



*Proven Expertise and Integrity*

## INDEPENDENT AUDITORS' REPORT

July 31, 2009

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, 2009, 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's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Gray, Maine's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RHR Smith & Co,

Certified Public Accountants

## TOWN OF GRAY, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2009

	General Fund	Public Works & Transfer Station Project	Town Office Project	Capital Reserves	Other Governmental Funds	Totals Governmental Funds
<b>ASSETS</b>						
Cash	\$ 9,208,695	\$ -	\$ -	\$ -	\$ 1,147,061	\$ 10,355,756
Accounts receivable (net allowance of doubtful accounts)						
Taxes	28,653	-	-	-	-	28,653
Tax liens	329,970	-	-	-	-	329,970
Other	157,070	-	-	-	-	157,070
Prepaid expenses	8,138	-	-	-	70	8,208
Due from other funds	1,750	696,865	2,395,800	1,509,929	760,350	5,364,694
<b>TOTAL ASSETS</b>	<u>\$ 9,734,276</u>	<u>\$ 696,865</u>	<u>\$ 2,395,800</u>	<u>\$ 1,509,929</u>	<u>\$ 1,907,481</u>	<u>\$ 16,244,351</u>
<b>LIABILITIES AND FUND EQUITY</b>						
Liabilities						
Accounts payable	\$ 127,162	\$ -	\$ -	\$ -	\$ 1,165	\$ 128,327
Accrued expenses	5,610	-	-	-	1,492	7,102
Accrued payroll	39,786	-	-	-	-	39,786
Prepaid taxes	38,038	-	-	-	-	38,038
Due to other funds	5,362,944	-	-	-	1,750	5,364,694
Deferred revenue	-	-	-	-	3,920	3,920
Deferred property tax	305,520	-	-	-	-	305,520
<b>TOTAL LIABILITIES</b>	<u>\$ 5,879,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,327</u>	<u>\$ 5,887,387</u>
Fund Equity						
General Fund:						
Designated	727,272	-	-	-	-	727,272
Undesignated	3,127,944	-	-	-	-	3,127,944
Special revenues funds:						
Capital projects	-	696,865	2,395,800	1,509,929	1,741,855	4,602,594
Permanent funds	-	-	-	-	157,299	157,299
<b>TOTAL FUND EQUITY</b>	<u>\$ 3,855,216</u>	<u>\$ 696,865</u>	<u>\$ 2,395,800</u>	<u>\$ 1,509,929</u>	<u>\$ 1,899,154</u>	<u>\$ 10,356,964</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 9,734,276</u>	<u>\$ 696,865</u>	<u>\$ 2,395,800</u>	<u>\$ 1,509,929</u>	<u>\$ 1,907,481</u>	<u>\$ 16,244,351</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, 2009

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 10,356,964
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	10,461,606
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	305,520
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(5,600,000)
Capital leases payable	(23,650)
Accrued compensated absences	<u>(165,710)</u>
Net assets of governmental activities	<u>\$ 15,334,730</u>

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

## TOWN OF GRAY, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Public Works & Transfer Station Project	Town Office Project	Capital Reserves	Other Governmental Funds	Total Governmental Funds
REVENUE						
Taxes:						
Property	\$ 10,022,459	-	\$ -	-	\$ -	\$ 10,022,459
Excise	1,261,037	-	-	-	-	1,261,037
Intergovernmental	742,082	-	-	-	-	742,082
Interest Income	190,512	88,679	21,997	63,212	45,893	410,293
Charges for services/fees	540,652	-	-	-	-	540,652
Other revenue	308,767	-	-	-	126,754	435,521
<b>TOTAL REVENUE</b>	<b>13,065,509</b>	<b>88,679</b>	<b>21,997</b>	<b>63,212</b>	<b>172,647</b>	<b>13,412,044</b>
EXPENDITURES						
Current						
General government	847,938	-	-	-	-	847,938
Public safety	691,523	-	-	-	-	691,523
Recreation and culture	311,391	-	-	-	-	311,391
Public works	1,753,796	-	-	-	-	1,753,796
Employee benefits	428,838	-	-	-	-	428,838
General insurance	148,346	-	-	-	-	148,346
County tax	481,628	-	-	-	-	481,628
Education	6,864,587	-	-	-	-	6,864,587
Unclassified	63,737	-	-	-	351,360	415,097
Capital outlay	1,298,893	2,384,076	26,197	302,925	-	4,012,091
Debt service	174,705	-	-	-	-	174,705
Designated funds	155,655	-	-	-	-	155,655
<b>TOTAL EXPENDITURES</b>	<b>13,221,037</b>	<b>2,384,076</b>	<b>26,197</b>	<b>302,925</b>	<b>351,360</b>	<b>16,285,595</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(155,528)	(2,295,397)	(4,200)	(239,713)	(178,713)	(2,873,551)
OTHER FINANCING SOURCES USES						
Bond proceeds	-	3,200,000	2,400,000	-	-	5,600,000
Transfers in	379,169	-	-	2,048,700	1,410,033	3,837,902
Transfers out	(3,458,733)	-	-	(299,058)	(80,111)	(3,837,902)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,079,564)</b>	<b>3,200,000</b>	<b>2,400,000</b>	<b>1,749,642</b>	<b>1,329,922</b>	<b>5,600,000</b>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,235,092)	904,603	2,395,800	1,509,929	1,151,209	2,726,449
FUND BALANCES - JULY 1	7,090,308	(207,738)	-	-	747,945	7,630,515
FUND BALANCES - JUNE 30	\$ 3,855,216	\$ 696,865	\$ 2,395,800	\$ 1,509,929	\$ 1,899,154	\$ 10,356,964

