TOWN OF CAMDEN, MAINE

Annual Financial Report

For The Fiscal Year Ended June 30, 2012

RKO
Runyon Kersteen Ouellette
Certified Public Accountants and Business Consultants

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For the Year Ended June 30, 2012

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RKO
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Independent Auditor's Report

Select Board
Town of Camden, Maine

We have audited the accompanying financial statements 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, 2012, 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, 2012, 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 November 28, 2012, 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.

Runyan Kersten Ouellette

November 28, 2012
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, 2012 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 $18,361,351. Total governmental and business-type liabilities were $3,368,821 and net assets were $14,992,530. Of this figure, $8,198,607 is invested in capital assets, net of related debt and $2,192,296 is restricted for non-expendable trust principal and $760,429 for grants. The remaining $3,841,198 is unrestricted.
- The Town of Camden's net assets increased by $540,779.
- As of the close of the most recent fiscal year, the Town of Camden's governmental funds reported combined ending fund balances of $6,752,504, an increase of $235,257 in comparison with the prior year.
- At the end of the most recent fiscal year, unassigned fund balance for the general fund was $2,361,055, or 14% of total general fund expenditures of $16,354,037.

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 21-36 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 $14,992,530 at the close of the most recent fiscal year.

A portion of the Town of Camden, Maine's net assets (55%) 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	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 7,232,446	$ 6,924,075	50,253	$ 167,994	$ 7,282,699	$ 7,092,069
Capital assets	10,649,951	10,631,781	428,701	432,805	11,078,652	11,064,586
Total assets	17,882,397	17,555,856	478,954	600,799	18,361,351	18,156,655
Long-term liabilities outstanding	3,158,599	3,510,141	27,089	25,392	3,185,688	3,535,533
Other liabilities	183,133	169,371	-	-	183,133	169,371
Total liabilities	3,341,732	3,679,512	27,089	25,392	3,368,821	3,704,904
Net assets:						
Invested in capital assets, net of related debt	7,769,906	7,430,884	428,701	432,805	8,198,607	7,863,689
Restricted	2,952,725	2,870,248	-	-	2,952,725	2,870,248
Unrestricted	3,818,034	3,575,212	23,164	142,602	3,841,198	3,717,814
Total net assets	$ 14,540,665	$ 13,876,344	$ 451,865	$ 575,407	$ 14,992,530	$ 14,451,751

An additional portion of the Town of Camden, Maine's net assets (15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* ($3,841,198) 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	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$ 1,838,487	2,142,409	571,774	725,686	2,410,261	2,868,095
Operating grants and contributions	219,091	205,965	-	-	219,091	205,965
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	14,848,450	14,969,812	-	-	14,848,450	14,969,812
Excise taxes	801,034	793,618	-	-	801,034	793,618
Grants not restricted to specific programs	394,046	360,276	-	-	394,046	360,276
Other	147,350	175,763	-	-	147,350	175,763
Total revenues	18,248,458	18,647,843	571,774	725,686	18,820,232	19,373,529
Expenses:						
General govemment	3,152,692	3,387,257	-	-	3,152,692	3,387,257
Public safety	1,733,017	1,663,881	-	-	1,733,017	1,663,881
Highways, streets and bridges	1,200,766	1,185,368	-	-	1,200,766	1,185,368
Human services	58,371	93,996	-	-	58,371	93,996
Leisure services	982,828	851,234	-	-	982,828	851,234
Cemeteries	97,203	86,648	-	-	97,203	86,648
Education	9,260,289	9,467,788	-	-	9,260,289	9,467,788
Solid waste, sewer and other	1,018,201	1,055,835	-	-	1,018,201	1,055,835
Debt service	80,770	99,843	-	-	80,770	99,843
Noncapital maintenance expenses	-	5,620	-	-	-	5,620
Camden Snow Bowl	-	-	695,316	726,076	695,316	726,076
Total expenses	17,584,137	17,897,470	695,316	726,076	18,279,453	18,623,546
Increase (decrease) in net assets before transfers	664,321	750,373	(123,542)	(390)	540,779	749,983
Transfers	-	(35,000)	-	35,000	-	-
Increase (decrease) in net assets	664,321	715,373	(123,542)	34,610	540,779	749,983
Net assets--July 1	13,876,344	13,160,971	575,407	540,797	14,451,751	13,701,768
Net assets--June 30	$ 14,540,665	13,876,344	451,865	575,407	14,992,530	14,451,751

The Town of Camden, Maine's net assets increased by $540,779 (3.6%) 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 $2,607,229 on June 30, 2012 (general fund only). Of this, the unassigned amount was $2,361,055 and the assigned amount was $246,174. Assigned funds are carried into the fiscal year 2012-2013 budget and used for projects that are ongoing or uncompleted at fiscal year-end. The total fund balance for the General Fund increased $262,496 from the June 30, 2011 fund balance of $2,344,733.

The Town reported two other major funds in 2012 (Statement 3 and Statement 4). The sewer operations fund ended the year with a fund balance of $541,123, an increase from 2011 of $7,719. The Charles Wood fund had an ending fund balance at June 30, 2012 of $1,397,660 which was a decrease from 2011 of $45,130. Of the fund balance total of $1,397,660, $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 a decrease in "operating" revenues of $153,912 or 27%. Snow Bowl "operating" expenses decreased $66,450 or 11%. Final figures at year-end indicated a "net loss" before transfers of $(123,542). Cash on hand was $98,298.

The original budget as presented on Statement 6 was revised by adding $246,192 to the expenditure budget for prior year carryforward balances.

Revenues collected in the General Fund were over budget expectations by $80,056. Interest earned and deferred taxes were less than expected at $25,656 combined. Revenues that made up some of the excess over budgeted amounts were licenses and permits - $8,517 and charges for services - $24,651. Expenditures were under budget by $701,132; however, of this amount $246,174 was carried forward as assigned fund balance for ongoing projects.

