

Audited Financial Statements

Town of Bucksport, Maine

June 30, 2008



Proven Expertise and Integrity

TOWN OF BUCKSPORT, MAINE

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JUNE 30, 2008

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INDEPENDENT AUDITORS' REPORT

July 25, 2008

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, 2008, 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, 2008, 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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In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2008, on our consideration of the Town of Bucksport, Maine's internal control over financial reporting and on our tests of its compliance with certain laws and provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 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, 2008. 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 as a whole 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 for governmental activities increased by \$1,290,886 from \$33.77 million to \$35.06 million. For the business-type activities the Town's total net assets increased by \$792,066 from \$4.61 million to \$5.40 million.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased for the governmental activities by \$498,205 to a balance of \$6,387,636 at the end of the fiscal year. For the business-type activities, the unrestricted net assets increased by \$318,745 to a balance of \$717,809.

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

	Governmental Activities		Business-Type Activities	
	2008	2007	2008	2007
Current and other assets	\$ 12,965,912	\$ 13,545,420	\$ 784,041	\$ 404,785
Capital Assets	31,128,976	31,365,942	7,073,191	5,002,934
Total Assets	\$ 44,094,888	\$ 44,911,362	\$ 7,857,232	\$ 5,407,719
Liabilities:				
Current Liabilities	\$ 2,183,832	\$ 3,588,728	\$ 175,904	\$ 648,794
Long-term Debt Outstanding	6,853,422	7,555,886	2,283,728	153,391
Total Liabilities	\$ 9,037,254	\$ 11,144,614	\$ 2,459,632	\$ 802,185
Net Assets:				
Invested in Capital Assets, Net of related Debt	\$ 23,790,051	\$ 23,291,556	\$ 4,679,791	\$ 4,206,470
Restricted: General Fund	1,099,503	2,310,514	-	-
Special Revenue Funds	865,865	812,789	-	-
Capital Project Funds	2,744,475	1,291,837	-	-
Permanent Funds	170,104	170,621	-	-
Other Net Assets	6,387,636	5,889,431	717,809	399,064
Total Net Assets	\$ 35,057,634	\$ 33,766,748	\$ 5,397,600	\$ 4,605,534

Revenues and Expenses

Revenues for the Town's governmental activities increased by 7.11%, while total expenses increased by 4.97%. For the business-type activities revenues increased by 229.28%, while total expenses increased by 4.76%.

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

	Governmental Activities		Business-Type Activities	
	2008	2007	2008	2007
Revenue				
Taxes	\$ 9,856,619	\$ 10,060,145	\$ -	\$ -
Intergovernmental	6,507,210	6,369,514	-	34,467
Charges for services	2,839,707	2,951,266	459,583	367,934
Miscellaneous	1,149,811	764,161	56,868	13,520
Capital contributions	-	-	729,427	-
Transfers from other funds	2,540,697	1,228,359	174,433	15,412
Total Revenue	22,894,044	21,373,445	1,420,311	431,333
Expenses				
General government	1,176,921	1,219,500	-	-
Protection	1,370,385	1,278,787	-	-
Public works	1,074,931	1,009,761	-	-
Health and sanitation	388,953	391,294	-	-
Community and social agencies	186,023	54,879	-	-
Education	12,281,040	12,076,413	-	-
Environment & housing	109,336	-	-	-
Recreation	252,745	221,937	-	-
Cemeteries	8,370	7,893	-	-
Tax increment financing agreement	963,633	1,068,945	-	-
Debt service	393,205	428,133	-	-
County tax	256,042	271,757	-	-
Capital outlay	231,104	-	-	-
Sewer fund	-	-	619,682	559,288
Unallocated depreciation	45,636	404,313	-	-
Unclassified	150,563	943,024	8,563	-
Transfers to other funds	2,714,271	1,203,340	-	40,431
Total Expenses	21,603,158	20,579,976	628,245	599,719
Change in Net Assets	1,290,886	793,469	792,066	(168,386)
Net Assets - July 1	33,766,748	32,973,279	4,605,534	4,773,920
Net Assets - June 30	\$ 35,057,634	\$ 33,766,748	\$ 5,397,600	\$ 4,605,534

The cost of all governmental activities this year was \$21.60 million compared to \$20.58 million last year, an increase of \$1.02 million or 4.97%.

Analysis of Balances and Transactions of Individual Funds

Table 3
Town of Bucksport, Maine
Net Cost of Services
For the Year Ended June 30, 2008

	Total Cost of Services	Total Revenue	Net Cost of Services
General Government	\$ 1,176,921	\$ 101,685	\$ 1,075,236
Protection	1,370,385	371,953	998,432
Public works	1,074,931	74,908	1,000,023
Education	12,281,040	7,294,972	4,986,068
Tax increment financing agreement	963,633	-	963,633
Other	2,021,977	361,112	1,660,865
Totals	\$ 18,888,887	\$ 8,204,630	\$ 10,684,257

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2008, the net book value of capital assets recorded by the Town increased by \$1,833,291 over the prior year. The increase is the result of capital additions of \$3,490,209 less current year depreciation of \$1,648,355 and a loss on a disposal of \$8,563.

Table 4
Town of Bucksport, Maine
Capital Assets 6/30/08
(Net of Depreciation)

	2008	2007
Land	\$ 2,084,291	\$ 1,853,890
Construction in progress	2,947,374	838,180
Buildings and improvements	24,701,717	25,241,934
Furniture and fixtures	630,297	751,353
Equipment	417,686	396,432
Vehicles	845,300	846,768
Infrastructure	6,575,502	6,440,319
Total	\$ 38,202,167	\$ 36,368,876

Debt

At June 30, 2008, the Town had \$9.73 million in bonds outstanding versus \$8.29 million last year, an increase of 17.38%, primarily due to the issuance of \$2.24 million in general obligation bonds for the combined sewer overflow abatement facility. Refer to Note 6 of the Notes to Financial Statements for detailed information.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

Bucksport's financial performance and management of resources remains strong with seven consecutive general fund surpluses. The undesignated general fund balance increased to \$6.70 million for the year ended June 30, 2008 from \$6.16 million for the same period in 2007 or an 8.88% increase.

In fiscal 2008, the Town's economic improvements included Verso Paper's construction of a new wood yard and Webber Tanks' upgrade of fuel storage tanks, which generated approximately \$21.26 million in additional industrial and commercial property value. Residential growth has also continued during the past year including the addition of 20 single-family homes and the conversion of the former Gardner High School to 26 units of subsidized elderly housing.

Fiscal 2009 budget expectations will continue to support operational and program needs within LD-1 tax limitations together with anticipated local economic growth and development. Property taxes will remain the largest source of revenue for the Town in fiscal 2009, comprising approximately 48% of revenues. Operating expenses are projected to increase approximately 5.28% over costs incurred in fiscal 2008. The Town's mil rate will decline for the coming year to 12.8%, down from 13.8% and is the fifth consecutive year that the mil rate has declined or remained unchanged. Substantially all of the decrease can be attributed to growth in assessed values of existing residential and commercial property of approximately \$33.04 million resulting from the Town's most recent local valuation adjustment, demonstrating an increase in local home and business real property sales prices from fiscal 2006.

The Town's sewer department is separately funded primarily with user fees. Fiscal 2009 operating costs are projected to increase approximately 26.58% over those incurred in fiscal 2008. The increase is primarily attributed to debt service on the newly completed combined sewer overflow abatement facility. Accordingly, user fees will increase approximately of 6.98% over the 2008 period. However, based on a recent Maine Rural Water Association sewer rate survey, the Town's rates remain within the bottom twenty-five percent of sewer rates statewide.

To limit the Town's exposure to unforeseen cost and more specifically to provide an adequate level of funding should a significant valuation loss occur from its largest taxpayer (Verso Paper), Bucksport adopted an Undesignated Fund Balance Policy in May of 2008. The Town's management designed the policy around maintaining a level of funding in Undesignated Fund Balance (surplus) that provides financial stability for the community into the near future, as Verso's valuation accounts for approximately

44% of the Town's overall valuation. In addition, the policy will assist the Town in maintaining its current favorable bond rating and provide direction to the Town Manager during annual budget preparation. The policy requires that a surplus minimum be maintained equal to three months of the Town's total expenses (gross budget) plus an amount equal to three months of the annual taxes for the mill. For example, if the Town's proposed gross budget is \$17,000,000 and the annual taxes for the mill are \$4,140,000, then the minimum to retain in surplus would be \$5,285,000 calculated as follows: $(\$17,000,000 \times 25\% = \$4,250,000) + (\$4,140,000 \times 25\% = \$1,035,000)$. The Town maintained balances in excess of the required minimum level for the fiscal years ended 2008 and 2007 of \$0.79 million and \$0.28 million, respectively. 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 remains 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 access to 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, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 2,546,191	\$ -	\$ 2,546,191
Investments	9,795,924	159,947	9,955,871
Accounts receivable (net of allowance for uncollectibles):			
Taxes	3,665	-	3,665
Liens	166,575	-	166,575
Other	423,614	136,734	560,348
Inventory	25,908	-	25,908
Prepaid items	4,035	891	4,926
Due from other funds	-	486,469	486,469
Total current assets	<u>12,965,912</u>	<u>784,041</u>	<u>13,749,953</u>
Noncurrent assets:			
Capital assets:			
Land, infrastructure, and other assets not being depreciated	2,061,586	2,970,079	5,031,665
Buildings and vehicles net of accumulated depreciation	29,067,390	4,103,112	33,170,502
Total noncurrent assets	<u>31,128,976</u>	<u>7,073,191</u>	<u>38,202,167</u>
TOTAL ASSETS	<u><u>\$ 44,094,888</u></u>	<u><u>\$ 7,857,232</u></u>	<u><u>\$ 51,952,120</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 308,723	\$ 38,133	\$ 346,856
Accrued payroll	646,018	-	646,018
Other accrued payables	5,702	28,099	33,801
Due to other funds	486,469	-	486,469
Prepaid taxes	1,459	-	1,459
Current portion of long-term obligations	735,461	109,672	845,133
Total current liabilities	<u>2,183,832</u>	<u>175,904</u>	<u>2,359,736</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations:			
Bonds payable	6,603,464	2,283,728	8,887,192
Accrued compensated absences	249,958	-	249,958
Total noncurrent liabilities	<u>6,853,422</u>	<u>2,283,728</u>	<u>9,137,150</u>
TOTAL LIABILITIES	<u>9,037,254</u>	<u>2,459,632</u>	<u>11,496,886</u>
NET ASSETS			
Invested in capital assets, net of related debt	23,790,051	4,679,791	28,469,842
Restricted	4,879,947	-	4,879,947
Unrestricted	6,387,636	717,809	7,105,445
TOTAL NET ASSETS	<u>35,057,634</u>	<u>5,397,600</u>	<u>40,455,234</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 44,094,888</u></u>	<u><u>\$ 7,857,232</u></u>	<u><u>\$ 51,952,120</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, 2008

