

Audited Financial Statements

Town of Jay, Maine

June 30, 2012



Proven Expertise and Integrity

TOWN OF JAY, MAINE

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JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

July 20, 2012

Board of Selectmen
Town of Jay
Jay, Maine

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Jay, Maine, as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Jay, Maine's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Jay, Maine as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

RHR Smith & Company

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

(UNAUDITED)

The following management's discussion and analysis of the Town of Jay's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

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

Basic Financial Statements

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

Government - Wide Financial Statements

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

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

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

Both of the above mentioned financial statements have separate columns for the two different types of town activities. The types of activities presented for the Town of Jay are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, education, insurance, recreation and culture and other unclassified.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and / or charges to external users for goods and / or services. These activities for the Town of Jay include the sewer fund. The school lunch fund was transferred to RSU #73 at July 1, 2011.

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 Jay, 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 Jay can be divided into two categories: governmental funds and proprietary 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 Jay presents only 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 "Nonmajor 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.

Proprietary Funds: The Town of Jay maintains one proprietary fund, the sewer fund. This fund is used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

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 net assets, and the changes in net assets of the Town's governmental and business-type activities. The Town's total net assets for governmental activities decreased by 24.90% from \$22.9 million to \$17.2 million. Most of this decrease can be attributed to the transfer of net assets of the Jay School Department to RSU #73. The Town's total net assets for business-type activities increased by \$115,722 from \$1.11 million to \$1.23 million.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling

legislation, or other legal requirements - decreased for governmental activities to a balance of \$8,495,812 at the end of this year. Unrestricted net assets for business-type activities decreased to a balance of \$24,528.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011 (Restated)</u>
Assets:				
Current and Other Assets	\$ 8,849,488	\$ 10,487,542	\$ (676,620)	\$ (697,022)
Capital Assets	11,854,896	15,755,629	1,458,745	1,143,217
Other Assets	-	-	2,895,999	3,075,554
Total Assets	<u><u>\$ 20,704,384</u></u>	<u><u>\$ 26,243,171</u></u>	<u><u>\$ 3,678,124</u></u>	<u><u>\$ 3,521,749</u></u>
Liabilities:				
Current Liabilities	\$ 666,559	\$ 696,686	\$ 916,903	\$ 620,325
Long-term Debt Outstanding	2,836,107	2,642,309	1,535,547	1,791,472
Total Liabilities	<u><u>\$ 3,502,666</u></u>	<u><u>\$ 3,338,995</u></u>	<u><u>\$ 2,452,450</u></u>	<u><u>\$ 2,411,797</u></u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 8,455,300	\$ 12,557,069	\$ 1,201,146	\$ 887,292
Restricted				
General Fund	-	1,197,355	-	-
Special Revenue	234,422	488,650	-	-
Permanent Fund	16,184	118,086	-	-
Unrestricted	8,495,812	8,543,016	24,528	222,660
Total Net Assets	<u><u>\$ 17,201,718</u></u>	<u><u>\$ 22,904,176</u></u>	<u><u>\$ 1,225,674</u></u>	<u><u>\$ 1,109,952</u></u>

Table 2
Town of Jay, Maine
Change in Net Assets
For the Years Ended June 30,

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues				
Program Revenue:				
Charges for services	\$ 245,913	\$ 272,118	\$ 395,426	\$ 432,954
Operating grants and contributions	46,136	1,142,016	-	208,542
General Revenue:				
Property taxes	14,830,987	14,448,888	-	-
Excise taxes	660,038	658,857	-	-
Grants and contributions not restricted to specific programs	2,207,818	1,239,553	-	-
Miscellaneous	235,611	1,204,103	3,115	6,082
Total Revenues	<u>18,226,503</u>	<u>18,965,535</u>	<u>398,541</u>	<u>647,578</u>
Expenses				
General government	545,897	634,885	-	-
Public safety	1,353,385	1,207,099	-	-
Public works	879,886	835,560	-	-
Health and welfare	592,998	545,304	-	-
Social Services	28,291	25,530	-	-
Recreation and culture	187,434	191,547	-	-
Education	8,326,232	8,085,292	-	-
County tax	965,055	959,250	-	-
Insurance	146,053	125,259	-	-
TIF	2,353,046	2,324,655	-	-
Interest on long-term debt	184,714	-	-	-
Unallocated depreciation	41,400	41,524	-	-
State of Maine on behalf payments	-	765,890	-	-
Unclassified	1,777,290	1,753,458	680,378	963,788
Total Expenses	<u>17,381,681</u>	<u>17,495,253</u>	<u>680,378</u>	<u>963,788</u>
Change in Net Assets	844,822	1,470,282	(281,837)	(316,210)
Transfer to RSU #73	(6,119,688)	-	(30,033)	-
Transfers	(427,592)	(270,810)	427,592	270,810
Net Assets - July 1	22,904,176	21,704,704	1,109,952	1,072,323
Restatement of net assets	-	-	-	83,029
Net Assets - July 1, restated	22,904,176	21,704,704	1,109,952	1,155,352
Net Assets - June 30	<u>\$ 17,201,718</u>	<u>\$ 22,904,176</u>	<u>\$ 1,225,674</u>	<u>\$ 1,109,952</u>

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 3.90%, while total expenses decreased by 0.65%. The decrease in revenues and expenses was consistent with the transfer of the Jay School Department to RSU #73.

Revenues for the Town's business-type activities decreased by 38.46%, while total expenses decreased by 29.41%. The major decrease was due to the transfer of the school lunch fund to RSU #73.

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 Jay, Maine
Fund Balances - Governmental Funds
June 30,

	2012	2011
General Fund:		
Nonspendable	\$ 11,559	\$ 271,256
Restricted	-	1,197,355
Unassigned	6,728,932	6,526,770
Total General Fund	\$ 6,740,491	\$ 7,995,381
Nonmajor Funds:		
Special revenue funds		
Restricted	\$ 234,422	\$ 488,650
Committed	1,597,046	1,705,656
Unassigned	-	(48,377)
Permanent funds		
Restricted	16,184	118,086
Total Nonmajor Funds	\$ 1,847,652	\$ 2,264,015

The general fund total fund balance decreased by \$1,254,890 from the prior fiscal year. The non-major fund balances decreased by \$416,363 from the prior fiscal year. Most of the decrease in the general fund and non-major funds came as a result of transfer of fund balance to RSU #73.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The school lunch fund, which is a proprietary fund, was transferred to RSU #73 at July 1, 2011. The sewer fund, a proprietary fund had net assets for the current year of \$1,225,674. This was an increase of \$198,751 from the prior year.

Budgetary Highlights

There was a significant difference between the original and final budget for the general fund. This was the addition of applied receipts.

The general fund actual revenues were under the budget by \$9,410. This was mostly a result of the property taxes and miscellaneous revenue being under budget.

The general fund actual expenditures were over the budget by \$645,480. Substantially all of the overage was the result of the transfer of fund balance to RSU #73, which was partially offset by under expended appropriations in most other categories. Refer to Schedule 1 for further detail.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2012, the net book value of capital assets recorded by the Town decreased by \$6,972,661 when compared to the prior year. This decrease is the result of capital assets transferred to RSU #73 of \$7,584,120 plus current year depreciation expense of \$644,477 less capital additions of \$1,255,936.

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

	2012	2011
Land and improvements	\$ 809,368	\$ 871,818
Buildings and improvements	2,600,633	9,261,073
Furniture and fixtures	179	6,791
Machinery and equipment	510,368	686,519
Vehicles	1,337,034	1,436,741
Art works & historical treasures	-	40,000
Infrastructure	4,650,965	4,068,230
Construction in progress	17,638	527,674
Total	\$ 9,926,185	\$ 16,898,846

Debt

At June 30, 2012, the Town had \$5.03 million in bonds outstanding versus \$5.76 million last year, a decrease of 12.63%, as shown in Note 7 of Notes to Financial Statements.

Economic Factors and Next Year's Budgets and Rates

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

Requests for Information

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 Finance Dept. at 340 Main Street, Jay, Maine 04239.

