

Audited Financial Statements

Town of Gray, Maine

June 30, 2014



Proven Expertise and Integrity

TOWN OF GRAY, MAINE

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JUNE 30, 2014

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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, 2014, 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, 2014, 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 42 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
July 30, 2014

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

(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, 2014. 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 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.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town of Gray. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

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 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 decreased by \$767,011 from \$15,735,688 to \$14,968,677.

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 \$4,910,519 at the end of this year.

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

	2014	2013 (Restated)
Assets:		
Current and Other Assets	\$ 7,111,028	\$ 6,915,232
Capital Assets	16,704,870	14,429,901
Total Assets	<u>23,815,898</u>	<u>21,345,133</u>
Liabilities:		
Current Liabilities	1,134,600	732,754
Long-term Debt Outstanding	7,602,384	4,732,115
Total Liabilities	<u>8,736,984</u>	<u>5,464,869</u>
Deferred Inflows of Resources:		
Prepaid taxes	28,820	41,887
Deferred revenue	81,417	102,689
Total Deferred Inflows of Resources	<u>110,237</u>	<u>144,576</u>
Net Position:		
Net Investment in Capital Assets	8,392,720	9,342,233
Restricted: Special Revenue funds	1,479,969	1,991,552
Capital Projects funds	32,822	164,207
Permanent funds	152,647	150,821
Unrestricted	4,910,519	4,086,875
Total Net Position	<u>\$ 14,968,677</u>	<u>\$ 15,735,688</u>

Revenues and Expenses

Both revenues and expenses for the Town's governmental funds were fairly consistent from the prior year with revenues increasing by \$1,159,871 or 7.72% primarily due to increases in taxes. Expenses increased by \$2,470,214 or 17.07%. This increase was primarily due to education and public works.

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

	2014	2013 (Restated)
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 563,431	\$ 497,406
Operating grants and contributions	169,575	157,917
<i>General Revenues:</i>		
Taxes	14,184,569	12,969,597
Grants and contributions not restricted to specific programs	362,099	831,019
Interest income	73,273	60,671
Bond premium	212,087	-
Miscellaneous	610,457	499,010
Total Revenues	<u>16,175,491</u>	<u>15,015,620</u>
Expenses		
Administration services	1,185,482	945,362
Council, boards & committees	29,349	29,522
Public safety	1,149,137	1,065,166
Library/parks & recreation	325,901	285,215
Public works	3,068,801	2,504,728
Municipal finances	506,596	515,354
County assessment	533,667	522,070
Education	8,526,351	7,843,960
Insurance claims	14,380	-
Other grants	255	-
Community services	26,976	37,871
Program expenses	944,951	548,539
Overlay	-	(359)
Capital outlay	355,699	-
Bond issuance costs	49,648	-
Interest on long term debt	225,309	174,860
Total Expenses	<u>16,942,502</u>	<u>14,472,288</u>
Change in Net Position	(767,011)	543,332
Net Position - July 1	<u>15,735,688</u>	<u>15,192,356</u>
Net Position - June 30	<u><u>\$ 14,968,677</u></u>	<u><u>\$ 15,735,688</u></u>

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,

	<u>2014</u>	<u>2013</u>
General Fund:		
Nonspendable	\$ 56,421	\$ 312,128
Committed	50,000	-
Assigned	49,004	53,564
Unassigned	<u>2,657,960</u>	<u>2,403,446</u>
Total General Fund	<u><u>\$ 2,813,385</u></u>	<u><u>\$ 2,769,138</u></u>
Nonmajor Funds:		
Special revenue funds:		
Nonspendable	\$ 5,528	\$ 11,380
Restricted	1,479,969	1,991,552
Committed	305,013	149,096
Assigned	109,010	148,113
Capital project funds:		
Restricted	32,822	164,207
Committed	1,858,380	1,073,409
Assigned	-	6,142
Unassigned	(343,417)	(292,715)
Permanent funds:		
Nonspendable-principal	89,811	89,811
Restricted	62,836	63,249
Unassigned	<u>(2,218)</u>	<u>(2,239)</u>
Total Nonmajor Funds	<u><u>\$ 3,597,734</u></u>	<u><u>\$ 3,402,005</u></u>

The general fund total fund balance increased by \$44,247 from the prior fiscal year. The non-major fund balances increased by \$195,729 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 the budget by \$243,273. The property and excise taxes and charges for services accounted for most of the excess.

The general fund actual expenditures were under the budget by \$163,538. All expenditure categories were under budget with the exception of library/parks & recreation and public works.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2014, the net book value of capital assets recorded by the Town increased by \$2,274,969 from the prior year. This increase is the result of capital additions of \$3,988,775 less current year depreciation expense of \$1,661,026 and net deletions of \$52,780.

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

	<u>2014</u>	<u>2013</u>
Land and Non-Depreciable Assets	\$ 2,477,778	\$ 6,015,559
Buildings and Improvements	6,076,042	1,337,004
Furniture and Equipment	551,896	431,941
Vehicles	2,230,638	1,475,150
Infrastructure	<u>5,368,516</u>	<u>5,170,247</u>
Total	<u><u>\$ 16,704,870</u></u>	<u><u>\$ 14,429,901</u></u>

Debt

At June 30, 2014, the Town had \$7,360,000 in bonds outstanding versus \$4,841,155 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 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 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 an unassigned fund balance level no greater than two twelfths (or 1/6) of the approved appropriation for the municipal budget, the Town's portion of MSAD No. 15 local assessment, county tax and overlay be maintained. The Town maintained balances in excess of the required minimum level for the fiscal year ended 2014.

In addition to its unassigned fund balance policy, the Town maintains a Crisis Fund, established to meet unforeseen essential municipal needs that protect the public health, safety and welfare of the community. Funding is maintained at a level not less than one twelfth (1/12) of the approved appropriation for the municipal budget, the Town's portion of MSAD No. 15 local assessment, county tax and overlay. Upon notification that the Crisis Fund has fallen below the prescribed level, the Town Council is required to formulate a remediation plan within ninety (90) days. The restoration of the Crisis Fund will not exceed a five (5) year period. At June 30, 2014, the Crisis Fund balance was in excess of the required level.

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 POSITION

JUNE 30, 2014

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 5,780,838
Investments	706,001
Accounts receivable (net of allowance for uncollectibles)	
Taxes	357,901
Liens	70,734
Other	137,070
Prepaid expenses	46,266
Inventory	12,218
Total current assets	<u>7,111,028</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	2,477,778
Buildings and equipment, net of accumulated depreciation	14,227,092
Total noncurrent assets	<u>16,704,870</u>
TOTAL ASSETS	<u><u>\$ 23,815,898</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 156,613
Accrued expenses	2,316
Accrued payroll	83,436
Current portion of long-term obligations	892,235
Total current liabilities	<u>1,134,600</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	6,780,000
Accrued compensated absences	182,469
Total noncurrent liabilities	<u>7,602,384</u>
TOTAL LIABILITIES	<u>8,736,984</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	28,820
Deferred revenue	81,417
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>110,237</u>
NET POSITION	
Net investment in capital assets	8,392,720
Restricted:	
Special Revenue funds	1,479,969
Capital Projects funds	32,822
Permanent funds	152,647
Unrestricted	4,910,519
TOTAL NET POSITION	<u>14,968,677</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 23,815,898</u></u>

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

TOWN OF GRAY, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
Administration services	\$ 1,185,482	\$ 147,532	\$ 22,291	\$ -	\$ (1,015,659)
Council, boards & committees	29,349	7,161	-	-	(22,188)
Public safety	1,149,137	273,600	-	-	(875,537)
Library/parks & recreation	325,901	7,711	-	-	(318,190)
Public works	3,068,801	127,427	147,284	-	(2,794,090)
Municipal finances	506,596	-	-	-	(506,596)
County assessment	533,667	-	-	-	(533,667)
Education	8,526,351	-	-	-	(8,526,351)
Insurance claims	14,380	-	-	-	(14,380)
Other grants	255	-	-	-	(255)
Community services	26,976	-	-	-	(26,976)
Program expenses	944,951	-	-	-	(944,951)
Capital outlay	355,699	-	-	-	(355,699)
Bond issuance costs	49,648	-	-	-	(49,648)
Interest on long term debt	225,309	-	-	-	(225,309)
Total government	<u>\$ 16,942,502</u>	<u>\$ 563,431</u>	<u>\$ 169,575</u>	<u>\$ -</u>	<u>(16,209,496)</u>

