisure services		-	-	22,728	-	22,728
Other		134,305	299,619	-	8,239	442,163
Total expenditures		134,305	299,619	65,636	8,239	507,799
Excess (deficiency) of revenues over (under) expenditures		(16,996)	7,632	(63,302)	(8,239)	(80,905)
Other financing sources (uses):						
Transfer from (to) other funds		-	-	85,400	-	85,400
Total other financing sources (uses)		-	-	85,400	-	85,400
Net change in fund balances		(16,996)	7,632	22,098	(8,239)	4,495
Fund balances (deficit), beginning of year		5,639	(32,420)	807,574	(16,426)	764,367
Fund balances (deficit), end of year	**$**	**(11,357)**	**(24,788)**	**829,672**	**(24,665)**	**768,862**

Exhibit C-3

TOWN OF CAMDEN, MAINE
Nonmajor Special Revenue Funds
Grant and Restricted Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2011

	Fund balances (deficit) beginning of year	Program revenues			Transfers	Program expenditures	Fund balances (deficit) end of year
		Fed/State	Interest	Other			
Grant Funds:							
Bulletproof Vest Grant	$ -	392	-	-	-	392	-
2010 Volunteer Fire Assistance Grant	-	420	-	-	-	420	-
2010 Seatbelt High Visibility	-	4,078	-	-	-	4,078	-
Bulletproof Vest Mobile Data	-	343	-	-	-	343	-
Gateway Grant	-	29,500	-	-	-	29,500	-
Lupine Terrace Grant	-	40,000	-	-	-	40,000	-
Knox County Byrne/JAG Grant	-	8,739	-	-	-	8,739	-
Efficiency Maine Grant	-	25,000	-	-	-	38,147	(13,147)
Efficiency Maine Retro Com	-	3,750	-	-	-	3,750	-
Body Armor 2011	-	1,638	-	-	-	1,638	-
2011 BUNE Ed & Enforcement	-	1,909	-	-	-	1,909	-
FEMA 2010	-	900	-	-	-	900	-
Wellness Grant	693	640	-	-	-	698	635
CAFG Grant	233	-	-	-	-	233	-
Shore and Harbor Grant	2,773	-	-	-	-	1,618	1,155
Homeland Security Grant	1,940	-	-	-	-	1,940	-
Total grant funds	5,639	117,309	-	-	-	134,305	(11,357)
Restricted Funds:							
Opera House capital campaign	23,697	-	-	25	-	-	23,722
Garden Club	15	-	-	213	-	-	228
Cawley Foundation	3,469	-	-	-	-	3,469	-
Skate Park donations	886	-	-	-	-	-	886
Tamarack Trail Subdivision	2,075	-	-	-	-	-	2,075
Opera House productions	21,426	-	-	1,573	-	(2,929)	25,928
RMRA Redevelopment	(47,077)	-	-	74,714	-	52,998	(25,361)
Oak Hill Pillars	-	-	-	10,000	-	10,000	-
Avner	-	-	-		-	(81)	81
Lunasa	-	-	-	-	-	3,429	(3,429)
Resident Shade Trees	10	-	-	213	-	-	223
Assistance (Heating & Utility)	(3,976)	-	-	8,064	-	4,067	21
DARE	3,766	-	-	-	-	-	3,766
Harbor benches	3,952	-	-	-	-	-	3,952
Employee benefits	(5,955)	-	-	-	-	597	(6,552)
Oak Hill Cemetery Garden	5,224	-	-	6,300	-	4,425	7,099
Parks Memorial projects	426	-	-	-	-	-	426
Honor roll (Village Green)	4,027	-	-	-	-	84	3,943
Fire safety education	2,119	-	-	260	-	-	2,379
Police career development	975	-	-	-	-	-	975
Gasoline	(50,992)	-	-	191,569	-	211,507	(70,930)
Prebuy oil #2	(3,590)	-	-	-	-	-	(3,590)
MCSWC trash bags	(175)	-	-	2,872	-	2,160	537
MCSWC contract bookkeeping	6,677	-	-	9,355	-	7,800	8,232
MCSWC sticker sales	601	-	-	2,093	-	2,093	601
Total restricted funds	(32,420)	-	-	307,251	-	299,619	(24,788)
Total	**$ (26,781)**	**117,309**	**-**	**307,251**	**-**	**433,924**	**(36,145)**

