

THE TOWN OF

Pownal, Maine

ANNUAL REPORT
JULY 1, 2012 – JUNE 30, 2013

Annual Town Meeting
June 17th, 2013
7 pm Pownal Elementary School

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ANNUAL REPORT
OF THE
TOWN OFFICERS

TOWN OF POWNAL, MAINE

July 1, 2012 – June 30, 2013

DEDICATION



The Selectmen wish to dedicate the 2012-2013 Annual Report of the Town of Pownal to Luther Snow. On November 16, 2012, Luther L. Snow, age seventy-six, died at his ancestral home on Leighton Road. Luther was born on February 17, 1936, the first son of Harold (1911-1990) and Josephine Bacon (1907-1965) Snow, at the Allen-Snow homestead built in 1820. Luther grew up on the family dairy farm, attended local one-room schools, and graduated from North Yarmouth Academy. In 1956, he graduated from Weaver Airline Personnel School in Kansas City, Missouri. He served his country in the U.S. Army and Army Reserves from 1958 to 1964. Luther married Evelyn J. Lowell in 1961, and children Leona and David followed

Luther was a self-taught naturalist who loved fishing, hunting, trapping, and picking wild berries, fiddleheads, and mushrooms. He enjoyed working in the woods cutting firewood and harvesting balsam fir for creating holiday decorations. He gifted wreaths and roping yearly to decorate Mallett Hall, local churches, and cemeteries. The Snow's vegetable and flower gardens were bountiful. They sold produce to local markets, shared flowers and plants with friends, gifted plants for historical society plant sales, and participated in area-wide garden tours. Luther enjoyed playing his guitar with a group known as the Casco Bay Ramblers. Over the years, Luther worked for several companies including Lowell Boat building, Eastland Shoe, and Commercial Bait. With a portable saw mill, he made many items of wood for sale as well as lobster trap stock.

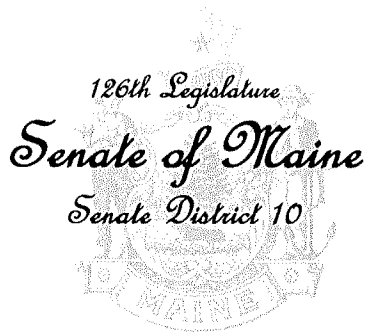
Luther cared deeply about his town and served on many committees. These included the Planning Board, the Mallett Hall Building and Grounds committee, the 2008 Bicentennial Planning committee, and the Veterans Memorial sub-committee. As Sagamore of the Improved Order of Redmen - Westcustago Tribe No. 37, Luther actively participated in the organization's community betterment projects. He always drew much applause at town parades dressed in tribe attire and proudly carrying the American flag. Luther and Evelyn were both members of Bradbury Mountain Arts, contributing their art of making wreaths and centerpieces for holiday sales. The Pownal Scenic and Historical Society lost a devoted member and good friend. As fifth generation of the Allen-Snow family, Luther unselfishly shared his family's two hundred year history in photos, memories, and records - many of which appeared in the society's recent publication On Pownal Time - One Hundred Years in a Rural Maine Town 1908-2008. He was an active member of the Pownal First Parish Congregational Church and enjoyed playing his guitar during services.

Luther will be remembered for his many contributions to his town, but is most remembered by his friends for his caring ways, for stopping by with a bouquet of daffodils or recently harvested fiddleheads, for sharing a newly found photo of interest, for helping a neighbor in distress, for sharing plants and seeds, and most of all for his love of the people and world around him. We all knew when the blue birds and little wrens arrived, as well as the status of the latest hunting season. Luther is greatly missed by his family and his community.

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Senator Stan Gerzofsky
3 State House Station
Augusta, ME 04333-0003
(207) 287-1515

3 Federal Street
Brunswick, ME 04011
Home: (207) 373-1328

Dear Residents of Pownal,

It is my great pleasure and honor to serve as your State Senator during the 126th Maine State Legislature.

Maine faces serious challenges, and overcoming them will require hard work and a spirit of collaboration. We need to do more to bring good paying jobs to Maine. We need to address our healthcare costs, and we must continue to help our most vulnerable friends, family members, and neighbors through difficult times.

We have many challenges, but also many opportunities that I hope we can take advantage of in the months ahead. Shortly after I was re-elected to the Senate in 2012, I was honored to be chosen as the Senate Chair of the Criminal Justice and Public Safety Committee. This committee oversees a broad array of public policy, from our laws to reduce domestic violence to how we manage our prison system.

As your State Senator, I am here to listen to your legislative needs and concerns, as well as act as a liaison between you and the State government. I can be reached by phone at the State House at 287-1515.

Please feel free to contact me with your questions or concerns.

I am honored and grateful for the opportunity to serve you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stan', with a long horizontal flourish extending to the right.

Stan Gerzofsky
Senator, District 10



CUMBERLAND COUNTY SHERIFF'S OFFICE

- Kevin J. Joyce
SHERIFF
- Naldo S. Gagnon
CHIEF DEPUTY

36 COUNTY WAY, PORTLAND, MAINE 04102 PHONE (207)774-1444- FAX
(207)828-2373

May 10, 2013

Dear Citizens of Pownal,

The Cumberland County Sheriff's Office is honored to provide law enforcement services to the Town of Pownal. The Sheriff's Office has been active in various community policing initiatives as well as improvements on how we provide law enforcement services to the citizens of Cumberland County.

In 2012, the Cumberland County Sheriff's Office launched a new piece of technology, facial recognition. The facial recognition program allows the deputies to compare a photo of an unidentified suspect against the 600,000 booking photos in the Cumberland County Jail database. We will be testing the technology for a year, and if it tests well, it will be made available to other law enforcement agencies throughout Cumberland County.

We began an Explorers Post 3 which is comprised of a group of young men and women interested in careers in law enforcement. This program is supported by the Boy Scouts of America and the National Sheriffs Association. This group of young men and women met for the first time in July 2012 for a week of basic training. Since then they have been a great asset to us by assisting with the honor guard, and helping with parking and traffic control throughout Cumberland County.

We are continuing with the CALEA (Commission of Accreditation for Law Enforcement Agencies) process. In July, we formally entered into a contract with CALEA and are preparing for a full scale audit in 2015. The accreditation process requires us to take a close look at the way "we do business", to analyze it, and determine if we are utilizing best practices. We have become one in a network of law enforcement agencies that support each other, and value the level of services that we provide to the citizens of Cumberland County.