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	\$ 1,176,921	\$ 79,185	\$ 22,500	\$ -	\$ (1,075,236)	\$ -	\$ (1,075,236)
Protection	1,370,385	362,903	9,050	-	(998,432)	-	(998,432)
Public works	1,074,931	-	74,908	-	(1,000,023)	-	(1,000,023)
Health and sanitation	388,953	213,648	-	-	(175,305)	-	(175,305)
Community and social agencies	186,023	-	107,033	-	(78,990)	-	(78,990)
Education	12,281,040	2,143,540	5,151,432	-	(4,986,068)	-	(4,986,068)
Environment & housing	109,336	-	-	-	(109,336)	-	(109,336)
Recreation	252,745	40,431	-	-	(212,314)	-	(212,314)
Cemeteries	8,370	-	-	-	(8,370)	-	(8,370)
Tax increment financing agreement	963,633	-	-	-	(963,633)	-	(963,633)
Debt service:							
Interest on long-term debt	393,205	-	-	-	(393,205)	-	(393,205)
County tax	256,042	-	-	-	(256,042)	-	(256,042)
Capital outlay	231,104	-	-	-	(231,104)	-	(231,104)
Unallocated depreciation	45,636	-	-	-	(45,636)	-	(45,636)
Unclassified	150,563	-	-	-	(150,563)	-	(150,563)
Total governmental activities	<u>18,888,887</u>	<u>2,839,707</u>	<u>5,364,923</u>	<u>-</u>	<u>(10,684,257)</u>	<u>-</u>	<u>(10,684,257)</u>
Business-type activities:							
Sewer fund	619,682	459,583	-	729,427	-	569,328	569,328
Total business-type activities	<u>619,682</u>	<u>459,583</u>	<u>-</u>	<u>729,427</u>	<u>-</u>	<u>569,328</u>	<u>569,328</u>
Total government and business	<u>19,508,569</u>	<u>3,299,290</u>	<u>5,364,923</u>	<u>729,427</u>	<u>(10,684,257)</u>	<u>569,328</u>	<u>(10,114,929)</u>

STATEMENT B (CONTINUED)

TOWN OF BUCKSPORT, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Changes in net assets:			
Net (expense) revenue	<u>(10,684,257)</u>	<u>569,328</u>	<u>(10,114,929)</u>
General revenue:			
Taxes			
Property taxes, levied for general purposes	9,131,859	-	9,131,859
Excise taxes, levied for general purposes	724,760	-	724,760
Grants and contributions not restricted to specific programs	1,142,287	-	1,142,287
Miscellaneous	1,149,811	56,868	1,206,679
Loss on disposal of capital assets	-	(8,563)	(8,563)
Transfers - internal activity	<u>(173,574)</u>	<u>174,433</u>	<u>859</u>
Total general revenue and transfers	<u>11,975,143</u>	<u>222,738</u>	<u>12,197,881</u>
Change in net assets	<u>1,290,886</u>	<u>792,066</u>	<u>2,082,952</u>
NET ASSETS - JULY 1, 2007	33,755,748	4,476,292	38,232,040
PRIOR PERIOD ADJUSTMENT	<u>11,000</u>	<u>129,242</u>	<u>140,242</u>
NET ASSETS - JULY 1, 2007, RESTATED	<u>33,766,748</u>	<u>4,605,534</u>	<u>38,372,282</u>
NET ASSETS - JUNE 30, 2008	<u><u>\$ 35,057,634</u></u>	<u><u>\$ 5,397,600</u></u>	<u><u>\$ 40,455,234</u></u>

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

TOWN OF BUCKSPORT, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2008

	General Fund	All Nonmajor Funds	Total
ASSETS			
Cash	\$ 2,426,880	\$ 119,311	\$ 2,546,191
Investments	9,703,503	92,421	9,795,924
Receivables (net of allowance for uncollectibles):			
Taxes	3,665	-	3,665
Liens	166,575	-	166,575
Other	245,199	178,415	423,614
Inventory	22,853	3,055	25,908
Prepaid items	4,035	-	4,035
Due from other funds	70,278	3,404,108	3,474,386
TOTAL ASSETS	\$ 12,642,988	\$ 3,797,310	\$ 16,440,298
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 298,170	\$ 10,553	\$ 308,723
Accrued payroll	646,018	-	646,018
Other accrued payables	5,702	-	5,702
Due to other funds	3,890,577	70,278	3,960,855
Deferred tax revenues	139,651	-	139,651
Prepaid taxes	1,459	-	1,459
TOTAL LIABILITIES	4,981,577	80,831	5,062,408
Fund Equity			
Reserved for endowments	-	71,199	71,199
Unreserved, reported in:			
General Fund:			
Designated	959,852	-	959,852
Undesignated	6,701,559	-	6,701,559
Special Revenue Fund:			
Designated	-	865,865	865,865
Undesignated	-	(63,965)	(63,965)
Capital Project funds	-	2,744,475	2,744,475
Permanent funds	-	98,905	98,905
TOTAL FUND EQUITY	7,661,411	3,716,479	11,377,890
TOTAL LIABILITIES AND FUND EQUITY	\$ 12,642,988	\$ 3,797,310	\$ 16,440,298

STATEMENT C (CONTINUED)

TOWN OF BUCKSPORT, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2008

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 11,377,890
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	31,128,976
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	139,651
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(7,338,925)
Accrued compensated absences	<u>(249,958)</u>
 Net assets of governmental activities	 <u><u>\$ 35,057,634</u></u>

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

TOWN OF BUCKSPORT, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	All Nonmajor Funds	Totals Governmental Funds
REVENUES			
Taxes	\$ 9,107,173	\$ -	\$ 9,107,173
Excise taxes	724,760	-	724,760
Intergovernmental	5,003,343	1,503,867	6,507,210
Charges for services	2,839,707	-	2,839,707
Miscellaneous revenues	746,964	402,847	1,149,811
TOTAL REVENUES	<u>18,421,947</u>	<u>1,906,714</u>	<u>20,328,661</u>
EXPENDITURES			
Current:			
General government	1,121,333	41,692	1,163,025
Protection	1,246,702	24,414	1,271,116
Public works	840,921	12,943	853,864
Health and sanitation	369,063	1,863	370,926
Community and social agencies	52,254	133,769	186,023
Education	10,206,331	1,412,665	11,618,996
Environment & housing	-	109,336	109,336
Recreation	192,100	23,225	215,325
Cemeteries	4,120	4,250	8,370
Tax Increment Financing Agreement	963,633	-	963,633
Debt service:			
Principal	735,461	-	735,461
Interest	393,205	-	393,205
County tax	256,042	-	256,042
Capital outlay	-	1,091,497	1,091,497
Unclassified	117,566	-	117,566
TOTAL EXPENDITURES	<u>16,498,731</u>	<u>2,855,654</u>	<u>19,354,385</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,923,216</u>	<u>(948,940)</u>	<u>974,276</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	12,860	2,527,837	2,540,697
Transfers out	<u>(2,625,277)</u>	<u>(88,994)</u>	<u>(2,714,271)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,612,417)</u>	<u>2,438,843</u>	<u>(173,574)</u>
NET CHANGE IN FUND BALANCES	(689,201)	1,489,903	800,702
FUND BALANCES - JULY 1	<u>8,350,612</u>	<u>2,226,576</u>	<u>10,577,188</u>
FUND BALANCES - JUNE 30	<u>\$ 7,661,411</u>	<u>\$ 3,716,479</u>	<u>\$ 11,377,890</u>

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

TOWN OF BUCKSPORT, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds (Statement D)	<u>\$ 800,702</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocated those expenditures over the life of the assets:	
Capital asset purchases	1,118,849
Depreciation expense	<u>(1,355,815)</u>
	<u>(236,966)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>24,686</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	<u>735,461</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets	<u>-</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>(32,997)</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 1,290,886</u></u>

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

TOWN OF BUCKSPORT, MAINE

BALANCE SHEET – ENTERPRISE FUNDS
JUNE 30, 2008

	<u>Sewer Fund</u>
ASSETS	
Current assets:	
Investments	\$ 159,947
Accounts receivable	136,734
Due from other funds	486,469
Prepaid expense	891
Total current assets	<u>784,041</u>
Capital assets:	
Construction in progress	2,731,879
Land	238,200
Buildings	2,338,387
Infrastructure	6,409,398
Equipment	191,217
Vehicles	71,388
Total capital assets	<u>11,980,469</u>
Less: accumulated depreciation	<u>(4,907,278)</u>
Net capital assets	<u>7,073,191</u>
TOTAL ASSETS	<u><u>\$ 7,857,232</u></u>
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	\$ 38,133
Accrued interest	28,099
Current portion of long-term liabilities	109,672
Total current liabilities	<u>175,904</u>
Long-term liabilities:	
Bonds payable, net of current portion	<u>2,283,728</u>
Total long-term liabilities	<u>2,283,728</u>
Total liabilities	<u>2,459,632</u>
NET ASSETS	
Invested in capital assets, net of related debt	4,679,791
Unrestricted	717,809
TOTAL NET ASSETS	<u>5,397,600</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,857,232</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, 2008

	Sewer Fund
OPERATING REVENUES	
Charges for services	\$ 459,583
Other	4,033
TOTAL OPERATING REVENUES	463,616
OPERATING EXPENSES	
Payroll	151,008
Supplies	51,316
Equipment	21,286
Utilities	33,150
Depreciation	292,540
Other	38,485
TOTAL OPERATING EXPENSES	587,785
OPERATING (LOSS)	(124,169)
NON-OPERATING INCOME (EXPENSE)	
Interest income	52,835
Interest expense	(31,897)
Capital contributions	729,427
Loss on disposal of capital assets	(8,563)
Transfers in	174,433
Transfers out	-
NET NON-OPERATING INCOME	916,235
CHANGE IN NET ASSETS	792,066
NET ASSETS - JULY 1	4,476,292
PRIOR PERIOD ADJUSTMENT	129,242
NET ASSETS - JULY 1, RESTATED	4,605,534
NET ASSETS - JUNE 30	\$ 5,397,600

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, 2008

	Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 446,224
Internal activity - receipts (payments) from/to other funds	(201,026)
Payments to suppliers and employees	(258,003)
Net cash provided by operating activities	<u>(12,805)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Increase in investments	(159,947)
Interest income	52,835
Net cash used by investing activities	<u>(107,112)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Increase in construction in progress	(1,615,414)
Purchase of capital assets	(26,519)
Transfer to reserve fund	-
Transfer from general fund for bonds payable	174,433
Proceeds from bonds issued	2,240,000
Principal payments on bonds payable	(63,777)
Principal payments on short-term note payable	(579,287)
Interest payments on bonds payable	(9,519)
Net cash used by capital and related financing activities	<u>119,917</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)	\$ (124,169)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	292,540
Changes in operating assets and liabilities:	
Increase in accounts receivable	(17,392)
Increase in due from other funds	(201,026)
Increase in prepaid expense	(891)
Increase in accounts payable	38,133
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (12,805)</u>

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

TOWN OF BUCKSPORT, MAINE

STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2008

	Student Activity Funds
ASSETS	
Current assets:	
Cash	\$ 103,969
TOTAL ASSETS	<u>\$ 103,969</u>
LIABILITIES	
Deposits held for others	\$ 103,969
TOTAL LIABILITIES	<u>103,969</u>
NET ASSETS	
Held in trust for special purposes	-
TOTAL NET ASSETS	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 103,969</u>

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

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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, 2008

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, 2008

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, 2008

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, 2008

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 Statutes to invest all excess funds in the following:

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

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption and are valued at cost. Under the consumption method, the costs of inventory items are recognized as expenditures when used. In the general fund, inventory consists of diesel fuel, gasoline, winter salt and sand and gravel. The special revenue fund inventory consists of school lunch supplies and food on hand at the end of the year, valued at cost.

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

Revenue Recognition – Property Taxes – Modified Accrual Basis

The Town's property tax for the current year was levied on June 29, 2007, on the assessed value listed as of April 1, 2007, for all taxable real and personal property located in the Town. Taxes were due in two installments on August 31, 2007 and March 31, 2008. Interest on unpaid taxes commenced on September 1, 2007 and April 1, 2008, at 12.0% 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 \$210,279 for the year ended June 30, 2008.

