

Audited Financial Statements and
Other Financial Information

Town of Acton, Maine

June 30, 2007



Proven Expertise and Integrity

TOWN OF ACTON, MAINE

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JUNE 30, 2007

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INDEPENDENT AUDITORS' REPORT

August 24, 2007

Board of Selectmen
Town of Acton
Acton, Maine

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Acton, as of and for the year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Acton, Maine's management. Our responsibility is to express 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, 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.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Acton's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures in all material aspects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not yet been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion.

RHR Smith & Company

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Town of Acton, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the Town's financial statements.

Brief Discussion of the Basic Financial Statements

Using This Annual Report

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

Reporting the Town as a Whole

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

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

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

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

- Business activities - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The school lunch program is reported here.

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins on page 9. The fund financial statements 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's Board of Selectmen establish many other funds to help them control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the Federal government). The Town's two kinds of funds are 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 a 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 reported in the Statement of Net Assets and the Statement of Activities. In fact, the Town's Enterprise fund (a component of proprietary funds) is 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.

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 decreased by \$94,225 from \$4.76 million to \$4.66 million for governmental activities and by \$69,830 from \$69,830 to \$ 0 for business-type activities.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased to a balance of \$789,762 at the end of this year for governmental activities.

Town of Acton, Maine				
Net Assets				
June 30,				
Assets	Governmental Activities		Business-type Activities	
	2007	2006	2007	2006
Current and other assets	\$ 2,042,630	\$ 2,470,763	\$ -	\$ 77,847
Capital Assets	3,882,116	3,906,918	-	-
Total Assets	\$ 5,924,746	\$ 6,377,681	\$ -	\$ 77,847
Liabilities				
Current Liabilities	\$ 579,018	\$ 531,089	\$ -	\$ 8,017
Long-term Debt Outstanding	684,935	1,091,574	-	-
Total Liabilities	1,263,953	1,622,663	-	8,017
Net Assets				
Invested in Capital Assets, Net of Related Debt	3,122,061	2,953,099	-	-
Restricted net assets - General fund	455,393	543,726	-	-
Special revenue	79,272	89,681	-	-
Capital projects	-	24,738	-	-
Permanent fund	215,795	198,423	-	-
Other Net Assets	788,272	945,351	-	69,830
Total Net Assets	\$ 4,660,793	\$ 4,755,018	\$ -	\$ 69,830

Revenues and Expenses

Revenues for the Town's governmental activities increased by 1.38%, while total expenses increased by 8.4%.

Table 2
Town of Acton, Maine
Changes in Net Assets
For the Year Ending June 30,

	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues				
Taxes	\$ 5,259,838	\$ 5,502,185	\$ -	\$ -
Intergovernmental revenues	1,098,534	1,052,860	-	29,845
On-behalf payments	368,787	-	-	-
Charges for services	120,100	90,388	-	52,362
Investment income	67,724	-	-	-
Other revenue	98,077	272,073	-	-
Total Revenues	<u>7,013,060</u>	<u>6,917,506</u>	<u>-</u>	<u>82,207</u>
Expenditures				
General government	556,890	458,374	-	-
Public safety	186,408	229,484	-	-
Public works	790,998	767,675	-	-
Building	35,231	23,215	-	-
Grounds care	448	395	-	-
Recreation	16,244	14,050	-	-
General assistance	8,602	11,155	-	-
Education	5,052,962	4,685,123	-	-
County tax	250,953	248,913	-	-
Other expenses	64,972	58,065	-	-
Unallocated depreciation	15,913	13,515	-	-
State of Maine on-behalf payments	368,787	-	-	-
School lunch expenses	-	-	-	124,575
Grant / program expenses	-	246,120	-	-
Total expenditures	<u>7,348,408</u>	<u>6,756,084</u>	<u>-</u>	<u>124,575</u>
Change in Net Assets	(335,348)	161,422	-	(42,368)
Transfers	69,830	(76,669)	(69,830)	76,669
Depreciation adjustment	171,293	-	-	-
Net Assets - July 1	<u>4,755,018</u>	<u>4,670,265</u>	<u>69,830</u>	<u>35,529</u>
Net Assets - June 30	<u>\$ 4,660,793</u>	<u>\$ 4,755,018</u>	<u>\$ -</u>	<u>\$ 69,830</u>

The cost of all governmental activities this year was \$7.3 million compared to \$6.7 million last year. However, as shown in the Statement of Activities on pages 10 and 11, the amount that our towns ultimately financed for these activities through Town assessments was only \$6.2 million because some of the cost was paid by those who directly benefited from the programs (\$120,100) or by other governments and organizations that subsidized certain programs with grants and contributions (\$1,046,869).

Analysis of Balances and Transactions of Individual Funds

Table 3
Town of Acton, Maine
Net Cost of Services
For the Year Ending June 30, 2007

	Total Cost of Services	Total Revenue	Net Cost of Services
General government	\$ 556,890	\$ 95,958	\$ 460,932
Public works	790,998	76,580	714,418
Education	5,052,962	595,881	4,457,081
County tax	250,953	-	250,953
Public safety	186,408	-	186,408
All other departments	510,197	398,550	111,647
	\$ 7,348,408	\$ 1,166,969	\$ 6,181,439
Totals			

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2007, the gross book value of capital assets recorded by the Town increased by \$91,841 over the prior year. The increase is the result of the purchase of several new assets.

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

	2007	2006
Land	\$ 110,200	\$ 110,200
Buildings and improvements	3,163,694	3,357,490
Machinery / equipment	608,222	649,049
	\$ 3,882,116	\$ 4,116,739
Total		

Debt

At June 30, 2007, the Town had \$705,000 in bonds outstanding versus \$885,000 last year, a decrease of 21%, as shown in Note 7 of the financial statements.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient undesignated fund balance to sustain government operations for a period of approximately two months.

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, contact the Town Treasurer at P.O. Box 540, Acton, Maine 04001.

