

Audited Financial Statements

Town of Bucksport, Maine

June 30, 2007



Proven Expertise and Integrity

TOWN OF BUCKSPORT, MAINE

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JUNE 30, 2007

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INDEPENDENT AUDITORS' REPORT

July 24, 2007

Town Council
Town of Bucksport
Bucksport, Maine

We have audited the accompanying financial statements of the governmental 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, 2007, 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 and Maine Uniform Accounting and Auditing Practices for Community Agencies. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Bucksport, Maine as of June 30, 2007, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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The management's discussion and analysis and budgetary comparison information on pages 3 through 9 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.

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our 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, 2007. Please read it in conjunction with the Town's financial statements.

Brief Discussion of the Basic Financial Statements

Using This Annual Report

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

Reporting the Town as a Whole

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

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

In the Statement of Net Assets and the Statement of Activities, we divide the Town into three kinds of activities:

- Governmental activities - Most of the Town's basic services are reported here, including police, fire, public works and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

- Business-type activities – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town’s sewer fund is reported here.
- Fiduciary activities – These are assets held by the Town in a trustee capacity, or as an agent for individuals, private organizations, other governments, and other funds.

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins on page 10. The fund financial statements begin on page 13 and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Council may establish many other funds to help them control and manage money for particular purposes (like the Highway Equipment Reserve) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the Department of Education).

The Town’s two kinds of funds – governmental and proprietary – use different accounting approaches.

- *Governmental funds* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in reconciliation at the bottom of the fund financial statements.
- *Proprietary funds* – When the Town charges customers for the services it provides – whether to outside customers or to other units of the Town – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Town’s enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows for proprietary funds.

The Town as Trustee

The Town is the trustee, or *fiduciary*, for its students' activity funds. These fiduciary activities are reported in separate Statements of Fiduciary Net Assets on page 20. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Condensed Financial Information

The Town as a Whole

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activities. The Town's total net assets increased by \$625,083 from \$37.61 million to \$38.23 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 - decreased by \$14,484 from \$6,302,979 to a balance of \$6,288,495 at the end of this year.

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

	<u>Governmental Activities</u>		<u>Business-Type Activites</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 13,545,420	\$ 10,098,218	\$ 404,785	\$ 402,017
Capital Assets	31,354,942	32,273,896	4,873,692	4,527,897
Total Assets	<u>\$ 44,900,362</u>	<u>\$ 42,372,114</u>	<u>\$ 5,278,477</u>	<u>\$ 4,929,914</u>
Liabilities:				
Current Liabilities	\$ 3,588,728	\$ 1,241,259	\$ 648,794	\$ 68,062
Long-term Debt Outstanding	7,555,886	8,168,576	153,391	217,174
Total Liabilities	<u>\$ 11,144,614</u>	<u>\$ 9,409,835</u>	<u>\$ 802,185</u>	<u>\$ 285,236</u>
Net Assets:				
Invested in Capital Assets, Net of related Debt	\$ 23,280,556	\$ 23,452,799	\$ 4,077,228	\$ 3,932,860
Restricted: General Fund	2,310,514	2,039,558	-	-
Special Revenue Funds	812,789	579,351	-	-
Capital Project Funds	1,291,837	1,129,793	-	-
Permanent Funds	170,621	169,617	-	-
Other Net Assets	<u>5,889,431</u>	<u>5,591,161</u>	<u>399,064</u>	<u>711,818</u>
Total Net Assets	<u>\$ 33,755,748</u>	<u>\$ 32,962,279</u>	<u>\$ 4,476,292</u>	<u>\$ 4,644,678</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 5.08%, while total expenses increased by 13.44%. Property tax revenue increased by 8.83%.

Table 2
Town of Bucksport, Maine
Change in Net Assets
For Year Ending June 30,

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenue				
Taxes	\$ 10,060,145	\$ 9,244,314	\$ -	\$ -
Intergovernmental	6,369,514	7,911,337	34,467	15,413
Charges for services	2,951,266	2,756,038	367,934	372,094
Miscellaneous	764,161	429,056	13,520	9,138
Transfers from other funds	1,228,359	-	15,412	-
Total Revenue	<u>21,373,445</u>	<u>20,340,745</u>	<u>431,333</u>	<u>396,645</u>
Expenses				
General government	1,219,500	1,054,556	-	-
Protection	1,278,787	1,377,935	-	-
Public works	1,009,761	773,958	-	-
Health and sanitation	391,294	481,780	-	-
Community and social agencies	54,879	7,079	-	-
Education	12,076,413	12,270,727	-	-
Recreation	221,937	227,328	-	-
Cemeteries	7,893	4,120	-	-
Tax increment financing agreement	1,068,945	-	-	-
Debt service	428,133	902,796	-	-
County tax	271,757	298,391	-	-
Capital outlay	-	327,350	-	-
Sewer fund	-	-	559,288	464,864
Unallocated depreciation	404,313	404,313	-	-
Unclassified	943,024	11,709	-	-
Transfers to other funds	1,203,340	-	40,431	-
Total Expenses	<u>20,579,976</u>	<u>18,142,042</u>	<u>599,719</u>	<u>464,864</u>
Change in Net Assets	793,469	2,198,703	(168,386)	(68,219)
Net Assets - July 1	<u>32,962,279</u>	<u>30,763,576</u>	<u>4,644,678</u>	<u>4,712,897</u>
Net Assets - June 30	<u>\$ 33,755,748</u>	<u>\$ 32,962,279</u>	<u>\$ 4,476,292</u>	<u>\$ 4,644,678</u>

The cost of all governmental activities this year was \$19.38 million compared to \$18.14 million last year, an increase of \$1.23 million or 6.81%.

Analysis of Balances and Transactions of Individual Funds

Table 3
Town of Bucksport, Maine
Net Cost of Services
June 30,

	Total Cost of Services	Total Revenue	Net Cost of Services
General Government	\$ 1,219,500	\$ 84,841	\$ 1,134,659
Protection	1,278,787	274,285	1,004,502
Public works	1,009,761	73,772	935,989
Education	12,076,413	6,232,087	5,844,326
Tax increment financing agreement	1,068,945	-	1,068,945
Other	2,723,230	320,501	2,402,729
Totals	\$ 19,376,636	\$ 6,985,486	\$ 12,391,150

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2007, the net book value of capital assets recorded by the Town decreased by \$573,159 over the prior year. The decrease is the result of current year depreciation \$1,598,436 less capital additions of \$1,025,277.

Table 4
Town of Bucksport, Maine
Capital Assets 6/30/07
(Net of Depreciation)

	2007	2006
Land	\$ 1,839,890	\$ 1,839,890
Construction in progress	694,938	64,448
Buildings and improvements	25,241,934	26,106,579
Furniture and fixtures	751,353	851,228
Equipment	396,432	327,774
Vehicles	849,768	895,650
Infrastructure	6,454,319	6,716,224
Total	\$ 36,228,634	\$ 36,801,793

Debt

At June 30, 2007, the Town had \$8.3 million in bonds outstanding versus \$9.1 million last year, a decrease of 8.88%, as shown in Note 6 of the financial statements.

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 six consecutive general fund surpluses. The unreserved general fund balance increased to \$8.13 million for the year ended June 30, 2007 from \$7.13 million for the same period in 2006 or a 14.01% increase. Fiscal 2008 budget expectations continue to support operational and program needs within LD-1 tax limitations together with continued local economic growth and development. Property taxes will remain the largest source of revenue for the Town comprising approximately 47% of revenues. Operating expenses are projected to increase approximately 6.40% over costs incurred in fiscal 2007. The Town's mil rate will remain stable for the coming year at 13.8%.

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 Mill), 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 48% 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 2007 and 2006 of \$2.25 million and \$1.77 million, respectively (applied retrospectively). The policy also includes a provision for the suggested utilization of excess funds on future capital improvements and/or accelerated payment of debt service.

The projected near-term financial outlook for Bucksport is stable, consistent with its recent financial results and the current level of the unreserved fund balance. Future financial stability for the Town will likely depend on several key factors: sustainable long-term financial health of the mill, regional economic development, and manageable capital project financing.

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, 2007

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 10,832,092	\$ -	\$ 10,832,092
Investments	136,509	-	136,509
Accounts receivable (net allowance for uncollectibles):			
Taxes	2,223	-	2,223
Liens	179,582	-	179,582
Other	509,990	119,342	629,332
Inventory	9,649	-	9,649
Prepaid items	43,172	-	43,172
Due from other funds	1,832,203	285,443	2,117,646
Total current assets	<u>13,545,420</u>	<u>404,785</u>	<u>13,950,205</u>
Noncurrent assets:			
Capital assets:			
Land, infrastructure, and other assets not being depreciated	1,587,690	947,138	2,534,828
Buildings and vehicles net of accumulated depreciation	29,767,252	3,926,554	33,693,806
Total noncurrent assets	<u>31,354,942</u>	<u>4,873,692</u>	<u>36,228,634</u>
TOTAL ASSETS	<u><u>\$ 44,900,362</u></u>	<u><u>\$ 5,278,477</u></u>	<u><u>\$ 50,178,839</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 138,671	\$ 5,721	\$ 144,392
Accrued payroll	590,439	-	590,439
Other accrued payables	5,750	-	5,750
Due to other funds	2,117,646	-	2,117,646
Prepaid taxes	761	-	761
Short-term note payable	-	579,287	579,287
Current portion of long-term obligations	735,461	63,786	799,247
Total current liabilities	<u>3,588,728</u>	<u>648,794</u>	<u>4,237,522</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations:			
Bonds payable	7,338,925	153,391	7,492,316
Accrued compensated absences	216,961	-	216,961
Total noncurrent liabilities	<u>7,555,886</u>	<u>153,391</u>	<u>7,709,277</u>
TOTAL LIABILITIES	<u>11,144,614</u>	<u>802,185</u>	<u>11,946,799</u>
NET ASSETS			
Invested in capital assets, net of related debt	23,280,556	4,077,228	27,357,784
Restricted	4,585,761	-	4,585,761
Unrestricted	5,889,431	399,064	6,288,495
TOTAL NET ASSETS	<u>33,755,748</u>	<u>4,476,292</u>	<u>38,232,040</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 44,900,362</u></u>	<u><u>\$ 5,278,477</u></u>	<u><u>\$ 50,178,839</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, 2007

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	\$ 1,219,500	\$ 84,841	\$ -	\$ -	\$ (1,134,659)	\$ -	\$ (1,134,659)
Protection	1,278,787	214,401	59,884	-	(1,004,502)	-	(1,004,502)
Public works	1,009,761	-	73,772	-	(935,989)	-	(935,989)
Health and sanitation	391,294	203,988	69,609	-	(117,697)	-	(117,697)
Community and social agencies	54,879	-	-	-	(54,879)	-	(54,879)
Education	12,076,413	2,408,843	3,823,244	-	(5,844,326)	-	(5,844,326)
Recreation	221,937	39,193	7,711	-	(175,033)	-	(175,033)
Cemeteries	7,893	-	-	-	(7,893)	-	(7,893)
Tax increment financing agreement	1,068,945	-	-	-	(1,068,945)	-	(1,068,945)
Debt service:							
Interest on long-term debt	428,133	-	-	-	(428,133)	-	(428,133)
County tax	271,757	-	-	-	(271,757)	-	(271,757)
Capital outlay	-	-	-	-	-	-	-
Unallocated depreciation	404,313	-	-	-	(404,313)	-	(404,313)
Unclassified	943,024	-	-	-	(943,024)	-	(943,024)
Total governmental activities	<u>19,376,636</u>	<u>2,951,266</u>	<u>4,034,220</u>	<u>-</u>	<u>(12,391,150)</u>	<u>-</u>	<u>(12,391,150)</u>
Business-type activities:							
Sewer fund	<u>559,288</u>	<u>367,934</u>	<u>34,467</u>	<u>-</u>	<u>-</u>	<u>(156,887)</u>	<u>(156,887)</u>
Total business-type activities	<u>559,288</u>	<u>367,934</u>	<u>34,467</u>	<u>-</u>	<u>-</u>	<u>(156,887)</u>	<u>(156,887)</u>
Total government and business	<u>19,935,924</u>	<u>3,319,200</u>	<u>4,068,687</u>	<u>-</u>	<u>(12,391,150)</u>	<u>(156,887)</u>	<u>(12,548,037)</u>

STATEMENT B (CONTINUED)