STATEMENT A

TOWN OF JAY, MAINE

STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,455,993	\$ -	\$ 7,455,993
Investments	29,918	-	29,918
Accounts receivable (net of allowance for uncollectibles):			
Taxes	146,540	399,781	546,321
Liens	57,442	18,710	76,152
Other	52,925	-	52,925
Prepays	11,559	-	11,559
Internal balances	1,095,111	(1,095,111)	-
Total current assets	<u>8,849,488</u>	<u>(676,620)</u>	<u>8,172,868</u>
Noncurrent assets:			
Receivable for long-term debt obligations from RSU No. 73	3,387,456	-	3,387,456
Capital assets:			
Non depreciable assets	767,321	27,435	794,756
Depreciated assets net of accumulated depreciation	7,700,119	1,431,310	9,131,429
Total noncurrent assets	<u>11,854,896</u>	<u>1,458,745</u>	<u>13,313,641</u>
Other assets:			
Investment in joint venture	-	2,895,999	2,895,999
TOTAL ASSETS	<u><u>\$ 20,704,384</u></u>	<u><u>\$ 3,678,124</u></u>	<u><u>\$ 24,382,508</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 57,500	\$ 11,448	\$ 68,948
Accrued expenses	28,670	1,114	29,784
Deferred revenues	-	390,817	390,817
Bond anticipation note	-	257,599	257,599
Prepaid taxes	2,170	-	2,170
Current portion of long-term obligations	578,219	255,925	834,144
Total current liabilities	<u>666,559</u>	<u>916,903</u>	<u>1,583,462</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	2,767,329	1,535,547	4,302,876
Capital lease payable	54,048	-	54,048
Accrued compensated absences	14,730	-	14,730
Total noncurrent liabilities	<u>2,836,107</u>	<u>1,535,547</u>	<u>4,371,654</u>
TOTAL LIABILITIES	<u><u>3,502,666</u></u>	<u><u>2,452,450</u></u>	<u><u>5,955,116</u></u>
NET ASSETS			
Invested in capital assets, net of related debt	8,455,300	1,201,146	9,656,446
Restricted: Special Revenue Funds	234,422	-	234,422
Permanent Funds	16,184	-	16,184
Unrestricted	8,495,812	24,528	8,520,340
TOTAL NET ASSETS	<u><u>17,201,718</u></u>	<u><u>1,225,674</u></u>	<u><u>18,427,392</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 20,704,384</u></u>	<u><u>\$ 3,678,124</u></u>	<u><u>\$ 24,382,508</u></u>

See accompanying independent auditors' report and notes to financial statements

STATEMENT B

TOWN OF JAY, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue & Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 545,897	\$ 55,032	\$ -	\$ -	\$ (490,865)	\$ -	\$ (490,865)
Public safety	1,353,385	9,851	-	-	(1,343,534)	-	(1,343,534)
Public works	879,886	181,030	46,136	-	(652,720)	-	(652,720)
Health and welfare	592,998	-	-	-	(592,998)	-	(592,998)
Social services	28,291	-	-	-	(28,291)	-	(28,291)
Recreation and culture	187,434	-	-	-	(187,434)	-	(187,434)
Education	8,326,232	-	-	-	(8,326,232)	-	(8,326,232)
County tax	965,055	-	-	-	(965,055)	-	(965,055)
Insurance	146,053	-	-	-	(146,053)	-	(146,053)
Tax increment financing agree.	2,353,046	-	-	-	(2,353,046)	-	(2,353,046)
Interest on long-term debt	184,714	-	-	-	(184,714)	-	(184,714)
Unallocated depreciation (Note 4)	41,400	-	-	-	(41,400)	-	(41,400)
Unclassified	1,777,290	-	-	-	(1,777,290)	-	(1,777,290)
Total governmental activities	17,381,681	245,913	46,136	-	(17,089,632)	-	(17,089,632)
Business-type activities:							
Sewer department	680,378	395,426	-	-	-	(284,952)	(284,952)
Total business-type activities	680,378	395,426	-	-	-	(284,952)	(284,952)
Total government	\$ 18,062,059	\$ 641,339	\$ 46,136	\$ -	(17,089,632)	(284,952)	(17,374,584)

STATEMENT B (CONTINUED)
TOWN OF JAY, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Changes in net assets:			
Net (expense) revenue	<u>(17,089,632)</u>	<u>(284,952)</u>	<u>(17,374,584)</u>
General revenues:			
Taxes			
Property taxes, levied for general purposes	14,830,987	-	14,830,987
Excise taxes, levied for general purposes	660,038	-	660,038
Grants and contributions not restricted to specific programs	2,207,818	-	2,207,818
Miscellaneous	235,611	3,115	238,726
Transfer to RSU #73	(6,119,688)	(30,033)	(6,149,721)
Transfers - internal activities	<u>(427,592)</u>	<u>427,592</u>	<u>-</u>
Total general revenues and transfers	<u>11,387,174</u>	<u>400,674</u>	<u>11,787,848</u>
Change in net assets	(5,702,458)	115,722	(5,586,736)
NET ASSETS - JULY 1, 2011	22,904,176	1,026,923	23,931,099
RESTATEMENT OF NET ASSETS	<u>-</u>	<u>83,029</u>	<u>83,029</u>
NET ASSETS - JULY 1, 2011, RESTATED	<u>22,904,176</u>	<u>1,109,952</u>	<u>24,014,128</u>
NET ASSETS - JUNE 30, 2012	<u>\$ 17,201,718</u>	<u>\$ 1,225,674</u>	<u>\$ 18,427,392</u>

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

STATEMENT C

TOWN OF JAY, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Nonmajor Funds	Totals Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 5,815,656	\$ 1,640,337	\$ 7,455,993
Investments	-	29,918	29,918
Receivables (net of allowance for uncollectibles):			
Taxes	146,540	-	146,540
Liens	57,442	-	57,442
Other	52,925	-	52,925
Prepaid expenses	11,559	-	11,559
Due from other funds	1,096,502	178,788	1,275,290
TOTAL ASSETS	<u><u>\$ 7,180,624</u></u>	<u><u>\$ 1,849,043</u></u>	<u><u>\$ 9,029,667</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 57,500	\$ -	\$ 57,500
Accrued payroll	28,670	-	28,670
Due to other funds	178,788	1,391	180,179
Deferred tax revenues	173,005	-	173,005
Prepaid taxes	2,170	-	2,170
TOTAL LIABILITIES	<u>440,133</u>	<u>1,391</u>	<u>441,524</u>
Fund Balances:			
Nonspendable	11,559	-	11,559
Restricted	-	250,606	250,606
Committed	-	1,597,046	1,597,046
Assigned	-	-	-
Unassigned	6,728,932	-	6,728,932
TOTAL FUND BALANCES	<u>6,740,491</u>	<u>1,847,652</u>	<u>8,588,143</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 7,180,624</u></u>	<u><u>\$ 1,849,043</u></u>	<u><u>\$ 9,029,667</u></u>

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

TOWN OF JAY, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 8,588,143
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	8,467,440
Long-term assets are not available in the current period and therefore are not reported as assets in the funds:	
Receivable for long-term debt obligations from RSU No. 73	3,387,456
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	173,005
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(3,238,662)
Capital lease payable	(160,934)
Accrued compensated absences	<u>(14,730)</u>
Net assets of governmental activities	<u>\$ 17,201,718</u>