## TOWN OF GRAY, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES –  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 2,726,449</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 Capital asset purchases capitalized	3,951,028
Depreciation expense	<u>(701,916)</u>
	<u>3,249,112</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.	<u>(5,600,000)</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>(89,480)</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>128,234</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>3,625</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 417,940</u></u>

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

## TOWN OF GRAY, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance - July 1,	\$ 7,090,308	\$ 7,090,308	\$ 7,090,308	\$ -
Resources (Inflows):				
Property	9,932,561	9,932,561	10,022,459	89,898
Excise	1,309,000	1,309,000	1,261,037	(47,963)
Intergovernmental	553,392	597,979	742,082	144,103
Charges for services	522,310	522,310	540,652	18,342
Interest income	201,080	201,080	190,512	(10,568)
Other revenue	224,810	306,238	308,767	2,529
Transfers from other funds	362,594	362,594	379,169	16,575
Amounts Available for Appropriation	<u>20,196,055</u>	<u>20,322,070</u>	<u>20,534,986</u>	<u>212,916</u>
<b>EXPENDITURES</b>				
Current:				
General government	845,038	845,038	847,938	(2,900)
Public safety	702,418	703,202	691,523	11,679
Recreation and culture	314,926	314,926	311,391	3,535
Public works	1,822,596	1,822,596	1,753,796	68,800
Employee benefits	490,976	490,976	428,838	62,138
General insurance	144,000	144,000	148,346	(4,346)
County assessment	481,628	481,628	481,628	-
Education	6,864,587	6,864,587	6,864,587	-
Unclassified	127,329	127,329	63,737	63,592
Capital outlay	1,389,854	1,434,441	1,298,893	135,548
Debt service	187,988	187,988	174,705	13,283
Designated funds	678,398	759,042	155,655	603,387
Transfers to other funds	2,355,215	2,355,215	3,458,733	(1,103,518)
Total Charges to Appropriations	<u>16,404,953</u>	<u>16,530,968</u>	<u>16,679,770</u>	<u>(148,802)</u>
 Budgetary Fund Balance, June 30	 <u>\$ 3,791,102</u>	 <u>\$ 3,791,102</u>	 <u>\$ 3,855,216</u>	 <u>\$ 64,114</u>
Utilization of undesignated fund balance	\$ 380,000	\$ 380,000	\$ -	\$ (380,000)
Utilization of designated fund balance	2,919,206	2,919,206	-	(2,919,206)
	<u>\$ 3,299,206</u>	<u>\$ 3,299,206</u>	<u>\$ -</u>	<u>\$ (3,299,206)</u>

See accompanying independent auditors report.

