

Federal Compliance Audit

Town of Bucksport, Maine

June 30, 2010



Proven Expertise and Integrity

TOWN OF BUCKSPORT, MAINE

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JUNE 30, 2010

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INDEPENDENT AUDITORS' REPORT

November 18, 2010

Town Council
Town of Bucksport
Bucksport, 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 Bucksport, Maine, as of and for the year ended June 30, 2010, 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 of Bucksport, Maine's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 the 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 Bucksport, Maine as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, 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 18, 2010, on our consideration of the Town of Bucksport, Maine's internal control over financial reporting and on our tests of its compliance with certain laws and 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.

The management's discussion and analysis and budgetary comparison information on pages 3 through 11 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bucksport, Maine's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Town of Bucksport, Maine. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RHR Smith & Company

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

(UNAUDITED)

The following management's discussion and analysis of the Town of Bucksport, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Bucksport's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government - Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short – term as well as long–term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government–wide financial statements include the following two statements:

The Statement of Net Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

The Statement of Activities – this statement presents information that shows how the government's net assets changed during the period. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have separate columns for the two different types of town activities. The types of activities presented for the Town of Bucksport are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, protection, public works, health and sanitation, education, recreation, community and social agencies, and other unclassified.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and / or charges to external users for goods and / or services. These activities for the Town of Bucksport include the sewer fund.

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 Bucksport, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Bucksport can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government – wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These

reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Bucksport presents only two columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "All Nonmajor Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Bucksport maintains one proprietary fund, the sewer department. This fund is used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Cash Flows – Proprietary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a schedule of Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activities. The Town's total net assets for governmental activities decreased by \$21,945,915 from \$36.97 million to \$15.02 million. This large decrease is the result of the transfer of net assets relating to education to Regional School Unit No. 25. For the business-type activities the Town's total net assets decreased by \$58,124 from \$5.19 million to \$5.13 million.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased for the governmental activities by \$294,892 to a balance of \$7,298,272 at the end of the fiscal year. For the business-type activities, the unrestricted net assets increased by \$43,937 to a balance of \$734,417.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets:				
Current and other assets	\$ 12,001,629	\$ 13,071,364	\$ 759,090	\$ 716,888
Capital Assets	9,494,782	32,290,287	6,604,474	6,779,267
Total Assets	<u>\$ 21,496,411</u>	<u>\$ 45,361,651</u>	<u>\$ 7,363,564</u>	<u>\$ 7,496,155</u>
Liabilities:				
Current Liabilities	\$ 917,944	\$ 2,281,339	\$ 100,705	\$ 99,140
Long-term Debt Outstanding	5,556,706	6,112,636	2,134,978	2,211,010
Total Liabilities	<u>\$ 6,474,650</u>	<u>\$ 8,393,975</u>	<u>\$ 2,235,683</u>	<u>\$ 2,310,150</u>
Net Assets:				
Invested in Capital Assets, Net of related Debt	\$ 3,626,779	\$ 25,686,823	\$ 4,393,464	\$ 4,495,525
Restricted: General Fund	1,343,725	1,449,461	-	-
Special Revenue Funds	775,653	954,729	-	-
Capital Project Funds	1,801,219	1,715,429	-	-
Permanent Funds	125,407	157,854	-	-
Other Net Assets	<u>7,348,978</u>	<u>7,003,380</u>	<u>734,417</u>	<u>690,480</u>
Total Net Assets	<u>\$ 15,021,761</u>	<u>\$ 36,967,676</u>	<u>\$ 5,127,881</u>	<u>\$ 5,186,005</u>

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 34.64%, while total expenses decreased by 37.49%. These decreases are due to the transfer of the school department to Regional School Unit No. 25. For the business-type activities revenues decreased by 6.96%, while total expenses decreased by 2.17%.

Table 2
Town of Bucksport, Maine
Change in Net Assets
For the Years Ended June 30,

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues				
Taxes	\$ 9,375,909	\$ 9,590,280	\$ -	\$ -
Intergovernmental	3,422,335	7,481,275	-	-
Charges for services	693,343	3,105,131	510,900	485,300
Miscellaneous	509,174	1,243,974	19,723	30,182
Capital contributions	-	-	141,076	206,430
Total Revenues	<u>14,000,761</u>	<u>21,420,660</u>	<u>671,699</u>	<u>721,912</u>
Expenses				
General government	1,192,842	1,287,405	-	-
Protection	1,471,829	1,463,394	-	-
Public works	608,798	537,356	-	-
Health and sanitation	411,273	386,360	-	-
Community and social agencies	195,587	199,446	-	-
Education	6,822,296	12,377,104	-	-
On-behalf payments - State of Maine	-	1,069,572	-	-
Environment & housing	241,839	1,670	-	-
Recreation	287,084	276,887	-	-
Cemeteries	18,236	19,903	-	-
Tax increment financing agreement	699,791	786,895	-	-
Debt service	5,360	356,604	-	-
County tax	230,562	240,444	-	-
Capital outlay	38,352	510,005	-	-
Sewer fund	-	-	745,235	761,736
Unallocated depreciation	33,589	49,371	-	-
Unclassified	38,601	108,953	-	-
Total Expenses	<u>12,296,039</u>	<u>19,671,369</u>	<u>745,235</u>	<u>761,736</u>
Change in Net Assets	<u>1,704,722</u>	<u>1,749,291</u>	<u>(73,536)</u>	<u>(39,824)</u>
Transfers	<u>(15,412)</u>	<u>(15,412)</u>	<u>15,412</u>	<u>15,412</u>
Transfers to RSU #25	<u>(23,635,225)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets - July 1	36,967,676	35,057,634	5,186,005	5,397,600
Prior Period Adjustment	<u>-</u>	<u>176,163</u>	<u>-</u>	<u>(187,183)</u>
Net Assets - July 1, restated	<u>36,967,676</u>	<u>35,233,797</u>	<u>5,186,005</u>	<u>5,210,417</u>
Net Assets - June 30	<u>\$ 15,021,761</u>	<u>\$ 36,967,676</u>	<u>\$ 5,127,881</u>	<u>\$ 5,186,005</u>

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Town of Bucksport, Maine
Fund Balances - Governmental Funds
June 30,

	2010	2009
General Fund:		
Unreserved:		
Designated	\$ 1,357,675	\$ 1,467,113
Undesignated	7,397,589	7,061,703
Total General Fund	\$ 8,755,264	\$ 8,528,816
Nonmajor Funds:		
Reserved for endowments	\$ 63,726	\$ 71,199
Reserved:		
Special Revenue Funds:		
Designated	775,653	954,729
Capital Project Funds	1,801,219	1,715,429
Permanent Funds	61,681	86,655
Unreserved:		
Special Revenue Funds:		
Undesignated	(25,793)	(12,819)
Total Nonmajor Funds	\$ 2,676,486	\$ 2,815,193

The general fund total fund balance increased by \$226,448 over the prior fiscal year. The non-major fund balances decreased by \$138,707 over the prior fiscal year. Most of the increase in the general fund came as a result of under-spent appropriations in all of the expenditure categories and several over-budget revenue categories. The decrease in the non-major fund balances came as a result of transfers to Regional School Unit No. 25. Those transfers alone were for \$400,851.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The sewer department had an excess for the year of \$73,472. Last year, the sewer department had a deficit of \$24,412.

Budgetary Highlights

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues were more than budget by \$319,313. This was a result of a charges for services and excise taxes both being significantly over budget.

The general fund actual expenditures were under the budget by \$1,971,074. All of the expenditure accounts were under-spent after carrying forward several designated balances from the previous year.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2010, the net book value of capital assets recorded by the Town decreased by \$22,970,298 over the prior year. The decrease is the result of capital additions of \$1,250,433, net transfers to Regional School Unit No. 25 of (\$23,234,374), less current year depreciation of \$986,357.

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

	<u>2010</u>	<u>2009</u>
Land	\$ 2,015,939	\$ 2,209,342
Construction in progress	330,214	497,057
Buildings	4,273,875	23,050,978
Building improvements	1,221,647	4,373,196
Furniture and fixtures	-	493,968
Equipment	390,522	431,428
Vehicles	925,329	1,009,560
Infrastructure	<u>6,941,730</u>	<u>7,004,025</u>
Total	<u>\$ 16,099,256</u>	<u>\$ 39,069,554</u>

Debt

At June 30, 2010, the Town had \$8.08 million in bonds outstanding versus \$8.89 million last year, a decrease of 9.09%. Refer to Note 6 of the Notes to Financial Statements for detailed information.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

Bucksport's financial performance and management of resources remains strong with nine consecutive general fund surpluses. The undesignated general fund balance increased to \$7.35 million for the year ended June 30, 2010 from \$7.06 million for the same period in 2009 or a 4.8% increase.

Economic conditions over the year ended June 30, 2010 remained much the same as the same 2009 period. Property values have maintained or improved slightly as evidenced by minimal growth in residential home starts with 14 new single-family residences generating approximately \$1.4 million in new assessed value. Likewise, commercial values added approximately \$1.8 million to the Town's overall valuation with Central Maine Power's investment in additional transmission lines of \$1.3 million and the addition of several cell towers totaling \$0.5 million. More significantly, approximately \$9.0 million was added in industrial property value through Verso Paper's investment in energy improvements at their Bucksport mill. Nonetheless, the local economy continues to mirror overall regional conditions.

Fiscal 2010 budget expectations continued to support operational and program needs within LD-1 tax limitations despite continued economic constraints and flat local economy. Property taxes remained the largest source of revenue for the Town in fiscal 2010, comprising approximately 66% of revenues. Operating expenses declined approximately 30.89% over costs incurred in fiscal 2009 primarily due to the dissolution of the Bucksport School Department and subsequent transfer to Regional School Unit No. 25. The Town's mill rate declined to 12.5%, down from 12.8% and is the sixth consecutive year that the mill rate had declined or remained unchanged. Substantially all of the decrease was attributed to growth in assessed values due to investment in new or existing residential, commercial and industrial properties, partially offset by declining state revenue sharing and other municipal revenues.

The Town's sewer department is separately funded primarily with user fees. Fiscal 2010 operating costs decreased by approximately 1.9% when compared to fiscal 2009. The decrease is primarily attributed to a reduction in regular maintenance & repair on existing facilities and equipment due to the recent investment of capital and local funds on upgrades, mainly in the 2009 period. User fees increased approximately 5.6% for the twelve months ended June 30, 2010, over the 2009 period, resulting from both increased fees and usage rates. Despite the increase, the Town's user rates remain within the bottom twenty-five percent of sewer rates statewide, based on a recent Maine Rural Water Association sewer rate survey.

To limit the Town's exposure to unforeseen cost and more specifically to provide an adequate level of funding should a significant valuation loss occur from its largest taxpayer (Verso Paper), Bucksport adopted an Undesignated Fund Balance Policy in May of 2007. The Town's management designed the policy around maintaining a level of funding in Undesignated Fund Balance (surplus) that provides financial stability for the community into the near future, as Verso's valuation accounts for approximately 44% of the Town's overall valuation. In addition, the policy will assist the Town in maintaining its current favorable bond rating and provide direction to the Town Manager during annual budget preparation. The policy requires that a surplus minimum be maintained equal to three months of the Town's total expenses (gross budget) plus an amount equal to three months of the annual taxes for the mill. For example, if the Town's proposed gross budget is \$17,000,000 and the annual taxes for the mill are \$4,140,000, then the minimum to retain in surplus would be \$5,285,000 calculated as follows: $(\$17,000,000 \times 25\% = \$4,250,000) + (\$4,140,000 \times 25\% = \$1,035,000)$. The Town maintained balances in excess of the required minimum level for the fiscal years ended 2010 and 2009 of \$2.89 million and \$0.75 million, respectively. (NOTE: A significant shift in the excess of the required minimum level was realized from the exclusion of school department expenses based on the formation of RSU #25.) The policy also includes a provision for the suggested utilization of excess funds on future capital improvements and/or accelerated payment of debt service.

