

AGENDA

ITEM

4.f.



Town of Clinton
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RESOLUTION 08-20
ACCEPTANCE OF AUDIT REPORT
For
YEAR ENDING JUNE 30, 2008

WHEREAS, Town Charter, Article V, Section 5.16 Annual Audit, subsection (c) Action of the Board of Selectmen requires acceptance of the annual audit report by resolution ; and

WHEREAS, the Board of Selectmen received the draft audit report on September 23, 2008 for their review.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SELECTMEN OF THE TOWN OF CLINTON, that the Audit Report is accepted.

Sealed with the Seal of the Town of Clinton on this twenty-fifth day of November in the year Two Thousand Eight.

Jeffrey Towne, Chairman

Chester Nutting

Joseph Massey

David Watson II

Randy Clark



TOWN OF CLINTON, MAINE

ANNUAL FINANCIAL REPORT
with Independent Auditors Report

For the Year Ending June 30, 2008

TOWN OF CLINTON, MAINE
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2008

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KEEL J. HOOD

Certified Public Accountant

2 Burns Street - Fairfield, Maine 04937 - (207)453-2006

INDEPENDENT AUDITORS REPORT

Board of Selectmen
Town of Clinton
Clinton, Maine

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, of Town of Clinton, Maine, as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Clinton, 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. 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 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, each major fund, and the aggregate remaining fund information, of the Town of Clinton, Maine as of June 30, 2008, and the respective changes in financial position, 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, 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. I 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, I did not audit the information and express no opinion on it.



September 4, 2008

TOWN OF CLINTON, MAINE

Management's Discussion and Analysis (MD & A) Fiscal Year July 1, 2007 through June 30, 2008

As Management of the Town of Clinton, we present this narrative to provide you with an overview and analysis of our financial statements for the Fiscal Year July 1, 2007 through June 30, 2008. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and basic financial statements to enhance their understanding of the Town of Clinton's financial performance.

Financial Highlights

- The Town's total assets as of June 30, 2008 were \$12,504,471.
- The Town's total liabilities as of June 30, 2008 were \$221,697.
- Total assets of the Town exceeded its liabilities by \$12,282,774. This is an decrease of \$50,852 over the previous year's audit. The decrease is due to receipt of \$39,990 less from property taxes, receipt of \$2,721 less from excise tax, receipt of \$3,929 less from interest on taxes, and receipt of \$5,824 less from Homestead Exemption payments from the State.
- The Town's total fund balance for all governmental funds combined was \$1,692,904 on June 30, 2008. This exceeded the previous fiscal year by \$220,283.
- The Undesignated Unreserved Fund Balance (Surplus) was \$1,187,723 on June 30, 2008. This exceeded the previous fiscal year by \$247,756.

Overview of the Financial Statement

The Town of Clinton's basic financial statements are comprised of three components:

- Government-wide financial statements.
- Fund financial statements.
- Notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town of Clinton's finances in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the Town of Clinton's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Town of Clinton's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the Town of Clinton's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Clinton that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Town of Clinton's governmental activities include general government, public safety (police, fire and ambulance), public works (highway, winter maintenance and solid waste), human services, leisure activities, debt service, education assessment, county assessment, employee benefits and capital outlay. The Town of Clinton does not currently report any business-type activities.

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 Clinton, like other state and local governments, uses fund accounting to insure and demonstrate compliance with finance related legal requirements. The Town of Clinton's only major governmental fund is the General Fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the Town's activities are reported in governmental funds, which focus on how moneys flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance programs or purchases. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements.

Analysis of the Government-Wide Financial Statements

As of June 30, 2008, total assets decreased by \$89,596 to \$12,504,471. Of this amount \$10,681,370 consisted of capital assets, net of accumulated depreciation. The decrease is due to the depreciation of capital assets i.e. Local

roads.

As of June 30, 2008, total liabilities decreased by \$38,743 to \$221,697. Of this amount \$148,400 is due or payable after more than one year.

As of June 30, 2008, net assets decreased by \$50,852 to \$12,282,774. Of this amount \$10,495,870 was invested in capital assets, net of related debt.

Net program expenses for primary government totaled (\$2,941,767) to which \$2,890,915 of total general revenues are applied for a net increase of \$50,852.