## TOWN OF GRAY, MAINE

BUDGETARY COMPARISON SCHEDULE BUDGETARY BASIS  
 BUDGET AND ACTUAL - REVENUES  
 FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amount	Use of Receipts	Total Available	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):					
Taxes:					
Property taxes	\$ 9,932,561	-	9,932,561	\$ 10,022,459	\$ 89,898
Auto excise	1,290,000	-	1,290,000	1,242,069	(47,931)
Boat excise	19,000	-	19,000	18,968	(32)
Intergovernmental revenues:					
State revenue sharing	437,845	-	437,845	408,530	(29,315)
Highway block grant	82,308	-	82,308	82,308	-
Tree growth	8,000	-	8,000	14,179	6,179
Veterans' exemption	2,439	-	2,439	2,390	(49)
General assistance	19,500	-	19,500	45,059	25,559
FEMA	-	-	-	141,143	141,143
Snowmobiles	3,300	-	3,300	3,886	586
Grants	-	44,587	44,587	44,587	-
Charges for services:					
Clerk fees	7,000	-	7,000	6,744	(256)
Dog licenses	1,900	-	1,900	2,119	219
Dog control	1,100	-	1,100	8,936	7,836
Auto registration fees	25,000	-	25,000	23,914	(1,086)
Hunting & fishing fees	1,800	-	1,800	1,607	(193)
Boat/ATV/snowmobile fees	3,000	-	3,000	2,206	(794)
Electric fees	10,000	-	10,000	7,826	(2,174)
Plumbing fees	16,000	-	16,000	9,871	(6,129)
Zoning board applications	1,200	-	1,200	1,000	(200)
Planning board fees	2,000	-	2,000	800	(1,200)
Gravel pits	700	-	700	1,600	900
Street construction fees	1,000	-	1,000	500	(500)
Building fees	65,000	-	65,000	66,590	1,590
Driveway opening	1,000	-	1,000	200	(800)
Shoreland application fees	2,000	-	2,000	1,500	(500)
Rescue fees	260,000	-	260,000	270,533	10,533
Land use fines	500	-	500	3,898	3,398
Recycling	121,000	-	121,000	127,420	6,420
Tree removal	750	-	750	2,250	1,500
Miscellaneous charges	1,360	-	1,360	1,138	(222)
Interest income:					
Tax interest	31,000	-	31,000	76,699	45,699
Interest income	170,080	-	170,080	113,813	(56,267)
Miscellaneous revenues:					
Cable franchise fees	60,600	-	60,600	68,025	7,425
Leisure services	3,200	-	3,200	4,212	1,012
Use of designated funds	91,010	80,644	171,654	171,654	-
Proceeds from sale of assets	62,000	-	62,000	-	(62,000)
Misc. other	8,000	784	8,784	64,876	56,092
Transfers from other funds	362,594	-	362,594	379,169	16,575
Amounts Available for Appropriation	<u>\$ 13,105,747</u>	<u>\$ 126,015</u>	<u>\$ 13,231,762</u>	<u>\$ 13,444,678</u>	<u>\$ 212,916</u>

See accompanying independent auditors' report.

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2009

	Balance 7/1/2008	Appropriations	Receipts	Total Available	Expenditures	Lapsed	Carried
<b>GENERAL GOVERNMENT:</b>							
Administrative services	\$ -	\$ 352,572	\$ -	\$ 352,572	\$ 362,719	\$ (10,147)	\$ -
Community development	15,170	90,705	-	105,875	104,860	1,015	-
Assessing	4,000	75,751	-	79,751	75,225	4,526	-
Code enforcement	-	107,872	-	107,872	96,805	11,067	-
GIS mapping	7,250	2,700	-	9,950	700	-	9,250
General assistance	-	38,850	-	38,850	88,303	(49,453)	-
Animal control	-	17,687	-	17,687	13,662	4,025	-
Elections	-	12,226	-	12,226	8,910	3,316	-
Public communications	-	61,010	-	61,010	43,753	10,132	7,125
Council, Boards, Committees	-	27,640	-	27,640	30,024	(2,384)	-
Zoning Board of Appeals	-	2,800	-	2,800	3,746	(946)	-
Planning Board	-	22,530	-	22,530	16,860	5,670	-
Economic development	-	5,000	-	5,000	1,956	3,044	-
Ordinance Review	-	1,275	-	1,275	415	860	-
<b>Totals</b>	<b>26,420</b>	<b>818,618</b>	<b>-</b>	<b>845,038</b>	<b>847,938</b>	<b>(19,275)</b>	<b>16,375</b>
<b>PUBLIC SAFETY:</b>							
Public safety services	-	568,834	784	569,618	562,495	3,651	3,472
Utilities	2,061	131,523	-	133,584	129,028	4,556	-
<b>Totals</b>	<b>2,061</b>	<b>700,357</b>	<b>784</b>	<b>703,202</b>	<b>691,523</b>	<b>8,207</b>	<b>3,472</b>
<b>RECREATION AND CULTURE</b>							
Library	-	208,683	-	208,683	199,862	8,821	-
Parks and recreation administration	-	106,243	-	106,243	111,529	(5,286)	-
<b>Totals</b>	<b>-</b>	<b>314,926</b>	<b>-</b>	<b>314,926</b>	<b>311,391</b>	<b>3,535</b>	<b>-</b>
<b>EMPLOYEE BENEFITS</b>	<b>1,750</b>	<b>489,226</b>	<b>-</b>	<b>490,976</b>	<b>428,838</b>	<b>59,488</b>	<b>2,650</b>
<b>GENERAL INSURANCE</b>	<b>-</b>	<b>144,000</b>	<b>-</b>	<b>144,000</b>	<b>148,346</b>	<b>(4,346)</b>	<b>-</b>