On May 27, 2010, the Town Council approved a gross budget for the period 7-1-2010 to 6-30-2011 totaling \$10,033,865, which reflects a decrease of approximately \$366,000 or 3.5%. Much of the decrease can be attributed to reductions in amounts raised for nearly all municipal departments along with reductions in general education costs. The local portion of education costs totaled \$5,287,017, representing an approximate decrease of \$91,000 from the 2010 period. The net tax commitment totaled \$8,102,084, which reflected a small increase of approximately \$55,823 or 0.7%. The tax rate was set at 12.52 mills based on the total adjusted local valuation of \$681,603,142, which includes both the homestead and BETE valuation adjustments. The mill rate remained unchanged in comparison to the previous year.

The local economy for the coming year is projected to remain stable with Verso Paper's diversification of paper products and plans to produce greater amounts of green energy at its Bucksport plant to ensure greater financial viability into the future. The housing market will likely suffer the effects of the extended economic recovery period with continued slow sales and the potential for reduced home values. Revenue streams may contract further as state budget and referendum outcomes unfold.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, the Finance Director for the Town of Bucksport can be reached at P.O. Drawer X, Bucksport, Maine 04416, by phone at (207) 469-7368 or her email address of financedirector@bucksport.biz.

STATEMENT A

TOWN OF BUCKSPORT, MAINE

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 3,237,668	\$ -	\$ 3,237,668
Investments	8,297,831	483,016	8,780,847
Accounts receivable (net of allowance for uncollectibles):			
Taxes	13,020	-	13,020
Liens	222,951	-	222,951
Other	189,875	141,679	331,554
Inventory	29,351	-	29,351
Prepaid items	9,335	1,000	10,335
Tax acquired property	1,598	-	1,598
Due from other funds	-	133,395	133,395
Total current assets	<u>12,001,629</u>	<u>759,090</u>	<u>12,760,719</u>
Noncurrent assets:			
Capital assets:			
Land, infrastructure, and other assets not being depreciated	1,664,363	681,791	2,346,154
Buildings and vehicles net of accumulated depreciation	7,830,419	5,922,683	13,753,102
Total noncurrent assets	<u>9,494,782</u>	<u>6,604,474</u>	<u>16,099,256</u>
TOTAL ASSETS	<u><u>\$ 21,496,411</u></u>	<u><u>\$ 7,363,564</u></u>	<u><u>\$ 28,859,975</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 191,013	\$ -	\$ 191,013
Accrued payroll	65,725	-	65,725
Other accrued payables	12,351	24,673	37,024
Due to other funds	133,395	-	133,395
Current portion of long-term obligations	515,460	76,032	591,492
Total current liabilities	<u>917,944</u>	<u>100,705</u>	<u>1,018,649</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations:			
Bonds payable	5,352,543	2,134,978	7,487,521
Accrued compensated absences	204,163	-	204,163
Total noncurrent liabilities	<u>5,556,706</u>	<u>2,134,978</u>	<u>7,691,684</u>
TOTAL LIABILITIES	<u>6,474,650</u>	<u>2,235,683</u>	<u>8,710,333</u>
NET ASSETS			
Invested in capital assets, net of related debt	3,626,779	4,393,464	8,020,243
Restricted	4,046,004	-	4,046,004
Unrestricted	7,348,978	734,417	8,083,395
TOTAL NET ASSETS	<u>15,021,761</u>	<u>5,127,881</u>	<u>20,149,642</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 21,496,411</u></u>	<u><u>\$ 7,363,564</u></u>	<u><u>\$ 28,859,975</u></u>

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

TOWN OF BUCKSPORT, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities							
Current:							
General government	\$ 1,192,842	\$ 87,646	\$ -	\$ -	\$ (1,105,196)	\$ -	\$ (1,105,196)
Protection	1,471,829	352,901	69,471	-	(1,049,457)	-	(1,049,457)
Public works	608,798	-	67,524	-	(541,274)	-	(541,274)
Health and sanitation	411,273	213,172	86,059	-	(112,042)	-	(112,042)
Community and social agencies	195,587	-	-	-	(195,587)	-	(195,587)
Education	6,822,296	-	1,586,393	-	(5,235,903)	-	(5,235,903)
Environment & housing	241,839	-	-	-	(241,839)	-	(241,839)
Recreation	287,084	39,624	8,055	-	(239,405)	-	(239,405)
Cemeteries	18,236	-	-	-	(18,236)	-	(18,236)
Tax increment financing agreement	699,791	-	-	-	(699,791)	-	(699,791)
Debt service:							
Interest on long-term debt	5,360	-	-	-	(5,360)	-	(5,360)
County tax	230,562	-	-	-	(230,562)	-	(230,562)
Capital outlay	38,352	-	-	-	(38,352)	-	(38,352)
Unallocated depreciation	33,589	-	-	-	(33,589)	-	(33,589)
Unclassified	38,601	-	-	-	(38,601)	-	(38,601)
Total governmental activities	<u>12,296,039</u>	<u>693,343</u>	<u>1,817,502</u>	<u>-</u>	<u>(9,785,194)</u>	<u>-</u>	<u>(9,785,194)</u>
Business-type activities:							
Sewer fund	745,235	510,900	-	141,076	-	(93,259)	(93,259)
Total business-type activities	<u>745,235</u>	<u>510,900</u>	<u>-</u>	<u>141,076</u>	<u>-</u>	<u>(93,259)</u>	<u>(93,259)</u>
Total government	<u>13,041,274</u>	<u>1,204,243</u>	<u>1,817,502</u>	<u>141,076</u>	<u>(9,785,194)</u>	<u>(93,259)</u>	<u>(9,878,453)</u>

STATEMENT B (CONTINUED)

TOWN OF BUCKSPORT, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Changes in net assets:			
Net (expense) revenue	<u>(9,785,194)</u>	<u>(93,259)</u>	<u>(9,878,453)</u>
General revenue:			
Taxes			
Property taxes, levied for general purposes	8,706,617	-	8,706,617
Excise taxes, levied for general purposes	669,292	-	669,292
Grants and contributions not restricted to specific programs	1,604,833	-	1,604,833
Loss on disposal of capital assets	-	(1,892)	(1,892)
Miscellaneous	509,174	21,615	530,789
Total general revenue and transfers	<u>11,489,916</u>	<u>19,723</u>	<u>11,509,639</u>
Change in net assets	<u>1,704,722</u>	<u>(73,536)</u>	<u>1,631,186</u>
Transfers	<u>(15,412)</u>	<u>15,412</u>	<u>-</u>
Transfers to RSU #25	<u>(23,635,225)</u>	<u>-</u>	<u>(23,635,225)</u>
NET ASSETS - JULY 1, RESTATED	<u>36,967,676</u>	<u>5,186,005</u>	<u>42,153,681</u>
NET ASSETS - JUNE 30	<u><u>\$ 15,021,761</u></u>	<u><u>\$ 5,127,881</u></u>	<u><u>\$ 20,149,642</u></u>

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

STATEMENT C

TOWN OF BUCKSPORT, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	All Nonmajor Funds	Total
ASSETS			
Cash	\$ 3,154,062	\$ 83,606	\$ 3,237,668
Investments	8,227,421	70,410	8,297,831
Receivables (net of allowance for uncollectibles):			
Taxes	13,020	-	13,020
Liens	222,951	-	222,951
Other	91,331	98,544	189,875
Inventory	29,351	-	29,351
Prepaid and other assets	6,200	3,135	9,335
Tax acquired property	1,598	-	1,598
Due from other funds	34,510	2,463,795	2,498,305
TOTAL ASSETS	<u>\$ 11,780,444</u>	<u>\$ 2,719,490</u>	<u>\$ 14,499,934</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 182,519	\$ 8,494	\$ 191,013
Accrued payroll	65,725	-	65,725
Other accrued payables	12,351	-	12,351
Due to other funds	2,597,190	34,510	2,631,700
Deferred tax revenues	167,395	-	167,395
TOTAL LIABILITIES	<u>3,025,180</u>	<u>43,004</u>	<u>3,068,184</u>
Fund Equity			
Reserved:			
Endowments	-	63,726	63,726
General Fund:			
Designated	1,343,725	-	1,343,725
Special Revenue Fund:			
Designated	-	775,653	775,653
Capital Project funds	-	1,801,219	1,801,219
Permanent funds	-	61,681	61,681
Unreserved, reported in:			
General Fund:			
Designated	13,950	-	13,950
Undesignated	7,397,589	-	7,397,589
Special Revenue Fund:			
Undesignated	-	(25,793)	(25,793)
TOTAL FUND EQUITY	<u>8,755,264</u>	<u>2,676,486</u>	<u>11,431,750</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 11,780,444</u>	<u>\$ 2,719,490</u>	<u>\$ 14,499,934</u>

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

TOWN OF BUCKSPORT, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 11,431,750
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	9,494,782
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	167,395
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(5,868,003)
Accrued compensated absences	<u>(204,163)</u>
 Net assets of governmental activities	 <u><u>\$ 15,021,761</u></u>

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

TOWN OF BUCKSPORT, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	All Nonmajor Funds	Totals Governmental Funds
REVENUES			
Taxes	\$ 8,720,699	\$ -	\$ 8,720,699
Excise taxes	669,292	-	669,292
Intergovernmental	1,211,882	624,060	1,835,942
Charges for services	693,343	-	693,343
Miscellaneous revenues	1,915,629	179,938	2,095,567
TOTAL REVENUES	<u>13,210,845</u>	<u>803,998</u>	<u>14,014,843</u>
EXPENDITURES			
Current:			
General government	1,171,157	44,754	1,215,911
Protection	1,268,939	45,277	1,314,216
Public works	776,289	14,940	791,229
Health and sanitation	392,690	617	393,307
Community and social agencies	50,207	145,380	195,587
Education	6,363,374	458,922	6,822,296
Environment & housing	-	241,839	241,839
Recreation	179,327	18,159	197,486
Cemeteries	4,120	14,116	18,236
Tax Increment Financing Agreement	699,791	-	699,791
Debt service:			
Principal	735,461	-	735,461
Interest	5,360	-	5,360
County tax	230,562	-	230,562
Capital outlay	-	610,957	610,957
Unclassified	38,601	-	38,601
TOTAL EXPENDITURES	<u>11,915,878</u>	<u>1,594,961</u>	<u>13,510,839</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,294,967</u>	<u>(790,963)</u>	<u>504,004</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,904	1,070,686	1,075,590
Transfers out	(1,073,423)	(17,579)	(1,091,002)
Transfers to RSU #25	-	(400,851)	(400,851)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,068,519)</u>	<u>652,256</u>	<u>(416,263)</u>
NET CHANGE IN FUND BALANCES	226,448	(138,707)	87,741
FUND BALANCES - JULY 1	<u>8,528,816</u>	<u>2,815,193</u>	<u>11,344,009</u>
FUND BALANCES - JUNE 30	<u>\$ 8,755,264</u>	<u>\$ 2,676,486</u>	<u>\$ 11,431,750</u>