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

TOWN OF JAY, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Nonmajor Funds	Totals Governmental Funds
REVENUES			
Taxes	\$ 14,764,189	\$ -	\$ 14,764,189
Excise taxes	660,038	-	660,038
Intergovernmental	2,253,954	-	2,253,954
Charges for services	245,913	-	245,913
Miscellaneous revenues	38,886	196,725	235,611
TOTAL REVENUES	17,962,980	196,725	18,159,705
EXPENDITURES			
Current:			
General government	559,284	-	559,284
Public safety	1,261,449	-	1,261,449
Public works	1,228,293	-	1,228,293
Health and welfare	651,971	-	651,971
Social services	28,291	-	28,291
Recreation and culture	176,735	-	176,735
Education	8,125,196	-	8,125,196
County tax	965,055	-	965,055
Insurance	146,053	-	146,053
Tax increment financing agreement	2,353,046	-	2,353,046
Unclassified	474,907	1,302,383	1,777,290
Debt service:			
Principal	572,285	-	572,285
Interest	184,714	-	184,714
TOTAL EXPENDITURES	16,727,279	1,302,383	18,029,662
EXCESS REVENUES OVER (UNDER) EXPENDITURES	1,235,701	(1,105,658)	130,043
OTHER FINANCING SOURCES (USES)			
Operating transfers in	3,647	869,291	872,938
Operating transfers (out)	(1,296,883)	(3,647)	(1,300,530)
Transfers to RSU #73	(1,197,355)	(176,349)	(1,373,704)
TOTAL OTHER FINANCING SOURCES (USES)	(2,490,591)	689,295	(1,801,296)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(1,254,890)	(416,363)	(1,671,253)
FUND BALANCES - JULY 1	7,995,381	2,264,015	10,259,396
FUND BALANCES - JUNE 30	\$ 6,740,491	\$ 1,847,652	\$ 8,588,143

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

TOWN OF JAY, 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, 2012

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (1,671,253)</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 allocated to those expenditures over the life of the assets:	
Capital asset purchases capitalized	791,141
Capital asset disposed	(7,561,155)
Depreciation expense	<u>(518,175)</u>
	<u>(7,288,189)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>66,798</u>
Receivable for long-term debt obligations from RSU No. 73	<u>3,387,456</u>
Debt proceeds provide current financial resources to governmental funds, but long-term liabilities in the Statement of Net Assets.	
	<u>(9,218)</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 Assets	
	<u>(191,818)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>3,766</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ (5,702,458)</u></u>

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

TOWN OF JAY, MAINE

BALANCE SHEET – PROPRIETARY FUNDS
JUNE 30, 2012

	Business-type Activities - Enterprise Funds		
	Sewer Department	School Lunch Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):			
Taxes	399,781	-	399,781
Liens	18,710	-	18,710
Total current assets	<u>418,491</u>	<u>-</u>	<u>418,491</u>
Noncurrent assets:			
Land and buildings	1,285,435	-	1,285,435
Vehicles and equipment	141,679	-	141,679
Infrastructure	5,214,347	-	5,214,347
Total capital assets	<u>6,641,461</u>	<u>-</u>	<u>6,641,461</u>
Less: accumulated depreciation	<u>(5,182,716)</u>	<u>-</u>	<u>(5,182,716)</u>
Net capital assets	<u>1,458,745</u>	<u>-</u>	<u>1,458,745</u>
Other assets:			
Investment in joint venture	<u>2,895,999</u>	<u>-</u>	<u>2,895,999</u>
TOTAL ASSETS	<u>\$ 4,773,235</u>	<u>\$ -</u>	<u>\$ 4,773,235</u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	\$ 11,448	\$ -	\$ 11,448
Deferred revenue	390,817	-	390,817
Due to other funds	1,095,111	-	1,095,111
Accrued payroll	1,114	-	1,114
Bond anticipation note	257,599	-	257,599
Bonds payable, current portion	255,925	-	255,925
Total current liabilities	<u>2,012,014</u>	<u>-</u>	<u>2,012,014</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable, net of current portion	<u>1,535,547</u>	<u>-</u>	<u>1,535,547</u>
Total Liabilities	<u>3,547,561</u>	<u>-</u>	<u>3,547,561</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,201,146	-	1,201,146
Unrestricted	24,528	-	24,528
TOTAL NET ASSETS	<u>1,225,674</u>	<u>-</u>	<u>1,225,674</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,773,235</u>	<u>\$ -</u>	<u>\$ 4,773,235</u>

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

TOWN OF JAY, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds		
	Sewer Department	School Lunch Program	Totals
OPERATING REVENUES			
Intergovernmental revenue	\$ -	\$ -	\$ -
Charges for services	395,426	-	395,426
TOTAL OPERATING REVENUES	<u>395,426</u>	<u>-</u>	<u>395,426</u>
OPERATING EXPENSES			
Payroll and related benefits	50,628	-	50,628
Treatment fees	200,551	-	200,551
Repairs and maintenance	5,800	-	5,800
Supplies	56,485	-	56,485
Utilities	37,854	-	37,854
Depreciation	126,302	-	126,302
TOTAL OPERATING EXPENSES	<u>477,620</u>	<u>-</u>	<u>477,620</u>
OPERATING INCOME (LOSS)	<u>(82,194)</u>	<u>-</u>	<u>(82,194)</u>
NON-OPERATING INCOME (EXPENSE)			
Transfers in	447,592	-	447,592
Transfers out	(20,000)	-	(20,000)
Interest income	3,115	-	3,115
Interest expense	(23,203)	-	(23,203)
Increase (decrease) in fund balance of joint venture	(179,555)	-	(179,555)
Transfer to RSU #73	-	(30,033)	(30,033)
TOTAL NON-OPERATING INCOME (EXPENSE)	<u>227,949</u>	<u>(30,033)</u>	<u>197,916</u>
NET INCOME (LOSS)	145,755	(30,033)	115,722
NET ASSETS - JULY 1	996,890	30,033	1,026,923
RESTATEMENT OF NET ASSETS	<u>83,029</u>	<u>-</u>	<u>83,029</u>
NET ASSETS - JULY 1, RESTATED	<u>1,079,919</u>	<u>30,033</u>	<u>1,109,952</u>
NET ASSETS - JUNE 30	<u>\$ 1,225,674</u>	<u>\$ -</u>	<u>\$ 1,225,674</u>

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

STATEMENT I

TOWN OF JAY, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds		
	Sewer Department	School Lunch Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 354,578	\$ 23,708	\$ 378,286
Payments to suppliers	(249,452)		(249,452)
Payments to employees	(49,514)	(81,301)	(130,815)
Net cash provided (used) by operating activities	55,612	(57,593)	(1,981)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	3,115	-	3,115
Net cash provided (used) by investing activities	3,115	-	3,115
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(20,000)	(7,073)	(27,073)
Net cash provided (used) by noncapital financing activities	(20,000)	(7,073)	(27,073)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from bond anticipation note	257,599	-	257,599
Transfer in from general fund - debt service	279,128	-	279,128
Transfer in from general fund - other	168,464	-	168,464
Purchases of capital assets	(464,790)	-	(464,790)
Principal payments on bond payable	(255,925)	-	(255,925)
Interest payments on bond payable	(23,203)	-	(23,203)
Net cash provided (used) by financing activities	(38,727)	-	(38,727)
NET INCREASE (DECREASE) IN CASH	-	(64,666)	(64,666)
CASH - JULY 1	-	64,666	64,666
CASH - JUNE 30	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (82,194)	\$ -	\$ (82,194)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	126,302	-	126,302
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(40,848)	15,590	(25,258)
(Increase) decrease in inventory	-	8,118	8,118
(Decrease) increase in accounts payable	11,448	-	11,448
(Decrease) increase in accrued payroll	1,114	-	1,114
(Decrease) increase in deferred revenues	26,417	-	26,417
(Decrease) increase in due to other funds	13,373	(81,301)	(67,928)
NET CASH PROVIDED (USED) BY ACTIVITIES	\$ 55,612	\$ (57,593)	\$ (1,981)

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

TOWN OF JAY, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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 either governmental or business-type. The Town's sewer fund is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

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

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

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

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

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, 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 JAY, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

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. Permanent Funds are used to account for assets held by the Town in trust for specific purposes.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Non-operating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

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.

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. For statement of cash flows purposes, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. 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 Jay does have a formal investment policy that was revised in fiscal year 2009.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

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 \$0 as of June 30, 2012.

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Estimated useful lives are as follows:

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

Long-term Obligations

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

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

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

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Town's policies regarding vacation time do permit employees to accumulate earned but unused vacation leave, with the exception of the two office ladies. 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, 2012, the Town's liability for compensated absences is \$14,730.