It is an honor serving as your Sheriff. Thank you for your support. Please always remember that my door is always open. I value customer service, and I value your suggestions and input.

Best Regards,

Kevin J. Joyce, Sheriff

o JAIL 50 County Way, Portland, ME 04102 (207) 774-5939- FAX (207) 879-5600

Town of Pownal

Elected Officials

Board of Selectmen

Alfred Fauver, Chairman	2014	
Jonathan Morris	2015	
Timothy Giddinge		2013

RSU #5 Directors

Kathryn Brown	2015	
Ruth Broene		2013

Cemetery Commission

Craig Vosmus	2013	
Lorraine Merrill	2014	
Duane Snow	2015	

Appointed Officers

Administrative Assistant	Scott W. Seaver
Deputy Town Clerk/Deputy Tax Collector	Kim Best / Donna Rollins
Road Commissioner	Shawn Bennett
Fire & Rescue Chief	Jesse Peters
Code Enforcement Officer	Craig A. Vosmus / Barbara Skelton
Moderator	James G. Boyles
Constable	Craig A. Vosmus
Animal Control Officer	John Rankins
Health Officer	Leslie Searfoss
General Assistance Administrator	Jonathan Morris

Boards, Committees & Commissions

Planning Board	Ronald Hodsdon, Chair
	Joan Mueller, Vice-Chair
	Elizabeth Nichols, Secretary
	John Bowdren
	Matthew St. Cyr
	Jeremy Gould, Alternate
	Matthew Chipman, Alternate
	Tony Dater, Planner

Board of Appeals	Richard Hogue, Chaiman Lois Pervier Philip Wentworth Stephen Litchfield Cliff Ruprecht David Steckler (alternate) Thomas Hall (alternate)
Pownal Solid Waste/Recycling Comm.	James Welch, Chairman Andrew Wyatt Will Johnson
Conservation Commission	Ruth Hannan, Secretary Rosemary Whitney Matt Welch Sherry Dietrich Jon Hogue
Ordinance Review Committee	James Briggs, Chairman Donald Arnold John Greene
Mallett Hall Building & Grounds Comm.	James Boyles, Chairman Doris Blackstone Kathy Hogue Jane Mittel Jan Pieter van Voorst van Beest Marie Wendt
Budget Committee	Kim Best Carlene Harvey Jan Pieter van Voorst van Beest John Green Kathy Hogue Andrew Wyatt, Chair
Capital Improvement Planning Comm.	Rodney Richard, Chair Shawn Bennett Jesse Peters Jan Pieter van Voorst van Beest Paul Shuman David Steckler Andrew Wyatt

TOWN INFORMATION

Town Office Hours

Monday	8:30 am – 6:30 pm
Tuesday	8:30 am – 4:30 pm
Wednesday	8:30 am – 4:30 pm
Thursday	8:30 am – 4:30 pm
Friday	CLOSED
Saturday	CLOSED

Board of Selectmen Meetings – Monday evenings @7 pm at Mallett Hall
Watch website for specific dates

Telephone Directory

Emergency (Police, Fire, Rescue)

911

Town Clerk, Treasurer, Tax Collector	688-4611
Selectmen/Assessors	688-4431
Road Commissioner	688-4407
Animal Control Officer	939-4475
Town Office Fax Machine	688-4978

Email Addresses

Selectmen/Assessors	selectmen@pownalmaine.org
Town Clerk/Tax Collector/Treasurer	sseaver@pownalmaine.org
Deputy Clerk	drollins@pownalmaine.org
Road Commissioner	publicworks@pownalmaine.org
Code Enforcement Officer	ceo@pownalmaine.org
Animal Control Officer	jrankins44@hotmail.com

Visit the Town Website at www.pownalmaine.org

From the Selectmen's Desk

We three Selectmen work in concert with a skilled and invested Administrative Staff, Highway Department and Fire Department with the 'best interests' of the Town in mind. However, our work would be in vain without the steadfast support of volunteers who make up the Planning Board, the Board of Appeals, the Budget Committee, the Capital Improvements Committee, the Mallett Hall Committee, the Conservation Commission, the Solid Waste Committee, the Ordinance Review Committee and the recently formed Recreation Committee. Each committee member plays a significant role in the Town's operation. The Selectmen salute all the volunteers and remind every citizen that there are many opportunities for every citizen to serve Pownal. Ask a Selectman or go to the informative Town of Pownal web site.

The Selectmen would also like to recognize the outstanding achievement of the Pownal Elementary School. PES received an A from the Department of Education school rating system. Complementing the excellent staff at PES are extremely active parent volunteers who invest their time and their hearts to raise our children in a safe and exciting educational environment. Thanks everyone.

The Selectmen have been focusing on a fiscal vision for the Town.

The Capital Improvement Committee has been working on a project that would reorient the Town's financing strategy in an attempt to have the money for purchases in hand rather than use bonding or other financing options.

The shared Road Commissioner position has brought savings to the Town in salaries. The Town's of Durham and Pownal are now looking at way to save through joint purchases of services and materials.

The Town Office is now fully operational using the TRIO software. Efficiency and standardization have begun a new reign, which hopefully is apparent in the Town Report. More services from the State are available on line. Once again, visit the Town's web site for more information.

Pownal has a new Code Enforcement Officer – Barbara Skelton has come onboard and has office hours on Mondays. The Town has decided to use the State Uniformed Building Code; Barbara can help with any questions around the new regulations.

Having stated all this, it is with the highest regard that the Selectmen say thank you to Craig Vosmus. Craig has served as the Code Enforcement Officer for many years, as well as Selectman, and on most of the other volunteer committees in the Town. Craig has a true 'servant's heart' and has found a way to help many of Pownal's residents. Craig you are an incredible role model for anyone who would like to serve the Town Of Pownal. Thank you.

As always, the Selectmen invite you all to our meetings. Meeting times are posted on the website. We welcome you voice.

Respectfully Submitted,

Alfred N. Fauver, Chairman
Jonathan Morris
Timothy J. Giddinge

Pownal Budget Committee Report 2013

The role of the Budget Committee is to provide citizen oversight for the development of the municipal budget that is examined, debated and voted on at the annual Town Meeting. The municipal budget is one of three budgetary components that make up the total amount that the Town must support each year from taxation, fees and other sources of revenue. The other two budgetary components are the Regional School Unit (RSU5) and the Town's contribution to the Cumberland County budget. Of these three, the RSU5 budget is the largest.

