

The University of Maine

DigitalCommons@UMaine

---

Maine Town Documents

Maine Government Documents

---

2011

## Town of Gray Maine Financial Report 2011

Gray, Me.

Follow this and additional works at: <https://digitalcommons.library.umaine.edu/towndocs>

---

This Financial Report is brought to you for free and open access by DigitalCommons@UMaine. It has been accepted for inclusion in Maine Town Documents by an authorized administrator of DigitalCommons@UMaine. For more information, please contact [um.library.technical.services@maine.edu](mailto:um.library.technical.services@maine.edu).

Audited Financial Statements

Town of Gray, Maine

June 30, 2011



*Proven Expertise and Integrity*

TOWN OF GRAY, MAINE

CONTENTS

JUNE 30, 2011

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 9
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET ASSETS	10
STATEMENT B - STATEMENT OF ACTIVITIES	11 - 12
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	13
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS	14
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	15
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	16
NOTES TO FINANCIAL STATEMENTS	17 - 33
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	34
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	35
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	36

SCHEDULE A – BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS – BUDGET AND ACTUAL – GENERAL FUND REVENUES	37
SCHEDULE B – SCHEDULE OF DEPARTMENTAL OPERATIONS	38 - 41
SCHEDULE C - COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS	42
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS	43
SPECIAL REVENUE FUNDS DESCRIPTION	44
SCHEDULE E - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS	45 - 50
SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS	51 – 6
SCHEDULE G – COMBINING SCHEDULE OF ACTIVITY – RECREATION FUND	57
CAPITAL PROJECT FUNDS DESCRIPTION	58
SCHEDULE H - COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS	59 - 60
SCHEDULE I - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS	61 - 62
PERMANENT FUNDS DESCRIPTION	63
SCHEDULE J - COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS	64 - 65
SCHEDULE K - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR PERMANENT FUNDS	66 - 67
GENERAL CAPITAL ASSETS DESCRIPTION	68
SCHEDULE L - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	69
SCHEDULE M - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	70



*Proven Expertise and Integrity*

## INDEPENDENT AUDITORS' REPORT

July 26, 2011

Town Council  
Town of Gray  
Gray, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Gray, Maine, as of and for the year ended June 30, 2011, 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 Gray'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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Gray, Maine as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Gray, Maine's financial statements as a whole. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*RHR Smith & Company*

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Gray, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

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

**Basic Financial Statements**

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

**Government - Wide Financial Statements**

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

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

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

The above mentioned financial statements have one type of column for the towns activity. The type of activity presented for the Town of Gray is:

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

### **Fund Financial Statements**

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

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

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

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



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

### **Notes to the Financial Statements**

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

### **Required Supplementary Information**

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

### **Other Supplementary Information**

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

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activity. The Town's total net assets for governmental activities decreased by \$237,995 from \$15,347,994 to \$15,109,999.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased for governmental activities to a balance of \$4,698,189 at the end of this year

**Table 1**  
**Town of Gray, Maine**  
**Net Assets**  
**June 30,**

	2011	2010
Assets:		
Current and Other Assets	\$ 7,325,431	\$ 8,641,324
Capital Assets	14,268,231	13,647,135
Total Assets	\$ 21,593,662	\$ 21,341,263
 Liabilities:		
Current Liabilities	\$ 813,181	\$ 746,328
Long-term Debt Outstanding	5,670,482	6,194,137
Total Liabilities	\$ 6,483,663	\$ 6,940,465
 Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 8,226,236	\$ 7,107,860
Restricted Net Assets: Special Revenue funds	1,837,062	619,867
Capital Projects funds	195,438	924,643
Permanent funds	153,074	154,807
Unrestricted Net Assets	4,698,189	6,540,817
Total Net Assets	\$ 15,109,999	\$ 15,347,994

**Table 2**  
**Town of Gray, Maine**  
**Changes in Net Assets**  
**For The Years Ended June 30,**

	<u>2011</u>	<u>2010</u>
<b>Revenues</b>		
Taxes:		
Property	\$11,088,744	\$ 10,408,895
Excise	1,266,069	1,280,642
Intergovernmental	581,590	868,859
Interest Income	98,677	168,961
Charges for services/fees	471,980	513,303
Other revenue	461,687	468,738
Total Revenues	<u>13,968,747</u>	<u>13,709,398</u>
<b>Expenses</b>		
Administration services	1,013,775	974,086
Council, boards & committees	43,964	47,756
Public safety	946,481	960,979
Library/parks & recreation	404,774	392,668
Public works	2,635,573	2,474,159
Municipal finances	179,074	176,112
County assessment	487,078	490,173
Education	7,565,815	7,179,650
Community services	34,408	48,858
Capital outlay	703,243	550,994
Unclassified	-	160,954
Interest on long term debt	192,557	171,890
Total Expenses	<u>14,206,742</u>	<u>13,628,279</u>
Change in Net Assets	(237,995)	81,119
Net Assets - July 1	15,347,994	15,266,875
Restatement of Net Assets	<u>-</u>	<u>44,298</u>
Net Assets - June 30	<u>\$15,109,999</u>	<u>\$ 15,347,994</u>

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 1.93%, while total expenses increased by 4.28%. Most of the Town's revenues were consistent with the previous year.

## Financial Analysis of the Town's Fund Statements

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

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

	<b>2011</b>	<b>2010</b>
General Fund:		
Nonspendable	\$ 44,031	\$ -
Restricted	-	598,967
Assigned	88,811	139,605
Unassigned	2,640,813	3,112,412
Total General Fund	\$ 2,773,655	\$ 3,850,984
Nonmajor Funds:		
Special revenue funds		
Nonspendable	\$ 705	\$ -
Restricted	1,837,062	1,783,081
Committed	164,750	-
Assigned	111,684	18,182
Capital projects funds		
Nonspendable	1,217	-
Restricted	195,438	924,643
Committed	1,460,140	1,360,741
Permanent funds		
Restricted	153,074	154,807
Total Nonmajor Funds	\$ 3,924,070	\$ 4,241,454

The general fund total fund balance decreased by \$1,077,329 over the prior fiscal year. The non-major fund balances decreased by \$317,384 over the prior fiscal year. The major decrease in the general fund came from reclassification of some designated fund balances.

### Budgetary Highlights

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues exceeded the budget by \$244,466. The intergovernmental revenues and sale of assets can be accounted for most of the excess revenues.

The general fund actual expenditures were under the budget by \$296,777. All expenditure categories were under budget with the exception of transfers to other funds.

## **Capital Asset and Debt Administration**

### **Capital Assets**

As of June 30, 2011, the net book value of capital assets recorded by the Town increased by \$621,096 over the prior year. This increase is the result of capital additions of \$1,504,041 less current year depreciation expense of \$882,945.

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

	2011	2010
Land and Non-Depreciable Assets	\$ 5,548,639	\$ 4,658,633
Buildings and Improvements	1,418,933	1,513,615
Furniture and Equipment	253,864	225,364
Vehicles	2,095,722	2,442,425
Infrastructure	4,951,073	4,807,098
 Total	 \$ 14,268,231	 \$ 13,647,135

### **Debt**

At June 30, 2011, the Town had \$5,320,000 in bonds outstanding versus \$5,600,000 last year, a decrease of 5%. Refer to Note 5 of the financial statements for detailed information.

### **Economic Factors and Next Year's Budgets and Rates**

The Town has steadily maintained a sufficient undesignated and crisis fund balance to sustain government operations for a period of approximately four months, while also maintaining significant reserve accounts for future capital and program needs.