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

TOWN OF BUCKSPORT, 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, 2010

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 87,741</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocated those expenditures over the life of the assets:	
Capital asset purchases	1,064,644
Capital asset disposals	(23,234,374)
Depreciation expense	<u>(625,775)</u>
	<u>(22,795,505)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>(14,082)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	
	<u>735,461</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets	
	<u>-</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>40,470</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ (21,945,915)</u></u>

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

TOWN OF BUCKSPORT, MAINE

BALANCE SHEET – PROPRIETARY FUNDS
JUNE 30, 2010

	Enterprise Sewer Fund
ASSETS	
Current assets:	
Investments	\$ 483,016
Accounts receivable	141,679
Due from other funds	133,395
Prepaid expense	1,000
Total current assets	<u>759,090</u>
Capital assets:	
Construction in progress	4,892
Land	676,899
Buildings	4,546,321
Building improvements	705,738
Infrastructure	5,626,045
Equipment	51,703
Vehicles	90,899
Total capital assets	<u>11,702,497</u>
Less: accumulated depreciation	<u>(5,098,023)</u>
Net capital assets	<u>6,604,474</u>
TOTAL ASSETS	<u><u>\$ 7,363,564</u></u>
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	\$ -
Accrued interest	24,673
Current portion of long-term liabilities	76,032
Total current liabilities	<u>100,705</u>
Long-term liabilities:	
Bonds payable, net of current portion	<u>2,134,978</u>
Total long-term liabilities	<u>2,134,978</u>
Total liabilities	<u>2,235,683</u>
NET ASSETS	
Invested in capital assets, net of related debt	4,393,464
Unrestricted	734,417
TOTAL NET ASSETS	<u><u>5,127,881</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,363,564</u></u>

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

TOWN OF BUCKSPORT, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Enterprise Sewer Fund</u>
OPERATING REVENUES	
Charges for services	\$ 510,900
Other	8,938
TOTAL OPERATING REVENUES	<u>519,838</u>
OPERATING EXPENSES	
Payroll	72,855
Supplies	48,674
Maintenance and repairs	25,097
Utilities	42,535
Depreciation	360,582
Contracted services	69,996
Other	29,520
TOTAL OPERATING EXPENSES	<u>649,259</u>
OPERATING (LOSS)	<u>(129,421)</u>
NON-OPERATING INCOME (EXPENSE)	
Interest income	12,677
Interest expense	(95,976)
Capital contributions	141,076
Transfer of capital assets	(1,892)
Transfers in	15,412
Transfers out	-
NET NON-OPERATING INCOME	<u>71,297</u>
CHANGE IN NET ASSETS	(58,124)
NET ASSETS - JULY 1	<u>5,186,005</u>
NET ASSETS - JUNE 30	<u><u>\$ 5,127,881</u></u>

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

TOWN OF BUCKSPORT, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Enterprise Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 503,483
Internal activity - receipts (payments) from/to other funds	335,574
Payments to suppliers	(216,322)
Payments to employees	(72,855)
Net cash provided by operating activities	<u>549,880</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
(Purchase) sale of investments	(360,921)
Interest income	12,677
Net cash used by investing activities	<u>(348,244)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	(319,277)
Proceeds from capital grants	141,076
Transfer from general fund for bonds payable	15,412
Principal payments on bonds payable	(72,732)
Interest payments on bonds payable	(97,711)
Net cash used by capital and related financing activities	<u>(333,232)</u>
NET CHANGE IN CASH	(131,596)
CASH - JULY 1	<u>-</u>
CASH - JUNE 30	<u>\$ (131,596)</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating (loss)	\$ (129,421)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	360,582
Changes in operating assets and liabilities:	
(Increase) in accounts receivable	(16,355)
Decrease in due from other funds	335,574
(Increase) in prepaid expense	(500)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 549,880</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	<u>\$ 97,711</u>

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

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Bucksport was incorporated under the laws of the State of Maine. The Town operates under the council-manager form of government and provides the following services: general government, protection, public works, health and sanitation, education, recreation, community and social agencies, and other unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statement No. 39.

Government – Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's sewer fund is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Town first utilizes restricted resources to finance qualifying activities.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, protection, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government – wide financial statements.

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

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

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

Measurement Focus - Basic Financial Statements & Fund Financial Statements

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

The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Non-operating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Town Council was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the Town Council.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Town's investment policy requires collateralization of accounts and deposits exceeding an amount equal to 25% of capital, surplus, and undivided profits as defined by the laws of the State of Maine.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost. Under the consumption method, the costs of inventory items are recognized as expenditures when used. In the general fund, inventory consists of diesel fuel, gasoline, winter salt and sand and gravel.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Interfund Receivables and Payables

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

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions Between Funds

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

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts for the ambulance receivables is estimated to be \$27,840 as of June 30, 2010.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings and improvements	10 - 70 years
Infrastructure	20 - 50 years
Machinery and equipment	5 - 30 years
Vehicles	5 - 30 years

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes or bonds payable and compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

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

Reserves

The Town records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use, which is indicated by the title of each reserves listed in the balance sheet and statement of net assets. It is the Town's policy to first use restricted assets for restricted programs and only unrestricted assets after the restricted assets have been exhausted.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied July 1, 2009 on the assessed value listed as of April 1, 2009, for all real and personal property located in the Town. Taxes were due on in two installments on August 31, 2009 and March 31, 2010. Interest on unpaid taxes commenced on September 1, 2009 and April 1, 2010, at 9% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$430,768 for the year ended June 30, 2010.

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

Program Revenues

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

Operating/Non-operating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund.

TOWN OF BUCKSPORT, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses / expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - CASH AND INVESTMENTS

The Town's investment policies, which follow state statutes, authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Town funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk.

At June 30, 2010, the Town's cash balance of \$3,237,668 was comprised of deposits amounting to \$3,242,613. Of these deposits, \$274,200 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$2,968,413 was collateralized with securities held by the financial institution but not in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 385,090
Repurchase agreements	39,652
Money market accounts	2,817,871
	<u>\$ 3,242,613</u>

TOWN OF BUCKSPORT, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

At December 31, 2010, the Town's investments of \$8,780,847 were comprised of \$17,897 of stocks that are held in the Town's name and \$250,000 of certificates of deposit that were insured by federal depository insurance, both which consequently were not exposed to custodial credit risk. The remaining certificates of deposit of \$8,512,950 were collateralized with securities held by the financial institution but not in the Town's name.

Account Type	Balance
Certificates of deposit	\$ 8,762,950
Stocks	17,897
	\$ 8,780,847

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2010 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 34,510	\$ 2,597,190
Special Revenue Funds	555,066	34,510
Capital Project Funds	1,801,219	-
Permanent Funds	107,510	-
Enterprise Funds	133,395	-
	\$ 2,631,700	\$ 2,631,700

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2010:

	Balance, 7/1/09	Additions	Disposals	Balance, 6/30/10
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 1,532,443	\$ 6,000	\$ (199,403)	\$ 1,339,040
Construction in progress	449,310	204,772	(328,759)	325,323
	<u>1,981,753</u>	<u>210,772</u>	<u>(528,162)</u>	<u>1,664,363</u>
Depreciated assets:				
Buildings	39,390,957	170,394	(35,789,204)	3,772,147
Building improvements	4,998,399	-	(4,070,117)	928,282
Furniture and fixtures	3,304,722	-	(3,304,722)	-
Equipment	1,359,690	100,352	(275,917)	1,184,125
Vehicles	2,114,729	91,087	(83,267)	2,122,549
Infrastructure	9,465,090	492,039	(145,000)	9,812,129
	<u>60,633,587</u>	<u>853,872</u>	<u>(43,668,227)</u>	<u>17,819,232</u>
Less: accumulated depreciation	<u>(30,325,053)</u>	<u>(625,775)</u>	<u>20,962,015</u>	<u>(9,988,813)</u>
	<u>30,308,534</u>	<u>228,097</u>	<u>(22,706,212)</u>	<u>7,830,419</u>
Net governmental capital assets	<u>\$ 32,290,287</u>	<u>\$ 438,869</u>	<u>\$ (23,234,374)</u>	<u>\$ 9,494,782</u>
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 676,899	\$ -	\$ -	\$ 676,899
Construction in progress	47,747	115,856	(158,712)	4,891
	<u>724,646</u>	<u>115,856</u>	<u>(158,712)</u>	<u>681,790</u>
Depreciated assets:				
Buildings	4,546,321	-	-	4,546,321
Building improvements	513,682	192,057	-	705,739
Equipment	51,703	-	-	51,703
Vehicles	71,388	38,480	(18,969)	90,899
Infrastructure	5,626,045	-	-	5,626,045
	<u>10,809,139</u>	<u>230,537</u>	<u>(18,969)</u>	<u>11,020,707</u>
Less: accumulated depreciation	<u>(4,754,518)</u>	<u>(360,582)</u>	<u>17,077</u>	<u>(5,098,023)</u>
	<u>6,054,621</u>	<u>(130,045)</u>	<u>(1,892)</u>	<u>5,922,684</u>
Net business-type capital assets	<u>\$ 6,779,267</u>	<u>\$ (14,189)</u>	<u>\$ (160,604)</u>	<u>\$ 6,604,474</u>

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - CAPITAL ASSETS (CONTINUED)

General government	\$ 17,401
Protection	157,613
Public works	309,608
Health and sanitation	17,966
Recreation	89,598
Town-wide	<u>33,589</u>
	<u>625,775</u>
Sewer Fund	<u>360,582</u>
Total depreciation expense	<u><u>\$ 986,357</u></u>

NOTE 5 - LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2010:

	Balance, 7/1/09	Additions	Deletions	Balance, 6/30/10	Current Portion
Bonds payable	\$ 8,887,206	\$ -	\$ (808,193)	\$ 8,079,013	\$ 591,492
Accrued compensated absences	<u>244,633</u>	<u>-</u>	<u>(40,470)</u>	<u>204,163</u>	<u>51,041</u>
Totals	<u><u>\$ 9,131,839</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (848,663)</u></u>	<u><u>\$ 8,283,176</u></u>	<u><u>\$ 642,533</u></u>

The following is a summary of outstanding bonds payable:

Governmental activities debt:

\$1,561,872, 1999E General Obligation Bonds due in annual principal payments of \$104,125, through November of 2014. Interest is charged at a rate varying from 4.283% to 5.908% per annum.	\$ 520,625
\$8,226,730, 2002 General Obligation Bonds due in annual principal payments of \$411,336, through November of 2022. Interest is charged at a rate varying from 3.050% to 5.250% per annum.	<u>5,347,378</u>
Total governmental activities debt	<u><u>5,868,003</u></u>

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 - LONG TERM DEBT (CONTINUED)

Business-activities debt:

\$400,000, 1991 General Obligation Bonds due in annual payments of \$32,100, through October of 2011. Interest is charged at a rate of 5.00% per annum. 59,129

\$2,240,000, 2008 General Obligation Bonds due in annual payments of \$138,343, through April of 2036. Interest is charged at a rate of 4.25% per annum. 2,151,881

Total business-activities debt 2,211,010

Total Long-Term Debt \$ 8,079,013

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2011	\$ 591,492	\$ 368,096	\$ 959,588
2012	594,327	347,400	941,727
2013	566,419	320,834	887,253
2014	568,586	294,270	862,856
2015	570,844	266,899	837,743
2016-2020	2,370,965	968,835	3,339,800
2021-2024	1,620,999	401,905	2,022,904
2025-2030	476,516	215,199	691,715
2031-2035	586,757	104,958	691,715
2036-2040	132,108	5,615	137,723
	<u><u>\$ 8,079,013</u></u>	<u><u>\$ 3,294,011</u></u>	<u><u>\$ 11,373,024</u></u>

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

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 - RESTRICTED NET ASSETS

The following net assets have been restricted at June 30, 2010 for the following purposes:

Restricted for general fund designated balances	\$ 1,343,725
Restricted for endowments	63,726
Restricted for special revenue funds	775,653
Restricted for capital project funds	1,801,219
Restricted for permanent funds	61,681
	<u>\$ 4,046,004</u>

NOTE 7 - GENERAL FUND DESIGNATED FUND EQUITY

At June 30, 2010, the general fund designated fund balance was made up of the following account balances carried forward into the subsequent year's budget:

Solid waste	\$ 13,950
Education	928,852
Tax increment financing agreement	244,328
Highway block grant	9,352
State revenue sharing	161,193
	<u>\$ 1,357,675</u>

NOTE 8 - EXPENDITURES OVER APPROPRIATIONS

The following appropriation was exceeded by actual expenditures.