STATEMENT A

TOWN OF ACTON, MAINE

STATEMENT OF NET ASSETS
JUNE 30, 2007

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
ASSETS			
Current assets			
Cash	\$ 1,450,293	\$ -	\$ 1,450,293
Investments	217,876	-	217,876
Accounts receivable (net of allowance for uncollectibles)			
Taxes / liens	282,371	-	282,371
Due from other governments	70,627	-	70,627
Other receivables	13,933	-	13,933
Prepaid expenses	1,486	-	1,486
Tax acquired property	6,044	-	6,044
Total current assets	<u>2,042,630</u>	<u>-</u>	<u>2,042,630</u>
Noncurrent assets			
Capital assets			
Land, infrastructure, and other assets not being depreciated	110,200	-	110,200
Buildings and vehicles, net of accumulated depreciation	3,771,916	-	3,771,916
Total noncurrent assets	<u>3,882,116</u>	<u>-</u>	<u>3,882,116</u>
Total assets	<u>\$ 5,924,746</u>	<u>\$ -</u>	<u>\$ 5,924,746</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 89,775	\$ -	\$ 89,775
Accrued expenses	288,501	-	288,501
Due to other governments	25	-	25
Due to other funds	-	-	-
Prepaid taxes	6,953	-	6,953
Current portion of long-term obligations	193,764	-	193,764
Total current liabilities	<u>579,018</u>	<u>-</u>	<u>579,018</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Capital leases payable	41,291	-	41,291
Bonds payable	525,000	-	525,000
Accrued compensated absences	118,644	-	118,644
Total noncurrent liabilities	<u>684,935</u>	<u>-</u>	<u>684,935</u>
Total liabilities	<u>1,263,953</u>	<u>-</u>	<u>1,263,953</u>
NET ASSETS			
Invested in capital assets, net of related debt	3,122,061	-	3,122,061
Restricted:			
General fund	455,393	-	455,393
Special revenue	79,272	-	79,272
Permanent Fund	215,795	-	215,795
Unrestricted	788,272	-	788,272
Total net assets	<u>4,660,793</u>	<u>-</u>	<u>4,660,793</u>
Total liabilities and net assets	<u>\$ 5,924,746</u>	<u>\$ -</u>	<u>\$ 5,924,746</u>

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

TOWN OF ACTON, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Reimbursements Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business type Activities	
Governmental activities							
General government	\$ 556,890	\$ 95,958	\$ -	\$ -	\$ (460,932)	\$ -	\$ (460,932)
Public safety	186,408	-	-	-	(186,408)	-	(186,408)
Public works	790,998	-	-	76,580	(714,418)	-	(714,418)
Building	35,231	-	-	-	(35,231)	-	(35,231)
Grounds care	448	-	-	-	(448)	-	(448)
Recreation	16,244	6,295	-	-	(9,949)	-	(9,949)
General assistance	8,602	-	5,621	-	(2,981)	-	(2,981)
Education	5,052,962	-	595,881	-	(4,457,081)	-	(4,457,081)
County tax	250,953	-	-	-	(250,953)	-	(250,953)
Other expenses	64,972	17,847	-	-	(47,125)	-	(47,125)
Unallocated depreciation	15,913	-	-	-	(15,913)	-	(15,913)
State of Maine on-behalf payments	368,787	-	368,787	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total governmental activities	<u>7,348,408</u>	<u>120,100</u>	<u>970,289</u>	<u>76,580</u>	<u>(6,181,439)</u>	<u>-</u>	<u>(6,181,439)</u>
Business-type activities:							
School lunch program	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total government & business	<u>7,348,408</u>	<u>120,100</u>	<u>970,289</u>	<u>76,580</u>	<u>(6,181,439)</u>	<u>-</u>	<u>(6,181,439)</u>

STATEMENT B (CONTINUED)
TOWN OF ACTON, MAINE

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Changes In net assets:			
Net (expense) revenue	<u>(6,181,439)</u>	<u>-</u>	<u>(6,181,439)</u>
General revenue:			
Taxes:			
Property taxes, levied for general purposes	4,844,478	-	4,844,478
Excise taxes, levied for general purposes	415,360	-	415,360
Grants and contributions not restricted to specific programs	420,452	-	420,452
Investment income	67,724	-	67,724
Other income	98,077	-	98,077
Transfers - internal activities	69,830	(69,830)	-
Total general revenue and transfers	<u>5,915,921</u>	<u>(69,830)</u>	<u>5,846,091</u>
Change in net assets	(265,518)	(69,830)	(335,348)
Net assets - July 1	<u>4,755,018</u>	<u>69,830</u>	<u>4,824,848</u>
Depreciation adjustment	171,293	-	171,293
Net assets - June 30	<u>\$ 4,660,793</u>	<u>\$ -</u>	<u>\$ 4,660,793</u>

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

TOWN OF ACTON, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2007

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash	\$ 1,450,293	\$ -	\$ 1,450,293
Investments	-	217,876	217,876
Taxes receivable	208,333	-	208,333
Liens receivable	74,038	-	74,038
Due from other governments	40,083	30,544	70,627
Other receivables	13,933	-	13,933
Prepaid expenses	1,486	-	1,486
Tax acquired property	6,044	-	6,044
Due from other funds	2,081	60,217	62,298
	<u>1,796,291</u>	<u>308,637</u>	<u>2,104,928</u>
Total assets	<u>\$ 1,796,291</u>	<u>\$ 308,637</u>	<u>\$ 2,104,928</u>
LIABILITIES			
Accounts payable	\$ 89,775	\$ -	\$ 89,775
Accrued expenses	277,012	11,489	288,501
Due to other governments	25	-	25
Due to other funds	60,217	2,081	62,298
Prepaid taxes	6,953	-	6,953
Deferred revenue	223,041	-	223,041
	<u>657,023</u>	<u>13,570</u>	<u>670,593</u>
Total liabilities	<u>657,023</u>	<u>13,570</u>	<u>670,593</u>
FUND EQUITY			
Fund balances:			
Reserved for endowments	-	-	-
Unreserved			
General fund designated	455,393	-	455,393
General fund undesignated	683,875	-	683,875
Special revenue funds	-	79,272	79,272
Capital projects funds	-	-	-
Permanent funds	-	215,795	215,795
	<u>1,139,268</u>	<u>295,067</u>	<u>1,434,335</u>
Total fund equity	<u>1,139,268</u>	<u>295,067</u>	<u>1,434,335</u>
Total liabilities and fund equity	<u>\$ 1,796,291</u>	<u>\$ 308,637</u>	<u>\$ 2,104,928</u>

STATEMENT C (CONTINUED)
TOWN OF ACTON, MAINE

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

	Total Governmental Funds
Total Fund Equity	\$ 1,434,335
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	3,882,116
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	223,041
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(705,000)
Capital lease payable	(55,055)
Accrued compensated absences	<u>(118,644)</u>
 Net assets of governmental activities	 <u><u>\$ 4,660,793</u></u>