Net Assets

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

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied August 15, 2011 on the assessed value listed as of April 1, 2011, for all real and personal property located in the Town. Taxes were due in two installments on October 3, 2011 and April 2, 2012. Interest on unpaid taxes commenced on October 4, 2011 and April 3, 2012, at 7% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$264,283 for the year ended June 30, 2012.

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.

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Revenues

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

Operating/Non-operating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund.

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.

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering 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. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2012, the Town's deposits amounting to \$7,455,993 were comprised of deposits of \$7,640,755. Of these bank deposits, \$7,640,755 was fully insured by federal depository insurance or was collateralized with securities held by the financial institution in the Town's name and consequently not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 502,671
Insured sweep	7,135,488
Savings	2,597
	<u>\$ 7,640,755</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.

At June 30, 2012, the Town's investments of \$29,918 of certificates of deposit were all insured by federal depository insurance and consequently were not exposed to custodial credit risk.

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>
Certificates of Deposit	\$ 29,918	\$ -	\$ 29,918	\$ -
	<u>\$ 29,918</u>	<u>\$ -</u>	<u>\$ 29,918</u>	<u>\$ -</u>

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 approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. 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.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2012 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General fund	\$ 1,096,502	\$ 178,788
Special revenue fund	178,788	191
Permanent fund	-	1,200
Enterprise fund	-	1,095,111
	<u>\$ 1,275,290</u>	<u>\$ 1,275,290</u>

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2012:

	Balance, 7/1/11	Additions	Disposals	Balance, 6/30/12
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 805,833	\$ -	\$ (56,150)	\$ 749,683
Art works & historical treasures	40,000	-	(40,000)	-
Construction in progress	527,674	-	(510,036)	17,638
	<u>1,373,507</u>	<u>-</u>	<u>(606,186)</u>	<u>767,321</u>
Depreciated assets:				
Land Improvements	72,000	-	(10,000)	62,000
Buildings	15,663,114	-	(12,584,496)	3,078,618
Building improvements	427,916	-	(16,920)	410,996
Furniture & fixtures	396,589	-	(396,339)	250
Machinery & equipment	3,551,812	13,271	(911,199)	2,653,884
Vehicles	3,079,717	348,459	(808,429)	2,619,747
Infrastructure	6,142,034	429,411	-	6,571,445
	<u>29,333,182</u>	<u>791,141</u>	<u>(14,727,383)</u>	<u>15,396,940</u>
Less: accumulated depreciation	<u>(14,951,060)</u>	<u>(518,175)</u>	<u>7,772,414</u>	<u>(7,696,821)</u>
	<u>14,382,122</u>	<u>272,966</u>	<u>(6,954,969)</u>	<u>7,700,119</u>
Net capital assets	<u>\$ 15,755,629</u>	<u>\$ 272,966</u>	<u>\$ (7,561,155)</u>	<u>\$ 8,467,440</u>

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance, 7/1/11	Additions	Disposals	Balance, 6/30/12
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 27,435	\$ -	\$ -	\$ 27,435
	<u>27,435</u>	<u>-</u>	<u>-</u>	<u>27,435</u>
Depreciated assets:				
Land Improvements	64,000	-	-	64,000
Buildings	1,105,000	-	-	1,105,000
Building improvements	89,000	-	-	89,000
Machinery & equipment	184,536	1,999	(142,954)	43,581
Vehicles	39,555	58,543	-	98,098
Infrastructure	4,810,094	404,253	-	5,214,347
	<u>6,292,185</u>	<u>464,795</u>	<u>(142,954)</u>	<u>6,614,026</u>
Less: accumulated depreciation	<u>(5,176,403)</u>	<u>(126,302)</u>	<u>119,989</u>	<u>(5,182,716)</u>
	<u>1,115,782</u>	<u>338,493</u>	<u>(22,965)</u>	<u>1,431,310</u>
Net capital assets	<u>\$ 1,143,217</u>	<u>\$ 338,493</u>	<u>\$ (22,965)</u>	<u>\$ 1,458,745</u>
Current year depreciation:				
Police				\$ 9,659
Fire				82,277
Highway				322,863
Recycling				34,979
Recreation				4,943
Library				5,756
Town-wide				41,400
Transfer station				16,298
Subtotal government wide depreciation				<u>518,175</u>
Sewer Department				126,302
Subtotal business-type depreciation				<u>126,302</u>
Total depreciation expense				<u>\$ 644,477</u>

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 – LONG-TERM RECEIVABLE

As of July 1, 2011, the Jay school department became a member of Regional School Unit (RSU) No. 73. The RSU Plan requires that the RSU be responsible for payment of all school-related long-term debt on behalf of the Town. As of June 30, 2012, a long-term receivable has been recorded for \$3,387,456, which represents school-related general obligation bonds of \$3,238,662 and capital leases for various school equipment and vehicles of \$148,794. The State of Maine Department of Education is responsible for paying approximately 87 percent of the debt service on general obligation bonds directly to the Maine Municipal Bond Bank. The remaining debt service for bonds and capital leases is paid by the RSU.

NOTE 6 – SHORT-TERM DEBT

On April 22, 2011, the Town issued a bond anticipation note to pay the costs of designing, financing, constructing, installing, equipping and replacing a sewage transmission line and functionally related and subordinate improvements. Interest is payable at a rate of 1.36%. Maturity of the principal and interest is on November 1, 2012 or upon receipt of the proceeds from a bond issue.

Short-term debt activity for the year ended June 30, 2012, was as follows:

	Balance, 7/1/11	Additions	Deletions	Balance, 6/30/12
Bond anticipation note	\$ -	\$ 257,599	\$ -	\$ 257,599
Totals	\$ -	\$ 257,599	\$ -	\$ 257,599

NOTE 7 - LONG-TERM DEBT

The General Fund of the Town is used to pay for all long-term debt. A summary of long-term debt is as follows:

	Balance, 7/1/11	Additions	Deletions	Balance, 6/30/12	Current Portion
Bonds payable	\$ 5,757,397	\$ -	\$ (727,263)	\$ 5,030,134	\$ 727,258
Capital leases payable	258,560	9,218	(106,844)	160,934	106,886
Accrued compensated absences	18,496	-	(3,766)	14,730	-
Totals	\$ 6,034,453	\$ 9,218	\$ (837,873)	\$ 5,205,798	\$ 834,144

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of bonds outstanding as of June 30, 2012:

Governmental activities debt:

\$8,400,000, 1997 General Obligation Bond due in annual principal payments of \$420,000, through November, 2017. Interest is charged at a rate varying from 5.401% to 5.776% per annum.	\$ 2,520,000
\$770,000, 2011 General Obligation Bond due in annual principal payments and semiannual interest payments through November 2025. Interest is charged at a rate from 2.125% to 5.625%.	<u>718,662</u>
Total governmental activities debt	<u>3,238,662</u>

Business-type activities debt:

\$4,094,795, 2003 General Obligation Bond due in annual principal payments of \$255,925, through November, 2018. Interest is charged at a rate of 1.45% per annum.	<u>\$ 1,791,472</u>
Total business-type activities debt	<u>1,791,472</u>

Total Long-Term Debt	<u><u>\$ 5,030,134</u></u>
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The annual principal and interest requirements to amortize the bonds are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Debt Service</u>
	<u>General Obligation</u>		<u>Sewer</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2013	\$ 471,333	\$ 206,986	\$ 255,925	\$ 20,621	\$ 954,865
2014	471,333	154,179	255,925	18,039	899,476
2015	471,333	105,986	255,925	15,457	848,701
2016	471,333	79,582	255,925	12,876	819,716
2017	471,333	53,180	255,925	10,294	790,732
2018-2022	881,995	255,562	511,849	12,842	1,662,248
	<u>\$ 3,238,662</u>	<u>\$ 855,475</u>	<u>\$ 1,791,472</u>	<u>\$ 90,129</u>	<u>\$ 5,975,738</u>

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of leases outstanding as of June 30, 2012:

\$70,000, 2009 capital lease for a bus. The lease is for five years with annual payments of \$15,170 through October 2012. The effective interest rate is 4.18% per annum.