Statement of Net Assets

	<u>2008</u>	<u>2007</u>
Current & other assets	\$ 1,823,101	\$ 1,622,962
Noncurrent Assets	<u>\$10,681,370</u>	<u>\$10,971,105</u>
Total Assets	\$12,504,471	\$12,594,067
Current liabilities	\$ 73,297	\$ 74,940
Noncurrent liabilities	<u>\$ 148,400</u>	<u>\$ 185,500</u>
Total Liabilities	\$ 221,697	\$ 260,440
Net Assets		
Invested in capital assets, net of related debt	\$10,495,870	\$10,748,505
Restricted	\$ 312,069	\$ 156,034
Unrestricted	<u>\$ 1,474,835</u>	<u>\$ 1,429,086</u>
Total Net Assets	\$12,282,774	\$12,333,626

General Fund Financial Highlights. The focus of the Town of Clinton governmental funds is to provide information on fiscal activity and balances of available resources.

The *General Fund* balance on June 30, 2008 is \$1,226,444, which is an increase of \$202,495 over Fiscal Year 06/07. \$38,721 is revenues designated for subsequent years as unreserved. The undesignated unreserved fund (surplus) is \$1,187,723.

Capital Assets. The Town of Clinton's capital assets used in its' governmental type activities totaled \$10,681,370 as of June 30, 2008. This is a decrease of \$289,735. These assets include streets, sidewalks, storm-water system, land, buildings, vehicles and equipment.

Long-term Debt. The Town of Clinton's long-term debt outstanding on June 30, 2008 is \$185,500. State Statutes limit the amount of general obligation debt a municipality may issue to 15 percent of the total town valuation. The current debt limit for the Town of Clinton \$19,849,658. The Town of Clinton's current debt is 0.94% of the debt limit.

TOWN OF CLINTON, MAINE
Statement of Net Assets
June 30, 2008

ASSETS	<u>Governmental Activities</u>
Current Assets:	
Cash	\$ 747,439
Cash certificates of deposit	909,738
Receivables:	
Taxes	3,431
Liens	114,192
Accounts	22,257
Ambulance	26,040
Tax acquired property	4
Total Current Assets	<u>1,823,101</u>
Noncurrent Assets:	
Capital assets net	10,681,370
Total Assets	<u>12,504,471</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	15,650
Due to fiduciary fund	2,394
Accrued compensated absences	9,575
Other governments	8,578
Notes payable	37,100
Total Current Liabilities	<u>73,297</u>
Noncurrent Liabilities:	
Notes payable	148,400
Total Liabilities	<u>221,697</u>
NET ASSETS	
Invested in capital assets, net of related debt	10,495,870
Restricted	312,069
Unrestricted	1,474,835
Total net assets	<u>\$ 12,282,774</u>

TOWN OF CLINTON, MAINE
Statement of Activities
For the Year Ended June 30, 2008

Function/Programs	Program Revenues				Net (Expense) Revenues
	Expenses	Charges for Services	Operating grants and contributions	Capital grants and contributions	
Governmental activities:	\$				
General government	247,736	28,382			(219,354)
Public safety	705,314	94,742	20,428		(590,144)
Public works	545,533	8	66,948		(478,577)
Health and sanitation	407,869	252,242			(155,627)
Special assessments	1,412,047				(1,412,047)
General assistance			8,904		8,904
Leisure services	64,734	750	1,966		(62,018)
Cemeteries	9,764				(9,764)
Unclassified	5,522	4,275			(1,247)
Debt service	21,893				(21,893)
Total governmental activities	3,420,412	380,399	98,246	0	(2,941,767)

Governmental
Activities

Net (expense) / revenue					
General revenues:					
Property taxes					1,811,618
Excise taxes					479,003
Interest and costs on taxes					21,086
Intergovernmental:					
State revenue sharing					327,462
Homestead exemption					79,114
Business equipment tax refund					18,422
Veterans exemption					1,031
Miscellaneous					25,986
Unrestricted interest					62,276
Donations					21,084
Sale of town property					43,833
Total general revenues					2,890,915
Change in Net Assets					(50,852)
Net Assets - beginning					12,333,626
Net Assets - ending	\$				12,282,774

