Audited Financial Statements

Town of Gray, Maine

June 30, 2015

RHR SMITH & COMPANY
Certified Public Accountants

Proven Expertise and Integrity

Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

Town Council
Town of Gray
Gray, Maine

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 39 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.

Other Information

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 non-major 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 non-major fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

RHR Smith & Company

Buxton, Maine
January 6, 2016

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

(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, 2015. 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 Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position 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 column for the Town's 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 administration services, council, boards & committees, public safety, library, parks & recreation, public works, education and program expenses.

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 are considered governmental 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 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a 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 position, and changes in net position of the Town's governmental activity. The Town's total net position for governmental activities increased by $305,511 from $14,968,677 to $15,274,188.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased for governmental activities to a balance of $5,917,426 at the end of this year.

Table 1
Town of Gray, Maine
Net Position
June 30,

	2015	2014
Assets:		
Current Assets	$ 7,269,215	$ 7,111,028
Capital Assets	16,022,164	16,704,870
Total Assets	23,291,379	23,815,898
Liabilities:		
Current Liabilities	1,298,942	1,134,600
Long-term Debt Outstanding	6,547,560	7,602,384
Total Liabilities	7,846,502	8,736,984
Deferred Inflows of Resources:		
Prepaid Taxes	22,304	28,820
Deferred Revenue	148,385	81,417
Total Deferred Inflows of Resources	170,689	110,237
Net Position:		
Net Investment in Capital Assets	8,602,249	8,392,720
Restricted: Special Revenue Funds	591,763	1,479,969
Capital Projects Funds	8,623	32,822
Permanent Funds	154,127	152,647
Unrestricted	5,917,426	4,910,519
Total Net Position	$ 15,274,188	$ 14,968,677

Revenues and Expenses

Both revenues and expenses for the Town's governmental funds were fairly consistent from the prior year with revenues increasing by $765,031 or 4.73% primarily due to increases in taxes. Expenses decreased by $307,491 or 1.81%. This decrease was primarily due to program expenses, capital outlay and public works.

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

	2015	2014
Revenues		
Program Revenues:		
Charges for services	$ 990,648	$ 563,431
Operating grants and contributions	146,299	169,575
General Revenues:		
Taxes	15,142,251	14,184,569
Grants and contributions not restricted to specific programs	364,059	362,099
Interest income	67,845	73,273
Bond premium	-	212,087
Miscellaneous	229,420	610,457
Total Revenues	16,940,522	16,175,491
Expenses		
Administration services	1,062,353	1,185,482
Council, boards & committees	31,046	29,349
Public safety	1,142,959	1,149,137
Library/parks & recreation	333,013	325,901
Public works	2,940,115	3,068,801
Municipal finances	556,493	506,596
County assessment	556,042	533,667
Education	9,111,989	8,526,351
Insurance claims	14,181	14,380
Other grants	-	255
Community services	30,958	26,976
Program expenses	666,730	944,951
Capital outlay	-	355,699
Bond issuance costs	-	49,648
Interest on long term debt	189,132	225,309
Total Expenses	16,635,011	16,942,502
Change in Net Position	305,511	(767,011)
Net Position - July 1	14,968,677	15,735,688
Net Position - June 30	$ 15,274,188	$ 14,968,677

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, unassigned 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,

	2015	2014
General Fund:		
Nonspendable	$ 59,379	$ 56,421
Committed	200,000	50,000
Assigned	-	49,004
Unassigned	3,882,725	2,657,960
Total General Fund	$ 4,142,104	$ 2,813,385
Nonmajor Funds:		
Special revenue funds:		
Nonspendable	$ 7,331	$ 5,528
Restricted	591,763	1,479,969
Committed	130,576	144,030
Assigned	251,361	269,993
Capital projects funds:		
Restricted	8,623	32,822
Committed	1,707,595	1,858,380
Assigned	146,771	-
Unassigned	(651,904)	(343,417)
Permanent funds:		
Nonspendable-principal	113,637	89,811
Restricted	40,490	62,836
Unassigned	(4,101)	(2,218)
Total Nonmajor Funds	$ 2,342,142	$ 3,597,734

The general fund total fund balance increased by $1,328,719 from the prior fiscal year. The non-major fund balances decreased by $1,255,592 from the prior fiscal year.