TOWN OF BUCKSPORT, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Changes in net assets:			
Net (expense) revenue	<u>(12,391,150)</u>	<u>(156,887)</u>	<u>(12,548,037)</u>
General revenue:			
Taxes			
Property taxes, levied for general purposes	9,338,520	-	9,338,520
Excise taxes, levied for general purposes	721,625	-	721,625
Grants and contributions not restricted to specific programs	2,335,294	-	2,335,294
Miscellaneous	764,161	13,520	777,681
Transfers - internal activity	25,019	(25,019)	-
Total general revenue and transfers	<u>13,184,619</u>	<u>(11,499)</u>	<u>13,173,120</u>
Change in net assets	<u>793,469</u>	<u>(168,386)</u>	<u>625,083</u>
NET ASSETS - JULY 1, 2006	16,323,323	3,028,150	19,351,473
PRIOR PERIOD ADJUSTMENT	<u>16,638,956</u>	<u>1,616,528</u>	<u>18,255,484</u>
NET ASSETS - JULY 1, 2006, RESTATED	<u>32,962,279</u>	<u>4,644,678</u>	<u>37,606,957</u>
NET ASSETS - JUNE 30, 2007	<u>\$ 33,755,748</u>	<u>\$ 4,476,292</u>	<u>\$ 38,232,040</u>

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

TOWN OF BUCKSPORT, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2007

	General Fund	All Nonmajor Funds	Total
ASSETS			
Cash	\$ 10,659,412	\$ 172,680	\$ 10,832,092
Investments	93,002	43,507	136,509
Receivables (net of allowance for uncollectibles):			
Taxes	2,223	-	2,223
Liens	179,582	-	179,582
Other	242,793	267,197	509,990
Inventory	4,642	5,007	9,649
Prepaid items	43,172	-	43,172
Due from other funds	-	1,832,203	1,832,203
TOTAL ASSETS	\$ 11,224,826	\$ 2,320,594	\$ 13,545,420
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 138,671	\$ -	\$ 138,671
Accrued payroll	588,604	1,835	590,439
Other accrued payables	5,750	-	5,750
Due to other funds	2,025,463	92,183	2,117,646
Deferred tax revenues	114,965	-	114,965
Prepaid taxes	761	-	761
TOTAL LIABILITIES	2,874,214	94,018	2,968,232
Fund Equity			
Reserved for endowments	-	71,162	71,162
Unreserved, reported in:			
General Fund:			
Designated	2,195,549	-	2,195,549
Undesignated	6,155,063	-	6,155,063
Special Revenue Fund:			
Designated	-	812,789	812,789
Undesignated	-	(48,671)	(48,671)
Capital Project funds	-	1,291,837	1,291,837
Permanent funds	-	99,459	99,459
TOTAL FUND EQUITY	8,350,612	2,226,576	10,577,188
TOTAL LIABILITIES AND FUND EQUITY	\$ 11,224,826	\$ 2,320,594	\$ 13,545,420

STATEMENT C (CONTINUED)

TOWN OF BUCKSPORT, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2007

	Total Governmental Funds
Total Fund Equity	\$ 10,577,188
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	31,354,942
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	114,965
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(8,074,386)
Accrued compensated absences	(216,961)
	\$ 33,755,748
Net assets of governmental activities	\$ 33,755,748

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, 2007

	General Fund	All Nonmajor Funds	Totals Governmental Funds
REVENUES			
Taxes	\$ 9,395,857	\$ -	\$ 9,395,857
Excise taxes	721,625	-	721,625
Intergovernmental	4,658,309	1,711,205	6,369,514
Charges for services	2,774,661	176,605	2,951,266
Miscellaneous revenues	566,934	197,227	764,161
TOTAL REVENUES	18,117,386	2,085,037	20,202,423
EXPENDITURES			
Current:			
General government	1,103,313	-	1,103,313
Protection	1,129,173	-	1,129,173
Public works	807,899	-	807,899
Health and sanitation	373,317	-	373,317
Community and social agencies	54,879	-	54,879
Education	10,177,983	1,383,441	11,561,424
Recreation	184,742	-	184,742
Cemeteries	4,120	3,773	7,893
Tax Increment Financing Agreement	1,068,945	-	1,068,945
Debt service:			
Principal	746,711	-	746,711
Interest	428,133	-	428,133
County tax	271,757	-	271,757
Capital outlay	-	394,787	394,787
Unclassified	88,368	854,656	943,024
TOTAL EXPENDITURES	16,439,340	2,636,657	19,075,997
EXCESS REVENUES OVER (UNDER) EXPENDITURES	1,678,046	(551,620)	1,126,426
OTHER FINANCING SOURCES			
Transfers in	49,690	1,178,669	1,228,359
Transfers out	(924,106)	(279,234)	(1,203,340)
TOTAL OTHER FINANCING SOURCES (USES)	(874,416)	899,435	25,019
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	803,630	347,815	1,151,445
FUND BALANCES - JULY 1	7,588,060	2,442,666	10,030,726
PRIOR PERIOD ADJUSTMENT	(41,078)	(563,905)	(604,983)
FUND BALANCES - JULY 1, RESTATED	7,546,982	1,878,761	9,425,743
FUND BALANCES - JUNE 30	\$ 8,350,612	\$ 2,226,576	\$ 10,577,188

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, 2007

Net change in fund balances - total governmental funds (Statement D)	<u>\$ 1,151,445</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	394,787
Depreciation expense	<u>(1,313,741)</u>
	<u>(918,954)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>(57,337)</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>746,711</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>(128,396)</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 793,469</u></u>

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

TOWN OF BUCKSPORT, MAINE

BALANCE SHEET – ENTERPRISE FUNDS
JUNE 30, 2007

	<u>Sewer Fund</u>
ASSETS	
Current assets:	
Accounts receivable (net allowance for uncollectibles)	\$ 119,342
Due from other funds	<u>285,443</u>
Total current assets	<u>404,785</u>
Capital assets:	
Construction in progress	694,938
Land	252,200
Buildings	2,166,370
Infrastructure	6,240,929
Equipment	183,262
Vehicles	<u>71,388</u>
Total capital assets	9,609,087
Less: accumulated depreciation	<u>(4,735,395)</u>
Net capital assets	<u>4,873,692</u>
TOTAL ASSETS	<u><u>\$ 5,278,477</u></u>
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accrued interest	\$ 5,721
Short-term note payable	579,287
Current portion of long-term liabilities	<u>63,786</u>
Total current liabilities	<u>648,794</u>
Long-term liabilities:	
Bonds payable, net of current portion	<u>153,391</u>
Total long-term liabilities	<u>153,391</u>
Total liabilities	<u>802,185</u>
NET ASSETS	
Invested in capital assets, net of related debt	4,077,228
Unrestricted	<u>399,064</u>
TOTAL NET ASSETS	<u>4,476,292</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,278,477</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
 ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Sewer Fund</u>
OPERATING REVENUES	
Intergovernmental revenue	\$ 34,467
Charges for services	367,934
Other	365
TOTAL OPERATING REVENUES	<u>402,766</u>
OPERATING EXPENSES	
Payroll	135,104
Supplies	50,563
Equipment	21,108
Utilities	37,696
Depreciation	284,695
Other	19,488
TOTAL OPERATING EXPENSES	<u>548,654</u>
OPERATING (LOSS)	<u>(145,888)</u>
NON-OPERATING INCOME (EXPENSE)	
Interest income	13,155
Interest expense	(10,634)
Transfers in	15,412
Transfers out	(40,431)
TOTAL NON-OPERATING (EXPENSE)	<u>(22,498)</u>
EXCESS OF OPERATING (LOSS) OVER NON-OPERATING (EXPENSE)	<u>(168,386)</u>
NET ASSETS - JULY 1	3,028,150
PRIOR PERIOD ADJUSTMENT	<u>1,616,528</u>
NET ASSETS - JULY 1, RESTATED	<u>4,644,678</u>
NET ASSETS - JUNE 30	<u><u>\$ 4,476,292</u></u>

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

TOWN OF BUCKSPORT, MAINE

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 338,478
Intergovernmental receipts	34,467
Internal activity - receipts (payments) from/to other funds	27,051
Payments to suppliers and employees	(263,959)
Net cash provided by operating activities	<u>136,037</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	13,155
Net cash provided by investing activities	<u>13,155</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Increase in construction in progress	(630,489)
Transfer to reserve fund	(40,431)
Transfer from general fund for bonds payable	15,412
Principal payments on bonds payable	(61,212)
Interest payments on bonds payable	(11,759)
Proceeds from short-term note payable	579,287
Net cash used by capital and related financing activities	<u>(149,192)</u>
NET CHANGE IN CASH	-
CASH - JULY 1	<u>-</u>
CASH - JUNE 30	<u>\$ -</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating (loss)	\$ (145,888)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	284,695
Changes in operating assets and liabilities:	
Decrease in accounts receivable	(29,821)
Decrease in due from other funds	27,051
NET CASH PROVIDED BY ACTIVITIES	<u>\$ 136,037</u>

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

TOWN OF BUCKSPORT, MAINE

STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2007

	Student Activity Funds
ASSETS	
Current assets:	
Cash	\$ 94,139
TOTAL ASSETS	<u>\$ 94,139</u>
LIABILITIES	
Deposits held for others	\$ 94,139
TOTAL LIABILITIES	<u>94,139</u>
NET ASSETS	
Held in trust for special purposes	
TOTAL NET ASSETS	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 94,139</u>

See accompanying independent auditors' report and notes to financial statements

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 more significant accounting policies established in GAAP and used by the Town are discussed below.

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

The financial statements include:

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

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

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

Principles Determining Scope of Reporting Entity

The financial statements of the Town consist only of the funds of the Town of Bucksport, Maine.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements - Government-Wide Statements

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

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, public works, 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.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

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

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

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements - Fund Financial Statements

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

The following fund 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.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- d. Permanent Funds are used to account for assets held by the Town 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.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor 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.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the enterprise funds consider all purchased government securities to be held on to for three months or less when purchased, to be cash equivalents.

Investments

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 Statues 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

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The special revenue fund inventory consists of school lunch supplies and food on hand at the end of the year, valued at cost.

Revenue Recognition – Property Taxes – Modified Accrual Basis

The Town's property tax for the current year was levied on July 7, 2006, on the assessed value listed as of April 1, 2006, for all taxable real and personal property located in the Town. Taxes were due in two installments on August 31, 2006 and March 31, 2007. Interest on unpaid taxes commenced on September 1, 2006 and April 1, 2007, at 11.0% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$196,077 for the year ended June 30, 2007.

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.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end unless designated as carry forwards by the Town Council. The Town of Bucksport's General Fund does not utilize encumbrance accounting, therefore, reservation of fund balance is not provided for at June 30, 2007. Accordingly, no difference exists between actual results and the applicable budgetary data presented in the accompanying combined financial statements.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

The Town of Bucksport'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 prepared 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 inhabitants of the Town of Bucksport was then called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

The Town does not adopt budgets for Special Revenue Funds although many of the funds have been established to manage grant activity which must adhere to the restrictions and/or budgets within the grant agreements.

NOTE 2 - CAPITAL ASSETS

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

In 2002, the Town undertook a program to record its investment property, plant and equipment. An inventory of all existing assets with a useful life of more than five years and a value of greater than \$5,000 was taken. The assets were valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets were valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2 - CAPITAL ASSETS (CONTINUED)

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

The following is a summary of changes in capital assets at June 30, 2007:

	Balance, 7/1/06	Additions	Disposals	Balance, 6/30/07
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 1,587,690	\$ -	\$ -	\$ 1,587,690
	<u>1,587,690</u>	<u>-</u>	<u>-</u>	<u>1,587,690</u>
Depreciated assets:				
Buildings	39,365,294	-	-	39,365,294
Buildings and improvements	3,772,208	-	-	3,772,208
Furniture and fixtures	3,530,722	-	-	3,530,722
Equipment	701,855	167,549	-	869,404
Vehicles	1,754,601	79,000	-	1,833,601
Infrastructure	7,383,936	148,238	-	7,532,174
	56,508,616	394,787	-	56,903,403
Less: accumulated depreciation	(25,822,410)	(1,313,741)	-	(27,136,151)
	<u>30,686,206</u>	<u>(918,954)</u>	<u>-</u>	<u>29,767,252</u>
Net governmental capital assets	<u>\$ 32,273,896</u>	<u>\$ (918,954)</u>	<u>\$ -</u>	<u>\$ 31,354,942</u>
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 252,200	\$ -	\$ -	\$ 252,200
Construction in progress	64,448	630,490	-	694,938
	<u>316,648</u>	<u>630,490</u>	<u>-</u>	<u>947,138</u>
Depreciated assets:				
Buildings	2,166,370	-	-	2,166,370
Equipment	183,262	-	-	183,262
Vehicles	71,388	-	-	71,388
Infrastructure	6,240,929	-	-	6,240,929
	8,661,949	-	-	8,661,949
Less: accumulated depreciation	(4,450,700)	(284,695)	-	(4,735,395)
	<u>4,211,249</u>	<u>(284,695)</u>	<u>-</u>	<u>3,926,554</u>
Net capital assets	<u>\$ 4,527,897</u>	<u>\$ 345,795</u>	<u>\$ -</u>	<u>\$ 4,873,692</u>

TOWN OF BUCKSPORT, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2007

NOTE 2 - CAPITAL ASSETS (CONTINUED)

General government	\$ 26,529
Protection	149,614
Public works	201,862
Health and sanitation	17,977
Education	476,251
Recreation	37,195
Town-wide	404,313
	1,313,741
Sewer Fund	284,695
Total depreciation expense	\$ 1,598,436

NOTE 3 - 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, 2007, the Town's cash balance of \$10,926,231 was comprised of deposits amounting to \$11,086,243. Of these deposits, \$300,000 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$9,780,011 which was collateralized with securities, and \$1,006,231 that was in excess of federal depository insurance and collateralization, and therefore, not insured or collateralized. However, the excess falls well within the Town's investment policy, which 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.

