

TOWN OF ST. AGATHA, MAINE
ANNUAL FINANCIAL REPORT
with Independent Auditors Report

For the Six Months Ending June 30, 2010

TOWN OF ST. AGATHA, MAINE
ANNUAL FINANCIAL REPORT
Six Months Ended June 30, 2010
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KEEL J. HOOD

Certified Public Accountant

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INDEPENDENT AUDITORS REPORT

Board of Selectmen
Town of St. Agatha
St. Agatha, Maine

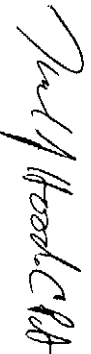
I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information, of Town of St. Agatha, Maine, as of and for the six months ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of St. Agatha, Maine's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of St. Agatha, Maine as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 27, 2011, on my consideration of the Town of St. Agatha, Maine's internal reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The budgetary comparison information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the information and expressed no opinion on it. However, I did not audit the information



February 27, 2011

TOWN OF ST. AGATHA, MAINE
Statement of Net Assets
June 30, 2010

Statement 1

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 865,451	\$ 39,173	\$ 904,624
Receivables		25,756	83,451
Taxes	57,695		51,552
Liens	51,552		0
Internal balances	(43,014)	43,014	0
Total Current Assets	<u>931,684</u>	<u>107,943</u>	<u>1,039,627</u>
Noncurrent Assets:			
Capital assets, net	1,527,660	6,295,077	7,822,737
Total Noncurrent Assets	<u>1,527,660</u>	<u>6,295,077</u>	<u>7,822,737</u>
Total Assets	<u>2,459,344</u>	<u>6,403,020</u>	<u>8,862,364</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	11,593	26,025	11,593
Accrued interest		12,000	12,000
Lease due within one year	12,000	14,063	14,063
Notes due within one year	24,393	31,592	55,985
Bonds due within one year			
Total Current Liabilities	<u>47,986</u>	<u>71,680</u>	<u>119,666</u>
Noncurrent Liabilities:			
Lease due in more than one year	38,822	705,665	38,822
Notes due in more than one year		536,749	705,665
Bonds due in more than one year	43,357		580,106
Total Noncurrent Liabilities	<u>82,179</u>	<u>1,242,414</u>	<u>1,324,593</u>
Total Liabilities	<u>130,165</u>	<u>1,314,094</u>	<u>1,444,259</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,409,088	5,007,008	6,416,096
Unrestricted	920,091	81,918	1,002,009
Total net assets	<u>\$ 2,329,179</u>	<u>\$ 5,088,926</u>	<u>\$ 7,418,105</u>

TOWN OF ST. AGATHA, MAINE
Statement of Activities
For the Year Ended June 30, 2010

Statement 2

Function/Programs	Program Revenues				Net (Expense) Revenues
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	
Governmental activities:					
General government	121,187	6,882			(114,305)
Public safety	28,427				(28,427)
Public works	184,326	13,792			(155,864)
Health and sanitation	48,985				(48,985)
Leisure services	40,799	17,137			(23,662)
Social services	1,500				(1,500)
Special assessments	200,381				(200,381)
Unclassified	500				(500)
Debt service	6,695				(6,695)
Total governmental activities	632,800	37,811	14,670	0	(580,319)
Business type activities:					
Sewer	74,604	89,251		28,722	43,369
Total business type activities	74,604	89,251	0	28,722	43,369
Total	707,404	127,062	14,670	28,722	(536,950)

Changes in Net Assets:

Net (expense) / revenue	Governmental Activities	Business-Type Activities	Total
General revenues:	(580,319)	43,369	(536,950)
General property taxation	425,610		425,610
Property taxes	88,342		88,342
Excise taxes	3,109		3,109
Interest and costs on taxes			
Intergovernmental	30,378		30,378
State Revenue Sharing	12,265		12,265
Homestead exemption	26,000		26,000
Snowmobile grant	430		430
Tree growth reimbursement	6,483		6,483
BTRF			
Interest	1,930	860	2,790
Interest income	7,833		7,833
Miscellaneous	1,176		1,176
Miscellaneous			
Animal			
Total general revenues	603,556	860	604,416
Change in Net Assets	23,237	44,229	67,466

Net Assets - beginning	2,305,942	5,044,697	7,350,639
Net Assets - ending	2,329,179	5,088,926	7,418,105

