

Audited Financial Statements and
Other Financial Information

Town of Acton, Maine

June 30, 2010



Proven Expertise and Integrity

TOWN OF ACTON, MAINE

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JUNE 30, 2010

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INDEPENDENT AUDITORS' REPORT

October 1, 2010

Board of Selectmen
Town of Acton
Acton, 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 Acton, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of 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, each major fund and the aggregate remaining fund information of the Town of Acton, Maine as of June 30, 2010, 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.

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 combining and individual nonmajor fund financial statements and the capital asset schedules 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 and capital asset schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RHR Smith & Company

Certified Public Accountants

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

(UNAUDITED)

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

Financial Statement Overview

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

Basic Financial Statements

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

Government - Wide Financial Statements

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

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

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

Both of the above mentioned financial statements have one column for the town's activities. The type of activity presented for the Town of Acton is:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, education, buildings, recreation and other unclassified.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Acton, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Acton can be divided into two categories: governmental funds and fiduciary funds.

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

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

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

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

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town of Acton. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

Notes to the Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental and business-type activities. The Town's total net assets for governmental activities increased by \$389,624 from \$3.97 million to \$4.36 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 by \$128,754 for governmental activities to a balance of \$873,794 at the end of this year.

Town of Acton, Maine
Net Assets
June 30,

Assets	Governmental Activities	
	2010	2009
Current and Other Assets	\$ 1,451,802	\$ 1,132,070
Capital Assets	3,341,215	3,458,429
Total Assets	<u>\$ 4,793,017</u>	<u>\$ 4,590,499</u>
Liabilities		
Current Liabilities	\$ 315,980	\$ 374,821
Long-term Debt Outstanding	113,982	242,247
Total Liabilities	<u>\$ 429,962</u>	<u>\$ 617,068</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	3,162,052	3,065,239
Restricted net assets: General fund	164,898	-
Special revenue funds	58,140	64,516
Permanent funds	104,171	98,636
Other Net Assets	873,794	745,040
Total Net Assets	<u>\$ 4,363,055</u>	<u>\$ 3,973,431</u>

Revenues and Expenses

Revenues for the Town's governmental activities decreased by .91%, while total expenses decreased by 5.56%.

Table 2
Town of Acton, Maine
Changes in Net Assets
For the Years Ended June 30,

	Governmental Activities	
	2010	2009
Revenues		
Taxes	\$ 6,198,467	\$ 6,161,484
Intergovernmental revenues	982,852	942,792
On-behalf payments - State of Maine	301,164	388,976
Charges for services	55,446	52,776
Investment income	19,492	22,648
Other revenue	111,039	171,791
Total revenues	<u>7,668,460</u>	<u>7,740,467</u>
Expenses		
General government	414,323	488,189
Public safety	179,353	170,899
Public works	691,883	1,056,615
Building	29,100	54,858
Recreation	17,144	14,847
General assistance	18,232	7,712
Education	5,208,756	5,055,357
County tax	306,056	300,415
Other expenses	107,489	164,521
Unallocated depreciation	5,336	5,336
State of Maine on-behalf payments	301,164	388,976
Total expenses	<u>7,278,836</u>	<u>7,707,725</u>
 Change in Net Assets	 389,624	 32,742
 Net Assets - July 1,	 <u>3,973,431</u>	 <u>3,940,689</u>
 Net Assets - June 30	 <u>\$ 4,363,055</u>	 <u>\$ 3,973,431</u>

Financial Analysis of the Town's Fund Statements

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

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

	2010	2009
General Fund:		
Reserved		
Designated	\$ 164,898	\$ -
Unreserved		
Designated	108,821	42,580
Undesignated	768,027	636,865
Total General Fund	\$ 1,041,746	\$ 679,445
Nonmajor Funds:		
Reserved		
Special revenue funds	\$ 58,140	\$ 64,516
Permanent funds	104,171	98,636
Unreserved		
Special revenue fund undesignated	(19,072)	(18,243)
Total Nonmajor Funds	\$ 143,239	\$ 144,909

The general fund total fund balance increased by \$362,301 over the prior fiscal year. The non-major fund balances decreased by \$1,670 over the prior fiscal year. Most of the increase in the general fund came as a result of under-spent appropriations in most all expenditure categories. The decrease in the non-major fund balances came as a result of market adjustments in the permanent funds.

Budgetary Highlights

There was no significant difference between the original and final budget for the general fund. Actual receipts were added to the budgets of various accounts, increasing their total budgets.

The general fund actual revenues exceeded the budget by \$361,404. This mainly was a result of tax revenue and other intergovernmental revenue.

The general fund actual expenditures were under the budget by \$490,683. All expenditures categories were under-budget with the exception of public safety, general assistance and transfers to other funds.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2010, the net book value of capital assets recorded by the Town decreased by \$117,214 over the prior year. This decrease is the result of capital additions of \$92,172 less current year depreciation expense of \$209,386.

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

	<u>2010</u>	<u>2009</u>
Land	\$ 110,200	\$ 110,200
Land improvements	250,999	266,037
Buildings and improvements	2,562,186	2,667,753
Machinery and equipment	230,182	216,464
Vehicles	187,648	197,975
Total	<u>\$ 3,341,215</u>	<u>\$ 3,458,429</u>

Debt

At June 30, 2010, the Town had \$165,000 in bonds outstanding versus \$345,000 last year, a decrease of 47%, as shown in Note 5 of the financial statements.

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, while also maintaining significant reserve accounts for future capital and program needs.

Requests for Information

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's Office at P.O. Box 540, Acton, Maine 04001.