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.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end 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, 2008. Accordingly, no difference exists between actual results and the applicable budgetary data presented in the accompanying combined financial statements.

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.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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 two 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.

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 2008. 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, 2008:

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2 - CAPITAL ASSETS (CONTINUED)

	Balance, 7/1/07	Additions	Disposals	Balance, 6/30/08
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 1,601,690	\$ 244,401	\$ -	\$ 1,846,091
Construction in progress	-	215,495	-	215,495
	1,601,690	459,896	-	2,061,586
Depreciated assets:				
Buildings	39,365,294	-	-	39,365,294
Buildings and improvements	3,772,208	159,474	-	3,931,682
Furniture and fixtures	3,530,722	-	-	3,530,722
Equipment	869,404	115,123	-	984,527
Vehicles	1,830,601	129,711	-	1,960,312
Infrastructure	7,532,174	254,645	-	7,786,819
	56,900,403	658,953	-	57,559,356
Less: accumulated depreciation	(27,136,151)	(1,355,815)	-	(28,491,966)
	29,764,252	(696,862)	-	29,067,390
Net governmental capital assets	\$ 31,365,942	\$ (236,966)	\$ -	\$ 31,128,976
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 238,200	\$ -	\$ -	\$ 238,200
Construction in progress	838,180	2,036,941	(143,242)	2,731,879
	1,076,380	2,036,941	(143,242)	2,970,079
Depreciated assets:				
Buildings	2,166,370	-	-	2,166,370
Buildings and improvements	-	172,017	-	172,017
Equipment	183,262	7,955	-	191,217
Vehicles	71,388	-	-	71,388
Infrastructure	6,240,929	297,689	(129,220)	6,409,398
	8,661,949	477,661	(129,220)	9,010,390
Less: accumulated depreciation	(4,735,395)	(292,540)	120,657	(4,907,278)
	3,926,554	185,121	(8,563)	4,103,112
Net capital assets	\$ 5,002,934	\$ 2,222,062	\$ (151,805)	\$ 7,073,191
				\$ 13,896
General government				148,871
Protection				221,067
Public works				18,027
Health and sanitation				870,898
Education				37,420
Recreation				45,636
Town-wide				1,355,815
Sewer Fund				292,540
Total depreciation expense				\$ 1,648,355

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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, 2008, the Town's cash balance of \$2,650,160 was comprised of deposits amounting to \$3,110,097. Of these deposits, \$244,464 was insured by federal depository insurance and consequently was not exposed to custodial credit risk, \$2,816,976 which was collateralized with securities, and \$48,657 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, 2008, the Town's investments of \$9,955,871 were comprised of \$41,986 of stocks that are held in the Town's name and \$58,259 of certificates of deposit that were insured by federal depository insurance, both which consequently were not exposed to custodial credit risk. The remaining certificates of deposit of \$9,855,626 were collateralized with securities held by the financial institution but not in the Town's name.

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 \$33,339 at June 30, 2008.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2008 consisted of the following individual fund receivables and payables.

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ 70,278	\$ 3,890,577
Special Revenue Funds	531,515	70,278
Capital Project Funds	2,744,475	-
Permanent Funds	128,118	-
Enterprise Funds	486,469	-
	<u>\$ 3,960,855</u>	<u>\$ 3,960,855</u>

NOTE 6 – LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2008:

	<u>Balance, 7/1/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, 6/30/08</u>
Bonds payable	\$ 8,291,563	\$ 2,240,000	\$ (799,238)	\$ 9,732,325
Accrued compensated absences	216,961	32,997	-	249,958
Totals	<u>\$ 8,508,524</u>	<u>\$ 2,272,997</u>	<u>\$ (799,238)</u>	<u>\$ 9,982,283</u>

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 6 – LONG TERM DEBT (CONTINUED)

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.	\$ 440,000
\$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.	728,875
\$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>6,170,050</u>
Total governmental activity debt	<u>7,338,925</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.	40,120
\$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.	113,280
\$2,240,000, 2008 General Obligation Bonds due in annual payments of \$138,343, through April of 2036. Interest is charged at a rate of 4.25% per annum.	<u>2,240,000</u>
Total business-activity debt	<u>2,393,400</u>
Total Long-Term Debt	<u><u>\$ 9,732,325</u></u>

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 6 – 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>
2009	\$ 845,133	\$ 458,248	\$ 1,303,381
2010	808,167	416,711	1,224,878
2011	591,465	375,207	966,672
2012	594,367	348,526	942,893
2013	774,669	321,081	1,095,750
2014-2018	2,345,863	1,214,737	3,560,600
2019-2023	2,412,763	605,423	3,018,186
2024-2028	438,455	253,260	691,715
2029-2033	539,891	151,824	691,715
2034-2038	381,552	33,478	415,030
	<u>\$ 9,732,325</u>	<u>\$ 4,178,495</u>	<u>\$ 13,910,820</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 7 – RESTRICTED NET ASSETS

The following net assets have been restricted at June 30, 2008 for the following purposes:

Restricted taxes for future expenditures	\$ 139,651
Restricted for general fund designated balances	959,852
Restricted for endowments	71,199
Restricted for special revenue funds	865,865
Restricted for capital project funds	2,744,475
Restricted for permanent funds	98,905
	<u>\$ 4,879,947</u>

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 8 – GENERAL FUND DESIGNATED FUND EQUITY

At June 30, 2008, the general fund designated fund balance was made up of the following account balances carried forward into the subsequent year’s budget:

Solid waste	\$	24,356
Education		505,390
Tax increment financing agreement		185,091
Highway block grant		9,752
State revenue sharing		235,263
	<u>\$</u>	<u>959,852</u>

NOTE 9 – 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, 2008 were \$7,655.

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 \$781,016 for the year ended June 30, 2008.

The school department’s payroll for employees covered by this group was approximately \$9,775,699 for the year ended June 30, 2008.

There is no contribution required by the School, except for federally funded teachers. For the year ended June 30, 2008, the Town contributed approximately \$92,959 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, 2008

NOTE 10 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures:

	Excess
General highways	\$ 39,478
	\$ 39,478

NOTE 11 – 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 12 – ECONOMIC DEPENDENCY

The Town has one taxpayer whose property tax assessment represents a significant portion of the Town's tax base. The Bucksport mill of Verso Paper has an assessed value of \$305,806,530, which is 46.32% of the Town's total assessed value of \$660,168,430. For the year ended June 30, 2008, the Verso Paper's property tax assessment was \$4,220,130.

TOWN OF BUCKSPORT, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 13 – RESTATEMENTS

The beginning net asset balances for the governmental activities and business-type activities have both been restated as of July 1, 2007. Both balances were restated to include capital assets that had not previously been capitalized. The governmental activities were restated by \$11,000 and the business-type activities were restated by \$129,242.

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, 2008

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,350,612	\$ 8,350,612	\$ 8,350,612	\$ -
Resources (Inflows):				
Property taxes	9,110,324	9,110,324	9,107,173	(3,151)
Excise taxes	549,500	549,500	724,760	175,260
Intergovernmental	4,857,968	4,857,968	5,003,343	(145,375)
Charges for services	3,030,567	3,030,567	2,839,707	(190,860)
Interest on taxes	18,000	18,000	35,068	17,068
Interest income	160,000	160,000	464,125	304,125
Miscellaneous revenues	116,575	116,575	247,771	131,196
Transfers from other funds	4,500	4,500	12,860	8,360
Amounts Available for Appropriation	26,198,046	26,198,046	26,785,419	296,623
Charges to Appropriation (Outflows):				
Current:				
General government	1,280,486	1,280,486	1,121,333	159,153
Protection	1,322,991	1,322,991	1,246,702	76,289
Public works	804,415	804,415	840,921	(36,506)
Health and sanitation	461,517	461,517	369,063	92,454
Community and social agencies	56,502	56,502	52,254	4,248
Education	10,696,770	10,696,770	10,206,331	490,439
Recreation	214,162	214,162	192,100	22,062
Cemeteries	4,120	4,120	4,120	-
County tax	256,042	256,042	256,042	-
Tax Increment Financing Agreement	1,148,724	1,148,724	963,633	185,091
Debt service:				
Principal	726,899	726,899	735,461	(8,562)
Interest	396,718	396,718	393,205	3,513
Unclassified	265,450	265,450	117,566	147,884
Transfers to other funds	2,641,075	2,641,075	2,625,277	15,798
Total Charges to Appropriations	20,275,871	20,275,871	19,124,008	1,151,863
Budgetary Fund Balance, June 30	\$ 5,922,175	\$ 5,922,175	\$ 7,661,411	\$ 1,739,236
Utilization of Designated Fund Balance	\$ 1,905,375	\$ 1,905,375	\$ -	\$ (1,905,375)
Utilization of Undesignated Fund Balance	599,377	599,377	-	(599,377)
	\$ 2,504,752	\$ 2,504,752	\$ -	\$ (2,504,752)

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, 2008

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes	\$ 9,110,324	\$ 9,107,173	\$ (3,151)
Excise taxes			
Auto excise	545,000	718,853	173,853
Boat excise	4,500	5,907	1,407
Intergovernmental revenues			
State revenue sharing	545,000	494,397	(50,603)
Homestead exemption	109,678	109,784	106
Local road assistance	69,464	74,908	5,444
Tree growth reimbursement	9,000	19,461	10,461
Veterans' reimbursement	2,000	2,419	419
General assistance reimbursement	5,000	3,341	(1,659)
Department subsidies	160,618	143,958	(16,660)
Education subsidy	3,820,043	3,832,257	12,214
Other education revenues	137,165	322,818	185,653
Charges for services			
Auto registration fees	16,000	18,485	2,485
Town clerk revenues	7,000	11,823	4,823
Planning board fees	560	1,868	1,308
Code enforcement fees	9,000	7,539	(1,461)
Plumbing inspector fees	3,500	4,356	856
Ambulance user fees	255,575	349,394	93,819
Police revenue	1,800	9,986	8,186
Animal control fees	1,500	3,523	2,023
Recycling revenue	16,200	44,575	28,375
Solid waste fees	46,500	61,542	15,042
MERC revenue	33,000	41,278	8,278
Solid waste revenue	66,253	66,253	-
Recreation fees	24,487	32,448	7,961
Recreation facility rent	8,550	7,983	(567)
Cable TV revenue	27,000	35,114	8,114
Tuition revenue	2,513,642	2,143,540	(370,102)
Interest			
Taxes	18,000	35,068	17,068
Deposit and investment accounts - Town	160,000	464,125	304,125
Deposit and investment accounts - School			-
Other income			
Tax lien cost	5,700	12,215	(6,515)
TIF revenue	107,500	107,500	-
Highway revenue	1,000	14,349	13,349
Snowmobile revenue	1,100	1,536	436
Other education income	-	88,733	88,733
Other income	1,275	23,438	22,163
Transfers in			
Spofford fund	4,500	4,500	-
Other funds	-	8,360	8,360
	<u>\$ 17,847,434</u>	<u>\$ 18,434,807</u>	<u>\$ 565,983</u>
Total revenues	<u>\$ 17,847,434</u>	<u>\$ 18,434,807</u>	<u>\$ 565,983</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	2007 Carry- forwards	Budget	Receipts	Total Available	Actual	Balance	
						Lapsed	Carried
EXPENDITURES							
General government:							
Administration	\$ -	\$ 372,074	\$ -	\$ 372,074	\$ 357,134	\$ 14,940	\$ -
Municipal planning	-	54,175	-	54,175	52,948	1,227	-
Assessor's office	-	58,256	-	58,256	55,373	2,883	-
Municipal building	-	21,390	-	21,390	19,657	1,733	-
Insurance & benefits	-	704,132	-	704,132	570,390	133,742	-
Contingency	-	4,000	-	4,000	3,950	50	-
Public access channel	-	3,959	-	3,959	2,178	1,781	-
Economic development	-	62,500	-	62,500	59,703	2,797	-
	-	1,280,486	-	1,280,486	1,121,333	159,153	-
Protection:							
Fire protection	-	303,436	-	303,436	281,891	21,545	-
Police department	-	389,012	-	389,012	363,056	25,956	-
Dispatcher service	-	159,019	-	159,019	152,498	6,521	-
Ambulance service	-	207,136	-	207,136	198,456	8,680	-
Public safety building	-	37,763	-	37,763	30,302	7,461	-
Public safety utilities	-	226,625	-	226,625	220,499	6,126	-
	-	1,322,991	-	1,322,991	1,246,702	76,289	-
Public works:							
General highways	-	783,914	-	783,914	823,392	(39,478)	-
Town garage	-	20,501	-	20,501	17,529	2,972	-
	-	804,415	-	804,415	840,921	(36,506)	-
Health and sanitation:							
Solid waste	19,629	417,088	-	436,717	353,154	59,207	24,356
Health	-	9,800	-	9,800	9,153	647	-
General assistance	-	15,000	-	15,000	6,756	8,244	-
	19,629	441,888	-	461,517	369,063	68,098	24,356
Community and social agencies:							
Community agencies	-	32,850	-	32,850	32,373	477	-
Social agencies	-	23,652	-	23,652	19,881	3,771	-
	-	56,502	-	56,502	52,254	4,248	-

