

TOWN OF OGUNQUIT

OGUNQUIT, MAINE

FINANCIAL AUDIT REPORT

JUNE 30, 2011

**TOWN OF OGUNQUIT
OGUNQUIT, MAINE
JUNE 30, 2011**

TABLE OF CONTENTS

FINANCIAL SECTION

EXHIBITS

Independent Auditors' Report

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Assets

Exhibit I

Statement of Activities

Exhibit II

Fund Financial Statements

Governmental Funds:

Balance Sheet

Exhibit III

Reconciliation of the Governmental Funds Balance Sheet
to Statement of Net Assets

Exhibit IV

Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit V

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities

Exhibit VI

Proprietary Funds:

Statement of Net Assets

Exhibit VII

Statement of Revenues, Expenses and Changes in Net Assets

Exhibit VIII

Statement of Cash Flows

Exhibit IX

Notes to Financial Statements

Required Supplementary Information

Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget to Actual – General Fund

Exhibit X

Smith & Associates, CPAs

A Professional Association

50 Forest Falls Drive, Suite 3 • Yarmouth, Maine 04096
Ph (207) 846-8881 • Fax (207) 846-8882
www.smithassociatescpa.com

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Board of Selectmen and Manager
TOWN OF OGUNQUIT
Ogunquit, Maine

We have audited the accompanying financial statements of the governmental activities, business-type activities, major funds, and remaining fund information, which collectively comprise the financial statements of the Town of Ogunquit, Maine as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Town's Management. Our responsibility is to express opinions 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 opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, major funds, and remaining fund information of the Town of Ogunquit and the changes in financial position and cash flows, where applicable, of those activities and funds and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information is not a required part of the financial statements, but is 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.

The Town of Ogunquit, Maine has not presented Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.



SMITH & ASSOCIATES, CPAs
A Professional Association

Yarmouth, Maine
July 21, 2011

EXHIBIT I**TOWN OF OGUNQUIT
STATEMENT OF NET ASSETS
JUNE 30, 2011**

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business -</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>
		<u>Activities</u>	
Assets			
Cash	\$ 5,751,420	\$ 14,486	\$ 5,765,906
Accounts Receivable	80,670	0	80,670
Taxes Receivable	391,718	0	391,718
Liens Receivable	119,726	0	119,726
Capital Assets, Net of Accumulated Depreciation	<u>10,651,321</u>	<u>0</u>	<u>10,651,321</u>
Total Assets	\$ 16,994,855	\$ 14,486	\$ 17,009,341
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Expenses	218,281	0	218,281
<i>Non Current Liabilities:</i>			
Due Within One Year	448,885	0	448,885
Due in More Than One Year	<u>6,828,749</u>	<u>0</u>	<u>6,828,749</u>
Total Liabilities	\$ 7,495,915	\$ 0	\$ 7,495,915
Net Assets			
<i>Invested in Capital Assets, Net of Related Debt</i>	\$ 3,373,687	\$ 0	\$ 3,373,687
<i>Restricted</i>			
Permanent Funds, Non-Expendable	456,559	0	456,559
<i>Unrestricted</i>	<u>5,668,694</u>	<u>14,486</u>	<u>5,683,180</u>
Total Net Assets	\$ 9,498,940	\$ 14,486	\$ 9,513,426

The Notes to the Financial Statements are an Integral Part of This Statement.

EXHIBIT III

**TOWN OF OGUNQUIT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	General Fund	Sidewalks	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 2,557,065	\$ 2,205,317	\$ 989,038	\$ 5,751,420
Taxes Receivable	391,718	0	0	391,718
Tax Liens Receivable	119,726	0	0	119,726
Accounts & Notes Receivable	80,670	0	0	80,670
Due From Other Funds	<u>0</u>	<u>0</u>	<u>472,652</u>	<u>472,652</u>
Total Assets	<u>\$ 3,149,179</u>	<u>\$ 2,205,317</u>	<u>\$ 1,461,690</u>	<u>\$ 6,816,186</u>
Liabilities & Fund Balance				
Liabilities				
Accounts Payable	\$ 0	0	0	\$ 0
Accrued Expenses	120	0	0	120
Deferred Revenues	460,000	0	0	460,000
Due to Other Funds	<u>472,652</u>	<u>0</u>	<u>0</u>	<u>472,652</u>
Total Liabilities	<u>\$ 932,772</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 932,772</u>
Fund Balance				
<i>Reserved Reported In:</i>				
<i>Nonspendable</i>				
Permanent Funds, Nonexpendable	\$ 0	\$ 0	\$ 456,559	\$ 456,559
<i>Restricted</i>	0	0	0	0
<i>Committed</i>				
Capital Projects Funds	0	2,205,317	519,923	2,725,240
Appropriated Surplus for FY 2011/2012 Budget	350,000	0	0	350,000
<i>Unreserved Reported In:</i>				
<i>Assigned</i>				
Special Revenue Funds	0	0	471,568	471,568
Permanent Funds, Expendable	0	0	13,640	13,640
<i>Unassigned</i>				
General Fund	<u>1,866,407</u>	<u>0</u>	<u>0</u>	<u>1,866,407</u>
Total Fund Balance	<u>\$ 2,216,407</u>	<u>\$ 2,205,317</u>	<u>\$ 1,461,690</u>	<u>\$ 5,883,414</u>
Total Liabilities & Fund Balance	<u>\$ 3,149,179</u>	<u>\$ 2,205,317</u>	<u>\$ 1,461,690</u>	<u>\$ 6,816,186</u>