Capital Asset and Debt Administration

- Taxes decreased $10,057
- Interest earned decreased $15,599
- Charges for services increased $24,651

Capital assets. The Town of Camden, Maine's investment in capital assets for its governmental and business-type activities as of June 30, 2012, amounts to $11,078,652 (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 $14,064.

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

- Public Safety Building Vehicle Exhaust System - $50,000
- A new police cruiser - $32,000
- Improvements to Laite Beach - $165,500

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 29-30 of this report.

The Town did incur changes in long-term liabilities. Outstanding bonds and notes began with a balance of $3,018,973. "Retired" debt was $265,983 ending the fiscal year with a balance of $2,752,990 in outstanding long-term debt. Capital leases, another long-term liability, retired $54,871 ending with a balance $127,055. Total long-term liabilities as of June 30, 2012 were $3,158,599, a decrease of $351,542 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 32-33 of this report.

Assets

Cash, Cash Equivalents and Investments

General Fund assets increased during this reporting period $347,975. Assets for FY 2012 were $4,037,003 and assets for FY 2011 were $3,689,028. Investments increased $251,121.

Receivables

The Town of Camden, Maine continues to have an "excellent" tax collection rate with 94.49% of outstanding taxes collected in FY 2012 and 94.23% in 2011. 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 any change in deferred property tax revenue of $56,300 for FY 2012 was $15,733,125. This is $10,057 less than the original budgeted amount of $15,743,182. In comparison, the FY 2011 amount of tax revenue less than the original budget was $211,686 over the original budgeted amount. 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 2012 to the prior year, total *actual* expenditures in the General Fund decreased $199,465. Capital improvements and reserves increased by $90,483. Highways, streets and bridges increased $6,429. Debt service decreased $18,750. Education decreased $207,499 and county tax decreased $3,170.

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 Activities
For the year ended June 30, 2012

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	Primary Government: Business-type activities	Primary Government: Total
Primary government:								
Governmental activities:								
General government	$	3,152,692	207,526	-	-	(2,945,166)	-	(2,945,166)
Public safety		1,733,017	14,899	-	-	(1,718,118)	-	(1,718,118)
Highways, streets and bridges		1,200,766	-	59,268	-	(1,141,498)	-	(1,141,498)
Human services		58,371	-	-	-	(58,371)	-	(58,371)
Leisure services		982,828	255,747	22,184	-	(704,897)	-	(704,897)
Cemeteries		97,203	64,550	-	-	(32,653)	-	(32,653)
Education		9,260,289	-	-	-	(9,260,289)	-	(9,260,289)
Solid waste, sewer and other		1,018,201	1,295,118	123,257	-	400,174	-	400,174
Interest on debt service		80,770	-	14,382	-	(66,388)	-	(66,388)
Non-capital maintenance expenses		-	647	-	-	647	-	647
Total governmental activities		17,584,137	1,838,487	219,091	-	(15,526,559)	-	(15,526,559)
Business-type activities:								
Camden Snow Bowl		695,316	571,774	-	-	-	(123,542)	(123,542)
Total business-type activities		695,316	571,774	-	-	-	(123,542)	(123,542)
Total primary government	**$**	**18,279,453**	**2,410,261**	**219,091**	**-**	**(15,526,559)**	**(123,542)**	**(15,650,101)**
General revenues:								
Property taxes, levied for general purposes						14,848,450	-	14,848,450
Interest and costs on taxes						64,776	-	64,776
Motor vehicle excise taxes						801,034	-	801,034
Franchise taxes						65,231	-	65,231
Grants and contributions not restricted to specific programs:								
Homestead exemption						65,604	-	65,604
Other State aid						23,948	-	23,948
State Revenue Sharing						304,494	-	304,494
Unrestricted investment earnings						7,401	-	7,401
Miscellaneous revenues						9,942	-	9,942
Total general revenues and transfers						16,190,880	-	16,190,880
Change in net assets						664,321	(123,542)	540,779
Net assets - beginning						13,876,344	575,407	14,451,751
Net assets - ending						**$ 14,540,665**	**451,865**	**14,992,530**

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Balance Sheet
Governmental Funds
June 30, 2012

		General	Sewer Operations Fund	Charles Wood Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$	132,525	-	27,633	209,879	370,037
Investments		2,782,558	-	1,355,355	1,308,807	5,446,720
Prepaid expenditures		110,000	-	-	-	110,000
Receivables:						
Accounts (net of allowance of $2,676)		50,574	207,592	-	-	258,166
Taxes receivable - current year		817,542	-	-	-	817,542
Tax and sewer liens		127,613	1,427	-	-	129,040
Tax acquired property		16,191	-	-	-	16,191
Interfund loans receivable		-	332,104	14,672	890,049	1,236,825
Total assets	**$**	**4,037,003**	**541,123**	**1,397,660**	**2,408,735**	**8,384,521**
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable		122,084	-	-	20,031	142,115
Interfund loans payable		969,863	-	-	182,212	1,152,075
Deferred tax revenue		329,000	-	-	-	329,000
Other deferred revenue		8,827	-	-	-	8,827
Total liabilities		1,429,774	-	-	202,243	1,632,017
Fund balances:						
Nonspendable - trust principal		-	-	902,731	1,289,565	2,192,296
Restricted		-	-	494,929	265,500	760,429
Committed		-	425,176	-	833,732	1,258,908
Assigned		246,174	115,947	-	-	362,121
Unassigned		2,361,055	-	-	(182,305)	2,178,750
Total fund balances		2,607,229	541,123	1,397,660	2,206,492	6,752,504
Total liabilities and fund balances	**$**	**4,037,003**	**541,123**	**1,397,660**	**2,408,735**	

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.	10,649,951
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	329,000
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	(2,752,990)
Capital leases	(127,055)
Accrued interest	(32,191)
Accrued compensated absences	(278,554)
Net assets of governmental activities	**$ 14,540,665**