### **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 24 Main St., Gray, Maine 04039.

## STATEMENT A

TOWN OF GRAY, MAINE  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash	\$ 6,661,623
Accounts receivable (net of allowance for uncollectibles)	
Taxes	68,180
Liens	323,361
Other	226,314
Prepaid expenses	45,953
Total current assets	7,325,431
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	5,548,639
Buildings and equipment, net of accumulated depreciation	8,719,592
Total noncurrent assets	14,268,231
<b>TOTAL ASSETS</b>	<b>\$ 21,593,662</b>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 150,713
Accrued expenses	544
Accrued payroll	58,149
Prepaid taxes	42,374
Deferred revenue	48,574
Current portion of long-term obligations	512,827
Total current liabilities	813,181
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	5,040,000
Capital leases payable	489,168
Accrued compensated absences	141,314
Total noncurrent liabilities	5,670,482
<b>TOTAL LIABILITIES</b>	<b>6,483,663</b>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	8,226,236
Restricted:	
Special Revenue funds	1,837,062
Capital Projects funds	195,438
Permanent funds	153,074
Unrestricted	4,698,189
<b>TOTAL NET ASSETS</b>	<b>15,109,999</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 21,593,662</b>

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

## TOWN OF GRAY, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities					
Current:					
Administration services	\$ 1,013,775	\$ 118,388	\$ -	\$ -	\$ (895,387)
Council, boards & committees	43,964	190,164	-	-	146,200
Public safety	946,481	-	-	-	(946,481)
Library/parks & recreation	404,774	163,428	82,308	-	(159,038)
Public works	2,635,573	-	-	-	(2,635,573)
Municipal finances	179,074	-	-	-	(179,074)
County assessment	487,078	-	-	-	(487,078)
Education	7,565,815	-	-	-	(7,565,815)
Community services	34,408	-	-	-	(34,408)
Capital outlay	703,243	-	-	-	(703,243)
Interest on long term debt	192,557	-	-	-	(192,557)
	<u>14,206,742</u>	<u>471,980</u>	<u>82,308</u>	<u>-</u>	<u>(13,652,454)</u>

STATEMENT B (CONTINUED)  
TOWN OF GRAY, MAINE

RECONCILIATION OF THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>(13,652,454)</u>
General revenue:	
Taxes	
Property taxes, levied for general purposes	11,088,744
Excise taxes, levied for general purposes	1,266,069
Grants and contributions not restricted to specific programs	499,282
Interest income	98,677
Miscellaneous	<u>461,687</u>
Total general revenue and transfers	<u>13,414,459</u>
Change in net assets	(237,995)
NET ASSETS - JULY 1, 2010	<u>15,347,994</u>
NET ASSETS - JUNE 30, 2011	<u>\$ 15,109,999</u>

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



## TOWN OF GRAY, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2011

	General Fund	Other Governmental Funds	Totals Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash	\$ 5,673,174	\$ 988,449	\$ 6,661,623
Accounts receivable (net of allowance of doubtful accounts)			
Taxes	68,180	-	68,180
Tax liens	323,361	-	323,361
Other	226,298	16	226,314
Prepaid expenses	44,031	1,922	45,953
Due from other funds	-	2,984,148	2,984,148
<b>TOTAL ASSETS</b>	<u>\$ 6,335,044</u>	<u>\$ 3,974,535</u>	<u>\$ 10,309,579</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities</b>			
Accounts payable	\$ 148,822	\$ 1,891	\$ 150,713
Accrued expenses	544	-	544
Accrued payroll	58,149	-	58,149
Prepaid taxes	42,374	-	42,374
Due to other funds	2,984,148	-	2,984,148
Deferred revenue	-	48,574	48,574
Deferred property tax	327,352	-	327,352
<b>TOTAL LIABILITIES</b>	<u>3,561,389</u>	<u>50,465</u>	<u>3,611,854</u>
<b>Fund Equity</b>			
Nonspendable	44,031	1,922	45,953
Restricted	-	2,185,574	2,185,574
Committed	-	1,624,890	1,624,890
Assigned	88,811	111,684	200,495
Unassigned	2,640,813	-	2,640,813
<b>TOTAL FUND EQUITY</b>	<u>2,773,655</u>	<u>3,924,070</u>	<u>6,697,725</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 6,335,044</u>	<u>\$ 3,974,535</u>	<u>\$ 10,309,579</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF GRAY, MAINE

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

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 6,697,725
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	14,268,231
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	327,352
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(5,320,000)
Capital leases payable	(721,995)
Accrued compensated absences	<u>(141,314)</u>
Net assets of governmental activities	<u>\$ 15,109,999</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF GRAY, MAINE

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

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUE			
Taxes:			
Property	\$ 11,068,810	\$ -	\$ 11,068,810
Excise	1,266,069	-	1,266,069
Intergovernmental	581,590	-	581,590
Interest Income	75,815	22,862	98,677
Charges for services/fees	471,980	-	471,980
Other revenue	163,898	297,789	461,687
TOTAL REVENUE	<u>13,628,162</u>	<u>320,651</u>	<u>13,948,813</u>
EXPENDITURES			
Current			
Administration services	979,234	-	979,234
Council, boards & committees	43,964	-	43,964
Public safety	781,758	-	781,758
Library/parks & recreation	382,107	-	382,107
Public works	1,973,067	-	1,973,067
Municipal finances	888,811	-	888,811
County assessment	487,078	-	487,078
Education	7,565,815	-	7,565,815
Community services	34,408	-	34,408
Capital outlay	725,436	1,481,848	2,207,284
TOTAL EXPENDITURES	<u>13,861,678</u>	<u>1,481,848</u>	<u>15,343,526</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(233,516)</u>	<u>(1,161,197)</u>	<u>(1,394,713)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	369,319	1,214,313	1,583,632
Transfers (out)	(1,213,132)	(370,500)	(1,583,632)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(843,813)</u>	<u>843,813</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(1,077,329)</u>	<u>(317,384)</u>	<u>(1,394,713)</u>
FUND BALANCES - JULY 1	<u>3,850,984</u>	<u>4,241,454</u>	<u>8,092,438</u>
FUND BALANCES - JUNE 30	<u>\$ 2,773,655</u>	<u>\$ 3,924,070</u>	<u>\$ 6,697,725</u>

See accompanying independent auditors report and notes to financial statements.

## TOWN OF GRAY, MAINE

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

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (1,394,713)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to be allocated those expenditures over the life of the assets:	
Capital asset purchases capitalized	1,504,041
Capital asset disposed	-
Depreciation expense	<u>(882,945)</u>
	<u>621,096</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.	<u>(19,900)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>19,934</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Net Assets	<u>517,180</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>18,408</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ (237,995)</u></u>

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

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The Town of Gray was incorporated under the laws of the State of Maine. The Town operates under the council-manager form of government and provides the following services: general government services, public safety, public works, education, and recreation and culture.

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

***Government –Wide and Fund Financial Statements***

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

Both the government-wide and fund financial statements categorize primary activities as governmental.

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

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government – wide financial statements.

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

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

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

**Measurement Focus - Basic Financial Statements & Fund Financial Statements**

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

The following fund types are used by the Town:

1. Governmental Funds:

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

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Basis of Accounting**

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

1. Accrual

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

2. Modified Accrual

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

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Budget**

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

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

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

**Deposits and Investments**

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

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statues to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Town of Gray has a formal investment policy.



TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Inventories**

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The cost value is determined using the first-in, first-out (FIFO) method.

**Interfund Receivables and Payables**

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

**Transactions Between Funds**

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

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$100,000 as of June 30, 2011. The full amount of the allowance was for rescue fees.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

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

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

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

**Long-term Obligations**

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

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

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

**Compensated Absences**

The Town's policies regarding vacation and sick time permits employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2011 the Town's liability for compensated absences is \$141,314.

**Reserves**

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

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied August 6, 2010 on the assessed value listed as of April 1, 2010, for all real and personal property located in the Town. Taxes were due on in two installments on October 5, 2010 and April 5, 2011. Interest on unpaid taxes commenced on October 6, 2010 and April 6, 2011, at 7% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$111,925 for the year ended June 30, 2011.

The property tax collection rate was 97.4% for the year ended June 30, 2011 and 97.4% for the prior fiscal year.

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

**Program Revenues**

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

**Encumbrance Accounting**

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

**Use of Estimates**

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

and the reported amounts of revenues and expenses / expenditures during the reporting period. Actual results may differ from these estimates.

**Net Assets**

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

**Fund Equity**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

NOTE 2 - CASH AND INVESTMENTS

The Town's investment policies, which follow state statutes, authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Town funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk.