Aside from property taxation, the municipal budget includes other sources of revenue:

- Excise taxes (associated with boat and automobile registrations)
- Fees (e.g. building permits, dog licenses, Mallett Hall rental, trash bag sales, etc.)
- State Block Grant funds (to help with road maintenance and construction).
- State Revenue Sharing
- State reimbursement for Homestead Property Tax Exemptions
- State Aid to Education

For several years the portion of the municipal budget that is funded by property taxes has been increasing. This shift can be attributed to the fact that the total municipal budget is increasing each year, while the other sources of revenue are declining or remaining steady.

This year's Budget Committee consists of six members who bring a range of perspectives on taxation and management of the town. We meet seven or eight times, starting in February, to review the proposed budgets of the various Town departments. Through this process we consult with the department heads, committee chairs and the Board of Selectmen who are responsible for managing the Town's finances. Our goal is to be able to assure our fellow residents that the budget presented to them represents a responsible balance between two often conflicting concerns: to keep the property tax burden as low as possible, while still meeting the town's needs, such as managing our roads, buildings and cemeteries, providing public safety services, and waste management.

Despite the usual trend of ever-increasing costs, there are some bright spots in this year's budget. The town is realizing savings from the early 2012 conversion to natural gas heating at Mallet Hall, Center Fire Station and the Public Works garage. Heating cost reductions for these three buildings will be nearly \$2000. Also, this year's Recycling and Solid Waste budget is reduced by more than \$5600 due to ecomaine's 20 percent reductions in assessment fees and tipping fees.

Debt service continues to be a substantial component of the municipal budget. There is really no immediate opportunity to reduce this since this is driven by commitments that we've made in previous town meetings. However, the Capital Improvement Planning committee is making efforts to reduce this expense over the long term by anticipating large expenditures and accumulating funds in advance to avoid the need for borrowing. This fund would be used to purchase items such as fire engines, plow trucks and building roofs. If the Town can see fit to fund capital projects in this way, we can reduce or eliminate our debt service burden over time.

The public is always welcome to attend Budget Committee meetings. For meeting dates and times, please go to the Town website (<http://www.pownalmaine.org/>) and click on the community calendar. Also, we

welcome new members to serve starting with the next budget preparation cycle in January 2014. If you're interested in serving on this committee, please notify one of the Selectmen.

The 2013 Budget Committee:

Kim Best
John Green
Carlene Harvey
Kathy Hogue
Jan Pieter van Voorst van Beest
Andy Wyatt, Chair

Report of the Capital Improvement Planning Committee

The Capital Projects Planning Committee has a new name – the Capital Improvement Planning Committee. The CIP committee also has a new direction in planning. We have been working to create a broader, more comprehensive capital plan for the town. This included capturing more of the current town assets that would be included in the long term plan. An objective of the plan was to reduce interest costs by accumulating funds in separate accounts for each asset.

After thoughtful analysis by the committee, this approach proved unworkable on its own. In the interim, the committee has developed the current appropriation plan based on expected capital needs over the next six years. When the committee resumes its work after town meeting, it will continue to work on a long term plan that employs alternative methods of financing capital improvements while balancing the needs to control costs and reduce variability in appropriations.

Respectfully submitted by the CIP committee,

Rodney Richard (chairman)
Jan van Voorst van Beest
Shawn Bennett
Jesse Peters
Paul Schumann
David Steckler
Andy Wyatt

TOWN MEETING WARRANT

To Kim Best, a resident in the Town of Pownal, in the County of Cumberland, and the State of Maine:

Greetings:

In the name of the State of Maine, you are hereby required to notify and warn the inhabitants of the said Town of Pownal, qualified by law to vote in town affairs, to assemble at Mallett Hall in said Town of Pownal on Tuesday, the 11th day of June, A.D. 2013, at 8:00 o'clock in the morning to act on Articles 1 and 2 of this warrant;

And to notify and warn the inhabitants of said Town of Pownal, qualified by law to vote in Town affairs, to assemble at the Pownal Elementary School on Monday the 17th day of June AD 2013 at 7:00 o'clock in the evening, then and there to act upon the remaining articles in this warrant beginning with Article 3:

The polls will open at Mallett Hall at 8:00 AM and will close at 8:00 PM on the 11th day of June, A.D. 2013. Voting on Articles 1 and 2 will be by secret ballot.

Article 1. To choose a Moderator to preside at said meeting.

Article 2. To elect the following officers, to wit: one Selectman/Assessor/Overseer of the Poor for a three year term; one Cemetery Commissioner for a three year term; one Director of Regional School Unit #5 for a 3 year term.

Action on all further articles will continue at 7:00 PM on the evening of Monday, June 17th, 2013 at the Pownal Elementary School.

Article 3. To hear the report of the Town-Appointed Committees, Commissions and Boards and take any action relative thereto.

Article 4. Shall an ordinance entitled "Ordinance Enforcing the Maine Uniform Building and Energy Code (MUBEC) for the Town of Pownal" as MUBEC was adopted on October 11, 2010 by the Maine Department of Public Safety's Building Codes and Standards Board, be adopted by reference, as authorized by 10 M.R.S.A. section 9724(1-A) and 30-A M.R.S.A. section 3003, and be effective upon adoption.

ORDINANCE ENFORCING THE MAINE UNIFORM BUILDING AND ENERGY CODE (MUBEC)
FOR THE TOWN OF POWNAL

Section 1. Title and Authority.

This ordinance shall be known as the "Ordinance Enforcing the Maine Uniform Building and Energy Code (MUBEC) for the Town of Pownal". It is adopted pursuant to the enabling provisions of the Maine Constitution, the provisions of 10 M.R.S.A. section 9724(1-A), and the provisions of 30-A M.R.S.A. section 3003.

Section 2. Maine Uniform Building and Energy Code.

The Town of Pownal adopts and enforces the Maine Uniform Building and Energy Code (“MUBEC”), as authorized by 10 M.R.S.A. section 9724 (1-A). The Code Enforcement Officer of the Town of Pownal shall serve as the building official as defined in 25 M.R.S.A. section 2371 and shall be responsible for issuing building permits and certificates of occupancy. The Code Enforcement Officer shall be responsible for inspecting all permitted construction for compliance with all components of MUBEC, as such components may be revised from time to time by the Technical Building Codes and Standards Board. Administration and enforcement of MUBEC, including permits, fees, violations, penalties and appeals shall be in accordance with this Ordinance.

Section 3. Violation Penalties.