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

TOWN OF ACTON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Nonmajor Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 4,868,425	\$ -	\$ 4,868,425
Excise taxes	415,360	-	415,360
Intergovernmental revenues			
Education subsidy	447,808	-	447,808
State revenue sharing	196,190	-	196,190
Homestead exemption	32,104	-	32,104
Local road assistance	76,580	-	76,580
Other education revenue	148,073	-	148,073
FEMA	3,296	-	3,296
Grants / other	14,449	180,034	194,483
On-behalf payments	368,787	-	368,787
Charges for services	120,100	-	120,100
Investment income	47,752	19,972	67,724
Other revenue	98,077	-	98,077
Total revenues	<u>6,837,001</u>	<u>200,006</u>	<u>7,037,007</u>
EXPENDITURES			
General government	556,890	-	556,890
Public safety	136,371	-	136,371
Public works	805,529	-	805,529
Social services	35,231	-	35,231
Cemeteries	448	-	448
Recreation	11,754	-	11,754
General assistance	8,602	-	8,602
County tax	250,953	-	250,953
Education	4,937,744	187,907	5,125,651
Other	62,372	2,600	64,972
On-behalf payments	368,787	-	368,787
Capital outlay	-	-	-
Total expenditures	<u>7,174,681</u>	<u>190,507</u>	<u>7,365,188</u>
Excess of revenues over (under) expenditures	(337,680)	9,499	(328,181)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	94,768	15,473	110,241
Operating transfers (out)	-	(40,411)	(40,411)
Total other financing sources (uses)	<u>94,768</u>	<u>(24,938)</u>	<u>69,830</u>
Excess of revenues and other sources over (under) expenditures and other uses	(242,912)	(15,439)	(258,351)
FUND BALANCE - BEGINNING OF YEAR	<u>1,382,180</u>	<u>310,506</u>	<u>1,692,686</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,139,268</u>	<u>\$ 295,067</u>	<u>\$ 1,434,335</u>

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

TOWN OF ACTON, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Net change in fund balances - total governmental funds (Statement D) \$ (258,351)

Amounts reported for governmental activities in the Statement of Activities
(Statement B) are different because:

Governmental funds report capital outlays as expenditures while governmental
report depreciation expense to allocate those expenditures over the life of the assets.

Capital asset purchases capitalized	91,841
Depreciation adjustment	171,293
Depreciation expense	<u>(287,936)</u>
	<u>(24,802)</u>

Revenues in the Statement of Activities that do not provide current financial resources
as revenues in the funds:

Taxes and liens receivable	<u>(23,947)</u>
----------------------------	-----------------

Debt proceeds provide current financial resources to governmental funds, but issuing
long-term liabilities in the Statement of Net Assets.

Repayment of long-term debt principal is an expenditure in the governmental
funds, reduces long-term liabilities in the Statement of Net Assets

212,875

Some expenses reported in the Statement of Activities do not require the use of current
resources and therefore are not reported as expenditures in governmental funds:

Accrued compensated absences

-

Change in net assets of governmental activities (Statement B)

\$ (94,225)

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

TOWN OF ACTON, MAINE

BALANCE SHEET – ENTERPRISE FUND
JUNE 30, 2007

ASSETS	School Lunch
Current assets:	
Cash	\$ -
Inventory	-
Due from other governments	-
Due from other funds	-
	<u>-</u>
Noncurrent assets:	
Machinery and equipment	
Total capital assets	-
Less: accumulated depreciation	-
Net capital assets	<u>-</u>
 Total assets	 <u><u>\$ -</u></u>
 LIABILITIES AND FUND EQUITY	
Liabilities	
Current liabilities:	
Accounts payable	\$ -
Accrued expenses	-
Total current liabilities	<u>-</u>
Net Assets	
Investment in capital assets, net of related debt	-
Restricted	
Unrestricted	-
Total fund equity	<u>-</u>
 Total liabilities and fund equity	 <u><u>\$ -</u></u>

See accompanying independent auditors report and notes to financial statements.

TOWN OF ACTON, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	School Lunch
OPERATING REVENUES	
Intergovernmental revenue	\$ -
Charges for services	-
Other income	-
Total operating revenues	-
OPERATING EXPENSES	
Payroll	-
Food / supplies	-
Repairs / maintenance	-
Depreciation / amortization	-
Other operating expenses	-
Total operating expenses	-
Operating income (loss)	-
OTHER FINANCING SOURCES (USES)	
Transfers in	-
Transfers (out)	(69,830)
Total other financing sources (uses)	(69,830)
Net income (loss)	(69,830)
Net assets - July 1	69,830
Net assets - June 30	\$ -

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

TOWN OF ACTON, MAINE

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

	<u>School Lunch Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ -
Internal activity - receipts (payments) from/to other funds	-
Intergovernmental receipts	-
Payments to suppliers and employees	-
Net cash provided by operating activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital assets purchased	-
Net cash used by investing activities	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Bond proceeds	-
Net cash used by financing activities	<u>-</u>
NET INCREASE (DECREASE) IN CASH	-
CASH - JULY 1	<u>-</u>
CASH - JUNE 30	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Net income (loss)	\$ (69,830)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	-
Changes in operating assets and liabilities:	
(Increase) decrease in due from other governments	3,135
(Increase) decrease in inventory	2,891
(Increase) decrease in due from other funds	71,821
(Increase) decrease in capital assets	-
(Decrease) increase in accounts payable	(8,017)
(Decrease) increase in due to other funds	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ -</u>

See accompanying independent auditors' report and notes to financial staten

TOWN OF ACTON, MAINE

STATEMENT OF FIDUCIARY NET ASSETS – FIDUCIARY FUNDS
JUNE 30, 2007

	<u>Fiduciary / Agency</u>
ASSETS	
Current assets:	
Cash	\$ 12,510
Investments	<u>2,482</u>
Total assets	<u>\$ 14,992</u>
 LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	\$ -
Deposits held for others	<u>14,992</u>
Total current liabilities	<u>14,992</u>
 NET ASSETS	
Held in trust for special purposes	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,992</u>

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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, lights, 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 Town of Acton, Maine.

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 school lunch department is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, public safety, 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 (taxes, certain intergovernmental revenues and charges for services, etc.).

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

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

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.

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

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 the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. One enterprise fund exists to account for the operations of the school lunch department.

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.

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

1. Accrual

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

2. Modified Accrual

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

Budget

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

1. Early in the first half of the year the Town prepared a budget for the 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 Acton 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.

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund types and similar trust 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 at the balance sheet date.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town of Acton does not utilize encumbrances accounting, therefore, reservation of fund balance is not provided for at June 30, 2007. Accordingly, no differences exist between actual results and the applicable budgetary data presented in the accompanying combined financial statements.