TOWN OF ACTON, MAINE
STATEMENT OF NET ASSETS
JUNE 30, 2010

ASSETS

Current assets	
Cash	\$ 946,082
Investments	27,792
Accounts receivable (net of allowance for uncollectibles)	
Taxes / liens	440,189
Other receivables	15,902
Inventory	14,970
Tax acquired property	6,867
Total current assets	<u>1,451,802</u>
Noncurrent assets	
Capital assets	
Land, infrastructure, and other assets not being depreciated	110,200
Buildings and vehicles, net of accumulated depreciation	<u>3,231,015</u>
Total noncurrent assets	<u>3,341,215</u>
Total assets	<u>\$ 4,793,017</u>

LIABILITIES

Current liabilities	
Accounts payable	\$ 110,038
Accrued expenses	19,256
Prepaid taxes	7,523
Current portion of long-term obligations	<u>179,163</u>
Total current liabilities	<u>315,980</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Capital leases payable	-
Bonds payable	-
Accrued compensated absences	<u>113,982</u>
Total noncurrent liabilities	<u>113,982</u>
Total liabilities	<u>429,962</u>

NET ASSETS

Invested in capital assets, net of related debt	3,162,052
Restricted: General fund	164,898
Special revenue funds	58,140
Permanent funds	104,171
Unrestricted	<u>873,794</u>
Total net assets	<u>4,363,055</u>
Total liabilities and net assets	<u>\$ 4,793,017</u>

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

STATEMENT B

TOWN OF ACTON, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
	Expenses			
Governmental activities	\$ 414,323	\$ -	\$ -	\$ (366,129)
General government	179,353	3,123	-	(176,230)
Public safety	691,883	-	164,587	(527,296)
Public works	29,100	-	-	(29,100)
Building	17,144	4,129	-	(13,015)
Recreation	18,232	-	7,779	(10,453)
General assistance	5,208,756	-	773,279	(4,435,477)
Education	306,056	-	-	(306,056)
County tax	107,489	-	-	(107,489)
Other expenses	5,336	-	-	(5,336)
Unallocated depreciation	301,164	-	301,164	-
State of Maine on-behalf payments				
Total governmental activities	7,278,836	55,446	1,246,809	(5,976,581)

STATEMENT B (CONTINUED)
TOWN OF ACTON, MAINE

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

	Governmental Activities
Changes In net assets:	
Net (expense) revenue	(5,976,581)
General revenue:	
Taxes:	
Property taxes, levied for general purposes	5,816,277
Excise taxes, levied for general purposes	382,190
Grants and contributions not restricted to specific programs	37,207
Investment income	19,492
Other income	111,039
Total general revenue and transfers	6,366,205
Change in net assets	389,624
Net assets - July 1,	3,973,431
Net assets - June 30	\$ 4,363,055

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

TOWN OF ACTON, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash	\$ 865,703	\$ 80,379	\$ 946,082
Investments	-	27,792	27,792
Taxes receivable	325,722	-	325,722
Liens receivable	114,467	-	114,467
Other receivables	15,902	-	15,902
Inventory	14,970	-	14,970
Tax acquired property	6,867	-	6,867
Due from other funds	4,000	58,140	62,140
	<u>1,347,631</u>	<u>166,311</u>	<u>1,513,942</u>
Total assets	<u>\$ 1,347,631</u>	<u>\$ 166,311</u>	<u>\$ 1,513,942</u>
LIABILITIES			
Accounts payable	\$ 103,137	\$ 6,901	\$ 110,038
Accrued expenses	19,256	-	19,256
Due to other funds	45,969	16,171	62,140
Prepaid taxes	7,523	-	7,523
Deferred revenue	130,000	-	130,000
	<u>305,885</u>	<u>23,072</u>	<u>328,957</u>
Total liabilities	<u>305,885</u>	<u>23,072</u>	<u>328,957</u>
FUND EQUITY			
Fund balances:			
Reserved			
Special revenue funds	-	58,140	58,140
Permanent funds	-	104,171	104,171
General fund designated	164,898	-	164,898
Unreserved			
General fund reserved undesignated	108,821	-	108,821
General fund undesignated	768,027	-	768,027
Special revenue fund undesignated	-	(19,072)	(19,072)
	<u>1,041,746</u>	<u>143,239</u>	<u>1,184,985</u>
Total fund equity	<u>1,041,746</u>	<u>143,239</u>	<u>1,184,985</u>
Total liabilities and fund equity	<u>\$ 1,347,631</u>	<u>\$ 166,311</u>	<u>\$ 1,513,942</u>

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

TOWN OF ACTON, MAINE

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

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 1,184,985
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	3,341,215
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	130,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(165,000)
Capital lease payable	(14,163)
Accrued compensated absences	<u>(113,982)</u>
 Net assets of governmental activities	 <u><u>\$ 4,363,055</u></u>