Budgetary Highlights

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

The general fund actual revenues exceeded budget by $1,309,990. The transfer from other funds (Crisis Fund) of $991,728, and the excess in excise taxes and charges for services collected of $145,237 and $124,360, respectively, accounted for the majority of the positive results.

The general fund actual expenditures were under budget in total by $117,733, but when excluding overlay of $102,097, remained under budget by $15,636. This despite cost overruns in public safety, public works, municipal finances, and community services.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2015, the net book value of capital assets recorded by the Town decreased by $682,706 from the prior year. This decrease is the result of capital additions of $646,888 less current year depreciation expense of $1,329,594.

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

	2015	2014
Land and Non-Depreciable Assets	$ 2,560,323	$ 2,477,778
Buildings and Improvements	5,729,984	6,076,042
Furniture and Equipment	519,163	551,896
Vehicles	1,880,771	2,230,638
Infrastructure	5,331,923	5,368,516
Total	$ 16,022,164	$ 16,704,870

Debt

At June 30, 2015, the Town had $6,780,000 in bonds outstanding versus $7,360,000 in the prior year. Other obligations include capital leases payable and accrued sick and vacation time. Refer to Note 5 of Notes to Financial Statements for detailed information.

Economic Factors and Next Year's Budgets and Rates

To further promote and ensure the financial well-being and fiscal stability of the Town, the Gray Town Council adopted an Unassigned General Fund Balance Policy in February of 2004. The Town's management established the policy as a guideline to ensure the well-being of the Town's financial administration in a manner that assists in providing for a positive cash flow, reducing short-term borrowing costs and meeting the Town's long-term capital investment objectives while ensuring that year-to-year fluctuations do not allow accumulation of an excessive unassigned fund balance. The policy also includes a provision for the suggested utilization of excess funds on future capital improvements and/or distribution to various reserve accounts. The Town's management designed the policy around maintaining a level of funding in Unassigned General Fund Balance that assures the fiscal integrity of the Town into the near future. In addition, the policy will provide direction to the Town Manager during annual budget preparation.

The policy requires that the Town Treasurer maintain the Unassigned General Fund Balance (as determined in accordance with applicable government accounting standards) at a level not less than two twelfths (or 1/6) and up to three twelfths (or ¼) of the Town's net assessment for commitment, excluding any and all TIF plan amount assessment. Utilization of the Unassigned General Fund Balance is restricted and may in no circumstance be appropriated to below the two twelfths (or 1/6) level as described above without the favorable vote of a Town Meeting. Such a resolution for utilization shall also contain a plan to restore the Unassigned General Fund Balance to the level detailed above within a five (5) year period should such utilization cause the Unassigned General Fund Balance to fall below the level detailed above. The Town maintained balances in excess of the required minimum level for the fiscal year ended 2015.

At any time during any budget year the Town Council may, after notice, call a special Town Meeting for the purpose of making appropriation(s) from Unassigned General Fund Balance in excess of the two twelfths (or 1/6) level as described above. The proposed appropriation(s) shall meet an essential municipal need to protect the public health, safety and welfare. The needs may be caused by severe economic decline, any natural disaster or sudden event outside the control of the Town Council. Such appropriation(s) shall be adopted by a favorable vote of a special Town Meeting, with the vote specifically identifying the public necessity and containing the precise use of the appropriation(s).