Any person who violates a provision of this Ordinance or fails to comply with any of the requirements thereof, or who erects, constructs, alters or repairs a building or structure in violation of the approved construction documents or directive of the building official, or of a permit or certificate issued under the provisions of the Ordinance, shall be subject to penalties in accordance with 30-A M.R.S.A. section 4452. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

Section 4. Fees. The fee for a building permit and certificate of occupancy hereunder shall be as specified in the Town of Pownal Fee Schedule (2008), and may be revised from time to time by the Board of Selectmen.

Section 5. Effective Date. This Ordinance and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby be effect upon adoption.

Article 5. To see what sum of money the Town will raise and /or appropriate for the Capital Project Fund.

Fiscal Year ->	2014	2015	2016	2017	2018	2019
Expenditures	\$ -	\$221,528	\$304,577	\$216,185	\$141,426	\$121,085

Item	Service Life	Current Replacement	Year in Service	1	2	3	4	5	6
MH Side Entry Ramp	25	\$ 18,850	2013	0	0	0	0	0	0
MH - Paving	20	\$ 64,060	2014		0	0	0	0	0
Painting Exterior	10	\$ 12,000	2005	0		0	0	0	0
Dump Truck (2012 International)	12	\$ 170,000	2012	0	0	0	0	0	0
Poland R Rd bridge	60	\$ -	2000	0	0	0	0	0	0
Poland R Rd multi plate	25	\$ 100,000	1989		0	102,500	0	0	0
Dump Truck (2000 Sterling)	10	\$ 170,000	2000	0	0	202,077	0	0	0
Dump Truck (2004 Int)	10	\$ 170,000	2004		174,250	0	0	0	0
Dump Truck (2006 Int)	10	\$ 170,000	2006	0	0		183,071	0	0

F-350 w Plow (2008)	7	\$ 45,000	2008	0	47,278	0	0	0	0
Loader / Backhoe (2008)	10	\$ 125,000	2008	0	0	0	0	141,426	0
Sweetser Rd. bridge deck	20	\$ 10,000	2005	0	0	0	0	0	0
F-250 Pick Up (2010)	7	\$ 30,000	2010	0	0	0	33,114	0	0
Communications	15	\$ 14,000	2013	0	0	0	0	0	0
Tanker / Pumper Truck	27	\$ 321,000	2012	0	0	0	0	0	0
Repeater System	10	\$ 9,430	2013	0	0	0	0	0	0
Squad Truck	27	\$ 126,000	2000	0	0	0	0	0	0
Engine #2 (refurbish)	27	\$ 50,250	1988	0		0	0	0	0
Air Packs	10	\$ 49,410	2007	0	0	0		0	97,775
Air Bottles	10	\$ 17,630	2008	0	0	0	0	0	23,310
Engine #1 (refurbish)	27	\$ 55,000	1997	0	0	0	0	0	0
Extraction Equipment	8	\$ 33,950	2014		0	0	0	0	0
Air compressor system	15	\$ 35,040	2005	0	0	0	0	0	0
Engine 1	24	\$ 425,000	2008	0	0	0	0	0	0
Engine 2	24	\$ 300,000	1997	0	0	0	0	0	0
Mallett Hall - elevator	0	\$ -	0	0	0	0	0	0	0
Mallett Hall - Roof	20	\$ -	2012	0	0	0	0	0	0
Grader	20	\$ 250,000	2012	0	0	0	0	0	0
Excavator	20	\$ 150,000	2007	0	0	0	0	0	0

Board of Selectmen Recommends \$ 162,000

Budget Committee Recommends \$ 162,000

Article 6. To see what sum of money the Town will vote to raise and / or appropriate for General Government.

Board of Selectmen Recommends \$ 196,939

Budget Committee Recommends \$ 196,939

	2012	2013	2013	2014	Request	Request
	Budget	Budget	YTD	Request	Curr Bud	Curr Bud
					Change \$	Change %
GENERAL GOVERNMENT	89,297.00	76,381.00	72,227.17	62,801.00	13,580.00	17.78%
TECHNOLOGY	9,060.00	10,786.00	9,791.74	11,100.00	314.00	2.91%
ANIMAL CONTROL	2,700.00	2,500.00	2,300.00	2,500.00	0.00	.00%
PLANNING BOARD	7,700.00	3,300.00	1,591.96	3,300.00	0.00	.00%
COMPENSATION	98,820.00	133,085.00	104,248.99	117,238.00	-15,847.00	-11.91%
Expense Totals:	207,577.00	226,052.00	190,159.86	196,939.00	-9,113.00	-4.03%

NOTE: due to the Road Commissioner Sharing arrangement with the Town of Durham, Durham’s share of salary and employer expenses has been netted out of the Pownal Budget. Also, the Fire Chief’s stipend of \$10,000 has historically been included in this article. That amount has been transferred to the Public Safety Budget. Due to Durham’s contribution, savings are realized on the expenses incurred by the Town of Pownal.

Article 7. To see what sum of money the Town will vote to raise and /or appropriate to a dedicated fund to conduct a town wide property revaluation in the future.

Board of Selectmen Recommends \$ 20,000
 Budget Committee Recommends \$ 20,000

Note: This article was funded at the \$20,000 level for 12-13, and that amount remains in the dedicated fund. Projected cost for the town wide property revaluation is \$80,000.

Article 8. To see what sum of money the Town will vote to raise and/or appropriate for Human Services.

Board of Selectmen Recommends \$ 9,500
 Budget Committee Recommends \$ 9,500

	2013 Budget	2013 YTD	2014 Request	Request Vs. Curr Bud Change \$	Request vs. Curr Bud Change %
GENERAL ASSISTANCE PROGRAM	4500	0	4,500	0	0
FREEPORT COMMUNITY SERVICES	4,500	4,500	4,500	0.00	.00%
FAMILY CRISIS CENTER	500	500	500	0.00	.00%
TOTAL	9,500	5,000	9,500	0.00	.00%

Article 9. To see what sum of money the Town will vote to raise and /or appropriate for Mallett Hall budget.

Board of Selectmen Recommends \$ 24,845
 Budget Committee Recommends \$ 24,845

	2012 Budget	2013 Budget	2013 YTD	2014 REQUEST	REQUEST Change \$	REQUEST Change %
PROFESSIONAL SERVICES	11,350.00	10,000.00	3,406.71	10,000.00	0.00	.00%
ELEVATOR MAINTENANCE	0.00	1,900.00	4,155.50	1,900.00	0.00	.00%
LIFE SAFETY	2,205.00	6,195.00	6,597.04	9,945.00	3,750.00	60.53%
ELECTRICITY	6,700.00	6,200.00	1,236.05	3,000.00	-3,200.00	-51.61%
TOTAL	20,255.00	24,295.00	15,395.30	24,845.00	550.00	2.26%

Article 10. To see what sum of money the Town will vote to raise and/or appropriate for the Public Works Department Budget.