The Notes to the Financial Statements are an Integral Part of This Statement.

EXHIBIT IV

**TOWN OF OGUNQUIT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET ASSETS
JUNE 30, 2011**

Total Fund Balance – Total Governmental Funds \$ 5,883,414

**Amounts Reported for Governmental Activities in the Statement of
Net Assets are Different Because:**

Capital Assets Used in Governmental Activities are Not Current Financial Resources and Therefore are Not Reported in the Governmental Funds Balance Sheet 10,651,321

Interest Payable on Long-Term Debt Does Not Require Current Financial Resources. Therefore Interest Payable is Not Reported as a Liability in Governmental Funds Balance Sheet (50,897)

Property Tax Revenues are Reported in the Governmental Funds Balance Sheet Under NCGA Interpretation-3, Revenue Recognition-Property Taxes 460,000

Long Term Liabilities are Not Due and Payable in the Current Period and, Therefore, They are Not Reported in the Governmental Funds Balance Sheet:

Long Term Liabilities			
Due in One Year	\$ 448,885		
Due in More Than One Year	<u>6,828,749</u>	7,277,634	
Accrued Compensated Absence Pay		<u>167,264</u>	(7,444,898)

Net Assets of Governmental Activities \$ 9,498,940

The Notes to the Financial Statements are an Integral Part of This Statement.

TOWN OF OGUNQUIT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Sidewalks	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 9,306,764	\$ 0	\$ 0	\$ 9,306,764
Intergovernmental	66,298	0	54,311	120,609
Licenses, Permits & Fees	1,927,108	0	5,404	1,932,512
Charges for Services	209,231	0	36,766	245,997
Investment Income	6,982	4,020	2,668	13,670
Miscellaneous	<u>85,908</u>	<u>0</u>	<u>30,735</u>	<u>116,643</u>
Total Revenues	\$ 11,602,291	\$ 4,020	\$ 129,884	\$ 11,736,195
Expenditures				
<i>Current</i>				
General Government	\$ 1,087,086	0	\$ 49,338	\$ 1,136,424
Public Works	1,442,451	25,703	174,935	1,643,089
Protection	2,457,401	0	3,803	2,461,204
Culture & Recreation	409,343	0	82,574	491,917
General Assistance	1,327	0	0	1,327
Debt Service	554,147	0	0	554,147
Health & Social Services	19,550	0	0	19,550
Education	4,407,158	0	0	4,407,158
Fixed Charges	678,035	0	0	678,035
<i>Capital Outlay</i>	<u>65,755</u>	<u>0</u>	<u>294,529</u>	<u>360,284</u>
Total Expenditures	\$ 11,122,253	\$ 25,703	\$ 605,179	\$ 11,753,135
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 480,038	\$ (21,683)	\$ (475,295)	\$ (16,940)
Other Financing Sources (Uses)				
Transfers In (Out)	\$ (777,000)	\$ 0	\$ 755,000	\$ (22,000)
Gross Proceeds from Long Term Debt	<u>0</u>	<u>2,227,000</u>	<u>0</u>	<u>2,227,000</u>
Total Other Financing Sources (Uses)	\$ (777,000)	\$ 2,227,000	\$ 755,000	\$ 2,205,000
Net Change in Fund Balance	\$ (296,962)	\$ 2,205,317	\$ 279,705	\$ 2,188,060
Fund Balance – July 1, 2010	<u>2,513,369</u>	<u>0</u>	<u>1,181,985</u>	<u>3,695,354</u>
Fund Balance – June 30, 2011	\$ <u>2,216,407</u>	\$ <u>2,205,317</u>	\$ <u>1,461,690</u>	\$ <u>5,883,414</u>

The Notes to the Financial Statements are an Integral Part of This Statement.