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 C

TOWN OF GRAY, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS			
Cash and cash equivalents	$ 6,322,309	$ 36,683	$ 6,358,992
Accounts receivable (net of allowance for uncollectibles):			
Taxes	85,318	-	85,318
Liens	367,130	-	367,130
Other	81,349	-	81,349
Due from other governments	84,881	-	84,881
Prepaid expenses	47,762	232,166	279,928
Inventory	11,617	-	11,617
Due from other funds	550,702	2,786,031	3,336,733
TOTAL ASSETS	$ 7,551,068	$ 3,054,880	$ 10,605,948
LIABILITIES			
Accounts payable	$ 135,015	$ 6,472	$ 141,487
Accrued payroll	86,047	7,179	93,226
Due to other funds	2,786,031	550,702	3,336,733
TOTAL LIABILITIES	3,007,093	564,353	3,571,446
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	22,304	-	22,304
Deferred revenue	-	148,385	148,385
Deferred property tax	379,567	-	379,567
TOTAL DEFERRED INFLOWS OF RESOURCES	401,871	148,385	550,256
FUND BALANCES			
Nonspendable	59,379	120,968	180,347
Restricted	-	640,876	640,876
Committed	200,000	1,838,171	2,038,171
Assigned	-	398,132	398,132
Unassigned	3,882,725	(656,005)	3,226,720
TOTAL FUND BALANCES	4,142,104	2,342,142	6,484,246
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 7,551,068	$ 3,054,880	$ 10,605,948

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

STATEMENT D

TOWN OF GRAY, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

	Total Governmental Funds
Total Fund Balances	$ 6,484,246
Amounts reported for governmental activities in the Statement of Net Position 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	16,022,164
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	379,567
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(6,780,000)
Capital leases payable	(639,915)
Accrued compensated absences	(191,874)
Net position of governmental activities	$ 15,274,188

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

TOWN OF GRAY, MAINE

STATEMENT OF REVENEUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	$ 13,637,004	$ -	$ 13,637,004
Excise	1,472,987	-	1,472,987
Intergovernmental	510,358	-	510,358
Interest income	65,349	2,496	67,845
Charges for services	616,510	374,138	990,648
Miscellaneous	172,432	56,988	229,420
TOTAL REVENUES	16,474,640	433,622	16,908,262
EXPENDITURES			
Current:			
Administration services	888,604	-	888,604
Council, boards & committees	31,046	-	31,046
Public safety	954,117	-	954,117
Library/parks & recreation	306,385	-	306,385
Public works	1,990,335	-	1,990,335
Municipal finances	556,493	-	556,493
County assessment	556,042	-	556,042
Education	9,111,989	-	9,111,989
Insurance claims	14,181	-	14,181
Community services	30,958	-	30,958
Program expenses	-	687,197	687,197
Debt service:			
Principal	-	892,235	892,235
Interest	-	189,132	189,132
Capital outlay	13,370	613,051	626,421
TOTAL EXPENDITURES	14,453,520	2,381,615	16,835,135
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,021,120	(1,947,993)	73,127
OTHER FINANCING SOURCES (USES)			
Transfers in	991,728	1,684,129	2,675,857
Transfers (out)	(1,684,129)	(991,728)	(2,675,857)
TOTAL OTHER FINANCING SOURCES (USES)	(692,401)	692,401	-
NET CHANGE IN FUND BALANCES	1,328,719	(1,255,592)	73,127
FUND BALANCES - JULY 1	2,813,385	3,597,734	6,411,119
FUND BALANCES - JUNE 30	$ 4,142,104	$ 2,342,142	$ 6,484,246

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

STATEMENT F

TOWN OF GRAY, MAINE

RECONCILIATION OF THE STATEMENT OF REVENEUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds (Statement E)	$ 73,127
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	646,888
Capital asset disposed	-
Depreciation expense	(1,329,594)
	(682,706)
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	32,260
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 Position	892,235
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 govermental funds:	
Accrued compensated absences	(9,405)
Change in net position of governmental activities (Statement B)	$ 305,511