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	2007 Carry- forwards	Budget	Receipts	Total Available	Actual	Balance	
						Lapsed	Carried
Education:							
Regular program	223,047	4,086,375	6,387,348	10,696,770	10,206,331	-	490,439
Debt service	-	1,117,542	-	1,117,542	1,122,591	-	(5,049)
Transfer to school lunch	-	107,767	-	107,767	87,767	-	20,000
Transfer to building project	1,500,000	-	-	1,500,000	1,500,000	-	-
	<u>1,723,047</u>	<u>5,311,684</u>	<u>6,387,348</u>	<u>13,422,079</u>	<u>12,916,689</u>	<u>-</u>	<u>505,390</u>
Recreation:							
Recreation program	-	205,417	-	205,417	185,614	19,803	-
Town dock expenses	-	8,745	-	8,745	6,486	2,259	-
	<u>-</u>	<u>214,162</u>	<u>-</u>	<u>214,162</u>	<u>192,100</u>	<u>22,062</u>	<u>-</u>
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	6,075	-	6,075	6,075	-	-
	<u>-</u>	<u>6,075</u>	<u>-</u>	<u>6,075</u>	<u>6,075</u>	<u>-</u>	<u>-</u>
Cemeteries	-	4,120	-	4,120	4,120	-	-
County tax	-	256,042	-	256,042	256,042	-	-
TIF	162,699	978,838	7,187	1,148,724	963,633	-	185,091
Unclassified:							
Benjamin property	-	66,831	-	66,831	66,831	-	-
Overlay	-	198,619	-	198,619	50,735	147,884	-
	<u>-</u>	<u>265,450</u>	<u>-</u>	<u>265,450</u>	<u>117,566</u>	<u>147,884</u>	<u>-</u>
Transfers out:							
Special revenues	-	86,600	-	86,600	90,802	(4,202)	-
Capital reserves	-	768,000	-	768,000	768,000	-	-
Sewer fund	-	159,021	-	159,021	159,021	-	-
Sewer fund - debt service	-	15,412	-	15,412	15,412	-	-
Vacation & sick reserve	-	4,275	-	4,275	4,275	-	-
	<u>-</u>	<u>1,033,308</u>	<u>-</u>	<u>1,033,308</u>	<u>1,037,510</u>	<u>(4,202)</u>	<u>-</u>
Total Expenditures	<u>\$ 1,905,375</u>	<u>\$ 11,975,961</u>	<u>\$ 6,394,535</u>	<u>\$ 20,275,871</u>	<u>\$ 19,124,008</u>	<u>\$ 437,026</u>	<u>\$ 714,837</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – SCHOOL DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
INSTRUCTIONAL SALARIES & BENEFITS			
Elementary -			
Guidance	\$ 31,125	\$ 28,877	\$ 2,248
Library services	19,256	19,919	(663)
Technology services	20,021	22,136	(2,115)
Regular instruction	1,154,033	1,147,864	6,169
ESL	3,243	2,485	758
Summer school	3,301	5,621	(2,320)
Special education - resource room	1,056,009	1,077,975	(21,966)
Special education - other	9,003	316	8,687
Special education - speech	158,626	147,517	11,109
Gifted & talented	6,451	-	6,451
Middle School -			
Guidance	77,492	68,699	8,793
Library services	27,060	26,167	893
Technology services	21,040	18,501	2,539
Regular instruction	1,303,270	1,232,912	70,358
ESL	3,243	10,242	(6,999)
High School -			
Guidance	134,094	122,748	11,346
Library services	68,726	68,422	304
Technology services	43,023	39,132	3,891
Regular instruction	1,678,739	1,658,233	20,506
ESL	3,243	6,129	(2,886)
Summer school	7,428	7,648	(220)
Special education - resource room	341,328	326,714	14,614
Gifted & talented	21,812	400	21,412
District -			
Technology services	101,431	93,747	7,684
	<u>6,292,997</u>	<u>6,132,404</u>	<u>160,593</u>
ADMINISTRATIVE SALARIES & BENEFITS			
Elementary	149,333	160,902	(11,569)
Middle School	160,220	156,367	3,853
High School	244,205	224,631	19,574
Office of the Superintendent	233,502	226,041	7,461
Improvement of instruction	69,278	69,895	(617)
Special education - private	155,951	171,289	(15,338)
Gifted and talented - elementary	7,905	8,643	(738)
Gifted and talented - secondary	8,680	8,682	(2)
	<u>1,029,074</u>	<u>1,026,450</u>	<u>2,624</u>

SCHEDULE C (CONTINUED)
TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – SCHOOL DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
OPERATIONS & MAINTENANCE SALARIES & BENEFITS			
District maintenance	144,707	132,719	11,988
Building custodial services - elementary	157,044	140,664	16,380
Building custodial services - middle school	103,701	106,033	(2,332)
Building custodial services - high school	106,841	110,141	(3,300)
	<u>512,293</u>	<u>489,557</u>	<u>22,736</u>
OTHER SALARIES & BENEFITS			
Elementary -			
Regular instruction stipends	611	946	(335)
Middle School -			
Student activities	8,937	7,596	1,341
Athletics	40,197	39,112	1,085
High School -			
Student activities	30,935	26,144	4,791
Athletics	139,656	115,469	24,187
Student assessment	22,843	24,609	(1,766)
School Board	5,080	4,485	595
Student health	103,180	108,241	(5,061)
Improvement of instruction	13,816	8,974	4,842
	<u>365,255</u>	<u>335,576</u>	<u>29,679</u>
OPERATION OF BUILDINGS			
Elementary -			
Building operations	146,274	135,570	10,704
Supplies & equipment	18,608	16,671	1,937
Middle School -			
Building operations	120,660	101,440	19,220
Supplies & equipment	18,608	14,361	4,247
High School -			
Building operations	163,397	141,341	22,056
Supplies & equipment	18,608	19,099	(491)
Office of the Superintendent	19,922	18,339	1,583
District maintenance	161,799	160,612	1,187
	<u>667,876</u>	<u>607,433</u>	<u>60,443</u>

SCHEDULE C (CONTINUED)
TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – SCHOOL DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
INSTRUCTIONAL COSTS			
Elementary -			
Guidance	419	1,240	(821)
Instructional staff training	15,400	10,959	4,441
Library services	8,725	7,966	759
Technology services	15,740	17,492	(1,752)
Regular instruction	51,562	54,626	(3,064)
Summer school	250	184	66
After school	250	266	(16)
Gifted and talented	4,265	259	4,006
Gifted and talented - instructional field trips	1,200	-	1,200
Middle School -			
Guidance	2,355	2,364	(9)
Instructional staff training	20,900	12,645	8,255
Library services	13,033	12,118	915
Technology services	15,740	19,707	(3,967)
Regular instruction	91,680	70,646	21,034
After school	210	-	210
High School -			
Guidance	10,300	9,613	687
Instructional staff training	22,115	22,532	(417)
Library services	18,624	15,222	3,402
Technology services	45,295	54,345	(9,050)
Regular instruction	250,005	235,771	14,234
Gifted and talented	6,176	3,353	2,823
Gifted and talented - instructional field trips	1,200	650	550
Vocational education	21,000	4,020	16,980
Student assessment	4,000	9,703	(5,703)
District technology services	21,636	26,041	(4,405)
Special education - private	3,030	2,353	677
Special education - resource	-	177	(177)
Special education - private tuition	-	13,852	(13,852)
	<u>645,110</u>	<u>608,104</u>	<u>37,006</u>
DEBT SERVICE			
Principal	726,899	735,461	(8,562)
Interest	390,643	387,130	3,513
Total	<u>1,117,542</u>	<u>1,122,591</u>	<u>(5,049)</u>

SCHEDULE C (CONTINUED)
TOWN OF BUCKSPORT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – SCHOOL DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
CAPITAL IMPROVEMENTS			
Building capital improvements - elementary	67,000	60,754	6,246
Building capital improvements - middle school	35,000	22,515	12,485
Building capital improvements	34,700	42,267	(7,567)
	<u>136,700</u>	<u>125,536</u>	<u>11,164</u>
 TRANSPORTATION	 <u>501,540</u>	 <u>457,625</u>	 <u>43,915</u>
 ALL OTHER COSTS			
Elementary -			
School administration	9,517	16,499	(6,982)
Student activities	1,200	1,128	72
Athletics	-	20,878	(20,878)
Middle School -			
School administration	12,115	17,709	(5,594)
Student activities	3,355	1,783	1,572
Athletics	24,887	21,281	3,606
High School -			
School administration	24,091	27,761	(3,670)
Student activities	8,826	8,216	610
Athletics	59,647	57,812	1,835
Athletics - extra curricular trips	-	49,730	(49,730)
School board	45,475	43,620	1,855
Office of the superintendent	37,718	39,121	(1,403)
Student health	6,112	3,672	2,440
Improvement of instruction	16,274	18,012	(1,738)
Food service fund transfer	107,767	87,767	20,000
Building project transfer	1,500,000	1,500,000	-
Contingency	20,000	6,051	13,949
	<u>1,876,984</u>	<u>1,921,040</u>	<u>(44,056)</u>
 INCREASE IN ACCRUED SUMMER SALARIES/PAYABLES	 <u>-</u>	 <u>90,373</u>	 <u>(90,373)</u>
	 <u>\$ 13,145,371</u>	 <u>\$ 12,916,689</u>	 <u>\$ 228,682</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 119,311	\$ -	\$ -	\$ 119,311
Investments	50,435	-	41,986	92,421
Accounts receivable	178,415	-	-	178,415
Inventory	3,055	-	-	3,055
Due from other funds	531,515	2,744,475	128,118	3,404,108
Total assets	<u>\$ 882,731</u>	<u>\$ 2,744,475</u>	<u>\$ 170,104</u>	<u>\$ 3,797,310</u>
LIABILITIES				
Accounts payable	\$ 10,553	\$ -	\$ -	\$ 10,553
Accrued payroll	-	-	-	-
Due to other funds	70,278	-	-	70,278
Total liabilities	<u>80,831</u>	<u>-</u>	<u>-</u>	<u>80,831</u>
FUND EQUITY				
Fund balance:				
Reserved for endowments	-	-	71,199	71,199
Unreserved:				
Designated for subsequent years' expenditures	865,865	2,744,475	98,905	3,709,245
Undesignated	(63,965)	-	-	(63,965)
Total fund equity	<u>801,900</u>	<u>2,744,475</u>	<u>170,104</u>	<u>3,716,479</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 882,731</u>	<u>\$ 2,744,475</u>	<u>\$ 170,104</u>	<u>\$ 3,797,310</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, 2008