At June 30, 2011, the Town's deposits of \$6,661,623 were comprised of bank balances of \$6,699,157 which were all insured by federal depository insurance or by collateral held by the pledging financial institution's trust department or agent in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 971,858
Savings accounts	5,727,299
	<u>\$ 6,699,157</u>

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2011:

	Balance 7/1/10	Additions	Disposals	Balance 6/30/11
<b>Non-depreciated assets:</b>				
Land	\$ 124,803	\$ -	\$ -	\$ 124,803
Construction in progress	4,533,830	890,006	-	5,423,836
	<u>4,658,633</u>	<u>890,006</u>	<u>-</u>	<u>5,548,639</u>
<b>Depreciated assets:</b>				
Buildings & improvements	2,898,459	7,122	-	2,905,581
Furniture & equipment	1,664,591	73,495	-	1,738,086
Vehicles	6,289,839	-	-	6,289,839
Infrastructure	9,206,856	533,418	-	9,740,274
	<u>20,059,745</u>	<u>614,035</u>	<u>-</u>	<u>20,673,780</u>
<b>Less accumulated depreciation:</b>				
Buildings & improvements	(1,384,844)	(101,804)	-	(1,486,648)
Furniture & equipment	(1,439,227)	(44,995)	-	(1,484,222)
Vehicles	(3,847,414)	(346,703)	-	(4,194,117)
Infrastructure	(4,399,758)	(389,443)	-	(4,789,201)
	<u>(10,806,523)</u>	<u>(882,945)</u>	<u>-</u>	<u>(11,954,188)</u>
Net depreciated assets	<u>8,988,502</u>	<u>(268,910)</u>	<u>-</u>	<u>8,719,592</u>
Net capital assets	<u>\$ 13,647,135</u>	<u>\$ 621,096</u>	<u>\$ -</u>	<u>\$ 14,268,231</u>
<b>Current year depreciation</b>				
				\$ 33,049
				14,840
				7,827
				19,861
				144,862
				632,152
				20,621
				<u>9,733</u>
				<u>\$ 882,945</u>

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2011 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
GENERAL FUND		
Major Funds:		
General fund	\$ -	\$ 2,984,148
Non-major funds:		
Special revenue funds	1,213,296	-
Capital project funds	1,656,634	-
Permanent funds	<u>114,218</u>	<u>-</u>
	<u>\$ 2,984,148</u>	<u>\$ 2,984,148</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

	<u>Balance 7/1/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/11</u>	<u>Current Year Portion</u>
Bonds payable	\$ 5,600,000	\$ -	\$ (280,000)	\$ 5,320,000	\$ 280,000
Capital leases payable	939,275	19,900	(237,180)	721,995	232,827
Accrued compensated absences	159,722	-	(18,408)	141,314	-
Totals	<u>\$ 6,698,997</u>	<u>\$ 19,900</u>	<u>\$ (535,588)</u>	<u>\$ 6,183,309</u>	<u>\$ 512,827</u>

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds payable:

\$3,200,000, 2009 General Obligation Bond due in annual installments and semiannual interest installments through October 2029. Interest is charged at a varying rate of 2.50% to 4.25% per annum. Annual principal installments are \$160,000.	\$ 3,040,000
\$2,400,000, 2009 General Obligation Bond due in two annual installments and semiannual interest installments through October 2029. Interest is charged at a varying rate of 2.50% to 4.25% per annum. Annual principal installments are \$120,000.	<u>2,280,000</u>
Total Bonds Payable	<u><u>\$ 5,320,000</u></u>

Principal and interest requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$ 280,000	\$ 172,900	\$ 452,900
2013	280,000	165,900	445,900
2014	280,000	158,900	438,900
2015	280,000	151,900	431,900
2016	280,000	144,900	424,900
2017-2021	1,400,000	602,000	2,002,000
2022-2026	1,400,000	368,200	1,768,200
2027-2031	<u>1,120,000</u>	<u>93,800</u>	<u>1,213,800</u>
	<u><u>\$ 5,320,000</u></u>	<u><u>\$ 1,858,500</u></u>	<u><u>\$ 7,178,500</u></u>

All bonds and notes are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for special assessment debt. All bonds and notes are payable from taxes levied on all taxable property located within the Town. The General Fund is used to liquidate the liability for the bonds, and notes.



TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of capital leases payable for the year ended June 30, 2011:

The Town leases photocopiers with a cancelable clause due to non-appropriation. The term of the lease is for a three year period expiring in September of 2013. Annual payments are \$7,032.

The Town leases vehicles with a cancelable clause due to non-appropriation. The term of the lease is for a five year period expiring in 2014. Annual payments are \$249,836.

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

2012	\$ 256,868
2013	256,868
2014	256,868
2015	-
2016	-
Total minimum lease payment	<u>770,604</u>
Less amount representing interest	<u>(48,609)</u>
Present value of future minimum lease payments	<u><u>\$ 721,995</u></u>

NOTE 6 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded and were covered by Council approval according to charter:

	<u>Excess</u>
Stimson Hall	<u>\$ 691</u>
	<u><u>\$ 691</u></u>

The Town Council voted with a separate warrant article to cover this overage from administrative services warrant article.

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 7 – RESTRICTED NET ASSETS

The following net assets have been restricted at June 30, 2011 for the following purposes:

Restricted for special revenue funds:	\$ 1,837,062
Restricted for capital project funds	195,438
Restricted for permanent funds	<u>153,074</u>
Total	<u>\$ 2,185,574</u>

NOTE 8 – GENERAL FUND ASSIGNED FUND EQUITY

At June 30, 2011, the assigned fund balances was made up of the following account balances carried forward into the subsequent year's budget:

General Fund:	
Carry Forwards:	
GIS mapping	\$ 2,000
Public communications	7,118
Public safety services	16,576
Winter roads	5,530
Summer roads	3,654
Garage	3,059
Recycling	1,380
Buildings and grounds	105
Library	11,966
Street Reconstruction	31,298
Stimson Hall	4,125
Station #3	2,000
	<u>\$ 88,811</u>

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 9 – TAX INCREMENT FINANCING DISTRICT

The Town has established two tax increment financing districts in accordance with Maine statutes to finance development programs located in the Town of Gray. The expenditures from these development programs will be recovered in future years through an incremental tax levied upon the districts' so called "captured asset value". A portion of the incremental tax revenues will be returned to the district to repay principal and interest on any indebtedness to fund the expenditures of the development program and to finance future expansion.

Northbrook Tax Increment Financing District

The Town has entered into an inducement agreement and a credit enhancement agreement with Enercon and Advance Realty whereby the Town has issued revenue obligation bonds on behalf of Advance Realty amounting to \$2,800,000. These bonds are not general obligation bonds of the Town and do not constitute a debt or obligation of the Town of Gray, Maine. The bonds will be paid solely by the revenue of the project provided by the companies. In 2011, \$112,688 of tax was captured and \$76,599 was returned to the companies. Additionally, the Town of Gray, Maine entered into an agreement with the Gray Water District to extend the waterline to the Northbrook campus. The Town's share of this project was capped at 30% or a maximum of \$200,000. The debt will be serviced by captured asset value within the district.

South Gray Tax Increment Financing District

The Town has entered into a contract with the Gray Water District where the Town will reimburse the Gray Water District 100% of the debt service on debt issued by the District to finance the costs of construction (including design and engineering) of a 16" public water line and related facilities running up to 2.4 miles from Gray Village along Route 100 toward Whitney Road. The combined principal amount of the bonds or notes issued by the Town and by the Gray Water District for such purpose shall not exceed \$1,650,000.

NOTE 10 – LANDFILL CLOSURE FUNDS

The Town of Gray closed its solid waste landfill as per State requirements in June of 1992. The Town has reserved \$153,818 for any capital repairs or improvements during the post closure period. The Town considers any liability for post closure monitoring to be immaterial and therefore has not recorded a liability in the entity-wide statements.

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 11 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At June 30, 2011, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Percentage</u>	<u>Amount</u>
Gray Water District	\$ 1,192,712	100.00%	\$ 1,192,712
County of Cumberland	3,772,625	2.20%	82,998
MSAD #15	7,771,983	64.50%	5,012,929
			<u>\$ 6,288,639</u>

The Town participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2011 may be impaired. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 12 – RISK MANAGEMENT

The Town faces a full realm of risks typical of a thriving entity. Liabilities associated with torts and protections against damage of loss of assets are the general categories of risk for which the Town carries commercial insurance. Specific insurance related to these categories includes general, police and public officials' liability coverage, workers compensation, and automobile insurance. The Town is liable for deductibles ranging up to \$10,000 for settlements exceeding the limits of coverage, which range from \$400,000 to \$3,000,000. The amount of settlements has not exceeded insurance coverage for each of the past three years.

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 13 – CONTINGENCIES

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

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

NOTE 14 – DEFICIT FUND BALANCE

The Town had no deficit fund balances / net assets.