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

SCHEDULE 1

TOWN OF GRAY, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 2,813,385	$ 2,813,385	$ 2,813,385	$ -
Resources (Inflows):				
Property taxes	13,666,644	13,666,644	13,637,004	(29,640)
Excise taxes	1,327,750	1,327,750	1,472,987	145,237
Intergovernmental	498,634	498,634	510,358	11,724
Charges for services	492,150	492,150	616,510	124,360
Interest income	57,200	57,200	65,349	8,149
Other revenue	114,000	114,000	172,432	58,432
Transfers from other funds	-	-	991,728	991,728
Amounts Available for Appropriation	18,969,763	18,969,763	20,279,753	1,309,990
Charges to Appropriations (Outflows):				
Administration services	970,404	970,404	888,604	81,800
Council, boards & committees	36,065	36,065	31,046	5,019
Public safety	940,269	940,269	954,117	(13,848)
Library/parks & recreation	313,864	313,864	306,385	7,479
Public works	1,968,949	1,968,949	1,990,335	(21,386)
Municipal finances	493,811	527,200	556,493	(29,293)
County assessment	556,042	556,042	556,042	-
Education	9,111,989	9,111,989	9,111,989	-
Insurance claims	-	-	14,181	(14,181)
Community services	28,718	30,708	30,958	(250)
Overlay	102,097	102,097	-	102,097
Capital outlay	-	13,625	13,370	255
Transfers to other funds	1,684,170	1,684,170	1,684,129	41
Total Charges to Appropriations	16,206,378	16,255,382	16,137,649	117,733
Budgetary Fund Balance, June 30	$ 2,763,385	$ 2,714,381	$ 4,142,104	$ 1,427,723
Utilization of unassigned fund balance	$ 50,000	$ 50,000	$ -	$ (50,000)
Utilization of assigned fund balance	-	49,004	-	(49,004)
	$ 50,000	$ 99,004	$ -	$ (99,004)

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

SCHEDULE A

TOWN OF GRAY, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL – GENERAL FUND REVENUES
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	$ 13,666,644	$ 13,666,644	$ 13,637,004	$ (29,640)
Auto excise	1,310,000	1,310,000	1,454,387	144,387
Boat excise	17,750	17,750	18,600	850
Subtotal	14,994,394	14,994,394	15,109,991	115,597
Intergovernmental revenues:				
State revenue sharing	300,000	300,000	298,487	(1,513)
Highway block grant	147,284	147,284	134,828	(12,456)
Tree growth	20,000	20,000	21,960	1,960
Veterans' exemption	4,000	4,000	4,992	992
General assistance	25,250	25,250	11,471	(13,779)
Snowmobiles	2,100	2,100	3,039	939
FEMA/MEMA	-	-	34,224	34,224
Animal waste facility	-	-	1,357	1,357
Subtotal	498,634	498,634	510,358	11,724
Charges for services:				
Building fees	50,000	50,000	55,543	5,543
Clerk fees	36,550	36,550	37,142	592
Community development miscellaneous	1,500	1,500	1,179	(321)
Dog control	7,500	7,500	9,879	2,379
Driveway opening	100	100	1,250	1,150
Electric fees	6,500	6,500	8,826	2,326
Gravel pits	1,600	1,600	1,700	100
Junkyard fees	50	50	50	-
Land use fines	-	-	115	115
Library fines	8,000	8,000	13,247	5,247
Planning board fees	6,000	6,000	14,293	8,293
Plumbing fees	13,000	13,000	17,229	4,229
Public communications	750	750	465	(285)
Recycling	117,250	117,250	124,139	6,889
Rescue fees	240,000	240,000	323,985	83,985
Salt service	-	-	450	450
Shoreland application fees	1,000	1,000	3,150	2,150
Shoreland fines	-	-	150	150
Tree removal	1,750	1,750	2,200	450
Zoning board applications	600	600	1,518	918
Subtotal	492,150	492,150	616,510	124,360