	<u>Excess</u>
Administration	<u>\$ 4,019</u>

The excess was due to unexpected legal costs incurred on a personnel matter for which a cost was not known at the time of appropriation. The Town Council did approve the costs.

TOWN OF BUCKSPORT, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 9 - DEFICIT FUND BALANCES

The following special revenue funds have deficit fund balances as of June 30, 2010:

CDBG Housing Assistance	\$ 23,793
Bucksport Fire Department	2,000

NOTE 10 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County debt. As of June 30, 2010 the Town's share was as follows:

	Outstanding Debt	Town's Percentage	Total Share
County of Hancock	\$ 3,617,543	4.78%	\$ 172,919

NOTE 11 - RISK MANAGEMENT

The Town is a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker’s compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker’s compensation coverage. The Town’s agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies reinsurance contracts, individual stop loss coverage for member Town’s for claims in excess of \$400,000 with an excess limit of \$2,000,000.

The Town has its liability insurance through the Kyes Agency Inc.. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the policy, coverage is provided after the \$1,000 deductible is met, to \$4,377,412. Under the general liability portion of the policy, coverage is provided after the deductible is met, to \$1,000,000 per occurrence and \$3,000,000 in total. For the law enforcement liability, the coverage is \$1,000,000 per occurrence and in total with a \$2,500 deductible. For the public official liability, the coverage is \$1,000,000 per occurrence and \$3,000,000 in total with a \$2,500 deductible. Under the employment practices liability, the coverage is \$1,000,000 per occurrence and \$3,000,000 in total with a \$2,500 deductible.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 12 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Town of Bucksport's landfill is at 100% capacity to date. Therefore, the estimated remaining landfill life is zero years. Federal and state laws require that certain post closure care be met. The Town estimates that on an annual basis, some immaterial costs will be incurred for post closure care. The annual amount will be paid for within the Town's annual operating budget.

NOTE 13 - DEFINED BENEFITS PENSION PLAN

MAINE STATE RETIREMENT SYSTEM

The Town participates in the Maine State Retirement System, a cost sharing multi-employer defined benefit pension plan which covers employees who work at least 40 hours per week. The system requires that both employees and the Town contribute, and provides retirement, disability and death benefits. Employees are eligible for normal retirement upon reaching the age of sixty and early retirement after completing twenty-five or more years of credited service. As of June 30, 2010, the Town had an unfunded actuarial accrued liability credit of \$525,222, computed using the actuarial method used for funding purposes. This credit is being used to reduce future contributions and is being amortized over a closed period of 18 years from July 1, 1999. The Town's actual contribution was \$0 after the unfunded actuarial accrued liability credit was deducted from the annual pension cost.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS

The Town, in accordance with its current life insurance company agreement, provides life insurance benefits to eligible retirees. Retired plan members and beneficiaries currently receiving benefits are not required to contribute specified amounts towards the cost of receiving benefits under the Town's life insurance benefits program.

Funding policy – The Town currently funds claims and administrative costs for postemployment benefits through its life insurance company or through current year expenditures. Total expenditures for the year ended June 30, 2010 were \$1,270.

The current census of Town benefit participants as of June 30, 2010 was eleven participants.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 - TAX INCREMENT FINANCING AGREEMENT

On March 20, 1997, the Bucksport Town Council approved the Champion International Tax Increment Financing District (TIF) and adopted a development program for the District as authorized pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes as amended. The development program for the district was amended March 27, 2000. The anticipated investment to be made within the District is \$133,600,000. Seventy-five percent of the property taxes to be generated on the improvements within the District will be returned to the developer while the remaining 25% will be kept by the Town to fund a development plan as approved by the Office of Economic and Community Development on March 31, 1997. The District expires after a twenty-year period and all tax revenues will be returned to the general operating fund of the Town. The TIF agreement was amended on March 27, 2000. Ownership of the District was transferred to International Paper in 2003.

On March 27, 2003, the Bucksport Town Council approved a Tax Increment Financing District for Ellis & Guerrette. The anticipated investment to be made within the District is \$514,400. Fifty percent of the property taxes to be generated on the improvements within the District will be returned to the developer for 14 years or until \$73,379 is returned to the developer. The remaining 50% will be retained by the Town and used to fund the development plan of the District.

NOTE 16 - ECONOMIC DEPENDENCY

The Town has one taxpayer whose property tax assessment represents a significant portion of the Town's tax base. The Bucksport mill of Verso Paper has an assessed value of \$307,152,378, which is 44.23% of the Town's total assessed value of \$694,492,800. For the year ended June 30, 2010, the Verso Paper's property tax assessment was \$3,845,548.

NOTE 17 - CONTINGENCIES

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

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 17 – CONTINGENCIES (CONTINUED)

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

NOTE 18 - RESTATEMENTS

The beginning net asset balances for the governmental and business-type activities have been restated as of July 1, 2009. This balance was restated to correct capital asset and accumulated depreciation balances. The governmental activities were restated by \$107,486 and the business-type activities were restated by \$131,596.

NOTE 19 – EXTRAORDINARY ITEM

As of July 1, 2009, the Bucksport School Department became a part of Regional School Unit No. 25. As a result of this change, all activity of the school department has been removed from these statements. The only education activity that will remain is the annual education assessment to RSU No. 25. Special revenue funds and permanent funds in the amount of \$400,851 were transferred to RSU No. 25. Also, the capital assets related to the school department were transferred in the amount of \$23,234,374. The bonds payable related to these capital assets remains on the Town's financial statements as it is in the Town's name. However, RSU No. 25 is making the payments on that debt.

Required Supplementary Information

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

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

TOWN OF BUCKSPORT, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,528,816	\$ 8,528,816	\$ 8,528,816	\$ -
Resources (Inflows):				
Property taxes	8,695,050	8,695,050	8,720,699	25,649
Excise taxes	574,500	574,500	669,292	94,792
Intergovernmental	1,253,543	1,253,543	1,211,882	(41,661)
Charges for services	559,346	559,346	693,343	133,997
Interest on taxes	19,000	19,000	32,235	13,235
Interest income	100,000	100,000	165,578	65,578
Miscellaneous revenues	1,690,497	1,690,497	1,717,816	27,319
Transfers from other funds	4,500	4,500	4,904	404
Amounts Available for Appropriation	<u>21,425,252</u>	<u>21,425,252</u>	<u>21,744,565</u>	<u>319,313</u>
Charges to Appropriations (Outflows):				
Current:				
General government	1,284,306	1,284,306	1,171,157	113,149
Protection	1,359,836	1,359,836	1,268,939	90,897
Public works	860,135	860,135	776,289	83,846
Health and sanitation	431,204	431,204	392,690	38,514
Community and social agencies	57,602	57,602	50,207	7,395
Education	7,292,226	7,292,226	6,363,374	928,852
Recreation	216,807	216,807	179,327	37,480
Cemeteries	4,120	4,120	4,120	-
County tax	230,562	230,562	230,562	-
Tax Increment Financing Agreement	944,119	944,119	699,791	244,328
Debt service:				
Principal	735,461	735,461	735,461	-
Interest	5,360	5,360	5,360	-
Unclassified	465,214	465,214	38,601	426,613
Transfers to other funds	1,073,423	1,073,423	1,073,423	-
Total Charges to Appropriations	<u>14,960,375</u>	<u>14,960,375</u>	<u>12,989,301</u>	<u>1,971,074</u>
Budgetary Fund Balance, June 30	<u>\$ 6,464,877</u>	<u>\$ 6,464,877</u>	<u>\$ 8,755,264</u>	<u>\$ 2,290,387</u>
Utilization of Designated Fund Balance	\$ 1,245,862	\$ 1,245,862	\$ -	\$ (1,245,862)
Utilization of Undesignated Fund Balance	818,077	818,077	-	(818,077)
	<u>\$ 2,063,939</u>	<u>\$ 2,063,939</u>	<u>\$ -</u>	<u>\$ (2,063,939)</u>

See accompanying independent auditors' report.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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

TOWN OF BUCKSPORT, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes	\$ 8,695,050	\$ 8,720,699	\$ 25,649
Excise taxes			
Auto excise	570,000	663,456	93,456
Boat excise	4,500	5,836	1,336
Intergovernmental revenues			
State revenue sharing	435,000	384,870	(50,130)
Homestead exemption	96,082	96,082	-
Local road assistance	68,100	67,524	(576)
Tree growth reimbursement	14,000	23,942	9,942
Veterans' reimbursement	2,000	3,361	1,361
General assistance reimbursement	4,000	2,375	(1,625)
BETE reimbursement	464,942	464,976	34
Department subsidies	169,419	168,752	(667)
Charges for services			
Auto registration fees	16,000	17,763	1,763
Town clerk revenues	7,500	10,905	3,405
Planning board fees	1,000	3,220	2,220
Code enforcement fees	9,000	9,504	504
Plumbing inspector fees	3,500	3,008	(492)
Ambulance user fees	287,105	337,542	50,437
Fire revenue	-	2,916	2,916
Police revenue	2,000	7,349	5,349
Animal control fees	2,000	5,094	3,094
Recycling revenue	9,500	27,098	17,598
Solid waste fees	46,500	62,591	16,091
MERC revenue	45,000	57,551	12,551
Solid waste revenue	65,932	65,932	-
Recreation fees	37,309	39,624	2,315
Cable TV revenue	27,000	43,246	16,246
Interest			
Taxes	19,000	32,235	13,235
Deposit and investment accounts - Town	100,000	165,578	65,578
Other income			
Tax lien cost	8,504	12,276	3,772
TIF revenue	92,500	92,500	-
Fee in lieu of taxes	-	10,810	10,810
Highway revenue	1,000	320	(680)
Snowmobile revenue	1,100	1,602	502
Other education income	1,586,393	1,586,393	-
Other income	1,000	13,915	12,915
Transfers in			
Spofford fund	4,500	4,500	-
Other funds	-	404	404
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 12,896,436</u>	<u>\$ 13,215,749</u>	<u>\$ 319,313</u>

See accompanying independent auditors' report.