At December 31, 2007, the Town's investments of \$136,509 were comprised of \$43,507 of stocks that are held in the Town's name and consequently are not exposed to custodial credit risk and \$93,002 of repurchase agreements which are collateralized with securities held by the financial institution but not in the Town's name.

TOWN OF BUCKSPORT, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2007

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

NOTE 4 - ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for uncollectible accounts for the ambulance receivables was estimated to be \$33,782 at June 30, 2007.

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2007 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General Fund	\$ -	\$ 2,025,463
Special Revenue Funds	413,252	92,183
Capital Project Funds	1,291,837	-
Permanent Funds	127,114	-
Enterprise Funds	285,443	-
	\$ 2,117,646	\$ 2,117,646

NOTE 6 – SHORT-TERM DEBT

On June 6, 2007, the Town entered into a short-term loan agreement under the Clean Water Revolving Loan Fund for improvements in the Town's Sewer Fund. The maximum amount that can be drawn down on this loan is \$2,240,000. Interest is payable at a rate of 3%. Maturity is the sooner of twelve months from the date of issuance or upon receipt of the proceeds from a bond issue. The balance outstanding as of June 30, 2007 was \$579,287.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7 – LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2007:

	Balance, 7/1/06	Additions	Deletions	Balance, 6/30/07
Bonds payable	\$ 9,099,486	\$ -	\$ (807,923)	\$ 8,291,563
Accrued compensated absences	88,565	128,396	-	216,961
Totals	<u>\$ 9,188,051</u>	<u>\$ 128,396</u>	<u>\$ (807,923)</u>	<u>\$ 8,508,524</u>

The following is a summary of outstanding bonds payable:

\$4,460,200, 1990 General Obligation Bonds due in annual principal payments of \$220,000, through April of 2010. Interest is charged at a rate varying from 6.875% to 7.20% per annum.	\$ 660,000
\$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.	833,000
\$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>6,581,386</u>
Total governmental activity debt	<u>8,074,386</u>
\$220,813, 2002 General Obligation Bonds due in varying annual principal payments of \$33,879 to \$40,111, through November of 2008. Interest is charged at a rate varying from 3.009% to 3.759% per annum.	78,745
\$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.	<u>138,432</u>
	<u>217,177</u>
Total Long-Term Debt	<u>\$ 8,291,563</u>

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7 – LONG TERM DEBT (CONTINUED)

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>
2008	\$ 799,247	\$ 395,439	\$ 1,194,686
2009	801,981	357,358	1,159,339
2010	763,191	318,974	1,082,165
2011	544,577	280,768	825,345
2012	545,486	257,536	803,022
2013-2017	2,369,059	927,585	3,296,644
2018-2022	2,056,685	377,299	2,433,984
2023-2027	411,337	10,797	422,134
	<u>\$ 8,291,563</u>	<u>\$ 2,925,756</u>	<u>\$ 11,217,319</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.

NOTE 8 – RESTRICTED NET ASSETS

The following net assets have been restricted at June 30, 2007 for the following purposes:

Restricted taxes for future expenditures	\$ 114,965
Restricted for general fund designated balances	2,195,549
Restricted for endowments	71,162
Restricted for special revenue funds	812,789
Restricted for capital project funds	1,291,837
Restricted for permanent funds	99,459
	<u>\$ 4,585,761</u>

TOWN OF BUCKSPORT, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2007

NOTE 9 – GENERAL FUND DESIGNATED FUND EQUITY

At June 30, 2007, the general fund designated fund balance was made up of the following account balances carried forward into the subsequent year’s budget:

Solid waste	\$	19,629
Education		1,723,047
Tax increment financing agreement		162,699
Highway block grant		4,308
State revenue sharing		285,866
		\$ 2,195,549

NOTE 10 – 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. The Town’s contributions to the plan for the year ended June 30, 2007 were \$6,572.

All school teachers, plus other qualified educators, participate in the Maine State Retirement System’s teacher group. The system is an agent multiple-employer public retirement system. The Bucksport School Department is a non-contributing unit, with the exception of school employees who work on federally funded programs; therefore, all contributions to the plan are withheld from employees at 7.65% of gross wages and remitted to the plan monthly. The total of such withholdings was \$431,397 for the year ended June 30, 2007.

The school department’s payroll for employees covered by this group was approximately \$5,639,180 for the year ended June 30, 2007.

There is no contribution required by the School, except for federally funded teachers. For the year ended June 30, 2007, the Town contributed approximately \$87,195 for these federally funded employees. The funding status and progress for the System may be obtained by contacting the Maine State Retirement System.

TOWN OF BUCKSPORT, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2007

NOTE 11 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures:

	Excess
Veterans' memorial	\$ (3,670)
Transfers to special revenue funds	(10,790)
	\$ (14,460)

NOTE 12 – 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 13 – ECONOMIC DEPENDENCY

The Town has one taxpayer whose property tax assessment represents a significant portion of the Town's tax base. The Bucksport Paper Mill's assessed value is \$304,974,106, which is 46.31% of the Town's total assessed value of \$658,606,100. For the year ended June 30, 2007, the paper mill's property tax assessment was \$4,208,643.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 14 – RESTATEMENTS

The beginning fund balance in the general fund has been restated as of July 1, 2006 by a decrease of \$41,078. Eight Town funds in the amount of \$18,398 were reclassified as special revenue funds decreasing undesignated fund balance. Several general fund balances including inventory, accounts receivable and interfund balances were restated in the amount of \$167,084. The designated balance for education was overstated by the inclusion of special revenue funds in the amount of \$189,764.

Several of the individual special revenue fund beginning fund balances have been restated as of July 1, 2006. Several Town funds have been restated to remove unearned receivables in the amount of \$1,062,058. The RLF & Microloan fund beginning balance was restated by \$154,712. Deferred revenue in the amount of \$196,838 should have been recognized as revenue and \$42,126 of Housing Rehabilitation funds should have been shown as a capital project fund. The Unemployment Reserve fund was reclassified from a Private Purpose fund to a Special Revenue fund as of July 1 in the amount of \$62,755. Eight miscellaneous Town funds were reclassified from the General Fund in the amount of \$18,398. School grant funds were added to the financial statements in the amount of \$128,212. The School Lunch fund balance of \$61,552 was not recorded last year. The total special revenue beginning fund balance has been restated by \$636,429 from \$1,184,571 to \$548,142.

Several of the individual capital project fund beginning fund balances have been restated as of July 1, 2006 to correct for mispostings. The total fund beginning balance has been restated by \$41,315 from \$1,088,478 to \$1,129,793.

The beginning net asset balance in the Sewer Fund has been restated. Accounts receivable and construction in progress balances were not recorded on the financial statements and should have been while accrued compensated absences were recorded and should not have been as of June 30, 2006. Also, the capital asset amounts have all been adjusted to actual for prior mispostings. The addition of the accounts receivable balance of \$74,169, construction in progress of \$64,448, capital assets of \$1,472,018 and the removal of accrued compensated absences of \$5,893 all equal an increase to beginning net assets of \$1,616,528.

Required Supplementary Information

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

- Budgetary Comparison Schedule - General Fund

TOWN OF BUCKSPORT, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 7,546,982	\$ 7,546,982	\$ 7,546,982	\$ -
Resources (Inflows):				
Property taxes	9,305,189	9,305,189	9,395,857	90,668
Excise taxes	524,000	524,000	721,625	197,625
Intergovernmental	4,658,354	4,658,354	4,658,309	45
Charges for services	2,665,519	2,665,519	2,774,661	109,142
Interest on taxes	17,000	17,000	33,058	16,058
Interest income	130,000	130,000	442,839	312,839
Miscellaneous revenues	3,100	3,100	91,037	87,937
Transfers from other funds	4,500	4,500	49,690	45,190
Amounts Available for Appropriation	<u>24,854,644</u>	<u>24,854,644</u>	<u>25,714,058</u>	<u>859,504</u>
Charges to Appropriation (Outflows):				
Current:				
General government	1,153,994	1,153,994	1,103,313	50,681
Protection	1,193,838	1,193,838	1,129,173	64,665
Public works	841,070	841,070	807,899	33,171
Health and sanitation	445,777	445,777	373,317	72,460
Community and social agencies	55,390	55,390	54,879	511
Education	11,882,099	11,882,099	10,177,983	1,704,116
Recreation	221,883	221,883	184,742	37,141
Cemeteries	4,120	4,120	4,120	-
County tax	271,757	271,757	271,757	-
Tax Increment Financing Agreement	1,231,644	1,231,644	1,068,945	162,699
Debt service:				
Principal	746,711	746,711	746,711	-
Interest	407,967	407,967	428,133	(20,166)
Unclassified	262,578	262,578	88,368	174,210
Transfers to other funds	952,413	952,413	924,106	28,307
Total Charges to Appropriations	<u>19,671,241</u>	<u>19,671,241</u>	<u>17,363,446</u>	<u>2,307,795</u>
Budgetary Fund Balance, June 30	<u>\$ 5,183,403</u>	<u>\$ 5,183,403</u>	<u>\$ 8,350,612</u>	<u>\$ 3,167,209</u>
Utilization of Designated Fund Balance	\$ 2,058,114	\$ 2,058,114	\$ -	\$ (2,058,114)
Utilization of Undesignated Fund Balance	457,444	457,444	-	(457,444)
	<u>\$ 2,515,558</u>	<u>\$ 2,515,558</u>	<u>\$ -</u>	<u>\$ (2,515,558)</u>

See accompanying independent auditors' report.

Other Supplementary Information

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

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

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF REVENUES – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes	\$ 9,305,189	\$ 9,395,857	\$ 90,668
Excise taxes			
Auto excise	520,000	715,208	195,208
Boat excise	4,000	6,417	2,417
Intergovernmental revenues			
State revenue sharing	445,000	479,230	34,230
Homestead exemption	110,215	110,293	78
Local road assistance	69,464	73,772	4,308
Tree growth reimbursement	8,000	17,531	9,531
Veteran's reimbursement	3,000	2,442	(558)
General assistance reimbursement	5,000	3,343	(1,657)
Department subsidies	165,368	148,454	(16,914)
Education subsidy	3,730,493	3,730,493	-
Other education revenues	121,814	92,751	(29,063)
Charges for services			
Auto registration fees	15,000	19,178	4,178
Town clerk revenues	6,500	10,410	3,910
Planning board fees	560	4,175	3,615
Code enforcement fees	9,000	12,962	3,962
Plumbing inspector fees	3,500	3,854	354
Ambulance user fees	145,000	211,382	66,382
Police revenue	1,800	2,124	324
Animal control fees	750	895	145
Recycling revenue	14,200	35,933	21,733
Solid waste fees	45,000	59,180	14,180
MERC revenue	30,000	46,127	16,127
Solid waste revenue	62,199	62,748	549
Recreation fees	33,744	30,461	(3,283)
Recreation facility rent	8,340	8,732	392
Cable TV revenue	27,000	34,262	7,262
Tuition revenue	2,262,926	2,232,238	(30,688)
Interest			
Taxes	17,000	33,058	16,058
Deposit and investment accounts - Town	130,000	432,880	302,880
Deposit and investment accounts - School	-	9,959	9,959
Other income			
Highway revenue	1,000	1,549	549
Snowmobile revenue	1,100	1,092	(8)
Other education income	-	87,576	87,576
Other income	1,000	820	(180)
Transfers in			
Spofford fund	4,500	4,500	-
Other funds	-	45,190	45,190
	<u>\$ 17,307,662</u>	<u>\$ 18,167,076</u>	<u>\$ 814,224</u>
Total revenues	<u>\$ 17,307,662</u>	<u>\$ 18,167,076</u>	<u>\$ 814,224</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	2006 Carry- forwards	Budget	Receipts	Total Available	Actual	Balance	
						Lapsed	Carried
EXPENDITURES							
General government:							
Administration	\$ -	\$ 346,996	\$ -	\$ 346,996	\$ 333,479	\$ 13,517	\$ -
Municipal planning	-	50,530	-	50,530	49,365	1,165	-
Assessor's office	-	56,536	-	56,536	53,570	2,966	-
Municipal building	-	20,072	-	20,072	17,757	2,315	-
Insurance & benefits	-	611,145	-	611,145	584,883	26,262	-
Contingency	-	3,677	-	3,677	2,774	903	-
Public access channel	-	3,917	-	3,917	950	2,967	-
Economic development	-	61,121	-	61,121	60,535	586	-
	-	1,153,994	-	1,153,994	1,103,313	50,681	-
Protection:							
Fire protection	-	293,347	-	293,347	281,047	12,300	-
Police department	-	376,211	-	376,211	343,947	32,264	-
Dispatcher service	-	154,582	-	154,582	145,879	8,703	-
Ambulance service	-	107,386	-	107,386	105,523	1,863	-
Public safety building	-	35,687	-	35,687	30,150	5,537	-
Public safety utilities	-	226,625	-	226,625	222,627	3,998	-
	-	1,193,838	-	1,193,838	1,129,173	64,665	-
Public works:							
General highways	-	820,719	-	820,719	790,884	29,835	-
Town garage	-	20,351	-	20,351	17,015	3,336	-
	-	841,070	-	841,070	807,899	33,171	-
Health and sanitation:							
Solid waste	16,662	404,315	-	420,977	357,799	43,549	19,629
Health	-	9,800	-	9,800	9,018	782	-
General assistance	-	15,000	-	15,000	6,500	8,500	-
	16,662	429,115	-	445,777	373,317	52,831	19,629
Community and social agencies:							
Community agencies	-	32,850	-	32,850	32,497	353	-
Social agencies	-	22,540	-	22,540	22,382	158	-
	-	55,390	-	55,390	54,879	511	-