Board of Selectmen Recommends \$ 581,359
 Budget Committee Recommends \$ 581,359

	2012 Budget	2013 Budget	2013 YTD	2014 REQUEST	REQUEST Change \$	REQUEST Change %
FACILITIES MAINTENANCE	10,675.00	8,925.00	4,554.81	8,460.00	-465.00	-5.21%
WINTER ROADS	55,400.00	55,700.00	53,995.44	59,500.00	3,800.00	6.82%
COMPENSATION	211,387.00	219,022.00	185,602.47	195,144.00	-23,878.00	-10.90%
FLEET MAINTENANCE	32,550.00	32,935.00	47,774.59	34,535.00	1,600.00	4.86%
FUEL	44,000.00	41,000.00	39,051.05	43,500.00	2,500.00	6.10%
ROAD MAINTENANCE	225,000.00	239,800.00	208,152.46	237,000.00	-2,800.00	-1.17%
SUPPLIES	3,200.00	2,700.00	1,360.80	1,100.00	-1,600.00	-59.26%
ADMINISTRATIVE	1,350.00	1,350.00	501.50	2,120.00	770.00	57.04%
Expense Totals:	583,562.00	601,432.00	540,993.12	581,359.00	-20,073.00	-3.34%

NOTE: due to the Road Commissioner Sharing arrangement with the Town of Durham, Durham’s share of salary and employer expenses has been netted out of the Pownal Budget. Sharing the Road Commissioner position with Durham appears to be saving funds for the Town of Pownal.

Article 11. To see what sum of money the Town will vote to raise and/or appropriate for the Public Safety Budget.

Board of Selectmen Recommends \$ 100,009
 Budget Committee Recommends \$ 100,009

	2013 Budget	2013 YTD	2014 REQUEST	REQUEST Change \$	REQUEST Change %
PUBLIC SAFETY	26,350.00	25,590.35	27,032.00	682.00	2.59%
ADMINISTRATION	3,928.00	-650.10	2,778.00	-1,150.00	-29.28%
COMPENSATION	18,687.00	12,129.60	29,622.00	10,935.00	58.52%
BUILDINGS	7,610.00	3,690.07	6,906.00	-704.00	-9.25%
OPERATIONS	32,373.00	21,197.79	33,671.00	1,298.00	4.01%
Expense Totals:	88,948.00	61,957.71	100,009.00	11,061.00	12.44%

Note: The Fire Chiefs stipend has historically be included in the General Government budget. It is now included in the Fire Dept. Budget.

Article 12. To see what sum of money the Town will vote to raise and/or appropriate for the Solid Waste Budget.

Board of Selectmen Recommends \$ 105,307
 Budget Committee Recommends \$ 105,307

	2012 Budget	2013 Budget	2013 YTD	2014 REQUEST	REQUEST Change \$	REQUEST Change %
TOWN EXPENSE		0		0	0	.00%
ECOMAINE ASSESSMENT	0	18,039	15,033	14,049	- 3,990	-22.12%
ECOMAINE TIPPING FEES	0	15,572	12,966	12,428	- 3,144	-20.19%
SOLID WASTE HAULING	0	69,556	64,010	71,130	1,574	2.26%
SEPTIC CONTRACT	0	250	0	250	0	.00%
POWNAI PRIDE DAY	0	325	0	250	- 75	-23.08%
PAYT BAGS	0	7,200	614	7,200	0	.00%
	107,543.00	110,942.00	92,621.64	105,307.00	-5,635.00	-5.08%

Article 13. To see what sum of money the Town will vote to raise and/or appropriate for the Cemetery Commission Budget.

Board of Selectmen Recommends \$ 1,000
 Budget Committee Recommends \$ 1,000

	2012 Budget	2013 Budget	2013 YTD	2014 REQUEST	REQUEST Change \$	REQUEST Change %
CEMETERIES	\$1,000	\$1,000	\$1,000	\$1,000	0.00	.00%

Article 14. To see what sum of money the Town will vote to raise and/or appropriate for the Pownal Center Water Association.

Board of Selectmen Recommends \$ 1,800
 Budget Committee Recommends \$ 1,800

	2013 BUDGET	2013 YTD	2014 REQUEST	REQUEST Change \$	REQUEST Change %
TOWN EXPENSE	\$700	\$724	700	0	.00%
UTILITIES	\$900	\$800	1100	200	22.22%

\$1,500 \$1,133 \$1,800 \$200 3.03%

Article 15. To see what sum of money the Town will vote to raise and/or appropriate for PCWA Maintenance fund as established at the 2012 Annual Town Meeting.

Board of Selectmen Recommend \$ 5,000
 Budget Committee Recommends \$ 5,000

NOTE: \$5,000 was appropriated to this dedicated fund in the 12-13 Fiscal Year Budget, and that amount is currently the balance in the fund. It is the intent to eventually maintain this fund at \$15,000.

Article 16. To see what sum of money the Town will vote to raise and/or appropriate for Debt Service and other Obligations.

Board of Selectmen Recommends \$ 282,392
 Budget Committee Recommends \$ 282,392

	11-12 Budget	12-13 Budget	13-14 REQUEST	+/- CURRENT	% +/- CURRENT
2011 Road Bond	\$ 51,947	\$ 100,286	\$ 98,147	\$ (2,139)	-2%
2007 series D Fire Truck	\$ 37,493	\$ 36,277	\$ 34,973	\$ (1,304)	-4%
2007 Series E Road Bond	\$ 86,815	\$ 84,972	\$ 83,471	\$ (1,501)	-2%
2007 Excavator Lease	\$ 14,038	\$ 14,038	\$ 14,038	\$ -	0%
2012 Grader Lease		\$ 21,378	\$ 21,378	\$ -	0%
2011 Fire Truck Lease		\$ 30,381	\$ 30,381	\$ -	0%
	<hr/>				
	\$ 190,293	\$ 287,332	\$ 282,392	\$ (4,944)	-2%

Article 17. To see if the Town will appropriate the following estimates revenues to reduce the 2013-2014 Tax Commitment:

	2013 Budget	2013 YTD	2014 REQUEST	REQUEST Change \$	REQUEST Change %
CABLE FRANCHISE FEE	11,000	10,772	10,700	- 300	-2.73%
AUTO EXCISE	200,000	212,223	200,000	0	.00%
BOAT EXCISE	0	1,235	900	900	100.00%
TOWN FEES	10,000	6,758	6,500	- 3,500	-35.00%
REVENUE SHARING	95,000	84,707	72,000	-23,000	-24.21%
HOMESTEAD EXEMPTION	33,000	36,370	36,370	3,370	10.21%
VETERANS REIMBURSEMENT	800	938	940	140	17.50%
LIEN COSTS	2,000	727	1,500	- 500	-25.00%
REAL ESTATE INTEREST	0	5,797	5,900	5,900	100.00%
STATE PARK FEES	0	1,323	1,350	1,350	100.00%

REPORT OF THE PUBLIC WORKS DEPARTMENT

This year brought some changes for the Town of Pownal and our Public Works Department. As everyone knows we have been working with the Town of Durham in sharing the position of Road Commissioner between the two towns. This agreement has proven to be quite successful in fostering a collaborative effort between the towns, as promised Pownal has realized savings on the payroll side of our budget. We have been able to become a bit more productive by pooling our personnel resources on projects in both towns; this is something that I hope we can expand upon in the coming years as it will only benefit both towns.

Our crew spent most of the construction season working on several projects around town. The following is a short list of some of the projects.

- Re decked Poland Range Rd bridge
- Surface course of asphalt installed on Poland Range Rd
- Installed culverts, ditched and added gravel to Lower Lawrence Rd
- Roadside mowing, in collaboration with Durham
- Screened 700 cubic yards of stockpiled ditching material into loam for use on projects, in collaboration with Cumberland crew and equipment
- Ditched and replaced pipes on Chadsey Rd
- Replaced pipe and ditched 300 LF on Lawrence Rd
- Truck 3 sand blasted and painted

The new grader has really stepped up our gravel road maintenance program. We had a 14 foot rake installed on the machine. This rake has enabled us to better mix and re distribute the material that we retrieve from the sides of the road as well as aiding in moving the larger rocks we encounter off the roadway. For anyone that has spent time on the logging roads of Northern Maine you probably have noticed that nearly all graders have these rakes on them. The machine also has automated slope control; this allows the operators to be more efficient and provides for a better, smoother ride when a road has been graded.

Our winter road maintenance is an ever changing and evolving project in itself. We are constantly researching better ways to provide the safest travelling conditions as possible while being mindful of the environment and our budget. Since we have started pre treating the roads with salt brine prior to a storm we have seen a reduction in the amount of rock salt we consume; good for the environment and the budget.

As I am writing this our crew is working on the Hodsdon Road reconstruction project. This is another large undertaking by our small department and sub contractors. Compared to contracting out the whole project we should realize savings in the \$200,000.00 range. Hats off to the crew for their hard work in the summer and winter.

Respectfully,
Shawn Bennett
Road Commissioner

Pownal Fire and Rescue Department
Annual Report
May1, 2012 – April 30, 2013

During the time period between May 1, 2012 and April 30, 2013, the Pownal Fire and Rescue Department answered 159 calls for service. This was a decrease of approximately 4% over the previous year.

1 Building Fire	2 Propane Leaks
3 Chimney Fires	8 False Alarms
1 Woods/ Brush Fires	7 Public Service Calls
2 Carbon Monoxide Alarm	15 Power Lines Down
2 Unauthorized Burns	16 Motor Vehicle Accidents
6 Controlled Burns	75 EMS Calls

In addition to the calls listed above, we responded to 21 requests for mutual aid to surrounding communities as part of Coastal Mutual Aid. The town of Pownal received mutual aid eight times in this same time period.

Our EMS personnel and firefighters logged over 740 hours of in-house training in the skills needed to perform their duties safely and effectively. Over 270 of these hours were spent in live fire training in a building donated to the department for training. Thanks to a generous donation by the Minieri family, we were able to hone skills in fire behavior, fire attack, search and rescue, and ventilation just to name a few. Some members attended outside trainings at the Cumberland County Fire Attack School. There they received training in ATV operation and several EMS courses. You may notice the fire trucks out on the road more often than in the past. This is due to a new mandate by the state for Driver Training. Each member who drives fire trucks must pass a road test for each truck he or she drives. This may mean you might see our trucks driving in area towns. This is due to the specific requirements of the road test.

Currently the Pownal Fire and Rescue Department's fire protection class rating from the Insurance Services Office is an 8B. We participated in a water supply drill in Freeport in October, which should help to reduce our rating even further. A lower ISO rating should equate to lower insurance rates for property owners in Pownal. We still have a little more work to do on this. When our classification changes again, I will inform you.

The Department was awarded a grant from the Maine Outdoor Heritage Trust to outfit and train members in low-angle rope rescue. With this training and equipment we will be better able to handle difficult rescues in remote locations around town. As the town's hiking and biking trails have expanded, it became evident that we needed to expand upon our ability to effect rescues in difficult to transverse terrain. This grant will bring us a long way toward that goal.

We were able to purchase the used utility truck from the town of Gardiner for the \$40,000.00 approved at last year's town meeting. This truck's designation is "Squad 3" and it will replace the old 1967 forestry truck we had on loan from the state. Not only will this truck respond to woods, brush and grass fires, we will use it to respond to wires down, some service calls, vehicle accidents, and some EMS calls. The equipment for wilderness and low-angle rescue will also be housed in this truck.

The new radio repeater has been installed and is working great. We are now compliant with the current FCC regulations. After many exhaustive studies it has been determined that the voter/comparer system will not work here in Pownal. Unfortunately Bradbury Mt. sits in a direct path between the two stations. So to eliminate the "dead-spots" in communications, we are currently in the process of installing vehicle repeaters in all the fire trucks and a smaller repeater at the Center Station. With this system we should have a very usable and safe radio system to last us well into the future.

In 2010 the Select Board appointed a committee to look into the needs of the town and its departments called the "Needs Assessment Committee". In their report they described the need for a modern, safer and more user friendly building for the Fire and Rescue Department. North Station has no running water or bathroom facilities. Center Station is dangerous due to high traffic and a very short ramp in front of the station. Neither building is ADA compliant. Whenever the equipment is started it fills the buildings with diesel fumes which are loaded with carbon monoxide and benzene. Ultimately it would be beneficial to us from an operational standpoint to have all our trucks in one central location, currently however; there are no plans as of now to build a new facility.