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 1,503,867	\$ -	\$ -	\$ 1,503,867
Interest/Gains & Losses	17,227	66,780	8,333	92,340
Donations	13,456	-	-	13,456
Other	288,645	8,406	-	297,051
TOTAL REVENUES	<u>1,823,195</u>	<u>75,186</u>	<u>8,333</u>	<u>1,906,714</u>
EXPENDITURES				
Current:				
General Government	36,293	5,399	-	41,692
Protection	11,500	12,914	-	24,414
Public Works	-	12,943	-	12,943
Health and Sanitation	-	1,863	-	1,863
Human Services	133,769	-	-	133,769
Education	1,412,565	-	100	1,412,665
Environment & Housing	3,725	105,611	-	109,336
Culture & Recreation	10,528	12,697	-	23,225
Cemeteries	-	-	4,250	4,250
Capital Outlay	352,376	739,121	-	1,091,497
TOTAL EXPENDITURES	<u>1,960,756</u>	<u>890,548</u>	<u>4,350</u>	<u>2,855,654</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(137,561)</u>	<u>(815,362)</u>	<u>3,983</u>	<u>(948,940)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	222,268	2,305,569	-	2,527,837
Transfers Out	(46,925)	(37,569)	(4,500)	(88,994)
TOTAL OTHER FINANCING SOURCES (USES)	<u>175,343</u>	<u>2,268,000</u>	<u>(4,500)</u>	<u>2,438,843</u>
NET CHANGE IN FUND BALANCE	37,782	1,452,638	(517)	1,489,903
FUND BALANCE - JULY 1	<u>764,118</u>	<u>1,291,837</u>	<u>170,621</u>	<u>2,226,576</u>
FUND BALANCE - JUNE 30	<u>\$ 801,900</u>	<u>\$ 2,744,475</u>	<u>\$ 170,104</u>	<u>\$ 3,716,479</u>

See accompanying independent auditors' report.

Special Revenue Funds

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

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
JUNE 30, 2008

	2006 CDBG Infrastructure	2008 CDBG Enterprise	DHHS OSA Grant SA3-08	DEP Small Community	CDBG Housing Assistance	Safety Grant	Homeland Trails
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	-	7,258	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	3,205	44	-	-	-	-	-
TOTAL LIABILITIES	<u>3,205</u>	<u>44</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	-	-	7,258	-	-	-	-
Undesignated	(3,205)	(44)	-	-	-	-	-
TOTAL FUND EQUITY	<u>(3,205)</u>	<u>(44)</u>	<u>7,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2008

	<u>Harbor Improvement</u>	<u>Healthy ME Partnership</u>	<u>Diversion Program</u>	<u>Bucksport Football</u>	<u>Bucksport Fire Department</u>	<u>Local General Assistance</u>	<u>Health Advisor</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	10,764	100	1,522	-	550	1,000
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 10,764</u>	<u>\$ 100</u>	<u>\$ 1,522</u>	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ 1,000</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	200	-	-	-	-	-	-
TOTAL LIABILITIES	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	-	10,764	100	-	-	550	1,000
Undesignated	(200)	-	-	1,522	-	-	-
TOTAL FUND EQUITY	<u>(200)</u>	<u>10,764</u>	<u>100</u>	<u>1,522</u>	<u>-</u>	<u>550</u>	<u>1,000</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ 10,764</u>	<u>\$ 100</u>	<u>\$ 1,522</u>	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ 1,000</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2008

	<u>CDBG Technical</u>	<u>Bucksport Youth Alcohol Div. Program</u>	<u>Food Stamp Nutrition Ed. Grant</u>	<u>IP Donation</u>	<u>Johnson & Johnson Grant</u>	<u>Maine Forestry Grant</u>	<u>Project Canopy Assistance Grant</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	-	4,146	3,363	668	1,835	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,146</u>	<u>\$ 3,363</u>	<u>\$ 668</u>	<u>\$ 1,835</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	2,825
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,825</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	-	-	4,146	3,363	668	1,835	-
Undesignated	-	-	-	-	-	-	(2,825)
TOTAL FUND EQUITY	<u>-</u>	<u>-</u>	<u>4,146</u>	<u>3,363</u>	<u>668</u>	<u>1,835</u>	<u>(2,825)</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,146</u>	<u>\$ 3,363</u>	<u>\$ 668</u>	<u>\$ 1,835</u>	<u>\$ -</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2008

	<u>DARE</u>	<u>Bucksport Youth Council</u>	<u>Police Explorers</u>	<u>Community for Children</u>	<u>Vacation & Sick Reserve</u>	<u>Unemployment Reserve</u>	<u>Christmas Lights</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	5,759	947	291	1,524	184,210	71,818	5,655
TOTAL ASSETS	<u>\$ 5,759</u>	<u>\$ 947</u>	<u>\$ 291</u>	<u>\$ 1,524</u>	<u>\$ 184,210</u>	<u>\$ 71,818</u>	<u>\$ 5,655</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	5,759	947	291	1,524	184,210	71,818	5,655
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>5,759</u>	<u>947</u>	<u>291</u>	<u>1,524</u>	<u>184,210</u>	<u>71,818</u>	<u>5,655</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 5,759</u>	<u>\$ 947</u>	<u>\$ 291</u>	<u>\$ 1,524</u>	<u>\$ 184,210</u>	<u>\$ 71,818</u>	<u>\$ 5,655</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2008

	<u>Bucksport Police</u>	<u>HLS Fire</u>	<u>Soccer Camp</u>	<u>RLF & Microloan</u>	<u>Adult Education</u>	<u>Adult & Community Education</u>	<u>School Lunch</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ 62,126	\$ 43,270	\$ -	\$ 13,915
Investments	-	-	-	50,435	-	-	-
Accounts receivable	-	-	-	167,058	-	-	11,357
Inventory	-	-	-	-	-	-	3,055
Due from other funds	-	-	1,950	-	-	-	10,701
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,950</u>	<u>\$ 279,619</u>	<u>\$ 43,270</u>	<u>\$ -</u>	<u>\$ 39,028</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,553
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	2,450	-	-	-	2,341	-	-
TOTAL LIABILITIES	<u>2,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,341</u>	<u>-</u>	<u>10,553</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	(2,450)	-	1,950	279,619	40,929	-	28,475
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>(2,450)</u>	<u>-</u>	<u>1,950</u>	<u>279,619</u>	<u>40,929</u>	<u>-</u>	<u>28,475</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,950</u>	<u>\$ 279,619</u>	<u>\$ 43,270</u>	<u>\$ -</u>	<u>\$ 39,028</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2008

	<u>NCLB IA</u>	<u>NCLB IIA</u>	<u>NCLB IID</u>	<u>NCLB V</u>	<u>Local Entitlement</u>	<u>Local Entitlement Preschool</u>	<u>Health Grant</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	8,352	70,457	-	-	40,153	2,694	19,196
TOTAL ASSETS	<u>\$ 8,352</u>	<u>\$ 70,457</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,153</u>	<u>\$ 2,694</u>	<u>\$ 19,196</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	26,127	10,022	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>26,127</u>	<u>10,022</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	8,352	70,457	-	-	40,153	2,694	19,196
Undesignated	-	-	(26,127)	(10,022)	-	-	-
TOTAL FUND EQUITY	<u>8,352</u>	<u>70,457</u>	<u>(26,127)</u>	<u>(10,022)</u>	<u>40,153</u>	<u>2,694</u>	<u>19,196</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 8,352</u>	<u>\$ 70,457</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,153</u>	<u>\$ 2,694</u>	<u>\$ 19,196</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2008

	<u>NCLB IVA Drug Free</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>	<u>High School ECM</u>	<u>Breton Co-op</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	10,365	7,537	535	234	371	16,735	1,754
TOTAL ASSETS	<u>\$ 10,365</u>	<u>\$ 7,537</u>	<u>\$ 535</u>	<u>\$ 234</u>	<u>\$ 371</u>	<u>\$ 16,735</u>	<u>\$ 1,754</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	10,365	7,537	535	234	371	16,735	1,754
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>10,365</u>	<u>7,537</u>	<u>535</u>	<u>234</u>	<u>371</u>	<u>16,735</u>	<u>1,754</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 10,365</u>	<u>\$ 7,537</u>	<u>\$ 535</u>	<u>\$ 234</u>	<u>\$ 371</u>	<u>\$ 16,735</u>	<u>\$ 1,754</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2008

	Seed Grant	Maine Tech. College	State Agency Client	Maine Arts Commission	BHS Daycare Worker	REACH	Misc. Funds	Totals
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,311
Investments	-	-	-	-	-	-	-	50,435
Accounts receivable	-	-	-	-	-	-	-	178,415
Inventory	-	-	-	-	-	-	-	3,055
Due from other funds	200	1,000	25,025	7,500	3,072	-	2,274	531,515
TOTAL ASSETS	<u>\$ 200</u>	<u>\$ 1,000</u>	<u>\$ 25,025</u>	<u>\$ 7,500</u>	<u>\$ 3,072</u>	<u>\$ -</u>	<u>\$ 2,274</u>	<u>\$ 882,731</u>
LIABILITIES AND FUND EQUITY								
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,553
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	23,064	-	70,278
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,064</u>	<u>-</u>	<u>80,831</u>
FUND EQUITY								
Fund balance:								
Unreserved:								
Designated for subsequent years' expenditures	200	1,000	25,025	7,500	3,072	-	2,274	865,865
Undesignated	-	-	-	-	-	(23,064)	-	(63,965)
TOTAL FUND EQUITY	<u>200</u>	<u>1,000</u>	<u>25,025</u>	<u>7,500</u>	<u>3,072</u>	<u>(23,064)</u>	<u>2,274</u>	<u>801,900</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 200</u>	<u>\$ 1,000</u>	<u>\$ 25,025</u>	<u>\$ 7,500</u>	<u>\$ 3,072</u>	<u>\$ -</u>	<u>\$ 2,274</u>	<u>\$ 882,731</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, 2008

	2006 CDBG Infrastructure	2008 CDBG Enterprise	DHHS OSA Grant SA3-08	DEP Small Community	CDBG Housing Assistance	Safety Grant	Homeland Trails
REVENUES							
Intergovernmental	\$ 302,695	\$ -	\$ 38,240	\$ 10,985	\$ 13,251	\$ 750	\$ 7,160
Interest/Gains & Losses	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other	2,500	-	-	-	-	-	-
TOTAL REVENUES	<u>305,195</u>	<u>-</u>	<u>38,240</u>	<u>10,985</u>	<u>13,251</u>	<u>750</u>	<u>7,160</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	-	-	-	750	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	30,982	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	3,725	-	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	307,900	44	-	-	-	-	-
TOTAL EXPENDITURES	<u>307,900</u>	<u>44</u>	<u>30,982</u>	<u>-</u>	<u>3,725</u>	<u>750</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,705)</u>	<u>(44)</u>	<u>7,258</u>	<u>10,985</u>	<u>9,526</u>	<u>-</u>	<u>7,160</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	76	-	-	-
Operating Transfers Out	-	-	-	-	(14)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>76</u>	<u>(14)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(2,705)	(44)	7,258	11,061	9,512	-	7,160
FUND BALANCE - JULY 1	(500)	-	-	(11,061)	(9,512)	-	(7,160)
FUND BALANCE - JUNE 30	<u>\$ (3,205)</u>	<u>\$ (44)</u>	<u>\$ 7,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2008