\$70,450, 2009 capital lease for a bus. The lease is for five years with annual payments of \$15,104 through July 2013. The effective interest rate is 3.60% per annum.

\$176,418, 2010 capital lease for computers. The lease is for three years with quarterly payments of \$14,702 through May 2013. This is an interest free lease.

\$12,569, 2009 capital lease for a copier. The lease is for five years with annual payments of \$2,760 through November 2014. The effective interest rate is 3.87% per annum.

\$78,025, 2009 capital lease for a bus. The lease is for five years with annual payments of \$16,666 through August 2014. The effective interest rate is 3.40% per annum.

\$6,900, 2011 capital lease for a copier. The lease is for five years with annual payments of \$1,380 through May 2016. This is an interest free lease.

\$1,440, 2010 capital lease for a police department call recorder. The lease is for three years with annual payments of \$642 through December 2013. The effective interest rate is 20.05% per annum.

The annual principal and interest requirements to amortize the capital leases for the years ending June 30 are as follows:

2013	\$ 110,832
2014	36,249
2015	19,196
2016	1,150
2017	-
Total minimum lease payments	<u>167,427</u>
Less: Amount representing interest	<u>(6,493)</u>
Present value of future minimum lease payments	<u><u>\$ 160,934</u></u>

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 - LONG-TERM DEBT (CONTINUED)

All bonds payable and capital leases payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

NOTE 8 – OPERATING LEASE

The Town leases a postage machine from Neopost under a non-cancellable lease agreement. The term of the lease is for a 7 year period ending in 2015. Annual payments are \$900.

NOTE 9 – NONSPENDABLE FUND BALANCES

The Town has the following nonspendable fund balances at June 30, 2012:

Prepaid expenses	<u>\$ 11,559</u>
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NOTE 10 – RESTRICTED FUND BALANCES

The Town has the following restricted fund balances at June 30, 2012:

Special Revenue Funds (Schedule D)	\$ 234,422
Permanent Funds (Schedule F)	16,184
	<u>\$ 250,606</u>

NOTE 11 – COMMITTED FUND BALANCES

The Town has the following committed fund balances at June 30, 2012:

Special Revenue Funds (Schedule D)	<u>\$ 1,597,046</u>
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TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12 – RISK MANAGEMENT

The Town is a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker’s compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker’s compensation coverage. The Town’s agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial company’s reinsurance contracts, individual stop loss coverage for member Town’s for claims in excess of \$400,000 with an excess limit of \$2,000,000.

The Town is also a member of the Maine Municipal Association – Property and Casualty Pool (“Pool”). As with the Fund above, the Pool was created to obtain lower rates for its members. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the Pool, coverage is provided after the deductible is met, to \$26,000,000. Under the liability portion of the Pool, coverage is provided after the deductible is met, to \$1,000,000.

NOTE 13 – DEFINED BENEFIT PENSION PLAN

Plan Description

The Town participates in the Maine Public Employees Retirement System Consolidated Plan, a cost-sharing multiple-employer defined benefit pension plan established by the Maine State legislature. The Maine Public Employees Retirement System Consolidated Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Maine State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333 or by calling (800) 451-9800.

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 13 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Maine State Legislature. The Town's police department employees are part of special plan 310 2C with cost-of-living adjustment and are required to contribute 6.5% of their annual salary. The town manager, department heads, office workers, highway, transfer station and sewer department employees are part of regular plan 110 AC and are required to contribute 6.5% of their annual salary. The Town is required to contribute 6.3% of special plan 310 2C members' covered payroll and 4.4% of regular plan 110 AC members' covered payroll annually to the system. The Town's contributions to the plan including employee contributions for the fiscal years ended June 30, 2012, 2011, and 2010 were \$47,678, \$68,285, and \$55,306, respectively.

Unfunded Actuarial Accrued Liability

The Town has no actuarial accrued liability.

NOTE 14 – DEFERRED COMPENSATION PLAN

Plan Description

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the International City Management Association Retirement Corporation (ICMA-RC). The plan, available to Town employees as part of a collective bargaining agreement, Town management and professional level employees, permits them to defer a portion of their salary, in addition to Town contributions, until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 14 – DEFERRED COMPENSATION PLAN (CONTINUED)

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town's Board of Selectmen. The Town will contribute 1% of annual salary for professional level employees that participate in the Town's defined benefit plan. For professional employees that choose to participate in the 457 plan alone, the Town will contribute an amount equal to the required employer contribution for the defined benefit plan plus 1.00%. For the Town's office workers, highway and police department employees that choose not to join the Town's defined benefit plan, the Town will contribute an amount up to 5.3% of their annual salary. For this group, the Town's minimum required contribution to the defined benefit plan is 5.00%. Employee match provisions apply thereafter to bring contributions up to the required minimum.

The Town's contributions to the plan including employee contributions for 2012, 2011, and 2010 were \$25,263, \$22,740, and \$34,077, respectively.

NOTE 15 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Town of Jay's landfill is at 100% capacity to date. Therefore, the estimated remaining landfill life is zero years. Federal and state laws require that certain post closure care be met. The Town estimates that on an annual basis, some immaterial costs will be incurred for post closure care. The annual amount will be paid for within the Town's annual operating budget.

NOTE 16 - OVERSPENT APPROPRIATIONS

The following appropriations were exceeded by actual expenditures at June 30, 2012:

MMA	\$	131
Garage lot		479
Legal fees		31
Transfers to other funds		57,980
	\$	<u>58,621</u>

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17 – 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 18 – JOINT VENTURES

The Town is a member of a joint venture with the Town of Livermore Falls, Maine for the purpose of constructing, operating, and maintaining sewerage treatment facilities. A joint committee, comprised of three residents from each municipality, is responsible for the administration of the joint venture agreement. Together, both towns are obligated by contract to fund a reserve account in an amount up to \$100,000 to cover the cost of major repairs or replacements at the facilities. As of the fiscal year ended June 30, 2011, the most recent information available, the balance in the reserve account was \$99,913. Operating, maintenance, and administrative costs for the sewerage treatment plant and disposal facilities are prorated between the towns based on metered volume of flow.

Summarized financial information for the joint venture as of and for the year ended June 30, 2011 is as follows:

Total Assets	\$ 5,928,633
Total Fund Balance	\$ 5,910,202
Total Expenses (net of depreciation on assets purchased with contributed capital)	\$ 369,458
Net Income (Loss)	\$ (60,829)

The Town of Jay accounts for its investment in the joint venture using the equity method. The equity method requires the original investment to be recorded at cost. Subsequently, the carrying amount of the investment is adjusted for the investee's proportionate share of the joint venture income/loss. The Town's share of capital cost was agreed to be 49% of the joint venture. Operating income/losses have been allocated based on the capital contribution ratio. The joint venture's audited financial statements are available at Livermore Falls-Jay Sewerage Treatment Plant, 2 Main Street, Livermore Falls, Maine 04254 or at the Jay, Maine Town Office.

TOWN OF JAY, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 19 – RESTATEMENTS

As of July 1, 2011, the net asset beginning balance for business-type activities has been restated. The Sewer Department fund was restated by \$83,029 to reflect capital assets that should have been added to the books in prior years. The net assets reflect an increase of \$83,029 as of July 1, 2011.