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	2006 Carry- forwards	Budget	Receipts	Total Available	Actual	Balance	
						Lapsed	Carried
Education:							
Regular program	1,659,766	4,069,316	6,153,017	11,882,099	10,177,983	-	1,704,116
Debt service	-	1,136,996	-	1,136,996	1,157,162	-	(20,166)
Transfer to school lunch	-	103,622	-	103,622	64,525	-	39,097
	<u>1,659,766</u>	<u>5,309,934</u>	<u>6,153,017</u>	<u>13,122,717</u>	<u>11,399,670</u>	<u>-</u>	<u>1,723,047</u>
Recreation:							
Recreation program	2,566	210,052	-	212,618	176,169	36,449	-
Town dock expenses	-	9,265	-	9,265	8,573	692	-
	<u>2,566</u>	<u>219,317</u>	<u>-</u>	<u>221,883</u>	<u>184,742</u>	<u>37,141</u>	<u>-</u>
Debt service:							
Principal	-	11,250	-	11,250	11,250	-	-
Interest	-	6,432	-	6,432	6,432	-	-
	<u>-</u>	<u>17,682</u>	<u>-</u>	<u>17,682</u>	<u>17,682</u>	<u>-</u>	<u>-</u>
Cemeteries	-	4,120	-	4,120	4,120	-	-
County tax	-	271,757	-	271,757	271,757	-	-
TIF	189,356	1,042,288	-	1,231,644	1,068,945	-	162,699
Unclassified:							
Wood property purchase	-	55,000	-	55,000	55,000	-	-
Veterans' Memorial	-	11,500	-	11,500	15,170	(3,670)	-
Overlay	-	196,078	-	196,078	18,198	177,880	-
	<u>-</u>	<u>262,578</u>	<u>-</u>	<u>262,578</u>	<u>88,368</u>	<u>174,210</u>	<u>-</u>
Transfers out:							
Special revenues	-	67,112	-	67,112	77,902	(10,790)	-
Capital reserves	-	678,000	-	678,000	678,000	-	-
Trust funds	-	323	-	323	323	-	-
Sewer fund	-	15,412	-	15,412	15,412	-	-
Vacation & sick reserve	-	87,944	-	87,944	87,944	-	-
	<u>-</u>	<u>848,791</u>	<u>-</u>	<u>848,791</u>	<u>859,581</u>	<u>(10,790)</u>	<u>-</u>
Total Expenditures	<u>\$ 1,868,350</u>	<u>\$ 11,649,874</u>	<u>\$ 6,153,017</u>	<u>\$ 19,671,241</u>	<u>\$ 17,363,446</u>	<u>\$ 402,420</u>	<u>\$ 1,905,375</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – SCHOOL DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
ADMINISTRATION			
Attendance services	\$ 200	\$ 416	\$ (216)
Health services	79,639	85,520	(5,881)
Safety program	500	519	(19)
Board of Education services	27,332	55,727	(28,395)
Office of the Superintendent services	233,927	230,807	3,120
Office of the Principal	624,123	588,824	35,299
Drug awareness program	2,620	210	2,410
Staff services	9,000	15,245	(6,245)
Employee computer purchases	-	10,205	(10,205)
Contingency	21,125	-	21,125
Total	<u>998,466</u>	<u>987,473</u>	<u>10,993</u>
ELEMENTARY			
Instruction	2,513,620	2,423,747	89,873
Guidance	87,511	76,650	10,861
Improvement of Instruction	1,175	429	746
Library & Ed. Media	41,331	40,980	351
Library	23,074	20,814	2,260
Total	<u>2,666,711</u>	<u>2,562,620</u>	<u>104,091</u>
SECONDARY			
Instruction	1,912,776	1,890,010	22,766
Guidance	105,836	97,841	7,995
Improvement of Instruction	13,146	10,548	2,598
Library & Ed. Media	85,810	86,223	(413)
Library	1,550	730	820
Total	<u>2,119,118</u>	<u>2,085,352</u>	<u>33,766</u>
SUPPORT SERVICES			
Instructional staff	65,947	83,358	(17,411)
Improvement of Instruction	10,360	17,718	(7,358)
Staff services/In-service training	12,297	6,987	5,310
Music	204,479	189,916	14,563
Technology	178,220	178,166	54
Special education	1,610,157	1,557,657	52,500
Gifted and talented	177,176	13,543	163,633
Alternate high school program	-	112,404	(112,404)
Daycare worker	-	18,451	(18,451)
Co-curricular non-athletic	49,782	40,690	9,092
Co-curricular athletic	243,761	229,445	14,316
Total	<u>2,552,179</u>	<u>2,448,335</u>	<u>103,844</u>

SCHEDULE C (CONTINUED)
TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – SCHOOL DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
OPERATIONS AND MAINTENANCE			
Operation of building services	1,270,779	1,145,398	125,381
Care & upkeep of grounds	64,881	39,181	25,700
Vehicle operations	473,015	485,685	(12,670)
Security services	1,600	1,511	89
Total	<u>1,810,275</u>	<u>1,671,775</u>	<u>138,500</u>
VOCATIONAL EDUCATION	<u>37,800</u>	<u>20,348</u>	<u>17,452</u>
DEBT SERVICE			
Principal	735,461	735,461	-
Interest	401,535	421,701	(20,166)
Total	<u>1,136,996</u>	<u>1,157,162</u>	<u>(20,166)</u>
INTERFUND TRANSFERS	<u>103,622</u>	<u>64,525</u>	<u>39,097</u>
INCREASE IN ACCRUED SUMMER SALARIES	<u>-</u>	<u>402,080</u>	<u>(402,080)</u>
TOTAL EXPENDITURES	<u>\$ 11,425,167</u>	<u>\$ 11,399,670</u>	<u>\$ 25,497</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 172,680	\$ -	\$ -	\$ 172,680
Investments	-	-	43,507	43,507
Accounts receivable	267,197	-	-	267,197
Inventory	5,007	-	-	5,007
Due from other funds	413,252	1,291,837	127,114	1,832,203
Total assets	<u>\$ 858,136</u>	<u>\$ 1,291,837</u>	<u>\$ 170,621</u>	<u>\$ 2,320,594</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	1,835	-	-	1,835
Due to other funds	92,183	-	-	92,183
Total liabilities	<u>94,018</u>	<u>-</u>	<u>-</u>	<u>94,018</u>
FUND EQUITY				
Fund balance:				
Reserved for endowments	-	-	71,162	71,162
Unreserved:				
Designated for subsequent years' expenditures	812,789	1,291,837	99,459	2,204,085
Undesignated	(48,671)	-	-	(48,671)
Total fund equity	<u>764,118</u>	<u>1,291,837</u>	<u>170,621</u>	<u>2,226,576</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 858,136</u>	<u>\$ 1,291,837</u>	<u>\$ 170,621</u>	<u>\$ 2,320,594</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, 2007

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 1,711,205	\$ -	\$ -	\$ 1,711,205
Charges for services	176,605	-	-	176,605
Interest	-	49,037	9,054	58,091
Other	94,063	45,073	-	139,136
TOTAL REVENUES	<u>1,981,873</u>	<u>94,110</u>	<u>9,054</u>	<u>2,085,037</u>
EXPENDITURES	<u>2,152,410</u>	<u>480,374</u>	<u>3,873</u>	<u>2,636,657</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(170,537)</u>	<u>(386,264)</u>	<u>5,181</u>	<u>(551,620)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	412,402	765,944	323	1,178,669
Transfers Out	<u>(57,098)</u>	<u>(217,636)</u>	<u>(4,500)</u>	<u>(279,234)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>355,304</u>	<u>548,308</u>	<u>(4,177)</u>	<u>899,435</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>184,767</u>	<u>162,044</u>	<u>1,004</u>	<u>347,815</u>
FUND BALANCE - JULY 1	1,184,571	1,088,478	169,617	2,442,666
PRIOR PERIOD ADJUSTMENT	<u>(605,220)</u>	<u>41,315</u>	<u>-</u>	<u>(563,905)</u>
FUND BALANCE - JULY 1, RESTATED	<u>579,351</u>	<u>1,129,793</u>	<u>169,617</u>	<u>1,878,761</u>
FUND BALANCE - JUNE 30	<u>\$ 764,118</u>	<u>\$ 1,291,837</u>	<u>\$ 170,621</u>	<u>\$ 2,226,576</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 capitol projects) that are legally restricted to expenditures for specific purposes.

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
JUNE 30, 2007

	<u>CDBG Infrastructure</u>	<u>DEP Pumpout</u>	<u>DHHS OSA Grant 93.959</u>	<u>DEP Small Community</u>	<u>CDBG Housing Assistance</u>	<u>DHHS MITF</u>	<u>Homeland Trails</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
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	500	-	-	11,061	9,512	-	7,160
TOTAL LIABILITIES	<u>500</u>	<u>-</u>	<u>-</u>	<u>11,061</u>	<u>9,512</u>	<u>-</u>	<u>7,160</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	-	-	-	-	-	-	-
Undesignated	(500)	-	-	(11,061)	(9,512)	-	(7,160)
TOTAL FUND EQUITY	<u>(500)</u>	<u>-</u>	<u>-</u>	<u>(11,061)</u>	<u>(9,512)</u>	<u>-</u>	<u>(7,160)</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 REVENUES FUNDS
 JUNE 30, 2007

	<u>OSA 93.230</u>	<u>Homeland Security Mini-Pump</u>	<u>MEMA Police Dept. Homeland Security</u>	<u>MEMA Fire Dept. Homeland Security</u>	<u>MEMA Fire Equip. Homeland Security</u>	<u>Harbor Improvement</u>	<u>IP Fitness Grant</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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	-	-	-	-	10,900	-	-
TOTAL LIABILITIES	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>10,900</u></u>	<u><u>-</u></u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	(10,900)	-
TOTAL FUND EQUITY	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(10,900)</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>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2007

	<u>CDBG Technical</u>	<u>Homeland Security Communications</u>	<u>Maine Community Foundation</u>	<u>Police Seatbelt Grant</u>	<u>Bucksport Youth Alcohol Div. Program</u>	<u>Food Stamp Nutrition Ed. Grant</u>	<u>IP Donation</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	25,191	2,575	3,363
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,191</u>	<u>\$ 2,575</u>	<u>\$ 3,363</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	-	-	-	-	25,191	2,575	3,363
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,191</u>	<u>2,575</u>	<u>3,363</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,191</u>	<u>\$ 2,575</u>	<u>\$ 3,363</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2007

	Johnson & Johnson Grant	Maine Forestry Grant	Project Canopy Assistance Grant	DARE	Bucksport Youth Council	Police Explorers	Community for Children
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	1,363	3,325	-	5,184	947	291	1,524
TOTAL ASSETS	<u>\$ 1,363</u>	<u>\$ 3,325</u>	<u>\$ -</u>	<u>\$ 5,184</u>	<u>\$ 947</u>	<u>\$ 291</u>	<u>\$ 1,524</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	1,363	3,325	-	5,184	947	291	1,524
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>1,363</u>	<u>3,325</u>	<u>-</u>	<u>5,184</u>	<u>947</u>	<u>291</u>	<u>1,524</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,363</u>	<u>\$ 3,325</u>	<u>\$ -</u>	<u>\$ 5,184</u>	<u>\$ 947</u>	<u>\$ 291</u>	<u>\$ 1,524</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2007