STATEMENT B (CONTINUED)

TOWN OF GRAY, MAINE

RECONCILIATION OF THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(16,209,496)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	12,794,783
Excise taxes	1,389,786
Grants and contributions not restricted to specific programs	362,099
Interest income	73,273
Premiums on issuance	212,087
Miscellaneous	610,457
Total general revenues	<u>15,442,485</u>
Change in net position	(767,011)
NET POSITION - JULY 1, RESTATED	<u>15,735,688</u>
NET POSITION - JUNE 30	<u><u>\$ 14,968,677</u></u>

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

STATEMENT C

TOWN OF GRAY, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Other Governmental Funds	Totals Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 5,402,198	\$ 378,640	\$ 5,780,838
Investments	-	706,001	706,001
Accounts receivable (net of allowance of doubtful accounts):			
Taxes	357,901	-	357,901
Tax liens	70,734	-	70,734
Other	136,570	500	137,070
Prepaid expenses	44,203	2,063	46,266
Inventory	12,218	-	12,218
Due from other funds	304,560	2,959,696	3,264,256
TOTAL ASSETS	\$ 6,328,384	\$ 4,046,900	\$ 10,375,284
LIABILITIES			
Accounts payable	\$ 95,740	\$ 60,873	\$ 156,613
Accrued expenses	-	2,316	2,316
Accrued payroll	83,436	-	83,436
Due to other funds	2,959,696	304,560	3,264,256
TOTAL LIABILITIES	3,138,872	367,749	3,506,621
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	28,820	-	28,820
Deferred revenue	-	81,417	81,417
Deferred property tax	347,307	-	347,307
TOTAL DEFERRED INFLOWS OF RESOURCES	376,127	81,417	457,544
FUND BALANCES			
Nonspendable	56,421	95,339	151,760
Restricted	-	1,575,627	1,575,627
Committed	50,000	2,163,393	2,213,393
Assigned	49,004	109,010	158,014
Unassigned	2,657,960	(345,635)	2,312,325
TOTAL FUND BALANCES	2,813,385	3,597,734	6,411,119
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,328,384	\$ 4,046,900	\$ 10,375,284

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 POSITION
JUNE 30, 2014

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 6,411,119
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	16,704,870
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	347,307
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(7,360,000)
Capital leases payable	(952,150)
Accrued compensated absences	<u>(182,469)</u>
Net position of governmental activities	<u><u>\$ 14,968,677</u></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, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	\$ 12,840,748	\$ -	\$ 12,840,748
Excise	1,389,786	-	1,389,786
Intergovernmental	530,494	1,180	531,674
Interest income	65,026	8,247	73,273
Charges for services	563,431	-	563,431
Miscellaneous	128,949	481,508	610,457
TOTAL REVENUES	<u>15,518,434</u>	<u>490,935</u>	<u>16,009,369</u>
EXPENDITURES			
Current:			
Administration services	915,053	-	915,053
Council, boards & committees	29,349	-	29,349
Public safety	894,724	-	894,724
Library/parks & recreation	293,143	-	293,143
Public works	1,982,899	-	1,982,899
Municipal finances	1,193,387	-	1,193,387
County assessment	533,667	-	533,667
Education	8,526,351	-	8,526,351
Insurance claims	14,380	-	14,380
Other grants	255	-	255
Community services	26,976	-	26,976
Program expenses	-	1,308,799	1,308,799
Capital outlay	6,375	4,285,319	4,291,694
TOTAL EXPENDITURES	<u>14,416,559</u>	<u>5,594,118</u>	<u>20,010,677</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,101,875</u>	<u>(5,103,183)</u>	<u>(4,001,308)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	6,690,096	6,690,096
Premiums on issuance	-	212,087	212,087
Bond payoff	-	(2,611,251)	(2,611,251)
Bond issuance costs	-	(49,648)	(49,648)
Operating transfers in	10,057	1,102,384	1,112,441
Operating transfers (out)	(1,067,685)	(44,756)	(1,112,441)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,057,628)</u>	<u>5,298,912</u>	<u>4,241,284</u>
NET CHANGE IN FUND BALANCES	44,247	195,729	239,976
FUND BALANCES - JULY 1	<u>2,769,138</u>	<u>3,402,005</u>	<u>6,171,143</u>
FUND BALANCES - JUNE 30	<u>\$ 2,813,385</u>	<u>\$ 3,597,734</u>	<u>\$ 6,411,119</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, 2014

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 239,976</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	3,988,775
Capital asset disposed	(52,780)
Depreciation expense	<u>(1,661,026)</u>
	<u>2,274,969</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	<u>(7,038,845)</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>(45,965)</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 Position	<u>3,814,363</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>(11,509)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (767,011)</u></u>

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

TOWN OF GRAY, MAINE

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2014

	<u>Private- Purpose Trusts</u>
ASSETS	
Cash and cash equivalents	\$ 846,701
Investments, at fair value:	
Mutual funds - fixed income	816,422
Mutual funds - equity	<u>655,412</u>
TOTAL ASSETS	<u>\$ 2,318,535</u>
NET POSITION	
Held in trust for special purposes	<u>\$ 2,318,535</u>

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

TOWN OF GRAY, MAINE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Private- Purpose Trusts
	<u> </u>
ADDITIONS	
Contributions	\$ 241,406
Net increase (decrease) in the fair value of investments	<u>228,117</u>
Total additions	<u>469,523</u>
DEDUCTIONS	
Withdrawals	285,721
Administrative expenses	<u>687</u>
Total deductions	<u>286,408</u>
Change in net position	183,115
NET POSITION - JULY 1	<u>2,135,420</u>
NET POSITION - JUNE 30	<u><u>\$ 2,318,535</u></u>

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

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 Position, the 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 position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 position 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, fund balances, 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, 2014

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 that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

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, 2014

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 Statutes 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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost determined using the last-in, first-out (LIFO) method. Under the consumption method, the costs of inventory items are recognized as expenditures when used. In the general fund, inventory consists of diesel fuel and gasoline.

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 \$15,000 as of June 30, 2014. 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, 2014

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 bonds payable, capital leases 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, 2014, the Town's liability for compensated absences is \$182,469.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has no deferred outflows of resources.

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and other deferred revenue also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied August 16, 2013 on the assessed value listed as of April 1, 2013, for all real and personal property located in the Town. Taxes were due in two installments on October 1, 2013 and April 1, 2014. Interest on unpaid taxes commenced on October 2, 2013 and April 2, 2014, 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 property tax collection rate was 96.7% and 96.4% for the years ended June 30, 2014 and 2013, respectively.

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.

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 \$86,727 for the year ended June 30, 2014.

Program Revenues

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

TOWN OF GRAY, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position 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 position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

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.

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Town Council.

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

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

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. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2014, the Town's cash balances amounting to \$6,627,539 were comprised of deposits of \$6,582,274. All of these bank deposits were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 31,892
Sweep accounts	2,897,619
Money market accounts	56,214
ICS savings accounts	2,749,848
Cash management	846,701
	<u>\$ 6,582,274</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments; however, the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers.

At June 30, 2014, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>
Mutual funds - equity	\$ 655,412	\$ 655,412	\$ -	\$ -
Mutual funds - fixed income	816,422	816,422	-	-
Certificates of deposit	706,001	-	706,001	-
	<u>\$ 2,177,835</u>	<u>\$ 1,471,834</u>	<u>\$ 706,001</u>	<u>\$ -</u>

At June 30, 2014, the Town's investments is comprised of a mix of equity mutual funds, bond mutual funds, and certificates of deposit totaling \$2,177,835, which are collateralized and therefore not exposed to custodial credit risk.