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, 2012

		General	Sewer Operations Fund	Charles Wood Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$	15,733,125	-	-	-	15,733,125
Intergovernmental		400,333	-	-	123,257	523,590
Licenses and permits		158,717	-	-	-	158,717
Charges for services		317,624	766,117	-	-	1,083,741
Interest income		7,401	-	18,945	18,083	44,429
Contributions		-	-	-	25,000	25,000
Realized and unrealized gains (losses)		-	-	(1,281)	87,805	86,524
Other		142,033	556	578	393,865	537,032
Total revenues		16,759,233	766,673	18,242	648,010	18,192,158
Expenditures:						
Current:						
General government		1,431,999	-	-	42,416	1,474,415
Public safety		1,648,850	-	-	-	1,648,850
Highways, streets and bridges		1,087,620	-	-	3,593	1,091,213
Human services		18,082	-	-	40,289	58,371
Leisure services		838,372	-	-	108,531	946,903
Cemeteries		80,134	-	-	17,069	97,203
Contingency		33,896	-	-	-	33,896
Education		9,260,289	-	-	-	9,260,289
County tax		1,092,220	-	-	-	1,092,220
Solid waste		214,025	-	-	-	214,025
Sewer operations		-	661,451	-	-	661,451
Unclassified		-	-	63,372	568,640	632,012
Debt service		404,676	-	-	-	404,676
Capital improvements and reserves		243,874	97,503	-	-	341,377
Total expenditures		16,354,037	758,954	63,372	780,538	17,956,901
Excess (deficiency) of revenues over (under) expenditures		405,196	7,719	(45,130)	(132,528)	235,257
Other financing sources (uses):						
Transfers from other funds		-	-	-	142,700	142,700
Transfers to other funds		(142,700)	-	-	-	(142,700)
Total other financing sources (uses)		(142,700)	-	-	142,700	-
Net change in fund balances		262,496	7,719	(45,130)	10,172	235,257
Fund balances, beginning of year		2,344,733	533,404	1,442,790	2,196,320	6,517,247
Fund balances, end of year	**$**	**2,607,229**	**541,123**	**1,397,660**	**2,206,492**	**6,752,504**

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, 2012

Net change in fund balances - total governmental funds (from Statement 4)	$	235,257
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 ($518,824) exceeded depreciation expense ($498,572) and loss on disposal ($2,082) in the current period.		18,170
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		56,300
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 ($30,688) and accrued interest ($3,052).		33,740
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 of bond repayments ($265,983) and lease repayments ($54,871).		320,854
Change in net assets of governmental activities (see Statement 2)	**$**	**664,321**

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, 2012

		Budgeted amounts			Variance with final budget positive
		Original	Final	Actual	(negative)
Revenues:					
Taxes	$	15,743,182	15,743,182	15,733,125	(10,057)
Intergovernmental		332,540	332,540	400,333	67,793
Licenses and permits		150,200	150,200	158,717	8,517
Charges for services		292,973	292,973	317,624	24,651
Interest earned		23,000	23,000	7,401	(15,599)
Other		137,282	137,282	142,033	4,751
Total revenues		16,679,177	16,679,177	16,759,233	80,056
Expenditures:					
Current:					
General government		1,423,300	1,457,420	1,425,341	32,079
Public safety		1,705,829	1,772,120	1,648,850	123,270
Highways, streets and bridges		1,169,200	1,230,673	1,087,620	143,053
Human services		18,082	18,082	18,082	-
Leisure services		845,845	851,336	838,372	12,964
Cemeteries		90,000	105,765	80,134	25,631
Contingency		40,800	95,978	33,896	62,082
Unclassified		10,749,220	10,749,220	10,573,192	176,028
Debt service		436,201	436,201	404,676	31,525
Capital improvements and reserves		330,500	338,374	243,874	94,500
Total expenditures		16,808,977	17,055,169	16,354,037	701,132
Excess (deficiency) of revenues over (under) expenditures		(129,800)	(375,992)	405,196	781,188
Other financing sources (uses):					
Transfers out		(142,700)	(142,700)	(142,700)	-
Utilization of prior year surplus		150,000	150,000	150,000	-
Laite Beach		122,500	122,500	-	(122,500)
Utilization of carryforward balances		-	246,192	-	(246,192)
Total other financing sources (uses)		129,800	375,992	7,300	(368,692)
Net change in fund balance, budgetary basis		-	-	412,496	412,496
Reconciliation to GAAP:					
Utilization of fund balance				(150,000)	
Net change in fund balance, GAAP basis				262,496	
Fund balance, beginning of year				2,344,733	
Fund balance, end of year	$			**2,607,229**	

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities - Enterprise Funds	
		Camden Snow Bowl
ASSETS		
Current assets:		
Cash and cash equivalents	$	98,298
Total current assets		98,298
Noncurrent assets:		
Property, plant, and equipment		1,120,410
Less accumulated depreciation		(691,709)
Total noncurrent assets		428,701
Total assets		526,999
LIABILITIES		
Interfund loans payable		48,045
Accrued compensated absences		27,089
Total current liabilities		75,134
NET ASSETS		
Invested in capital assets, net of related debt		428,701
Unrestricted		23,164
Total net assets	**$**	**451,865**

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, 2012

Business-type Activities - Enterprise Funds		Camden Snow Bowl
Operating revenues:		
Lift tickets	$	307,108
Toboggan and tube income		98,235
Lesson and racing fees		85,021
Rental income		62,931
Food and merchandise		12,989
Other		5,490
Total operating revenues		571,774
Operating expenses:		
Administration		165,201
Lodge		19,738
Maintenance shop		5,672
Alpine		367,675
Rental shop		26,283
Toboggan chute		38,729
Tube slide		5,646
Depreciation		24,579
Total operating expenses		653,523
Operating loss		(81,749)
Nonoperating revenue (expenses):		
Capital maintenance expenses - reserves		(41,793)
Total nonoperating revenue (expense)		(41,793)
Change in net assets		(123,542)
Total net assets, beginning of year		575,407
Total net assets, end of year	**$**	**451,865**

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Statement of Cash Flows - Proprietary Funds
For the year ended June 30, 2012

	Business-type Activities - Enterprise Funds	
		Camden Snow Bowl
Cash flows from operating activities:		
Receipts from customers and users	$	571,774
Payments to suppliers		(431,173)
Net cash provided by operating activities		140,601
Cash flows from non-capital financing activities:		
Transfers from other funds		-
Net cash provided by non-capital financing activities		-
Increase in cash		78,333
Cash, beginning of year		19,965
Cash, end of year	**$**	**98,298**
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	(81,749)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		24,579
Increase (decrease) in operating assets and liabilities:		
Accrued compensated absences		1,697
Interfund loans		196,074
Net cash provided by operating activities		140,601

See accompanying notes to basic financial statements.