TOWN OF ST. AGATHA, MAINE
Balance Sheet
Governmental Funds
June 30, 2010

Statement 3

	General Fund	Special Revenue Funds	Total Governmental Funds
ASSETS			
Cash	\$ 865,451		\$ 865,451
Receivables			
Taxes	57,695		57,695
Liens	51,552		51,552
Due from other funds	(50,667)	7,653	(43,014)
Total Assets	<u>924,031</u>	<u>7,653</u>	<u>931,684</u>
LIABILITIES			
Accounts payable	11,593		11,593
Deferred property taxes	98,000		98,000
Total Liabilities	<u>109,593</u>	<u>0</u>	<u>109,593</u>
FUND BALANCES			
Fund Balances			
Reserved:			
Capital purchases	366,880		366,880
Unreserved:			
Designated for subsequent years	992		992
Revenues	4,422		4,422
Expenditures	442,144	7,653	449,797
Undesignated	814,438	7,653	822,091
Total Liabilities and Fund Equity	<u>\$ 924,031</u>	<u>\$ 7,653</u>	<u>\$</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 1,527,660

Other long-term assets are not available to pay for current-periods expenditures and therefore are deferred in the funds. 98,000

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds. (50,822)

Leases payable (67,750)

Bonds payable

Net assets of governmental activities \$ 2,329,179

TOWN OF ST. AGATHA, MAINE
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Six Months Ended June 30, 2010

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 517,061	\$	\$ 517,061
Intergovernmental	91,402		91,402
Interest	1,930		1,930
Charges for services	38,916		38,916
Miscellaneous	6,728		6,728
Total Revenues	656,037	0	656,037
Expenditures:			
Current:			
General government	119,116		119,116
Public safety	19,831		19,831
Public works	82,726		82,726
Health and sanitation	39,074	9,911	48,985
Leisure services	40,799		40,799
Social services	1,500		1,500
Special assessments	200,381		200,381
Unclassified	500		500
Debt services	22,338		22,338
Total Expenditures	526,265	9,911	536,176
Excess of Revenues Over (Under) Expenditures	129,772	(9,911)	119,861
Other Financing Sources (Uses)			
Operating Transfers In (Out)	(814)	814	0
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	128,958	(9,097)	119,861
Fund Balances - beginning	685,480	16,750	702,230
Fund Balances - ending	\$ 814,438	\$ 7,653	\$ 822,091

TOWN OF ST. AGATHA, MAINE

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
Of Governmental Funds
to the Statement of Activities
For the Six Months Ended June 30, 2010

Net change in fund balances - total governmental funds \$ 119,861

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

Government funds report capital outlays as expenditures.

While governmental activities report depreciation
expense to allocate those expenditures over the
life of the assets:

Depreciation expense (112,267)

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

Capital lease obligation principal payments 15,643

Change in Net Assets of Governmental Activities \$ 23,237

TOWN OF ST. AGATHA, MAINE
Statement of Net Assets
Proprietary Fund
June 30, 2010

Statement 6

	<u>Enterprise</u>	
ASSETS	<u>Sewer</u>	<u>Total</u>
Current assets:		
Cash	\$ 39,173	\$ 39,173
Receivables:		
Accounts	25,756	25,756
Internal balances	43,014	43,014
Total current assets	<u>107,943</u>	<u>107,943</u>
Noncurrent assets:		
Capital assets (net)	6,295,077	6,295,077
Total Assets	<u>6,403,020</u>	<u>6,403,020</u>
LIABILITIES		
Current liabilities:		
Accrued interest	26,025	26,025
Notes payable due in one year	14,063	14,063
Bond payable due in one year	31,592	31,592
Total current liabilities	<u>71,680</u>	<u>71,680</u>
Noncurrent liabilities:		
Notes due in more than one year	705,665	705,665
Bonds payable in more than one year	536,749	536,749
Total noncurrent liabilities	<u>1,242,414</u>	<u>1,242,414</u>
Total Liabilities	<u>1,314,094</u>	<u>1,314,094</u>
NET ASSETS		
Investment in capital assets, net of related debt	5,007,008	5,007,008
Unrestricted	81,918	81,918
Total net assets	<u>\$ 5,088,926</u>	<u>\$ 5,088,926</u>