Exhibit C-4

TOWN OF CAMDEN, MAINE
Reserve Funds
Schedule of Changes in Fund Balances
For the year ended June 30, 2011

	Fund balances (deficit) beginning of year	Revenues: Other miscellaneous	Expenditures	Transfers in	Fund balances end of year
Reserve Funds:					
General Government:					
Accrued benefits	$ 64,362	-	23,714	10,000	50,648
Opera House maintenance	76,794	-	19,194	3,000	60,600
Economic development	(3,191)	-	-	14,400	11,209
Conservation	2,396	-	-	-	2,396
Computer/IT	14,818	-	-	-	14,818
Public Safety:					
Police equipment	2,622	-	-	-	2,622
Fire equipment	85,304	-	-	25,000	110,304
Highways, Street and Bridges:					
Storm sewer reserve	20,813	-	-	-	20,813
Parking reserve	49,877	-	-	-	49,877
Winter maintenance reserve	90,919	-	-	-	90,919
Fuel Depot maintenance reserve	2,933	-	-	-	2,933
Washington Street sidewalks	32,528	-	-	-	32,528
Public Works equipment	1,019	-	-	-	1,019
Leisure Services:					
Parks equipment	45,785	-	(111)	-	45,896
Tennis court	24,777	-	-	-	24,777
Harbor dredging	68,277	-	-	8,000	76,277
Camden Dam	74,733	-	-	-	74,733
Harbor bench maintenance	7,928	180	-	-	8,108
Harbor projects	98,298	1,700	22,839	25,000	102,159
Camden/Lincolnville Dam	38,960	-	-	-	38,960
Parks Memorial projects	1,375	-	-	-	1,375
Curtis Island Lighthouse	6,247	454	-	-	6,701
Totals	**$ 807,574**	**2,334**	**65,636**	**85,400**	**829,672**

Exhibit C-5

TOWN OF CAMDEN, MAINE
Sewer Operations Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2011
(with comparative actual totals for the year ended June 30, 2010)

	2011			
	Budget	Actual	Variance positive (negative)	2010
Revenues and other sources:				
Sewer billings	$ 785,767	775,005	(10,762)	726,091
Other	-	3,050	3,050	60
Total revenues and other sources	785,767	778,055	(7,712)	726,151
Expenditures:				
Administration:				
Salaries	219,151	217,941	1,210	217,125
Taxes and benefits	91,266	94,215	(2,949)	87,119
Professional fees	4,650	3,678	972	1,996
GIS updates	6,500	-	6,500	1,016
Information technology	4,000	2,830	1,170	-
Billing service	27,800	27,662	138	25,741
Insurance	18,200	14,540	3,660	15,660
Professional development	500	700	(200)	-
Uniforms	1,250	1,250	-	1,250
Gasoline, diesel and oil	5,000	5,084	(84)	4,138
Communications	2,000	1,578	422	1,499
Repairs and maintenance - vehicles	4,000	2,701	1,299	3,980
Supplies and other	3,500	3,792	(292)	3,087
Total administration	387,817	375,971	11,846	362,611
Operating and maintenance:				
Utilities	126,250	103,486	22,764	114,713
Sludge disposal	80,000	86,401	(6,401)	82,651
Chemicals	15,000	21,479	(6,479)	14,941
Repairs and maintenance - sewer lines	20,000	31,412	(11,412)	10,316
Repairs and maintenance - plant	40,000	34,942	5,058	37,858
Repairs and maintenance - pump station	6,000	6,791	(791)	2,534
Mowing	5,000	5,000	-	5,000
Laboratory services	3,000	3,686	(686)	5,226
Security services	1,900	2,889	(989)	1,870
Total operating and maintenance	297,150	296,086	1,064	275,109
Capital reserve transfers	10,000	10,000	-	40,000
Capital improvements	90,800	53,487	37,313	115,474
Total expenditures	785,767	735,544	50,223	793,194
Net change in fund balance - operations	-	42,511	42,511	(67,043)
Activity in reserve funds/other sources:				
Bond proceeds	-	660,000	660,000	-
Rawson Pump Station capital expenditures	-	(556,337)	(556,337)	-
Transfer in from operating budget - reserves	-	10,000	10,000	40,000
Reserve expenditures/revenues	-	(62,760)	(62,760)	(23,749)
Net reserve activity	-	50,903	50,903	16,251
Net change in fund balance	-	93,414	93,414	(50,792)
Fund balance, beginning of year		439,990		490,782
Fund balance, end of year	**$**	**533,404**		**439,990**