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

TOWN OF CLINTON, MAINE
Balance Sheet
Governmental Funds
June 30, 2008

ASSETS	General <u>Fund</u>	Special Revenue <u>Fund</u>	Other <u>Governmental</u>	Total Governmental <u>Funds</u>
Cash	\$ 746,333	\$ 1,106	\$	\$ 747,439
Cash - certificates of deposits	670,807	238,931		909,738
Receivables				
Taxes	3,431			3,431
Liens	114,192			114,192
Accounts	22,257			22,257
Other governments	26,040			26,040
Tax acquired property	4			4
Internal balances	(228,817)	140,046	86,377	(2,394)
Total Assets	1,354,247	380,083	86,377	1,820,707
LIABILITIES				
Accounts payable	15,650			15,650
Accrued compensated absences	9,575			9,575
Due to other governments	8,578			8,578
Deferred property taxes	94,000			94,000
Total Liabilities	127,803	0	0	127,803
FUND BALANCES				
Fund Balances				
Reserved:				
Capital purchases		180,488		180,488
Unreserved:				
Designated for subsequent years revenues	38,721			38,721
Undesignated	1,187,723	199,595	86,377	1,473,695
Total Fund Equity	1,226,444	380,083	86,377	1,692,904
Total Liabilities and Fund Equity	\$ 1,354,247	\$ 380,083	\$ 86,377	\$

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.

10,681,370

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

94,000

Long-term liabilities, including bonds, notes and leases payable, are not due and payable in the current period and therefore are not reported in the funds.

Notes payable

(185,500)

Net assets of governmental activities

\$ 12,282,774

TOWN OF CLINTON, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

	General Fund	Special Revenue Fund	Other Governmental	Total Governmental Funds
Revenues:				
Taxes	\$ 2,330,207	\$	\$	\$ 2,330,207
Intergovernmental	505,853	18,422		524,275
Interest	51,398	10,878	914	63,190
Charges for services	376,124			376,124
Miscellaneous	73,180	21,084		94,264
Total Revenues	3,336,762	50,384	914	3,388,060
Expenditures:				
Current:				
General government	241,751			241,751
Public safety	619,631			619,631
Public works	354,554			354,554
Health and sanitation	374,886		27,000	27,000
Special assessments	1,412,047			1,412,047
Leisure services	57,118	6,510		6,510
Cemeteries	9,764			9,764
Unclassified	5,523			5,523
Debt service	58,993			58,993
Total Expenditures	3,134,267	6,510	27,000	3,167,777
Excess of Revenues Over				
(Under) Expenditures				
	202,495	43,874	(26,086)	220,283
Net Change in fund balances	202,495	43,874	(26,086)	220,283
Fund Balances - beginning	1,023,949	336,209	112,463	1,472,621
Fund Balances - ending	\$ 1,226,444	\$ 380,083	\$ 86,377	\$ 1,692,904

TOWN OF CLINTON, MAINE

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
Of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2008

Net change in fund balances - total governmental funds	\$	220,283
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. While governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Depreciation expense		(316,735)
Capital asset purchase capitalized		27,000
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:		
Capital note obligation principal payment		37,100
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Deferred property tax revenue		(18,500)
Change in Net Assets of Governmental Activities	\$	<u>(50,852)</u>

TOWN OF CLINTON, MAINE
Statement of Net Assets
Fiduciary Fund
June 30, 2008

		Private Purpose <u>Trust Fund</u>
ASSETS		
Investments	\$	341,560
Due to other governmental funds		2,394
	Total Assets	<u>343,954</u>
NET ASSETS		
Held in Trust		343,954
	Total Liabilities	<u>\$ 343,954</u>

TOWN OF CLINTON, MAINE

Statement of Changes in Fiduciary Net Assets
June 30, 2008

	<u>Private Purpose Trust Fund</u>
Revenues:	
	\$
Total Additions	<u>0</u>
Deductions:	
Loss on investments	16,271
Total Deductions	<u>16,271</u>
Change in Net Assets	(16,271)
Net Assets - beginning of year	<u>360,225</u>
Net Assets - end of year	<u><u>\$ 343,954</u></u>

Summary of Significant Accounting Policies

The Town of Clinton was incorporated in 1795 under the laws of the State of Massachusetts. The Town operates under the Town Manager/Board of Selectmen/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 and 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. 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 are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise 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 fund:

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.

Additionally, the Town reports the following fund types:

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

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.

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 segregated 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.

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

2. Budgetary Accounting

A budget is formally adopted for the General Fund, only, through the passage of a Town warrant, and is prepared on a basis consistent with generally accepted accounting principles.