**TOWN OF OGUNQUIT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Net Change in Fund Balance – Total Governmental Funds \$2,188,060

**Amounts Reported for Governmental Activities in the Statement of
Net Assets are Different Because:**

Governmental Funds Report Capital Outlays as Expenditures. However, in the Statement of Activities the Cost of Those Assets is Allocated over Their Estimated Useful Lives and Reported as Depreciation Expense. This is the Amount of Capital Assets Recorded in the Current Period 544,441

Depreciation Expense on Capital Assets is Reported in the Government-Wide Statement of Activities and Changes in Net Assets, But They Do Not Require the Use of Current Financial Resources. Therefore, Depreciation Expense is Not Reported as Expenditure in Governmental Funds (334,767)

The Issuance of Long-Term Debt (e.g. Bonds, Leases and Accrued Compensated Absence Pay) Provides Current Financial Resources To Governmental Funds, While the Repayment of the Principal of Long-Term Debt Consumes the Current Financial Resources of Governmental Funds. Neither Transaction, However, has Any Effect on Net Assets. Also, Governmental Funds Report the Effect of Issuance Cost, Premiums, Discounts, and Similar Items When Debt is First Issued, Whereas the Amounts are Deferred and Amortized in the Statement of Activities. This Amount is the Net Effect of These Differences in the Treatment of Long-Term Debt and Related Items (1,907,103)

Some Property Tax Will Not be Collected for Several Months After the Town’s Fiscal Year End; They are Not Considered “Available” Revenues in the Governmental Funds. This Amount is the Net Effect of the Differences (48,000)

Accrued Interest Expense on Long-Term Debt is Reported in the Government-Wide Statement of Activities and Changes in Net Assets, But Does Not Require the Use of Current Financial Resources; Therefore, Accrued Interest Expense is not Reported as Expenditures in Governmental Funds (7,022)

Change in Net Assets of Governmental Activities \$ 435,609

The Notes to the Financial Statements are an Integral Part of This Statement.

EXHIBIT VII

**TOWN OF OGUNQUIT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011**

	Business - Type <u>Activities</u> Enterprise Funds <u>Unemployment</u>
Assets	
Current Assets	
Cash	\$ 14,486
Accounts Receivable	<u> 0</u>
Total Assets	<u>\$ 14,486</u>
Liabilities	
Current Liabilities	
Accounts Payable	<u>\$ 0</u>
Net Assets	
Unrestricted	<u>\$ 0</u>
Total Net Assets	<u>\$ 14,486</u>

The Notes to the Financial Statements are an Integral Part of This Statement.

**TOWN OF OGUNQUIT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	Business - Type <u>Activities</u> Enterprise Funds <u>Unemployment</u>
Operating Revenues	
Interest Income	\$ 41
Miscellaneous	<u>0</u>
Total Operating Revenues	\$ 41
Operating Expenses	
General Government	<u>34,063</u>
Changes in Net Assets	\$ (34,022)
Transfer from General Fund	<u>22,000</u>
Changes in Net Assets after Transfers	\$ (12,022)
Net Assets – July 1, 2010	<u>26,508</u>
Net Assets – June 30, 2011	<u>\$ 14,486</u>

The Notes to the Financial Statements are an Integral Part of This Statement.

**TOWN OF OGUNQUIT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Business - Type Activities Enterprise Funds Unemployment</u>
Cash Flows from Operating Activities	
Interest	\$ 41
Payments to Vendors	<u>(34,063)</u>
Net Cash Provided by (Used) in Operating Activities	\$ (34,022)
Transfers In (Out)	<u>22,000</u>
Net Increase (Decrease) in Cash after Transfers	\$ (12,022)
Cash – July 1, 2010	<u>26,508</u>
Cash – June 30, 2011	<u>\$ 14,486</u>
Reconciliation of Operating Income to Net Cash Provided by (Used) in Operating Activities:	
Changes in Net Assets	<u>\$ (34,022)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used) in Operating Activities	
Depreciation Expense	\$ 0
(Increase) Decrease in Accounts Receivable	<u>0</u>
Total Adjustments	<u>\$ 0</u>
Net Cash Provided by (Used) in Operating Activities	<u>\$ (34,022)</u>

The Notes to the Financial Statements are an Integral Part of This Statement.

**TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. – General Statement

The Town of Ogunquit, Maine was incorporated as the Ogunquit Village Corporation in 1913 and later became the Town of Ogunquit by an act of the Legislature in 1980 under the laws of the State of Maine. The Town currently operates under a Selectmen/Town Manager Form of Government.

The accounting and reporting policies of the Town relating to the funds and account groups included in the accompanying basic financial statements conform to generally accepted accounting principles as applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Town has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the Town are described below.