TOWN OF CAMDEN, MAINE
Statement of Fiduciary Net Assets
Agency Funds
June 30, 2012

		Agency Funds
ASSETS		
Cash and cash equivalents	$	51,376
Accounts receivable		16,876
Total assets		**68,252**
LIABILITIES		
Interfund loans payable		36,705
Held on behalf of others		31,547
Total liabilities	**$**	**68,252**

See accompanying notes to basic financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Camden, Maine 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.

CAPITAL ASSETS, CONTINUED

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Less accumulated depreciation for:				
Land improvements	$ 278,262	62,484	-	340,746
Buildings and building improvements	2,760,756	164,112	-	2,924,868
Machinery and equipment	976,992	29,549	-	1,006,541
Furniture and office equipment	52,403	480	-	52,883
Vehicles	1,890,974	125,245	97,438	1,918,781
Infrastructure	877,634	116,703	-	994,337
Total accumulated depreciation	6,837,021	498,573	97,438	7,238,156
Total capital assets being depreciated, net	9,146,297	28,132	2,083	9,172,346
Governmental activities capital assets, net	**$ 10,631,783**	**79,161**	**60,993**	**10,649,951**
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	20,475	-	693,809
Vehicles	94,601	-	-	94,601
Total capital assets being depreciated	939,935	20,475	-	960,410
Less accumulated depreciation for:				
Buildings and building improvements	100,583	2,850	-	103,433
Machinery and equipment	507,630	15,178	-	522,808
Vehicles	58,917	6,551	-	65,468
Total accumulated depreciation	667,130	24,579	-	691,709
Total capital assets being depreciated, net	272,805	(4,104)	-	268,701
Business-type activities capital assets, net	**$ 432,805**	**(4,104)**	**-**	**428,701**

CAPITAL ASSETS, CONTINUED

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

Governmental activities:	
General government	$ 126,202
Public safety	80,574
Highways, streets and bridges	113,146
Leisure services	35,925
Sewer operations	142,726
Total depreciation expense – governmental activities	**$ 498,573**
Business-type activities:	
Snow Bowl	24,579
Total depreciation expense – governmental and business activities	**$ 24,579**

INTERFUND LOAN BALANCES

Individual interfund loan receivable and payable balances at the year ended June 30, 2012, were as follows:

	Interfund receivables	Interfund payables
General Fund	$ -	969,863
Sewer Operations Fund	332,104	-
Charles Wood Fund	14,672	-
Nonmajor special revenue funds:		
Grant funds	-	158,077
Restricted funds	53,501	-
Reserve funds	833,778	-
Seabright fund	-	23,994
Total nonmajor special revenue funds	887,279	182,071
Nonmajor permanent funds:		
Nellie Knowlton Fund	509	-
Atlantic Engine Company No. 2	-	-
Shadie Niles Trust	-	141
Olive A. Coates Trust	2,261	-
Total nonmajor permanent funds	2,770	141
Proprietary funds:		
Camden Snow Bowl	-	48,045
Agency funds:		
Cemetery	-	36,705
Total interfund loan receivables and payables	**$ 1,236,825**	**1,236,825**

INTERFUND LOAN BALANCES, CONTINUED

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, 2012 were as follows:

	Transfers in	Transfers out
General Fund	$ -	142,700
Nonmajor special revenue funds:		
Reserve funds	142,700	-
Total nonmajor special revenue funds	142,700	-
Totals	**$ 142,700**	**142,700**

These transfers were budgeted transfers to fund certain activities.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2012 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	$ 3,018,973	-	265,983	2,752,990	268,368
Capital leases	181,926	-	54,871	127,055	57,100
Compensated absences (1)	309,242	-	30,688	278,554	-
Governmental activity long-term liabilities	**$ 3,510,141**	**-**	**351,542**	**3,158,599**	**325,468**
Business-type activities:					
Compensated absences (1)	$ 25,392	1,697	-	27,089	-
Business-type activity long-term liabilities	**$ 25,392**	**1,697**	**-**	**27,089**	**-**

(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, 2012, 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	599,520
Library bond	350,000	2003	2018	varies	163,336
Sewer bond	566,000	2003	2013	varies	116,255
Tannery loan	836,000	2006	2025	3.79%	648,619
Wastewater loan	885,000	2007	2022	1.33%	609,260
Wastewater loan	660,000	2010	2025	1.0%	616,000
Total bonds and notes payable					2,752,990
Capital leases:					
Sewer cleaner	66,733	3/15/2011	3/15/2015	2.99%	40,886
GMC truck	86,815	6/15/2009	6/15/2013	4.10%	18,045
Street sweeper	125,000	8/15/2006	8/15/2015	5.37%	54,987
Chevy fire truck	53,663	10/23/2009	10/23/2012	3.86%	13,137
Total capital leases					127,055
Total governmental activities					**$ 2,880,045**