Credit risk – Statutes for the State of Maine 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

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in cash management accounts and various insured certificates of deposit.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2014:

	Balance 7/1/13	Additions	Disposals	Balance 6/30/14
Non-depreciated assets:				
Land	\$ 124,803	\$ -	\$ -	\$ 124,803
Construction in progress	5,890,756	2,254,406	(5,792,187)	2,352,975
	<u>6,015,559</u>	<u>2,254,406</u>	<u>(5,792,187)</u>	<u>2,477,778</u>
Depreciated assets:				
Buildings & improvements	3,028,851	5,547,504	-	8,576,355
Furniture & equipment	2,058,969	208,879	-	2,267,848
Vehicles	6,293,043	1,092,638	(276,450)	7,109,231
Infrastructure	10,809,610	677,535	-	11,487,145
	<u>22,190,473</u>	<u>7,526,556</u>	<u>(276,450)</u>	<u>29,440,579</u>
Less accumulated depreciation:				
Buildings & improvements	(1,691,847)	(808,466)	-	(2,500,313)
Furniture & equipment	(1,627,028)	(88,924)	-	(1,715,952)
Vehicles	(4,817,893)	(284,370)	223,670	(4,878,593)
Infrastructure	(5,639,363)	(479,266)	-	(6,118,629)
	<u>(13,776,131)</u>	<u>(1,661,026)</u>	<u>223,670</u>	<u>(15,213,487)</u>
Net depreciated assets	<u>8,414,342</u>	<u>5,865,530</u>	<u>(52,780)</u>	<u>14,227,092</u>
Net capital assets	<u>\$ 14,429,901</u>	<u>\$ 8,119,936</u>	<u>\$ (5,844,967)</u>	<u>\$ 16,704,870</u>

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3 - CAPITAL ASSETS (CONTINUED)

Current year depreciation:

General Government	\$ 265,490
Pennell	234
Library	15,564
Parks & Recreation	17,194
Public Safety	254,413
Public Works	1,060,401
Buildings & Grounds	25,501
Solid Waste	<u>22,229</u>
Total depreciation expense	<u><u>\$ 1,661,026</u></u>

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2014 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
Major Funds:		
General fund	\$ 304,560	\$ 2,959,696
Non-major funds:		
Special revenue funds	991,725	-
Capital project funds	1,854,145	304,560
Permanent funds	<u>113,826</u>	<u>-</u>
	<u><u>\$ 3,264,256</u></u>	<u><u>\$ 3,264,256</u></u>

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2014:

	Balance 7/1/13 (Restated)	Additions	Deletions	Balance 6/30/14	Current Year Portion
Bonds payable	\$ 4,841,155	\$ 5,758,845	\$ (3,240,000)	\$ 7,360,000	\$ 580,000
Capital leases payable	246,513	1,280,000	(574,363)	952,150	312,235
Accrued compensated absences	170,960	11,509	-	182,469	-
Totals	<u>\$ 5,258,628</u>	<u>\$ 7,050,354</u>	<u>\$ (3,814,363)</u>	<u>\$ 8,494,619</u>	<u>\$ 892,235</u>

The following is a summary of outstanding bonds payable:

\$2,880,000, 2014 General Obligation Refunding Bond due in annual installments and semiannual interest installments through July of 2023. Interest is charged at a varying rate of 2.00% to 4.00% per annum. Annual principal installments vary from \$160,000 to \$335,000.	\$ 2,880,000
\$3,200,000, 2009 General Obligation Bond due in annual installments and semiannual interest installments through October of 2029. Interest is charged at a varying rate of 2.50% to 4.25% per annum. Annual principal installments are \$160,000.	2,560,000
\$2,400,000, 2009 General Obligation Bond due in two annual installments and semiannual interest installments through October of 2029. Interest is charged at a varying rate of 2.50% to 4.25% per annum. Annual principal installments are \$120,000.	<u>1,920,000</u>
Total Bonds Payable	<u>\$ 7,360,000</u>

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 - LONG-TERM DEBT (CONTINUED)

Principal and interest requirements to maturity are as follows:

	Principal	Interest	Total Debt Service
2015	\$ 580,000	\$ 197,728	\$ 777,728
2016	555,000	216,050	771,050
2017	565,000	202,750	767,750
2018	565,000	188,650	753,650
2019	575,000	172,975	747,975
2020-2024	2,840,000	587,825	3,427,825
2025-2029	1,400,000	202,650	1,602,650
2030-2034	280,000	5,950	285,950
	<u>\$ 7,360,000</u>	<u>\$ 1,774,578</u>	<u>\$ 9,134,578</u>

On June 5, 2014, the Town of Gray issued a General Obligation Refunding Bond in the amount of \$2,880,000 to refinance the previous Library and Bridges/Roads bonds. The Town of Gray used the 2014 Bonds' bid premium in excess of the bond proceeds to pay for all costs of issuance and the debt service due at the time of the individual bonds refinancing. All excess bid premiums have been restricted and may only be used as cash to make future interest payments.

The following is an analysis of the 2014 Bond Refinancing:

	Library	Bridges/Roads	Total
Total Bonds Approved by Voters	\$ 1,500,000	\$ 1,460,000	\$ 2,960,000
Percentage of Total Refinance	50.68%	49.32%	100.00%
Refinanced Bond Total Debt Service	\$ 1,459,584	\$ 1,420,416	\$ 2,880,000
Bond Premium	\$ 107,486	\$ 104,601	\$ 212,087
Applied to Bond Proceeds	\$ (40,416)	\$ (39,584)	\$ (80,000)
Subtotal Bond Premium	\$ 67,070	\$ 65,017	\$ 132,087
Underwriting Fees	\$ (7,527)	\$ (7,325)	\$ (14,853)
Advisory/Legal Fees	\$ (7,764)	\$ (7,556)	\$ (15,320)
Costs of Issuance/Professional Fees	\$ (9,870)	\$ (9,605)	\$ (19,475)
Subtotal Bond Premium	\$ 41,908	\$ 40,531	\$ 82,439
Previous Bond Debt Service	\$ (20,474)	\$ (37,753)	\$ (58,227)
Balance Bond Premium	\$ 21,434	\$ 2,778	\$ 24,212

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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.

The following is a summary of capital leases payable for the year ended June 30, 2014:

\$1,280,000, 2013 Capital Lease payable to TD Equipment Finance, Inc. for vehicles due in annual installments through October 2016. Interest is charged at a rate of 1.64% per annum. Annual payments are \$327,850.	<u>\$ 952,150</u>
Total Capital Leases Payable	<u><u>\$ 952,150</u></u>

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

2015	\$ 327,850
2016	327,850
2017	327,850
2018	-
2019	<u>-</u>
Total minimum lease payment	983,550
Less amount representing interest	<u>(31,400)</u>
Present value of future minimum lease payments	<u><u>\$ 952,150</u></u>

NOTE 6 - EXPENDITURES OVER APPROPRIATIONS

At June 30, 2014, the Town had no overspent appropriations. The Town budget was approved in total by one article and the total actual expenditures did not exceed this amount.

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7 – NONSPENDABLE FUND BALANCES

At June 30, 2014, the Town had the following nonspendable fund balances:

General fund:	
Prepaid expenses	\$ 44,203
Inventory	12,218
Nonmajor special revenue funds (Schedule E)	5,528
Nonmajor permanent funds (Schedule I)	89,811
	<u>\$ 151,760</u>

NOTE 8 – RESTRICTED FUND BALANCES

At June 30, 2014, the Town had the following restricted fund balances:

Nonmajor special revenue funds (Schedule E)	\$ 1,479,969
Nonmajor capital project funds (Schedule H)	32,822
Nonmajor permanent funds (Schedule I)	62,836
	<u>\$ 1,575,627</u>

NOTE 9 – COMMITTED FUND BALANCES

At June 30, 2014, the Town had the following committed fund balances:

General fund:	
Use of fund balance FY 2015 budget	\$ 50,000
Nonmajor special revenue funds (Schedule E)	305,013
Nonmajor capital project funds (Schedule H)	1,858,380
	<u>\$ 2,213,393</u>

NOTE 10 – ASSIGNED FUND BALANCES

At June 30, 2014, the Town had the following assigned fund balances:

Municipal finances	\$ 47,014
Community services	1,990
Nonmajor special revenue funds (Schedule E)	109,010
	<u>\$ 158,014</u>

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 11 – 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 2014, \$114,245 of tax was captured and \$70,184 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 12 – LANDFILL CLOSURE FUNDS

The Town of Gray closed its solid waste landfill as per State requirements in June of 1992. The Town has reserved \$154,832 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, 2014

NOTE 13 - 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, 2014, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Percentage</u>	<u>Amount</u>
Gray Water District	\$ 1,040,275	38.80%	\$ 403,627
County of Cumberland	36,320,000	2.27%	824,464
MSAD #15	7,016,471	64.57%	4,530,535
			<u>\$ 5,758,626</u>

NOTE 14 – 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 15 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town either carries commercial insurance, participates in a public entity risk pool, or is effectively self-insured. Currently the Town participates in several public-entity and self-insured risk pools sponsored by the Maine Municipal Association.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2014. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 16 – DEFICIT FUND BALANCES

The Town had the following funds with a deficit fund balance at June 30, 2014:

Public buildings	\$ 55,032
Road resurfacing	288,385
	<u>\$ 343,417</u>

This deficit fund balance is offset by other nonmajor capital project funds, which in total, have a positive fund balance.