We would like to thank the firefighters, EMT's, and fire police for their dedication and commitment to our community. Their willingness to set aside whatever they may be doing and to respond to someone in need is commendable. I would also like to thank their families for their patients in dealing with the absence of their loved ones.

We would like to thank the Pownal Fire Company for their support throughout the year. Through donations and fundraisers they assist the department with items not usually found in the operation budget. This year they provided tee-shirts, sweat shirts, food and beverages for trainings, and batteries for the thermal imaging camera. They also sponsor our Halloween celebration at Mallett Hall every year by providing treats for trick-or-treaters.

We are looking for new members who are looking for a challenge and want to give back to their community. If you live or work in Pownal or a surrounding community and are interested in joining our department as a firefighter, EMS provider, or junior firefighter, please contact Chief Peters at 318-1997 or e-mail pownalcar1@maine.rr.com.

We would like to thank the citizens of Pownal for all their support. We enjoy being able to assist the residents and guests of the town in their time of need. Helping others is why we have chosen this profession.

Respectfully submitted,
Chief Jesse Peters

On behalf of,
Deputy Chief Erik Nielsen
Deputy Chief Richard Hogue
Captain Daniel brown
Captain Robert Ginn

Planning Board Report 2012-2013

Subdivision review has slowed in recent years, but this year the Planning Board was called upon on a couple of occasions to pour over plans and tromp in the woods. In the fall the Grindle Family Partnership, Tuttle Rd. proposed dividing off a lot at the end of their property along the Freeport line, which the Board approved in October 2012. Later in the year, Minot Road Partners applied for a three lot division of a large parcel on Minot Rd. and in December 2012 the Board approved the division, which resulted in one lot being absorbed in with adjacent property, one building lot and a third held by the partners for future use.

The ongoing Ordinance Review keeps the Board busier than ever with twice monthly workshops in addition to its regular monthly meetings. We have recently completed a draft of the Zoning Ordinance, our biggest hurdle, and are currently focusing in on Subdivision. We envision the pace picking up. Our goal has been to produce documents that are orderly and comprehensible. Shortly, the Board will begin holding informational hearings for townspeople's review and feedback. Keep in mind that all Planning Board meetings and workshops are open to the public; input is welcome at any time.

Last spring the Board welcomed two new members. Jerry Gould and Matt Chipman joined on as alternates. We are so glad to have them on board.

The Planning Board meets the third Wednesday of each month at 7:00 PM at Mallett Hall. The public is welcome at all meetings, workshops, onsite inspections and hearings. Planner Tony Dater is available once a month by appointment to preview applications and answer questions.

Ronald Hodsdon, Chair
Joan Mueller, Vice-Chair
Elizabeth Nichols, Secretary
John Bowdren
Matthew St. Cyr
Jeremy Gould, Alternate
Matthew Chipman,
Alternate Tony Dater, Planner

Mallett Hall Building and Grounds Committee

Following the installation of the new town flagpole and the dedication event that took place on May 27, 2012, the committee decided to take an extended break to catch our collective breath. Those events were extremely time consuming and required much work by committee members. We have continued to meet regularly, however, and the following are items of note: we have conducted our annual extensive tour of both the interior and exterior of Mallett Hall and have presented our maintenance recommendations to the Select Board; we continue to be involved, with interest and advice, as the Selectmen move ahead with planning for the needed repairs and renovation of the side entrance to the building; we are exploring possible electrical and structural upgrades to bring the stage to a more functionally useful state; we have

postponed any significant changes to the exterior front of the building until it becomes clear how such changes will dovetail with future parking lot upgrades.

Mallett Hall remains in very good shape, and it continues to be used regularly for town business, meetings, and social events. We hope that everyone has noticed that the entire exterior of the building was repainted last summer. She looks splendid in her new coat of paint.

James Boyles (chair), Doris Blackstone, Kathy Hogue, Jane Mittel, Jan Pieter van Voorst van Beest, Marie Wendt.

Pownal Scenic & Historical Society

2012 Annual Report

The Pownal Scenic and Historical Society [PSHS] had another busy and productive year. On Sunday May 27, 2012, the society was pleased to co-host "A Memorial Weekend Celebration" to dedicate the town's first municipal flag pole and to commemorate its sponsor the Pownal Granite Grange #14. The ceremony included flag-raising by the Color Guard of the Maine National Guard, speeches by dignitaries, and songs by school children. After the ceremony, the public was invited to the upstairs room of Mallett Hall to view memorial exhibits and enjoy refreshments. The historical society's patriotic five-panel wall exhibit of photographs, with resumes and associated memorabilia, of over eighty Pownal residents who served or are serving in the military since World War I was a much appreciated highlight. The exhibit remained on display through November. Deeply saddened by the deaths of PSHS Honorary Life Members William "Bill" DeWitt, Carl "Sam" Mason, Edna Snow Menchen, Frank Knight, and Marion Knight Reed, a program "In Tribute" was presented to a large audience on Sunday November 4, 2012 in Mallett Hall. The program in digital-slide show format with narrative detailing the many civic contributions of each is now available on DVD. In February, following the funeral of Carl Mason, society benefactor and husband of PSHS founder Marjorie Mason, a reception and exhibit of Hodsdon/Knight/Mason memorabilia was held in Mallett Hall. Carl and late wife Marjorie brought the hearse home to Pownal in 1970, and with society support and financial support from Carl, the hearse and hearse house were finally restored. With generous donations in Carl's memory, a designated fund was established to care for both.

The society was gifted or purchased several important items for the archives. Framed in period style, a portrait of Thomas Pownall (1722-1805), Town of Pownal Namesake 1808 and Royal Governor of Massachusetts Bay (1757-1760), now joins that of E. B. Mallett in Mallett Hall. The pen and ink drawing of Mallett Hall by Michael Ward has been reframed and now hangs in the voting room. Gifted to the society by Susan Malone Harrison is a framed 2009-2010 Last Class to Graduate from Pownal Elementary School memorial artifact. Mary Ann Hodsdon thoughtfully gifted the society a copy of a family album, "History of the York Cemetery with annotated history of those buried there." In it, photographs documenting the burial ground were taken by grandson Sam Hodsdon. Richard "Dick" Knight gifted the society Hodsdon/Knight family memorabilia, writings of Josephine Hodsdon, and a Pownal Congregational Church Pew Bench inscribed to Rufus Titcomb, relative of Frank Knight. Yet to be archived, a collection of Mason/Hodsdon photos was generously gifted by Carl Mason's grand daughter, Stephanie Mason Medeiros. Two 1974 taped interviews with Philip Knight, centering on the granite industry in Pownal, were converted to CDs.