	<u>Vacation & Sick Reserve</u>	<u>Unemployment Reserve</u>	<u>Christmas Lights</u>	<u>Soccer Camp</u>	<u>RLF & Microloan</u>	<u>Adult Education</u>	<u>Adult & Community Education</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ 72,295	\$ -	\$ 37,934
Accounts receivable	-	-	-	-	200,771	7,690	-
Inventory	-	-	-	-	-	-	-
Due from other funds	178,223	68,570	4,434	1,562	-	-	-
TOTAL ASSETS	<u>\$ 178,223</u>	<u>\$ 68,570</u>	<u>\$ 4,434</u>	<u>\$ 1,562</u>	<u>\$ 273,066</u>	<u>\$ 7,690</u>	<u>\$ 37,934</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	6,078	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,078</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	178,223	68,570	4,434	1,562	273,066	1,612	37,934
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>178,223</u>	<u>68,570</u>	<u>4,434</u>	<u>1,562</u>	<u>273,066</u>	<u>1,612</u>	<u>37,934</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 178,223</u>	<u>\$ 68,570</u>	<u>\$ 4,434</u>	<u>\$ 1,562</u>	<u>\$ 273,066</u>	<u>\$ 7,690</u>	<u>\$ 37,934</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2007

	School Lunch	NCLB IA	NCLB IIA	NCLB IID	NCLB V	Local Entitlement	Local Entitlement Preschool
ASSETS							
Cash	\$ 62,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	28,930	6,652	-	-	-	-
Inventory	5,007	-	-	-	-	-	-
Due from other funds	-	-	43,539	-	-	12,850	-
TOTAL ASSETS	<u>\$ 67,458</u>	<u>\$ 28,930</u>	<u>\$ 50,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,850</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	1,835	-	-	-	-	-	-
Due to other funds	-	23,902	-	8,332	1,206	-	-
TOTAL LIABILITIES	<u>1,835</u>	<u>23,902</u>	<u>-</u>	<u>8,332</u>	<u>1,206</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	65,623	5,028	50,191	-	-	12,850	-
Undesignated	-	-	-	(8,332)	(1,206)	-	-
TOTAL FUND EQUITY	<u>65,623</u>	<u>5,028</u>	<u>50,191</u>	<u>(8,332)</u>	<u>(1,206)</u>	<u>12,850</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 67,458</u>	<u>\$ 28,930</u>	<u>\$ 50,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,850</u>	<u>\$ -</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2007

	Health Grant	NCLB IVA Drug Free	PPPD Goals 2000	Title VI Rural Low Income	U of ME AP 4 All Grant	Tech Grant	U of ME Team Nutrition
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	16,627	-	-	6,527	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	3,358	-	8,825	535	234	371
TOTAL ASSETS	<u>\$ 16,627</u>	<u>\$ 3,358</u>	<u>\$ -</u>	<u>\$ 15,352</u>	<u>\$ 535</u>	<u>\$ 234</u>	<u>\$ 371</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	13,532	-	-	-	-	-	-
TOTAL LIABILITIES	<u>13,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	3,095	3,358	-	15,352	535	234	371
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>3,095</u>	<u>3,358</u>	<u>-</u>	<u>15,352</u>	<u>535</u>	<u>234</u>	<u>371</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 16,627</u>	<u>\$ 3,358</u>	<u>\$ -</u>	<u>\$ 15,352</u>	<u>\$ 535</u>	<u>\$ 234</u>	<u>\$ 371</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2007

	High School ECM	Breton Co-op	Seed Grant	Maine Tech. College	State Agency Client	Misc. Funds	Totals
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,680
Accounts receivable	-	-	-	-	-	-	267,197
Inventory	-	-	-	-	-	-	5,007
Due from other funds	16,735	1,754	200	1,000	25,025	2,274	413,252
TOTAL ASSETS	<u>\$ 16,735</u>	<u>\$ 1,754</u>	<u>\$ 200</u>	<u>\$ 1,000</u>	<u>\$ 25,025</u>	<u>\$ 2,274</u>	<u>\$ 858,136</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	1,835
Due to other funds	-	-	-	-	-	-	92,183
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,018</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	16,735	1,754	200	1,000	25,025	2,274	812,789
Undesignated	-	-	-	-	-	-	(48,671)
TOTAL FUND EQUITY	<u>16,735</u>	<u>1,754</u>	<u>200</u>	<u>1,000</u>	<u>25,025</u>	<u>2,274</u>	<u>764,118</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 16,735</u>	<u>\$ 1,754</u>	<u>\$ 200</u>	<u>\$ 1,000</u>	<u>\$ 25,025</u>	<u>\$ 2,274</u>	<u>\$ 858,136</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>CDBG Infrastructure</u>	<u>DEP Pumpout</u>	<u>DHHS OSA Grant 93.959</u>	<u>DEP Small Community</u>	<u>CDBG Housing Assistance</u>	<u>DHHS MITF</u>	<u>Homeland Trails</u>
REVENUES							
Intergovernmental	\$ 142,742	\$ -	\$ 42,355	\$ 308	\$ 206,035	\$ 56,499	\$ -
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>142,742</u>	<u>-</u>	<u>42,355</u>	<u>308</u>	<u>206,035</u>	<u>56,499</u>	<u>-</u>
EXPENDITURES	<u>143,242</u>	<u>14,991</u>	<u>46,889</u>	<u>11,369</u>	<u>202,822</u>	<u>53,948</u>	<u>7,160</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(500)</u>	<u>(14,991)</u>	<u>(4,534)</u>	<u>(11,061)</u>	<u>3,213</u>	<u>2,551</u>	<u>(7,160)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	327	57	1,112	-	6,769	-	-
Operating Transfers Out	-	-	-	-	-	(1)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>327</u>	<u>57</u>	<u>1,112</u>	<u>-</u>	<u>6,769</u>	<u>(1)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(173)</u>	<u>(14,934)</u>	<u>(3,422)</u>	<u>(11,061)</u>	<u>9,982</u>	<u>2,550</u>	<u>(7,160)</u>
FUND BALANCE - JULY 1	499,673	14,934	45,777	9,793	183,392	122,450	11,500
PRIOR PERIOD ADJUSTMENT	<u>(500,000)</u>	<u>-</u>	<u>(42,355)</u>	<u>(9,793)</u>	<u>(202,886)</u>	<u>(125,000)</u>	<u>(11,500)</u>
FUND BALANCE - JULY 1, RESTATED	<u>(327)</u>	<u>14,934</u>	<u>3,422</u>	<u>-</u>	<u>(19,494)</u>	<u>(2,550)</u>	<u>-</u>
FUND BALANCE - JUNE 30	<u>\$ (500)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,061)</u>	<u>\$ (9,512)</u>	<u>\$ -</u>	<u>\$ (7,160)</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	OSA 93.230	Homeland Security Mini-Pump	MEMA Police Dept. Homeland Security	MEMA Fire Dept. Homeland Security	MEMA Fire Equip. Homeland Security	Harbor Improvement	IP Fitness Grant
REVENUES							
Intergovernmental	\$ -	\$ 56,250	\$ -	\$ 19,880	\$ 37,641	\$ -	\$ -
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	56,250	-	19,880	37,641	-	-
EXPENDITURES	24,687	93,585	-	18,281	14,927	10,900	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,687)	(37,335)	-	1,599	22,714	(10,900)	-
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	37,335	-	551	-	-	-
Operating Transfers Out	(370)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(370)	37,335	-	551	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(25,057)	-	-	2,150	22,714	(10,900)	-
FUND BALANCE - JULY 1	25,057	56,250	57,714	16,730	14,966	-	-
PRIOR PERIOD ADJUSTMENT	-	(56,250)	(57,714)	(18,880)	(37,680)	-	-
FUND BALANCE - JULY 1, RESTATED	25,057	-	-	(2,150)	(22,714)	-	-
FUND BALANCE - JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,900)	\$ -

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>CDBG Technical</u>	<u>Homeland Security Communications</u>	<u>Maine Community Foundation</u>	<u>Police Seatbelt Grant</u>	<u>Bucksport Youth Alcohol Div. Program</u>	<u>Food Stamp Nutrition Ed. Grant</u>	<u>IP Donation</u>
REVENUES							
Intergovernmental	\$ 20,000	\$ 57,694	\$ -	\$ 1,980	\$ 49,542	\$ 2,575	\$ -
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>20,000</u>	<u>57,694</u>	<u>-</u>	<u>1,980</u>	<u>49,542</u>	<u>2,575</u>	<u>-</u>
EXPENDITURES	<u>20,000</u>	<u>57,694</u>	<u>-</u>	<u>-</u>	<u>24,351</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,980</u>	<u>25,191</u>	<u>2,575</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	(1,980)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,980)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,191</u>	<u>2,575</u>	<u>-</u>
FUND BALANCE - JULY 1	-	-	-	-	-	-	-
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	3,363
FUND BALANCE - JULY 1, RESTATED	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,363</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,191</u>	<u>\$ 2,575</u>	<u>\$ 3,363</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Johnson & Johnson Grant	Maine Forestry Grant	Project Canopy Assistance Grant	DARE	Bucksport Youth Council	Police Explorers	Community for Children
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	50	-	-	-
TOTAL REVENUES	-	-	-	50	-	-	-
EXPENDITURES	-	-	-	-	-	-	300
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	50	-	-	(300)
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	(330)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	(330)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	50	-	-	(630)
FUND BALANCE - JULY 1	-	-	-	-	-	-	-
PRIOR PERIOD ADJUSTMENT	1,363	3,325	-	5,134	947	291	2,154
FUND BALANCE - JULY 1, RESTATED	1,363	3,325	-	5,134	947	291	2,154
FUND BALANCE - JUNE 30	\$ 1,363	\$ 3,325	\$ -	\$ 5,184	\$ 947	\$ 291	\$ 1,524

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Vacation & Sick Reserve</u>	<u>Unemployment Reserve</u>	<u>Christmas Lights</u>	<u>Soccer Camp</u>	<u>RLF & Microloan</u>	<u>Adult Education</u>	<u>Adult & Community Education</u>
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,571	\$ -
Other	-	2,729	1,754	9,664	6,799	72,928	139
TOTAL REVENUES	<u>-</u>	<u>2,729</u>	<u>1,754</u>	<u>9,664</u>	<u>6,799</u>	<u>175,499</u>	<u>139</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>941</u>	<u>8,102</u>	<u>14,780</u>	<u>173,393</u>	<u>47,831</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>2,729</u>	<u>813</u>	<u>1,562</u>	<u>(7,981)</u>	<u>2,106</u>	<u>(47,692)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	178,223	3,086	1,800	-	-	64,200	54,417
Operating Transfers Out	-	-	-	-	-	(54,417)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>178,223</u>	<u>3,086</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>9,783</u>	<u>54,417</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>178,223</u>	<u>5,815</u>	<u>2,613</u>	<u>1,562</u>	<u>(7,981)</u>	<u>11,889</u>	<u>6,725</u>
FUND BALANCE - JULY 1	-	-	-	-	126,335	-	-
PRIOR PERIOD ADJUSTMENT	-	62,755	1,821	-	154,712	(10,277)	31,209
FUND BALANCE - JULY 1, RESTATED	<u>-</u>	<u>62,755</u>	<u>1,821</u>	<u>-</u>	<u>281,047</u>	<u>(10,277)</u>	<u>31,209</u>
FUND BALANCE - JUNE 30	<u>\$ 178,223</u>	<u>\$ 68,570</u>	<u>\$ 4,434</u>	<u>\$ 1,562</u>	<u>\$ 273,066</u>	<u>\$ 1,612</u>	<u>\$ 37,934</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	School Lunch	NCLB IA	NCLB IIA	NCLB IID	NCLB V	Local Entitlement	Local Entitlement Preschool
REVENUES							
Intergovernmental	\$ 184,234	\$ 260,365	\$ 72,577	\$ 3,675	\$ 2,547	\$ 258,673	\$ 2,643
Other	176,605	-	-	-	-	-	-
TOTAL REVENUES	<u>360,839</u>	<u>260,365</u>	<u>72,577</u>	<u>3,675</u>	<u>2,547</u>	<u>258,673</u>	<u>2,643</u>
EXPENDITURES	<u>421,293</u>	<u>263,221</u>	<u>47,312</u>	<u>11,990</u>	<u>3,778</u>	<u>313,780</u>	<u>2,643</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,454)</u>	<u>(2,856)</u>	<u>25,265</u>	<u>(8,315)</u>	<u>(1,231)</u>	<u>(55,107)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	64,525	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>64,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>4,071</u>	<u>(2,856)</u>	<u>25,265</u>	<u>(8,315)</u>	<u>(1,231)</u>	<u>(55,107)</u>	<u>-</u>
FUND BALANCE - JULY 1	-	-	-	-	-	-	-
PRIOR PERIOD ADJUSTMENT	<u>61,552</u>	<u>7,884</u>	<u>24,926</u>	<u>(17)</u>	<u>25</u>	<u>67,957</u>	<u>-</u>
FUND BALANCE - JULY 1, RESTATED	<u>61,552</u>	<u>7,884</u>	<u>24,926</u>	<u>(17)</u>	<u>25</u>	<u>67,957</u>	<u>-</u>
FUND BALANCE - JUNE 30	<u>\$ 65,623</u>	<u>\$ 5,028</u>	<u>\$ 50,191</u>	<u>\$ (8,332)</u>	<u>\$ (1,206)</u>	<u>\$ 12,850</u>	<u>\$ -</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Health Grant</u>	<u>NCLB IVA Drug Free</u>	<u>PPPD Goals 2000</u>	<u>Title VI Rural Low Income</u>	<u>U of ME AP 4 All Grant</u>	<u>Tech Grant</u>	<u>U of ME Team Nutrition</u>
REVENUES							
Intergovernmental	\$ 80,865	\$ 6,982	\$ 10,150	\$ 32,422	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>80,865</u>	<u>6,982</u>	<u>10,150</u>	<u>32,422</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES	<u>58,178</u>	<u>3,630</u>	<u>9,903</u>	<u>26,274</u>	<u>215</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>22,687</u>	<u>3,352</u>	<u>247</u>	<u>6,148</u>	<u>(215)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>22,687</u>	<u>3,352</u>	<u>247</u>	<u>6,148</u>	<u>(215)</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JULY 1	-	-	-	-	-	-	-
PRIOR PERIOD ADJUSTMENT	<u>(19,592)</u>	<u>6</u>	<u>(247)</u>	<u>9,204</u>	<u>750</u>	<u>234</u>	<u>371</u>
FUND BALANCE - JULY 1, RESTATED	<u>(19,592)</u>	<u>6</u>	<u>(247)</u>	<u>9,204</u>	<u>750</u>	<u>234</u>	<u>371</u>
FUND BALANCE - JUNE 30	<u>\$ 3,095</u>	<u>\$ 3,358</u>	<u>\$ -</u>	<u>\$ 15,352</u>	<u>\$ 535</u>	<u>\$ 234</u>	<u>\$ 371</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	High School ECM	Breton Co-op	Seed Grant	Maine Tech. College	State Agency Client	Misc. Funds	Totals
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,711,205
Other	-	-	-	-	-	-	270,668
TOTAL REVENUES	-	-	-	-	-	-	1,981,873
EXPENDITURES	-	-	-	-	-	-	2,152,410
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-	(170,537)
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	412,402
Operating Transfers Out	-	-	-	-	-	-	(57,098)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	355,304
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	-	184,767
FUND BALANCE - JULY 1	-	-	-	-	-	-	1,184,571
PRIOR PERIOD ADJUSTMENT	16,735	1,754	200	1,000	25,025	2,274	(605,220)
FUND BALANCE - JULY 1, RESTATED	16,735	1,754	200	1,000	25,025	2,274	579,351
FUND BALANCE - JUNE 30	\$ 16,735	\$ 1,754	\$ 200	\$ 1,000	\$ 25,025	\$ 2,274	\$ 764,118