NOTE 17 – DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGERS ASSOCIATION RETIREMENT CORP.

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and maintained by International City Managers Association Retirement Corporation (ICMA). The plan, available to employees who are in certain employee groups, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

The Town will match an eligible employee's contribution to the ICMA-RC Plan at 6% and will increase the contribution to 7.5% for 10 years of service, 8% for 15 years of service, 8.5% for 20 years of service and a maximum of 9% for 25 years of service of the employee's gross wages.

NOTE 18 – JOINT VENTURES

The Town is a member of a joint venture with 45 other municipalities throughout Cumberland, Oxford and York counties. ecomaine is a solid waste management corporation that creates electricity through its processing of waste and also operates as an extensive recycling program. A joint committee, made up of the Town of Gray and 20 other member communities owns and controls the corporation. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced with the community to ecomaine for processing, and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore has not reported an asset in the financial statements in connection with its participation in ecomaine. The Town of Gray has an owner membership of 5.02% in ecomaine as of June 30, 2014 (the most current period available).

ecomaine has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of ecomaine, payable from and secured by a pledge of ecomaine revenues. The bonds do not

TOWN OF GRAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 18 – JOINT VENTURES (CONTINUED)

constitute a debt or liability within the meaning of any constitutional or statutory provision of the State of Maine, or a pledge of the full faith and credit of a political subdivision of the State of Maine. ecomaine has no taxing power. The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. On June 30, 2014 (the most current period available), ecomaine had no outstanding debt. Additionally, the Town's share of the projected landfill closure and post closure cost relating to ecomaine is estimated to be \$812,493.

NOTE 19 – COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 20 – RESTATEMENT

The beginning net position for the governmental activities has been restated as of July 1, 2013. This balance was restated to correct the bonds payable balance. The governmental activities were restated by \$81,155.

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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 2,769,138	\$ 2,769,138	\$ 2,769,138	\$ -
Resources (Inflows):				
Property taxes	12,789,488	12,789,488	12,840,748	51,260
Excise taxes	1,292,750	1,292,750	1,389,786	97,036
Intergovernmental	533,823	533,823	530,494	(3,329)
Charges for services	499,600	499,600	563,431	63,831
Interest income	56,500	56,500	65,026	8,526
Other revenue	112,000	112,000	128,949	16,949
Transfers from other funds	10,057	10,057	10,057	-
Amounts Available for Appropriation	<u>18,063,356</u>	<u>18,063,356</u>	<u>18,297,629</u>	<u>234,273</u>
Charges to Appropriations (Outflows):				
Administration services	923,083	926,083	915,053	11,030
Council, boards & committees	33,815	33,815	29,349	4,466
Public safety	902,420	902,420	894,724	7,696
Library/parks & recreation	291,183	291,183	293,143	(1,960)
Public works	1,981,622	1,981,622	1,982,899	(1,277)
Municipal finances	1,187,447	1,235,464	1,193,387	42,077
County assessment	533,667	533,667	533,667	-
Education	8,526,351	8,526,351	8,526,351	-
Insurance claims	-	-	14,380	(14,380)
Other grants	-	-	255	(255)
Community services	26,418	28,965	26,976	1,989
Overlay	86,727	86,727	-	86,727
Capital outlay	33,800	33,800	6,375	27,425
Transfers to other funds	1,067,685	1,067,685	1,067,685	-
Total Charges to Appropriations	<u>15,594,218</u>	<u>15,647,782</u>	<u>15,484,244</u>	<u>163,538</u>
Budgetary Fund Balance, June 30	<u>\$ 2,469,138</u>	<u>\$ 2,415,574</u>	<u>\$ 2,813,385</u>	<u>\$ 397,811</u>
Utilization of unassigned fund balance	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)
Utilization of assigned fund balance	-	53,564	-	(53,564)
	<u>\$ 300,000</u>	<u>\$ 353,564</u>	<u>\$ -</u>	<u>\$ (353,564)</u>

See accompanying independent auditors report and notes to financial statements.

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 – Budgetary Basis – 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

SCHEDULE A

TOWN OF GRAY, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - REVENUES
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 12,789,488	\$ 12,789,488	\$ 12,840,748	\$ 51,260
Auto excise	1,275,000	1,275,000	1,371,501	96,501
Boat excise	17,750	17,750	18,285	535
Subtotal	14,082,238	14,082,238	14,230,534	148,296
Intergovernmental revenues:				
State revenue sharing	340,000	340,000	331,982	(8,018)
Highway block grant	143,348	143,348	147,284	3,936
Tree growth	18,000	18,000	18,569	569
Veterans' exemption	4,000	4,000	4,318	318
General assistance	26,375	26,375	22,291	(4,084)
Snowmobiles	2,100	2,100	2,880	780
Grants	-	-	3,170	3,170
Subtotal	533,823	533,823	530,494	(3,329)
Charges for services:				
Clerk fees	36,000	36,000	38,156	2,156
Dog control	7,500	7,500	8,662	1,162
Electric fees	5,500	5,500	8,414	2,914
Plumbing fees	12,000	12,000	16,880	4,880
Zoning board applications	600	600	612	12
Planning board fees	8,000	8,000	5,799	(2,201)
Gravel pits	1,800	1,800	1,600	(200)
Building fees	50,000	50,000	61,946	11,946
Driveway opening	100	100	1,100	1,000
Salt service	-	-	750	750
Shoreland fines	-	-	18,600	18,600
Shoreland application fees	1,300	1,300	750	(550)
Rescue fees	240,000	240,000	264,938	24,938
Junkyard fees	50	50	50	-
Recycling	125,250	125,250	123,602	(1,648)
Public communications	500	500	565	65
Tree removal	1,500	1,500	1,975	475
Community development	1,000	1,000	1,321	321
Library fines	8,500	8,500	7,711	(789)
Subtotal	499,600	499,600	563,431	63,831

SCHEDULE A (CONTINUED)

TOWN OF GRAY, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - REVENUES
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Interest income:				
Interest income	6,500	6,500	5,015	(1,485)
Tax interest	50,000	50,000	60,011	10,011
Subtotal	<u>56,500</u>	<u>56,500</u>	<u>65,026</u>	<u>8,526</u>
Miscellaneous revenues:				
Cable franchise fees	93,000	93,000	90,842	(2,158)
Stimson Hall Rental	9,000	9,000	9,000	-
Insurance claims	-	-	14,380	14,380
Other grants	-	-	255	255
Other miscellaneous	10,000	10,000	14,472	4,472
Subtotal	<u>112,000</u>	<u>112,000</u>	<u>128,949</u>	<u>16,949</u>
Transfers from other funds	<u>10,057</u>	<u>10,057</u>	<u>10,057</u>	<u>-</u>
Amounts Available for Appropriation	<u><u>\$ 15,294,218</u></u>	<u><u>\$ 15,294,218</u></u>	<u><u>\$ 15,528,491</u></u>	<u><u>\$ 234,273</u></u>

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

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
ADMINISTRATION SERVICES:					
Administration	\$ 432,962	\$ -	\$ 432,962	\$ 438,373	\$ (5,411)
Community development	173,005	3,000	176,005	161,853	14,152
Assessing	95,463	-	95,463	91,918	3,545
Code enforcement	87,543	-	87,543	85,451	2,092
General assistance	57,256	-	57,256	52,982	4,274
Elections	10,564	-	10,564	6,447	4,117
Public communications	66,290	-	66,290	78,029	(11,739)
Totals	923,083	3,000	926,083	915,053	11,030
COUNCIL, BOARDS & COMMITTEES:					
Council	25,815	-	25,815	26,447	(632)
Zoning Board of Appeals	1,450	-	1,450	353	1,097
Planning Board	4,550	-	4,550	2,549	2,001
Economic development	2,000	-	2,000	-	2,000
Totals	33,815	-	33,815	29,349	4,466
PUBLIC SAFETY:					
County sheriff	89,645	-	89,645	88,457	1,188
Public safety services	640,111	-	640,111	636,351	3,760
Utilities	172,664	-	172,664	169,916	2,748
Totals	902,420	-	902,420	894,724	7,696