## Required Supplementary Information

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

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

## TOWN OF GRAY, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,850,984	\$ 3,850,984	\$ 3,850,984	\$ -
Resources (Inflows):				
Property	11,091,569	11,091,569	11,068,810	(22,759)
Excise	1,258,900	1,258,900	1,266,069	7,169
Intergovernmental	479,508	479,508	581,590	102,082
Charges for services	514,530	514,530	471,980	(42,550)
Interest income	70,000	70,000	75,815	5,815
Other revenue	94,500	94,500	163,898	69,398
Transfers from other funds	244,008	244,008	369,319	125,311
Amounts Available for Appropriation	<u>17,603,999</u>	<u>17,603,999</u>	<u>17,848,465</u>	<u>244,466</u>
Charges to Appropriations (Outflows):				
Current:				
Administration services	1,046,993	1,046,993	979,234	67,759
Council, boards & committees	56,300	56,300	43,964	12,336
Public safety	811,330	811,330	781,758	29,572
Library/parks & recreation	382,291	382,291	382,107	184
Public works	2,060,007	2,060,007	1,973,067	86,940
Municipal finances	901,075	901,075	888,811	12,264
County assessment	487,078	487,078	487,078	-
Education	7,565,815	7,565,815	7,565,815	-
Community services	35,407	35,407	34,408	999
Overlay	111,925	111,925	-	111,925
Capital outlay	763,765	763,765	725,436	38,329
Transfers to other funds	1,149,601	1,149,601	1,213,132	(63,531)
Total Charges to Appropriations	<u>15,371,587</u>	<u>15,371,587</u>	<u>15,074,810</u>	<u>296,777</u>
Budgetary Fund Balance, June 30	<u>\$ 2,232,412</u>	<u>\$ 2,232,412</u>	<u>\$ 2,773,655</u>	<u>\$ 541,243</u>
Utilization of undesignated fund balance	\$ 880,000	\$ 880,000	\$ -	\$ (880,000)
Utilization of designated fund balance	738,572	738,572	-	(738,572)
	<u>\$ 1,618,572</u>	<u>\$ 1,618,572</u>	<u>\$ -</u>	<u>\$ (1,618,572)</u>

See accompanying independent auditors report.

## Other Supplementary Information

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

- Budgetary Comparison Schedule – Budget and Actual – General Fund Revenues
- Schedule of Departmental Operations – General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Project Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets By Function
- Schedule of Changes in General Capital Assets By Function



TOWN OF GRAY, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - REVENUES  
 FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 11,091,569	\$ 11,091,569	\$ 11,068,810	\$ (22,759)
Auto excise	1,240,000	1,240,000	1,247,587	7,587
Boat excise	18,900	18,900	18,482	(418)
Intergovernmental revenues:				
State revenue sharing	333,000	333,000	347,181	14,181
Highway block grant	82,308	82,308	82,308	-
Tree growth	12,000	12,000	13,057	1,057
Veterans' exemption	3,400	3,400	2,685	(715)
General assistance	45,000	45,000	27,150	(17,850)
FEMA	-	-	32,520	32,520
Snowmobiles	3,800	3,800	3,370	(430)
CDBG Grant	-	-	21,428	21,428
Other grants	-	-	51,891	51,891
Charges for services:				
Clerk fees	36,475	36,475	37,449	974
Dog control	9,000	9,000	13,252	4,252
Electric fees	5,500	5,500	5,201	(299)
Plumbing fees	7,300	7,300	7,754	454
Zoning board applications	800	800	684	(116)
Planning board fees	600	600	1,260	660
Gravel pits	1,400	1,400	1,600	200
Land Use Fines	-	-	6,143	6,143
Other	130	130	72	(58)
Building fees	67,000	67,000	43,623	(23,377)
Driveway opening	150	150	50	(100)
Shoreland application fees	1,600	1,600	1,300	(300)
Rescue fees	270,000	270,000	190,164	(79,836)
Junkyard fees	75	75	50	(25)
Recycling	113,500	113,500	161,528	48,028
Tree removal	1,000	1,000	1,850	850
Interest income:				
Interest income	30,000	30,000	13,871	(16,129)
Tax interest	40,000	40,000	61,944	21,944
Miscellaneous revenues:				
Cable franchise fees	85,000	85,000	96,573	11,573
Leisure services	2,500	2,500	2,574	74
Stimson Hall Rental	6,000	6,000	6,500	500
Proceeds from sale of assets	-	-	45,469	45,469
Misc. other	1,000	1,000	12,782	11,782
Transfers from other funds	244,008	244,008	369,319	125,311
Amounts Available for Appropriation	<u>\$ 13,753,015</u>	<u>13,753,015</u>	<u>\$ 13,997,481</u>	<u>\$ 244,466</u>

See accompanying independent auditors' report.

## TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2011

	Balance 7/1/2010	Appropriations	Total Available	Expenditures	Transfers	Lapsed	Carried
<b>ADMINISTRATION SERVICES:</b>							
Administration	\$ 1,410	\$ 494,187	\$ 495,597	\$ 495,060	\$ -	\$ 537	\$ -
Community development	1,663	107,979	109,642	100,035	-	9,607	-
Assessing	4,000	95,823	99,823	99,187	-	636	-
Code enforcement	-	145,366	145,366	140,500	-	4,866	-
GIS mapping	8,556	7,950	16,506	7,530	-	6,976	2,000
General assistance	-	89,003	89,003	56,632	-	32,371	-
Elections	-	11,640	11,640	9,283	-	2,357	-
Public communications	4,817	74,329	79,146	70,046	-	1,982	7,118
Stimson Hall	-	270	270	961	-	(691)	-
<b>Totals</b>	<b>20,446</b>	<b>1,026,547</b>	<b>1,046,993</b>	<b>979,234</b>	<b>-</b>	<b>58,641</b>	<b>9,118</b>
<b>COUNCIL, BOARDS &amp; COMMITTEES</b>							
Council, Boards, Committees	-	24,850	24,850	22,955	-	1,895	-
Zoning Board of Appeals	-	2,500	2,500	689	-	1,811	-
Planning Board	-	19,450	19,450	11,962	-	7,488	-
Economic development	-	9,500	9,500	8,358	-	1,142	-
<b>Totals</b>	<b>-</b>	<b>56,300</b>	<b>56,300</b>	<b>43,964</b>	<b>-</b>	<b>12,336</b>	<b>-</b>
<b>PUBLIC SAFETY:</b>							
Public safety services	-	642,341	642,341	619,619	-	6,146	16,576
Utilities	-	168,989	168,989	162,139	-	6,850	-
<b>Totals</b>	<b>-</b>	<b>811,330</b>	<b>811,330</b>	<b>781,758</b>	<b>-</b>	<b>12,996</b>	<b>16,576</b>

## TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2011

	Balance 7/1/2010	Appropriations	Total Available	Expenditures	Transfers	Lapsed	Carried
<b>LIBRARY/ PARKS &amp; RECREATION</b>							
Library	1,095	264,519	265,614	264,534	-	1,080	-
Parks and recreation administration	-	116,677	116,677	117,573	-	(896)	-
Totals	<u>1,095</u>	<u>381,196</u>	<u>382,291</u>	<u>382,107</u>	<u>-</u>	<u>184</u>	<u>-</u>
<b>PUBLIC WORKS</b>							
Winter roads	-	377,875	377,875	345,663	-	26,682	5,530
Summer roads	-	261,029	261,029	243,170	-	14,205	3,654
Additional roadwork	-	86,452	86,452	86,445	-	7	-
Garage	-	286,641	286,641	301,071	-	(17,489)	3,059
Recycling	-	877,361	877,361	828,908	-	47,073	1,380
Buildings and grounds	-	170,649	170,649	167,810	-	2,734	105
Totals	<u>-</u>	<u>2,060,007</u>	<u>2,060,007</u>	<u>1,973,067</u>	<u>-</u>	<u>73,212</u>	<u>13,728</u>
<b>MUNICIPAL FINANCES:</b>							
General insurance	-	191,338	191,338	179,074	-	12,264	-
Debt service	-	709,737	709,737	709,737	-	-	-
Totals	<u>-</u>	<u>901,075</u>	<u>901,075</u>	<u>888,811</u>	<u>-</u>	<u>12,264</u>	<u>-</u>
<b>COUNTY ASSESSMENT</b>							
	<u>-</u>	<u>487,078</u>	<u>487,078</u>	<u>487,078</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EDUCATION</b>							
	<u>-</u>	<u>7,565,815</u>	<u>7,565,815</u>	<u>7,565,815</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2011

	Balance 7/1/2010	Appropriations	Total Available	Expenditures	Transfers	Lapsed	Carried
<b>CAPITAL OUTLAY</b>							
Recreation/Newbegin	-	-	-	4,940	-	(4,940)	-
CDBG Matches	74,283	10,001	84,284	51,623	-	32,661	-
Other grants	-	-	-	51,094	-	(51,094)	-
Library	12,328	-	12,328	362	-	-	11,966
Street Reconstruction	-	550,000	550,000	518,702	-	-	31,298
Technology	-	13,000	13,000	13,000	-	-	-
Stimson Hall	4,125	-	4,125	-	-	-	4,125
Dry Hydrants	-	2,000	2,000	2,968	-	(968)	-
Town office	1,000	-	1,000	-	1,000	-	-
Village fire station	-	7,000	7,000	5,920	1,080	-	-
Public safety equipment	-	43,500	43,500	42,611	889	-	-
Voting Machines	-	2,400	2,400	2,254	146	-	-
Transfer station	-	17,800	17,800	16,070	1,730	-	-
Bridges	22,328	-	22,328	15,892	6,436	-	-
Dry Mills School house/museum	2,000	-	2,000	-	2,000	-	-
Station #3	2,000	-	2,000	-	-	-	2,000
<b>Totals</b>	<b>118,064</b>	<b>645,701</b>	<b>763,765</b>	<b>725,436</b>	<b>13,281</b>	<b>(24,341)</b>	<b>49,389</b>
<b>COMMUNITY SERVICES</b>							
	-	35,407	35,407	34,408	-	999	-
<b>OVERLAY</b>							
	-	111,925	111,925	-	-	111,925	-