Revenue Recognition - Property Taxes

The Town's property tax for the current year was levied September 19, 2006 on the assessed value listed as of April 1, 2006, for all real and personal property located in the Town. Taxes were due on October 15, 2006 and April 15, 2007. Interest on unpaid taxes commenced on October 16, 2006 and April 16, 2007, at 11% 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 \$35,258 for the year ended June 30, 2007.

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance Related Legal Provisions

The Town has no material violations of finance related provisions.

NOTE 3 - CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$3,000 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, which vary from asset to asset.

In 2004, the Town undertook a program to record its investment property, plant and equipment. An inventory of all existing assets with a useful life of more than five years and a value of greater than \$3,000 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 are 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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 3 - CAPITAL ASSETS (CONTINUED)

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 the Town of Acton for fiscal year ending in 2006.

Buildings	20-50 years
Infrastructure	50-100 years
Machinery and equipment	3-50 years
Vehicles	3-25 years

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

	<u>Balance</u> <u>7/1/06</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/07</u>
Governmental activities:				
Non-depreciated assets:				
Land	\$ 110,200	\$ -	\$ -	\$ 110,200
Art works & historical treasures	-	-	-	-
	<u>110,200</u>	<u>-</u>	<u>-</u>	<u>110,200</u>
Depreciated assets:				
Land improvements	337,053	14,890	-	351,943
Buildings / improvements	5,305,824	-	-	5,305,824
Machinery & equipment	736,902	57,851	-	794,753
Vehicles	412,500	19,100	-	431,600
Other	144,961	-	-	144,961
	<u>6,937,240</u>	<u>91,841</u>	<u>-</u>	<u>7,029,081</u>
Less: accumulated depreciation	(3,140,522)	(287,936)	171,293	(3,257,165)
	<u>3,796,718</u>	<u>(196,095)</u>	<u>171,293</u>	<u>3,771,916</u>
Net capital assets	<u>\$ 3,906,918</u>	<u>\$ (196,095)</u>	<u>\$ 171,293</u>	<u>\$ 3,882,116</u>
Current year depreciation:				
Public safety				\$ 50,037
Highway				5,800
Education				205,622
Transfer station				6,074
Parks / recreation				4,490
Town-wide				15,913
Total depreciation expenses				<u>\$ 287,936</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 4 - 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 risk.

At June 30, 2007, the Town's deposits amounting to \$1,310,415 were comprised of \$1,310,415 which was insured by federal depository insurance and consequently was not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	<u>\$ 1,310,415</u>
	<u><u>\$ 1,310,415</u></u>

At June 30, 2007, all of the Town's investments amounting to \$217,876 were collateralized with securities held by the financial institution in the Town's name and consequently were not exposed to custodial credit risk.

<u>Investment Type</u>	<u>Fair Value</u>
Common stock	\$ 137,332
Certificates of deposit	<u>80,544</u>
	<u><u>\$ 217,876</u></u>

NOTE 5 - ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts was estimated to be \$0 at June 30, 2007.

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General fund	\$ 2,081	\$ 60,217
Special revenue funds	60,217	-
Capital projects funds	-	-
Permanent funds	-	2,081
	<u>\$ 62,298</u>	<u>\$ 62,298</u>

NOTE 7 - LONG-TERM DEBT

The General Fund of the Town is used to pay for all long-term debt. A summary of long-term debt is as follows:

The following is a summary of changes in Long-Term Debt for the the year ended June 30, 2007:

	<u>Balance 07/01/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/07</u>	<u>Current Portion</u>
Bonds payable	\$ 885,000	\$ -	\$(180,000)	\$ 705,000	\$ 180,000
Capital leases payable	68,819	-	(13,764)	55,055	13,764
Accrued compensated absences	137,755	-	(19,111)	118,644	-
Totals	<u>\$ 1,091,574</u>	<u>\$ -</u>	<u>\$(212,875)</u>	<u>\$ 878,699</u>	<u>\$ 193,764</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Elementary School Addition Bond Payable	
1990 Series D, interest rate of 7% to 7.375%	
annual principal payments of \$180,000, matures October 2010	<u>\$ 705,000</u>
Total long-term debt	<u>\$ 705,000</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2008	\$ 180,000	\$ 45,356	\$ 225,356
2009	180,000	32,081	212,081
2010	180,000	18,806	198,806
2011	165,000	6,085	171,085
2012	-	-	-
	<u>\$ 705,000</u>	<u>\$ 102,328</u>	<u>\$ 807,328</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.

The Town is obligated for a capital lease for the purchase of new computer equipment. The lease term is for six years expiring in July 2010. The annual payments are \$15,211 including both principal and interest.

The future annual payments for this capital lease for the years ending June 30 are:

2008	\$15,211
2009	15,211
2010	15,211
2011	15,211
2012	-
	<u>60,844</u>
Less interest	<u>(5,789)</u>
	<u>\$55,055</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 8 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2007:

General government	\$	24,184
General assistance		1,602
	\$	<u>25,786</u>

NOTE 9 - PENSION PLAN

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 policy is to fund pension cost accrued. Actuarially determined vested and nonvested benefits have not been calculated for the plan.

NOTE 10 - RESTRICTED NET ASSETS

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

Governmental Funds:

Reserved for general fund designated balances	\$	455,393
Reserved for endowments		-
Reserved for special revenue funds		79,272
Reserved for capital project funds		-
Reserved for permanent funds		215,795
	\$	<u>750,460</u>

Business-Type Activity Funds:

N/A		-
	\$	<u>750,460</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 11 – DESIGNATED FOR SUBSEQUENT YEARS’ EXPENDITURES

At June 30, 2007, the General Fund balances designated for subsequent years’ expenditures consisted of:

Education	\$ 403,943
Education capital	2,900
Animal control	1,777
Recreation	12,748
Gravel pit	25,012
Mary Grant	2,983
Comprehensive planning	5,530
Forestry	<u>500</u>
Total General Fund	<u>\$ 455,393</u>

NOTE 12 - CONTINGENCIES

The Town is responsible for its proportionate share of County debt. As of June 30, 2007 the Town’s share was as follows:

	<u>Outstanding Debt</u>	<u>Town’s Percentage</u>	<u>Total Share</u>
County of York	\$ 15,400,000	2.00%	<u>\$ 308,000</u>
			<u>\$ 308,000</u>

NOTE 13 – SCHOOL LUNCH

For the current fiscal year the Acton School Department transferred the school lunch program into the general education department. The school lunch program was the only business-type activity that the Town of Acton had so as a result the Town will no longer have any business-type funds in future years.