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
2013	$ 268,368	75,644	344,012	57,100	5,420	62,520
2014	270,996	75,767	346,763	26,993	3,097	30,090
2015	214,862	68,543	283,405	28,118	1,972	30,090
2016	217,131	63,142	280,273	14,844	797	15,641
2017	219,416	57,581	276,997	-	-	-
2018-2022	1,064,872	200,748	1,265,620	-	-	-
2023-2026	497,345	53,179	550,524	-	-	-
Totals	**$ 2,752,990**	**594,604**	**3,347,594**	**127,055**	**11,286**	**138,341**

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, 2012, 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, 2012	Percentage applicable to the Town	Town's proportionate share of debt
Five Town CSD	$ 9,414,410	36.81%	3,465,444
School Administrative District No. 28	14,729,100	52.41%	7,719,521
Mid Coast Solid Waste Corporation	209,837	43.61%	91,510

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

FUND BALANCE

As of June 30, 2012 other fund balance components consisted of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund:				
Carry forward balances	$ -	-	-	246,174
Special Revenue Funds:				
Sewer Operations Fund (Exhibit C-6)	-	-	425,176	115,947
Restricted Funds (Exhibit C-3)	-	53,501	-	-
Reserve Funds (Exhibit C-4)	-	-	833,732	-
Permanent Funds:				
Charles Wood Fund	902,731	494,929	-	-
Nonmajor Permanent Funds	1,289,565	211,999	-	-
Totals	**$ 2,192,296**	**760,429**	**1,258,908**	**362,121**

FUND BALANCE, CONTINUED

At June 30, 2012 and 2011 fund balances were assigned to future periods as follows:

	2012	2011
General Fund:		
Administration	$ 484	17,943
Legal	-	1,915
Planning and development	800	508
Insurance	1,692	-
Opera House/Town offices	4,717	10,360
Opera House auditorium	1,000	3,394
Police department	44,259	45,786
Fire department	22,830	13,605
Public Safety Building	7,050	6,900
Highways, streets and bridges	59,096	61,473
Recreation	5,350	-
Dams	-	5,491
Cemeteries	-	15,765
Capital improvements:		
Belmont Avenue	43,896	-
Megunticook Lake boat ramp	-	1,054
Maolyneaux drainage	-	6,820
Contingency	55,000	55,178
Total General Fund assigned fund balance	**$ 246,174**	**246,192**
Sewer Operations Fund:		
Sewer Operations	90,475	170,062
Administration	3,848	-
Inflow and infiltration	21,624	18,166
Total Sewer Operations Fund assigned fund balance	**$ 115,947**	**188,228**

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.

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

	2011 Carryforward balance	2012 Original budget	2012 Total available	2012 Actual	2012 Variance positive (negative)
Expenditures:					
Current:					
General government:					
Administration, finance, codes and assessing	$ 17,943	647,200	665,143	669,015	(3,872)
Professional services	1,915	52,000	53,915	56,915	(3,000)
Planning and development	508	235,300	235,808	233,775	2,033
Information technology	-	55,200	55,200	56,632	(1,432)
Insurance	-	149,500	149,500	132,835	16,665
Opera House/Town offices	10,360	85,500	95,860	78,642	17,218
Opera House/auditorium	3,394	198,600	201,994	197,527	4,467
Total general government	34,120	1,423,300	1,457,420	1,425,341	32,079
Public safety:					
Police department	45,786	923,700	969,486	887,400	82,086
County dispatch	-	122,309	122,309	122,309	-
Fire department	13,605	332,270	345,875	320,233	25,642
Public safety building	6,900	50,500	57,400	45,186	12,214
Hydrant rental	-	218,550	218,550	218,550	-
Street lights	-	58,500	58,500	55,172	3,328
Total public safety	66,291	1,705,829	1,772,120	1,648,850	123,270
Highways, streets and bridges:					
Public works	-	828,400	828,400	750,640	77,760
Street and sidewalks	61,473	326,500	387,973	320,970	67,003
Parking	-	3,200	3,200	987	2,213
Tree program	-	11,100	11,100	15,023	(3,923)
Total highways, streets and bridges	61,473	1,169,200	1,230,673	1,087,620	143,053

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

	2011 Carryforward balance	2012 Original budget	2012 Total available	2012 Actual	2012 Variance positive (negative)
Expenditures, continued					
Current, continued:					
Health and welfare:					
Provider agencies	$ -	18,082	18,082	18,082	-
Total health and welfare	-	18,082	18,082	18,082	-
Leisure services:					
Community services	-	16,313	16,313	16,313	-
Camden Public Library	-	355,000	355,000	355,000	-
Harbor and landing	-	145,500	145,500	151,792	(6,292)
Recreation	-	120,449	120,449	113,720	6,729
Parks	-	191,410	191,410	195,348	(3,938)
Dams	5,491	10,200	15,691	3,954	11,737
Harbor Park	-	6,973	6,973	2,245	4,728
Total leisure services	5,491	845,845	851,336	838,372	12,964
Cemeteries:					
Cemetery association	-	40,000	40,000	40,000	-
Cemetery maintenance	15,765	50,000	65,765	40,134	25,631
Total cemeteries	15,765	90,000	105,765	80,134	25,631
Debt service:					
Principal	-	340,473	340,473	308,008	32,465
Interest	-	95,728	95,728	96,668	(940)
Total debt service	-	436,201	436,201	404,676	31,525
Contingency	55,178	40,800	95,978	33,896	62,082
Unclassified:					
MCSWC assessment	-	214,025	214,025	214,025	-
Educations - MSAD #28	-	5,791,031	5,791,031	5,791,031	-
Education - Five Town CSD	-	3,469,258	3,469,258	3,469,258	-
County tax	-	1,092,220	1,092,220	1,092,220	-
Overlay/abatements	-	182,686	182,686	6,658	176,028
Total unclassified	-	10,749,220	10,749,220	10,573,192	176,028