TOWN OF GRAY, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL – GENERAL FUND REVENUES
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Interest income:				
Interest income	5,200	5,200	12,224	7,024
Tax interest	52,000	52,000	53,125	1,125
Subtotal	57,200	57,200	65,349	8,149
Miscellaneous revenues:				
Cable franchise fees	93,000	93,000	88,693	(4,307)
Stimson Hall Rental	9,000	9,000	1,500	(7,500)
Insurance claims	-	-	14,181	14,181
Other miscellaneous	12,000	12,000	68,058	56,058
Subtotal	114,000	114,000	172,432	58,432
Transfers from other funds	-	-	991,728	991,728
Amounts Available for Appropriation	$ 16,156,378	$ 16,156,378	$ 17,466,368	$ 1,309,990

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

SCHEDULE B

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
ADMINISTRATION SERVICES:					
Administration	$ 444,509	$ -	$ 444,509	$ 450,650	$ (6,141)
Community development	203,283	-	203,283	136,488	66,795
Assessing	98,571	-	98,571	95,024	3,547
Code enforcement	88,694	-	88,694	104,389	(15,695)
General assistance	56,097	-	56,097	27,244	28,853
Public communications	68,778	-	68,778	67,185	1,593
Elections	10,472	-	10,472	7,624	2,848
Totals	970,404	-	970,404	888,604	81,800
COUNCIL, BOARDS & COMMITTEES:					
Council	26,565	-	26,565	26,283	282
Zoning Board of Appeals	1,450	-	1,450	2,713	(1,263)
Planning Board	6,050	-	6,050	2,050	4,000
Economic development	2,000	-	2,000	-	2,000
Totals	36,065	-	36,065	31,046	5,019
PUBLIC SAFETY:					
County sheriff	94,872	-	94,872	93,764	1,108
Public safety services	672,733	-	672,733	686,558	(13,825)
Utilities	172,664	-	172,664	173,795	(1,131)
Totals	940,269	-	940,269	954,117	(13,848)

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
LIBRARY/ PARKS & RECREATION:					
Library	285,195	-	285,195	275,506	9,689
Parks and recreation administration	28,669	-	28,669	30,879	(2,210)
Totals	313,864	-	313,864	306,385	7,479
PUBLIC WORKS:					
Winter roads	400,533	-	400,533	468,869	(68,336)
Summer roads	335,501	-	335,501	328,851	6,650
Additional roadwork	108,594	-	108,594	110,475	(1,881)
Garage	306,471	-	306,471	274,328	32,143
Recycling	573,940	-	573,940	564,379	9,561
Buildings and grounds	243,910	-	243,910	243,433	477
Totals	1,968,949	-	1,968,949	1,990,335	(21,386)
MUNICIPAL FINANCES:					
General insurance	493,811	33,389	527,200	556,493	(29,293)
Totals	493,811	33,389	527,200	556,493	(29,293)
COUNTY ASSESSMENT	556,042	-	556,042	556,042	-
EDUCATION	9,111,989	-	9,111,989	9,111,989	-
INSURANCE CLAIMS	-	-	-	14,181	(14,181)

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
CAPITAL OUTLAY:					
Study match	-	13,625	13,625	13,370	255
Totals	-	13,625	13,625	13,370	255
COMMUNITY SERVICES	28,718	1,990	30,708	30,958	(250)
OVERLAY	102,097	-	102,097	-	102,097
TRANSFERS TO OTHER FUNDS:					
Northbrook TIF	119,373	-	119,373	119,332	41
South Gray TIF	234,797	-	234,797	234,797	-
Recreation fund	30,000	-	30,000	30,000	-
Capital reserves	1,300,000	-	1,300,000	1,300,000	-
Totals	1,684,170	-	1,684,170	1,684,129	41
TOTAL EXPENDITURES	$ 16,206,378	$ 49,004	$ 16,255,382	$ 16,137,649	$ 117,733