In June 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 Discussion and Analysis (MD&A) section, which provides an analysis of the Town's overall financial position and results of operations, has not been presented as indicated in the Independent Auditors' Report.
- Financial statements prepared using full accrual accounting for all of the Town's activities.
- 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 notes to financial statements.

TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. – Financial Reporting Entity

The Town's combined financial statements include the accounts of all Town of Ogunquit operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Town holds the corporate powers of the organization
- The Town appoints a voting majority of the organization's board
- The Town is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Town
- There is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of Ogunquit has no component units that are not included in this report.

C. – 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.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column (b) and are reported on a full accrual, economic resource 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. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, charges for services, 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 (whether operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc).

TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. – Basic Financial Statements – Fund Financial Statements

The financial transactions of the Town are reported in 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:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in 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:

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.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry. A permanent fund would be used, for example, to account for the perpetual care endowment of a municipal cemetery.

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. The following is a description of the proprietary funds of the Town of Ogunquit:

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 a third party requirement 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. The Ogunquit Unemployment program operates in a manner similar to private business enterprises. The intent is that costs for these services provided to the employees on a continuing basis be recovered through fees.

TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. – Basic Financial Statements – Fund Financial Statements (Continued)

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 No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either 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.

E. – Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. A one-year availability period is used for recognition of all other governmental fund revenues. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

F. – Budgetary Control

Formal budgetary accounting is employed as a management control for the general fund of the Town of Ogunquit. The Town of Ogunquit'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.

**TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. – Budgetary Control (Continued)

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

1. During the second half of the last fiscal year the Town prepared a budget for this fiscal year beginning July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town of Ogunquit 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 the Special Revenue Funds.

G. – Cash

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. Generally, the Town invests certain funds in checking, savings accounts or certificates of deposit.

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and investments in money market funds.

H. – Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 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. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings & Improvements	15-40 Years
Machinery & Equipment	5-12 Years
Vehicles	5-10 Years

The Town of Ogunquit has elected not to retroactively report major general infrastructure assets.

I. – Compensated Absences

The Town of Ogunquit recognizes accumulated leave compensation during the period in which the related liability is incurred. In compliance with Town personnel policies the liability for accrued compensated absence pay was \$167,264 at June 30, 2011.

TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. – Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

K. – Equity Classifications

Government-Wide Statements

Net assets represent the differences between assets and liabilities. Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Selectmen, such as an appropriation. Assigned fund balance is constrained by the Board’s intent to be used for specific purposes by directive. See Note 13 for additional information about fund balances.

**TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. – Use of Estimates

Preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and certain corporate stocks and bonds. Generally, the Town invests such excess funds in checking accounts, savings accounts, certificates of deposit and U.S. government obligations (through an investment group owned by a financial institution).

A. Deposits

The Town's deposits are categorized as follows to give an indication of the level of risk assumed by the Town at year end: Category 1 includes deposits covered by federal depository insurance or by collateral held by the Town or by the Town's agent in the Town's name; Category 2 includes uninsured deposits covered by collateral held by the pledging financial institution's trust department or agent in the Town's name; Category 3 includes uninsured and uncollateralized deposits.

At June 30, 2011, all cash and cash equivalents consisted of Category 1 deposits.

NOTE 3 – PROPERTY TAXES

The Town is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. The Town of Ogunquit's property tax is levied on the assessed value listed as of the prior April 1st for all taxable real and personal property located in the Town. Assessed values are periodically established by the Assessor at 100% of assumed market value. The assessed value for the list of April 1, 2010, upon which the levy for the year ended June 30, 2011, was based, amounted to \$1,292,430,647. The assessed value was 97.35% of the 2010 State valuation of \$1,327,550,000.

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 \$41,581 for the year ended June 30, 2011.

All property taxes are recognized in compliance with NCGA Interpretation – 3, *Revenue Recognition – Property Taxes* which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period.

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. The following summarizes the 2010 - 2011 levy:

TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3 – PROPERTY TAXES (CONTINUED)

Assessed Value	\$ 1,292,430,647
Less: Homestead Exemption	<u>(1,204,797)</u>
Net Assessed Value	\$ 1,291,225,850
Tax Rate (Per \$1,000)	<u>6.88</u>
Commitment	\$ 8,883,634
Supplemental Taxes Assessed	<u>0</u>
Sub-Total	\$ 8,883,634
Less: Abatements	(4,817)
Collections	<u>(8,487,099)</u>
Receivable at Year End	<u>\$ 391,718</u>
 Collection Rate	 <u>95.5%</u>