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 JAY, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,995,381	\$ 7,995,381	\$ 7,995,381	\$ -
Revenues (Inflows):				
Property taxes	14,835,731	14,835,731	14,764,189	(71,542)
Excise taxes	650,000	650,000	660,038	10,038
Intergovernmental	1,442,198	2,263,713	2,253,954	(9,759)
Charges for services	90,000	165,559	245,913	80,354
Miscellaneous revenues	60,000	61,034	38,886	(22,148)
Transfers from other funds	-	-	3,647	3,647
Amounts Available for Appropriation	<u>25,073,310</u>	<u>25,971,418</u>	<u>25,962,008</u>	<u>(9,410)</u>
Charges to Appropriations (Outflows):				
General government	622,515	623,579	559,284	64,295
Public safety	1,290,818	1,298,428	1,261,449	36,979
Public works	1,317,500	1,348,787	1,228,293	120,494
Health and welfare	689,700	750,115	651,971	98,144
Social services	28,291	28,291	28,291	-
Recreation & culture	179,265	179,265	176,735	2,530
Education	8,125,196	8,125,196	8,125,196	-
County tax	965,055	965,055	965,055	-
Insurance	146,500	163,348	146,053	17,295
Tax Increment Financing Agreement	2,353,046	2,353,046	2,353,046	-
Unclassified	721,140	745,025	474,907	270,118
Debt service:				
Principal	-	572,285	572,285	-
Interest	-	184,714	184,714	-
Transfer to other funds	1,238,903	1,238,903	1,296,883	(57,980)
Transfer to RSU #73	-	-	1,197,355	(1,197,355)
Total Charges to Appropriations	<u>17,677,929</u>	<u>18,576,037</u>	<u>19,221,517</u>	<u>(645,480)</u>
Budgetary Fund Balance, June 30	<u>\$ 7,395,381</u>	<u>\$ 7,395,381</u>	<u>\$ 6,740,491</u>	<u>\$ (654,890)</u>
Utilization of unassigned fund balance	\$ 600,000	\$ 600,000	\$ -	\$ (600,000)
Utilization of assigned fund balance	-	-	-	-
	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ (600,000)</u>

See accompanying independent auditors' report.

Other Supplementary Information

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

- Budgetary Comparison Schedule – Budget 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 Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF JAY, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues (Inflows):				
Taxes:				
Property taxes	\$ 14,835,731	\$ 14,835,731	\$ 14,764,189	\$ (71,542)
Auto excise	650,000	650,000	656,331	6,331
Boat excise	-	-	3,707	3,707
Intergovernmental revenues:				
State revenue sharing	298,596	298,596	309,908	11,312
Homestead reimbursement	101,453	101,453	101,455	2
Highway block grant	-	48,136	46,136	(2,000)
Tree growth	30,000	30,000	9,622	(20,378)
BETE reimbursement	1,012,149	1,012,149	1,012,126	(23)
Veteran's / other reimbursement	-	16,380	17,708	1,328
RSU debt and lease payments	-	756,999	756,999	-
Charges for services:				
Solid waste fees	65,000	125,415	117,881	(7,534)
Recycling fees	-	-	38,061	38,061
Demolition fees	-	-	10,814	10,814
Contract fees	-	-	9,554	9,554
Administration fees	24,000	24,030	25,002	972
Building rent	-	1,141	8,141	7,000
Tires	-	-	104	104
Wood harvest	-	-	14,170	14,170
Police	1,000	8,610	9,851	1,241
Cable TV	-	6,363	6,373	10
Other	-	-	5,962	5,962
Miscellaneous revenues:				
Tax lien interest	20,000	20,000	13,864	(6,136)
Investment interest	40,000	40,000	11,946	(28,054)
Lien fees	-	-	7,838	7,838
Other	-	1,034	5,238	4,204
Transfers from other funds	-	-	3,647	3,647
Fund balance	600,000	600,000	-	(600,000)
Amounts Available for Appropriation	<u>\$ 17,677,929</u>	<u>\$ 18,576,037</u>	<u>\$ 17,966,627</u>	<u>\$ (609,410)</u>

See accompanying independent auditors' report.

TOWN OF JAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance
General government:					
Administration	\$ 527,750	\$ 1,064	\$ 528,814	\$ 471,059	\$ 57,755
Town boards	2,000	-	2,000	344	1,656
Board of Selectmen	11,015	-	11,015	10,461	554
Buildings & grounds	81,750	-	81,750	77,420	4,330
	<u>622,515</u>	<u>1,064</u>	<u>623,579</u>	<u>559,284</u>	<u>64,295</u>
Public safety:					
Police department	772,725	7,610	780,335	761,479	18,856
Fire department	160,303	-	160,303	154,605	5,698
Ambulance	55,890	-	55,890	55,890	-
Hydrants/Water	301,900	-	301,900	289,475	12,425
	<u>1,290,818</u>	<u>7,610</u>	<u>1,298,428</u>	<u>1,261,449</u>	<u>36,979</u>
Public works:					
Road Maintenance	1,317,500	31,287	1,348,787	1,228,293	120,494
	<u>1,317,500</u>	<u>31,287</u>	<u>1,348,787</u>	<u>1,228,293</u>	<u>120,494</u>
Health and sanitation:					
Transfer station	689,700	60,415	750,115	651,971	98,144
	<u>689,700</u>	<u>60,415</u>	<u>750,115</u>	<u>651,971</u>	<u>98,144</u>
Social services:					
Agencies	28,291	-	28,291	28,291	-
	<u>28,291</u>	<u>-</u>	<u>28,291</u>	<u>28,291</u>	<u>-</u>

SCHEDULE A (CONTINUED)

TOWN OF JAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance
Recreation and culture:					
Recreation	16,000	-	16,000	13,470	2,530
Library	163,265	-	163,265	163,265	-
	<u>179,265</u>	<u>-</u>	<u>179,265</u>	<u>176,735</u>	<u>2,530</u>
Education	8,125,196	-	8,125,196	8,125,196	-
County tax	965,055	-	965,055	965,055	-
Insurance	146,500	16,848	163,348	146,053	17,295
TIF	2,353,046	-	2,353,046	2,353,046	-

Unclassified:					
Unfunded Act. Accr. Liab.	258,108	77	258,185	258,185	-
Industrial revaluation	20,000	-	20,000	16,690	3,310
Audit	12,000	-	12,000	12,000	-
Local access	-	6,363	6,363	6,363	-
Assessing	31,350	-	31,350	31,335	15
AVCOG	11,153	-	11,153	11,153	-
MMA	8,731	-	8,731	8,862	(131)
Plumbing inspect.	1,080	(77)	1,003	1,000	3
Chamber of Commerce	35	-	35	35	-
Adult ed	40,000	-	40,000	40,000	-
Professional services	23,400	-	23,400	22,043	1,357
Andy Valley	-	8,644	8,644	8,644	-
General assistance	6,000	8,878	14,878	13,087	1,791
Overlay	264,283	-	264,283	-	264,283
Garage Lot	-	-	-	479	(479)
Legal fees	45,000	-	45,000	45,031	(31)
	<u>721,140</u>	<u>23,885</u>	<u>745,025</u>	<u>474,907</u>	<u>270,118</u>

SCHEDULE A (CONTINUED)

TOWN OF JAY, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance
Debt service:					
Principal	-	572,285	572,285	572,285	-
Interest	-	184,714	184,714	184,714	-
	-	756,999	756,999	756,999	-
Transfers:					
Admin reserve	7,000	-	7,000	7,000	-
Police reserve	32,000	-	32,000	32,000	-
Highway dept. reserve	100,000	-	100,000	100,000	-
Highway bldg. reserve	15,000	-	15,000	15,000	-
Curbside reserve	-	-	-	-	-
Recycling reserve	87,000	-	87,000	87,000	-
Recycling facility reserve	22,500	-	22,500	22,500	-
Paving reserve	450,000	-	450,000	450,000	-
Fire dept. reserve	65,000	-	65,000	98,918	(33,918)
Buildings and grounds	5,000	-	5,000	5,000	-
Wellness works	1,230	-	1,230	1,230	-
Cemetery	-	-	-	1,890	(1,890)
Paving (URIP funds)	-	-	-	23,737	(23,737)
Roof Project	-	-	-	4,511	(4,511)
IP Memorial	-	-	-	505	(505)
Enterprise funds	454,173	-	454,173	447,592	6,581
	1,238,903	-	1,238,903	1,296,883	(57,980)
Total Expenditures	\$ 17,677,929	\$ 898,108	\$ 18,576,037	\$ 18,024,162	\$ 551,875

See accompanying independent auditors' report.