Exhibit C-6

TOWN OF CAMDEN, MAINE
Wastewater Capital Reserve Funds
Schedule of Changes in Fund Balances
For the year ended June 30, 2011

	Fund balances beginning of year	Revenues: Other miscellaneous	Expenditures	Transfers in (out)	Fund balances end of year
Capital Reserve Funds:					
Accrued benefits	$ 24,784	-	-	-	24,784
Equipment	126,446	-	-	10,000	136,446
Inflow and infiltration	133,220	-	40,000	-	93,220
Intown sewer	72,176	-	22,760	-	49,416
Pump stations	41,310	-	-	-	41,310
Totals	**$ 397,936**	**-**	**62,760**	**10,000**	**345,176**

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Camden Snow Bowl - Established to account for a $5,000 gift. The gift is to be invested by the Town and the income is to be used by the Camden Snow Bowl to fund operations.

Nellie A. Knowlton Fund - Nellie A. Knowlton donated $1,000 through a provision in her will. The income is to be used under the direction of the Town to supply milk to babies and aged persons as needed.

Mountain View Cemetery Fund - Established to account for funds left in trust to the Town of Camden, Maine for the maintenance of Mountain View Cemetery. It is also funded by the sale of cemetery lots. The revenue from these sales is split (80% - 20%) between this trust fund and the Camden Cemetery Association.

Oak Hill Cemetery Fund - Established to account for funds left in trust to the Town of Camden, Maine for the maintenance and operation of the Oak Hill Cemetery. It is also funded by the sale of cemetery lots. The revenues from these sales are split (80% - 20%) between this trust fund and the Camden Cemetery Association.

Camden Public Library Fund - Established to account for a $5,000 gift. The gift is to be invested by the Town with the income to benefit the Camden Public Library.

Atlantic Engine Company No. 2 Relief Fund - Established to account for a $5,000 gift. The gift is to be invested by the Town with the income to benefit the Camden Firemen's Association.

Village Green Fund - Established to account for the funds left to the Town. Income is transferred to General Fund for Village Green maintenance.

Irene F. Laite Memorial Trust - Established to account for an $89,560 gift solely for the benefit of the Oak Hill Cemetery Memorial Garden Maintenance Fund. Funds are to be invested and income added to principal balance until 2010. Thereafter the income derived from the investment of principal assets of the Trust may be expended for maintenance of the memorial Garden as specified in the Trust.

Olive A. Coates Trust - Established to account for funds received from the Olive A. Cotes Charitable Trust. The Trust will make annual distributions to the Town to be used for the welfare and benefit of senior citizens, for aiding the poor and needy, and for the health care and medical treatment of children.

Shadie Niles Trust - Established to account for funds received from the Shadie Niles Trust. To be used, applied or expended annually to assist elderly residents of the Town of Camden, Maine with payment of real estate taxes, fuel and utilities.

French Fund - Established to account for funds received from the French Fund.

LaCasse Scholarship Fund - A scholarship fund established in memory of Marcel LaCasse. Income is used to support the ski scholarship program at the Camden Snow Bowl.

Exhibit D-1

TOWN OF CAMDEN, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2011
(with comparative totals for June 30, 2010)