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
LIBRARY/ PARKS & RECREATION:					
Library	263,930	-	263,930	260,902	3,028
Parks and recreation administration	27,253	-	27,253	32,241	(4,988)
Totals	291,183	-	291,183	293,143	(1,960)
PUBLIC WORKS:					
Winter roads	335,069	-	335,069	407,951	(72,882)
Summer roads	306,442	-	306,442	292,776	13,666
Additional roadwork	100,445	-	100,445	102,013	(1,568)
Garage	304,915	-	304,915	265,804	39,111
Recycling	735,712	-	735,712	704,078	31,634
Buildings and grounds	199,039	-	199,039	210,277	(11,238)
Totals	1,981,622	-	1,981,622	1,982,899	(1,277)
MUNICIPAL FINANCES:					
General insurance	500,612	48,017	548,629	506,596	42,033
Debt service	686,835	-	686,835	686,791	44
Totals	1,187,447	48,017	1,235,464	1,193,387	42,077
COUNTY ASSESSMENT	533,667	-	533,667	533,667	-
EDUCATION	8,526,351	-	8,526,351	8,526,351	-
INSURANCE CLAIMS	-	-	-	14,380	(14,380)
OTHER GRANTS	-	-	-	255	(255)

SCHEDULE B (CONTINUED)

TOWN OF GRAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
CAPITAL OUTLAY:					
CDBG Matches	13,800	-	13,800	-	13,800
Study match	20,000	-	20,000	6,375	13,625
Totals	33,800	-	33,800	6,375	27,425
COMMUNITY SERVICES	26,418	2,547	28,965	26,976	1,989
OVERLAY	86,727	-	86,727	-	86,727
TRANSFER TO OTHER FUNDS:					
Northbrook TIF	114,245	-	114,245	114,245	-
South Gray TIF	211,440	-	211,440	211,440	-
Recreation fund	42,000	-	42,000	42,000	-
Capital reserves	700,000	-	700,000	700,000	-
Totals	1,067,685	-	1,067,685	1,067,685	-
TOTAL EXPENDITURES	\$ 15,594,218	\$ 53,564	\$ 15,647,782	\$ 15,484,244	\$ 163,538

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

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 285,823	\$ 56,214	\$ 36,603	\$ 378,640
Investments	706,001	-	-	706,001
Due from other funds	991,725	1,854,145	113,826	2,959,696
Prepaid expenses	2,063	-	-	2,063
Accounts receivable (net of allowance for uncollectibles)	500	-	-	500
TOTAL ASSETS	<u>\$ 1,986,112</u>	<u>\$ 1,910,359</u>	<u>\$ 150,429</u>	<u>\$ 4,046,900</u>
LIABILITIES				
Accounts payable	\$ 2,859	\$ 58,014	\$ -	\$ 60,873
Accrued expenses	2,316	-	-	2,316
Due to other funds	-	304,560	-	304,560
TOTAL LIABILITIES	<u>5,175</u>	<u>362,574</u>	<u>-</u>	<u>367,749</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	81,417	-	-	81,417
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>81,417</u>	<u>-</u>	<u>-</u>	<u>81,417</u>
FUND BALANCES				
Nonspendable	5,528	-	89,811	95,339
Restricted	1,479,969	32,822	62,836	1,575,627
Committed	305,013	1,858,380	-	2,163,393
Assigned	109,010	-	-	109,010
Unassigned	-	(343,417)	(2,218)	(345,635)
TOTAL FUND BALANCES	<u>1,899,520</u>	<u>1,547,785</u>	<u>150,429</u>	<u>3,597,734</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,986,112</u>	<u>\$ 1,910,359</u>	<u>\$ 150,429</u>	<u>\$ 4,046,900</u>

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

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Interest income	\$ 4,302	\$ 3,708	\$ 237	\$ 8,247
Intergovernmental	-	1,180	-	1,180
Other income	400,808	80,700	-	481,508
TOTAL REVENUES	<u>405,110</u>	<u>85,588</u>	<u>237</u>	<u>490,935</u>
EXPENDITURES				
Capital outlay	74,539	4,210,780	-	4,285,319
Other	1,249,571	58,599	629	1,308,799
EXPENDITURES	<u>1,324,110</u>	<u>4,269,379</u>	<u>629</u>	<u>5,594,118</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(919,000)</u>	<u>(4,183,791)</u>	<u>(392)</u>	<u>(5,103,183)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	6,690,096	-	6,690,096
Premiums on issuance		212,087	-	212,087
Bond payoff	-	(2,611,251)	-	(2,611,251)
Bond issuance costs	-	(49,648)	-	(49,648)
Operating transfers in	402,384	700,000	-	1,102,384
Operating transfers (out)	(44,756)	-	-	(44,756)
TOTAL OTHER FINANCING SOURCES (USES)	<u>357,628</u>	<u>4,941,284</u>	<u>-</u>	<u>5,298,912</u>
NET CHANGE IN FUND BALANCES	(561,372)	757,493	(392)	195,729
FUND BALANCES - JULY 1	<u>2,460,892</u>	<u>790,292</u>	<u>150,821</u>	<u>3,402,005</u>
FUND BALANCES - JUNE 30	<u>\$ 1,899,520</u>	<u>\$ 1,547,785</u>	<u>\$ 150,429</u>	<u>\$ 3,597,734</u>

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

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.

SCHEDULE E

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2014

	Northbrook TIF	South Gray TIF	Recreation Fund	Crisis Fund	Dry Mill School	Rescue Kilby Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 96	\$ 285,727	\$ -	\$ -
Investments	-	-	-	706,001	-	-
Due from other funds	150,153	163,162	147,850	-	5,464	2,428
Prepaid expenses	-	-	2,063	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	500	-	-	-
TOTAL ASSETS	<u>\$ 150,153</u>	<u>\$ 163,162</u>	<u>\$ 150,509</u>	<u>\$ 991,728</u>	<u>\$ 5,464</u>	<u>\$ 2,428</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 839	\$ -	\$ -	\$ -
Accrued expenses	-	-	2,316	-	-	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>3,155</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	81,417	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>81,417</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	2,063	-	-	-
Restricted	150,153	163,162	-	991,728	-	2,428
Committed	-	-	-	-	5,464	-
Assigned	-	-	63,874	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>150,153</u>	<u>163,162</u>	<u>65,937</u>	<u>991,728</u>	<u>5,464</u>	<u>2,428</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 150,153</u>	<u>\$ 163,162</u>	<u>\$ 150,509</u>	<u>\$ 991,728</u>	<u>\$ 5,464</u>	<u>\$ 2,428</u>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Cardiac Fund	Disaster Relief Fund	Subdivision Recreation Fund	Library Reserve	Landfill Closure	Water Quality
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	-	-	39,563	3,629	154,832	6,151
Prepaid expenses	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,563</u>	<u>\$ 3,629</u>	<u>\$ 154,832</u>	<u>\$ 6,151</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	3,465	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	3,629	154,832	6,151
Assigned	-	-	36,096	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>39,561</u>	<u>3,629</u>	<u>154,832</u>	<u>6,151</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,563</u>	<u>\$ 3,629</u>	<u>\$ 154,832</u>	<u>\$ 6,151</u>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Pennell Town Clock	Stimson Hall	Library Appeal	Gray Fire & Rescue Mem. Fund	Marketing	Revaluation
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	11,050	22,250	1,959	18,052	1,000	58,355
Prepaid expenses	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 11,050</u>	<u>\$ 22,250</u>	<u>\$ 1,959</u>	<u>\$ 18,052</u>	<u>\$ 1,000</u>	<u>\$ 58,355</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	11,050	22,250	-	18,052	-	58,355
Assigned	-	-	1,959	-	1,000	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>11,050</u>	<u>22,250</u>	<u>1,959</u>	<u>18,052</u>	<u>1,000</u>	<u>58,355</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 11,050</u>	<u>\$ 22,250</u>	<u>\$ 1,959</u>	<u>\$ 18,052</u>	<u>\$ 1,000</u>	<u>\$ 58,355</u>

SCHEDULE E (CONTINUED)