TOWN OF ST. AGATHA, MAINE
 Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Fund
 For the Six Months Ended June 30, 2010

	<u>Enterprise</u>	<u>Fund</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$	89,251	\$	89,251
Total Operating Revenues	<u>89,251</u>			<u>89,251</u>
Operating Expenses:				
Labor and benefits	21,122			21,122
Utilities	15,148			15,148
Professional fees	1,980			1,980
Chemicals	853			853
Repairs and maintenance	7,790			7,790
Miscellaneous	1,835			1,835
Testing	100			100
Total Operating Expenses	<u>48,828</u>			<u>48,828</u>
Operating Income (Loss)	40,423			40,423
Nonoperating Revenues (Expenses):				
Interest on charges	652			652
Interest on funds	208			208
Interest expense	(25,776)			(25,776)
				0
Net Nonoperating Revenues (Expenses)	<u>(24,916)</u>			<u>(24,916)</u>
Capital Contributions:				
Governmental grants	28,722			28,722
Change in net assets	44,229			44,229
Net Assets - beginning	5,044,697			5,044,697
Net Assets - ending	<u>\$ 5,088,926</u>			<u>\$ 5,088,926</u>

Statement 8

TOWN OF ST. AGATHA, MAINE
Statement of Cash Flows
Proprietary Fund

For the Six Months Ended June 30, 2010

	<u>Enterprise Fund</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from customers	\$ 88,325	\$ 88,325	
Payments to suppliers	(27,705)	(27,705)	
Payments to employees	(21,122)	(21,122)	
Interfund use of services	(37,709)	(37,709)	
Net Increase in Cash from Operating Activities	<u>1,789</u>	<u>1,789</u>	

Cash Flows from Capital and Related

Financing Activities:			
Retirement of debt			0
Interest expense	(11,655)	(11,655)	
Debt increases			0
Governmental capital grants	28,722	28,722	
Acquisition of capital assets	(18,856)	(18,856)	
Net Decrease in Cash from Capital and Related Financing Activities	<u>(1,789)</u>	<u>(1,789)</u>	

Cash Flows from Investing Activities:

Interest revenue	208	208	
Net Increase in Cash from Investing Activities	<u>208</u>	<u>208</u>	
Net Increase (Decrease) in Cash	208	208	
Cash Balance - beginning	38,965	38,965	
Cash Balance - ending	<u>\$ 39,173</u>	<u>\$ 39,173</u>	

Reconciliation of Operating Income (Loss) to Net

Cash Provided (Used) by Operating Activities	\$ 40,423	\$ 40,423
Operating income (loss)		
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Non utility billing	652	652
Decrease (Increase) in receivables	(1,577)	(1,577)
Increase (Decrease) in internal balances	(37,709)	(37,709)
Net Cash Provided by operating activities	<u>\$ 1,789</u>	<u>\$ 1,789</u>

TOWN OF ST. AGATHA, MAINE
Notes to Combined Financial Statements
June 30, 2010

1. Summary of Significant Accounting Policies

The Town of St. Agatha was incorporated under the laws of the State of Maine. The Town operates under the Town Manager/Town Meeting form of government.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so. The more significant accounting policies established in GAAP and used by the Town are discussed below.

A. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit is made by applying the criteria set forth in GAAP which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there were no potential component units required to be included in this report.

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. Summary of Significant Accounting Policies, continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Licenses, permits, fees, excise taxes and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest income and charges for services are recorded as revenues when earned, since they are measurable and available.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Other Governmental funds account for the activity of several grant projects.

Additionally, the Town reports the following fund types:

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:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

1. Summary of Significant Accounting Policies, continued

D. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives ranging from 3 to 50 years.

E. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, if material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, if material, are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

F. Fund Equity

Reserved fund balance indicates that a portion of the fund balance is legally or otherwise segregates for a specific future use, and is indicated by the title of each reserve listed in the balance sheet. Unreserved-designated fund balances indicate amounts which either are required to be carried forward by law or contractual agreement, or which the Town has voted to carry forward.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the

1. Summary of Significant Accounting Policies, continued

reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Deposits

The Town's policy is to invest all available funds at the highest possible rates, in conformance with legal and administrative guidelines, while avoiding unreasonable risk.