Property taxes on real and personal property accounts were due on September 17, 2010. Interest was charged at a rate of 7% on delinquent accounts after that date.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the six-month period ended June 30, 2011, was as follows:

	Beginning Balance <u>7/1/10</u>	Additions/ Completions	Retirement/ Adjustments	Ending Balance <u>6/30/11</u>
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$4,667,460	\$ 0	\$ 0	\$ 4,667,460
Work in Progress	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Assets not being Depreciated	<u>\$4,667,460</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,667,460</u>
Capital Assets being Depreciated				
Buildings & Improvements	\$4,366,364	\$ 20,614	\$ 0	\$ 4,386,978
Machinery & Equipment	524,889	52,885	0	577,774
Vehicles	2,237,557	41,381	0	2,278,938
Infrastructure	<u>2,551,444</u>	<u>429,561</u>	<u>0</u>	<u>2,981,005</u>
Total Capital Assets being Depreciated	<u>\$9,680,254</u>	<u>\$ 544,441</u>	<u>\$ 0</u>	<u>\$ 10,224,695</u>
Less Accumulated Depreciation for:				
Buildings & Improvements	\$2,071,140	\$ 87,939	\$ 0	\$ 2,159,079
Machinery & Equipment	372,585	34,597	0	407,182
Vehicles	1,113,503	114,899	0	1,228,402
Infrastructure	<u>348,839</u>	<u>97,332</u>	<u>0</u>	<u>446,171</u>
Total Accumulated Depreciation	<u>\$3,906,067</u>	<u>\$ 334,767</u>	<u>\$ 0</u>	<u>\$ 4,240,834</u>
Total Capital Assets being Depreciated, Net	<u>\$5,774,187</u>	<u>\$ 209,674</u>	<u>\$ 0</u>	<u>\$ 5,983,861</u>
 Governmental Activities Capital Assets, Net	 <u>\$10,441,647</u>	 <u>\$ 209,674</u>	 <u>\$ 0</u>	 <u>\$10,651,321</u>

TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – LONG-TERM DEBT

At June 30, 2011, bonds and mortgage payable consisted of the following individual issues:

	<u>Governmental Activities</u>
Maine Municipal Bond Bank	
Marine Bulkheads Capital Improvement Bond of 2004, Interest Rates 1.946% to 9.0%, Annual Principal Payments of \$16,500 Plus Interest Through 2024	\$ 231,000
General Obligation Bond of 2004, Interest Rate 1.597% to 9.0%, Annual Principal Payments of \$24,750 Plus Interest Through 2024	346,500
General Obligation Bond of 2005, Interest Rate 3.05% to 9.0%, Annual Principal Payments of \$20,000 Plus Interest Through 2025	300,000
General Obligation Bond of 2006, Interest Rate 3% to 6%, Annual Principal Payments of \$120,000 Plus Interest Through 2026	1,920,000
General Obligation Bond of 2008, Interest Rate 3.94%, Annual Principal Payments of \$89,295 - \$145,285 Plus Interest Through 2028	2,055,134
General Obligation Bond of 2010, Interest Rate 2.37%, Annual Principal Payments of \$111,350 Plus Interest Through 2030	2,227,000
Transfer Station Mortgage	
Transfer Station Mortgage Payable, Interest Rate of 3%, Annual Payment of Principal and Interest Ranging From \$11,330 to \$19,250 Through 2028	<u>198,000</u>
Total Bonds and Mortgage Payable	<u>\$ 7,277,634</u>

TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 – LONG-TERM DEBT (CONTINUED)

Changes in Outstanding Debt

Transactions for the year ended June 30, 2011, are summarized as follows:

	Balance <u>July 1</u>	Issues or <u>Additions</u>	Payments or <u>Expenditures</u>	Balance <u>June 30th</u>	Due Within <u>One Year</u>
Governmental Activities					
General Obligation Bonds	\$ 5,179,169	\$ 2,227,000	\$ 326,535	\$ 7,079,634	\$437,885
Mortgage Payable	209,000	0	11,000	198,000	11,000
Compensated Absences	<u>149,626</u>	<u>17,638</u>	<u>0</u>	<u>167,264</u>	<u>0</u>
Total Governmental Activities	<u>\$ 5,537,795</u>	<u>\$ 2,244,638</u>	<u>\$ 337,535</u>	<u>\$ 7,444,898</u>	<u>\$448,885</u>

Annual Requirements to Retire Debt Obligations

The annual aggregate maturities for each debt type for the fiscal years subsequent to June 30, 2011, are as follows:

<u>Year Ending June 30</u>	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011/12	448,885	251,089	699,974
2012/13	448,885	235,821	684,706
2013/14	448,885	218,549	667,434
2014/15	448,885	199,762	648,647
2015/16	448,885	182,552	631,437
2016/21	2,132,425	671,767	2,804,192
2021/26	1,923,175	298,800	2,221,975
2026/31	<u>977,609</u>	<u>56,560</u>	<u>1,034,169</u>
Total	<u>\$ 7,277,634</u>	<u>\$ 2,114,900</u>	<u>\$ 9,392,534</u>

The amount of debt that can be incurred by a Town is limited by state statute. Total outstanding long-term obligations during a year can be no greater than 15% of the assessed value of taxable property as of the beginning of the fiscal year. As of June 30, 2011, the amount of outstanding long-term debt was equal to 0.56% of property valuation for the period then ended.