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 ACTON, MAINE

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

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,382,180	\$ 1,382,180	\$ 1,382,180	\$ -
Resources (Inflows):				
Property taxes	4,846,778	4,846,778	4,868,425	21,647
Excise taxes	358,000	358,000	415,360	57,360
Intergovernmental:				
State revenue sharing	132,432	132,432	196,190	63,758
Education subsidy	447,808	447,808	447,808	-
Homestead exemption	32,054	32,054	32,104	50
Local road assistance	76,580	76,580	76,580	-
Other education revenue	146,500	146,500	148,073	1,573
FEMA	4,325	4,325	3,296	(1,029)
Other intergovernmental	9,500	9,500	14,449	4,949
Charges for services	51,600	51,600	120,100	68,500
Investment income	10,000	10,000	47,752	37,752
Other revenue	118,050	118,050	98,077	(19,973)
Transfers from other funds	25,000	25,000	94,768	(69,768)
Amounts Available for Appropriation	7,640,807	7,640,807	7,945,162	164,819
Charges to Appropriation (Outflows):				
Current:				
General government	532,706	532,706	556,890	(24,184)
Public safety	159,850	169,221	136,371	32,850
Public works	840,330	840,330	805,529	34,801
Social services	35,676	35,676	35,231	445
Cemeteries	500	500	448	52
Recreation	8,000	24,502	11,754	12,748
General assistance	7,000	7,000	8,602	(1,602)
County tax	250,953	250,953	250,953	-
Education	5,014,953	5,344,587	4,937,744	406,843
Other	71,408	92,238	62,372	29,866
Transfers to other funds	-	-	-	-
Total Charges to Appropriation	6,921,376	7,297,713	6,805,894	491,819
Budgetary Fund Balance, June 30	\$ 719,431	\$ 343,094	\$ 1,139,268	\$ 656,638

See accompanying independent auditors' report.

Other Supplementary Information

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

- Budgetary Comparison Schedule – General Fund Revenues
- Schedule of Departmental Operations – General Fund
- Schedule of Departmental Operations - School
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Project Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Capital Project Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Statement of Revenues, 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 ACTON, MAINE

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

	Budgeted Amount	Actual Amounts	Variance Favorable (Unfavorable)
Resources (Inflows):			
Taxes:			
Property taxes	\$ 4,646,778	\$ 4,868,425	\$ 221,647
Motor vehicle excise	350,000	401,258	51,258
Boat excise	8,000	14,102	6,102
Intergovernmental revenues:			
State revenue sharing	132,432	196,190	63,758
Education subsidy	447,808	447,808	-
Homestead exemption	32,054	32,104	50
Local road assistance	76,580	76,580	-
School - Mainecare	70,000	39,336	(30,664)
School lunch revenue	65,000	82,954	17,954
School - state agency	11,500	25,783	14,283
FEMA	4,325	3,296	(1,029)
Tree growth	4,200	1,102	(3,098)
General assistance	4,000	5,621	1,621
Veteran's reimbursement	1,300	969	(331)
Other state / federal funds	-	6,757	6,757
Charges for services			
Town clerk fees	8,000	13,894	5,894
Building permits	36,000	64,075	28,075
Plumbing permits	5,400	9,033	3,633
Animal control fees	1,300	1,456	156
Planning board fees	400	6,000	5,600
Appeals board fees	300	200	(100)
Victualers license	100	200	100
Business license	100	-	(100)
Zoning / subdivision fees	-	1,100	1,100
Gravel pit	-	17,847	17,847
Recreation fees	-	6,295	6,295
Investment income			
Regular investment income	10,000	47,752	37,752
Other revenues			
Fees / interest on taxes	18,000	69,075	51,075
Recycling income	-	16,506	16,506
Insurance claims / refunds	-	7,256	7,256
Transfer station	-	1,175	1,175
Cash up income	-	400	400
Sale of assets	-	150	150
Court fines	-	100	100
Misc. other	129,269	3,415	(125,854)
Transfers from other funds			
School lunch fund	-	69,830	69,830
Capital projects fund	25,000	24,938	(62)
From fund balances			
General fund	548,530	-	(548,530)
Education fund balance	285,000	-	(285,000)
Amounts Available for Appropriation	<u>\$ 6,921,376</u>	<u>\$ 6,562,982</u>	<u>\$ (358,394)</u>

See accompanying independent auditors' report.

TOWN OF ACTON, MAINE

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

	Balance 7/1/2006	Appropriations	Revenues	Total Available	Expenditures	Balances Lapsed	Carried
GENERAL GOVERNMENT							
Adm inistration	\$ -	\$ 335,908	\$ -	\$ 335,908	\$ 360,518	\$ (24,610)	\$ -
Tax collection / clerk	-	54,048	-	54,048	52,355	1,693	-
CEO / Insp	-	41,300	-	41,300	40,131	1,169	-
Finance / treasury	-	40,600	-	40,600	40,426	174	-
Assessment	-	30,000	-	30,000	32,796	(2,796)	-
Governing body	-	18,200	-	18,200	18,200	-	-
Elections	-	8,500	-	8,500	8,498	2	-
O ther boards	-	4,150	-	4,150	3,966	184	-
Total	-	532,706	-	532,706	556,890	(24,184)	-
PUBLIC SAFETY							
Fire department	7,968	118,250	-	126,218	107,711	18,507	-
Comm unications	-	30,500	-	30,500	18,309	12,191	-
Anim al control	1,403	6,800	-	8,203	6,426	-	1,777
Em ergency m anagement	-	2,900	-	2,900	2,626	274	-
Street lights	-	1,400	-	1,400	1,299	101	-
Total	9,371	159,850	-	169,221	136,371	31,073	1,777
PUBLIC WORKS							
Transfer station	-	249,150	-	249,150	248,493	657	-
Snow removal / sanding	-	160,000	-	160,000	177,194	(17,194)	-
Road reconstruction	-	203,880	-	203,880	203,849	31	-
Highways / bridges / bushes	-	81,400	-	81,400	81,247	153	-
Storm repair	-	110,000	-	110,000	66,590	43,410	-
Special projects	-	21,000	-	21,000	20,650	350	-
Publics works building	-	2,900	-	2,900	2,326	574	-
Public works equipment	-	12,000	-	12,000	5,180	6,820	-
Total	-	840,330	-	840,330	805,529	34,801	-
CEMETERIES							
O ther operating	-	500	-	500	448	52	-
Total	-	500	-	500	448	52	-