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	GEO Plan	Tomco	Library Fund	Planning Board Escrow	S/Dugas Pit Reclamation	Maxwell Gravel Pit Reclamation
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	2,313	19,971	21,347	105,497	8,507	12,257
Prepaid expenses	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,313</u>	<u>\$ 19,971</u>	<u>\$ 21,347</u>	<u>\$ 105,497</u>	<u>\$ 8,507</u>	<u>\$ 12,257</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	19,971	-	105,497	8,507	12,257
Committed	2,313	-	21,347	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>2,313</u>	<u>19,971</u>	<u>21,347</u>	<u>105,497</u>	<u>8,507</u>	<u>12,257</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,313</u>	<u>\$ 19,971</u>	<u>\$ 21,347</u>	<u>\$ 105,497</u>	<u>\$ 8,507</u>	<u>\$ 12,257</u>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Training Site	Guardrail Repair	Henry Pennell Municipal Complex	MonoPod System	Libby Recreation Scholarship	Gray Matters
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other funds	-	1,570	11,434	869	1,928	2,306
Prepaid expenses	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 1,570</u>	<u>\$ 11,434</u>	<u>\$ 869</u>	<u>\$ 1,928</u>	<u>\$ 2,306</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	11,434	-	1,928	2,306
Committed	-	1,570	-	-	-	-
Assigned	-	-	-	869	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>1,570</u>	<u>11,434</u>	<u>869</u>	<u>1,928</u>	<u>2,306</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 1,570</u>	<u>\$ 11,434</u>	<u>\$ 869</u>	<u>\$ 1,928</u>	<u>\$ 2,306</u>

SCHEDULE E (CONTINUED)

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Gray Fire/Rescue Education	Shannon Ronan Mem Fund	Mazur Parks/Rec Mem Fund	Penn Cable	Grants	Parks & Recreation Fundraising	Totals
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,823
Investments	-	-	-	-	-	-	706,001
Due from other funds	5,212	479	2,151	3,389	708	5,889	991,725
Prepaid expenses	-	-	-	-	-	-	2,063
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	500
TOTAL ASSETS	<u>\$ 5,212</u>	<u>\$ 479</u>	<u>\$ 2,151</u>	<u>\$ 3,389</u>	<u>\$ 708</u>	<u>\$ 5,889</u>	<u>\$ 1,986,112</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,018	\$ 2,859
Accrued expenses	-	-	-	-	-	-	2,316
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,018</u>	<u>5,175</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	-	-	-	-	-	81,417
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,417</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	5,528
Restricted	-	479	2,151	3,389	708	3,871	1,479,969
Committed	-	-	-	-	-	-	305,013
Assigned	5,212	-	-	-	-	-	109,010
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>5,212</u>	<u>479</u>	<u>2,151</u>	<u>3,389</u>	<u>708</u>	<u>3,871</u>	<u>1,899,520</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,212</u>	<u>\$ 479</u>	<u>\$ 2,151</u>	<u>\$ 3,389</u>	<u>\$ 708</u>	<u>\$ 5,889</u>	<u>\$ 1,986,112</u>

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

TOWN OF GRAY, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Northbrook TIF	South Gray TIF	Recreation Fund	Crisis Fund	Dry Mill School	Rescue Kilby Fund
REVENUES						
Interest income	\$ -	\$ 1,222	\$ -	\$ 2,848	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Other income	1,678	-	292,285	-	-	9,074
TOTAL REVENUES	<u>1,678</u>	<u>1,222</u>	<u>292,285</u>	<u>2,848</u>	<u>-</u>	<u>9,074</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	79,639	801,630	342,575	-	-	9,016
TOTAL EXPENDITURES	<u>79,639</u>	<u>801,630</u>	<u>342,575</u>	<u>-</u>	<u>-</u>	<u>9,016</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(77,961)</u>	<u>(800,408)</u>	<u>(50,290)</u>	<u>2,848</u>	<u>-</u>	<u>58</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	114,245	211,440	42,000	34,699	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>114,245</u>	<u>211,440</u>	<u>42,000</u>	<u>34,699</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	36,284	(588,968)	(8,290)	37,547	-	58
FUND BALANCES - JULY 1	<u>113,869</u>	<u>752,130</u>	<u>74,227</u>	<u>954,181</u>	<u>5,464</u>	<u>2,370</u>
FUND BALANCES - JUNE 30	<u>\$ 150,153</u>	<u>\$ 163,162</u>	<u>\$ 65,937</u>	<u>\$ 991,728</u>	<u>\$ 5,464</u>	<u>\$ 2,428</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, 2014

	Cardiac Fund	Disaster Relief Fund	Subdivision Recreation Fund	Library Reserve	Landfill Closure	Water Quality
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ 223	\$ 9
Intergovernmental	-	-	-	-	-	-
Other income	-	-	11,600	244	-	-
TOTAL REVENUES	-	-	11,600	244	223	9
EXPENDITURES						
Capital outlay	1,122	-	48,473	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	1,122	-	48,473	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,122)	-	(36,873)	244	223	9
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	(34,699)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(34,699)	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,122)	(34,699)	(36,873)	244	223	9
FUND BALANCES - JULY 1	1,122	34,699	76,434	3,385	154,609	6,142
FUND BALANCES - JUNE 30	\$ -	\$ -	\$ 39,561	\$ 3,629	\$ 154,832	\$ 6,151

TOWN OF GRAY, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Pennell Town Clock	Stimson Hall	Library Appeal	Gray Fire & Rescue Mem. Fund	Marketing	Revaluation
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Other income	-	-	-	-	5,000	-
TOTAL REVENUES	-	-	-	-	5,000	-
EXPENDITURES						
Capital outlay	-	-	-	-	-	275
Other	1,308	-	-	2,940	4,000	-
TOTAL EXPENDITURES	1,308	-	-	2,940	4,000	275
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,308)	-	-	(2,940)	1,000	(275)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,308)	-	-	(2,940)	1,000	(275)
FUND BALANCES - JULY 1	12,358	22,250	1,959	20,992	-	58,630
FUND BALANCES - JUNE 30	<u>\$ 11,050</u>	<u>\$ 22,250</u>	<u>\$ 1,959</u>	<u>\$ 18,052</u>	<u>\$ 1,000</u>	<u>\$ 58,355</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, 2014

	GEO Plan	Tomco	Library Fund	Planning Board Escrow	S/Dugas Pit Reclamation	Maxwell Gravel Pit Reclamation
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Other income	167	-	567	52,071	-	-
TOTAL REVENUES	167	-	567	52,071	-	-
EXPENDITURES						
Capital outlay	-	-	2,563	-	-	-
Other	-	137	-	3,552	-	-
TOTAL EXPENDITURES	-	137	2,563	3,552	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	167	(137)	(1,996)	48,519	-	-
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	167	(137)	(1,996)	48,519	-	-
FUND BALANCES - JULY 1	2,146	20,108	23,343	56,978	8,507	12,257
FUND BALANCES - JUNE 30	\$ 2,313	\$ 19,971	\$ 21,347	\$ 105,497	\$ 8,507	\$ 12,257

TOWN OF GRAY, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Training Site	Guardrail Repair	Henry Pennell Municipal Complex	MonoPod System	Libby Recreation Scholarship	Gray Matters
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Other income	-	1,042	150	21,715	915	100
TOTAL REVENUES	-	1,042	150	21,715	915	100
EXPENDITURES						
Capital outlay	-	-	-	21,715	-	-
Other	230	-	1,346	-	350	183
TOTAL EXPENDITURES	230	-	1,346	21,715	350	183
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(230)	1,042	(1,196)	-	565	(83)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(230)	1,042	(1,196)	-	565	(83)
FUND BALANCES - JULY 1	230	528	12,630	869	1,363	2,389
FUND BALANCES - JUNE 30	\$ -	\$ 1,570	\$ 11,434	\$ 869	\$ 1,928	\$ 2,306

TOWN OF GRAY, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Gray Fire/Rescue Education	Shannon Ronan Mem Fund	Mazur Parks/Rec Mem Fund	Penn Cable	Grants	Parks & Recreation Fundraising	Totals
REVENUES							
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,302
Intergovernmental	-	-	-	-	-	-	-
Other income	560	-	-	-	-	3,640	400,808
TOTAL REVENUES	560	-	-	-	-	3,640	405,110
EXPENDITURES							
Capital outlay	-	-	-	-	391	-	74,539
Other	-	127	-	-	-	2,538	1,249,571
TOTAL EXPENDITURES	-	127	-	-	391	2,538	1,324,110
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	560	(127)	-	-	(391)	1,102	(919,000)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	402,384
Operating transfers (out)	-	-	-	(10,057)	-	-	(44,756)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(10,057)	-	-	357,628
NET CHANGE IN FUND BALANCES	560	(127)	-	(10,057)	(391)	1,102	(561,372)
FUND BALANCES - JULY 1	4,652	606	2,151	13,446	1,099	2,769	2,460,892
FUND BALANCES - JUNE 30	\$ 5,212	\$ 479	\$ 2,151	\$ 3,389	\$ 708	\$ 3,871	\$ 1,899,520