At six months end, the Town's carrying amount of deposits was \$904,624. The bank balances for all funds totaled \$954,241. Custodial credit risk is the risk that, in the event of a bank failure the District's deposits might not be recovered. As of June 30, 2010, all of the Town's deposits were insured or collateralized.

3. Operating Property

Operating and nonoperating property are recorded at cost or, in the case of contributed property, at the fair market value at the date of acquisition. Depreciation is computed on the straight line method based upon the estimated useful lives of the assets as follows:

	Balance January 1, 2010	Increases	Decreases	Balance June 30, 2010
Sewer Department:				
Land and easements	\$ 1,061			1,061
Operating property	4,480,329			4,480,329
Construction in progress	3,148,017	18,856		3,166,873
Accumulated Depreciation	(1,353,186)			(1,353,186)
Total Sewer	\$ 6,276,221	\$ 18,856	\$ 0	\$ 6,295,077

Governmental Activities:

	Balance January 1, 2010	Increases	Decreases	Balance June 30, 2010
Assets not being depreciated				
Land and easements	\$ 12,800			\$ 12,800
Assets being depreciated				
Buildings	267,299			267,299
Equipment	273,771			273,771
Vehicles	500,208			500,985
Infrastructure	3,237,362			3,237,362
	4,291,440	0	0	4,291,440
Less accumulated depreciation				
Buildings	136,377	5,129		141,506
Equipment	258,058	1,571		259,629
Vehicles	216,352	24,633		240,985
Infrastructure	2,040,726	80,934		2,121,660
	2,651,513	112,267	0	2,763,780
Capital Assets, net	\$ 1,639,927	\$ (112,267)	\$ 0	\$ 1,527,660
Depreciation Expense:				
General government	\$	2,071		
Public safety		8,596		
Public works		101,600		
	\$	112,267		

4. Property Tax

Property taxes for the six months were committed on January 11, 2010, on the assessed value listed as of April 1, 2009, for all taxable real and personal property located in the Town. Payment of taxes was due April 30, 2010 with interest at 9% on all tax bills unpaid as of that date. Assessed values are periodically established by the Town's

4. Property Tax, continued

Assessor at 100% of assumed market value. The assessed value for the list of April 1, 2009 upon which the levy for the six months ended June 30, 2010, was based, was \$46,001,998. This assessed value was 75% of the estimated market value.

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.

Property taxes levied during the six months were recorded as receivables at the time the levy was made. The receivables collected during the six months and in the first sixty days following the end of the fiscal six months have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

5. Long-term Debt

The following is a summary of long-term debt transactions of the Town for the six months ended June 30, 2010:

	Proprietary Fund Type	Enterprise Fund	General Long-term Debt
Long-term debt payable at January 1, 2010	\$	1,288,069	\$ 134,215
Debt Retired			(15,643)
Prior year adjustment with fixed asset addition			
Long-term debt payable at June 30, 2010	\$	<u>1,288,069</u>	<u>\$ 118,572</u>
Interest Paid		<u>\$ 25,776</u>	<u>\$ 2,685</u>

Long-term debt payable at June 30, 2010 is comprised of the following:

	Interest Rate	Final maturity date	Balance end of year
<u>General Long-term Debt</u>			
2000 Municipal note	3.75%	2011	\$ 24,000
2006 Municipal note	5.17%	2014	43,750
Lease:			
2007 Truck lease	4.04%	2013	50,822
			<u>\$ 118,572</u>

Enterprise Fund

Sewer

Rural Development	4.5%	2033	90,121
Rural Development	4.375%	2037	61,879
Rural Development	4.375%	2037	567,728
Maine Municipal Bond Bank	4.5%	2026	110,500
Maine Municipal Bond Bank	2.02%	2027	275,106
Maine Municipal Bond Bank	1.86%	2022	182,735
Maine Municipal Bond Bank	5%-7.85%	2009	
			<u>\$ 1,288,069</u>

5. Long-term Debt, continued

The annual requirement to amortize all long-term debt outstanding as of June 30, 2010 are as follows:

Year	Enterprise Fund		General Long-term Debt	
	Principal	Interest	Principal	Interest
2011	\$ 45,655	\$ 45,416	\$ 20,750	\$ 5,847
2012	46,806	44,046	37,024	4,313
2013	47,997	42,637	25,682	2,753
2014	49,226	41,125	26,366	1,616
2015	50,498	39,573	8,750	452
2016-2020	273,123	173,009		
2021-2025	279,023	127,414		
2026-2030	212,329	83,689		
2031-2035	174,822	46,951		
2036-2037	108,590	9,634		
Total	\$ 1,288,069	\$ 653,494	\$ 118,572	\$ 14,981

6. Capital Reserves

The Town has set aside certain balances for accumulation until expenditure in future years. These accounts were as follows at June 30, 2010:

Economic develop	\$ 17,628
Payloader reserve	803
LRA Reserve	125,781
Community development reserve	37,758
Capital equipment	5,741
Fitness Center	2,015
Community	11,242
Revaluation reserve	60,400
Public works truck	52,279
Ambulance building	12,708
Lawn mower	7,609
Grader	10,152
Sidewalk reserve	10,056
Recreation equipment	12,708
Total	\$ 366,880

7. Undesignated General Fund Fund Equity

The undesignated General Fund fund equity reflected a change for the current six months as follows:

Balance - January 1, 2010	\$ 368,268
Increase (Decrease):	
Actual over budgeted revenues	76,217
Actual over budgeted expenditures	22,659
Utilization per town vote	(25,000)
Net Increase (Decrease)	73,876
Balance - June 30, 2010	\$ 442,144

8. Designated for Subsequent Years

The portion of the General Fund fund equity which has been designated for subsequent year's revenues represents amounts

8. Designated for Subsequent Years, continued

received during the current accounting period that are to be budgeted as revenues in the subsequent year. Historically, the townspeople vote to carry certain departmental unexpended balances forward to the following year for expenditure. This is usually in lieu of additional appropriations in any particular accounts. These accounts, were as follows at June 30, 2010:

	<u>Subsequent Years</u>	<u>Revenues</u>	<u>Expenditures</u>
Lake shore permits	\$	31 \$	
Dog shelter		961	
Property tax relief			4,422
Total	\$	<u>992 \$</u>	<u>4,422</u>

9. Joint Venture - Northern Arcoostook Regional Airport Authority

The Northern Arcoostook Regional Airport is owned jointly by its eight member towns. The Town of St. Agatha, Maine owns 8% of the facility. Ownership is based on a formula using population and state valuation figures at the time of inception. Ownership percentage will not always be the same over the life of the joint venture. The Facility is administered by an eight member executive committee each town appoints 1 voting member to serve. No summary is available from the Authority's annual financial report, prepared on the accrual basis for the fiscal six months ended June 30, 2010.

TOWN OF ST. AGATHA, MAINE
Budget Comparison Schedule
General Fund

Schedule 1

For the Six Months Ended June 30, 2010

	<u>Original</u>	\$	<u>Final</u>	\$	<u>Actual</u>	\$	Variance with final budget positive (negative)
Revenues:							
Taxes	510,519		510,519		517,061		6,542
Intergovernmental	50,718		50,718		91,402		40,684
Charges for services	15,000		15,000		38,916		23,916
Interest					1,930		1,930
Miscellaneous					6,728		6,728
Total revenues	576,237		576,237		656,037		79,800
Expenditures:							
Current:							
General government	135,200		135,200		119,116		16,084
Public safety	21,330		21,330		19,831		1,499
Public works	95,800		95,800		82,726		13,074
Health and sanitation	49,900		49,900		39,074		10,826
Leisure services	18,075		18,075		40,799		(22,724)
Social services	1,500		1,500		1,500		0
Special assessments	205,932		205,932		200,381		5,551
Unclassified	52,000		52,000		500		51,500
Debt service	21,500		21,500		22,338		(838)
Total expenditures	601,237		601,237		526,265		74,972
Excess (deficiency) of revenues over (under) expenditures	(25,000)		(25,000)		129,772		154,772
Other Financing Uses:							
Operating transfers out					(814)		(814)
Excess (deficiency) of revenues over under other financing uses	(25,000)		(25,000)		128,958		153,958
Fund Balance - beginning	685,480		685,480		685,480		0
Fund Balance - ending	<u>660,480</u>	\$	<u>660,480</u>	\$	<u>814,438</u>	\$	<u>153,958</u>

The accompanying notes to the financial statements are an integral part of this statement.