NOTE 6 – DEFINED PENSION PLAN

Deferred Compensation Plan

The government offers its employees two deferred compensation plans through John Hancock Insurance, created in accordance with Internal Revenue Code Section 457 and the Maine Public Employees Retirement System. The John Hancock Plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

**TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 6 – DEFINED PENSION PLAN (CONTINUED)

Money Purchase Plan

The Town has a money purchase pension plan with John Hancock Insurance. The Plan covers all full-time employees who are at least 18 years of age and have met certain service requirements. Employees become fully vested upon entering the Plan.

Under the terms of the plan, the Town contributes 8% of the participating employees' annual compensation as well as an additional 3% for department heads. There are no allocation requirements to receive any contribution made to the plan. Participants shall have a fully vested and nonforfeitable interest in Employer Contributions and their investment earnings. The Participant shall be responsible for the investment of his or her Plan account.

The Town's total covered payroll was \$1,951,619 and its total payroll was \$2,771,313 for the year ended June 30, 2011.

<u>Year Ended</u>	<u>Contributions</u>
June 30, 2011	\$ 117,401
June 30, 2010	\$ 97,758
June 30, 2009 (Six Months)	\$ 61,348

Maine Public Employees Retirement System

Certain employees of the Town participate in the Maine Public Employees Retirement System. Employees participating in the Maine Public Employees Retirement System are eligible for normal retirement upon attaining the age of sixty and early retirement after completing twenty to twenty-five or more years of creditable service depending upon plan documents.

Under the plan, participants contribute 6.5% of compensation. Total pension expense for the Town for the year was \$93,311. The total payroll for the Town was \$2,771,313 and covered payroll for the Town was approximately \$1,262,914 for the year ended June 30, 2011.

Information concerning the consolidated pension plan is available from the System. The percentages and contributions to the plan for past years are as follows:

<u>Year Ended</u>	<u>% Contributed</u>	<u>Contributions</u>
June 30, 2011	3.5% - 8.1%	\$ 93,311
June 30, 2010	2.8% - 6.5%	\$ 71,955
June 30, 2009 (Six Months)	2.8% - 6.5%	\$ 38,213

A. Plan Description

Town employees contribute to the Maine Public Employees Retirement System ("System"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for public school teachers, state employees (except as members of the judiciary and legislature who are covered under the Judicial and Legislative Retirement Systems) and political subdivisions.

TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6 – DEFINED PENSION PLAN (CONTINUED)

A. Plan Description (Continued)

Several Town employees participate in the System. Benefits vest after ten years of service. Participants who retire at or after age 60 with 20 - 25 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% of the average of their highest three year earnings per year of service.

The System also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute.

Employees are required to contribute 6.5% of their annual salary to the System. The Town contributes the remaining amounts necessary to fund the System, using the actuarial basis specified by statute.

B. Funding Status and Progress

Information concerning the pension benefit obligation for Town employees is available from the System.

C. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information is not currently available from the System.

NOTE 7 – INTERFUND ACTIVITY

Interfund balances at June 30, 2011, consisted of the following:

Due To

Non-Major Governmental Funds:

Special Revenue Funds	\$ 2,788
Capital Project Funds	<u>469,864</u>
Total	<u>\$472,652</u>

Due From

General Fund	<u>\$472,652</u>
--------------	------------------

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 7 – INTERFUND ACTIVITY(CONTINUED)

Interfund transfers for the year ended June 30, 2011, consisted of the following:

Transfer To

Non-Major Governmental Funds:

Special Revenues	\$ 55,000
Capital Project Funds	50,000
Enterprise Fund-Unemployment	<u>22,000</u>
Total	<u>\$127,000</u>

Transfer From

General Fund	<u>\$127,000</u>
--------------	------------------

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance.

There have been no significant reductions in insurance coverages during the fiscal year and no significant settlements that exceeded insurance coverage.