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

		2012			
	2011 Carryforward balance	Original budget	Total available	Actual	Variance positive (negative)
Expenditures, continued:					
Capital improvements and reserves:					
Capital improvements:					
Public Safety truck bay	$ -	50,000	50,000	48,681	1,319
Police cruiser	-	32,000	32,000	31,028	972
Molyneaux drainage	6,820	-	6,820	-	6,820
MDOT Route 1	-	-	-	133	(133)
Belmont Avenue	-	48,000	48,000	4,103	43,897
Public Works	-	35,000	35,000	35,000	-
Laite Beach improvements	-	165,500	165,500	119,645	45,855
Opera House improvements	-	-	-	665	(665)
Dock System	-	-	-	4,343	(4,343)
Megunticook Lake boat ramp	1,054	-	1,054	276	778
Total capital improvements and reserves	7,874	330,500	338,374	243,874	94,500
Total expenditures	246,192	16,808,977	17,055,169	16,354,037	701,132
Excess (deficiency) of revenues over (under) expenditures	(246,192)	(129,800)	(375,992)	405,196	781,188
Other financing sources (uses):					
Transfers out:					
Reserves	-	(142,700)	(142,700)	(142,700)	-
Laite Beach	-	122,500	122,500	-	(122,500)
Utilization of prior year surplus	-	150,000	150,000	150,000	-
Utilization of carryforward balances	246,192	-	246,192	-	(246,192)
Total other financing sources (uses)	246,192	129,800	375,992	7,300	(368,692)
Net change in fund balances, budgetary basis	-	-	-	412,496	412,496
Reconciliation to GAAP:					
Utilization of fund balance				(150,000)	
Net change in fund balances, GAAP basis				262,496	
Fund balance, beginning of year				2,344,733	
Fund balance, end of year	$			**2,607,229**	

ALL OTHER GOVERNMENTAL FUNDS

Exhibit B-1

TOWN OF CAMDEN, MAINE
Combining Balance Sheet
All Other Governmental Funds
June 30, 2012

		Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	$	-	209,879	209,879
Investments		-	1,308,807	1,308,807
Interfund loans receivable		887,279	2,770	890,049
Total assets	**$**	**887,279**	**1,521,456**	**2,408,735**
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable		280	19,751	20,031
Interfund loans payable		182,071	141	182,212
Total liabilities		182,351	19,892	202,243
Fund balances:				
Nonspendable - trust principal		-	1,289,565	1,289,565
Restricted		53,501	211,999	265,500
Committed		833,732	-	833,732
Unassigned		(182,305)	-	(182,305)
Total fund balance		704,928	1,501,564	2,206,492
Total liabilities and fund balances	**$**	**887,279**	**1,521,456**	**2,408,735**

Exhibit B-2

TOWN OF CAMDEN, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Other Governmental Funds
For the year ended June 30, 2012

		Special Revenue Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Contributions	$	-	25,000	25,000
Realized and unrealized gains (losses)		-	87,805	87,805
Intergovernmental		123,257	-	123,257
Other		393,289	576	393,865
Investment income		-	18,083	18,083
Total revenues		516,546	131,464	648,010
Expenditures:				
Current:				
General government		42,416	-	42,416
Highways, Streets and Bridges		3,593	-	3,593
Leisure services		108,531	-	108,531
Charitable aid		-	40,289	40,289
Cemetery care		-	17,069	17,069
Other		568,640	-	568,640
Total expenditures		723,180	57,358	780,538
Excess (deficiency) of revenues over (under) expenditures		(206,634)	74,106	(132,528)
Other financing sources:				
Transfer from other funds		142,700	-	142,700
Total other financing sources		142,700	-	142,700
Net change in fund balances		(63,934)	74,106	10,172
Fund balances, beginning of year		768,862	1,427,458	2,196,320
Fund balances, end of year	**$**	**704,928**	**1,501,564**	**2,206,492**

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, 2012

		Grant Funds	Restricted Funds	Reserve Funds	Seabright Fund	Totals
ASSETS						
Interfund loans receivable		-	53,501	833,778	-	887,279
Total assets	**$**	**-**	**53,501**	**833,778**	**-**	**887,279**
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable		234	-	46	-	280
Interfund loans payable		158,077	-	-	23,994	182,071
Total liabilities		158,311	-	46	23,994	182,351
Fund balances:						
Restricted		-	53,501	-	-	53,501
Committed		-	-	833,732	-	833,732
Unassigned		(158,311)	-	-	(23,994)	(182,305)
Total fund balances (deficit)		(158,311)	53,501	833,732	(23,994)	704,928
Total liabilities and fund balances	**$**	**-**	**53,501**	**833,778**	**-**	**887,279**

TOWN OF CAMDEN, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2012

		Grant Funds	Restricted Funds	Reserve Funds	Seabright Fund	Totals
Revenues:						
Intergovernmental	$	123,257	-	-	-	123,257
Other		-	366,271	15,900	11,118	393,289
Total revenues		123,257	366,271	15,900	11,118	516,546
Expenditures:						
Current:						
General government		-	-	42,416	-	42,416
Highways, streets and bridges		-	-	3,593	-	3,593
Leisure services		-	-	108,531	-	108,531
Other		270,211	287,982	-	10,447	568,640
Total expenditures		270,211	287,982	154,540	10,447	723,180
Excess (deficiency) of revenues over (under) expenditures		(146,954)	78,289	(138,640)	671	(206,634)
Other financing sources (uses):						
Transfer from (to) other funds		-	-	142,700	-	142,700
Total other financing sources (uses)		-	-	142,700	-	142,700
Net change in fund balances		(146,954)	78,289	4,060	671	(63,934)
Fund balances (deficit), beginning of year		(11,357)	(24,788)	829,672	(24,665)	768,862
Fund balances (deficit), end of year	**$**	**(158,311)**	**53,501**	**833,732**	**(23,994)**	**704,928**