	Harbor Improvement	Healthy ME Partnership	Diversion Program	Bucksport Football	Bucksport Fire Department	Local General Assistance	Health Advisor
REVENUES							
Intergovernmental	\$ 10,900	\$ 62,943	\$ 3,850	\$ -	\$ 1,550	\$ -	\$ 1,000
Interest/Gains & Losses	-	-	-	-	-	-	-
Donations	-	-	-	-	11,496	550	-
Other	-	-	-	1,522	10,000	-	-
TOTAL REVENUES	10,900	62,943	3,850	1,522	23,046	550	1,000
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	-	-	1,550	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	52,179	3,750	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	200	-	-	-	-	-	-
Capital Outlay	-	-	-	-	21,496	-	-
TOTAL EXPENDITURES	200	52,179	3,750	-	23,046	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,700	10,764	100	1,522	-	550	1,000
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	10,700	10,764	100	1,522	-	550	1,000
FUND BALANCE - JULY 1	(10,900)	-	-	-	-	-	-
FUND BALANCE - JUNE 30	\$ (200)	\$ 10,764	\$ 100	\$ 1,522	\$ -	\$ 550	\$ 1,000

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	CDBG Technical	Bucksport Youth Alcohol Div. Program	Food Stamp Nutrition Ed. Grant	IP Donation	Johnson & Johnson Grant	Maine Forestry Grant	Project Canopy Assistance Grant
REVENUES							
Intergovernmental	\$ 22,500	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	-	-	-	-	-	-	-
Donations	-	50	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>22,500</u>	<u>50</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Current:							
General Government	22,500	-	-	-	-	-	4,315
Protection	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	27,567	429	-	695	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>22,500</u>	<u>27,567</u>	<u>429</u>	<u>-</u>	<u>695</u>	<u>-</u>	<u>4,315</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(27,517)</u>	<u>1,571</u>	<u>-</u>	<u>(695)</u>	<u>-</u>	<u>(4,315)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	2,326	-	-	-	-	1,490
Operating Transfers Out	-	-	-	-	-	(1,490)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>2,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,490)</u>	<u>1,490</u>
NET CHANGE IN FUND BALANCE	-	(25,191)	1,571	-	(695)	(1,490)	(2,825)
FUND BALANCE - JULY 1	-	25,191	2,575	3,363	1,363	3,325	-
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,146</u>	<u>\$ 3,363</u>	<u>\$ 668</u>	<u>\$ 1,835</u>	<u>\$ (2,825)</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, 2008

	DARE	Bucksport Youth Council	Police Explorers	Community for Children	Vacation & Sick Reserve	Unemployment Reserve	Christmas Lights
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	-	-	-	-	9,198	3,548	-
Donations	575	-	-	-	-	-	785
Other	-	-	-	-	-	-	-
TOTAL REVENUES	575	-	-	-	9,198	3,548	785
EXPENDITURES							
Current:							
General Government	-	-	-	-	7,486	-	1,364
Protection	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	7,486	-	1,364
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	575	-	-	-	1,712	3,548	(579)
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	4,275	-	1,800
Operating Transfers Out	-	-	-	-	-	(300)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	4,275	(300)	1,800
NET CHANGE IN FUND BALANCE	575	-	-	-	5,987	3,248	1,221
FUND BALANCE - JULY 1	5,184	947	291	1,524	178,223	68,570	4,434
FUND BALANCE - JUNE 30	\$ 5,759	\$ 947	\$ 291	\$ 1,524	\$ 184,210	\$ 71,818	\$ 5,655

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Bucksport Police	HLS Fire	Soccer Camp	RLF & Microloan	Adult Education	Adult & Community Education	School Lunch
REVENUES							
Intergovernmental	\$ -	\$ 29,686	\$ -	\$ -	\$ 86,312	\$ -	\$ 175,083
Interest/Gains & Losses	-	-	-	4,481	-	-	-
Donations	-	-	-	-	-	-	-
Other	-	-	10,716	9,887	59,365	-	173,416
TOTAL REVENUES	-	29,686	10,716	14,368	145,677	-	348,499
EXPENDITURES							
Current:							
General Government	-	-	-	628	-	-	-
Protection	2,450	6,750	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Education	-	-	-	-	230,894	-	473,414
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	-	10,328	-	-	-	-
Capital Outlay	-	22,936	-	-	-	-	-
TOTAL EXPENDITURES	2,450	29,686	10,328	628	230,894	-	473,414
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,450)	-	388	13,740	(85,217)	-	(124,915)
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	124,534	-	87,767
Operating Transfers Out	-	-	-	(7,187)	-	(37,934)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(7,187)	124,534	(37,934)	87,767
NET CHANGE IN FUND BALANCE	(2,450)	-	388	6,553	39,317	(37,934)	(37,148)
FUND BALANCE - JULY 1	-	-	1,562	273,066	1,612	37,934	65,623
FUND BALANCE - JUNE 30	\$ (2,450)	\$ -	\$ 1,950	\$ 279,619	\$ 40,929	\$ -	\$ 28,475

TOWN OF BUCKSPORT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	NCLB IA	NCLB IIA	NCLB IID	NCLB V	Local Entitlement	Local Entitlement Preschool	Health Grant
REVENUES							
Intergovernmental	\$ 233,728	\$ 61,238	\$ 2,441	\$ 2,462	\$ 258,224	\$ 2,694	\$ 68,447
Interest/Gains & Losses	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>233,728</u>	<u>61,238</u>	<u>2,441</u>	<u>2,462</u>	<u>258,224</u>	<u>2,694</u>	<u>68,447</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Education	230,404	40,972	20,236	11,278	230,921	-	52,346
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>230,404</u>	<u>40,972</u>	<u>20,236</u>	<u>11,278</u>	<u>230,921</u>	<u>-</u>	<u>52,346</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,324</u>	<u>20,266</u>	<u>(17,795)</u>	<u>(8,816)</u>	<u>27,303</u>	<u>2,694</u>	<u>16,101</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>
NET CHANGE IN FUND BALANCE	3,324	20,266	(17,795)	(8,816)	27,303	2,694	16,101
FUND BALANCE - JULY 1	<u>5,028</u>	<u>50,191</u>	<u>(8,332)</u>	<u>(1,206)</u>	<u>12,850</u>	<u>-</u>	<u>3,095</u>
FUND BALANCE - JUNE 30	<u>\$ 8,352</u>	<u>\$ 70,457</u>	<u>\$ (26,127)</u>	<u>\$ (10,022)</u>	<u>\$ 40,153</u>	<u>\$ 2,694</u>	<u>\$ 19,196</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, 2008

	NCLB IVA Drug Free	Title VI Rural Low Income	U of ME AP 4 All Grant	Tech Grant	U of ME Team Nutrition	High School ECM	Breton Co-op
REVENUES							
Intergovernmental	\$ 7,007	\$ 25,290	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>7,007</u>	<u>25,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Education	-	33,105	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>33,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,007</u>	<u>(7,815)</u>	<u>-</u>	<u>-</u>	<u>-</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>
NET CHANGE IN FUND BALANCE	7,007	(7,815)	-	-	-	-	-
FUND BALANCE - JULY 1	<u>3,358</u>	<u>15,352</u>	<u>535</u>	<u>234</u>	<u>371</u>	<u>16,735</u>	<u>1,754</u>
FUND BALANCE - JUNE 30	<u>\$ 10,365</u>	<u>\$ 7,537</u>	<u>\$ 535</u>	<u>\$ 234</u>	<u>\$ 371</u>	<u>\$ 16,735</u>	<u>\$ 1,754</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, 2008

	Seed Grant	Maine Tech. College	State Agency Client	Maine Arts Commission	BHS Daycare Worker	REACH	Misc. Funds	Totals
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ 7,500	\$ -	\$ 65,931	\$ -	\$ 1,503,867
Interest/Gains & Losses	-	-	-	-	-	-	-	17,227
Donations	-	-	-	-	-	-	-	13,456
Other	-	-	-	-	21,239	-	-	288,645
TOTAL REVENUES	-	-	-	7,500	21,239	65,931	-	1,823,195
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	-	36,293
Protection	-	-	-	-	-	-	-	11,500
Public Works	-	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	18,167	-	-	133,769
Education	-	-	-	-	-	88,995	-	1,412,565
Environment & Housing	-	-	-	-	-	-	-	3,725
Culture & Recreation	-	-	-	-	-	-	-	10,528
Capital Outlay	-	-	-	-	-	-	-	352,376
TOTAL EXPENDITURES	-	-	-	-	18,167	88,995	-	1,960,756
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	7,500	3,072	(23,064)	-	(12,492)
OTHER FINANCING SOURCES (USES)								
Operating Transfers In	-	-	-	-	-	-	-	222,268
Operating Transfers Out	-	-	-	-	-	-	-	(46,925)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	175,343
NET CHANGE IN FUND BALANCE	-	-	-	7,500	3,072	(23,064)	-	37,782
FUND BALANCE - JULY 1	200	1,000	25,025	-	-	-	2,274	764,118
FUND BALANCE - JUNE 30	\$ 200	\$ 1,000	\$ 25,025	\$ 7,500	\$ 3,072	\$ (23,064)	\$ 2,274	\$ 801,900

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, 2008

	<u>Highway Equipment</u>	<u>Fire Equipment</u>	<u>Waterfront Improvements</u>	<u>Ambulance</u>	<u>Municipal Building</u>	<u>Solid Waste</u>	<u>Recreation Equipment</u>
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	89,980	151,999	54,227	125,113	35,523	71,340	58,307
TOTAL ASSETS	<u><u>\$ 89,980</u></u>	<u><u>\$ 151,999</u></u>	<u><u>\$ 54,227</u></u>	<u><u>\$ 125,113</u></u>	<u><u>\$ 35,523</u></u>	<u><u>\$ 71,340</u></u>	<u><u>\$ 58,307</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	89,980	151,999	54,227	125,113	35,523	71,340	58,307
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u><u>89,980</u></u>	<u><u>151,999</u></u>	<u><u>54,227</u></u>	<u><u>125,113</u></u>	<u><u>35,523</u></u>	<u><u>71,340</u></u>	<u><u>58,307</u></u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 89,980</u></u>	<u><u>\$ 151,999</u></u>	<u><u>\$ 54,227</u></u>	<u><u>\$ 125,113</u></u>	<u><u>\$ 35,523</u></u>	<u><u>\$ 71,340</u></u>	<u><u>\$ 58,307</u></u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2008

	<u>Recreation Facility</u>	<u>Recreation Revenue Reserve</u>	<u>Police Equipment</u>	<u>Public Safety</u>	<u>Town Garage</u>	<u>Cable TV</u>	<u>Dog Kennel</u>
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	30,779	73,998	78,250	43,665	79,897	14,304	15,177
TOTAL ASSETS	<u><u>\$ 30,779</u></u>	<u><u>\$ 73,998</u></u>	<u><u>\$ 78,250</u></u>	<u><u>\$ 43,665</u></u>	<u><u>\$ 79,897</u></u>	<u><u>\$ 14,304</u></u>	<u><u>\$ 15,177</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	30,779	73,998	78,250	43,665	79,897	14,304	15,177
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u><u>30,779</u></u>	<u><u>73,998</u></u>	<u><u>78,250</u></u>	<u><u>43,665</u></u>	<u><u>79,897</u></u>	<u><u>14,304</u></u>	<u><u>15,177</u></u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 30,779</u></u>	<u><u>\$ 73,998</u></u>	<u><u>\$ 78,250</u></u>	<u><u>\$ 43,665</u></u>	<u><u>\$ 79,897</u></u>	<u><u>\$ 14,304</u></u>	<u><u>\$ 15,177</u></u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2008