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

SCHEDULE C

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 525	$ -	$ 36,158	$ 36,683
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-
Prepaid expenses	2,166	230,000	-	232,166
Due from other funds	1,087,045	1,585,118	113,868	2,786,031
TOTAL ASSETS	$ 1,089,736	$ 1,815,118	$ 150,026	$ 3,054,880
LIABILITIES				
Accounts payable	$ 4,157	$ 2,315	$ -	$ 6,472
Accrued payroll	7,179	-	-	7,179
Due to other funds	-	550,702	-	550,702
TOTAL LIABILITIES	11,336	553,017	-	564,353
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	97,369	51,016	-	148,385
TOTAL DEFERRED INFLOWS OF RESOURCES	97,369	51,016	-	148,385
FUND BALANCES				
Nonspendable	7,331	-	113,637	120,968
Restricted	591,763	8,623	40,490	640,876
Committed	130,576	1,707,595	-	1,838,171
Assigned	251,361	146,771	-	398,132
Unassigned	-	(651,904)	(4,101)	(656,005)
TOTAL FUND BALANCES	981,031	1,211,085	150,026	2,342,142
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,089,736	$ 1,815,118	$ 150,026	$ 3,054,880

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

SCHEDULE D

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Investment income, net of unrealized gains/(losses)	$ 395	$ 1,886	$ 215	$ 2,496
Charges for services	374,138	-	-	374,138
Other income	34,558	22,430	-	56,988
TOTAL REVENUES	409,091	24,316	215	433,622
EXPENDITURES				
Debt service:				
Principal	-	892,235	-	892,235
Interest	-	189,132	-	189,132
Capital outlay	33,402	579,649	-	613,051
Other	686,579	-	618	687,197
EXPENDITURES	719,981	1,661,016	618	2,381,615
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(310,890)	(1,636,700)	(403)	(1,947,993)
OTHER FINANCING SOURCES (USES)				
Transfers in	384,129	1,300,000	-	1,684,129
Transfers (out)	(991,728)	-	-	(991,728)
TOTAL OTHER FINANCING SOURCES (USES)	(607,599)	1,300,000	-	692,401
NET CHANGE IN FUND BALANCES	(918,489)	(336,700)	(403)	(1,255,592)
FUND BALANCES - JULY 1	1,899,520	1,547,785	150,429	3,597,734
FUND BALANCES - JUNE 30	$ 981,031	$ 1,211,085	$ 150,026	$ 2,342,142

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

SCHEDULE G

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF ACTIVITY – RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Balance, 7/1/2014	Revenue	Expenditures	Balance, 6/30/2015
ADMINISTRATION:				
FICA/Medicare	$ -	$ -	$ 9,666	$ (9,666)
Full-time personnel	-	-	104,192	(104,192)
Overtime	-	-	6,305	(6,305)
Part-time personnel	-	-	13,522	(13,522)
Retirement	-	-	6,216	(6,216)
Wilkies Beach attendent	-	-	3,751	(3,751)
Total Administration	-	-	143,652	(143,652)
PROGRAMS:				
Operations				
Administrative fees	-	5,896	6,449	(553)
Grants	-	1,300	-	1,300
Totals	-	7,196	6,449	747
Supplies and equipment				
Brochures/flyers	-	-	409	(409)
Equipment	-	-	730	(730)
Software	-	-	3,915	(3,915)
Totals	-	-	5,054	(5,054)
Adult fitness				
Basketball	-	7,202	4,556	2,646
Flag football	-	-	150	(150)
Pickleball	-	584	365	219
Softball	-	500	206	294
Totals	-	8,286	5,277	3,009
Adult classes				
Bridge	-	50	24	26
Photography	-	446	200	246
Totals	-	496	224	272
Youth fitness				
Fall soccer	-	6,242	2,128	4,114
Golf	-	232	186	46
Gymnastics	-	2,180	885	1,295
Junior basketball	-	4,592	1,858	2,734
Junior soccer	-	3,807	974	2,833
Lacrosse	-	737	300	437
Skiing	-	2,195	1,607	588
Track and field	-	2,991	757	2,234
Zumba for kids	-	2,243	1,243	1,000
Totals	-	25,219	9,938	15,281
Youth classes				
American Red Cross babysit	-	635	580	55
Mad science	-	6,750	5,741	1,009
Mommy & me	-	299	149	150
Totals	-	7,684	6,470	1,214