TOWN OF ACTON, MAINE

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

	<u>Balance</u> <u>7/1/2006</u>	<u>Appropriations</u>	<u>Revenues</u>	<u>Total</u> <u>Available</u>	<u>Expenditures</u>	<u>Balances</u>	
						<u>Lapsed</u>	<u>Carried</u>
RECREATION	<u>10,207</u>	<u>8,000</u>	<u>6,295</u>	<u>24,502</u>	<u>11,754</u>	<u>-</u>	<u>12,748</u>
GENERAL ASSISTANCE	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>8,602</u>	<u>(1,602)</u>	<u>-</u>
COUNTY TAX	<u>-</u>	<u>250,953</u>	<u>-</u>	<u>250,953</u>	<u>250,953</u>	<u>-</u>	<u>-</u>
EDUCATION							
General education	519,360	4,992,453	(189,726)	5,322,087	4,918,144	-	403,943
Capital outlay	-	22,500	-	22,500	19,600	-	2,900
Total	<u>519,360</u>	<u>5,014,953</u>	<u>(189,726)</u>	<u>5,344,587</u>	<u>4,937,744</u>	<u>-</u>	<u>406,843</u>
SOCIAL SERVICES							
Youth conservation	-	18,000	-	18,000	18,560	(560)	-
Library	-	8,871	-	8,871	8,871	-	-
Other donations	-	5,800	-	5,800	5,800	-	-
Acton / Wakefield watershed	-	2,000	-	2,000	2,000	-	-
Planning	-	1,005	-	1,005	-	1,005	-
Total	<u>-</u>	<u>35,676</u>	<u>-</u>	<u>35,676</u>	<u>35,231</u>	<u>445</u>	<u>-</u>
OTHER							
Overlay	-	35,258	-	35,258	39,417	(4,159)	-
Gravel pit	-	25,000	17,847	42,847	17,835	-	25,012
Mary Grant	-	-	2,983	2,983	-	-	2,983
Comprehensive planning	-	9,600	-	9,600	4,070	-	5,530
Forestry	-	500	-	500	500	-	500
Conservation	-	500	-	500	-	500	-
Dams	-	300	-	300	300	-	-
4-H Clubs	-	150	-	150	150	-	-
Health officer	-	100	-	100	100	-	-
Total	<u>-</u>	<u>71,408</u>	<u>20,830</u>	<u>92,238</u>	<u>62,372</u>	<u>(3,659)</u>	<u>34,025</u>
TOTAL EXPENDITURES	<u>\$ 538,938</u>	<u>\$ 6,921,376</u>	<u>\$ (162,601)</u>	<u>\$ 7,297,713</u>	<u>\$ 6,805,894</u>	<u>\$ 36,926</u>	<u>\$ 455,393</u>

See accompanying independent auditors' report.

TOWN OF ACTON, MAINE

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

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State subsidy	\$ 447,808	\$ 447,808	\$ -
Local appropriation	4,113,145	4,113,145	-
School lunch revenue	65,000	82,954	17,954
Mainecare	70,000	39,336	(30,664)
State agency clients	11,500	25,783	14,283
Investment income	-	8,415	8,415
Other	-	15,456	15,456
Total revenues	<u>4,707,453</u>	<u>4,732,897</u>	<u>25,444</u>
EXPENDITURES			
Elementary costs			
Instruction 3-8	1,101,534	1,064,138	37,396
Instruction K-2	362,010	378,184	(16,174)
Health services	49,602	46,072	3,530
Staff support	39,291	39,403	(112)
Library and educational media	61,816	56,601	5,215
Improvement of Instruction	40,651	32,984	7,667
Instructional related technology	114,121	125,709	(11,588)
Principal's office	133,582	132,629	953
Operation and upkeep of building	361,718	359,549	2,169
Secondary costs			
Tuition	1,040,706	927,203	113,503
Special education			
Elementary costs	16,441	17,226	(785)
Secondary costs	51,360	54,363	(3,003)
Transportation	-	26,335	(26,335)
Resource	198,581	139,025	59,556
Self contained	97,323	133,843	(36,520)
Psychology/speech etc	120,855	116,390	4,465
Administration	273,532	359,185	(85,653)
Gifted and talented	88,801	77,863	10,938
Food service transfer	150,031	122,748	27,283
Superintendent's office	133,757	140,387	(6,630)
Business office	63,175	62,804	371
Transportation	243,502	252,512	(9,010)
Co-curricular	13,333	14,378	(1,045)
Athletic	30,734	32,616	(1,882)
Debt service			
Principal	180,000	180,000	-
Interest	25,997	25,997	-
Total expenditures	<u>4,992,453</u>	<u>4,918,144</u>	<u>74,309</u>
Excess of revenues over (under) expenditures	<u>\$ (285,000)</u>	<u>(185,247)</u>	<u>\$ 99,753</u>
FUND BALANCE - BEGINNING OF YEAR		<u>519,360</u>	
Transfer school lunch fund balance		<u>69,830</u>	
FUND BALANCE - END OF YEAR		<u>\$ 403,943</u>	

See accompanying independent auditors' report.

TOWN OF ACTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Investments	\$ -	\$ -	\$ 217,876	\$ 217,876
Due from other governments	30,544	-	-	30,544
Due from other funds	<u>60,217</u>	<u>-</u>	<u>-</u>	<u>60,217</u>
Total assets	<u>\$ 90,761</u>	<u>\$ -</u>	<u>\$ 217,876</u>	<u>\$ 308,637</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accrued expenses	\$ 11,489	\$ -	\$ -	\$ 11,489
Due to other funds	<u>-</u>	<u>-</u>	<u>2,081</u>	<u>2,081</u>
Total liabilities	<u>11,489</u>	<u>-</u>	<u>2,081</u>	<u>13,570</u>
FUND EQUITY				
Fund equity				
Unreserved	-	-	-	-
Designated for subsequent years' expenditures	<u>79,272</u>	<u>\$ -</u>	<u>215,795</u>	<u>295,067</u>
Total fund equity	<u>79,272</u>	<u>-</u>	<u>215,795</u>	<u>295,067</u>
Total liabilities and fund equity	<u>\$ 90,761</u>	<u>\$ -</u>	<u>\$ 217,876</u>	<u>\$ 308,637</u>

See accompanying independent auditors' report.