	Willow & Wasson House	Defense Fund	High School Energy	Drug Forfeiture	Town Office Equipment	Dispatch Equipment	Transfer Station
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,183	3,805	-	860	31,907	68,183	39,992
TOTAL ASSETS	<u>\$ 1,183</u>	<u>\$ 3,805</u>	<u>\$ -</u>	<u>\$ 860</u>	<u>\$ 31,907</u>	<u>\$ 68,183</u>	<u>\$ 39,992</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	1,183	3,805	-	860	31,907	68,183	39,992
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>1,183</u>	<u>3,805</u>	<u>-</u>	<u>860</u>	<u>31,907</u>	<u>68,183</u>	<u>39,992</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,183</u>	<u>\$ 3,805</u>	<u>\$ -</u>	<u>\$ 860</u>	<u>\$ 31,907</u>	<u>\$ 68,183</u>	<u>\$ 39,992</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2008

	<u>Silver Lake Property</u>	<u>Parking Lots</u>	<u>Swimming Pool</u>	<u>Chamber Building</u>	<u>Middle School Capital</u>	<u>Housing Rehab.</u>	<u>Jewett School</u>
ASSETS							
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	10,987	18,680	34,794	4,868	-	1,044	22,124
TOTAL ASSETS	<u>\$ 10,987</u>	<u>\$ 18,680</u>	<u>\$ 34,794</u>	<u>\$ 4,868</u>	<u>\$ -</u>	<u>\$ 1,044</u>	<u>\$ 22,124</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	10,987	18,680	34,794	4,868	-	1,044	22,124
Undesignated	-	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>10,987</u>	<u>18,680</u>	<u>34,794</u>	<u>4,868</u>	<u>-</u>	<u>1,044</u>	<u>22,124</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 10,987</u>	<u>\$ 18,680</u>	<u>\$ 34,794</u>	<u>\$ 4,868</u>	<u>\$ -</u>	<u>\$ 1,044</u>	<u>\$ 22,124</u>

TOWN OF BUCKSPORT, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2008

	<u>Gardiner School</u>	<u>Highway Improvement</u>	<u>Industrial Park Land Purchase</u>	<u>Miles Ln Bathroom and Concession</u>	<u>High School Building Project</u>	<u>Totals</u>
ASSETS						
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	534	157,135	5,887	39,511	1,380,422	2,744,475
TOTAL ASSETS	<u>\$ 534</u>	<u>\$ 157,135</u>	<u>\$ 5,887</u>	<u>\$ 39,511</u>	<u>\$ 1,380,422</u>	<u>\$ 2,744,475</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY						
Fund balance:						
Unreserved:						
Designated for subsequent years' expenditures	534	157,135	5,887	39,511	1,380,422	2,744,475
Undesignated	-	-	-	-	-	-
TOTAL FUND EQUITY	<u>534</u>	<u>157,135</u>	<u>5,887</u>	<u>39,511</u>	<u>1,380,422</u>	<u>2,744,475</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 534</u>	<u>\$ 157,135</u>	<u>\$ 5,887</u>	<u>\$ 39,511</u>	<u>\$ 1,380,422</u>	<u>\$ 2,744,475</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, 2008

	Highway Equipment	Fire Equipment	Waterfront Improvements	Ambulance	Municipal Building	Solid Waste	Recreation Equipment
REVENUES							
Interest	\$ 4,949	\$ 6,345	\$ 2,544	\$ 5,351	\$ 1,409	\$ 3,124	\$ 2,664
Other	-	-	456	-	-	-	-
TOTAL REVENUES	<u>4,949</u>	<u>6,345</u>	<u>3,000</u>	<u>5,351</u>	<u>1,409</u>	<u>3,124</u>	<u>2,664</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	-	7,276	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	1,525	-
Human Services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	-	9,577	-	-	-	521
Capital Outlay	141,692	5,000	26,236	-	-	-	-
TOTAL EXPENDITURES	<u>141,692</u>	<u>5,000</u>	<u>35,813</u>	<u>7,276</u>	<u>-</u>	<u>1,525</u>	<u>521</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(136,743)</u>	<u>1,345</u>	<u>(32,813)</u>	<u>(1,925)</u>	<u>1,409</u>	<u>1,599</u>	<u>2,143</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	130,000	30,000	38,000	25,000	7,500	10,000	5,000
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>130,000</u>	<u>30,000</u>	<u>38,000</u>	<u>25,000</u>	<u>7,500</u>	<u>10,000</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	<u>(6,743)</u>	<u>31,345</u>	<u>5,187</u>	<u>23,075</u>	<u>8,909</u>	<u>11,599</u>	<u>7,143</u>
FUND BALANCE - JULY 1	<u>96,723</u>	<u>120,654</u>	<u>49,040</u>	<u>102,038</u>	<u>26,614</u>	<u>59,741</u>	<u>51,164</u>
FUND BALANCE - JUNE 30	<u>\$ 89,980</u>	<u>\$ 151,999</u>	<u>\$ 54,227</u>	<u>\$ 125,113</u>	<u>\$ 35,523</u>	<u>\$ 71,340</u>	<u>\$ 58,307</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, 2008

	Recreation Facility	Recreation Revenue Reserve	Police Equipment	Public Safety	Town Garage	Cable TV	Dog Kennel
REVENUES							
Interest	\$ 4,154	\$ 3,637	\$ 3,315	\$ 1,471	\$ 4,047	\$ 703	\$ 748
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>4,154</u>	<u>3,637</u>	<u>3,315</u>	<u>1,471</u>	<u>4,047</u>	<u>703</u>	<u>748</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	3,211	-	-	-	2,037
Public Works	-	-	-	-	5,111	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	299	-	-	-	-	-	-
Capital Outlay	95,361	-	-	-	17,578	-	-
TOTAL EXPENDITURES	<u>95,660</u>	<u>-</u>	<u>3,211</u>	<u>-</u>	<u>22,689</u>	<u>-</u>	<u>2,037</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(91,506)</u>	<u>3,637</u>	<u>104</u>	<u>1,471</u>	<u>(18,642)</u>	<u>703</u>	<u>(1,289)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	37,000	-	15,000	15,000	20,000	-	2,000
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>37,000</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>20,000</u>	<u>-</u>	<u>2,000</u>
NET CHANGE IN FUND BALANCE	<u>(54,506)</u>	<u>3,637</u>	<u>15,104</u>	<u>16,471</u>	<u>1,358</u>	<u>703</u>	<u>711</u>
FUND BALANCE - JULY 1	<u>85,285</u>	<u>70,361</u>	<u>63,146</u>	<u>27,194</u>	<u>78,539</u>	<u>13,601</u>	<u>14,466</u>
FUND BALANCE - JUNE 30	<u>\$ 30,779</u>	<u>\$ 73,998</u>	<u>\$ 78,250</u>	<u>\$ 43,665</u>	<u>\$ 79,897</u>	<u>\$ 14,304</u>	<u>\$ 15,177</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, 2008

	Willow & Wasson House	Defense Fund	High School Energy	Drug Forfeiture	Town Office Equipment	Dispatch Equipment	Transfer Station
REVENUES							
Interest	\$ 59	\$ 291	\$ -	\$ 42	\$ 1,336	\$ 3,256	\$ 1,756
Other	-	-	-	-	3,250	-	-
TOTAL REVENUES	<u>59</u>	<u>291</u>	<u>-</u>	<u>42</u>	<u>4,586</u>	<u>3,256</u>	<u>1,756</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	5,399	-	-
Protection	-	-	-	-	-	390	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	338
Human Services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	-	-
Culture & Recreation	-	2,300	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>2,300</u>	<u>-</u>	<u>-</u>	<u>5,399</u>	<u>390</u>	<u>338</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>59</u>	<u>(2,009)</u>	<u>-</u>	<u>42</u>	<u>(813)</u>	<u>2,866</u>	<u>1,418</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	7,000	2,500	5,000
Operating Transfers Out	-	-	(30,401)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(30,401)</u>	<u>-</u>	<u>7,000</u>	<u>2,500</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	59	(2,009)	(30,401)	42	6,187	5,366	6,418
FUND BALANCE - JULY 1	1,124	5,814	30,401	818	25,720	62,817	33,574
FUND BALANCE - JUNE 30	<u>\$ 1,183</u>	<u>\$ 3,805</u>	<u>\$ -</u>	<u>\$ 860</u>	<u>\$ 31,907</u>	<u>\$ 68,183</u>	<u>\$ 39,992</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, 2008

	Silver Lake Property	Parking Lots	Swimming Pool	Chamber Building	Middle School Capital	Housing Rehab.	Jewett School
REVENUES							
Interest	\$ 405	\$ 1,187	\$ 1,958	\$ 239	\$ -	\$ 304	\$ 817
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>405</u>	<u>1,187</u>	<u>1,958</u>	<u>239</u>	<u>-</u>	<u>304</u>	<u>817</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Protection	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Health and Sanitation	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Environment & Housing	-	-	-	-	-	5,611	-
Culture & Recreation	-	-	-	-	-	-	-
Capital Outlay	-	10,975	10,524	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>10,975</u>	<u>10,524</u>	<u>-</u>	<u>-</u>	<u>5,611</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>405</u>	<u>(9,788)</u>	<u>(8,566)</u>	<u>239</u>	<u>-</u>	<u>(5,307)</u>	<u>817</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	3,000	5,000	5,000	-	-	-	6,000
Operating Transfers Out	-	-	-	-	(7,168)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(7,168)</u>	<u>-</u>	<u>6,000</u>
NET CHANGE IN FUND BALANCE	3,405	(4,788)	(3,566)	239	(7,168)	(5,307)	6,817
FUND BALANCE - JULY 1	<u>7,582</u>	<u>23,468</u>	<u>38,360</u>	<u>4,629</u>	<u>7,168</u>	<u>6,351</u>	<u>15,307</u>
FUND BALANCE - JUNE 30	<u>\$ 10,987</u>	<u>\$ 18,680</u>	<u>\$ 34,794</u>	<u>\$ 4,868</u>	<u>\$ -</u>	<u>\$ 1,044</u>	<u>\$ 22,124</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, 2008

	Gardiner School	Highway Improvement	Industrial Park Land Purchase	Miles Ln Bathroom and Concession	High School Building Project	Totals
REVENUES						
Interest	\$ 26	\$ 3,962	\$ 4,739	\$ 1,942	\$ -	\$ 66,780
Other	-	-	4,700	-	-	8,406
TOTAL REVENUES	<u>26</u>	<u>3,962</u>	<u>9,439</u>	<u>1,942</u>	<u>-</u>	<u>75,186</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	5,399
Protection	-	-	-	-	-	12,914
Public Works	-	7,832	-	-	-	12,943
Health and Sanitation	-	-	-	-	-	1,863
Human Services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Environment & Housing	100,000	-	-	-	-	105,611
Culture & Recreation	-	-	-	-	-	12,697
Capital Outlay	-	208,625	103,552	-	119,578	739,121
TOTAL EXPENDITURES	<u>100,000</u>	<u>216,457</u>	<u>103,552</u>	<u>-</u>	<u>119,578</u>	<u>890,548</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(99,974)</u>	<u>(212,495)</u>	<u>(94,113)</u>	<u>1,942</u>	<u>(119,578)</u>	<u>(815,362)</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	100,000	300,000	-	37,569	1,500,000	2,305,569
Operating Transfers Out	-	-	-	-	-	(37,569)
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>300,000</u>	<u>-</u>	<u>37,569</u>	<u>1,500,000</u>	<u>2,268,000</u>
NET CHANGE IN FUND BALANCE	26	87,505	(94,113)	39,511	1,380,422	1,452,638
FUND BALANCE - JULY 1	<u>508</u>	<u>69,630</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>1,291,837</u>
FUND BALANCE - JUNE 30	<u>\$ 534</u>	<u>\$ 157,135</u>	<u>\$ 5,887</u>	<u>\$ 39,511</u>	<u>\$ 1,380,422</u>	<u>\$ 2,744,475</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, 2008