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

STATEMENT E

TOWN OF ACTON, MAINE

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

	General Fund	Nonmajor Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 5,831,778	\$ -	\$ 5,831,778
Excise taxes	382,190	-	382,190
Intergovernmental revenues			
Education subsidy	85,303	-	85,303
State revenue sharing	261,728	-	261,728
Homestead exemption	43,255	-	43,255
Local road assistance	68,016	-	68,016
Other education revenue	63,332	-	63,332
Grants / other	115,848	345,370	461,218
On-behalf payments	301,164	-	301,164
Charges for services	55,446	-	55,446
Investment income	18,812	680	19,492
Other revenue	102,184	8,855	111,039
Total revenues	<u>7,329,056</u>	<u>354,905</u>	<u>7,683,961</u>
EXPENDITURES			
General government	448,756	-	448,756
Public safety	148,066	-	148,066
Public works	678,295	-	678,295
Social services	29,100	-	29,100
Recreation	12,654	-	12,654
General assistance	18,232	-	18,232
Education	4,950,271	323,247	5,273,518
County tax	306,056	-	306,056
Other	103,489	4,000	107,489
On-behalf payments	301,164	-	301,164
Capital outlay	-	-	-
Total expenditures	<u>6,996,083</u>	<u>327,247</u>	<u>7,323,330</u>
Excess of revenues over (under) expenditures	332,973	27,658	360,631
OTHER FINANCING SOURCES (USES)			
Operating transfers in	30,596	1,268	31,864
Operating transfers (out)	(1,268)	(30,596)	(31,864)
Total other financing sources (uses)	<u>29,328</u>	<u>(29,328)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	362,301	(1,670)	360,631
FUND BALANCE - JULY 1, RESTATED	<u>679,445</u>	<u>144,909</u>	<u>824,354</u>
FUND BALANCE - JUNE 30	<u>\$ 1,041,746</u>	<u>\$ 143,239</u>	<u>\$ 1,184,985</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, 2010

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 360,631</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 report depreciation expense to allocate those expenditures over the life of the assets.	
Capital asset purchases capitalized	92,172
Depreciation expense	<u>(209,386)</u>
	<u>(117,214)</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>(15,501)</u>
Debt proceeds provide current financial resources to governmental funds, but issuing long-term liabilities in the Statement of Net Assets.	
	<u>-</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, reduces long-term liabilities in the Statement of Net Assets	
	<u>193,472</u>
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	<u>(31,764)</u>
Change in net assets of governmental activities (Statement B)	<u>\$ 389,624</u>

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

TOWN OF ACTON, MAINE

STATEMENT OF FIDUCIARY NET ASSETS – FIDUCIARY FUNDS
JUNE 30, 2010

	<u>Fiduciary / Agency</u>
ASSETS	
Current assets:	
Cash	\$ 39,931
Investments	<u>-</u>
Total assets	<u>\$ 39,931</u>
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	\$ -
Deposits held for others	39,931
Total current liabilities	<u>39,931</u>
NET ASSETS	
Held in trust for special purposes	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 39,931</u>

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Acton was incorporated under the laws of the State of Maine. The Town operates under the selectmen form of government and provides the following services: general government services, public safety, public works, recreation and education.

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).

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

Government –Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All activities of the Town are categorized as governmental.

In the government-wide Statement of Net Assets, the governmental activity column is (a) presented on a consolidated basis by column, and (b) is 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 (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. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government – wide financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Measurement Focus - Basic Financial Statements & Fund Financial Statements

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

The following fund types are used by the Town:

1. Governmental Funds:

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

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- 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. Permanent Funds are used to account for assets held by the Town in trust for specific purposes.

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. 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 are reported using accounting principles similar to proprietary funds.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (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.

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the general fund.

Revenues per budgetary basis	\$ 7,060,412
Add: On-behalf payments	<u>301,164</u>
Total GAAP basis	<u>\$ 7,361,576</u>
Expenditures per budgetary basis	\$ 6,696,187
Add: On-behalf basis	<u>301,164</u>
Total GAAP basis	<u>\$ 6,997,351</u>

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

1. Early in the first half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. The Town does not adopt budgets for Special Revenue Funds.

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

The Town of Acton has no formal investment policy but instead follows the State of Maine Statutes.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet, with the exception of gravel and school lunch supplies and food on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

Interfund Receivables and Payables

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

Transactions Between Funds

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

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2010.

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

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

Estimated useful lives are as follows:

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

Long-term Obligations

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

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

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Town's policies regarding vacation and sick time do not permit employees to accumulate earned but unused vacation and sick leave. However, the school department allows certain teachers to accumulated unused sick time. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

Reserves

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

Net Assets

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

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied August 21, 2009 on the assessed value listed as of April 1, 2009, for all real and personal property located in the Town. Taxes were due on in two installments on October 15, 2009 and April 15, 2010. Interest on unpaid taxes commenced on October 16, 2009 and April 16, 2010, at 9% per annum.

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

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$99,193 for the year ended June 30, 2010.

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

Program Revenues

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

Encumbrance Accounting

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

Use of Estimates

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

NOTE 2 - DEPOSITS 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.

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2010, the Town's deposits amounting to \$986,013 were comprised of bank deposits of \$1,118,435, \$370,310 of which were insured by federal depository insurance and consequently were not exposed to custodial credit risk and \$748,125 that was collateralized with securities held by the financial institution in the District's name and consequently was not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 998,125
Money market	68,327
Savings accounts	51,983
	<u>\$ 1,118,435</u>

At June 30, 2010, all of the Town's investments amounting to \$27,792 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	\$ 27,792
	<u>\$ 27,792</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General fund	\$ 4,000	\$ 45,969
Special revenue funds	58,140	12,171
Permanent funds	-	4,000
	<u>\$ 62,140</u>	<u>\$ 62,140</u>

NOTE 4 - CAPITAL ASSETS

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

	<u>Balance 7/1/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 6/30/10</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	379,983	-	-	379,983
Buildings / improvements	5,342,154	34,433	-	5,376,587
Machinery & equipment	794,753	43,328	-	838,081
Vehicles	431,600	14,411	-	446,011
Other	144,961	-	-	144,961
	7,093,451	92,172	-	7,185,623
Less: accumulated depreciation	(3,745,222)	(209,386)	-	(3,954,608)
	<u>3,348,229</u>	<u>(117,214)</u>	<u>-</u>	<u>3,231,015</u>
Net capital assets	<u>\$ 3,458,429</u>	<u>\$ (117,214)</u>	<u>\$ -</u>	<u>\$ 3,341,215</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current year depreciation:

Public safety	\$ 45,698
Highway	5,800
Education	140,274
Transfer station	7,788
Parks / recreation	4,490
Town-wide	5,336
Total depreciation expenses	<u>\$ 209,386</u>

NOTE 5 - 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:

	<u>Balance</u> <u>7/1/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/10</u>	<u>Current</u> <u>Portion</u>
Bonds payable	\$ 345,000	\$ -	\$ (180,000)	\$ 165,000	\$ 165,000
Capital leases payable	27,635	-	(13,472)	14,163	14,163
Accrued compensated absences	82,218	31,764	-	113,982	-
Totals	<u>\$ 454,853</u>	<u>\$ 31,764</u>	<u>\$ (193,472)</u>	<u>\$ 293,145</u>	<u>\$ 179,163</u>

The following is a summary of the outstanding bond payable:

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>\$ 165,000</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 - 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>
2011	\$ 165,000	\$ 4,694	\$ 169,694
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
	<u>\$ 165,000</u>	<u>\$ 4,694</u>	<u>\$ 169,694</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 five years expiring in October of 2010. The annual payments are \$15,211 including principal and interest.

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

2010	\$ 14,892
2011	-
2012	-
2013	-
2014	-
Total minimum lease payment	<u>14,892</u>
Less amount representing interest	<u>(729)</u>
Present value of future minimum lease payments	<u>\$ 14,163</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 – OVERLAPPING DEBT

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

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of York	\$ 11,900,000	2.01%	<u>\$ 239,547</u>

NOTE 7 - RESERVED NET ASSETS

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

Governmental Funds:

Reserved for general fund	\$ 164,898
Reserved for special revenue funds	58,140
Reserved for permanent funds	<u>104,171</u>
	<u>\$ 327,209</u>

NOTE 8 – GENERAL FUND DESIGNATED FUND EQUITY

At June 30, 2010, the General Fund balances designated for subsequent years' expenditures consisted of:

General Fund:	
Education	\$ 28,007
Education - retirement reserve	133,413
Education capital	3,478
Recreation	22,403
Gravel pit	28,452
Mary Grant	2,934
Fire department	911
Cable access	24,647
Forestry reserve	29,474
Total General Fund	<u>\$ 273,719</u>

TOWN OF ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 – RISK MANAGEMENT

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

The Town is also a member of the Maine Municipal Association – Property and Casualty Pool (“Pool”). As with the Fund above, the Pool was created to obtain lower rates for its members. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the Pool, coverage is provided after the deductible is met, to \$26,000,000. Under the liability portion of the Pool, coverage is provided after the deductible is met, to \$1,000,000.

NOTE 10 - PENSION PLAN

Education Employees Retirement

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. Employees are eligible for normal retirement upon attaining the age of 60, provided they have 25 years of credible service. Employees are penalized 2.5% for each year of early retirement.

Employees are required to contribute 7.65% of their compensation to the retirement system. The Town is not required to make any contributions to this plan with the exception of federally funded teachers. The contribution of these federally funded teachers is the actuarial determined rate which was 19.14% for the current fiscal year.

The school department’s payroll for employees covered by this group was approximately \$2,073,435 for the year ended June 30, 2010. The State of Maine is required to contribute the employer contribution which amounts to 17.78% of compensation. Contributions paid by the State were approximately \$301,164 for the year ended June 30, 2010. There is no contribution required by the Town, except for federally funded teachers. For the year ended June 30, 2010, the Town contributed approximately \$27,476 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 ACTON, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 11 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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

NOTE 12 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2010:

Public Safety	\$2,888
General Assistance	3,124
Transfer to other funds	1,268
	<u>\$7,280</u>

NOTE 13 – DEFICIT FUND BALANCE

At June 30, 2010 the Town had the following deficit fund balances / net assets:

State Stablization	\$19,072
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NOTE 14 – CONTINGENCIES

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

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

Required Supplementary Information

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

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

TOWN OF ACTON, MAINE

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

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 679,445	\$ 679,445	\$ 679,445	\$ -
Resources (Inflows):				
Property taxes	5,799,185	5,799,185	5,831,778	32,593
Excise taxes	234,600	234,600	382,190	147,590
Intergovernmental	516,384	516,384	637,482	121,098
Charges for services	33,500	33,500	55,446	21,946
Investment income	15,000	15,000	18,812	3,812
Other revenue	98,415	98,415	102,184	3,769
Transfers from other funds	-	-	30,596	30,596
Amounts Available for Appropriation	<u>7,376,529</u>	<u>7,376,529</u>	<u>7,737,933</u>	<u>361,404</u>
Charges to Appropriation (Outflows):				
Current:				
General government	629,107	629,107	448,756	180,351
Public safety	145,178	145,178	148,066	(2,888)
Public works	713,589	713,589	678,295	35,294
Social services	29,100	29,100	29,100	-
Recreation	35,057	35,057	12,654	22,403
General assistance	15,108	15,108	18,232	(3,124)
County tax	306,056	306,056	306,056	-
Education	5,112,959	5,112,959	4,950,271	162,688
Other	197,315	197,315	103,489	93,826
Capital outlay	3,478	3,478	-	3,478
Transfers to other funds	-	-	1,268	(1,268)
Total Charges to Appropriation	<u>7,186,947</u>	<u>7,186,947</u>	<u>6,696,187</u>	<u>490,760</u>
Budgetary Fund Balance, June 30	<u>\$ 189,582</u>	<u>\$ 189,582</u>	<u>\$ 1,041,746</u>	<u>\$ 852,164</u>
Utilization of Designated Fund Balance	\$ 7,693	\$ 7,693	\$ -	\$ (7,693)
Utilization of Undesignated Fund Balance	305,623	305,623	-	(305,623)
	<u>\$ 313,316</u>	<u>\$ 313,316</u>	<u>\$ -</u>	<u>\$ (313,316)</u>

See accompanying independent auditors' report.