TOWN OF ACTON, MAINE

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

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental income	\$ 180,034	\$ -	\$ -	\$ 180,034
Investment income	-	-	19,972	19,972
Other income	-	-	-	-
Total revenues	<u>180,034</u>	<u>-</u>	<u>19,972</u>	<u>200,006</u>
Expenditures / expenses				
General government	-	-	-	-
Parks and rec	-	-	-	-
Education	187,907	-	-	187,907
Other	-	-	2,600	2,600
Total expenditures / expenses	<u>187,907</u>	<u>-</u>	<u>2,600</u>	<u>190,507</u>
Excess of revenues over (under) expenditures / expenses	(7,873)	-	17,372	9,499
Other financing sources (uses)				
Transfers In	15,473	-	-	15,473
Transfers Out	(15,473)	(24,938)	-	(40,411)
Total other financing sources (uses)	<u>-</u>	<u>(24,938)</u>	<u>-</u>	<u>(24,938)</u>
Excess of revenues and other sources over (under) expenditures / expenses and other uses	(7,873)	(24,938)	17,372	(15,439)
Fund balance - July 1	<u>87,145</u>	<u>24,938</u>	<u>198,423</u>	<u>310,506</u>
Fund balance - June 30	<u>\$ 79,272</u>	<u>\$ -</u>	<u>\$ 215,795</u>	<u>\$ 295,067</u>

See accompanying independent auditors' report.

Special Revenue Funds Description

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

TOWN OF ACTON, MAINE
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2007

	<u>Local Entitlement</u>	<u>Title IA</u>	<u>Title IIA</u>	<u>Title IV</u>	<u>Title IID</u>	<u>Prof Dev</u>	<u>Other Education Grants</u>	<u>Totals</u>
ASSETS								
Due from other governments	\$ -	\$ 25,054	\$ 5,490	\$ -	\$ -	\$ -	\$ -	\$ 30,544
Due from other funds	<u>12,359</u>	<u>20,035</u>	<u>9,557</u>	<u>667</u>	<u>4,032</u>	<u>319</u>	<u>13,248</u>	<u>60,217</u>
Total assets	<u>\$ 12,359</u>	<u>\$ 45,089</u>	<u>\$ 15,047</u>	<u>\$ 667</u>	<u>\$ 4,032</u>	<u>\$ 319</u>	<u>\$ 13,248</u>	<u>\$ 90,761</u>
LIABILITIES AND FUND EQUITY								
LIABILITIES								
Accrued expenses	\$ 4,515	\$ 6,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,489
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,515</u>	<u>6,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,489</u>
FUND EQUITY								
Fund equity								
Unreserved								
Designated for subsequent years' expenditures	<u>7,844</u>	<u>38,115</u>	<u>15,047</u>	<u>667</u>	<u>4,032</u>	<u>319</u>	<u>13,248</u>	<u>79,272</u>
	<u>7,844</u>	<u>38,115</u>	<u>15,047</u>	<u>667</u>	<u>4,032</u>	<u>319</u>	<u>13,248</u>	<u>79,272</u>
Total fund equity								
Total liabilities and fund equity	<u>\$ 12,359</u>	<u>\$ 45,089</u>	<u>\$ 15,047</u>	<u>\$ 667</u>	<u>\$ 4,032</u>	<u>\$ 319</u>	<u>\$ 13,248</u>	<u>\$ 90,761</u>

See accompanying independent auditors' report.

TOWN OF ACTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2007

	<u>Local Entitlement</u>	<u>Title IA</u>	<u>Title IIA</u>	<u>Title IV</u>	<u>Title IID</u>	<u>Prof Dev</u>	<u>Other Education Grants</u>	<u>Totals</u>
Revenues								
Intergovernmental revenue	\$ 96,810	\$ 62,635	\$ 14,360	\$ 1,748	\$ 879	\$ 1,946	\$ 1,656	\$ 180,034
Total revenues	<u>96,810</u>	<u>62,635</u>	<u>14,360</u>	<u>1,748</u>	<u>879</u>	<u>1,946</u>	<u>1,656</u>	<u>180,034</u>
Expenditures								
Education	119,468	54,494	1,690	-	3,792	1,627	6,836	187,907
Recreation	-	-	-	-	-	-	-	-
Total expenditures	<u>119,468</u>	<u>54,494</u>	<u>1,690</u>	<u>-</u>	<u>3,792</u>	<u>1,627</u>	<u>6,836</u>	<u>187,907</u>
Net income before other financing sources (uses)	(22,658)	8,141	12,670	1,748	(2,913)	319	(5,180)	(7,873)
Other financing sources (uses)								
Transfers in	-	-	-	-	4,800	-	10,673	15,473
Transfers (out)	-	-	(13,725)	(1,748)	-	-	-	(15,473)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(13,725)</u>	<u>(1,748)</u>	<u>4,800</u>	<u>-</u>	<u>10,673</u>	<u>-</u>
Net income	(22,658)	8,141	(1,055)	-	1,887	319	5,493	(7,873)
Fund balances - July 1	<u>30,502</u>	<u>29,974</u>	<u>16,102</u>	<u>667</u>	<u>2,145</u>	<u>-</u>	<u>7,755</u>	<u>87,145</u>
Fund balances - June 30	<u>\$ 7,844</u>	<u>\$ 38,115</u>	<u>\$ 15,047</u>	<u>\$ 667</u>	<u>\$ 4,032</u>	<u>\$ 319</u>	<u>\$ 13,248</u>	<u>\$ 79,272</u>

See accompanying independent auditors' report.

Capital Project Funds Description

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 ACTON, MAINE

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

	<u>Capital Projects</u>	<u>Totals</u>
ASSETS		
Investments	\$ -	\$ -
Due from other funds	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ -</u>	 <u>\$ -</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Due to other funds	\$ <u>-</u>	\$ <u>-</u>
 Total liabilities	 <u>-</u>	 <u>-</u>
FUND EQUITY		
Fund equity		
Unreserved		
Designated for subsequent years' expenditures	<u>-</u>	<u>-</u>
 Total fund equity	 <u>-</u>	 <u>-</u>
 Total liabilities and fund equity	 <u>\$ -</u>	 <u>\$ -</u>

See accompanying independent auditors' report.