In the General Fund, the level of control (level at which expenditures may not exceed budget and applied revenues) is the accounts within each department. Unexpended appropriations and unexpended revenues are lapsed at the close of the year. Once adopted, the budget can only be amended by the townspeople at a special Town meeting.

3. Deposits and Investments

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.

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits might not be recovered. The Town does not have a deposit policy for custodial risk, nor does the Town have an investment policy.

A. Deposits

As of June 30, 2008, the Town's carrying amount of deposits was \$1,657,177. For purposes of classifying categories of custodial risk, the bank balances of the Town's deposits as of June 30, 2008 were entirely insured or collateralized with securities held by the Town's agent in the Town's name.

B. Investments

Maine statutes authorize the Town to invest in obligations of US Treasury and US Agencies, repurchase agreements, and certain corporate stocks and bonds. The Town's investments of \$341,560 are categorized as insured or registered, or securities held by the Town or its agent in the Town's name. The Town of clinton does not have an investment policy. The Town's investments are reported at fair value which is determined by the last reported sales

price as follows:	<u>Fiduciary Funds</u>	<u>Fair Value</u>
	American Bond Fund	\$ 53,699
	American Capital Inc	28,425
	American Cap World	42,772
	American Fundamental	27,618
	American Growth Fund	39,878
	American Income Fund	26,156
	American Investment Co	25,132
	American New World A	34,083
	Putnam funds CI-A	17,566
	Money Market	46,231
	Total	\$ <u>341,560</u>

4. 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:

4. Operating Property, continued

Governmental Activities:	Balance July 1, 2007	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2008
Assets not being depreciated				
Land and easements	\$ 56,300	\$	\$	56,300
Assets being depreciated				
Buildings	937,504			937,504
Vehicles	743,655	27,000		770,655
Equipment	136,833			136,833
Infrastructure	16,029,668			16,029,668
	<u>17,903,960</u>	<u>27,000</u>	<u>0</u>	<u>17,930,960</u>
Less accumulated depreciation				
Buildings	210,333	22,705		233,038
Vehicles	531,193	73,846		605,039
Equipment	109,555	6,455		116,010
Infrastructure	6,081,774	213,729		6,295,503
	<u>6,932,855</u>	<u>316,735</u>	<u>0</u>	<u>7,249,590</u>
Capital Assets, net	\$ <u>10,971,105</u>	\$ <u>(289,735)</u>	\$ <u>0</u>	\$ <u>10,681,370</u>
Depreciation Expense:				
General government	\$ 5,985			
Public works	217,979			
Public safety	85,683			
Health and sanitation	5,983			
Leisure services	1,105			
	<u>\$ 316,735</u>			

5. Property Tax

Property taxes for the year were committed on August 29, 2007, on the assessed value listed as of April 1, 2007, for all taxable real and personal property located in the Town. Payment of taxes was due at the date of commitment with interest at 7.00% on all tax bills unpaid as of October 1, 2007 and April 1, 2008. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value. The assessed value for the list of April 1, 2007 upon which the levy for the year ended June 30, 2008, was based, was \$124,282,700. This assessed value was 100% 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 year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

6. Statutory Debt Limits

In accordance with 30-A MRS.A, Section 5702, as amended, no municipality shall incur debt for specified purposes in excess of 15 percent of the state valuation of such municipality. At June 30, 2008, the Town was in compliance with these regulations.

7. Long-term Debt

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

General Long-term Debt

Long-term debt payable at July 1, 2007	\$	222,600
Debt Retired		(37,100)
Debt Proceeds		0
Long-term debt payable at June 30, 2008	\$	<u>185,500</u>
Interest Paid		<u>6,400</u>

Long-term debt payable at June 30, 2008 is comprised of the following:

	<u>Interest rate</u>	<u>Final maturity date</u>	<u>Balance end of year</u>
<u>General Long-term Debt</u>			
General obligation bond	Various	2012	\$ <u>185,500</u>
			\$ <u>185,500</u>

The annual requirement to amortize all long-term debt outstanding as of June 30, 2008 are as follows:

<u>Year</u>	<u>General Long-term Debt Account Group</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 37,100	\$ 5,417
2010	37,100	4,341
2011	37,100	3,158
2011	37,100	1,906
2012	37,100	640
Total	\$ <u>185,500</u>	\$ <u>15,462</u>