SCHEDULE B

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	2009 Carry- forwards	Budget	Receipts	Total Available	Actual	Balance	
						Lapsed	Carried
EXPENDITURES							
General government:							
Administration	\$ -	\$ 387,319	\$ -	\$ 387,319	\$ 391,338	\$ (4,019)	\$ -
Municipal planning	-	55,238	-	55,238	53,971	1,267	-
Assessor's office	-	61,664	-	61,664	52,898	8,766	-
Municipal building	-	21,880	-	21,880	17,085	4,795	-
Insurance & benefits	-	685,137	-	685,137	589,850	95,287	-
Contingency	-	4,000	-	4,000	2,769	1,231	-
Public access channel	-	4,032	-	4,032	1,596	2,436	-
Economic development	-	65,036	-	65,036	61,650	3,386	-
	-	<u>1,284,306</u>	-	<u>1,284,306</u>	<u>1,171,157</u>	<u>113,149</u>	-
Protection:							
Fire protection	-	319,406	-	319,406	299,771	19,635	-
Police department	-	401,690	-	401,690	361,203	40,487	-
Dispatcher service	-	160,102	-	160,102	156,052	4,050	-
Ambulance service	-	213,768	-	213,768	202,941	10,827	-
Public safety building	-	38,245	-	38,245	29,947	8,298	-
Public safety utilities	-	226,625	-	226,625	219,025	7,600	-
	-	<u>1,359,836</u>	-	<u>1,359,836</u>	<u>1,268,939</u>	<u>90,897</u>	-
Public works:							
General highways	-	839,089	-	839,089	763,719	75,370	-
Town garage	-	21,046	-	21,046	12,570	8,476	-
	-	<u>860,135</u>	-	<u>860,135</u>	<u>776,289</u>	<u>83,846</u>	-
Health and sanitation:							
Solid waste	17,652	399,002	-	416,654	387,700	15,004	13,950
Health	-	2,550	-	2,550	300	2,250	-
General assistance	-	12,000	-	12,000	4,690	7,310	-
	<u>17,652</u>	<u>413,552</u>	-	<u>431,204</u>	<u>392,690</u>	<u>24,564</u>	<u>13,950</u>
Community and social agencies:							
Community agencies	-	32,600	-	32,600	31,307	1,293	-
Social agencies	-	25,002	-	25,002	18,900	6,102	-
	-	<u>57,602</u>	-	<u>57,602</u>	<u>50,207</u>	<u>7,395</u>	-

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	2009 Carry- forwards	Budget	Receipts	Total Available	Actual	Balance	
						Lapsed	Carried
Education:							
Regular program	1,063,136	4,642,697	1,586,393	7,292,226	6,363,374	-	928,852
Debt service	-	735,461	-	735,461	735,461	-	-
Transfer to other funds	-	-	-	-	-	-	-
	<u>1,063,136</u>	<u>5,378,158</u>	<u>1,586,393</u>	<u>8,027,687</u>	<u>7,098,835</u>	<u>-</u>	<u>928,852</u>
Recreation:							
Recreation program	-	207,010	-	207,010	172,060	34,950	-
Town dock expenses	-	9,797	-	9,797	7,267	2,530	-
	<u>-</u>	<u>216,807</u>	<u>-</u>	<u>216,807</u>	<u>179,327</u>	<u>37,480</u>	<u>-</u>
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	5,360	-	5,360	5,360	-	-
	<u>-</u>	<u>5,360</u>	<u>-</u>	<u>5,360</u>	<u>5,360</u>	<u>-</u>	<u>-</u>
Cemeteries	-	4,120	-	4,120	4,120	-	-
County tax	-	230,562	-	230,562	230,562	-	-
TIF	165,074	779,045	-	944,119	699,791	-	244,328
Unclassified:							
Bangor Gas	-	15,053	-	15,053	15,053	-	-
Silver Lake Boat Landing	-	1,939	-	1,939	1,939	-	-
Storm Drain Improvements	-	892	-	892	892	-	-
Central Street Improvements	-	16,562	-	16,562	16,562	-	-
Overlay	-	430,768	-	430,768	4,155	426,613	-
	<u>-</u>	<u>465,214</u>	<u>-</u>	<u>465,214</u>	<u>38,601</u>	<u>426,613</u>	<u>-</u>
Transfers out:							
Special revenues	-	168,766	-	168,766	168,766	-	-
Capital reserves	-	889,245	-	889,245	889,245	-	-
Sewer fund - debt service	-	15,412	-	15,412	15,412	-	-
	<u>-</u>	<u>1,073,423</u>	<u>-</u>	<u>1,073,423</u>	<u>1,073,423</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 1,245,862</u>	<u>\$ 12,128,120</u>	<u>\$ 1,586,393</u>	<u>\$ 14,960,375</u>	<u>\$ 12,989,301</u>	<u>\$ 783,944</u>	<u>\$ 1,187,130</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 83,606	\$ -	\$ -	\$ 83,606
Investments	52,513	-	17,897	70,410
Accounts receivable	81,831	-	-	81,831
Inventory	-	-	-	-
Prepaid and other assets	3,135	-	-	3,135
Due from other governments	16,713	-	-	16,713
Due from other funds	555,066	1,801,219	107,510	2,463,795
Total assets	<u>\$ 792,864</u>	<u>\$ 1,801,219</u>	<u>\$ 125,407</u>	<u>\$ 2,719,490</u>
LIABILITIES				
Accounts payable	\$ 8,494	\$ -	\$ -	\$ 8,494
Accrued payroll	-	-	-	-
Due to other funds	34,510	-	-	34,510
Total liabilities	<u>43,004</u>	<u>-</u>	<u>-</u>	<u>43,004</u>
FUND EQUITY				
Fund balance:				
Reserved for endowments	-	-	63,726	63,726
Reserved:				
Designated for subsequent years' expenditures	775,653	1,801,219	61,681	2,638,553
Unreserved:				
Undesignated	(25,793)	-	-	(25,793)
Total fund equity	<u>749,860</u>	<u>1,801,219</u>	<u>125,407</u>	<u>2,676,486</u>
Total liabilities and fund equity	<u>\$ 792,864</u>	<u>\$ 1,801,219</u>	<u>\$ 125,407</u>	<u>\$ 2,719,490</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 624,060	\$ -	\$ -	\$ 624,060
Interest/Gains & Losses	11,411	32,178	4,681	48,270
Donations	89,809	-	503	90,312
Other	27,558	13,798	-	41,356
TOTAL REVENUES	<u>752,838</u>	<u>45,976</u>	<u>5,184</u>	<u>803,998</u>
EXPENDITURES				
Current:				
General Government	34,245	10,509	-	44,754
Protection	33,973	11,304	-	45,277
Public Works	9,936	5,004	-	14,940
Health and Sanitation	-	617	-	617
Human Services	140,429	4,951	-	145,380
Education	66,127	392,795	-	458,922
Environment & Housing	241,411	428	-	241,839
Culture & Recreation	7,565	10,594	-	18,159
Cemeteries	-	-	14,116	14,116
Capital Outlay	191,900	419,057	-	610,957
TOTAL EXPENDITURES	<u>725,586</u>	<u>855,259</u>	<u>14,116</u>	<u>1,594,961</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>27,252</u>	<u>(809,283)</u>	<u>(8,932)</u>	<u>(790,963)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	168,766	901,920	-	1,070,686
Transfers (Out)	(6,232)	(6,847)	(4,500)	(17,579)
Transfers to RSU #25	(381,836)	-	(19,015)	(400,851)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(219,302)</u>	<u>895,073</u>	<u>(23,515)</u>	<u>652,256</u>
NET CHANGE IN FUND BALANCE	(192,050)	85,790	(32,447)	(138,707)
FUND BALANCE - JULY 1	<u>941,910</u>	<u>1,715,429</u>	<u>157,854</u>	<u>2,815,193</u>
FUND BALANCE - JUNE 30	<u>\$ 749,860</u>	<u>\$ 1,801,219</u>	<u>\$ 125,407</u>	<u>\$ 2,676,486</u>

See accompanying independent auditors' report.

Special Revenue Funds

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

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	2009 CDBG Infrastructure	2008 CDBG Enterprise	HLS - Fire	DEP Small Community	2009 CDBG Housing Assistance	2009 JAG Services	Healthy ME Partnership
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid & other assets	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	1,656
Due from other funds	138,996	2,056	-	-	-	-	-
TOTAL ASSETS	<u>\$ 138,996</u>	<u>\$ 2,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,656</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 539
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	23,793	-	1,117
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,793</u>	<u>-</u>	<u>1,656</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	138,996	2,056	-	-	-	-	-
Undesignated	-	-	-	-	(23,793)	-	-
TOTAL FUND EQUITY	<u>138,996</u>	<u>2,056</u>	<u>-</u>	<u>-</u>	<u>(23,793)</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 138,996</u>	<u>\$ 2,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,656</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	Diversion Program	Bucksport Football	Bucksport Fire Department	Local General Assistance	Health Advisor	2009 CDBG Technical	Food Stamp Nutrition Ed. Grant
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid & other assets	-	-	-	-	-	-	-
Due from other governments	7,457	-	-	-	-	7,600	-
Due from other funds	9,325	4,670	-	625	9,360	-	1,374
TOTAL ASSETS	<u>\$ 16,782</u>	<u>\$ 4,670</u>	<u>\$ -</u>	<u>\$ 625</u>	<u>\$ 9,360</u>	<u>\$ 7,600</u>	<u>\$ 1,374</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	2,000	-	-	7,600	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>7,600</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	16,782	4,670	-	625	9,360	-	1,374
Undesignated	-	-	(2,000)	-	-	-	-
TOTAL FUND EQUITY	<u>16,782</u>	<u>4,670</u>	<u>(2,000)</u>	<u>625</u>	<u>9,360</u>	<u>-</u>	<u>1,374</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 16,782</u>	<u>\$ 4,670</u>	<u>\$ -</u>	<u>\$ 625</u>	<u>\$ 9,360</u>	<u>\$ 7,600</u>	<u>\$ 1,374</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	IP Donation	Johnson & Johnson Grant	Maine Forestry Grant	Y.A.P. Group	DARE	Buckport Youth Council	Police Explorers
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid & other assets	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	1,388	668	1,527	224	6,084	947	291
TOTAL ASSETS	<u>\$ 1,388</u>	<u>\$ 668</u>	<u>\$ 1,527</u>	<u>\$ 224</u>	<u>\$ 6,084</u>	<u>\$ 947</u>	<u>\$ 291</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	1,388	668	1,527	224	6,084	947	291
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>1,388</u>	<u>668</u>	<u>1,527</u>	<u>224</u>	<u>6,084</u>	<u>947</u>	<u>291</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,388</u>	<u>\$ 668</u>	<u>\$ 1,527</u>	<u>\$ 224</u>	<u>\$ 6,084</u>	<u>\$ 947</u>	<u>\$ 291</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Community for Children	Vacation & Sick Reserve	Unemployment Reserve	Christmas Lights	Community Fitness	Soccer Camp
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepaid & other assets	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Due from other funds	1,524	204,163	64,533	8,614	560	-
TOTAL ASSETS	<u>\$ 1,524</u>	<u>\$ 204,163</u>	<u>\$ 64,533</u>	<u>\$ 8,614</u>	<u>\$ 560</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY						
Fund balance:						
Unreserved:						
Designated for subsequent years' expenditures	1,524	204,163	64,533	8,614	560	-
Undesignated	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>1,524</u>	<u>204,163</u>	<u>64,533</u>	<u>8,614</u>	<u>560</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,524</u>	<u>\$ 204,163</u>	<u>\$ 64,533</u>	<u>\$ 8,614</u>	<u>\$ 560</u>	<u>\$ -</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	RLF & Microloan	2008 MITF Grant	Youth Wrestling	Youth Softball	2009 Justice Assistance	2009 OSA SAPT BG	Colorectal Phase III
ASSETS							
Cash	\$ 83,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	52,513	-	-	-	-	-	-
Accounts receivable	81,831	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid & other assets	3,135	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	318	-	6,398	1,557
TOTAL ASSETS	\$ 221,085	\$ -	\$ -	\$ 318	\$ -	\$ 6,398	\$ 1,557
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,398	\$ 1,557
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	6,398	1,557
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	221,085	-	-	318	-	-	-
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	221,085	-	-	318	-	-	-
TOTAL LIABILITIES AND FUND EQUITY	\$ 221,085	\$ -	\$ -	\$ 318	\$ -	\$ 6,398	\$ 1,557