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

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF ACTIVITY – RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Balance, 7/1/2013	Revenue	Expenditures	Balance, 6/30/2014
ADMINISTRATION:				
Full-time personnel	\$ -	\$ -	\$ 125,267	\$ (125,267)
Wilkie's Beach attendant	-	-	3,837	(3,837)
Overtime	-	-	6,184	(6,184)
FICA/Medicare	-	-	10,833	(10,833)
Retirement	-	-	8,201	(8,201)
Total Administration	-	-	154,322	(154,322)
Storage building	-	-	14	(14)
Snack shack	-	-	6,828	(6,828)
PROGRAMS:				
Operations				
Administrative fees	-	3,666	5,274	(1,608)
Grants	-	1,400	-	1,400
Totals	-	5,066	5,274	(208)
Supplies and equipment				
Equipment	-	-	4,826	(4,826)
Software	-	-	3,740	(3,740)
Brochures/flyers	-	-	740	(740)
Totals	-	-	9,306	(9,306)
Adult fitness				
Basketball	-	12,048	6,267	5,781
Flag football	-	7,925	3,429	4,496
Bootcamp	-	729	547	182
Softball	-	193	207	(14)
Hoop dance	-	280	94	186
Open gym	-	8	-	8
Totals	-	21,183	10,544	10,639
Adult classes				
Photography	-	167	100	67
Totals	-	167	100	67
Youth fitness				
Fall soccer	-	9,584	3,643	5,941
Gymnastics	-	2,220	1,554	666
Junior basketball	-	5,358	2,059	3,299
Junior soccer	-	4,495	1,264	3,231
Karate	-	1,185	1,044	141
Lacrosse	-	1,185	418	767
Foot skills	-	960	768	192
Skiing	-	2,176	1,380	796
Track and Field	-	2,409	567	1,842
Golf	-	651	510	141
Happy hands	-	402	21	381
Zumba for kids	-	1,560	1,061	499
Totals	-	32,185	14,289	17,896

SCHEDULE G (CONTINUED)

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF ACTIVITY – RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Balance, 7/1/2013	Revenue	Expenditures	Balance, 6/30/2014
PROGRAMS (CONTINUED):				
Youth classes				
Horseback riding	-	1,000	600	400
Mad science	-	4,416	3,922	494
American Red Cross babysit	-	630	304	326
Totals	-	6,046	4,826	1,220
All day programs				
Day camp	-	86,010	67,618	18,392
Day camp before/after care	-	8,784	-	8,784
Snack shack	-	3,100	2,682	418
Day camp trips	-	18,695	16,636	2,059
In service days	-	1,750	978	772
Leaders in training	-	7,557	8,496	(939)
Kid's Club	-	82,332	28,579	53,753
Vacation camp	-	6,804	3,334	3,470
Totals	-	215,032	128,323	86,709
Camps/clinics				
Mad science	-	1,694	1,505	189
Volleyball	-	2,667	1,614	1,053
Swim lessons	-	1,935	1,194	741
Totals	-	6,296	4,313	1,983
Rentals				
Newbegin	-	6,010	1,954	4,056
Grounds	-	-	69	(69)
Totals	-	6,010	2,023	3,987
Special events				
Special events	-	300	69	231
Halloween	-	-	964	(964)
Easter egg hunt	-	-	529	(529)
Christmas	-	-	480	(480)
Ice Skating	-	-	371	(371)
Totals	-	300	2,413	(2,113)
				-
Total programs	-	292,285	188,239	104,046
Subtotal - Recreation Department Activity	-	292,285	342,575	(50,290)
Transfers In	-	42,000	-	42,000
Beginning Fund Balance	74,227	-	-	74,227
Total Recreation Department Activity	\$ 74,227	\$ 334,285	\$ 342,575	\$ 65,937

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

Capital Project Funds

Capital project 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, 2014

	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	2,515	6,095	74,997	816,174	183,945	12,090
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,515</u>	<u>\$ 6,095</u>	<u>\$ 74,997</u>	<u>\$ 816,174</u>	<u>\$ 183,945</u>	<u>\$ 12,090</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	2,515	6,095	-	-	-	-
Committed	-	-	74,997	816,174	183,945	12,090
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>2,515</u>	<u>6,095</u>	<u>74,997</u>	<u>816,174</u>	<u>183,945</u>	<u>12,090</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,515</u>	<u>\$ 6,095</u>	<u>\$ 74,997</u>	<u>\$ 816,174</u>	<u>\$ 183,945</u>	<u>\$ 12,090</u>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2014

	Library Expansion Project	Debt Service	Capital Lease	Bridges/Road Bond	Misc.
ASSETS					
Cash and cash equivalents	\$ -	\$ 27,046	\$ 29,168	\$ -	\$ -
Due from other funds	99,146	-	2,642	614,041	35,220
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-
TOTAL ASSETS	<u>\$ 99,146</u>	<u>\$ 27,046</u>	<u>\$ 31,810</u>	<u>\$ 614,041</u>	<u>\$ 35,220</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	1,068	-	819	17,270	-
TOTAL LIABILITIES	<u>1,068</u>	<u>-</u>	<u>819</u>	<u>17,270</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	21,434	-	-	2,778	-
Committed	76,644	27,046	30,991	593,993	35,220
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>98,078</u>	<u>27,046</u>	<u>30,991</u>	<u>596,771</u>	<u>35,220</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 99,146</u>	<u>\$ 27,046</u>	<u>\$ 31,810</u>	<u>\$ 614,041</u>	<u>\$ 35,220</u>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2014

	Public Buildings	Technology	Other Grants	Road Resurfacing	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 56,214
Due from other funds	-	7,280	-	-	1,854,145
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 7,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,910,359</u>
LIABILITIES					
Due to other funds	\$ 55,032	\$ -	\$ -	\$ 249,528	\$ 304,560
Accounts payable	-	-	-	38,857	58,014
TOTAL LIABILITIES	<u>55,032</u>	<u>-</u>	<u>-</u>	<u>288,385</u>	<u>362,574</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	32,822
Committed	-	7,280	-	-	1,858,380
Assigned	-	-	-	-	-
Unassigned	(55,032)	-	-	(288,385)	(343,417)
TOTAL FUND BALANCES	<u>(55,032)</u>	<u>7,280</u>	<u>-</u>	<u>(288,385)</u>	<u>1,547,785</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 7,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,910,359</u>

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

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Public Works & Transfer Station Project	Town Office Project	Bridge Repair and Replacement	Fire and Public Safety	PW and Town Vehicles and Equipment	Sidewalks
REVENUES						
Interest income	\$ 3	\$ 9	\$ 109	\$ 1,136	\$ 265	\$ 18
Intergovernmental	-	-	-	-	-	-
Other	-	-	-	80,700	-	-
TOTAL REVENUES	<u>3</u>	<u>9</u>	<u>109</u>	<u>81,836</u>	<u>265</u>	<u>18</u>
EXPENDITURES						
Capital outlay	-	1,000	2,781	8,340	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>1,000</u>	<u>2,781</u>	<u>8,340</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES						
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3</u>	<u>(991)</u>	<u>(2,672)</u>	<u>73,496</u>	<u>265</u>	<u>18</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Premiums on issuance	-	-	-	-	-	-
Bond payoff	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	3	(991)	(2,672)	73,496	265	18
FUND BALANCES - JULY 1	<u>2,512</u>	<u>7,086</u>	<u>77,669</u>	<u>742,678</u>	<u>183,680</u>	<u>12,072</u>
FUND BALANCES - JUNE 30	<u>\$ 2,515</u>	<u>\$ 6,095</u>	<u>\$ 74,997</u>	<u>\$ 816,174</u>	<u>\$ 183,945</u>	<u>\$ 12,090</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, 2014