	Camden Snow Bowl	Nellie A. Knowlton Fund	Mountain View Cemetery Fund	Oak Hill Cemetery Fund	Camden Public Library Fund	Atlantic Engine Company No. 2 Fund	Village Green Fund	Irene F. Laite Trust	Olive A. Coates Trust	Shadie Niles Trust Fund	French Fund	LaCasse Scholarship Fund	Totals 2011	Totals 2010
SSETS														
ash and cash equivalents	$ -	-	-	-	-	-	-	-	146,634	160	1	10,977	157,772	152,621
vestments	15,571	16,741	839,398	278,673	15,630	15,637	2,691	89,713	-	-	-	-	1,274,054	1,076,494
terfund loans receivable	-	509	-	-	-	-	-	-	2,261	-	-	-	2,770	2,770
Total assets	**$ 15,571**	**17,250**	**839,398**	**278,673**	**15,630**	**15,637**	**2,691**	**89,713**	**148,895**	**160**	**1**	**10,977**	**1,434,596**	**1,231,885**
ABILITIES AND FUND BALANCES														
abilities:														
Accounts payable	328	353	17,556	5,828	329	329	57	1,888	-	-	-	-	26,668	23,909
Interfund loans payable	-	-	-	-	-	-	-	-	-	141	-	-	141	141
Total liabilities	328	353	17,556	5,828	329	329	57	1,888	-	141	-	-	26,809	24,050
und balances:														
Nonspendable - trust principal	15,243	16,897	821,842	272,845	15,301	15,308	2,634	87,825	-	-	-	-	1,247,895	1,052,583
Restricted	-	-	-	-	-	-	-	-	148,895	19	1	10,977	159,892	155,252
Total fund balances	15,243	16,897	821,842	272,845	15,301	15,308	2,634	87,825	148,895	19	1	10,977	1,407,787	1,207,835
Total liabilities and fund balances	**$ 15,571**	**17,250**	**839,398**	**278,673**	**15,630**	**15,637**	**2,691**	**89,713**	**148,895**	**160**	**1**	**10,977**	**1,434,596**	**1,231,885**

TOWN OF CAMDEN, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2011
(with comparative totals for June 30, 2010)

	Camden Snow Bowl	Nellie A. Knowlton Fund	Mountain View Cemetery Fund	Oak Hill Cemetery Fund	Camden Public Library Fund	Atlantic Engine Company No. 2 Fund	Village Green Fund	Irene F. Laite Trust	Olive A. Coates Fund	Shadie Niles Trust Fund	French Fund	LaCasse Scholarship Fund	Totals 2011	Totals 2010
venues:														
Contributions	$ -	-	-	-	-	-	-	-	62,960	7,903	3,958	-	74,821	75,143
Realized and unrealized gains (losses)	2,391	2,570	127,998	42,489	2,400	2,401	413	13,765	-	-	-	-	194,427	64,142
Other	-	-	5,680	1,920	-	-	-	-	-	-	-	-	7,600	-
Investment income	237	256	12,803	4,250	239	239	42	1,376	961	80	6	74	20,563	26,104
Total revenues	2,628	2,826	146,481	48,659	2,639	2,640	455	15,141	63,921	7,983	3,964	74	297,411	165,389
penditures:														
Charitable aid	328	353	-	-	329	329	57	1,888	56,985	9,725	3,967	114	74,075	71,383
Cemetery care	-	-	17,556	5,828	-	-	-	-	-	-	-	-	23,384	21,019
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	2,385
Total expenditures	328	353	17,556	5,828	329	329	57	1,888	56,985	9,725	3,967	114	97,459	94,787
Net change in fund balances	2,300	2,473	128,925	42,831	2,310	2,311	398	13,253	6,936	(1,742)	(3)	(40)	199,952	70,602
nd balances, beginning of year	12,943	14,424	692,917	230,014	12,991	12,997	2,236	74,572	141,959	1,761	4	11,017	1,207,835	1,137,233
nd balances, end of year	**$ 15,243**	**16,897**	**821,842**	**272,845**	**15,301**	**15,308**	**2,634**	**87,825**	**148,895**	**19**	**1**	**10,977**	**1,407,787**	**1,207,835**

AGENCY FUNDS

Camden Cemetery Association - This fund accounts for the assets and liabilities the Town holds on behalf of the Camden Cemetery Association. The Association administers the two cemeteries located in the Town of Camden, Maine.

Exhibit E-1

TOWN OF CAMDEN, MAINE
Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2011

		Balance 7/1/2010	Additions	Deletions	Balance 6/30/2011
CEMETERY FUNDS:					
ASSETS					
Cash	$	48,737	10,367	8,400	50,704
Interfund loans receivable (payable)		(18,484)	57,919	79,044	(39,609)
Accounts receivable		21,019	2,365	-	23,384
Total assets	**$**	**51,272**	**70,651**	**87,444**	**34,479**
LIABILITIES					
Held on behalf of others		51,272	70,651	87,444	34,479
Total liabilities	**$**	**51,272**	**70,651**	**87,444**	**34,479**