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, 2012

	Fund balances (deficit) beginning of year	Program revenues			Transfers	Program expenditures	Fund balances (deficit) end of year
		Fed/State	Interest	Other			
Grant Funds:							
Rescue Swimmer Training	$ -	1,000	-	-	-	1,000	-
Recreational Trails Program	-	35,000	-	-	-	106,877	(71,877)
KNX	-	1,887	-	-	-	1,887	-
Open Space Grant	-	1,000	-	-	-	-	1,000
SPO Water Quality Grant	-	-	-	-	-	2,205	(2,205)
Lupine Terrace Grant	-	60,000	-	-	-	90,000	(30,000)
Knox County Byrne/JAG Grant	-	6,510	-	-	-	6,510	-
Efficiency Maine Grant	(13,147)	-	-	-	-	18,387	(31,534)
Opera House Efficiency Maine	-	10,000	-	-	-	30,947	(20,947)
Project Canopy	-	-	-	-	-	3,040	(3,040)
Route 105 Sidewalk Extension	-	7,000	-	-	-	8,750	(1,750)
Wellness Grant	635	860	-	-	-	608	887
Shore and Harbor Grant	1,155	-	-	-	-	-	1,155
Total grant funds	(11,357)	123,257	-	-	-	270,211	(158,311)
Restricted Funds:							
FICA/Medicare	-	-	-	-	-	597	(597)
Opera House capital campaign	23,722	-	-	-	-	-	23,722
Garden Club	228	-	-	(213)	-	1,064	(1,049)
Skate Park donations	886	-	-	-	-	-	886
Tamarack Trail Subdivision	2,075	-	-	-	-	-	2,075
Opera House productions	25,928	-	-	(222)	-	4,912	20,794
RMRA Redevelopment	(25,361)	-	-	68,912	-	50,766	(7,215)
TIF/Business Highway	-	-	-	3,530	-	-	3,530
TIF/Downtown	-	-	-	42,661	-	-	42,661
Tim Sample	-	-	-	430	-	-	430
John Gorka	-	-	-	80	-	1,000	(920)
Avner	81	-	-	-	-	81	-
Lunasa	(3,429)	-	-	-	-	(3,429)	-
Race to nowhere	-	-	-	-	-	45	(45)
Resident Shade Trees	223	-	-	747	-	912	58
Assistance (Heating & Utility)	21	-	-	1,860	-	450	1,431
DARE	3,766	-	-	-	-	3,766	-
Harbor benches	3,952	-	-	600	-	-	4,552
Employee benefits	(6,552)	-	-	-	-	-	(6,552)
Oak Hill Cemetery Garden	7,099	-	-	8,734	-	8,425	7,408
Parks Memorial projects	426	-	-	-	-	-	426
Honor roll (Village Green)	3,943	-	-	125	-	595	3,473
Fire safety education	2,379	-	-	1,339	-	-	3,718
Police career development	975	-	-	-	-	(8,025)	9,000
Gasoline	(70,930)	-	-	230,622	-	220,452	(60,760)
Prebuy oil #2	(3,590)	-	-	-	-	(3,590)	-
MCSWC trash bags	537	-	-	2,516	-	1,560	1,493
MCSWC contract bookkeeping	8,232	-	-	4,550	-	7,800	4,982
MCSWC sticker sales	601	-	-	-	-	601	-
Total restricted funds	(24,788)	-	-	366,271	-	287,982	53,501
Total	**$ (36,145)**	**123,257**	**-**	**366,271**	**-**	**558,193**	**(104,810)**

Exhibit C-4

TOWN OF CAMDEN, MAINE
Reserve Funds
Schedule of Changes in Fund Balances
For the year ended June 30, 2012

		Fund balances (deficit) beginning of year	Revenues: Other miscellaneous	Expenditures	Transfers in	Fund balances end of year
Reserve Funds:						
General Government:						
Accrued benefits	$	50,648	-	17,221	20,000	53,427
Opera House maintenance		60,600	-	-	20,000	80,600
Economic development		11,209	14,400	22,976	14,400	17,033
Conservation		2,396	-	-	-	2,396
Computer/IT		14,818	-	2,219	-	12,599
Energy conservation		-	-	-	10,000	10,000
Public Safety:						
Police equipment		2,622	-	-	-	2,622
Fire equipment		110,304	-	-	-	110,304
Highways, Street and Bridges:						
Storm sewer reserve		20,813	-	-	20,000	40,813
Parking reserve		49,877	-	3,593	-	46,284
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		45,896	-	7,883	-	38,013
Tennis court		24,777	-	-	-	24,777
Harbor dredging		76,277	-	-	12,000	88,277
Camden Dam		74,733	-	-	-	74,733
Harbor bench maintenance		8,108	-	21	-	8,087
Harbor projects		102,159	-	92,426	46,300	56,033
Camden/Lincolnville Dam		38,960	-	-	-	38,960
Parks Memorial projects		1,375	-	-	-	1,375
Curtis Island Lighthouse		6,701	1,500	8,201	-	-
Totals	**$**	**829,672**	**15,900**	**154,540**	**142,700**	**833,732**

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, 2012
(with comparative actual totals for the year ended June 30, 2011)