Other Supplementary Information

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

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

TOWN OF ACTON, MAINE

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

	Budgeted Amount	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):			
Taxes:			
Property taxes	\$ 5,799,185	\$ 5,831,778	\$ 32,593
Motor vehicle excise	225,000	368,229	143,229
Boat excise	9,600	13,961	4,361
Intergovernmental revenues:			
State revenue sharing	90,000	85,303	(4,697)
Education subsidy	186,868	261,728	74,860
Homestead exemption	46,016	43,255	(2,761)
Local road assistance	68,000	68,016	16
School - Mainecare	50,000	63,332	13,332
School lunch revenue	65,000	91,675	26,675
Tree growth	7,000	10,378	3,378
General assistance	3,500	7,779	4,279
Veterans' reimbursement	-	6,016	6,016
Other state / federal funds	-	-	-
Charges for services			
Town clerk fees	10,000	12,037	2,037
Building permits	20,000	30,121	10,121
Plumbing permits	2,500	3,686	1,186
Animal control fees	1,000	3,123	2,123
Planning board fees	-	2,000	2,000
Appeals board fees	-	130	130
Marriage licenses	-	220	220
Recreation fees	-	4,129	4,129
Investment income			
Regular investment income	15,000	18,812	3,812
Other revenues			
Recycling income	17,000	22,241	5,241
Transfer station	-	400	400
Cable access	37,003	37,082	79
Misc. school	-	26,426	26,426
Misc. other	44,412	16,035	(28,377)
Transfer In	-	30,596	30,596
Amounts Available for Appropriation	<u>\$ 6,697,084</u>	<u>\$ 7,058,488</u>	<u>\$ 361,404</u>

See accompanying independent auditors' report.

SCHEDULE A

TOWN OF ACTON, MAINE

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

	Balance 7/1/2009	Appropriations	Revenues	Total Available	Expenditures	Lapsed	Balances Carried
GENERAL GOVERNMENT							
Administration	\$ -	\$ 286,495	\$ -	\$ 286,495	\$ 155,960	\$ 130,535	\$ -
Tax collection / clerk	-	75,707	-	75,707	69,411	6,296	-
CEO / Insp	-	64,943	-	64,943	59,766	5,177	-
Finance / treasury	-	60,199	-	60,199	48,224	11,975	-
Assessment	-	69,486	-	69,486	45,964	23,522	-
Governing body	-	53,316	-	53,316	56,041	(2,725)	-
Elections	-	6,730	-	6,730	5,552	1,178	-
Registrar of voters	-	4,306	-	4,306	4,306	-	-
Other boards	-	7,925	-	7,925	3,532	4,393	-
Total	-	629,107	-	629,107	448,756	180,351	-
PUBLIC SAFETY							
Fire department	-	119,762	-	119,762	119,709	53	-
Communications	-	16,100	-	16,100	17,818	(1,718)	-
Animal control	-	7,716	-	7,716	9,117	(1,401)	-
Street lights	-	1,600	-	1,600	1,422	178	-
Total	-	145,178	-	145,178	148,066	(2,888)	-
PUBLIC WORKS							
Transfer station	-	265,000	-	265,000	260,351	4,649	-
Snow removal / sanding	-	153,060	-	153,060	127,158	25,902	-
Road repair/maint./surfacing	-	168,940	-	168,940	166,048	2,892	-
Sand/Salt Stockpile	-	90,383	-	90,383	90,256	127	-
Storm repair	-	-	-	-	-	-	-
Special projects/capital improvements	-	21,168	-	21,168	19,625	1,543	-
Public works buildings/equipment	-	15,038	-	15,038	14,857	181	-
Total	-	713,589	-	713,589	678,295	35,294	-

SCHEDULE A (CONTINUED)

TOWN OF ACTON, MAINE

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

	Balance 7/1/2009	Appropriations	Revenues	Total Available	Expenditures	Lapsed	Balances Carried
RECREATION	17,118	13,810	4,129	35,057	12,654	-	22,403
GENERAL ASSISTANCE	-	15,108	-	15,108	18,232	(3,124)	-
COUNTY TAX	-	306,056	-	306,056	306,056	-	-
EDUCATION	(160,501)	5,019,817	106,425	4,965,741	4,937,734	-	28,007
General education	82,218	-	65,000	147,218	13,805	-	133,413
Retirement reserve	3,478	-	-	3,478	-	-	3,478
Capital outlay	(74,805)	5,019,817	171,425	5,116,437	4,951,539	-	164,898
Total	-	10,000	-	10,000	10,000	-	-
SOCIAL SERVICES	-	3,750	-	3,750	3,750	-	-
Library	-	15,350	-	15,350	15,350	-	-
Acton / Wakefield watershed	-	29,100	-	29,100	29,100	-	-
Other donations	-	-	-	-	-	-	-
Total	-	9,572	-	9,572	9,572	4,975	-
OTHER	31,217	-	-	31,217	2,765	-	28,452
Gravel pit	2,857	-	77	2,934	-	-	2,934
Mary Grant	-	9,572	-	9,572	4,597	-	-
Comprehensive planning	-	-	911	911	-	-	911
Fire Department Capital Fund	-	-	-	-	193	-	-
Cemeteries	-	500	-	500	-	307	-
Cable access	1,832	38,864	-	40,696	16,049	-	24,647
Forestry reserve	29,474	538	-	30,012	538	-	29,474
Capital project reserve	-	34,887	-	34,887	34,433	-	454
Dams	-	500	-	500	500	-	-
Generator	-	45,000	-	45,000	43,328	1,672	-
Snowmobile club	-	1,086	-	1,086	1,086	-	-
Total	65,380	130,947	988	197,315	103,489	7,408	86,418
TOTAL EXPENDITURES	\$ 7,693	\$ 7,002,712	\$ 176,542	\$ 7,186,947	\$ 6,696,187	\$ 217,041	\$ 273,719

See accompanying independent auditors' report.