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	<u>NCLB IA</u>	<u>NCLB IIA</u>	<u>NCLB IID</u>	<u>NCLB V</u>	<u>Local Entitlement</u>	<u>Health Grant</u>	<u>NCLB IVA Drug Free</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid & other assets	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	Title VI Rural Low Income	U of ME AP 4 All Grant	Tech Grant	U of ME Team Nutrition	High School ECM	Breton Co-op	Seed Grant
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid & other assets	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	Maine Tech. College	State Agency Client	BHS Daycare Worker	RSU	Stimulus Funds	Misc. Funds	Totals
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,606
Investments	-	-	-	-	-	-	52,513
Accounts receivable	-	-	-	-	-	-	81,831
Inventory	-	-	-	-	-	-	-
Prepaid & other assets	-	-	-	-	-	-	3,135
Due from other governments	-	-	-	-	-	-	16,713
Due from other funds	-	-	-	-	-	-	555,066
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 792,864</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,494
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	34,510
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,004</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	-	-	-	-	-	-	775,653
Undesignated	-	-	-	-	-	-	(25,793)
TOTAL FUND EQUITY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>749,860</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 792,864</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	2009 CDBG Infrastructure	2008 CDBG Enterprise	HLS - Fire	DEP Small Community	2009 CDBG Housing Assistance	2009 JAG Services	Healthy ME Partnership
REVENUES							
Intergovernmental	\$ -	\$ 45,246	\$ 85,382	\$ 10,149	\$ 216,078	\$ 8,010	\$ 130,219
Interest/Gains & Losses	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	520
TOTAL REVENUES	-	45,246	85,382	10,149	216,078	8,010	130,739
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	-	-	-	8,010	-
Public Works	112	-	-	9,824	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	64,073
Education	-	-	-	-	-	-	66,127
Environment & Housing	-	-	-	-	238,871	-	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	-	96,549	85,382	-	-	-	-
TOTAL EXPENDITURES	112	96,549	85,382	9,824	238,871	8,010	130,200
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(112)	(51,303)	-	325	(22,793)	-	539
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	139,108	-	-	51	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
Transfers to RSU #25	-	-	-	-	-	-	-
Grant Funds Returned	-	-	-	-	-	-	(539)
TOTAL OTHER FINANCING SOURCES (USES)	139,108	-	-	51	-	-	(539)
NET CHANGE IN FUND BALANCE	138,996	(51,303)	-	376	(22,793)	-	-
FUND BALANCE - JULY 1	-	53,359	-	(376)	(1,000)	-	-
FUND BALANCE - JUNE 30	\$ 138,996	\$ 2,056	\$ -	\$ -	\$ (23,793)	\$ -	\$ -

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Diversion Program	Bucksport Football	Bucksport Fire Department	Local General Assistance	Health Advisor	2009 CDBG Technical	Food Stamp Nutrition Ed. Grant
REVENUES							
Intergovernmental	\$ 25,457	\$ -	\$ 6,575	\$ -	\$ 5,750	\$ 28,000	\$ -
Interest/Gains & Losses	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other	14,358	4,260	-	-	1,082	-	-
TOTAL REVENUES	39,815	4,260	6,575	-	6,832	28,000	-
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	28,000	-
Protection	-	-	8,575	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	35,193	-	-	-	3,789	-	3,272
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	4,197	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	35,193	4,197	8,575	-	3,789	28,000	3,272
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,622	63	(2,000)	-	3,043	-	(3,272)
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	6,529	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
Transfers to RSU #25	-	-	-	-	-	-	-
Grant Funds Returned	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	6,529	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	11,151	63	(2,000)	-	3,043	-	(3,272)
FUND BALANCE - JULY 1	5,631	4,607	-	625	6,317	-	4,646
FUND BALANCE - JUNE 30	\$ 16,782	\$ 4,670	\$ (2,000)	\$ 625	\$ 9,360	\$ -	\$ 1,374

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	IP Donation	Johnson & Johnson Grant	Maine Forestry Grant	Y. A. P. Group	DARE	Bucksport Youth Council	Police Explorers
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	-	-	-	-	-	-	-
Donations	-	-	-	349	300	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	349	300	-	-
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	-	-	250	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	125	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	125	250	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	224	50	-	-
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
Transfers to RSU #25	-	-	-	-	-	-	-
Grant Funds Returned	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	224	50	-	-
FUND BALANCE - JULY 1	1,388	668	1,527	-	6,034	947	291
FUND BALANCE - JUNE 30	\$ 1,388	\$ 668	\$ 1,527	\$ 224	\$ 6,084	\$ 947	\$ 291

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Community for Children	Vacation & Sick Reserve	Unemployment Reserve	Christmas Lights	Community Fitness	Soccer Camp
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	-	6,440	1,616	-	-	-
Donations	-	-	-	1,810	-	-
Other	-	-	-	-	560	-
TOTAL REVENUES	-	6,440	1,616	1,810	560	-
EXPENDITURES						
Current:						
General Government	-	-	-	2,163	-	-
Protection	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	1,950
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	2,163	-	1,950
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	6,440	1,616	(353)	560	(1,950)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	21,278	-	1,800	-	-
Operating Transfers Out	-	-	(404)	-	-	-
Transfers to RSU #25	-	-	-	-	-	-
Grant Funds Returned	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	21,278	(404)	1,800	-	-
NET CHANGE IN FUND BALANCE	-	27,718	1,212	1,447	560	(1,950)
FUND BALANCE - JULY 1	1,524	176,445	63,321	7,167	-	1,950
FUND BALANCE - JUNE 30	\$ 1,524	\$ 204,163	\$ 64,533	\$ 8,614	\$ 560	\$ -

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	RLF & Microloan	2008 MITF Grant	Youth Wrestling	Youth Softball	2009 Justice Assistance	2009 OSA SAPT BG	Colorectal Phase III
REVENUES							
Intergovernmental	\$ -	\$ 16,047	\$ -	\$ -	\$ 34,524	\$ 15,028	\$ 6,089
Interest/Gains & Losses	3,355	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other	2,360	-	1,275	143	-	-	-
TOTAL REVENUES	5,715	16,047	1,275	143	34,524	15,028	6,089
EXPENDITURES							
Current:							
General Government	4,082	-	-	-	-	-	-
Protection	-	-	-	-	17,138	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	17,386	11,573	4,532
Education	-	-	-	-	-	-	-
Environment & Housing	2,540	-	-	-	-	-	-
Culture & Recreation	-	-	1,275	143	-	-	-
Capital Outlay	-	9,969	-	-	-	-	-
TOTAL EXPENDITURES	6,622	9,969	1,275	143	34,524	11,573	4,532
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(907)	6,078	-	-	-	3,455	1,557
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	(5,828)	-	-	-	-	-
Transfers to RSU #25	-	-	-	-	-	-	-
Grant Funds Returned	-	-	-	-	-	(6,398)	(1,557)
TOTAL OTHER FINANCING SOURCES (USES)	-	(5,828)	-	-	-	(6,398)	(1,557)
NET CHANGE IN FUND BALANCE	(907)	250	-	-	-	(2,943)	-
FUND BALANCE - JULY 1	221,992	(250)	-	318	-	2,943	-
FUND BALANCE - JUNE 30	\$ 221,085	\$ -	\$ -	\$ 318	\$ -	\$ -	\$ -

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	NCLB IA	NCLB IIA	NCLB IID	NCLB V	Local Entitlement	Health Grant	NCLB IVA Drug Free
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
Transfers to RSU #25	(758)	(10,556)	(23,530)	(25)	(67,932)	(23,546)	(5,673)
Grant Funds Returned	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(758)	(10,556)	(23,530)	(25)	(67,932)	(23,546)	(5,673)
NET CHANGE IN FUND BALANCE	(758)	(10,556)	(23,530)	(25)	(67,932)	(23,546)	(5,673)
FUND BALANCE - JULY 1	758	10,556	23,530	25	67,932	23,546	5,673
FUND BALANCE - JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Title VI Rural Low Income	U of ME AP 4 All Grant	Tech Grant	U of ME Team Nutrition	High School ECM	Breton Co-op	Seed Grant
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
Transfers to RSU #25	(32,835)	(535)	(234)	(371)	(16,735)	(1,754)	(200)
Grant Funds Returned	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(32,835)	(535)	(234)	(371)	(16,735)	(1,754)	(200)
NET CHANGE IN FUND BALANCE	(32,835)	(535)	(234)	(371)	(16,735)	(1,754)	(200)
FUND BALANCE - JULY 1	32,835	535	234	371	16,735	1,754	200
FUND BALANCE - JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Maine Tech. College	State Agency Client	BHS Daycare Worker	RSU	Stimulus Funds	Misc. Funds	Totals
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	632,554
Interest/Gains & Losses	-	-	-	-	-	-	11,411
Donations	-	-	-	-	-	-	89,809
Other	-	-	-	-	-	-	27,558
TOTAL REVENUES	-	-	-	-	-	-	761,332
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	34,245
Protection	-	-	-	-	-	-	33,973
Public Works	-	-	-	-	-	-	9,936
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	140,429
Education	-	-	-	-	-	-	66,127
Environment & Housing	-	-	-	-	-	-	241,411
Culture & Recreation	-	-	-	-	-	-	7,565
Capital Outlay	-	-	-	-	-	-	191,900
TOTAL EXPENDITURES	-	-	-	-	-	-	725,586
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-	35,746
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	168,766
Operating Transfers Out	-	-	-	-	-	-	(6,232)
Transfers to RSU #25	(1,000)	(25,025)	(2,266)	11,193	(150,127)	(2,274)	(381,836)
Grant Funds Returned	-	-	-	-	-	-	(8,494)
TOTAL OTHER FINANCING SOURCES (USES)	(1,000)	(25,025)	(2,266)	11,193	(150,127)	(2,274)	(227,796)
NET CHANGE IN FUND BALANCE	(1,000)	(25,025)	(2,266)	11,193	(150,127)	(2,274)	(192,050)
FUND BALANCE - JULY 1	1,000	25,025	2,266	(11,193)	150,127	2,274	941,910
FUND BALANCE - JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	749,860

See accompanying independent auditors' report.