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, 2007

	<u>Highway Equipment</u>	<u>Fire Equipment</u>	<u>Waterfront Improvements</u>	<u>Central Street</u>	<u>Public Facility</u>	<u>Ambulance</u>	<u>Municipal Building</u>
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	96,723	120,654	49,040	-	-	102,038	26,614
TOTAL ASSETS	<u><u>\$ 96,723</u></u>	<u><u>\$ 120,654</u></u>	<u><u>\$ 49,040</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 102,038</u></u>	<u><u>\$ 26,614</u></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>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	96,723	120,654	49,040	-	-	102,038	26,614
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u><u>96,723</u></u>	<u><u>120,654</u></u>	<u><u>49,040</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>102,038</u></u>	<u><u>26,614</u></u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 96,723</u></u>	<u><u>\$ 120,654</u></u>	<u><u>\$ 49,040</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 102,038</u></u>	<u><u>\$ 26,614</u></u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2007

	<u>Solid Waste</u>	<u>Recreation Equipment</u>	<u>Recreation Facility</u>	<u>Recreation Revenue Reserve</u>	<u>Police Equipment</u>	<u>Public Safety</u>	<u>Town Garage</u>
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	59,741	51,164	85,285	70,361	63,146	27,194	78,539
TOTAL ASSETS	<u><u>\$ 59,741</u></u>	<u><u>\$ 51,164</u></u>	<u><u>\$ 85,285</u></u>	<u><u>\$ 70,361</u></u>	<u><u>\$ 63,146</u></u>	<u><u>\$ 27,194</u></u>	<u><u>\$ 78,539</u></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>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	59,741	51,164	85,285	70,361	63,146	27,194	78,539
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u><u>59,741</u></u>	<u><u>51,164</u></u>	<u><u>85,285</u></u>	<u><u>70,361</u></u>	<u><u>63,146</u></u>	<u><u>27,194</u></u>	<u><u>78,539</u></u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 59,741</u></u>	<u><u>\$ 51,164</u></u>	<u><u>\$ 85,285</u></u>	<u><u>\$ 70,361</u></u>	<u><u>\$ 63,146</u></u>	<u><u>\$ 27,194</u></u>	<u><u>\$ 78,539</u></u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2007

	<u>Cable TV</u>	<u>Dog Kennel</u>	<u>Willow & Wasson House</u>	<u>Defense Fund</u>	<u>High School Energy</u>	<u>Drug Forfeiture</u>	<u>Town Office Equipment</u>
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	13,601	14,466	1,124	5,814	30,401	818	25,720
TOTAL ASSETS	<u><u>\$ 13,601</u></u>	<u><u>\$ 14,466</u></u>	<u><u>\$ 1,124</u></u>	<u><u>\$ 5,814</u></u>	<u><u>\$ 30,401</u></u>	<u><u>\$ 818</u></u>	<u><u>\$ 25,720</u></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>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	13,601	14,466	1,124	5,814	30,401	818	25,720
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u><u>13,601</u></u>	<u><u>14,466</u></u>	<u><u>1,124</u></u>	<u><u>5,814</u></u>	<u><u>30,401</u></u>	<u><u>818</u></u>	<u><u>25,720</u></u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 13,601</u></u>	<u><u>\$ 14,466</u></u>	<u><u>\$ 1,124</u></u>	<u><u>\$ 5,814</u></u>	<u><u>\$ 30,401</u></u>	<u><u>\$ 818</u></u>	<u><u>\$ 25,720</u></u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2007

	<u>Dispatch Equipment</u>	<u>Transfer Station</u>	<u>Silver Lake Property</u>	<u>Parking Lots</u>	<u>Swimming Pool</u>	<u>Chamber Building</u>	<u>Middle School Capital</u>
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	62,817	33,574	7,582	23,468	38,360	4,629	7,168
TOTAL ASSETS	<u><u>\$ 62,817</u></u>	<u><u>\$ 33,574</u></u>	<u><u>\$ 7,582</u></u>	<u><u>\$ 23,468</u></u>	<u><u>\$ 38,360</u></u>	<u><u>\$ 4,629</u></u>	<u><u>\$ 7,168</u></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>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	62,817	33,574	7,582	23,468	38,360	4,629	7,168
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u><u>62,817</u></u>	<u><u>33,574</u></u>	<u><u>7,582</u></u>	<u><u>23,468</u></u>	<u><u>38,360</u></u>	<u><u>4,629</u></u>	<u><u>7,168</u></u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 62,817</u></u>	<u><u>\$ 33,574</u></u>	<u><u>\$ 7,582</u></u>	<u><u>\$ 23,468</u></u>	<u><u>\$ 38,360</u></u>	<u><u>\$ 4,629</u></u>	<u><u>\$ 7,168</u></u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2007

	<u>Sick & Vacation Reserve</u>	<u>Housing Rehab.</u>	<u>Jewett School</u>	<u>Gardiner School</u>	<u>Highway Improvement</u>	<u>Industrial Park Land Purchase</u>	<u>Totals</u>
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	6,351	15,307	508	69,630	100,000	1,291,837
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 6,351</u>	<u>\$ 15,307</u>	<u>\$ 508</u>	<u>\$ 69,630</u>	<u>\$ 100,000</u>	<u>\$ 1,291,837</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	-	6,351	15,307	508	69,630	100,000	1,291,837
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>-</u>	<u>6,351</u>	<u>15,307</u>	<u>508</u>	<u>69,630</u>	<u>100,000</u>	<u>1,291,837</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ 6,351</u>	<u>\$ 15,307</u>	<u>\$ 508</u>	<u>\$ 69,630</u>	<u>\$ 100,000</u>	<u>\$ 1,291,837</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Highway Equipment</u>	<u>Fire Equipment</u>	<u>Waterfront Improvements</u>	<u>Central Street</u>	<u>Public Facility</u>	<u>Ambulance</u>	<u>Municipal Building</u>
REVENUES							
Interest	\$ 1,936	\$ 5,837	\$ 1,095	\$ -	\$ -	\$ 3,367	\$ 796
Other	<u>2,272</u>	<u>-</u>	<u>1,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>4,208</u>	<u>5,837</u>	<u>2,807</u>	<u>-</u>	<u>-</u>	<u>3,367</u>	<u>796</u>
EXPENDITURES							
Capital outlay	72,165	12,072	6,503	-	-	-	-
Other	<u>9,843</u>	<u>-</u>	<u>5,459</u>	<u>-</u>	<u>-</u>	<u>3,749</u>	<u>-</u>
TOTAL EXPENDITURES	<u>82,008</u>	<u>12,072</u>	<u>11,962</u>	<u>-</u>	<u>-</u>	<u>3,749</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(77,800)</u>	<u>(6,235)</u>	<u>(9,155)</u>	<u>-</u>	<u>-</u>	<u>(382)</u>	<u>796</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	130,000	30,000	33,000	-	-	25,000	7,500
Operating Transfers Out	<u>-</u>	<u>(37,335)</u>	<u>-</u>	<u>(2,016)</u>	<u>(62)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>130,000</u>	<u>(7,335)</u>	<u>33,000</u>	<u>(2,016)</u>	<u>(62)</u>	<u>25,000</u>	<u>7,500</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>52,200</u>	<u>(13,570)</u>	<u>23,845</u>	<u>(2,016)</u>	<u>(62)</u>	<u>24,618</u>	<u>8,296</u>
FUND BALANCE - JULY 1	44,499	134,224	25,195	2,016	62	77,420	18,318
PRIOR PERIOD ADJUSTMENT	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JULY 1, RESTATED	<u>44,523</u>	<u>134,224</u>	<u>25,195</u>	<u>2,016</u>	<u>62</u>	<u>77,420</u>	<u>18,318</u>
FUND BALANCE - JUNE 30	<u>\$ 96,723</u>	<u>\$ 120,654</u>	<u>\$ 49,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,038</u>	<u>\$ 26,614</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Solid Waste	Recreation Equipment	Recreation Facility	Recreation Revenue Reserve	Police Equipment	Public Safety	Town Garage
REVENUES							
Interest	\$ 2,553	\$ 4,118	\$ 712	\$ 2,933	\$ 2,718	\$ 4,108	\$ 2,606
Other	-	-	-	-	31,073	-	-
TOTAL REVENUES	<u>2,553</u>	<u>4,118</u>	<u>712</u>	<u>2,933</u>	<u>33,791</u>	<u>4,108</u>	<u>2,606</u>
EXPENDITURES							
Capital outlay	-	-	-	-	48,012	79,000	-
Other	11,500	-	9,450	-	148	2,387	4,000
TOTAL EXPENDITURES	<u>11,500</u>	<u>-</u>	<u>9,450</u>	<u>-</u>	<u>48,160</u>	<u>81,387</u>	<u>4,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,947)</u>	<u>4,118</u>	<u>(8,738)</u>	<u>2,933</u>	<u>(14,369)</u>	<u>(77,279)</u>	<u>(1,394)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	10,000	5,000	25,000	-	15,000	10,000	20,000
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>5,000</u>	<u>25,000</u>	<u>-</u>	<u>15,000</u>	<u>10,000</u>	<u>20,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>1,053</u>	<u>9,118</u>	<u>16,262</u>	<u>2,933</u>	<u>631</u>	<u>(67,279)</u>	<u>18,606</u>
FUND BALANCE - JULY 1	58,688	42,046	69,023	66,560	62,515	94,473	59,406
PRIOR PERIOD ADJUSTMENT	-	-	-	868	-	-	527
FUND BALANCE - JULY 1, RESTATED	<u>58,688</u>	<u>42,046</u>	<u>69,023</u>	<u>67,428</u>	<u>62,515</u>	<u>94,473</u>	<u>59,933</u>
FUND BALANCE - JUNE 30	<u>\$ 59,741</u>	<u>\$ 51,164</u>	<u>\$ 85,285</u>	<u>\$ 70,361</u>	<u>\$ 63,146</u>	<u>\$ 27,194</u>	<u>\$ 78,539</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Cable TV</u>	<u>Dog Kennel</u>	<u>Willow & Wasson House</u>	<u>Defense Fund</u>	<u>High School Energy</u>	<u>Drug Forfeiture</u>	<u>Town Office Equipment</u>
REVENUES							
Interest	\$ 527	\$ 611	\$ 46	\$ 242	\$ 1,267	\$ 47	\$ 1,018
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>527</u>	<u>611</u>	<u>46</u>	<u>242</u>	<u>1,267</u>	<u>47</u>	<u>1,018</u>
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	-
Other	1,049	204	-	-	-	314	5,696
TOTAL EXPENDITURES	<u>1,049</u>	<u>204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>314</u>	<u>5,696</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(522)</u>	<u>407</u>	<u>46</u>	<u>242</u>	<u>1,267</u>	<u>(267)</u>	<u>(4,678)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	2,000	-	-	-	-	-	7,000
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>1,478</u>	<u>407</u>	<u>46</u>	<u>242</u>	<u>1,267</u>	<u>(267)</u>	<u>2,322</u>
FUND BALANCE - JULY 1	12,123	14,059	1,078	5,572	29,134	725	23,398
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	360	-
FUND BALANCE - JULY 1, RESTATED	<u>12,123</u>	<u>14,059</u>	<u>1,078</u>	<u>5,572</u>	<u>29,134</u>	<u>1,085</u>	<u>23,398</u>
FUND BALANCE - JUNE 30	<u>\$ 13,601</u>	<u>\$ 14,466</u>	<u>\$ 1,124</u>	<u>\$ 5,814</u>	<u>\$ 30,401</u>	<u>\$ 818</u>	<u>\$ 25,720</u>