TOWN OF JAY, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,637,740	\$ 2,597	\$ 1,640,337
Investments	15,131	14,787	29,918
Due from other funds	178,788	-	178,788
Total assets	<u>\$ 1,831,659</u>	<u>\$ 17,384</u>	<u>\$ 1,849,043</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Bond anticipation note	-	-	-
Due to other funds	191	1,200	1,391
Total liabilities	<u>191</u>	<u>1,200</u>	<u>1,391</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	234,422	16,184	250,606
Committed	1,597,046	-	1,597,046
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>1,831,468</u>	<u>16,184</u>	<u>1,847,652</u>
Total liabilities and fund balances	<u>\$ 1,831,659</u>	<u>\$ 17,384</u>	<u>\$ 1,849,043</u>

See accompanying independent auditors' report.

TOWN OF JAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Interest	\$ 6,458	\$ 188	\$ 6,646
Other	190,079	-	190,079
TOTAL REVENUES	<u>196,537</u>	<u>188</u>	<u>196,725</u>
EXPENDITURES			
Current:			
Capital Outlay	-	-	-
Scholarships	-	-	-
Other	1,298,781	3,602	1,302,383
TOTAL EXPENDITURES	<u>1,298,781</u>	<u>3,602</u>	<u>1,302,383</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,102,244)</u>	<u>(3,414)</u>	<u>(1,105,658)</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	869,291	-	869,291
Operating Transfers (Out)	(3,647)	-	(3,647)
Transfers to RSU #73	(77,861)	(98,488)	(176,349)
TOTAL OTHER FINANCING SOURCES (USES)	<u>787,783</u>	<u>(98,488)</u>	<u>689,295</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(314,461)</u>	<u>(101,902)</u>	<u>(416,363)</u>
FUND BALANCES, JULY 1	<u>2,145,929</u>	<u>118,086</u>	<u>2,264,015</u>
FUND BALANCES, JUNE 30	<u>\$ 1,831,468</u>	<u>\$ 16,184</u>	<u>\$ 1,847,652</u>

See accompanying independent auditors' report.

Special Revenue Funds

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

TOWN OF JAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Recycling Reserve	TIF	Highway Department Reserve	Police Reserve	Recycling Facility Reserve	Small Comm. Grant	Curbside Reserve	Taylor Made
ASSETS								
Cash and cash equivalents	\$ 43,407	\$ 589	\$ 184,653	\$ 16,116	\$ 36,668	\$ -	\$ 14	\$ -
Investments	-	-	-	-	-	-	-	-
Due from other funds	-	-	15,343	-	-	2,724	-	5,000
TOTAL ASSETS	\$ 43,407	\$ 589	\$ 199,996	\$ 16,116	\$ 36,668	\$ 2,724	\$ 14	\$ 5,000
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond anticipation note	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	74	-	-	-	-
TOTAL LIABILITIES	-	-	-	74	-	-	-	-
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	589	-	-	-	2,724	-	5,000
Committed	43,407	-	199,996	16,042	36,668	-	14	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	43,407	589	199,996	16,042	36,668	2,724	14	5,000
TOTAL LIABILITIES AND FUND BALANCES	\$ 43,407	\$ 589	\$ 199,996	\$ 16,116	\$ 36,668	\$ 2,724	\$ 14	\$ 5,000

SCHEDULE D (CONTINUED)

TOWN OF JAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Garbage Bags	Environmental Reserve	Tower Fund	Jay Community Development	School Grants	Clock Tower	Cemetery
ASSETS							
Cash and cash equivalents	\$ -	\$ 865,579	\$ -	\$ 19,016	\$ -	\$ -	\$ 49,535
Investments	-	-	-	12,285	-	-	-
Due from other funds	8,851	650	137,644	-	-	104	952
TOTAL ASSETS	\$ 8,851	\$ 866,229	\$ 137,644	\$ 31,301	\$ -	\$ 104	\$ 50,487
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond anticipation note	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND BALANCES:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	137,644	31,301	-	104	50,487
Committed	8,851	866,229	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	8,851	866,229	137,644	31,301	-	104	50,487
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,851	\$ 866,229	\$ 137,644	\$ 31,301	\$ -	\$ 104	\$ 50,487

TOWN OF JAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Paving Reserve	Sewer Treatment Plant	Fire Department Reserve	Town Fall Fund	EAP Program	Buildings & Grounds	Route 4 Project
ASSETS							
Cash and cash equivalents	\$ 14,695	\$ 272,911	\$ 43,245	\$ -	\$ -	\$ 34,710	\$ -
Investments	-	-	-	-	-	-	-
Due from other funds	-	2,236	-	-	-	1,474	-
TOTAL ASSETS	\$ 14,695	\$ 275,147	\$ 43,245	\$ -	\$ -	\$ 36,184	\$ -
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond anticipation note	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND BALANCES:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	14,695	275,147	43,245	-	-	36,184	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	14,695	275,147	43,245	-	-	36,184	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,695	\$ 275,147	\$ 43,245	\$ -	\$ -	\$ 36,184	\$ -

TOWN OF JAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Admin Reserve	Veterans Memorial Fund	Wellness Works	IP Memorial	Jay Comm Playground	Highway Building Reserve	Jay Gazebo	Totals
ASSETS								
Cash and cash equivalents	\$ 36,816	\$ -	\$ -	\$ -	\$ -	\$ 15,023	\$ 4,763	\$ 1,637,740
Investments	-	2,846	-	-	-	-	-	15,131
Due from other funds	-	-	2,150	-	1,660	-	-	178,788
TOTAL ASSETS	\$ 36,816	\$ 2,846	\$ 2,150	\$ -	\$ 1,660	\$ 15,023	\$ 4,763	\$ 1,831,659
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond anticipation note	-	-	-	-	-	-	-	-
Due to other funds	34	83	-	-	-	-	-	191
TOTAL LIABILITIES	34	83	-	-	-	-	-	191
FUND BALANCES:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	2,763	2,150	-	1,660	-	-	234,422
Committed	36,782	-	-	-	-	15,023	4,763	1,597,046
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	36,782	2,763	2,150	-	1,660	15,023	4,763	1,831,468
TOTAL LIABILITIES AND FUND BALANCES	\$ 36,816	\$ 2,846	\$ 2,150	\$ -	\$ 1,660	\$ 15,023	\$ 4,763	\$ 1,831,659

See accompanying independent auditors' report.

TOWN OF JAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED JUNE 30, 2012

	Recycling Reserve	TIF	Highway Department Reserve	Police Reserve	Recycling Facility Reserve	Small Comm. Grant	Curbside Reserve	Taylor Made
REVENUES								
Interest	\$ 269	\$ 1	\$ 726	\$ 62	\$ 73	\$ -	\$ -	\$ -
Other	27,305	-	-	-	-	-	-	-
TOTAL REVENUES	27,574	1	726	62	73	-	-	-
EXPENDITURES								
Current:								
Capital Outlay	-	-	-	-	-	-	-	-
Other	108,900	-	223,722	34,249	-	-	-	-
TOTAL EXPENDITURES	108,900	-	223,722	34,249	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(81,326)	1	(222,996)	(34,187)	73	-	-	-
OTHER FINANCING SOURCES (USES)								
Operating Transfers In	87,000	-	100,000	32,000	22,500	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-	-	-
Transfers to RSU #73	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	87,000	-	100,000	32,000	22,500	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	5,674	1	(122,996)	(2,187)	22,573	-	-	-
FUND BALANCES, JULY 1	37,733	588	322,992	18,229	14,095	2,724	14	5,000
FUND BALANCES, JUNE 30	\$ 43,407	\$ 589	\$ 199,996	\$ 16,042	\$ 36,668	\$ 2,724	\$ 14	\$ 5,000

SCHEDULE E (CONTINUED)