NOTE 9 – APPROPRIATIONS AND TRANSFERS

At the Annual Town Meeting on June 8, 2010 and the Special Town Meetings on August 31, 2010, November 2, 2010, and April 5, 2011, the Townspeople voted appropriations of general fund balance totaling \$928,665, which are reflected as the excess of budgeted expenditures over budgeted revenues on Exhibit X for the year ended June 30, 2011.

NOTE 10 – JOINT VENTURE

In 1985, the Town entered into a joint venture known as Ecomaine. Ecomaine provides solid waste disposal services to the twenty-one participating communities. The governing bodies of the participating communities appoint the Board of Directors who establishes the budget and charges the communities and commercial enterprises that use the facility. The annual assessment to the Town for the period July 1, 2010 to June 30, 2011, (the Ecomaine fiscal year) is \$53,778. In addition to the annual assessment, tipping fees are being charged at a rate of \$88 per ton of waste. Total charges to the Town for the year ended June 30, 2011, were \$46,323.

TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10 – JOINT VENTURE (CONTINUED)

Ecomaine has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of Ecomaine revenues. The bonds do not constitute a debt or liability within the meaning of any constitutional or statutory provision of the State of Maine, or a pledge of the full faith and credit of any political subdivision of the State of Maine. Ecomaine has no taxing power. However, pursuant to the Waste Handling Agreements, the participating municipalities are obligated severally to deliver certain solid waste produced within each such participating municipality to Ecomaine for processing and to make service payments and pay tipping fees for such processing in amounts which, when added to other available monies, will at least equal required debt service of the bonds.

The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. At June 30, 2011, outstanding bonds of Ecomaine totaled \$2,660,000 of which the Ogunquit share, based on tonnage delivered in the past nineteen years, amounted to \$77,411.

Additionally, the Town of Ogunquit and twenty-six other municipalities have entered into an agreement with Ecomaine for a material recycling facility. At June 30, 2011, outstanding material recycling facility bonds of Ecomaine totaled \$1,900,000 of which Ogunquit's share, based on estimated tonnage to be delivered, amounts to \$14,250.

The Ecomaine landfill is in the process of being closed. The landfill is at 100% capacity to date. Therefore, the estimated remaining landfill life is zero years. The landfill closure and post closure costs have been estimated per Ecomaine's June 30, 2010, (the date of the most recent information available) audit at \$15,138,502 of which the Ogunquit share, based on tonnage delivered in the past seventeen years, amounts to \$449,043.

NOTE 11 - OVERLAPPING DEBT

The Town's proportionate share of Community School District No. 18's debt is not recorded in the financial statements of the Town of Ogunquit. At June 30, 2011, the Town's share was 22.09% (or \$2,385,720) of the District's outstanding debt of \$10,080,000.

The Town's proportionate share of York County's debt is not recorded in the financial statements of the Town of Ogunquit. At June 30, 2011, the Town's share was 4.22% (\$541,061) of the County's outstanding debt of \$12,821,105.

NOTE 12 - CONTINGENT LIABILITIES

There are various claims pending against the Town of Ogunquit which arise in the normal course of the Town's activities. Several cases are currently pending which in the aggregate may or may not have a material effect on the financial position of the Town. In the opinion of the Town Counsel, it is extremely difficult to assess the extent or probability of the Town's liability at the present time.

The Town participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement, which may arise as the result of these audits, is not expected to be material.

TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13 – GOVERNMENTAL FUND BALANCES

For the fiscal year ended June 30, 2011, the Town implemented the following new accounting standard issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions.

GASB Statement 54 clarifies the existing governmental fund type definitions and provides clearer fund balance categories and classifications. The new hierarchical fund balance classification is based primarily upon the extent to which a government is bound to follow constraints on resources in governmental funds and includes the terms: nonspendable, committed, restricted, assigned, and unassigned.

The Town’s fund balances represent: **(1) Nonspendable Fund Balance**, resources that cannot be spent because of legal or contractual provisions that require they maintained intact. (e.g. the principal of an endowment). **(2) Restricted Purposes**, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; **(3) Committed Purposes**, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Selectmen; **(4) Assigned Purposes**, which includes balances that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. **(5) Unassigned Fund Balance**, net resources in excess of what is properly categorized in one of the four categories already described. A positive amount of unassigned fund balance will never be reported in a governmental fund other than the general fund, because GASB Statement 54 prohibits reporting resources in another fund unless they are at least assigned to the purpose of that fund. However, funds other than the general fund could report a negative amount of unassigned fund balance should the total of nonspendable, restricted and committed fund balance exceeds the total net resources of the fund.

As per Exhibit III, a summary of the nature and purpose of these reserves by fund type at June 30, 2011 follows.