Capital Project Funds

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

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2010

	Highway Equipment	Fire Equipment	Waterfront Improvements	Ambulance	Municipal Building	Solid Waste	Recreation Equipment
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	115,738	226,480	68,881	51,889	37,142	91,834	62,150
TOTAL ASSETS	<u>\$ 115,738</u>	<u>\$ 226,480</u>	<u>\$ 68,881</u>	<u>\$ 51,889</u>	<u>\$ 37,142</u>	<u>\$ 91,834</u>	<u>\$ 62,150</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	115,738	226,480	68,881	51,889	37,142	91,834	62,150
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>115,738</u>	<u>226,480</u>	<u>68,881</u>	<u>51,889</u>	<u>37,142</u>	<u>91,834</u>	<u>62,150</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 115,738</u>	<u>\$ 226,480</u>	<u>\$ 68,881</u>	<u>\$ 51,889</u>	<u>\$ 37,142</u>	<u>\$ 91,834</u>	<u>\$ 62,150</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2010

	Recreation Facility	Recreation Revenue Reserve	Police Equipment	Public Safety	Town Garage	Cable TV	Dog Kennel
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	76,176	80,171	81,223	63,006	80,812	18,075	15,572
TOTAL ASSETS	<u>\$ 76,176</u>	<u>\$ 80,171</u>	<u>\$ 81,223</u>	<u>\$ 63,006</u>	<u>\$ 80,812</u>	<u>\$ 18,075</u>	<u>\$ 15,572</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	76,176	80,171	81,223	63,006	80,812	18,075	15,572
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>76,176</u>	<u>80,171</u>	<u>81,223</u>	<u>63,006</u>	<u>80,812</u>	<u>18,075</u>	<u>15,572</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 76,176</u>	<u>\$ 80,171</u>	<u>\$ 81,223</u>	<u>\$ 63,006</u>	<u>\$ 80,812</u>	<u>\$ 18,075</u>	<u>\$ 15,572</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2010

	Willow & Wasson House	Defense Fund	School St Fire House	Drug Forfeiture	Town Office Equipment	Dispatch Equipment	Transfer Station
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,269	1,577	6,847	923	41,070	72,901	52,440
TOTAL ASSETS	<u>\$ 1,269</u>	<u>\$ 1,577</u>	<u>\$ 6,847</u>	<u>\$ 923</u>	<u>\$ 41,070</u>	<u>\$ 72,901</u>	<u>\$ 52,440</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	1,269	1,577	6,847	923	41,070	72,901	52,440
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>1,269</u>	<u>1,577</u>	<u>6,847</u>	<u>923</u>	<u>41,070</u>	<u>72,901</u>	<u>52,440</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,269</u>	<u>\$ 1,577</u>	<u>\$ 6,847</u>	<u>\$ 923</u>	<u>\$ 41,070</u>	<u>\$ 72,901</u>	<u>\$ 52,440</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2010

	<u>Silver Lake Property</u>	<u>Parking Lots</u>	<u>Swimming Pool</u>	<u>Chamber Building</u>	<u>Housing Rehab.</u>	<u>Jewett School</u>
ASSETS						
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	14,458	25,897	42,818	3,594	1,120	15,260
TOTAL ASSETS	<u>\$ 14,458</u>	<u>\$ 25,897</u>	<u>\$ 42,818</u>	<u>\$ 3,594</u>	<u>\$ 1,120</u>	<u>\$ 15,260</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY						
Fund balance:						
Unreserved:						
Designated for subsequent years' expenditures	14,458	25,897	42,818	3,594	1,120	15,260
Undesignated	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>14,458</u>	<u>25,897</u>	<u>42,818</u>	<u>3,594</u>	<u>1,120</u>	<u>15,260</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 14,458</u>	<u>\$ 25,897</u>	<u>\$ 42,818</u>	<u>\$ 3,594</u>	<u>\$ 1,120</u>	<u>\$ 15,260</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2010

	Gardiner School	Highway Improvement	Industrial Park Land Purchase	Miles Ln Bathroom and Concession	High School Building Project	Totals
ASSETS						
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	145	433,044	11,052	3,267	4,388	1,801,219
TOTAL ASSETS	<u>\$ 145</u>	<u>\$ 433,044</u>	<u>\$ 11,052</u>	<u>\$ 3,267</u>	<u>\$ 4,388</u>	<u>\$ 1,801,219</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY						
Fund balance:						
Unreserved:						
Designated for subsequent years' expenditures	145	433,044	11,052	3,267	4,388	1,801,219
Undesignated	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>145</u>	<u>433,044</u>	<u>11,052</u>	<u>3,267</u>	<u>4,388</u>	<u>1,801,219</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 145</u>	<u>\$ 433,044</u>	<u>\$ 11,052</u>	<u>\$ 3,267</u>	<u>\$ 4,388</u>	<u>\$ 1,801,219</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Highway Equipment</u>	<u>Fire Equipment</u>	<u>Waterfront Improvements</u>	<u>Ambulance</u>	<u>Municipal Building</u>	<u>Solid Waste</u>	<u>Recreation Equipment</u>
REVENUES							
Interest	\$ 2,307	\$ 4,912	\$ 1,850	\$ 808	\$ 935	\$ 2,104	\$ 1,498
Other	-	-	969	-	-	-	-
TOTAL REVENUES	<u>2,307</u>	<u>4,912</u>	<u>2,819</u>	<u>808</u>	<u>935</u>	<u>2,104</u>	<u>1,498</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	8,884	-	-
Protection	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	-	1,238	-	-	-	4,942
Capital Outlay	58,146	2,470	18,704	5,000	-	-	-
TOTAL EXPENDITURES	<u>58,146</u>	<u>2,470</u>	<u>19,942</u>	<u>5,000</u>	<u>8,884</u>	<u>-</u>	<u>4,942</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(55,839)</u>	<u>2,442</u>	<u>(17,123)</u>	<u>(4,192)</u>	<u>(7,949)</u>	<u>2,104</u>	<u>(3,444)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	80,000	30,000	9,870	25,000	7,500	5,000	5,000
Operating Transfers Out	-	(6,847)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>80,000</u>	<u>23,153</u>	<u>9,870</u>	<u>25,000</u>	<u>7,500</u>	<u>5,000</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	24,161	25,595	(7,253)	20,808	(449)	7,104	1,556
FUND BALANCE - JULY 1	<u>91,577</u>	<u>200,885</u>	<u>76,134</u>	<u>31,081</u>	<u>37,591</u>	<u>84,730</u>	<u>60,594</u>
FUND BALANCE - JUNE 30	<u>\$ 115,738</u>	<u>\$ 226,480</u>	<u>\$ 68,881</u>	<u>\$ 51,889</u>	<u>\$ 37,142</u>	<u>\$ 91,834</u>	<u>\$ 62,150</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Recreation Facility	Recreation Revenue Reserve	Police Equipment	Public Safety	Town Garage	Cable TV	Dog Kennel
REVENUES							
Interest	\$ 1,297	\$ 1,916	\$ 1,774	\$ 1,488	\$ 2,433	\$ 392	\$ 389
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>1,297</u>	<u>1,916</u>	<u>1,774</u>	<u>1,488</u>	<u>2,433</u>	<u>392</u>	<u>389</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	1,666	4,673	-	-	2,143
Public Works	-	-	-	-	3,187	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	4,951	-	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	1,914	-	-	-	-	-	-
Capital Outlay	-	-	-	5,806	28,196	-	-
TOTAL EXPENDITURES	<u>1,914</u>	<u>4,951</u>	<u>1,666</u>	<u>10,479</u>	<u>31,383</u>	<u>-</u>	<u>2,143</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(617)</u>	<u>(3,035)</u>	<u>108</u>	<u>(8,991)</u>	<u>(28,950)</u>	<u>392</u>	<u>(1,754)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	25,000	-	10,000	15,000	10,000	2,000	1,437
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>25,000</u>	<u>-</u>	<u>10,000</u>	<u>15,000</u>	<u>10,000</u>	<u>2,000</u>	<u>1,437</u>
NET CHANGE IN FUND BALANCE	24,383	(3,035)	10,108	6,009	(18,950)	2,392	(317)
FUND BALANCE - JULY 1	<u>51,793</u>	<u>83,206</u>	<u>71,115</u>	<u>56,997</u>	<u>99,762</u>	<u>15,683</u>	<u>15,889</u>
FUND BALANCE - JUNE 30	<u>\$ 76,176</u>	<u>\$ 80,171</u>	<u>\$ 81,223</u>	<u>\$ 63,006</u>	<u>\$ 80,812</u>	<u>\$ 18,075</u>	<u>\$ 15,572</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Willow & Wasson House</u>	<u>Defense Fund</u>	<u>School St Fire House</u>	<u>Drug Forfeiture</u>	<u>Town Office Equipment</u>	<u>Dispatch Equipment</u>	<u>Transfer Station</u>
REVENUES							
Interest	\$ 31	\$ 94	\$ -	\$ 22	\$ 763	\$ 1,766	\$ 1,168
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>31</u>	<u>94</u>	<u>-</u>	<u>22</u>	<u>763</u>	<u>1,766</u>	<u>1,168</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	-	-	-	2,822	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	617
Human Services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	2,500	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,822</u>	<u>617</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>31</u>	<u>(2,406)</u>	<u>-</u>	<u>22</u>	<u>763</u>	<u>(1,056)</u>	<u>551</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	6,847	-	7,000	2,500	5,000
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>6,847</u>	<u>-</u>	<u>7,000</u>	<u>2,500</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	31	(2,406)	6,847	22	7,763	1,444	5,551
FUND BALANCE - JULY 1	<u>1,238</u>	<u>3,983</u>	<u>-</u>	<u>901</u>	<u>33,307</u>	<u>71,457</u>	<u>46,889</u>
FUND BALANCE - JUNE 30	<u>\$ 1,269</u>	<u>\$ 1,577</u>	<u>\$ 6,847</u>	<u>\$ 923</u>	<u>\$ 41,070</u>	<u>\$ 72,901</u>	<u>\$ 52,440</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Silver Lake Property</u>	<u>Parking Lots</u>	<u>Swimming Pool</u>	<u>Chamber Building</u>	<u>Housing Rehab.</u>	<u>Jewett School</u>
REVENUES						
Interest	\$ 358	\$ 357	\$ 922	\$ 123	\$ 27	\$ 235
Other	-	-	-	-	-	-
TOTAL REVENUES	<u>358</u>	<u>357</u>	<u>922</u>	<u>123</u>	<u>27</u>	<u>235</u>
EXPENDITURES						
Current:						
General Government	-	-	-	1,625	-	-
Protection	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-
Capital Outlay	3,415	8,746	-	-	-	-
TOTAL EXPENDITURES	<u>3,415</u>	<u>8,746</u>	<u>-</u>	<u>1,625</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,057)</u>	<u>(8,389)</u>	<u>922</u>	<u>(1,502)</u>	<u>27</u>	<u>235</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	3,000	20,828	5,000	-	-	6,000
Operating Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,000</u>	<u>20,828</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
NET CHANGE IN FUND BALANCE	(57)	12,439	5,922	(1,502)	27	6,235
FUND BALANCE - JULY 1	<u>14,515</u>	<u>13,458</u>	<u>36,896</u>	<u>5,096</u>	<u>1,093</u>	<u>9,025</u>
FUND BALANCE - JUNE 30	<u>\$ 14,458</u>	<u>\$ 25,897</u>	<u>\$ 42,818</u>	<u>\$ 3,594</u>	<u>\$ 1,120</u>	<u>\$ 15,260</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Gardiner School</u>	<u>Highway Improvement</u>	<u>Industrial Park Land Purchase</u>	<u>Miles Ln Bathroom and Concession</u>	<u>High School Building Project</u>	<u>Totals</u>
REVENUES						
Interest	\$ 14	\$ 1,561	\$ 162	\$ 472	\$ -	\$ 32,178
Other	-	-	4,727	8,102	-	13,798
TOTAL REVENUES	<u>14</u>	<u>1,561</u>	<u>4,889</u>	<u>8,574</u>	<u>-</u>	<u>45,976</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	10,509
Protection	-	-	-	-	-	11,304
Public Works	-	1,817	-	-	-	5,004
Health and Sanitation	-	-	-	-	-	617
Human Services	-	-	-	-	-	4,951
Education	-	-	-	-	392,795	392,795
Environment & Housing	428	-	-	-	-	428
Culture & Recreation	-	-	-	-	-	10,594
Capital Outlay	-	262,883	-	25,691	-	419,057
TOTAL EXPENDITURES	<u>428</u>	<u>264,700</u>	<u>-</u>	<u>25,691</u>	<u>392,795</u>	<u>855,259</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(414)</u>	<u>(263,139)</u>	<u>4,889</u>	<u>(17,117)</u>	<u>(392,795)</u>	<u>(809,283)</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	619,938	-	-	-	901,920
Operating Transfers Out	-	-	-	-	-	(6,847)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>619,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>895,073</u>
NET CHANGE IN FUND BALANCE	<u>(414)</u>	<u>356,799</u>	<u>4,889</u>	<u>(17,117)</u>	<u>(392,795)</u>	<u>85,790</u>
FUND BALANCE - JULY 1	<u>559</u>	<u>76,245</u>	<u>6,163</u>	<u>20,384</u>	<u>397,183</u>	<u>1,715,429</u>
FUND BALANCE - JUNE 30	<u>\$ 145</u>	<u>\$ 433,044</u>	<u>\$ 11,052</u>	<u>\$ 3,267</u>	<u>\$ 4,388</u>	<u>\$ 1,801,219</u>