TOWN OF ACTON, MAINE

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

	Budget	Actual	Variance Positive (Negative)
REVENUES			
State subsidy	\$ 186,868	\$ 261,264	\$ 74,396
Local appropriation	4,717,949	4,717,949	-
School lunch revenue	65,000	91,675	26,675
Mainecare	50,000	63,332	13,332
State agency clients	-	-	-
FEMA	-	-	-
Investment income	-	4,415	4,415
Other	-	22,011	22,011
		30,596	
Total revenues	<u>5,019,817</u>	<u>5,191,242</u>	<u>140,829</u>
EXPENDITURES			
Elementary costs			
Instruction 3-8	1,076,967	964,411	112,556
Instruction K-2	357,755	390,246	(32,491)
Health services	55,082	52,139	2,943
Library and educational media	34,034	31,690	2,344
Improvement of Instruction	20,058	6,136	13,922
Instructional related technology	76,150	74,004	2,146
Principal's office	139,283	133,731	5,552
Operation and upkeep of building	395,293	336,065	59,228
Secondary costs			
Tuition	1,062,199	1,244,596	(182,397)
Special education			
Transportation	16,400	24,564	(8,164)
Resource	254,536	271,810	(17,274)
Self contained	131,367	131,591	(224)
Psychology/speech etc	115,361	107,958	7,403
Administration	356,330	276,545	79,785
Gifted and talented	82,564	74,802	7,762
Food service	129,348	117,061	12,287
Superintendent's office	65,118	52,179	12,939
Business office	82,928	81,168	1,760
System administration	63,545	61,079	2,466
Guidance services	59,143	56,864	2,279
Transportation	220,582	223,175	(2,593)
Co-curricular	29,048	22,721	6,327
Student support services	-	-	-
Athletic	-	-	-
Debt service			
Principal	180,000	180,000	-
Interest	16,726	16,721	5
Workers comp	-	19,015	(19,015)
Gym floor expenses	-	-	-
Transfer to special revenue funds	-	1,268	(1,268)
Total expenditures	<u>5,019,817</u>	<u>4,951,539</u>	<u>68,278</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>239,703</u>	<u>\$ 209,107</u>
FUND BALANCE - JULY 1		<u>(74,805)</u>	
FUND BALANCE - JUNE 30		<u>\$ 164,898</u>	

See accompanying independent auditors' report.

TOWN OF ACTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>Special Revenue Funds</u>	<u>Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash	\$ -	\$ 80,379	\$ 80,379
Investments	-	27,792	27,792
Due from other funds	<u>58,140</u>	<u>-</u>	<u>58,140</u>
Total assets	<u>\$ 58,140</u>	<u>\$ 108,171</u>	<u>\$ 166,311</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 6,901	\$ -	\$ 6,901
Accrued expenses	-	-	-
Due to other funds	<u>12,171</u>	<u>4,000</u>	<u>16,171</u>
Total liabilities	<u>19,072</u>	<u>4,000</u>	<u>23,072</u>
FUND EQUITY			
Fund equity			
Reserved			
Designated for subsequent years' expenditures	58,140	104,171	162,311
Unreserved			
Undesignated	<u>(19,072)</u>	<u>-</u>	<u>(19,072)</u>
Total fund equity	<u>39,068</u>	<u>104,171</u>	<u>143,239</u>
Total liabilities and fund equity	<u>\$ 58,140</u>	<u>\$ 108,171</u>	<u>\$ 166,311</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, 2010

	<u>Special Revenue Funds</u>	<u>Permanent Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Intergovernmental income	\$ 345,370	\$ -	\$ 345,370
Investment income	-	680	680
Other income	-	8,855	8,855
Total revenues	<u>345,370</u>	<u>9,535</u>	<u>354,905</u>
Expenditures			
General government	-	-	-
Education	323,247	-	323,247
Other	-	4,000	4,000
Total expenditures	<u>323,247</u>	<u>4,000</u>	<u>327,247</u>
Excess of revenues over (under) expenditures	22,123	5,535	27,658
Other financing sources (uses)			
Transfers In	1,268	-	1,268
Transfers (Out)	(30,596)	-	(30,596)
Total other financing sources (uses)	<u>(29,328)</u>	<u>-</u>	<u>(29,328)</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	(7,205)	5,535	(1,670)
Fund balance - July 1	<u>46,273</u>	<u>98,636</u>	<u>144,909</u>
Fund balance - June 30	<u>\$ 39,068</u>	<u>\$ 104,171</u>	<u>\$ 143,239</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, 2010

	Local Entitlement	Title IA	Title IIA	Title IV	Title IID	Prof Dev
ASSETS						
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	18,342	5,278	8,694	695	166	-
Total assets	\$ 18,342	\$ 5,278	\$ 8,694	\$ 695	\$ 166	\$ -
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
FUND EQUITY						
Fund equity						
Reserved						
Designated for subsequent years' expenditures	18,342	5,278	8,694	695	166	-
Unreserved	-	-	-	-	-	-
Undesignated	18,342	5,278	8,694	695	166	-
Total fund equity	\$ 18,342	\$ 5,278	\$ 8,694	\$ 695	\$ 166	\$ -
Total liabilities and fund equity	\$ 18,342	\$ 5,278	\$ 8,694	\$ 695	\$ 166	\$ -