	Library Expansion Project	Debt Service	Capital Lease	Bridges/Road Bond	Misc.
REVENUES					
Interest income	\$ 8	\$ 95	\$ -	\$ 1,989	\$ 64
Intergovernmental	-	-	-	-	-
Other	-	-	-	-	-
TOTAL REVENUES	<u>8</u>	<u>95</u>	<u>-</u>	<u>1,989</u>	<u>64</u>
EXPENDITURES					
Capital outlay	1,342,209	328,049	1,249,009	867,996	-
Other	20,474	-	-	37,753	-
EXPENDITURES	<u>1,362,683</u>	<u>328,049</u>	<u>1,249,009</u>	<u>905,749</u>	<u>-</u>
TOTAL EXPENDITURES					
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,362,675)</u>	<u>(327,954)</u>	<u>(1,249,009)</u>	<u>(903,760)</u>	<u>64</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	2,529,680	-	1,280,000	2,880,416	-
Premiums on issuance	107,486	-	-	104,601	-
Bond payoff	(1,151,251)	-	-	(1,460,000)	-
Bond issuance costs	(25,162)	-	-	(24,486)	-
Operating transfers in	-	355,000	-	-	-
Operating transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,460,753</u>	<u>355,000</u>	<u>1,280,000</u>	<u>1,500,531</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	98,078	27,046	30,991	596,771	64
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,156</u>
FUND BALANCES - JUNE 30	<u>\$ 98,078</u>	<u>\$ 27,046</u>	<u>\$ 30,991</u>	<u>\$ 596,771</u>	<u>\$ 35,220</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, 2014

	Public Buildings	Technology	Other Grants	Road Resurfacing	Totals
REVENUES					
Interest income	\$ -	\$ 12	\$ -	\$ -	\$ 3,708
Intergovernmental	-	-	1,180	-	1,180
Other	-	-	-	-	80,700
TOTAL REVENUES	-	12	1,180	-	85,588
EXPENDITURES					
Capital outlay	55,286	14,886	1,180	340,044	4,210,780
Other	46	-	-	326	58,599
EXPENDITURES	55,332	14,886	1,180	340,370	4,269,379
TOTAL EXPENDITURES					
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(55,332)	(14,874)	-	(340,370)	(4,183,791)
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	6,690,096
Premiums on issuance	-	-	-	-	212,087
Bond payoff	-	-	-	-	(2,611,251)
Bond issuance costs	-	-	-	-	(49,648)
Operating transfers in	45,000	-	-	300,000	700,000
Operating transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	45,000	-	-	300,000	4,941,284
NET CHANGE IN FUND BALANCES	(10,332)	(14,874)	-	(40,370)	757,493
FUND BALANCES - JULY 1	(44,700)	22,154	-	(248,015)	790,292
FUND BALANCES - JUNE 30	\$ (55,032)	\$ 7,280	\$ -	\$ (288,385)	\$ 1,547,785

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

Permanent Funds

Permanent funds are used to account for assets held by the Town of Gray, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of the cemeteries.

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2014

	Cemetery	George Doughty	Helen Frank Cemetery	Monument & Christian Temple	Pennell
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	22,835	10,016	33,634	3,047	34,433
TOTAL ASSETS	<u>\$ 22,835</u>	<u>\$ 10,016</u>	<u>\$ 33,634</u>	<u>\$ 3,047</u>	<u>\$ 34,433</u>
LIABILITIES					
Due to others funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable-principal	22,798	10,000	33,580	-	-
Restricted	37	16	54	3,047	34,433
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>22,835</u>	<u>10,016</u>	<u>33,634</u>	<u>3,047</u>	<u>34,433</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,835</u>	<u>\$ 10,016</u>	<u>\$ 33,634</u>	<u>\$ 3,047</u>	<u>\$ 34,433</u>

TOWN OF GRAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2014

	C Barker School	Grange Scholarship	Common School	Stimson Cemetery	Totals
ASSETS					
Cash and cash equivalents	\$ 22,388	\$ 14,215	\$ -	\$ -	\$ 36,603
Due from other funds	-	-	2,850	7,011	113,826
TOTAL ASSETS	<u>\$ 22,388</u>	<u>\$ 14,215</u>	<u>\$ 2,850</u>	<u>\$ 7,011</u>	<u>\$ 150,429</u>
LIABILITIES					
Due to others funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable-principal	-	16,433	-	7,000	89,811
Restricted	22,388	-	2,850	11	62,836
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(2,218)	-	-	(2,218)
TOTAL FUND BALANCES	<u>22,388</u>	<u>14,215</u>	<u>2,850</u>	<u>7,011</u>	<u>150,429</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,388</u>	<u>\$ 14,215</u>	<u>\$ 2,850</u>	<u>\$ 7,011</u>	<u>\$ 150,429</u>

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

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Cemetery</u>	<u>George Doughty</u>	<u>Helen Frank Cemetery</u>	<u>Monument & Christian Temple</u>	<u>Pennell</u>
REVENUES					
Interest income	\$ 37	\$ 16	\$ 54	\$ 5	\$ 55
Other income	-	-	-	-	-
TOTAL REVENUES	<u>37</u>	<u>16</u>	<u>54</u>	<u>5</u>	<u>55</u>
EXPENDITURES	<u>40</u>	<u>18</u>	<u>59</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3)</u>	<u>(2)</u>	<u>(5)</u>	<u>5</u>	<u>55</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>
NET CHANGE IN FUND BALANCES	(3)	(2)	(5)	5	55
FUND BALANCES - JULY 1	<u>22,838</u>	<u>10,018</u>	<u>33,639</u>	<u>3,042</u>	<u>34,378</u>
FUND BALANCES - JUNE 30	<u>\$ 22,835</u>	<u>\$ 10,016</u>	<u>\$ 33,634</u>	<u>\$ 3,047</u>	<u>\$ 34,433</u>

TOWN OF GRAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>C Barker School</u>	<u>Grange Scholarship</u>	<u>Common School</u>	<u>Stimson Cemetery</u>	<u>Totals</u>
REVENUES					
Interest income	\$ 34	\$ 21	\$ 4	\$ 11	\$ 237
Other income	-	-	-	-	-
TOTAL REVENUES	<u>34</u>	<u>21</u>	<u>4</u>	<u>11</u>	<u>237</u>
EXPENDITURES	<u>500</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>629</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(466)</u>	<u>21</u>	<u>4</u>	<u>(1)</u>	<u>(392)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	-	-
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(466)	21	4	(1)	(392)
FUND BALANCES - JULY 1	<u>22,854</u>	<u>14,194</u>	<u>2,846</u>	<u>7,012</u>	<u>150,821</u>
FUND BALANCES - JUNE 30	<u>\$ 22,388</u>	<u>\$ 14,215</u>	<u>\$ 2,850</u>	<u>\$ 7,011</u>	<u>\$ 150,429</u>

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

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 position.

TOWN OF GRAY, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2014

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
General Government	\$ 14,280	\$ 1,383,076	\$ 458,235	\$ 143,640	\$ 1,999,231
Pennell	-	1,569,524	-	-	1,569,524
Library	1,460,490	313,818	418,923	-	2,193,231
Parks & Recreation	3,850	331,730	73,332	-	408,912
Public Safety	30,885	1,084,329	4,463,635	9,100	5,587,949
Public Works	938,273	3,549,037	3,592,706	10,940,759	19,020,775
Buildings & Grounds	30,000	147,659	34,500	393,646	605,805
Solid Waste	-	197,182	335,748	-	532,930
Total General Capital Assets	2,477,778	8,576,355	9,377,079	11,487,145	31,918,357
Less: Accumulated Depreciation	-	(2,500,313)	(6,594,545)	(6,118,629)	(15,213,487)
Net General Capital Assets	\$ 2,477,778	\$ 6,076,042	\$ 2,782,534	\$ 5,368,516	\$ 16,704,870

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

TOWN OF GRAY, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2014

	General Capital Assets 7/1/13	Additions	Deletions	General Capital Assets 6/30/14
General Government	\$ 1,983,620	\$ 15,611	\$ -	\$ 1,999,231
Pennell	1,568,524	1,000	-	1,569,524
Library	848,459	1,344,772	-	2,193,231
Parks & Recreation	362,901	55,511	(9,500)	408,912
Public Safety	5,340,740	514,159	(266,950)	5,587,949
Public Works	17,022,348	1,998,427	-	19,020,775
Buildings & Grounds	605,805	-	-	605,805
Solid Waste	473,635	59,295	-	532,930
Total General Capital Assets	28,206,032	3,988,775	(276,450)	31,918,357
Less: Accumulated Depreciation	<u>(13,776,131)</u>	<u>(1,661,026)</u>	<u>223,670</u>	<u>(15,213,487)</u>
Net General Capital Assets	<u><u>\$ 14,429,901</u></u>	<u><u>\$ 2,327,749</u></u>	<u><u>\$ (52,780)</u></u>	<u><u>\$ 16,704,870</u></u>

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