See accompanying independent auditors' report.

Permanent Funds

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

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2010

	Cemetery Trusts	Spofford Indigent Fund	Gardiner High School Fund	Spofford Grammar School Fund	Ministerial Fund	G. Weirich Scholarship Fund	Colonoscopy Fund	Totals
ASSETS								
Investments	\$ 17,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,897
Due from other funds	31,956	68,481	-	-	6,569	-	504	107,510
Total assets	<u>\$ 49,853</u>	<u>\$ 68,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,569</u>	<u>\$ -</u>	<u>\$ 504</u>	<u>\$ 125,407</u>
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY								
Fund balance:								
Reserved for endowments	21,097	39,826	-	-	2,300	-	503	63,726
Unreserved:								
Designated for subsequent years' expenditures	28,756	28,655	-	-	4,269	-	1	61,681
Total fund equity	<u>49,853</u>	<u>68,481</u>	<u>-</u>	<u>-</u>	<u>6,569</u>	<u>-</u>	<u>504</u>	<u>125,407</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 49,853</u>	<u>\$ 68,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,569</u>	<u>\$ -</u>	<u>\$ 504</u>	<u>\$ 125,407</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Cemetery Trusts	Spofford Indigent Fund	Gardiner High School Fund	Spofford Grammar School Fund	Ministerial Fund	G. Weirich Scholarship Fund	Colonoscopy Fund	Totals
REVENUES								
Interest	\$ 2,472	\$ 2,025	\$ -	\$ -	\$ 183	\$ -	\$ 1	\$ 4,681
Donations	-	-	-	-	-	-	503	503
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>2,472</u>	<u>2,025</u>	<u>-</u>	<u>-</u>	<u>183</u>	<u>-</u>	<u>504</u>	<u>5,184</u>
EXPENSES								
Other	14,116	-	-	-	-	-	-	14,116
TOTAL EXPENSES	<u>14,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,116</u>
EXCESS (DEFICIENCY) OF								
REVENUES OVER EXPENDITURES	<u>(11,644)</u>	<u>2,025</u>	<u>-</u>	<u>-</u>	<u>183</u>	<u>-</u>	<u>504</u>	<u>(8,932)</u>
OTHER FINANCING SOURCES (USES)								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	-	(4,500)	-	-	-	-	-	(4,500)
Transfers to RSU #25	-	-	(10,002)	(4,133)	-	(4,880)	-	(19,015)
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>(4,500)</u>	<u>(10,002)</u>	<u>(4,133)</u>	<u>-</u>	<u>(4,880)</u>	<u>-</u>	<u>(23,515)</u>
NET CHANGE IN FUND BALANCES	(11,644)	(2,475)	(10,002)	(4,133)	183	(4,880)	504	(32,447)
FUND BALANCES - JULY 1	<u>61,497</u>	<u>70,956</u>	<u>10,002</u>	<u>4,133</u>	<u>6,386</u>	<u>4,880</u>	<u>-</u>	<u>157,854</u>
FUND BALANCES - JUNE 30	<u>\$ 49,853</u>	<u>\$ 68,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,569</u>	<u>\$ -</u>	<u>\$ 504</u>	<u>\$ 125,407</u>

See accompanying independent auditors' report.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2010

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General government	\$ 47,948	\$ 393,100	\$ 84,284	\$ -	\$ 525,332
Protection	37,692	1,934,533	1,607,673	-	3,579,898
Public works	107,215	1,188,789	1,346,815	7,212,217	9,855,036
Health and sanitation	14,000	275,260	164,576	-	453,836
Education	-	-	-	-	-
Recreation	43,600	715,757	103,326	1,405,450	2,268,133
Town-wide	1,413,908	192,990	-	1,194,462	2,801,360
Sewer fund	681,791	5,252,059	142,602	5,626,045	11,702,497
Total General Capital Assets	2,346,154	9,952,488	3,449,276	15,438,174	31,186,092
Less: Accumulated Depreciation	-	(4,456,966)	(2,133,426)	(8,496,444)	(15,086,836)
Net General Capital Assets	\$ 2,346,154	\$ 5,495,522	\$ 1,315,850	\$ 6,941,730	\$ 16,099,256

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2010

	General Capital Assets 7/1/09	Additions	Deletions	General Capital Assets 6/30/10
General government	\$ 521,184	\$ 4,148		\$ 525,332
Protection	3,484,901	116,044	(21,047)	3,579,898
Public works	9,545,085	354,633	(44,682)	9,855,036
Health and sanitation	453,836	-	-	453,836
Education	43,806,281	-	(43,806,281)	-
Recreation	2,157,943	283,374	(173,184)	2,268,133
Town-wide	2,777,706	306,445	(282,791)	2,801,360
Sewer fund	11,402,189	477,989	(177,681)	11,702,497
Total General Capital Assets	74,149,125	1,542,633	(44,505,666)	31,186,092
Less: Accumulated Depreciation	<u>(35,079,571)</u>	<u>(986,357)</u>	<u>20,979,092</u>	<u>(15,086,836)</u>
Net General Capital Assets	<u>\$ 39,069,554</u>	<u>\$ 556,276</u>	<u>\$ (23,526,574)</u>	<u>\$ 16,099,256</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through the State of Maine -			
Rural Economic and Community Development			
Water and Waste Disposal Systems for Rural			
Rural Communities			
	10.418	Loan	\$ 59,129
Water and Waste Disposal Systems for Rural			
Rural Communities			
	10.418	N/A	110,964
Department of Health and Human Services			
Food Stamp Program			
	10.561	CDC-10-372	<u>10,880</u>
Total U.S. Department of Agriculture			<u>180,973</u>
U.S. Department of Housing and Urban Development			
Passed Through the State of Maine - Department			
of Economic and Community Development			
Small Cities Community Block Grant - Community			
Enterprise			
	14.228	N/A	96,549
Small Cities Community Block Grant - Housing			
Assistance Grant			
	14.228	N/A	238,871
Small Cities Community Block Grant - Technical			
Assistance Grant			
	14.228	N/A	<u>28,000</u>
Total U.S. Department of Housing and Urban Development			<u>363,420</u>
U.S. Department of Justice			
Direct Program - Office of Justice Programs' Bureau			
of Justice Assistance			
Recovery Act: Edward Byrne Memorial Justice			
Assistance Grant			
	16.804	2009-SB-B9-1687	<u>34,524</u>
Total U.S. Department of Justice			<u>34,524</u>

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures
U.S. Department of Health and Human Services Passed Through the State of Maine - Department of Health and Human Services SAMSHA - Strategic Prevention Framework- State Incentive Grant	93.243	CDC-10-372	18,107 <u>18,107</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	CDC-10-751	4,532 <u>4,532</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SA3-09-139	11,573 <u>11,573</u>
Total U.S. Department of Health and Human Services			<u>34,212</u>
U.S. Department of Homeland Security Passed Through Maine Emergency Management Agency in the Department of Defense, Veterans and Emergency Management Assistance to Firefighters Grant	97.044	EMW-2008-FO-11135	43,216
Homeland Security Grant Program	97.067	2007-GE-T7-0055	42,166 <u>42,166</u>
Total U.S. Department of Homeland Security			<u>85,382</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 698,511</u>

TOWN OF BUCKSPORT, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of the Town of Bucksport, Maine. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. Major Programs - Federal

The following programs were considered major programs as defined by OMB Circular A-133 and also Type B programs as defined by Circular A-133.

Program	CFDA #
Small Cities Community Block Grants	14.228



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

November 18, 2010

Town Council
Town of Bucksport
Bucksport, Maine

We have audited the financial statements of the Town of Bucksport, Maine, as of and for the year ended June 30, 2010, and have issued our report thereon dated November 18, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Bucksport, Maine's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bucksport, Maine's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not necessarily designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bucksport, Maine's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Town Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Certified Public Accountants



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

November 18, 2010

Town Council
Town of Bucksport
Bucksport, Maine

Compliance

We have audited the compliance of the Town of Bucksport, Maine, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. The Town of Bucksport, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Bucksport, Maine's management. Our responsibility is to express an opinion on the Town of Bucksport, Maine's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Bucksport, Maine's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Bucksport, Maine's compliance with those requirements.

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In our opinion, the Town of Bucksport, Maine complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the Town of Bucksport, Maine is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Bucksport, Maine's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133,, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Bucksport, Maine's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material with a type of compliance requirement of a federal program will not be prevented or detected and correct, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Town Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Certified Public Accountants

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2010

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued : Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted yes no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported
In accordance with section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.228	Small Cities Block Grants

Dollar threshold used to distinguish between type A and B: \$300,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None