	Cemetery Trusts	Spofford Indigent Fund	Gardiner High School Fund	Spofford Grammar School Fund	Ministerial Fund	G. Weirich Scholarship Fund	Totals
ASSETS							
Investments	\$ 41,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,986
Due from other funds	31,762	72,093	9,554	3,948	6,100	4,661	128,118
Total assets	<u>\$ 73,748</u>	<u>\$ 72,093</u>	<u>\$ 9,554</u>	<u>\$ 3,948</u>	<u>\$ 6,100</u>	<u>\$ 4,661</u>	<u>\$ 170,104</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Reserved for endowments	21,097	39,826	3,470	2,000	2,300	2,506	71,199
Unreserved:							
Designated for subsequent years' expenditures	52,651	32,267	6,084	1,948	3,800	2,155	98,905
Total fund equity	<u>73,748</u>	<u>72,093</u>	<u>9,554</u>	<u>3,948</u>	<u>6,100</u>	<u>4,661</u>	<u>170,104</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 73,748</u>	<u>\$ 72,093</u>	<u>\$ 9,554</u>	<u>\$ 3,948</u>	<u>\$ 6,100</u>	<u>\$ 4,661</u>	<u>\$ 170,104</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, 2008

	Cemetery Trusts	Spofford Indigent Fund	Gardiner High School Fund	Spofford Grammar School Fund	Ministerial Fund	G. Weirich Scholarship Fund	Totals
REVENUES							
Interest	\$ 3,390	\$ 3,746	\$ 470	\$ 194	\$ 300	\$ 233	\$ 8,333
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>3,390</u>	<u>3,746</u>	<u>470</u>	<u>194</u>	<u>300</u>	<u>233</u>	<u>8,333</u>
EXPENSES							
Other	4,250	-	-	-	-	100	4,350
TOTAL EXPENSES	<u>4,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>4,350</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(860)</u>	<u>3,746</u>	<u>470</u>	<u>194</u>	<u>300</u>	<u>133</u>	<u>3,983</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	(4,500)	-	-	-	-	(4,500)
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>(4,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,500)</u>
NET CHANGE IN FUND BALANCES	(860)	(754)	470	194	300	133	(517)
FUND BALANCES - JULY 1	<u>74,608</u>	<u>72,847</u>	<u>9,084</u>	<u>3,754</u>	<u>5,800</u>	<u>4,528</u>	<u>170,621</u>
FUND BALANCES - JUNE 30	<u>\$ 73,748</u>	<u>\$ 72,093</u>	<u>\$ 9,554</u>	<u>\$ 3,948</u>	<u>\$ 6,100</u>	<u>\$ 4,661</u>	<u>\$ 170,104</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, 2008

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General government	\$ 43,800	\$ 386,000	\$ 41,693	\$ -	\$ 471,493
Protection	22,000	1,881,000	1,499,408	-	3,402,408
Public works	95,916	1,115,852	1,068,592	5,738,348	8,018,708
Health and sanitation	14,000	275,260	164,576	-	453,836
Education	119,578	37,924,252	3,598,639	90,000	41,732,469
Recreation	26,800	512,286	102,654	1,126,570	1,768,310
Town-wide	1,739,491	1,202,327	-	831,900	3,773,718
Sewer fund	2,970,079	2,338,387	262,605	6,409,398	11,980,469
Total General Capital Assets	5,031,664	45,635,364	6,738,167	14,196,216	71,601,411
Less: Accumulated Depreciation	-	(20,933,646)	(4,844,883)	(7,620,715)	(33,399,244)
Net General Capital Assets	\$ 5,031,664	\$ 24,701,718	\$ 1,893,284	\$ 6,575,501	\$ 38,202,167

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2008

	General Capital Assets 7/1/07	Additions	Deletions	General Capital Assets 6/30/08
General government	\$ 471,493	\$ -	\$ -	\$ 471,493
Protection	3,352,806	49,602	-	3,402,408
Public works	7,650,812	367,896	-	8,018,708
Health and sanitation	453,836	-	-	453,836
Education	41,523,615	208,854	-	41,732,469
Recreation	1,531,189	237,121	-	1,768,310
Town-wide	3,518,342	255,376	-	3,773,718
Sewer fund	9,738,329	2,514,602	(272,462)	11,980,469
	<u>68,240,422</u>	<u>3,633,451</u>	<u>(272,462)</u>	<u>71,601,411</u>
Total General Capital Assets	68,240,422	3,633,451	(272,462)	71,601,411
Less: Accumulated Depreciation	<u>(31,871,546)</u>	<u>(1,648,355)</u>	<u>120,657</u>	<u>(33,399,244)</u>
Net General Capital Assets	<u>\$ 36,368,876</u>	<u>\$ 1,985,096</u>	<u>\$ (151,805)</u>	<u>\$ 38,202,167</u>

See accompanying independent auditors' report.

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

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	\$ 113,280
Water and Waste Disposal Systems for Rural Communities	10.418	N/A	421,527
Passed Through the State of Maine - Department of Education and Cultural Services			
Food Distribution	10.550	N/A	12,071
School Breakfast Program	10.553	013-05A-7127-05	26,147
School Lunch Program	10.555	013-05A-8121-05	136,865
Total U.S. Department of Agriculture			<u>709,890</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	307,900
Small Cities Community Block Grant - Public Infrastructure	14.228		44
Small Cities Community Block Grant - Housing Assistance Grant	14.228	G705429	3,739
Small Cities Community Block Grant - Technical Assistance Grant	14.228	G1006346	22,500
Total U.S. Department of Housing and Urban Development			<u>334,183</u>
U.S. Department of Transportation			
Passed Through the State of Maine - Department of Transportation			
Safety Belt Performance Grant	20.609	N/A	750
Small Harbor Improvement Program	20.802	U089070153	200
Total U.S. Department of Transportation			<u>950</u>

TOWN OF BUCKSPORT, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures
U.S. Department of Education			
Passed Through the State of Maine -			
Department of Education and Cultural Services			
Title IA - Educationally Deprived Handicapped Programs - Local Entitlement	84.010	013-05A-6334-13	230,404
Local Entitlement Part B - Section 619	84.027	013-05A-6317-12	230,921
Title IID Grant - Ed. Tech. Grant	84.173	013-05A-6241-23	-
Title V	84.318	013-05A-1006-07	20,236
Rural Low Income	84.298	013-05A-1072-66	11,278
Title IIA - Teacher Quality Grant	84.358	013-05A-1078-03	33,105
	84.367	013-05A-1138-11	<u>40,972</u>
			<u>566,916</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	<u>-</u>
Total U.S. Department of Education			<u>566,916</u>
U.S. Department of Health and Human Services			
Passed Through the State of Maine - Department of Health and Human Services			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SA3-08-302	<u>30,982</u>
Total U.S. Department of Health and Human Services			<u>30,982</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 1,642,921</u>

TOWN OF BUCKSPORT, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

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 25, 2008

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, 2008, which collectively comprise the Town of Bucksport, Maine's basic financial statements and have issued our report thereon dated July 25, 2008. 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.

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 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



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 25, 2008

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, 2008. 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, 2008.

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, 2008

Summary of Auditors' Results:

- 1) We have issued an unqualified report dated July 25, 2008 on the financial statements of the Town which can be found on pages 1 - 2.
- 2) Our statement of significant deficiencies and material weaknesses can be found on pages 85 - 86 as they pertain to the audit of the financial statements for the Town. Our audit disclosed no significant deficiencies or material weaknesses in regards to the federal programs tested for June 30, 2008.
- 3) Our statement of non-compliance can be found on pages 85 - 86 as they pertain to the audit of the financial statements for the Town. Our audit disclosed no instances of non-compliance in regards to the federal programs tested for June 30, 2008.
- 4) Our statement of significant deficiencies and material weaknesses over major programs can be found on pages 87 - 88 as they pertain to the audit of the financial statements for the Town. Our audit disclosed no significant deficiencies or material weaknesses in regards to the major federal programs tested for June 30, 2008.
- 5) We have issued an unqualified report dated July 25, 2008 on compliance for major programs of the Town which can be found on pages 87 - 88.
- 6) Our statements disclosed no audit findings.
- 7) The following major programs were audited as of June 30, 2008:

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 \$300,000.
- 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, 2008.



INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF AGREEMENT OPERATIONS

July 25, 2008

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, 2008. 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, 2008, in accordance with the *Maine Uniform Accounting and Auditing Practices for Community Agencies*.

Proven Expertise and Integrity

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, 2008

Agreement Number:	SA3-08-302 (2)
Agreement Total:	\$57,355
Agreement Term:	1/1/07-12/31/08
Basis of Settlement:	Cost
Status:	<u>Interim</u>

REVENUES	
Grants and contracts - Federal	\$ 38,240
- State	-
Miscellaneous	-
Total revenues	<u>38,240</u>
EXPENDITURES	<u>30,982</u>
NET ACTIVITIES	7,258
BEGINNING BALANCE	<u>-</u>
ENDING BALANCE	<u><u>\$ 7,258</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, 2008

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.



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

July 25, 2008

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, 2008, and have issued our report thereon dated July 25, 2008. 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 25, 2008.

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, 2008, 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.

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, 2008, 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



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

July 25, 2008

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, 2008, and have issued our report thereon dated July 25, 2008.

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, 2008. 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, 2008.

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' REPORT ON STATE REQUIREMENTS

July 25, 2008

Town Council
Town of Bucksport
Bucksport, Maine

We have audited the financial statements of the Town of Acton, Maine for the year ended June 30, 2008 and have issued our report thereon dated August 6, 2008. Our audit was made in accordance with auditing standards generally accepted in the United States of America 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 that are in place, and have reviewed the annual financial report that was submitted to the Department for accuracy. In addition we have reviewed quarterly EF-U-415 reports for the year ended June 30, 2008 and the Town's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Town of Acton, 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 Acton, Maine was in noncompliance with, or in violation of, those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Town and have attached the following schedule as it relates to the reconciliation of audit adjustments to the initial annual financial data submitted to the MEDMS financial system maintained at the Town.

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.

Certified Public Accountants

Proven Expertise and Integrity

TOWN OF BUCKSPORT, MAINE

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA
 SUBMITTED TO THE MEDMS FINANCIAL SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2008

	General Fund (100)	Special Revenue Funds (200)	Capital Projects Fund (300)	Totals
June 30 Balance per MEDMS financial System	\$ 505,390	\$ 227,645	\$ 1,380,422	\$ 2,113,457
Revenue Adjustments"				
Expenditure Adjustments:				
Audited GAAP Basis Fund balance June 30	<u>\$ 505,390</u>	<u>\$ 227,645</u>	<u>\$ 1,380,422</u>	<u>\$ 2,113,457</u>