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2009

	Balance 7/1/2008	Appropriations	Receipts	Total Available	Expenditures	Lapsed	Carried
<b>PUBLIC WORKS</b>							
Winter roads	-	327,084	-	327,084	345,948	(18,864)	-
Summer roads	-	217,076	-	217,076	216,404	(1,607)	2,279
Additional roadwork	-	80,337	-	80,337	80,685	(348)	-
Garage	-	276,455	-	276,455	244,217	30,830	1,408
Recycling	-	793,089	-	793,089	741,338	51,751	-
Buildings and grounds	-	128,555	-	128,555	125,204	2,618	733
<b>Totals</b>	-	<b>1,822,596</b>	-	<b>1,822,596</b>	<b>1,753,796</b>	<b>64,380</b>	<b>4,420</b>
<b>CAPITAL OUTLAY</b>							
Town office	-	33,200	-	33,200	32,159	1,041	-
Public works	4,224	2,500	-	6,724	-	2,224	4,500
Public safety	12,000	528,058	-	540,058	528,599	11,459	-
Library	14,106	21,000	-	35,106	14,699	-	20,407
Village fire station	6,590	-	-	6,590	5,448	-	1,142
Public works vehicles	34,217	-	-	34,217	31,069	3,148	-
Transfer station	24,692	-	-	24,692	15,397	9,295	-
Bridges	75,112	28,500	-	103,612	90,298	-	13,314
Street reconstruction	59,186	264,000	-	323,186	323,166	20	-
Libby hill	-	25,000	-	25,000	-	-	25,000
Wilkie's beach	-	3,000	-	3,000	-	3,000	-
Voting machines	-	2,310	-	2,310	2,302	8	-
Grant Matches	-	55,000	44,587	99,587	66,097	-	33,490
Newbegin	-	77,159	-	77,159	69,659	7,500	-
Public safety vehicle reserve	-	120,000	-	120,000	120,000	-	-
<b>Totals</b>	<b>230,127</b>	<b>1,159,727</b>	<b>44,587</b>	<b>1,434,441</b>	<b>1,298,893</b>	<b>37,695</b>	<b>97,853</b>
<b>DEBT SERVICE</b>							
	-	187,988	-	187,988	174,705	13,283	-
<b>COUNTY TAX</b>							
	-	481,628	-	481,628	481,628	-	-
<b>EDUCATION</b>							
	-	6,864,587	-	6,864,587	6,864,587	-	-

SCHEDULE B (CONTINUED)