SCHEDULE E (CONTINUED)

TOWN OF ACTON, MAINE

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

	Title V	Rural Education Achievement	Language Arts	Local Entitlement Preschool	State Stabilization
ASSETS					
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	932	1,171	110	-
Total assets	\$ -	\$ 932	\$ 1,171	\$ 110	\$ -
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 6,901
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	-	12,171
Total liabilities	-	-	-	-	19,072
FUND EQUITY					
Fund equity					
Reserved					
Designated for subsequent years' expenditures	-	932	1,171	110	-
Unreserved	-	-	-	-	(19,072)
Undesignated	-	932	1,171	110	(19,072)
Total fund equity	-	932	1,171	110	-
Total liabilities and fund equity	\$ -	\$ 932	\$ 1,171	\$ 110	\$ -

SCHEDULE E (CONTINUED)

TOWN OF ACTON, MAINE

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

	ARRA Title IA	ARRA Local Entitlement	ARRA Preschool	ARRA Title IID	Totals
ASSETS					
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	19,641	972	317	1,822	58,140
Total assets	<u>\$ 19,641</u>	<u>\$ 972</u>	<u>\$ 317</u>	<u>\$ 1,822</u>	<u>\$ 58,140</u>

LIABILITIES AND FUND EQUITY

LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 6,901
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	-	12,171
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,072</u>

FUND EQUITY

Fund equity					
Reserved					
Designated for subsequent years' expenditures	19,641	972	317	1,822	58,140
Unreserved	-	-	-	-	(19,072)
Undesignated	19,641	972	317	1,822	39,068
Total fund equity	<u>19,641</u>	<u>972</u>	<u>317</u>	<u>1,822</u>	<u>58,140</u>
Total liabilities and fund equity	<u>\$ 19,641</u>	<u>\$ 972</u>	<u>\$ 317</u>	<u>\$ 1,822</u>	<u>\$ 58,140</u>

See accompanying independent auditors' report.

SCHEDULE F

TOWN OF ACTON, MAINE

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

	Local Entitlement	Title IA	Title IIA	Title IV	Title IID	Prof Dev
Revenues						
Intergovernmental revenue	\$ 107,400	\$ 62,240	\$ 15,882	\$ 1,270	\$ 741	\$ -
Total revenues	<u>107,400</u>	<u>62,240</u>	<u>15,882</u>	<u>1,270</u>	<u>741</u>	<u>-</u>
Expenditures						
Education	102,067	62,100	21,616	824	1,161	-
Total expenditures	<u>102,067</u>	<u>62,100</u>	<u>21,616</u>	<u>824</u>	<u>1,161</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>5,333</u>	<u>140</u>	<u>(5,734)</u>	<u>446</u>	<u>(420)</u>	<u>-</u>
Other financing sources (uses)						
Transfers in	-	-	1,268	-	-	-
Transfers (out)	(3,745)	(20,800)	-	(656)	(2,494)	(319)
Total other financing sources (uses)	<u>(3,745)</u>	<u>(20,800)</u>	<u>1,268</u>	<u>(656)</u>	<u>(2,494)</u>	<u>(319)</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	<u>1,588</u>	<u>(20,660)</u>	<u>(4,466)</u>	<u>(210)</u>	<u>(2,914)</u>	<u>(319)</u>
Fund balances - July 1	<u>16,754</u>	<u>25,938</u>	<u>13,160</u>	<u>905</u>	<u>3,080</u>	<u>319</u>
Fund balances - June 30	<u>\$ 18,342</u>	<u>\$ 5,278</u>	<u>\$ 8,694</u>	<u>\$ 695</u>	<u>\$ 166</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

TOWN OF ACTON, MAINE

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

	Title V	Rural Education Achievement	Language Arts	Local Entitlement Preschool	State Stabilization
Revenues					
Intergovernmental revenue	\$ -	\$ 59,590	\$ -	\$ 1,596	\$ -
Total revenues	-	59,590	-	1,596	-
Expenditures					
Education	-	40,415	-	2,093	19,072
Total expenditures	-	40,415	-	2,093	19,072
Excess of revenues over (under) expenditures	-	19,175	-	(497)	(19,072)
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers (out)	(2,582)	-	-	-	-
Total other financing sources (uses)	(2,582)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other (uses)	(2,582)	19,175	-	(497)	(19,072)
Fund balances - July 1	2,582	(18,243)	1,171	607	-
Fund balances - June 30	\$ -	\$ 932	\$ 1,171	\$ 110	\$ (19,072)

SCHEDULE F (CONTINUED)

TOWN OF ACTON, MAINE

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

	ARRA Title IA	ARRA Local Entitlement	ARRA Preschool	ARRA Title IID	Totals
Revenues					
Intergovernmental revenue	\$ 40,176	\$ 53,165	\$ 1,488	\$ 1,822	\$ 345,370
Total revenues	<u>40,176</u>	<u>53,165</u>	<u>1,488</u>	<u>1,822</u>	<u>345,370</u>
Expenditures					
Education	20,535	52,193	1,171	-	323,247
Total expenditures	<u>20,535</u>	<u>52,193</u>	<u>1,171</u>	<u>-</u>	<u>323,247</u>
Excess of revenues over (under) expenditures	<u>19,641</u>	<u>972</u>	<u>317</u>	<u>1,822</u>	<u>22,123</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	1,268
Transfers (out)	-	-	-	-	(30,596)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,328)</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	<u>19,641</u>	<u>972</u>	<u>317</u>	<u>1,822</u>	<u>(7,205)</u>
Fund balances - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,273</u>
Fund balances - June 30	<u>\$ 19,641</u>	<u>\$ 972</u>	<u>\$ 317</u>	<u>\$ 1,822</u>	<u>\$ 39,068</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, 2010