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2011

	Balance 7/1/2010	Appropriations	Total Available	Expenditures	Transfers	Lapsed	Carried
TRANSFER TO OTHER FUNDS (CONTINUED):							
Northbrook TIF	-	112,688	112,688	-	162,688	(50,000)	-
South Gray TIF	-	196,924	196,924	-	196,924	-	-
Capital Transfers	-	241,022	241,022	-	241,022	-	-
Dry Mill School	5,223	-	5,223	-	5,223	-	-
Penn Cable	73,901	-	73,901	-	73,901	-	-
Rescue/Kilby Fund	34,727	-	34,727	-	34,727	-	-
Cardiac Fund	6,668	-	6,668	-	6,668	-	-
Disaster Relief Fund	34,699	-	34,699	-	34,699	-	-
Grant Match	11,009	-	11,009	-	11,009	-	-
Library Fund - Barbara Bush	50	-	50	-	50	-	-
Subdivision Recreation Fund	129,916	-	129,916	-	129,916	-	-
Library Reserve	6,960	-	6,960	-	6,960	-	-
Library/Davis/Kim	1,217	-	1,217	-	1,217	-	-
Pennell Town Clock	17,785	-	17,785	-	17,785	-	-
Stimson Hall	22,250	-	22,250	-	22,250	-	-
Library Appeal	1,959	-	1,959	-	1,959	-	-
Gray Fire & Rescue Mem.Fund	21,870	-	21,870	-	21,870	-	-
Revaluation	68,250	-	68,250	-	68,250	-	-
GEO plan	1,919	-	1,919	-	1,919	-	-
Tomco	20,500	-	20,500	-	20,500	-	-
Library fund	21,747	-	21,747	-	21,747	-	-
Planning board escrow	51,200	-	51,200	-	51,200	-	-
S/Dugas pit reclamation	8,507	-	8,507	-	8,507	-	-
Maxwell gravel pit reclamation	12,257	-	12,257	-	12,257	-	-
Food closet	2,410	-	2,410	-	2,410	-	-
Henry Pennell Municipal Complex	29,856	-	29,856	-	29,856	-	-
Pennell Alumni Donation	7,717	-	7,717	-	7,717	-	-
Libby Recreation Scholarship	647	-	647	-	897	(250)	-
Gray Matters	334	-	334	-	334	-	-
Signs	705	-	705	-	705	-	-
Shannon Ronan Memorial Fund	2,533	-	2,533	-	2,533	-	-
Mazur Parks/Rec Memorial Fund	2,151	-	2,151	-	2,151	-	-
	<u>598,967</u>	<u>550,634</u>	<u>1,149,601</u>	<u>-</u>	<u>1,199,851</u>	<u>(50,250)</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 738,572</u>	<u>\$ 14,633,015</u>	<u>\$ 15,371,587</u>	<u>\$ 13,861,678</u>	<u>\$ 1,213,132</u>	<u>\$ 207,966</u>	<u>\$ 88,811</u>

See accompanying independent auditors' report.

## TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011

	Special Revenue Funds	Capital Projects	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash	\$ 949,593	\$ -	\$ 38,856	\$ 988,449
Investments	-	-	-	-
Due from other funds	1,213,296	1,656,634	114,218	2,984,148
Prepaid expenses	705	1,217	-	1,922
Accounts receivable	16	-	-	16
Total assets	<u>\$ 2,163,610</u>	<u>\$ 1,657,851</u>	<u>\$ 153,074</u>	<u>\$ 3,974,535</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 835	\$ 1,056	\$ -	\$ 1,891
Accrued payroll	-	-	-	-
Deferred revenue	48,574	-	-	48,574
Due to other funds	-	-	-	-
Total liabilities	<u>49,409</u>	<u>1,056</u>	<u>-</u>	<u>50,465</u>
<b>FUND EQUITY</b>				
Fund balances:				
Nonspendable	705	1,217	-	1,922
Restricted	1,837,062	195,438	153,074	2,185,574
Committed	164,750	1,460,140	-	1,624,890
Assigned	111,684	-	-	111,684
Unassigned	-	-	-	-
Total fund equity	<u>2,114,201</u>	<u>1,656,795</u>	<u>153,074</u>	<u>3,924,070</u>
Total liabilities and fund equity	<u>\$ 2,163,610</u>	<u>\$ 1,657,851</u>	<u>\$ 153,074</u>	<u>\$ 3,974,535</u>

See accompanying independent auditors' report.

## TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds	Capital Projects	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Investment income	\$ 14,389	\$ 7,114	\$ 1,359	\$ 22,862
Other	297,789	-	-	297,789
TOTAL REVENUES	<u>312,178</u>	<u>7,114</u>	<u>1,359</u>	<u>320,651</u>
EXPENDITURES	<u>588,750</u>	<u>890,006</u>	<u>3,092</u>	<u>1,481,848</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(276,572)</u>	<u>(882,892)</u>	<u>(1,733)</u>	<u>(1,161,197)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	960,010	254,303	-	1,214,313
Operating Transfers (Out)	(370,500)	-	-	(370,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>589,510</u>	<u>254,303</u>	<u>-</u>	<u>843,813</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	312,938	(628,589)	(1,733)	(317,384)
FUND BALANCE - JULY 1	<u>1,801,263</u>	<u>2,285,384</u>	<u>154,807</u>	<u>4,241,454</u>
FUND BALANCE - JUNE 30	<u><u>\$ 2,114,201</u></u>	<u><u>\$ 1,656,795</u></u>	<u><u>\$ 153,074</u></u>	<u><u>\$ 3,924,070</u></u>

See accompanying independent auditors' report.

## Special Revenue Funds

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



## TOWN OF GRAY, MAINE

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2011

	Northbrook TIF	South Gray TIF	Recreation Fund	Crisis Fund	Dry Mill School	Rescue Kilby Fund
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ 949,593	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	57,848	589,010	93,027	-	5,565	11,362
Prepaid Expenses	-	-	705	-	-	-
Accounts Receivable	-	-	16	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 57,848</b>	<b>\$ 589,010</b>	<b>\$ 93,748</b>	<b>\$ 949,593</b>	<b>\$ 5,565</b>	<b>\$ 11,362</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 356	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Deferred revenue	-	-	48,574	-	-	-
Due to other funds	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>48,930</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND EQUITY</b>						
Fund Balance:						
Nonspendable	-	-	705	-	-	-
Restricted	57,848	589,010	-	949,593	-	11,362
Committed	-	-	-	-	5,565	-
Assigned	-	-	44,113	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<b>57,848</b>	<b>589,010</b>	<b>44,818</b>	<b>949,593</b>	<b>5,565</b>	<b>11,362</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 57,848</b>	<b>\$ 589,010</b>	<b>\$ 93,748</b>	<b>\$ 949,593</b>	<b>\$ 5,565</b>	<b>\$ 11,362</b>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2011

	Cardiac Fund	Disaster Relief Fund	CDBG	Library Fund Barbara Bush	Subdivision Recreation Fund	Library Reserve
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	6,688	34,699	-	-	58,219	5,602
Prepaid Expenses	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 6,688</u>	<u>\$ 34,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,219</u>	<u>\$ 5,602</u>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND EQUITY</b>						
Fund Balance:						
Nonspendable	-	-	-	-	-	-
Restricted	-	34,699	-	-	-	-
Committed	-	-	-	-	-	5,602
Assigned	6,688	-	-	-	58,219	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<u>6,688</u>	<u>34,699</u>	<u>-</u>	<u>-</u>	<u>58,219</u>	<u>5,602</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 6,688</u>	<u>\$ 34,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,219</u>	<u>\$ 5,602</u>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2011