8. Designated for Subsequent Year's Revenues

The portion of the General Fund fund equity which has been designated for subsequent year's revenues represents amounts received during the current accounting period that are to be budgeted as revenues in the subsequent year. These accounts, were as follows at June 30, 2008:

State Revenue Sharing	\$	33,045
Local Road Assistance		5,676
Total	\$	<u>38,721</u>

9. Undesignated General Fund Fund Equity

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

Balance - July 1, 2007	\$	939,967
Increase (Decrease):		
Estimated under actual revenues		179,314
Appropriations over expenditures		118,442
Utilization per town vote		(50,000)
Net Increase (Decrease)		<u>247,756</u>
Balance - June 30, 2008	\$	<u>1,187,723</u>

10. Special Revenue Fund Fund Equity

Special Revenue Fund designated fund equity as of June 30, 2008 consists of the following:

Economic Development	\$	198,489
Library Donations		180,488
Library Fund		1,106
	Totals \$	<u><u>380,083</u></u>

11. Capital Projects Fund Designated Fund Equity

Capital Projects Fund designated fund equity as of June 30, 2008 consists of the following:

Equipment Fund	\$	86,377
	\$	<u><u>86,377</u></u>

12. Overlapping Debt

The Town is liable for its proportional share of any defaulted debt issued by entities of which it is a member. The overlapping bonded debt applicable to the Town at year-end, consists of the following:

<u>Entity</u>	<u>Total</u>	<u>Town's Share</u>	<u>Percentage</u>
MSAD #49	\$ 2,126,600	\$ 450,414	21.18%
Kennebec County	\$ 1,783,688	\$ 28,539	1.60%

13. Interfund Balances

Individual interfund receivable and payable balances at June 30, 2008, were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$	\$ 228,817
Special Revenue Fund	140,046	
Other governmental funds	86,377	
Trust Fund	2,394	
	Totals \$	<u><u>228,817</u></u> \$ <u><u>228,817</u></u>

14. Risk Management

The Town of Clinton is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage for part of its risk management. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated.

In determining claims, events that might create claims but for which none have been reported, are considered. The Town's management estimates that the amount of actual or potential claims against the Town as of June 30, 2008, will not materially affect the financial condition of the Town.

TOWN OF CLINTON, MAINE
Budget Comparison Schedule
General Fund
For the year ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with final budget positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:	\$	\$	\$	\$
Taxes	2,277,576	2,277,576	2,330,207	52,631
Intergovernmental	491,835	491,835	505,853	14,018
Interest	11,000	11,000	51,398	40,398
Charges for services	349,000	360,627	376,124	15,497
Miscellaneous	13,000	13,000	73,180	60,180
Total revenues	<u>3,142,411</u>	<u>3,154,038</u>	<u>3,336,762</u>	<u>182,724</u>
Expenditures:				
Current:				
General government	243,104	243,154	241,751	1,403
Public safety	656,590	656,970	619,631	37,339
Public works	355,380	355,380	354,554	826
Health and sanitation	369,904	381,021	374,886	6,135
Special assessments	1,460,579	1,460,579	1,412,047	48,532
Leisure services	74,350	74,480	57,118	17,362
Cemeteries	14,000	14,000	9,764	4,236
Unclassified	7,196	7,146	5,523	1,623
Debt service	59,979	59,979	58,993	986
Total expenditures	<u>3,241,082</u>	<u>3,252,709</u>	<u>3,134,267</u>	<u>118,442</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(98,671)</u>	<u>(98,671)</u>	<u>202,495</u>	<u>301,166</u>
Fund Balance - beginning	<u>1,023,949</u>	<u>1,023,949</u>	<u>1,023,949</u>	<u>0</u>
Fund Balance - ending	<u>\$ 925,278</u>	<u>\$ 925,278</u>	<u>\$ 1,226,444</u>	<u>\$ 301,166</u>

AGENDA

ITEM

5.a.