TOWN OF JAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED JUNE 30, 2012

	Garbage Bags	Enviro- mental Reserve	Tower Fund	Jay Community Develop.	School Grants	Clock Tower Cemetery
REVENUES						
Interest	\$ -	\$ 4,037	\$ -	\$ 10	\$ 224	\$ -
Other	5,878	-	58,985	-	-	625
TOTAL REVENUES	5,878	4,037	58,985	10	224	733
EXPENDITURES						
Current:						
Capital Outlay	-	-	-	-	-	-
Other	-	66,344	10,239	295	265,256	2,433
TOTAL EXPENDITURES	-	66,344	10,239	295	265,256	2,433
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,878	(62,307)	48,746	(285)	(265,032)	(1,700)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	-	-	-	4,511	1,890
Operating Transfers (Out)	-	-	-	-	-	-
Transfers to RSU #73	-	-	-	-	(77,861)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(73,350)	1,890
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	5,878	(62,307)	48,746	(285)	(338,382)	190
FUND BALANCES, JULY 1	2,973	928,536	88,898	31,586	338,382	104
FUND BALANCES, JUNE 30	\$ 8,851	\$ 866,229	\$ 137,644	\$ 31,301	\$ -	\$ 104
						\$ 50,487

SCHEDULE E (CONTINUED)

TOWN OF JAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED JUNE 30, 2012

	Paving Reserve	Sewer Treatment Plant	Fire Department Reserve	Town Fall Fund	EAP Program	Buildings & Grounds	Route 4 Project
REVENUES							
Interest	\$ 97	\$ 591	\$ 93	\$ -	\$ -	\$ 66	\$ -
Other	72,181	2,500	-	-	-	2,500	13,973
TOTAL REVENUES	72,278	3,091	93	-	-	2,566	13,973
EXPENDITURES							
Current:							
Capital Outlay	-	-	-	-	-	-	-
Other	551,560	10,000	21,867	-	-	-	-
TOTAL EXPENDITURES	551,560	10,000	21,867	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(479,282)	(6,909)	(21,774)	-	-	2,566	13,973
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	473,737	20,000	98,918	-	-	5,000	-
Operating Transfers (Out)	-	-	-	(3,267)	(380)	-	-
Transfers to RSU #73	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	473,737	20,000	98,918	(3,267)	(380)	5,000	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(5,545)	13,091	77,144	(3,267)	(380)	7,566	13,973
FUND BALANCES, JULY 1	20,240	262,056	(33,899)	3,267	380	28,618	(13,973)
FUND BALANCES, JUNE 30	\$ 14,695	\$ 275,147	\$ 43,245	\$ -	\$ -	\$ 36,184	\$ -

SCHEDULE E (CONTINUED)

TOWN OF JAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED JUNE 30, 2012

	Admin Reserve	Veterans Memorial Fund	Wellness Works	IP Memorial	Jay Comm Play Ground	Highway Building Reserve	Jay Gazebo	Totals
REVENUES								
Interest	\$ 78	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ -	\$ 6,458
Other	-	-	1,369	-	-	-	4,763	190,079
TOTAL REVENUES	78	-	1,369	-	-	23	4,763	196,537
EXPENDITURES								
Current:								
Capital Outlay	-	-	-	-	-	-	-	-
Other	819	474	2,623	-	-	-	-	1,298,781
TOTAL EXPENDITURES	819	474	2,623	-	-	-	-	1,298,781
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(741)	(474)	(1,254)	-	-	23	4,763	(1,102,244)
OTHER FINANCING SOURCES (USES)								
Operating Transfers In	7,000	-	1,230	505	-	15,000	-	869,291
Operating Transfers (Out)	-	-	-	-	-	-	-	(3,647)
Transfers to RSU #73	-	-	-	-	-	-	-	(77,861)
TOTAL OTHER FINANCING SOURCES (USES)	7,000	-	1,230	505	-	15,000	-	787,783
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	6,259	(474)	(24)	505	-	15,023	4,763	(314,461)
FUND BALANCES, JULY 1	30,523	3,237	2,174	(505)	1,660	-	-	2,145,929
FUND BALANCES, JUNE 30	\$ 36,782	\$ 2,763	\$ 2,150	\$ -	\$ 1,660	\$ 15,023	\$ 4,763	\$ 1,831,468

See accompanying independent auditors' report.

Permanent Funds

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

TOWN OF JAY, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2012

	Poland Sullivan Fund	Ministerial Fund	Scholarships	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,597	\$ -	\$ 2,597
Investments	14,787	-	-	14,787
Due from other funds	-	-	-	-
Total assets	\$ 14,787	\$ 2,597	\$ -	\$ 17,384
LIABILITIES				
Due to other funds	\$ 1,200	\$ -	\$ -	\$ 1,200
Total liabilities	1,200	-	-	1,200
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	13,587	2,597	-	16,184
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	13,587	2,597	-	16,184
Total liabilities and fund balances	\$ 14,787	\$ 2,597	\$ -	\$ 17,384

See accompanying independent auditors' report.

TOWN OF JAY, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Poland Sullivan Fund	Ministerial Fund	Scholarships	Total
REVENUES				
Interest	\$ 183	\$ 5	\$ -	\$ 188
Other	-	-	-	-
TOTAL REVENUES	<u>183</u>	<u>5</u>	<u>-</u>	<u>188</u>
EXPENDITURES				
Current:				
Scholarships	-	-	-	-
Other	3,600	2	-	3,602
TOTAL EXPENDITURES	<u>3,600</u>	<u>2</u>	<u>-</u>	<u>3,602</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,417)</u>	<u>3</u>	<u>-</u>	<u>(3,414)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
Transfers to RSU #73	-	-	(98,488)	(98,488)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(98,488)</u>	<u>(98,488)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(3,417)</u>	<u>3</u>	<u>(98,488)</u>	<u>(101,902)</u>
FUND BALANCES - JULY 1	<u>17,004</u>	<u>2,594</u>	<u>98,488</u>	<u>118,086</u>
FUND BALANCES - JUNE 30	<u>\$ 13,587</u>	<u>\$ 2,597</u>	<u>\$ -</u>	<u>\$ 16,184</u>

See accompanying independent auditors' report.

General Capital Assets

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

TOWN OF JAY, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2012

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
Police	\$ -	-	\$ 272,494	\$ -	\$ 272,494
Fire	24,215	580,132	1,596,844	-	2,201,191
Highway	32,638	773,320	1,762,200	6,570,095	9,138,253
Recycling	48,500	974,170	772,100	1,350	1,796,120
Recreation	65,400	-	34,600	-	100,000
Library	-	-	562,238	-	562,238
Town-wide	596,568	1,223,992	53,261	-	1,873,821
Transfer station	-	-	220,144	-	220,144
Sewer Department	27,435	1,258,000	141,679	5,214,347	6,641,461
Total General Capital Assets	794,756	4,809,614	5,415,560	11,785,792	22,805,722
Less: Accumulated Depreciation	-	(2,176,731)	(3,567,979)	(7,134,827)	(12,879,537)
Net General Capital Assets	\$ 794,756	\$ 2,632,883	\$ 1,847,581	\$ 4,650,965	\$ 9,926,185

See accompanying independent auditors' report.

TOWN OF JAY, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2012

	General Capital Assets 7/1/11	Additions	Deletions	General Capital Assets 6/30/12
Police	\$ 272,494	\$ -	\$ -	\$ 272,494
Fire	2,201,191	-	-	2,201,191
Highway	8,568,772	671,270	(101,789)	9,138,253
Recycling	1,685,870	110,250	-	1,796,120
Recreation	100,000	-	-	100,000
Library	562,238	-	-	562,238
Town-wide	1,864,200	9,621	-	1,873,821
Transfer station	220,144	-	-	220,144
School Department	15,231,780	-	(15,231,780)	-
Sewer Department	6,093,637	547,824	-	6,641,461
School Lunch Program	142,954	-	(142,954)	-
Total General Capital Assets	36,943,280	1,338,965	(15,476,523)	22,805,722
Less: Accumulated Depreciation	(20,127,463)	(644,477)	7,892,403	(12,879,537)
Net General Capital Assets	\$ 16,815,817	\$ 694,488	\$ (7,584,120)	\$ 9,926,185

See accompanying independent auditors' report.