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Dispatch Equipment</u>	<u>Transfer Station</u>	<u>Silver Lake Property</u>	<u>Parking Lots</u>	<u>Swimming Pool</u>	<u>Chamber Building</u>	<u>Middle School Capital</u>
REVENUES							
Interest	\$ 2,637	\$ 1,373	\$ 216	\$ 352	\$ 1,402	\$ 193	\$ 298
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>2,637</u>	<u>1,373</u>	<u>216</u>	<u>352</u>	<u>1,402</u>	<u>193</u>	<u>298</u>
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	-
Other	2,974	4,355	593	-	273	-	-
TOTAL EXPENDITURES	<u>2,974</u>	<u>4,355</u>	<u>593</u>	<u>-</u>	<u>273</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(337)</u>	<u>(2,982)</u>	<u>(377)</u>	<u>352</u>	<u>1,129</u>	<u>193</u>	<u>298</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	2,500	5,000	3,000	15,000	5,000	-	-
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,500</u>	<u>5,000</u>	<u>3,000</u>	<u>15,000</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>2,163</u>	<u>2,018</u>	<u>2,623</u>	<u>15,352</u>	<u>6,129</u>	<u>193</u>	<u>298</u>
FUND BALANCE - JULY 1	60,654	31,556	4,959	8,116	32,231	4,436	6,870
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	-
FUND BALANCE - JULY 1, RESTATED	<u>60,654</u>	<u>31,556</u>	<u>4,959</u>	<u>8,116</u>	<u>32,231</u>	<u>4,436</u>	<u>6,870</u>
FUND BALANCE - JUNE 30	<u>\$ 62,817</u>	<u>\$ 33,574</u>	<u>\$ 7,582</u>	<u>\$ 23,468</u>	<u>\$ 38,360</u>	<u>\$ 4,629</u>	<u>\$ 7,168</u>

SCHEDULE I (CONTINUED)

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Sick & Vacation Reserve	Housing Rehab.	Jewett School	Gardiner School	Highway Improvement	Industrial Park Land Purchase	Totals
REVENUES							
Interest	\$ 3,762	\$ 1,832	\$ 422	\$ 13	\$ -	\$ -	\$ 49,037
Other	-	8,000	-	-	2,016	-	45,073
TOTAL REVENUES	<u>3,762</u>	<u>9,832</u>	<u>422</u>	<u>13</u>	<u>2,016</u>	<u>-</u>	<u>94,110</u>
EXPENDITURES							
Capital outlay	-	28,797	-	-	148,238	-	394,787
Other	-	16,810	821	1,814	4,148	-	85,587
TOTAL EXPENDITURES	<u>-</u>	<u>45,607</u>	<u>821</u>	<u>1,814</u>	<u>152,386</u>	<u>-</u>	<u>480,374</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,762</u>	<u>(35,775)</u>	<u>(399)</u>	<u>(1,801)</u>	<u>(150,370)</u>	<u>-</u>	<u>(386,264)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	87,944	-	6,000	2,000	220,000	100,000	765,944
Operating Transfers Out	<u>(178,223)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(217,636)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(90,279)</u>	<u>-</u>	<u>6,000</u>	<u>2,000</u>	<u>220,000</u>	<u>100,000</u>	<u>548,308</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(86,517)</u>	<u>(35,775)</u>	<u>5,601</u>	<u>199</u>	<u>69,630</u>	<u>100,000</u>	<u>162,044</u>
FUND BALANCE - JULY 1	86,517	2,899	9,706	-	-	-	1,088,478
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>39,227</u>	<u>-</u>	<u>309</u>	<u>-</u>	<u>-</u>	<u>41,315</u>
FUND BALANCE - JULY 1, RESTATED	<u>86,517</u>	<u>42,126</u>	<u>9,706</u>	<u>309</u>	<u>-</u>	<u>-</u>	<u>1,129,793</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ 6,351</u>	<u>\$ 15,307</u>	<u>\$ 508</u>	<u>\$ 69,630</u>	<u>\$ 100,000</u>	<u>\$ 1,291,837</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, 2007

	Cemetery Trusts	Spofford Indigent Fund	School Trusts	Totals
ASSETS				
Investments	\$ 43,507	\$ -	\$ -	\$ 43,507
Due from other funds	31,101	72,847	23,166	127,114
Total assets	<u>\$ 74,608</u>	<u>\$ 72,847</u>	<u>\$ 23,166</u>	<u>\$ 170,621</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY				
Fund balance:				
Reserved for endowments	21,097	39,800	10,265	71,162
Unreserved:				
Designated for subsequent years' expenditures	53,511	33,047	12,901	99,459
Total fund equity	<u>74,608</u>	<u>72,847</u>	<u>23,166</u>	<u>170,621</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 74,608</u>	<u>\$ 72,847</u>	<u>\$ 23,166</u>	<u>\$ 170,621</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Cemetery Trusts	Spofford Indigent Fund	School Trusts	Totals
REVENUES				
Interest	\$ 5,185	\$ 2,900	\$ 969	\$ 9,054
Other	-	-	-	-
TOTAL REVENUES	<u>5,185</u>	<u>2,900</u>	<u>969</u>	<u>9,054</u>
EXPENSES				
Other	<u>3,773</u>	-	100	<u>3,873</u>
TOTAL EXPENSES	<u>3,773</u>	<u>-</u>	<u>100</u>	<u>3,873</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,412</u>	<u>2,900</u>	<u>869</u>	<u>5,181</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	323	-	323
Operating Transfers Out	-	(4,500)	-	(4,500)
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>(4,177)</u>	<u>-</u>	<u>(4,177)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,412	(1,277)	869	1,004
FUND BALANCES - JULY 1	<u>73,196</u>	<u>74,124</u>	<u>22,297</u>	<u>169,617</u>
FUND BALANCES - JUNE 30	<u>\$ 74,608</u>	<u>\$ 72,847</u>	<u>\$ 23,166</u>	<u>\$ 170,621</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, 2007

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General government	\$ -	\$ 12,000	\$ 41,693	\$ 820,925	\$ 874,618
Protection	22,000	1,881,000	1,429,806	-	3,332,806
Public works	-	1,007,600	926,900	5,625,640	7,560,140
Health and sanitation	-	275,260	164,576	-	439,836
Education	-	14,386,026	3,566,395	90,000	18,042,421
Recreation	26,800	424,423	84,357	995,609	1,531,189
Town-wide	1,538,890	25,151,193	20,000	-	26,710,083
Sewer fund	947,138	2,166,370	254,650	6,240,929	9,609,087
Total General Capital Assets	2,534,828	45,303,872	6,488,377	13,773,103	68,100,180
Less: Accumulated Depreciation	-	(20,061,938)	(4,490,824)	(7,318,784)	(31,871,546)
Net General Capital Assets	\$ 2,534,828	\$ 25,241,934	\$ 1,997,553	\$ 6,454,319	\$ 36,228,634

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2007

	General Capital Assets 7/1/06	Additions	Deletions	General Capital Assets 6/30/07
General government	\$ 845,821	\$ 28,797	\$ -	\$ 874,618
Protection	3,193,722	139,084	-	3,332,806
Public works	7,339,737	220,403	-	7,560,140
Health and sanitation	439,836	-	-	439,836
Education	18,042,421	-	-	18,042,421
Recreation	1,524,686	6,503	-	1,531,189
Town-wide	26,710,083	-	-	26,710,083
Sewer fund	8,978,597	630,490	-	9,609,087
	<u>67,074,903</u>	<u>1,025,277</u>	<u>-</u>	<u>68,100,180</u>
Total General Capital Assets	67,074,903	1,025,277	-	68,100,180
Less: Accumulated Depreciation	<u>(30,273,110)</u>	<u>(1,598,436)</u>	<u>-</u>	<u>(31,871,546)</u>
Net General Capital Assets	<u>\$ 36,801,793</u>	<u>\$ (573,159)</u>	<u>\$ -</u>	<u>\$ 36,228,634</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

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 Communities	10.418	Loan	\$ 138,432
Passed Through the State of Maine - Department of Education and Cultural Services			
Food Distribution	10.550	N/A	14,565
School Breakfast Program	10.553	013-05A-7127-05	28,235
School Lunch Program	10.555	013-05A-8121-05	141,434
Total U.S. Department of Agriculture			<u>322,666</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 - Public Infrastructure			
	14.228	G806451	143,242
Small Cities Community Block Grant - Housing Assistance Grant			
	14.228	G705429	202,822
Small Cities Community Block Grant - Technical Assistance Grant			
	14.228	G1006346	20,000
Total U.S. Department of Housing and Urban Development			<u>366,064</u>
U.S. Department of Transportation			
Passed Through the State of Maine - Department of Transportation			
Recreational Trails Program	20.219	G406174	7,160
Safety Belt Performance Grant	20.609	N/A	1,980
Small Harbor Improvement Program	20.802	U089070153	10,900
Total U.S. Department of Transportation			<u>20,040</u>
U.S. Environmental Protection Agency			
Passed Through the State of Maine - Department of Environmental Protection			
Small Community Grant Program	66.424	N/A	11,369
Small Community Grant Program	66.424	G406187	14,991
Total U.S. Environmental Protection Agency			<u>26,360</u>

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2007

U.S. Department of Education			
Passed Through the State of Maine -			
Department of Education and Cultural Services			
Title IA - Educationally Deprived	84.010	013-05A-6334-13	263,221
Handicapped Programs - Local			
Entitlement	84.027	013-05A-6317-12	313,780
Local Entitlement Part B - Section 619	84.173	013-05A-6241-23	2,643
Title IID Grant - Ed. Tech. Grant	84.318	013-05A-1006-07	11,990
Title V	84.298	013-05A-1072-66	3,778
Reading First	84.357	013-05A-1101-13	
Rural Low Income	84.358	013-05A-1078-03	26,274
Title IIA - Teacher Quality Grant	84.367	013-05A-1138-11	47,312
			<u>668,998</u>
Passed Through the State of Maine - Department			
of Mental Health, Mental Retardation,			
and Substance Abuse Services:			
Drug Free Schools Act	84.186	013-075-6346-57	3,630
			<u>672,628</u>
Total U.S. Department of Education			
U.S. Department of Health and Human Services			
Passed Through the State of Maine - Department			
of Health and Human Services			
Office of Substance Abuse Grant	93.230	SA-25109A	25,057
Block Grants for Prevention and Treatment of			
Substance Abuse	93.959	SA3-06-302	46,889
			<u>71,946</u>
Total U.S. Department of Health and Human Services			
U.S. Department of Homeland Security			
Passed Through Maine Emergency Management Agency			
in the Department of Defense, Veterans and			
Emergency Management			
Homeland Security Information Technology and			
Evaluation Program	97.066	N/A	57,694
Homeland Security Information Technology and			
Evaluation Program	97.066	N/A	14,927
			<u>72,621</u>
Assistance to Firefighters Grant	97.044	N/A	93,585
Assistance to Firefighters Grant	97.044	N/A	18,281
			<u>111,866</u>
Total U.S. Department of Homeland Security			
			<u>184,487</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 1,664,191</u>

TOWN OF BUCKSPORT, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

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 A programs as defined by Circular A-133.

Program	CFDA #
Title IA – Educationally Deprived	84.010
Handicapped Programs – Local Entitlement	84.027



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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

July 24, 2007

Town Council
Town of Bucksport
Bucksport, Maine

We have audited the financial statements of the governmental 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, 2007, which collectively comprise the the Town of Bucksport, Maine's basic financial statements and have issued our report there on dated July 24, 2007. 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 opinions 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 of Bucksport, Maine's internal control over financial reporting.

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A control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the the Town of Bucksport, Maine's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Bucksport, Maine's financial statements that is more than inconsequential will not be prevented or detected by The Town of Bucksport, Maine's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Bucksport, Maine's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 for the information and use of management, the Town Council, 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.