MEMORANDUM

RE: Board of Selectmen Discussions about the Code Enforcement Situation

1. Whether a third special town meeting should be held under Section 5.09 of the Charter?
Is there a continuing duty under the Charter for the Board of Selectmen to seek the “ratification” of expenditures for CEO services by special town meeting and/or FY 09-10 annual Town Meeting?
2. Whether the CEO position can be restructured to enable coverage through the end of the present fiscal year (eg., reduction of CEO coverage to 1 day per work-week together with any day needed for court proceedings)? The Town is operating under FY 07-08 funding level, which got us through last year – shouldn’t we also be able to get through this year?
There is the collateral question about the Town’s contractual obligations to CEO Sharkey and his continued availability if the Town must reduce CEO services due to budgetary constraints.
3. Whether the Town should pursue, as an alternative or back-up plan, in the event of a vacancy in the CEO position, coverage by a CEO -certified professional under a regionalized, or municipality-sharing, arrangement?
4. Whether the CEO budget should be re-inserted into the Administrative Department in the FY 2009-2010 operating budget, since Code Enforcement was formerly a line in the Administrative Department next to the Assessors’ Agent line and is an administrative service mandated by State statute, and since the Charter does not provide for a Code Enforcement Department?

AGENDA

ITEM

5.b.

Planning Board – Clinton, Maine 2008-2009

To The Selectmen of Clinton, Maine

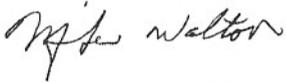
11/6/08

We request to be placed on your agenda for the 11/25/08 meeting.

Item 1 is a request for change to the Land Use Ordinance – letter attached.

Item 2 is a request for change to the Wellhead Protection Ordinance – letter attached.

Respectfully,



Mike Walton, Planning Board Chair

Chair: Mike Walton
Secretary: Sandy Gagnon
Member: Mike Hachey
Alternate:

Co-chair: Justin Cote
Member: Butch Whittaker
Alternate:

To The Selectmen of Clinton, Maine

11/6/08

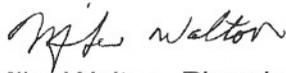
Under section 3A Wellhead Protection District Requirements Ordinance, page 3A-6, the following is written:

“vii. Appeals Rights: An aggrieved party may appeal this decision of the Planning Board under this Ordinance to the **Kennebec County Superior Court** within thirty (30) days from the date of the written decision.”

The Town Manager has informed us that all appeals have to go through the Appeals Board for the Town of Clinton, before going to any court and that our Ordinance is in violation of state law.

We request that the words “Kennebec County Superior Court” be stricken and replaced with “Appeals Board”.

Respectfully,



Mike Walton, Planning Board Chair

Chair: Mike Walton
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Member: Mike Hachey
Alternate:

Co-chair: Justin Cote
Member: Butch Whittaker
Alternate:

To The Selectmen of Clinton, Maine

11/6/08

We have a request for a small retail grain business to be established in a Rural Zone.

According to section 3 of the Land Use Ordinance, page 3-4, Retail Sales are not allowed in a Rural Zone.

We looked at for Home Occupations section 4, page 4-6, under "M" and item 4 which allows for: "The sale of products shall be limited to those which are crafted, assembled, or substantially altered on the premises; to catalog items ordered off the premises by customers; and to items which are accessory and incidental to a service which is provided on the premises." This does not allow for retail sales of grain as it is not crafted, assembled, or substantially altered.

We had to deny the Site Plan Review request as the grain business does not meet the town ordinances.

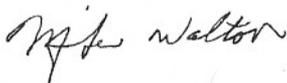
The Planning Board discussed this at length and decided that the Land Use Ordinance for Retail Sales needs to be revised in order to allow for growth of "mom and pop" type businesses within the town. Small businesses are the backbone of the Maine economy and feel that the Town of Clinton should encourage small businesses to operate here. We also realize the intent is to maintain the rural nature of parts of the town of Clinton which is why we propose a 6 employee limit be established, preventing a large hardware or retail outlet from taking up rural land.

We voted 3-0 in support of the following amendment to the Land Use Ordinance:

On page 3-4 of the Land Use ordinance we would change the words from "Retail Sales" to "Retail Sales with <7 employees" and change the "N" in the Rural Zone to Y* which would indicate a site plan review is required for any Retail Sales business setting up in a Rural Zone.

This change would allow a small retail sales business to operate within a Rural Zone, with permission of the Planning Board via the Site Plan Review process. This would also prevent a large retail sales operation from going in by the 6 employee limit.

Respectfully,



Mike Walton, Planning Board Chair

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Alternate:

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To The Selectmen of Clinton, Maine

11/6/08

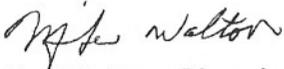
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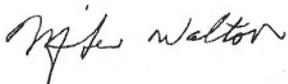
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