	Library Davis Kids in Maine	Pennell Town Clock	Stimson Hall	Library Appeal	Gray Fire & Rescue Mem. Fund	Revaluation
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	-	13,358	22,250	1,959	21,970	68,250
Prepaid Expenses	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 13,358</b>	<b>\$ 22,250</b>	<b>\$ 1,959</b>	<b>\$ 21,970</b>	<b>\$ 68,250</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND EQUITY</b>						
Fund Balance:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	13,358	22,250	-	21,970	68,250
Assigned	-	-	-	1,959	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<b>-</b>	<b>13,358</b>	<b>22,250</b>	<b>1,959</b>	<b>21,970</b>	<b>68,250</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ -</b>	<b>\$ 13,358</b>	<b>\$ 22,250</b>	<b>\$ 1,959</b>	<b>\$ 21,970</b>	<b>\$ 68,250</b>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2011

	GEO Plan	Tomco	Library Fund	Planning Board Escrow	S/Dugas Pit Reclamation	Maxwell Gravel Pit Reclamation
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	2,846	20,375	23,262	56,517	8,507	12,257
Prepaid Expenses	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,846</u>	<u>\$ 20,375</u>	<u>\$ 23,262</u>	<u>\$ 56,517</u>	<u>\$ 8,507</u>	<u>\$ 12,257</u>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 479	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND EQUITY</b>						
Fund Balance:						
Nonspendable	-	-	-	-	-	-
Restricted	-	20,375	-	56,517	8,507	12,257
Committed	2,367	-	23,262	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<u>2,367</u>	<u>20,375</u>	<u>23,262</u>	<u>56,517</u>	<u>8,507</u>	<u>12,257</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 2,846</u>	<u>\$ 20,375</u>	<u>\$ 23,262</u>	<u>\$ 56,517</u>	<u>\$ 8,507</u>	<u>\$ 12,257</u>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2011

	Food Closet	Guardrail Repair	Henry Pennell Municipal Complex	Pennell Alumni Donation	Libby Recreation Scholarship	Gray Matters
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	-	2,126	16,852	-	1,924	2,889
Prepaid Expenses	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,126</u></b>	<b><u>\$ 16,852</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,924</u></b>	<b><u>\$ 2,889</u></b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND EQUITY</b>						
<b>Fund Balance:</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	16,852	-	1,924	2,889
Committed	-	2,126	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<b><u>-</u></b>	<b><u>2,126</u></b>	<b><u>16,852</u></b>	<b><u>-</u></b>	<b><u>1,924</u></b>	<b><u>2,889</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ -</u></b>	<b><u>\$ 2,126</u></b>	<b><u>\$ 16,852</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,924</u></b>	<b><u>\$ 2,889</u></b>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2011

	<u>Signs</u>	<u>Shannon Ronan Mem Fund</u>	<u>Mazur Parks/Rec Mem Fund</u>	<u>Penn Cable</u>	<u>Grants</u>	<u>Parks &amp; Recreation Fundraising</u>	<u>Total</u>
<b>ASSETS</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 949,593
Investments	-	-	-	-	-	-	-
Due from other funds	705	1,736	2,151	70,503	708	131	1,213,296
Prepaid Expenses	-	-	-	-	-	-	705
Accounts Receivable	-	-	-	-	-	-	16
<b>TOTAL ASSETS</b>	<u>\$ 705</u>	<u>\$ 1,736</u>	<u>\$ 2,151</u>	<u>\$ 70,503</u>	<u>\$ 708</u>	<u>\$ 131</u>	<u>\$ 2,163,610</u>
<b>LIABILITIES AND FUND EQUITY</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 835
Accrued payroll	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	48,574
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,409</u>
<b>FUND EQUITY</b>							
Fund Balance:							
Nonspendable	-	-	-	-	-	-	705
Restricted	-	1,736	2,151	70,503	708	131	1,837,062
Committed	-	-	-	-	-	-	164,750
Assigned	705	-	-	-	-	-	111,684
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<u>705</u>	<u>1,736</u>	<u>2,151</u>	<u>70,503</u>	<u>708</u>	<u>131</u>	<u>2,114,201</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 705</u>	<u>\$ 1,736</u>	<u>\$ 2,151</u>	<u>\$ 70,503</u>	<u>\$ 708</u>	<u>\$ 131</u>	<u>\$ 2,163,610</u>

See accompanying independent auditors' report.

TOWN OF GRAY, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Northbrook TIF	South Gray TIF	Recreation Fund	Crisis Fund	Dry Mill School	Rescue Kilby Fund
REVENUES						
Investment income	\$ -	\$ 3,010	\$ -	\$ 11,379	\$ -	\$ -
Other income	-	-	170,863	-	401	4,419
TOTAL REVENUE	<u>-</u>	<u>3,010</u>	<u>170,863</u>	<u>11,379</u>	<u>401</u>	<u>4,419</u>
EXPENDITURES	<u>86,496</u>	<u>123,824</u>	<u>144,227</u>	<u>-</u>	<u>59</u>	<u>27,784</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(86,496)</u>	<u>(120,814)</u>	<u>26,636</u>	<u>11,379</u>	<u>342</u>	<u>(23,365)</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	162,688	196,924	-	-	5,223	34,727
Operating Transfers (Out)	-	(125,311)	-	(225,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>162,688</u>	<u>71,613</u>	<u>-</u>	<u>(225,000)</u>	<u>5,223</u>	<u>34,727</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (USES)	76,192	(49,201)	26,636	(213,621)	5,565	11,362
FUND BALANCE - JULY 1	<u>(18,344)</u>	<u>638,211</u>	<u>18,182</u>	<u>1,163,214</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JUNE 30	<u>\$ 57,848</u>	<u>\$ 589,010</u>	<u>\$ 44,818</u>	<u>\$ 949,593</u>	<u>\$ 5,565</u>	<u>\$ 11,362</u>

TOWN OF GRAY, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Cardiac Fund	Disaster Relief Fund	CDBG	Library Fund Barbara Bush	Subdivision Recreation Fund	Library Reserve
REVENUES						
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	20	-	-	-	3,200	1,646
TOTAL REVENUE	20	-	-	-	3,200	1,646
EXPENDITURES	-	-	-	50	66,897	3,004
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	20	-	-	(50)	(63,697)	(1,358)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	6,668	34,699	11,009	50	129,916	6,960
Operating Transfers (Out)	-	-	(11,009)	-	(8,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	6,668	34,699	-	50	121,916	6,960
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (USES)	6,688	34,699	-	-	58,219	5,602
FUND BALANCE - JULY 1	-	-	-	-	-	-
FUND BALANCE - JUNE 30	\$ 6,688	\$ 34,699	\$ -	\$ -	\$ 58,219	\$ 5,602



TOWN OF GRAY, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Library Davis Kids in Maine	Pennell Town Clock	Stimson Hall	Library Appeal	Gray Fire & Rescue Mem. Fund	Revaluation
REVENUES						
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	100	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>
EXPENDITURES	<u>1,217</u>	<u>4,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,217)</u>	<u>(4,427)</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	1,217	17,785	22,250	1,959	21,870	68,250
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,217</u>	<u>17,785</u>	<u>22,250</u>	<u>1,959</u>	<u>21,870</u>	<u>68,250</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (USES)	-	13,358	22,250	1,959	21,970	68,250
FUND BALANCE - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ 13,358</u>	<u>\$ 22,250</u>	<u>\$ 1,959</u>	<u>\$ 21,970</u>	<u>\$ 68,250</u>

TOWN OF GRAY, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>GEO Plan</u>	<u>Tomco</u>	<u>Library Fund</u>	<u>Planning Board Escrow</u>	<u>S/Dugas Pit Reclamation</u>	<u>Maxwell Gravel Pit Reclamation</u>
REVENUES						
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	6,582	-	8,871	66,100	-	-
TOTAL REVENUE	<u>6,582</u>	<u>-</u>	<u>8,871</u>	<u>66,100</u>	<u>-</u>	<u>-</u>
EXPENDITURES	<u>6,134</u>	<u>125</u>	<u>7,356</u>	<u>60,783</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>448</u>	<u>(125)</u>	<u>1,515</u>	<u>5,317</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	1,919	20,500	21,747	51,200	8,507	12,257
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,919</u>	<u>20,500</u>	<u>21,747</u>	<u>51,200</u>	<u>8,507</u>	<u>12,257</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (USES)	<u>2,367</u>	<u>20,375</u>	<u>23,262</u>	<u>56,517</u>	<u>8,507</u>	<u>12,257</u>
FUND BALANCE - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JUNE 30	<u>\$ 2,367</u>	<u>\$ 20,375</u>	<u>\$ 23,262</u>	<u>\$ 56,517</u>	<u>\$ 8,507</u>	<u>\$ 12,257</u>