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2009

	Balance 7/1/2008	Appropriations	Receipts	Total Available	Expenditures	Lapsed	Carried
Designated funds:							
Dry Mill School	5,223	-	-	5,223	-	-	5,223
Old Home Days	6,205	-	-	6,205	-	-	6,205
Penn Cable	207,874	-	-	207,874	61,010	-	146,864
Rescue/Kilby Fund	7,369	-	5,225	12,594	1,820	-	10,774
Cardiac Fund	8,434	-	150	8,584	4,227	-	4,357
Disaster Relief Fund	34,699	-	-	34,699	-	-	34,699
Grant Match	11,009	-	-	11,009	-	-	11,009
Library Comm. Fund - Barbara Bush	2,023	-	-	2,023	-	-	2,023
Subdivision Recreation Fund	131,716	-	13,200	144,916	25,000	-	119,916
Library Reserve	5,250	-	-	5,250	-	-	5,250
Library/Davis/Kim	1,308	-	-	1,308	-	-	1,308
Pennell Town Clock	18,285	-	-	18,285	-	-	18,285
Stimson Hall	22,250	-	-	22,250	-	-	22,250
Library Appeal	1,959	-	-	1,959	-	-	1,959
Gray Fire & Rescue Memorial Fund	20,730	-	990	21,720	-	-	21,720
Revaluation	-	68,250	-	68,250	-	-	68,250
Public works building	32,570	-	-	32,570	32,570	-	-
GEO plan	2,802	-	4,724	7,526	4,320	-	3,206
Tomco	20,753	-	-	20,753	126	-	20,627
Recycling bins	885	-	-	885	-	885	-
Library fund	-	-	21,439	21,439	2,044	-	19,395
Planning board escrow	45,889	-	33,038	78,927	24,538	-	54,389
S/Dugas pit reclamation	8,507	-	-	8,507	-	-	8,507
Maxwell gravel pit reclamation	12,257	-	-	12,257	-	-	12,257
Food closet	-	-	1,878	1,878	-	-	1,878
Mazur Parks/Rec Memorial Fund	2,151	-	-	2,151	-	-	2,151
	<u>610,148</u>	<u>68,250</u>	<u>80,644</u>	<u>759,042</u>	<u>155,655</u>	<u>885</u>	<u>602,502</u>
UNCLASSIFIED							
Stimson Hall	-	7,388	-	7,388	7,584	(196)	-
Community services	-	56,713	-	56,713	49,208	7,505	-
Pennell buildings	-	13,536	-	13,536	6,945	6,591	-
Overlay	-	49,692	-	49,692	-	49,692	-
Totals	-	<u>127,329</u>	-	<u>127,329</u>	<u>63,737</u>	<u>63,592</u>	-
TOTAL EXPENDITURES	<u>\$ 870,506</u>	<u>\$ 13,179,232</u>	<u>\$ 126,015</u>	<u>\$ 14,175,753</u>	<u>\$ 13,221,037</u>	<u>\$ 227,444</u>	<u>\$ 727,272</u>

See accompanying independent auditors' report.

## TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash	\$ 1,103,985	\$ 43,076	\$ 1,147,061
Prepaid expenses	70	-	70
Due from other funds	644,377	115,973	760,350
Total assets	<u>\$ 1,748,432</u>	<u>\$ 159,049</u>	<u>\$ 1,907,481</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,165	\$ -	\$ 1,165
Accrued payroll	1,492	-	1,492
Deferred revenue	3,920	-	3,920
Due to other funds	-	1,750	1,750
Total liabilities	<u>6,577</u>	<u>1,750</u>	<u>8,327</u>
<b>FUND EQUITY</b>			
Fund balances:			
· Designated for subsequent years' expenditures	1,741,855	157,299	1,899,154
Undesignated	-	-	-
Total fund equity	<u>1,741,855</u>	<u>157,299</u>	<u>1,899,154</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 1,748,432</u>	<u>\$ 159,049</u>	<u>\$ 1,907,481</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, 2009

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
REVENUES			
Investment income	\$ 39,416	\$ 6,477	\$ 45,893
Other	126,754	-	126,754
TOTAL REVENUES	<u>166,170</u>	<u>6,477</u>	<u>172,647</u>
EXPENDITURES	<u>335,333</u>	<u>16,027</u>	<u>351,360</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(169,163)</u>	<u>(9,550)</u>	<u>(178,713)</u>
OTHER FINANCING SOURCES (USES)			
Bond monies	-	-	-
Operating Transfers In	1,410,033	-	1,410,033
Operating Transfers Out	<u>(66,575)</u>	<u>(13,536)</u>	<u>(80,111)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,343,458</u>	<u>(13,536)</u>	<u>1,329,922</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>1,174,295</u>	<u>(23,086)</u>	<u>1,151,209</u>
FUND BALANCE - JULY 1,	<u>567,560</u>	<u>180,385</u>	<u>747,945</u>
FUND BALANCE - JUNE 30	<u><u>\$ 1,741,855</u></u>	<u><u>\$ 157,299</u></u>	<u><u>\$ 1,899,154</u></u>

See accompanying independent auditors' report.

## TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009

	<u>TIF Reserve</u>	<u>Recreation Fund</u>	<u>Library Fund</u>	<u>Crisis Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash	\$ -	\$ 330	\$ -	\$ 1,103,655	\$ 1,103,985
Prepaid expenses	-	70	-	-	70
Due from other funds	594,131	11,182	-	39,064	644,377
<b>TOTAL ASSETS</b>	<u>\$ 594,131</u>	<u>\$ 11,582</u>	<u>\$ -</u>	<u>\$ 1,142,719</u>	<u>\$ 1,748,432</u>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 1,165	\$ -	\$ -	\$ 1,165
Accrued payroll	-	1,492	-	-	1,492
Deferred revenue	-	3,920	-	-	3,920
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>6,577</u>	<u>-</u>	<u>-</u>	<u>6,577</u>
<b>FUND EQUITY</b>					
Fund Balance:					
Designated	594,131	5,005	-	1,142,719	1,741,855
Undesignated	-	-	-	-	-
<b>TOTAL FUND EQUITY</b>	<u>594,131</u>	<u>5,005</u>	<u>-</u>	<u>1,142,719</u>	<u>1,741,855</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 594,131</u>	<u>\$ 11,582</u>	<u>\$ -</u>	<u>\$ 1,142,719</u>	<u>\$ 1,748,432</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, 2009

	TIF Reserve	Recreation Fund	Library Fund	Crisis Fund	Total
REVENUES					
Investment income	\$ -	\$ -	\$ -	\$ 39,416	\$ 39,416
Other income	-	126,754	-	-	126,754
TOTAL REVENUE	<u>-</u>	<u>126,754</u>	<u>-</u>	<u>39,416</u>	<u>166,170</u>
EXPENDITURES	<u>214,202</u>	<u>121,131</u>	<u>-</u>	<u>-</u>	<u>335,333</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(214,202)</u>	<u>5,623</u>	<u>-</u>	<u>39,416</u>	<u>(169,163)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	306,730	-	-	1,103,303	1,410,033
Operating Transfers Out	(55,000)	-	(11,575)	-	(66,575)
TOTAL OTHER FINANCING SOURCES (USES)	<u>251,730</u>	<u>-</u>	<u>(11,575)</u>	<u>1,103,303</u>	<u>1,343,458</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>37,528</u>	<u>5,623</u>	<u>(11,575)</u>	<u>1,142,719</u>	<u>1,174,295</u>
FUND BALANCE - JULY 1,	<u>556,603</u>	<u>(618)</u>	<u>11,575</u>	<u>-</u>	<u>567,560</u>
FUND BALANCE - JUNE 30	<u>\$ 594,131</u>	<u>\$ 5,005</u>	<u>\$ -</u>	<u>\$ 1,142,719</u>	<u>\$ 1,741,855</u>

See accompanying independent auditors' report.

## SCHEDULE I

## TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF ACTIVITY – RECREATION FUND  
FOR THE YEAR ENDED JUNE 30, 2009

	Balance, 7/1/2008	Revenue	Expenditures	Balance, 6/30/2009
Senior Citizens	\$ -	\$ -	\$ -	\$ -
After school activities	-	-	-	-
Day camp	-	42,013	45,708	(3,695)
Ski program	-	3,478	2,720	758
Camps/clinics	-	7,080	3,872	3,208
Youth soccer	-	9,395	7,403	1,992
Adult volleyball	-	1,200	2,061	(861)
Youth basketball	-	9,410	8,107	1,303
Day camp/supplies/trips	-	3,320	1,775	1,545
Adult basketball	-	10,449	10,225	224
Newbegin rental	-	1,557	-	1,557
Gymnastics	-	2,929	2,502	427
Vacation day camp	-	3,778	3,641	137
Track and field	-	320	362	(42)
Pee wee baseball	-	-	-	-
Flag football	-	2,195	440	1,755
Cross country	-	2,025	2,070	(45)
Junior soccer	-	1,632	988	644
Junior track	-	3,135	1,609	1,526
Junior basketball	-	2,335	1,304	1,031
Softball tournament	-	660	541	119
Reach	-	19,650	18,277	1,373
Special events	-	193	3,256	(3,063)
Community trips	-	-	-	-
Home programs	-	-	-	-
Horse riding lessons	-	-	-	-
Trail runners	-	-	-	-
Yoga	-	-	-	-
Field hockey	-	-	-	-
Swim lessons	-	-	2,691	(2,691)
Equipment	-	-	123	(123)
Brouchures/flyers	-	-	1,456	(1,456)
Subtotal - Recreation Department Activity	-	126,754	121,131	5,623
Beginning Fund Balance	(618)	-	-	(618)
Total Recreation Department Activity	<u>\$ (618)</u>	<u>\$ 126,754</u>	<u>\$ 121,131</u>	<u>\$ 5,005</u>

See accompanying independent auditors' report.