	Cemetery Fund	Holdsworth Scholarship	Lawrence Family Trust	Dorothy Dunnells	Holdsworth Trust	Total
ASSETS						
Cash	\$ 9,564	\$ 58,764	\$ 2,460	\$ 9,591	\$ -	\$ 80,379
Investments	-	-	-	-	27,792	27,792
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 9,564</u>	<u>\$ 58,764</u>	<u>\$ 2,460</u>	<u>\$ 9,591</u>	<u>\$ 27,792</u>	<u>\$ 108,171</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Due to other funds	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000
Total liabilities	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
FUND EQUITY						
Fund balances	-	-	-	-	-	-
Reserved for endowments	-	-	-	-	-	-
Reserved	-	-	-	-	-	-
Designated for subsequent years' expenditures	9,564	54,764	2,460	9,591	27,792	104,171
Total fund equity	<u>9,564</u>	<u>54,764</u>	<u>2,460</u>	<u>9,591</u>	<u>27,792</u>	<u>104,171</u>
Total liabilities and fund equity	<u>\$ 9,564</u>	<u>\$ 58,764</u>	<u>\$ 2,460</u>	<u>\$ 9,591</u>	<u>\$ 27,792</u>	<u>\$ 108,171</u>

See accompanying independent auditors' report.

SCHEDULE J

TOWN OF ACTON, MAINE

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

	Cemetery Fund	Holdsworth Scholarship	Lawrence Family Trust	Dorothy Dunnells	Holdsworth Trust	Total
Revenues						
Investment income	\$ 27	\$ 309	\$ 5	\$ 339	\$ -	\$ 680
Other income	-	-	-	-	8,855	8,855
Total revenues	<u>27</u>	<u>309</u>	<u>5</u>	<u>339</u>	<u>8,855</u>	<u>9,535</u>
Expenditures						
Cemetery expenses	-	-	-	-	-	-
Scholarship / other	-	4,000	-	-	-	4,000
Total expenditures	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Excess of revenues over (under) expenditures	<u>27</u>	<u>(3,691)</u>	<u>5</u>	<u>339</u>	<u>8,855</u>	<u>5,535</u>
Other financing sources (uses)						
Operating transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	<u>27</u>	<u>(3,691)</u>	<u>5</u>	<u>339</u>	<u>8,855</u>	<u>5,535</u>
Fund balance - July 1	<u>9,537</u>	<u>58,455</u>	<u>2,455</u>	<u>9,252</u>	<u>18,937</u>	<u>98,636</u>
Fund balance - June 30	<u>\$ 9,564</u>	<u>\$ 54,764</u>	<u>\$ 2,460</u>	<u>\$ 9,591</u>	<u>\$ 27,792</u>	<u>\$ 104,171</u>

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.

SCHEDULE K

TOWN OF ACTON, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2010

	Land, Non- Depreciable Infrastructure and Construction in Progress	Buildings Buildings Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Total
Public safety	\$ 37,500	\$ 591,500	\$ 555,126	\$ 1,184,126
Highway	-	145,000	22,800	167,800
Education	-	4,515,560	758,689	5,274,249
Transfer station	-	124,515	44,005	168,520
Parks / recreation	29,000	128,100	-	157,100
Town-wide	43,700	251,895	48,433	344,028
Total General Capital Assets	110,200	5,756,570	1,429,053	7,295,823
Less: Accumulated Depreciation	-	(2,943,385)	(1,011,223)	(3,954,608)
Net General Capital Assets	\$ 110,200	\$ 2,813,185	\$ 417,830	\$ 3,341,215

See accompanying independent auditors' report.

TOWN OF ACTON, MAINE

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

	General Capital Assets 7/1/09	Additions	Deletions	General Capital Assets 6/30/10
Public safety	\$ 1,169,715	\$ 14,411	\$ -	\$ 1,184,126
Highway	167,800	-	-	167,800
Education	5,230,921	43,328	-	5,274,249
Transfer station	168,520	-	-	168,520
Parks / recreation	157,100	-	-	157,100
Town-wide	<u>309,595</u>	<u>34,433</u>	<u>-</u>	<u>344,028</u>
Total General Capital Assets	7,203,651	92,172	-	7,295,823
Less: Accumulated Depreciation	<u>(3,745,222)</u>	<u>(209,386)</u>	<u>-</u>	<u>(3,954,608)</u>
Net General Capital Assets	\$ 3,458,429	\$ (117,214)	\$ -	\$ 3,341,215

See accompanying independent auditors' report.



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

October 1, 2010

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, 2010 and have issued our report thereon dated October 1, 2010. 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, 2010 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 Board of Selectmen, 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.

RHR Smith & Company

Certified Public Accountants

TOWN OF ACTON, MAINE

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA SUBMITTED
 TO THE MEDMS FINANCIAL SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2010

	General Fund (100)	Special Revenue Funds (200)	Capital Projects Fund (300)	Totals
June 30 Balance per MEDMS financial System	\$ 164,898	\$ 39,068	\$ -	\$ 203,966
Revenue Adjustments:				
Expenditure Adjustments:				
Audited GAAP Basis Fund balance June 30	<u>\$ 164,898</u>	<u>\$ 39,068</u>	<u>\$ -</u>	<u>\$ 203,966</u>