		2012			
		Budget	Actual	Variance positive (negative)	2011
Revenues and other sources:					
Sewer billings	$	795,950	766,117	(29,833)	775,005
Other		-	556	556	3,050
Total revenues and other sources		795,950	766,673	(29,277)	778,055
Expenditures:					
Administration:					
Salaries		222,500	232,234	(9,734)	217,941
Taxes and benefits		99,450	100,819	(1,369)	94,215
Professional fees		3,650	1,900	1,750	3,678
GIS updates		4,000	4,841	(841)	-
Information technology		5,000	1,152	3,848	2,830
Billing service		29,500	29,899	(399)	27,662
Insurance		17,900	16,008	1,892	14,540
Professional development		750	493	257	700
Uniforms		1,250	1,250	-	1,250
Gasoline, diesel and oil		5,000	5,211	(211)	5,084
Communications		2,000	1,657	343	1,578
Repairs and maintenance - vehicles		4,000	2,357	1,643	2,701
Supplies and other		4,000	2,793	1,207	3,792
Total administration		399,000	400,614	(1,614)	375,971
Operating and maintenance:					
Utilities		132,500	82,147	50,353	103,486
Sludge disposal		83,000	95,170	(12,170)	86,401
Chemicals		18,000	16,579	1,421	21,479
Repairs and maintenance - sewer lines		25,000	23,123	1,877	31,412
Repairs and maintenance - plant		40,000	32,249	7,751	34,942
Repairs and maintenance - pump station		5,000	3,268	1,732	6,791
Mowing		5,000	5,000	-	5,000
Laboratory services		3,000	1,345	1,655	3,686
Security services		2,000	1,956	44	2,889
Total operating and maintenance		313,500	260,837	52,663	296,086
Capital reserve transfers		80,000	80,000	-	10,000
Capital improvements		83,450	97,503	(14,053)	53,487
Total expenditures		875,950	838,954	36,996	735,544
Net change in fund balance - operations		(80,000)	(72,281)	7,719	42,511
Activity in reserve funds/other sources:					
Bond proceeds		-	-	-	660,000
Rawson Pump Station capital expenditures		-	-	-	(556,337)
Transfer in from operating budget - reserves		80,000	80,000	-	10,000
Reserve expenditures/revenues		-	-	-	(62,760)
Net reserve activity		80,000	80,000	-	50,903
Net change in fund balance		-	7,719	7,719	93,414
Fund balance, beginning of year			533,404		439,990
Fund balance, end of year	$		**541,123**		**533,404**

Exhibit C-6

TOWN OF CAMDEN, MAINE
Wastewater Capital Reserve Funds
Schedule of Changes in Fund Balances
For the year ended June 30, 2012

		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		136,446	-	-	-	136,446
Inflow and infiltration		93,220	-	-	-	93,220
Intown sewer		49,416	-	-	60,000	109,416
Pump stations		41,310	-	-	20,000	61,310
Totals	**$**	**345,176**	-	-	**80,000**	**425,176**

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, 2012
(with comparative totals for June 30, 2011)

	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 2012	Totals 2011
ASSETS														
Cash and cash equivalents	$ -	-	-	-	-	-	-	-	198,811	117	4	10,947	209,879	157,772
Investments	15,438	16,598	832,905	276,332	15,497	60,421	2,668	88,948	-	-	-	-	1,308,807	1,274,054
Interfund loans receivable	-	509	-	-	-	-	-	-	2,261	-	-	-	2,770	2,770
Total assets	**$ 15,438**	**17,107**	**832,905**	**276,332**	**15,497**	**60,421**	**2,668**	**88,948**	**201,072**	**117**	**4**	**10,947**	**1,521,456**	**1,434,596**
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts payable	238	256	12,815	4,254	238	539	41	1,370	-	-	-	-	19,751	26,668
Interfund loans payable	-	-	-	-	-	-	-	-	-	141	-	-	141	141
Total liabilities	238	256	12,815	4,254	238	539	41	1,370	-	141	-	-	19,892	26,809
Fund balances:														
Nonspendable - trust principal	15,200	16,851	820,090	272,078	15,259	59,882	2,627	87,578	-	-	-	-	1,289,565	1,247,895
Restricted	-	-	-	-	-	-	-	-	201,072	(24)	4	10,947	211,999	159,892
Total fund balances	15,200	16,851	820,090	272,078	15,259	59,882	2,627	87,578	201,072	(24)	4	10,947	1,501,564	1,407,787
Total liabilities and fund balances	**$ 15,438**	**17,107**	**832,905**	**276,332**	**15,497**	**60,421**	**2,668**	**88,948**	**201,072**	**117**	**4**	**10,947**	**1,521,456**	**1,434,596**

TOWN OF CAMDEN, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2012
(with comparative totals for June 30, 2011)

	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 2012	Totals 2011
Revenues:														
Contributions	$ -	-	-	-	-	25,000	-	-	-	-	-	-	25,000	74,821
Realized and unrealized gains (losses)	(14)	(15)	(762)	(253)	(14)	(32)	(2)	(81)	75,765	9,578	3,635	-	87,805	194,427
Other	-	-	560	-	-	-	-	-	-	16	-	-	576	7,600
Investment income	209	225	11,265	3,740	210	474	36	1,204	666	-	10	44	18,083	20,563
Total revenues	195	210	11,063	3,487	196	25,442	34	1,123	76,431	9,594	3,645	44	131,464	297,411
Expenditures:														
Charitable aid	238	256	-	-	238	539	41	1,370	24,254	9,637	3,642	74	40,289	74,075
Cemetery care	-	-	12,815	4,254	-	-	-	-	-	-	-	-	17,069	23,384
Total expenditures	238	256	12,815	4,254	238	539	41	1,370	24,254	9,637	3,642	74	57,358	97,459
Net change in fund balances	(43)	(46)	(1,752)	(767)	(42)	24,903	(7)	(247)	52,177	(43)	3	(30)	74,106	199,952
Fund balances, beginning of year	15,243	16,897	821,842	272,845	15,301	34,979	2,634	87,825	148,895	19	1	10,977	1,427,458	1,207,835
Fund balances, end of year	**$ 15,200**	**16,851**	**820,090**	**272,078**	**15,259**	**59,882**	**2,627**	**87,578**	**201,072**	**(24)**	**4**	**10,947**	**1,501,564**	**1,407,787**

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, 2012

		Balance 7/1/2011	Additions	Deletions	Balance 06/30/12
CEMETERY FUNDS:					
ASSETS					
Cash	$	50,704	41,010	40,338	51,376
Interfund loans receivable (payable)		(39,609)	77,471	74,567	(36,705)
Accounts receivable		23,384	16,876	23,384	16,876
Total assets	**$**	**34,479**	**135,357**	**138,289**	**31,547**
LIABILITIES					
Held on behalf of others		34,479	135,357	138,289	31,547
Total liabilities	**$**	**34,479**	**135,357**	**138,289**	**31,547**