TOWN OF ACTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2007

	<u>Capital Projects</u>	<u>Totals</u>
Revenues		
Intergovernmental revenue	\$ -	\$ -
Other income	-	-
Total revenues	<u>-</u>	<u>-</u>
Expenditures		
Capital outlay	-	-
Parks and recreation	-	-
General government	-	-
Total expenses	<u>-</u>	<u>-</u>
Net income before other financing sources (uses)	-	-
Other financing sources (uses)		
Operating transfer in	-	-
Operating transfer (out)	<u>(24,938)</u>	<u>(24,938)</u>
Total other financing sources (uses)	<u>(24,938)</u>	<u>(24,938)</u>
Net income	(24,938)	(24,938)
Fund balance - July 1	<u>24,938</u>	<u>24,938</u>
Fund balance - June 30	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

Permanent Funds Description

To account for assets held by Town of Acton, Maine in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

TOWN OF ACTON, MAINE
 COMBINING BALANCE SHEET -
 NONMAJOR PERMANENT FUNDS
 JUNE 30, 2007

	<u>Cemetery Fund</u>	<u>Holdsworth Scholarship</u>	<u>Lawrence Family Trust</u>	<u>Dorothy Dunnells</u>	<u>Private Purpose</u>	<u>Total</u>
ASSETS						
Investments	\$ 9,243	\$ 60,228	\$ 2,410	\$ 8,663	\$ 137,332	\$ 217,876
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 9,243</u>	<u>\$ 60,228</u>	<u>\$ 2,410</u>	<u>\$ 8,663</u>	<u>\$ 137,332</u>	<u>\$ 217,876</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Due to other funds	\$ -	\$ 1,681	\$ 400	\$ -	\$ -	\$ 2,081
Total liabilities	<u>-</u>	<u>1,681</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>2,081</u>
FUND EQUITY						
Fund balances						
Reserved for endowments	-	-	-	-	-	-
Unreserved						
Designated for subsequent years' expenditures	<u>9,243</u>	<u>58,547</u>	<u>2,010</u>	<u>8,663</u>	<u>137,332</u>	<u>215,795</u>
Total fund equity	<u>9,243</u>	<u>58,547</u>	<u>2,010</u>	<u>8,663</u>	<u>137,332</u>	<u>215,795</u>
Total liabilities and fund equity	<u>\$ 9,243</u>	<u>\$ 60,228</u>	<u>\$ 2,410</u>	<u>\$ 8,663</u>	<u>\$ 137,332</u>	<u>\$ 217,876</u>

See accompanying independent auditors' report.

TOWN OF ACTON, MAINE

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

	<u>Cemetery Fund</u>	<u>Holdsworth Scholarship</u>	<u>Lawrence Family Trust</u>	<u>Dorothy Dunnells</u>	<u>Private Purpose</u>	<u>Total</u>
Revenues						
Investment income	\$ 229	\$ 6,602	\$ 524	\$ 691	\$ 11,926	\$ 19,972
Total revenues	<u>229</u>	<u>6,602</u>	<u>524</u>	<u>691</u>	<u>11,926</u>	<u>19,972</u>
Expenses						
Cemetery expenses	-	2,000	-	-	-	2,000
Scholarship / other	-	-	600	-	-	600
Total expenses	<u>-</u>	<u>2,000</u>	<u>600</u>	<u>-</u>	<u>-</u>	<u>2,600</u>
Net income before other financing sources (uses)	229	4,602	(76)	691	11,926	17,372
Other financing sources (uses)						
Operating transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income	229	4,602	(76)	691	11,926	17,372
Fund balance - July 1	<u>9,014</u>	<u>53,945</u>	<u>2,086</u>	<u>7,972</u>	<u>125,406</u>	<u>198,423</u>
Fund balance - June 30	<u>\$ 9,243</u>	<u>\$ 58,547</u>	<u>\$ 2,010</u>	<u>\$ 8,663</u>	<u>\$ 137,332</u>	<u>\$ 215,795</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 ACTON, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY DEPARTMENT
JUNE 30, 2007

	Land, Non- Depreciable Infrastructure and Construction in Progress	Buildings Machinery, Equipment, Furniture/fixtures Vehicles	Infrastructure	Total
Public safety	\$ 37,500	\$ 591,500	\$ 540,715	\$ 1,169,715
Highway	-	157,000	22,800	179,800
Education	-	4,439,190	715,361	5,154,551
Transfer station	-	124,515	44,005	168,520
Parks / recreation	29,000	128,100	-	157,100
Town-wide	<u>43,700</u>	<u>217,462</u>	<u>48,433</u>	<u>309,595</u>
 Total General Capital Assets	 <u>110,200</u>	 <u>5,657,767</u>	 <u>1,371,314</u>	 <u>7,139,281</u>
 Less: Accumulated Depreciation	 <u>-</u>	 <u>(2,494,073)</u>	 <u>(763,092)</u>	 <u>(3,257,165)</u>
 Net General Capital Assets	 <u>\$ 110,200</u>	 <u>\$ 3,163,694</u>	 <u>\$ 608,222</u>	 <u>\$ 3,882,116</u>

See accompanying independent auditors' report.

TOWN OF ACTON, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY DEPARTMENT
JUNE 30, 2007

	<u>General Capital Assets 07/01/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Capital Assets 06/30/07</u>
Public safety	\$ 1,169,715	\$ -	\$ -	\$ 1,169,715
Highway	179,800	-	-	179,800
Education	5,089,115	65,436	-	5,154,551
Transfer station	142,115	26,405	-	168,520
Parks / recreation	157,100	-	-	157,100
Town-wide	<u>309,595</u>	<u>-</u>	<u>-</u>	<u>309,595</u>
 Total General Capital Assets	 <u>7,047,440</u>	 <u>91,841</u>	 <u>-</u>	 <u>7,139,281</u>
 Less: Accumulated Depreciation	 <u>(3,140,522)</u>	 <u>(287,936)</u>	 <u>171,293</u>	 <u>(3,257,165)</u>
 Net General Capital Assets	 <u>\$ 3,906,918</u>	 <u>\$ (196,095)</u>	 <u>\$ 171,293</u>	 <u>\$ 3,882,116</u>

See accompanying independent auditors' report.



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

August 24, 2007

Board of Selectmen
Town of Acton
Acton, Maine

We have audited the financial statements of the Town of Acton, Maine, for the year ended June 30, 2007 and have issued our report thereon dated August 24, 2007. Our audit was made in accordance with generally accepted auditing standards and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

The results of our procedures indicate that with respect to the items tested, the Town of 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.

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

RHR Smith & Company

Certified Public Accountants

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TOWN OF ACTON, MAINE

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

Revenues:

Total general fund revenue per EF-M-45	\$ 4,695,235
Plus:	
School lunch revenue not recorded	82,954
Local assessment variance	17,267
State agency client revenue variance	1,042
Interest variance	8,415
Mainecare variance	9,973
Other revenue variance	8,040
Loan proceeds	(67,529)
	<u>\$ 4,755,397</u>

Total financial statement revenues	<u>\$ 4,755,397</u>
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Expenditures:

Total general fund expenditures per EF-M-45	\$ 4,882,561
Less:	
School lunch expenditures	2,480
System administration benefits variance	5,369
Plus:	
Increase in accrued expenses	8,585
	<u>\$ 4,898,995</u>

Total financial statement expenditures	<u>\$ 4,918,144</u>
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See accompanying independent auditors' report.