***Nonspendable and Assigned
Non - Major Fund***

Permanent Funds	Nonexpendable <u>Amount</u>	Expendable <u>Amount</u>	<u>Total</u>
Dorothea Jacobs Grant Fund	\$ 219,259	\$ 10,199	\$ 229,458
Performing Arts	145,300	479	145,779
Music Center Escrow	<u>92,000</u>	<u>2,962</u>	<u>94,962</u>
Total	<u>\$ 456,559</u>	<u>\$ 13,640</u>	<u>\$ 470,199</u>

***Committed
Major Fund***

Capital Projects	
Sidewalks	<u>\$ 2,205,317</u>

**TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 13 – GOVERNMENTAL FUND BALANCES (CONTINUED)

Committed

Non - Major Fund

Capital Projects

2011 Berwick Road	\$ 287,229
2011 Sidewalks	110,585
2011 Fire Department Reserve	50,059
2011 Ogunquit Village School	40,714
2011 Paving	12,812
2008 Oarweed Cove Road	10,347
2010 Ogunquit Village School	<u>8,177</u>

Total \$ 519,923

Committed

Major Fund

General Fund

Appropriated Surplus for Fiscal Year 2011/2012	
Budget	<u>\$ 350,000</u>

Assigned

Non - Major Fund

Special Revenue Funds

Land Conservation Reserve	\$ 163,770
National Disaster Emergency Repair	75,014
Marginal Way Investment	73,170
Perpetual Bench Care Fund	63,059
Contingent Fund	46,584
Marginal Way Investment	16,407
Planning Board Project Escrow	13,946
Summer Programs	6,130
Computer Software	3,704
Fire Works	2,788
Firefighter Training Facilities Grant	2,456
Community Cupboard	1,785
Jay Parott Scholarships	1,210
Shore & Harbor Planning	1,137
Ambulance Fund	266
Police Drug & Interdiction	<u>142</u>

Total \$ 471,568

**TOWN OF OGUNQUIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 13 – GOVERNMENTAL FUND BALANCES (CONTINUED)

<i>Unassigned</i>	
<i>Major Fund</i>	
General Fund	<u>\$ 1,866,407</u>

NOTE 14 – DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through July 21, 2011, the date of which the financial statements were available to be issued.

**TOWN OF OGUNQUIT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 9,253,634	\$ 9,253,634	\$ 9,306,764	\$ 53,130
Intergovernmental	68,518	68,518	66,298	(2,220)
Licenses, Permits & Fees	1,578,950	1,578,950	1,927,108	348,158
Charges for Services	177,000	177,000	209,231	32,231
Investment Income	8,000	8,000	6,982	(1,018)
Miscellaneous	<u>57,300</u>	<u>57,300</u>	<u>85,908</u>	<u>28,608</u>
Total Revenues	<u>\$11,143,402</u>	<u>\$11,143,402</u>	<u>\$11,602,291</u>	<u>\$ 458,889</u>
Expenditures				
<i>Current</i>				
General Government	\$ 1,127,851	\$ 1,127,851	\$ 1,087,086	\$ 40,765
Public Works	1,525,007	1,525,007	1,442,451	82,556
Protection	2,457,462	2,457,462	2,457,401	61
Culture & Recreation	413,625	413,625	409,343	4,282
General Assistance	3,000	3,000	1,327	1,673
Debt Service	559,952	559,952	554,147	5,805
Health & Social Services	19,550	19,550	19,550	0
Education	4,407,158	4,407,158	4,407,158	0
Fixed Charges	714,798	714,798	678,035	36,763
<i>Capital Outlay</i>	<u>66,664</u>	<u>66,664</u>	<u>65,755</u>	<u>909</u>
Total Expenditures	<u>\$11,295,067</u>	<u>\$11,295,067</u>	<u>\$11,122,253</u>	<u>\$ 172,814</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ (151,665)	\$ (151,665)	\$ 480,038	\$ 631,703
Other Financing Sources (Uses)				
Transfers In (Out)	<u>(777,000)</u>	<u>(777,000)</u>	<u>(777,000)</u>	<u>0</u>
Net Change in Fund Balance	\$ (928,665)	\$ (928,655)	\$ (296,962)	\$ 631,703
Fund Balance – July 1, 2010	<u>2,513,369</u>	<u>2,513,369</u>	<u>2,513,369</u>	<u>0</u>
Fund Balance – June 30, 2011	<u>\$ 1,584,704</u>	<u>\$ 1,584,704</u>	<u>\$ 2,216,407</u>	<u>\$ 631,703</u>

The Notes to the Financial Statements are an Integral Part of This Statement.

Smith & Associates, CPAs
A Professional Association

Yarmouth, Maine 04096