Certified Public Accountants



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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

July 24, 2007

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, 2007. The Town of Bucksport, Maine's major federal programs are identified in the summary of auditors' 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 of the Town of Bucksport, Maine's compliance with those requirements.

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, 2007.

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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 the 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, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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, the 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.

Certified Public Accountants

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2007

Summary of Auditors' Results:

- 1) We have issued an unqualified report dated July 24, 2007 on the financial statements of the Town which can be found on pages 1 - 2.
- 2) Our statement of reportable conditions and material weaknesses can be found on pages 83 - 84 as they pertain to the audit of the financial statements for the Town.
- 3) Our statement of non-compliance can be found on pages 83 - 84 as they pertain to the audit of the financial statements for the Town.
- 4) Our statement of reportable conditions and material weaknesses over major programs can be found on pages 85 - 86 as they pertain to the audit of the financial statements for the Town.
- 5) We have issued a unqualified report dated July 24, 2007 on compliance for major programs of the Town which can be found on pages 85 - 86.
- 6) Our statements disclosed no audit findings.
- 7) The following major programs were audited as of June 30, 2007:

Title IA – Educationally Deprived	CFDA # 84.010
Handicapped Programs – Local Entitlement	CFDA # 84.027
- 8) The dollar threshold used to determine Type A and Type B programs as defined by OMB Circular A-133 is \$500,000.
- 9) The auditee has qualified as low risk as defined by OMB Circular A-133.
- 10) There were no findings related to the financial statements of the Town in accordance with GAGAS.
- 11) There were no findings or questioned costs for Federal Awards of the Town for the year ended June 30, 2007.



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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF AGREEMENT OPERATIONS

July 24, 2007

Town Council
Town of Bucksport
Bucksport, Maine

We have audited the special-purpose Schedule of Agreement Operations of the Town of Bucksport, Maine as of June 30, 2007. This report is the responsibility of the Town's management. Our responsibility is to express an opinion on this special-purpose report based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* and the *Maine Uniform Accounting and Auditing Practices Act for Community Agencies*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Agreement Operations is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Agreement Operations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Agreement Operations. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose Schedule of Agreement Operations was prepared for the purpose of complying with the *Maine Uniform Accounting and Auditing Practices for Community Agencies*. The schedule is a presentation of grant revenues, expenditures, and balances of the Town of Bucksport, Maine's agreements with the Department, which is a comprehensive basis of accounting other than generally accepted accounting principles, and it is not intended to be a complete presentation of the Town's revenues and expenses.

In our opinion, the special-purpose report referred to above presents fairly, in all material respects, the revenues, expenditures, and balances of the Town of Bucksport, Maine's agreements with the Department as of June 30, 2007, in accordance with the *Maine Uniform Accounting and Auditing Practices for Community Agencies*.

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This report is intended solely for the information and use of the Town Council and management of the Town of Bucksport, Maine and the Department and should not be used for any other purpose.

Certified Public Accountants

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF AGREEMENT OPERATIONS
 DEPARTMENT OF HUMAN SERVICES PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2007

Agreement Number:	SA3-06-302 (2)	SA-25109A (2)
Agreement Total:	\$47,355	\$158,470
Agreement Term:	1/1/06-6/30/07	7/1/06-6/30/07
Basis of Settlement:	Cost	Cost
Status:	<u>Final</u>	<u>Final</u>
REVENUES		
Grants and contracts - Federal	\$ 42,355	\$ -
- State		-
Miscellaneous	1,112	-
Total revenues	<u>43,467</u>	<u>-</u>
EXPENDITURES	<u>46,889</u>	<u>25,057</u>
NET ACTIVITIES	(3,422)	(25,057)
BEGINNING BALANCE	<u>3,422</u>	<u>25,057</u>
ENDING BALANCE	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report on Schedule of Agreement Operations.

TOWN OF BUCKSPORT, MAINE

NOTES TO SCHEDULE OF AGREEMENT OPERATIONS
DEPARTMENT OF HUMAN SERVICES PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 1 - MAJOR PROGRAM:

This program was considered a major program for auditing purposes.

NOTE 2 – NON-MAJOR PROGRAM:

This program was considered a non-major program for auditing purposes.



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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING DEPARTMENT PROGRAMS

July 24, 2007

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, 2007, and have issued our report thereon dated July 24, 2007. We have also audited the compliance of the Town of Bucksport, Maine with the requirements applicable to Department agreements and have issued our report thereon dated July 24, 2007.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the *Maine Uniform Accounting and Auditing Practices for Community Agencies* (1996 Revision). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Town of Bucksport, Maine complied with laws and regulations, noncompliance with which would be material to a Department award program.

In planning and performing our audits for the year ended June 30, 2007, we considered the internal control structure of the Town of Bucksport, Maine, in order to determine our auditing procedures for the purpose of expressing our opinion on the Town of Bucksport, Maine's financial statements and on its compliance with requirements applicable to Department agreements and to report on the internal control structure policies and procedures in accordance with the *Maine Uniform Accounting and Auditing Practices for Community Agencies* (1996 Revision). This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to Department agreements.

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The management of The Town of Bucksport, Maine is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that Department agreements are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For purposes of this report, we have classified the significant internal control structure policies and procedures used in administering Department agreements in the following categories:

<u>Accounting Controls</u>	<u>General Requirements</u>	<u>Specific Requirements</u>
Cash	Political Activity	Type of services allowed or not allowed
Support, program service fees, revenue and receivables	Civil Rights	Eligibility
Expenses for goods and services and accounts payable	Cash Management	Matching, level of effort, and earmarking
Payroll and related liabilities	Federal financial reports	Special reporting requirements
Property and equipment	Allowable costs/cost principles	Special tests and provisions
Debt and other liabilities	Drug-Free Workplace Act	Claims for advances and reimbursement
Net Assets	Administrative requirements	Amounts claimed or used for matching
Governmental financial assistance programs		

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 2007, the Town of Bucksport, Maine expended 100% of its total Department awards under non-major Department agreements.

We performed tests of controls, as required by the *Maine Uniform Accounting and Auditing Practices for Community Agencies* (1996 Revision), to evaluate the effectiveness of the design and operation of internal control structure policies and

procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to Department agreements which are identified in the accompanying Schedule of Agreement Operations. Our procedures were substantially less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a Department agreement may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering Department agreements would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted no matters involving the internal control structure or its operation that we believe to be material weaknesses as defined above.

This report is intended solely for the information and use of the Town Council and management of the Town of Bucksport, Maine and the Department and should not be used for any other purpose.

Certified Public Accountants



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INDEPENDENT AUDITORS' COMBINED REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO DEPARTMENT AGREEMENTS

July 24, 2007

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, 2007, and have issued our report thereon dated July 24, 2007.

We have also audited the Town of Bucksport, Maine's compliance with the specific requirements identified in the Contract Compliance Riders of the Town's agreements with the State of Maine that are applicable to each of its major Department agreements, which are identified in the accompanying Schedule of Agreement Operations, for the year ended June 30, 2007. The management of the Town of Bucksport, Maine is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Maine Uniform Accounting and Auditing Practices for Community Agencies (1996 Revision). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Town of Bucksport, Maine's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Town of Bucksport, Maine complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major Department agreements, for the year ended June 30, 2007.

This report is intended solely for the information and use of the Town Council and management of the Town of Bucksport, Maine and the Department and should not be used for any other purpose.

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ACCOUNTANTS' COMPILATION REPORT ON AGREEMENT SETTLEMENT FORMS

July 24, 2007

Town Council
Town of Bucksport
Bucksport, Maine

We have compiled the accompanying Agreement Settlement Forms of the Town of Bucksport, Maine as of June 30, 2007 and for the year then ended, in accordance with Statements for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Certified Public Accountants

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AGREEMENT SETTLEMENT FORM

Fiscal Year End: 6/30/2007
 Funding Department: DHS
 Agreement Number: SA3-06-302
 Agreement Period: 1/1/06-6/30/07
 Agreement Amount: \$47,355

<u>Agreement Totals:</u>	<u>Revenue</u>	<u>Expense</u>	<u>Balance</u>		
1. Prior Year Stub Period	\$ 3,422	\$ -	\$ 3,422		
2. Current Year Stub Period	43,467	46,889	(3,422)		
3. Adjustments	<u>-</u>	<u>-</u>	<u>-</u>		
4. Per Financial Statements - SAO's	<u>46,889</u>	<u>46,889</u>	<u>-</u>		
 <u>Agreement Adjustments:</u>					
5.	-	-	-		
6.	-	-	-		
7.	<u>-</u>	<u>-</u>	<u>-</u>		
8. Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>		
9. Total Available for Cost Sharing	<u><u>\$ 46,889</u></u>	<u><u>\$ 46,889</u></u>	<u><u>\$ -</u></u>		
 <u>Agreement Cost Sharing:</u>					
<u>Funding Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Available Revenue</u>	<u>Allocated Expense</u>	<u>Balance</u>
10. SA3-06-02	\$ 47,355	97.63%	\$ 45,777	\$ 45,777	\$ -
11. All Other	<u>-</u>	<u>2.37%</u>	<u>1,112</u>	<u>1,112</u>	<u>-</u>
Totals	<u><u>\$ 47,355</u></u>	<u><u>100.00%</u></u>	<u><u>\$ 46,889</u></u>	<u><u>\$ 46,889</u></u>	<u><u>\$ -</u></u>

See accompanying accountants' compilation report.

AGREEMENT SETTLEMENT FORM

Fiscal Year End: 6/30/2007
 Funding Department: DHS
 Agreement Number: SA-25109A
 Agreement Period: 7/1/06-6/30/07
 Agreement Amount: \$158,470

<u>Agreement Totals:</u>	<u>Revenue</u>	<u>Expense</u>	<u>Balance</u>
1. Prior Year Stub Period	\$ 176,542	\$ 125,504	\$ 51,038
2. Current Year Stub Period	-	25,057	(25,057)
3. Adjustments	-	-	-
4. Per Financial Statements - SAO's	<u>176,542</u>	<u>150,561</u>	<u>25,981</u>

Agreement Adjustments:

5. Less: In-kind	(16,778)	(16,778)	-
6. Adjust income	(1,258)	-	(1,258)
7.	-	-	-
8. Total Adjustments	<u>(18,036)</u>	<u>(16,778)</u>	<u>(1,258)</u>
9. Total Available for Cost Sharing	<u>\$ 158,506</u>	<u>\$ 133,783</u>	<u>\$ 24,723</u>

Agreement Cost Sharing:

<u>Funding Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Available Revenue</u>	<u>Allocated Expense</u>	<u>Balance</u>
10. SA-25109A	\$ 158,470	99.98%	\$ 158,470	\$ 133,753	\$ 24,717
11. All Other	-	0.02%	36	30	6
Totals	<u>\$ 158,470</u>	<u>100.00%</u>	<u>\$ 158,506</u>	<u>\$ 133,783</u>	<u>\$ 24,723</u>

See accompanying accountants' compilation report.



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INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

July 24, 2007

Town Council
Town of Bucksport
Bucksport, Maine

We have audited the financial statements of the Town of Bucksport, Maine, for the year ended June 30, 2007 and have issued our report thereon dated September 4, 2007. Our audit was made in accordance with generally accepted auditing standards and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls in place, the EF-M-45 for the year ended June 30, 2007 due on July 31, 2007 and revised copy, quarterly EF-U-415 reports, and the Town's compliance with applicable provisions of the Maine Finance Act as we considered necessary in the circumstances.

The results of our procedures indicate that with respect to the items tested, the Town of Bucksport, Maine, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Bucksport, Maine, was in noncompliance with, or in violation of, those provisions. The Department will also be filing a revised EF-M-45 for the year ended June 30, 2007 which was due on December 15, 2007.

This report is intended solely for the information of the Town Council, management, and the Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

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TOWN OF BUCKSPORT, MAINE

RECONCILIATION OF EF-M-45 TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

Revenues:

Total general fund revenue per EF-M-45	<u>\$ 11,594,566</u>
Local appropriation included in property tax revenue	\$ 5,309,934
Revenue shown on Schedule A:	
Intergovernmental revenue:	
Education subsidy	3,730,493
Other intergovernmental revenue	92,751
Tuition revenue	2,232,238
Investment revenue	9,959
Miscellaneous school revenue	87,576
Less: Miscellaneous revenue reported in the special revenue funds on the EF-M-45	(20,129)
Less: Alternate high school revenue not reported on EF-M-45	(85,546)
Add: Accounts receivable at June 30, 2006	379,169
Less: Accounts receivable at June 30, 2007	(141,879)
	<u>\$ 11,594,566</u>

Expenditures:

Total general fund expenditures per EF-M-45	<u>\$ 10,907,204</u>
Total education expenditures as shown on Schedule B	\$ 11,399,670
Less: adjustment for accrued summer salaries	(402,080)
Less: Alternate high school expenses not reported on EF-M-45	(112,404)
Add: special revenue expenses recorded in the general fund on the EF-M-45	22,018
	<u>\$ 10,907,204</u>