## TOWN OF GRAY, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Food Closet	Guardrail Repair	Henry Pennell Municipal Complex	Pennell Alumni Donation	Libby Recreation Scholarship	Gray Matters
REVENUES						
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	2,207	7,940	-	1,399	1,375
TOTAL REVENUE	<u>-</u>	<u>2,207</u>	<u>7,940</u>	<u>-</u>	<u>1,399</u>	<u>1,375</u>
EXPENDITURES	<u>1,230</u>	<u>81</u>	<u>20,944</u>	<u>7,718</u>	<u>372</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,230)</u>	<u>2,126</u>	<u>(13,004)</u>	<u>(7,718)</u>	<u>1,027</u>	<u>1,375</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	2,410	-	29,856	7,718	897	1,514
Operating Transfers (Out)	<u>(1,180)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,230</u>	<u>-</u>	<u>29,856</u>	<u>7,718</u>	<u>897</u>	<u>1,514</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (USES)	-	2,126	16,852	-	1,924	2,889
FUND BALANCE - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ 2,126</u>	<u>\$ 16,852</u>	<u>\$ -</u>	<u>\$ 1,924</u>	<u>\$ 2,889</u>

TOWN OF GRAY, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Signs</u>	<u>Shannon Ronan Mem Fund</u>	<u>Mazur Parks/Rec Mem Fund</u>	<u>Penn Cable</u>	<u>Grants</u>	<u>Parks &amp; Recreation Fundraising</u>	<u>Total</u>
REVENUES							
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,389
Other income	-	14,124	-	-	8,411	131	297,789
TOTAL REVENUE	<u>-</u>	<u>14,124</u>	<u>-</u>	<u>-</u>	<u>8,411</u>	<u>131</u>	<u>312,178</u>
EXPENDITURES	<u>-</u>	<u>14,921</u>	<u>-</u>	<u>3,398</u>	<u>7,703</u>	<u>-</u>	<u>588,750</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(797)</u>	<u>-</u>	<u>(3,398)</u>	<u>708</u>	<u>131</u>	<u>(276,572)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	705	2,533	2,151	73,901	-	-	960,010
Operating Transfers (Out)	-	-	-	-	-	-	(370,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>705</u>	<u>2,533</u>	<u>2,151</u>	<u>73,901</u>	<u>-</u>	<u>-</u>	<u>589,510</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (USES)	<u>705</u>	<u>1,736</u>	<u>2,151</u>	<u>70,503</u>	<u>708</u>	<u>131</u>	<u>312,938</u>
FUND BALANCE - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,801,263</u>
FUND BALANCE - JUNE 30	<u>\$ 705</u>	<u>\$ 1,736</u>	<u>\$ 2,151</u>	<u>\$ 70,503</u>	<u>\$ 708</u>	<u>\$ 131</u>	<u>\$ 2,114,201</u>

See accompanying independent auditors' report.

## SCHEDULE G

## TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF ACTIVITY – RECREATION FUND  
FOR THE YEAR ENDED JUNE 30, 2011

	Balance, 7/1/2010	Revenue	Expenditures	Balance, 6/30/2011
Full-Time Personnel	\$ -	\$ -	\$ 29,099	\$ (29,099)
FICA/Medicare	-	-	2,555	(2,555)
Track and Field	-	3,220	1,900	1,320
Day camp	-	55,950	28,131	27,819
Equipment	-	-	4,643	(4,643)
Ski program	-	3,170	2,408	762
Camps/clinics	-	5,781	4,139	1,642
Youth soccer	-	12,140	7,670	4,470
Youth basketball	-	4,341	1,884	2,457
Day camp/supplies/trips	-	6,464	6,961	(497)
Adult basketball	-	17,646	12,365	5,281
Newbegin rental	-	4,706	3,111	1,595
Gymnastics	-	1,560	1,092	468
Vacation day camp	-	997	541	456
Flag football	-	3,600	1,027	2,573
Junior soccer	-	3,473	1,586	1,887
Junior basketball	-	3,412	1,984	1,428
Softball tournament	-	-	130	(130)
Reach	-	29,587	17,099	12,488
Special events	-	1,257	4,113	(2,856)
Swim lessons	-	1,365	1,628	(263)
Brochures/flyers	-	-	1,712	(1,712)
Kettlebell	-	3,245	2,736	509
HoolaHoop	-	126	110	16
Day camp snack shack	-	517	477	40
ARC Babysitting	-	1,086	996	90
Photography	-	210	100	110
Donna's Greenhouse	-	168	141	27
Happy Hands	-	226	-	226
Intramurals	-	1,055	844	211
Zumba	-	1,706	1,346	360
Indoor Yard Sale	-	515	-	515
Cribbage	-	2	-	2
Scrapbook	-	175	-	175
Lacrosse	-	265	-	265
Mad Science	-	120	-	120
Soccer Skills	-	895	644	251
Boot Camp	-	1,629	920	709
Net Gains Basketball	-	89	-	89
Food Fitness	-	150	120	30
50 Forward Game Nights	-	-	9	(9)
50 Forward Speakers	-	16	6	10
Subtotal - Recreation Department Activity	-	170,864	144,227	26,637
Beginning Fund Balance	18,182	-	-	18,182
Total Recreation Department Activity	<u>\$ 18,182</u>	<u>\$ 170,864</u>	<u>\$ 144,227</u>	<u>\$ 44,819</u>

See accompanying independent auditors' report.

## Capital Projects Fund

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds. The projects also include significant purchases of vehicles and equipment, as well as the servicing of leases and bonds associated with those purchases. Projects are generally segregated by the related Town department managing the project.

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS  
 JUNE 30, 2011

	Public Works & Transfer Station Project	Town Office Project	Bridge Repair and Replacement	Fire and Public Safety	PW and Town Vehicles and Equipment	Sidewalks
<b>ASSETS</b>						
Due from other funds	\$ 3,793	\$ 32,773	\$ 250,594	\$ 795,635	\$ 227,675	\$ 25,798
Prepaid expenses	-	-	1,217	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 3,793</u>	<u>\$ 32,773</u>	<u>\$ 251,811</u>	<u>\$ 795,635</u>	<u>\$ 227,675</u>	<u>\$ 25,798</u>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	1,056	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>1,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND EQUITY</b>						
Fund Balance						
Nonspendable	-	-	1,217	-	-	-
Restricted	2,737	32,773	-	-	-	-
Committed	-	-	250,594	795,635	227,675	25,798
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<u>2,737</u>	<u>32,773</u>	<u>251,811</u>	<u>795,635</u>	<u>227,675</u>	<u>25,798</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 3,793</u>	<u>\$ 32,773</u>	<u>\$ 251,811</u>	<u>\$ 795,635</u>	<u>\$ 227,675</u>	<u>\$ 25,798</u>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS  
 JUNE 30, 2011

	<u>Miscellaneous</u>	<u>Landfill Closure</u>	<u>Water Quality</u>	<u>Public Buildings</u>	<u>Technology</u>	<u>Totals</u>
<b>ASSETS</b>						
Due from other funds	\$ 60,642	\$ 153,818	\$ 6,110	\$ 21,435	\$ 78,361	\$ 1,656,634
Prepaid expenses	-	-	-	-	-	1,217
<b>TOTAL ASSETS</b>	<u>\$ 60,642</u>	<u>\$ 153,818</u>	<u>\$ 6,110</u>	<u>\$ 21,435</u>	<u>\$ 78,361</u>	<u>\$ 1,657,851</u>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>LIABILITIES</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	1,056
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,056</u>
<b>FUND EQUITY</b>						
Fund Balance						
Nonspendable	-	-	-	-	-	1,217
Restricted	-	153,818	6,110	-	-	195,438
Committed	60,642	-	-	21,435	78,361	1,460,140
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<u>60,642</u>	<u>153,818</u>	<u>6,110</u>	<u>21,435</u>	<u>78,361</u>	<u>1,656,795</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 60,642</u>	<u>\$ 153,818</u>	<u>\$ 6,110</u>	<u>\$ 21,435</u>	<u>\$ 78,361</u>	<u>\$ 1,657,851</u>

See accompanying independent auditors' report.



## TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Public Works &amp; Transfer Station Project</u>	<u>Town Office Project</u>	<u>Bridge Repair and Replacement</u>	<u>Fire and Public Safety</u>	<u>PW and Town Vehicles and Equipment</u>	<u>Sidewalks</u>
REVENUES						
Investment income	\$ 197	\$ 676	\$ 1,156	\$ 2,966	\$ 848	\$ 96
Other income	-	-	-	-	-	-
TOTAL REVENUE	<u>197</u>	<u>676</u>	<u>1,156</u>	<u>2,966</u>	<u>848</u>	<u>96</u>
EXPENDITURES	<u>65,365</u>	<u>824,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES						
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(65,168)</u>	<u>(823,965)</u>	<u>1,156</u>	<u>2,966</u>	<u>848</u>	<u>96</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	-	246,436	889	-	-
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>246,436</u>	<u>889</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(65,168)</u>	<u>(823,965)</u>	<u>247,592</u>	<u>3,855</u>	<u>848</u>	<u>96</u>
FUND BALANCE - JULY 1	<u>67,905</u>	<u>856,738</u>	<u>4,219</u>	<u>791,780</u>	<u>226,827</u>	<u>25,702</u>
FUND BALANCE - JUNE 30	<u>\$ 2,737</u>	<u>\$ 32,773</u>	<u>\$ 251,811</u>	<u>\$ 795,635</u>	<u>\$ 227,675</u>	<u>\$ 25,798</u>

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Miscellaneous	Landfill Closure	Water Quality	Public Buildings	Technology	Totals
REVENUES						
Investment income	\$ 226	\$ 574	\$ 22	\$ 60	\$ 293	\$ 7,114
Other income	-	-	-	-	-	-
TOTAL REVENUE	<u>226</u>	<u>574</u>	<u>22</u>	<u>60</u>	<u>293</u>	<u>7,114</u>
EXPENDITURES	-	-	-	-	-	890,006
TOTAL EXPENDITURES						
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>226</u>	<u>574</u>	<u>22</u>	<u>60</u>	<u>293</u>	<u>(882,892)</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	146	-	-	6,832	-	254,303
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>146</u>	<u>-</u>	<u>-</u>	<u>6,832</u>	<u>-</u>	<u>254,303</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	372	574	22	6,892	293	(628,589)
FUND BALANCE - JULY 1	<u>60,270</u>	<u>153,244</u>	<u>6,088</u>	<u>14,543</u>	<u>78,068</u>	<u>2,285,384</u>
FUND BALANCE - JUNE 30	<u>\$ 60,642</u>	<u>\$ 153,818</u>	<u>\$ 6,110</u>	<u>\$ 21,435</u>	<u>\$ 78,361</u>	<u>\$ 1,656,795</u>

See accompanying independent auditors' report.

## Permanent Funds

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

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2011

	Cemetery	George Doughty	Helen Frank Cemetery	Monument & Christian Temple	Pennell
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Due from other funds	23,042	10,107	33,939	3,026	34,198
<b>TOTAL ASSETS</b>	<u>\$ 23,042</u>	<u>\$ 10,107</u>	<u>\$ 33,939</u>	<u>\$ 3,026</u>	<u>\$ 34,198</u>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Due to others funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND EQUITY</b>					
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	23,042	10,107	33,939	3,026	34,198
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<u>23,042</u>	<u>10,107</u>	<u>33,939</u>	<u>3,026</u>	<u>34,198</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 23,042</u>	<u>\$ 10,107</u>	<u>\$ 33,939</u>	<u>\$ 3,026</u>	<u>\$ 34,198</u>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2011

	<u>C Barker School</u>	<u>Grange Scholarship</u>	<u>Common School</u>	<u>Stimson Cemetery</u>	<u>Total</u>
<b>ASSETS</b>					
Cash	\$ 23,735	\$ 15,121	\$ -	\$ -	\$ 38,856
Investments	-	-	-	-	-
Due from other funds	-	-	2,831	7,075	114,218
<b>TOTAL ASSETS</b>	<u>\$ 23,735</u>	<u>\$ 15,121</u>	<u>\$ 2,831</u>	<u>\$ 7,075</u>	<u>\$ 153,074</u>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Due to others funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND EQUITY</b>					
Nonspendable	-	-	-	-	-
Restricted	23,735	15,121	2,831	7,075	153,074
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<u>23,735</u>	<u>15,121</u>	<u>2,831</u>	<u>7,075</u>	<u>153,074</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 23,735</u>	<u>\$ 15,121</u>	<u>\$ 2,831</u>	<u>\$ 7,075</u>	<u>\$ 153,074</u>

See accompanying independent auditors' report.

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Cemetery</u>	<u>George Doughty</u>	<u>Helen Frank Cemetery</u>	<u>Monument &amp; Christian Temple</u>	<u>Pennell</u>
REVENUES					
Investment income	\$ 244	\$ 107	\$ 359	\$ 31	\$ 355
Other income	-	-	-	-	-
TOTAL REVENUE	<u>244</u>	<u>107</u>	<u>359</u>	<u>31</u>	<u>355</u>
EXPENDITURES	<u>417</u>	<u>183</u>	<u>614</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(173)</u>	<u>(76)</u>	<u>(255)</u>	<u>31</u>	<u>355</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (USES)	<u>(173)</u>	<u>(76)</u>	<u>(255)</u>	<u>31</u>	<u>355</u>
FUND BALANCE - JULY 1	<u>23,215</u>	<u>10,183</u>	<u>34,194</u>	<u>2,995</u>	<u>33,843</u>
FUND BALANCE - JUNE 30	<u>\$ 23,042</u>	<u>\$ 10,107</u>	<u>\$ 33,939</u>	<u>\$ 3,026</u>	<u>\$ 34,198</u>

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>C Barker School</u>	<u>Grange Scholarship</u>	<u>Common School</u>	<u>Stimson Cemetery</u>	<u>Total</u>
REVENUES					
Investment income	\$ 94	\$ 64	\$ 30	\$ 75	\$ 1,359
Other income	-	-	-	-	-
TOTAL REVENUE	<u>94</u>	<u>64</u>	<u>30</u>	<u>75</u>	<u>1,359</u>
EXPENDITURES	<u>500</u>	<u>1,250</u>	<u>-</u>	<u>128</u>	<u>3,092</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(406)</u>	<u>(1,186)</u>	<u>30</u>	<u>(53)</u>	<u>(1,733)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES (USES)	<u>(406)</u>	<u>(1,186)</u>	<u>30</u>	<u>(53)</u>	<u>(1,733)</u>
FUND BALANCE - JULY 1	<u>24,141</u>	<u>16,307</u>	<u>2,801</u>	<u>7,128</u>	<u>154,807</u>
FUND BALANCE - JUNE 30	<u>\$ 23,735</u>	<u>\$ 15,121</u>	<u>\$ 2,831</u>	<u>\$ 7,075</u>	<u>\$ 153,074</u>

See accompanying independent auditors' report.

## General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets.



## TOWN OF GRAY, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2011

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
General Government	\$ 2,428,203	\$ 518,417	\$ 356,948	\$ 143,640	\$ 3,447,208
Pennell	34,563	313,818	418,923	-	767,304
Parks & Recreation	3,850	225,227	69,562	-	298,639
Public Safety	11,567	531,297	43,679	-	586,543
Fire & Rescue	19,318	470,514	4,119,217	-	4,609,049
Public Works	3,021,138	511,709	2,759,320	9,202,988	15,495,155
Buildings & Grounds	30,000	144,059	34,500	393,646	602,205
Soild Waste	-	190,540	225,776	-	416,316
Total General Capital Assets	5,548,639	2,905,581	8,027,925	9,740,274	26,222,419
Less: Accumulated Depreciation	-	(1,486,648)	(5,678,339)	(4,789,201)	(11,954,188)
Net General Capital Assets	<u>\$ 5,548,639</u>	<u>\$ 1,418,933</u>	<u>\$ 2,349,586</u>	<u>\$ 4,951,073</u>	<u>\$ 14,268,231</u>

See accompanying independent auditors' report.

## TOWN OF GRAY, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2011

	General Capital Assets 7/1/10	Additions	Deletions	General Capital Assets 6/30/11
General Government	\$ 2,606,913	\$ 840,295	\$ -	\$ 3,447,208
Pennell	766,942	362	-	767,304
Parks & Recreation	298,639	-	-	298,639
Public Safety	586,543	-	-	586,543
Fire & Rescue	4,560,518	48,531	-	4,609,049
Public Works	14,880,302	614,853	-	15,495,155
Buildings & Grounds	602,205	-	-	602,205
Soild Waste	416,316	-	-	416,316
Total General Capital Assets	24,718,378	1,504,041	-	26,222,419
Less: Accumulated Depreciation	<u>(11,071,243)</u>	<u>(882,945)</u>	<u>-</u>	<u>(11,954,188)</u>
Net General Capital Assets	<u>\$ 13,647,135</u>	<u>\$ 621,096</u>	<u>\$ -</u>	<u>\$ 14,268,231</u>

See accompanying independent auditors' report.