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF ACTIVITY – RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Balance, 7/1/2014	Revenue	Expenditures	Balance, 6/30/2015
PROGRAMS (CONTINUED):				
All day programs				
Day camp	-	97,865	74,832	23,033
Day camp trips	-	19,911	17,471	2,440
In service days	-	2,653	1,014	1,639
Kindergarten camp	-	152	-	152
Kid's Club	-	94,343	33,282	61,061
Leaders in training	-	10,016	6,818	3,198
Snack shack	-	4,237	3,583	654
Vacation camp	-	6,502	3,336	3,166
Totals	-	235,679	140,336	95,343
Camps/clinics				
Family pick-up basketball and open gym	-	418	-	418
Field hockey	-	1,805	1,160	645
Mad science	-	3,388	3,010	378
Parents night out	-	300	177	123
Running	-	28	-	28
Volleyball	-	3,664	2,449	1,215
Totals	-	9,603	6,796	2,807
Rentals				
Grounds	-	-	377	(377)
Newbegin	-	4,015	197	3,818
Totals	-	4,015	574	3,441
Special events				
Christmas	-	-	520	(520)
Halloween	-	-	1,351	(1,351)
Ice Skating	-	21	97	(76)
Special events	-	1,118	1,290	(172)
Totals	-	1,139	3,258	(2,119)
				-
Total programs	-	299,317	184,376	114,941
Subtotal - Recreation Department Activity	-	299,317	328,028	(28,711)
Transfers In	-	30,000	-	30,000
Beginning Fund Balance	65,937	-	-	65,937
Total Recreation Department Activity	$ 65,937	$ 329,317	$ 328,028	$ 67,226

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

SCHEDULE H

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Public Works & Transfer Station Project	Town Office Project	Bridge Repair and Replacement	Fire and Public Safety	PW and Town Vehicles and Equipment	Sidewalks
ASSETS						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -
Due from other funds	2,519	6,104	75,112	564,119	194,943	12,108
Prepaid expenses	-	-	-	230,000	-	-
TOTAL ASSETS	$ 2,519	$ 6,104	$ 75,112	$ 794,119	$ 194,943	$ 12,108
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	2,519	6,104	-	-	-	-
Committed	-	-	75,112	794,119	194,943	3,843
Assigned	-	-	-	-	-	8,265
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	2,519	6,104	75,112	794,119	194,943	12,108
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,519	$ 6,104	$ 75,112	$ 794,119	$ 194,943	$ 12,108

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Library Expansion Project	Debt Service	Capital Lease	Bridges/Road Bond	Misc.
ASSETS					
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -
Due from other funds	54,790	51,670	-	568,227	35,275
Prepaid expenses	-	-	-	-	-
TOTAL ASSETS	$ 54,790	$ 51,670	$ -	$ 568,227	$ 35,275
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	51,016	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	51,016	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	3,774	51,670	-	568,227	5,275
Assigned	-	-	-	-	30,000
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	3,774	51,670	-	568,227	35,275
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 54,790	$ 51,670	$ -	$ 568,227	$ 35,275

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Public Buildings	Technology	Road Resurfacing	Totals
ASSETS				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Due from other funds	8,599	11,652	-	1,585,118
Prepaid expenses	-	-	-	230,000
TOTAL ASSETS	$ 8,599	$ 11,652	$ -	$ 1,815,118
LIABILITIES				
Accounts payable	$ 2,165	$ 150	$ -	$ 2,315
Due to other funds	-	-	550,702	550,702
TOTAL LIABILITIES	2,165	150	550,702	553,017
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	-	-	-	51,016
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	51,016
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	8,623
Committed	-	10,632	-	1,707,595
Assigned	81,254	870	26,382	146,771
Unassigned	(74,820)	-	(577,084)	(651,904)
TOTAL FUND BALANCES	6,434	11,502	(550,702)	1,211,085
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 8,599	$ 11,652	$ -	$ 1,815,118

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