Four years after its publication, On Pownal Time – One Hundred Years in a Rural Maine Town – 1908-2008 was reviewed in the Maine Historical Society's June 2012 Quarterly edition by Richard Condon, Professor Emeritus of the University of Maine at Farmington. He reviewed our publication positively stating that "it is an outstanding addition to the shelf of Maine town histories." To date six hundred forty-seven books have been sold or gifted.

On November 16, 2012, Luther Snow died. He was an active long-time member of PSHS and a dear friend to all. He generously shared memorabilia and memories of five generations of the Snow and Allen families. Plants dug from his beautiful gardens, for plant sales, aided the society financially. Luther will be greatly missed. We are also saddened by the deaths of members Scott Keith, and Joseph Johnson.

Donna Boyles, President; Jane Mittel, Vice President; Jen Blackstone Kaplan, Secretary; and James Boyles, Treasurer.

Report from the Recreation Committee

The Recreation Committee is a new committee recently appointed by the Board of Selectmen. We are a review board for recreational activities and events proposed by the community, individuals or groups and we are in the process of establishing guidelines and applications for this review process. In addition, we will evaluate sources of funding for recreational programs and facilities; help identify and address the town's recreational needs; track and recommend uses for Recreation and Open Space Impact Fees; and work in conjunction with other committees such as the Conservation Commission and the Planning Board on specific projects.

Recently, we sent out a town-wide survey to determine how citizens feel about the adequacy and quality of recreational programs and facilities here in Pownal. If you haven't yet filled out your questionnaire, please take a moment to do so and return it to Town Hall as soon as possible. This information will help us to identify what recreational activities we already have in existence and to look at other recreational opportunities for the future.

The Recreation Committee will be a review board for any type of recreational activity to be held on any town-owned property. All applications will be available from the Town Clerk and all proposals brought before the Recreation Committee are subject to review and final approval by the Board of Selectmen.

We meet monthly and welcome the public to any of our meetings. Please check the Town's website calendar for upcoming meeting dates.

Respectfully submitted,
Kathy Hogue (Chair), Fritz Appleby, Jim Briggs, Rich Kivela, Sandy Neill, Ansley Newton

Report of the Town Clerk

The following recordings were made in the period July 1, 2011 to June 30, 2012

Births Recorded – 11
Marriages Recorded – 15
Deaths Recorded – 9

Dogs Licensed – 165

Motor Vehicle Registrations – 1778

Hunting/Fishing Licenses 131

ATV, Boats, Snowmobile 144

Scott Seaver, Town Clerk

Report of the Animal Control Officer

For the calendar year 2012, the following activities are reported:

51 calls were received ranging from dogs at large, or lost dogs, stray cats and loose horses. I investigated 3 animal cruelty/neglect reports and conducted 2 dog kennel inspections. 4 dogs and a cat were transported to the Coastal Humane Society.

I also attended ACO certification courses and have become certified in all areas of concern to the Animal Control Officer.

Respectfully,

John Rankins
Animal Control Officer

Report of the Solid Waste Reduction and Recycling Committee

The Pownal Solid Waste Reduction and Recycling Committee is pleased to submit a FY2014 budget that shows a \$5,635 decrease (-5.4%) compared to the FY2013 budget. This budget decrease was achieved without reducing any of the services of the solid waste and recycling system. As Pownal residents continue to excel in recycling and composting they direct more weight away from the Municipal Solid Waste (MSW) stream (for which we are charged \$70.50/ton for disposal as of 7/1/13) thus driving down our annual **ecomaine** tipping fees and over time our **ecomaine** assessment fees.

Pownal is not charged for the weight of recyclables we deliver. **ecomaine**, of which Pownal is a member community, has paid off all of its long term debt which also

contributed to the reduction we observed in our assessment and tipping fees. Pownal continues to be the highest recycling community of the 21 **ecomaine** members. Our average recycling rate is 45%. We commend the residents of Pownal for this impressive recycling commitment which is both fiscally and environmentally beneficial.

The solid waste Pay-As-You-Throw (PAYT) bag system continues to meet its goals of covering the cost of the **ecomaine** tipping and assessment fees. The Pownal PAYT bag prices are designed to cover the cost of disposing the trash that they contain. This system seems more equitable than the previous system where town residents would cover these costs through taxation regardless of their trash volumes. The current system gives residents more control over their solid waste disposal costs. Waste and recycling hauling costs continue to be paid through taxation. The philosophy is that the town will pay for a hauling service to stop at each residence to pick up trash and recycling on a weekly basis but residents will pay for the amount of trash they generate through PAYT bag pricing.

This spring the Pownal Solid Waste Reduction and Recycling Committee again held a roadside clean-up and metal collection day called Pownal Pride Day. Thank you to the many residents that delivered metals and cleaned up our community! A special thank you goes out to two Pownal girl scouts, Malia Morin and Lily Hayden-Hunt, who contributed to the advertising, organizing, and roadside clean up. The town raised \$913.50 from metal sales which came off the FY2013 Solid Waste Budget. This metal collection event is held annually around the 1st of May so please consider donating your scrap metal next spring free of charge (the Freeport and Portland transfer stations charge for metal disposal).

In the upcoming fiscal year the solid waste committee will work to educate the community on the disposal of e-waste, composting, and alternative means for getting rid of items other than the traditional solid waste stream. Look for our contributions to the Tri-Town Weekly and The Notes in the Pownal section to learn more about these topics. We will also be adding this disposal information and helpful links to the Solid Waste and Recycling page of the town website. We are always interested in community feedback as to how to make the solid waste and recycling system in Pownal more successful. Please contact us with ideas or volunteer efforts.

Jamie Welch
Andy Wyatt
Will Johnson
Alan Bradstreet

TOWN OF POWNAL

POWNAL, MAINE

FINANCIAL AUDIT REPORT

JUNE 30, 2012

**TOWN OF POWNAL
POWNAL, MAINE
JUNE 30, 2012**

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Notes to Basic Financial Statements

Smith & Associates, CPAs

A Professional Association

500 US Route One, Suite 203 • Yarmouth, Maine 04096
Ph (207) 846-8881 • Fax (207) 846-8882
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REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Board of Selectmen
TOWN OF POWNAL
Pownal, Maine

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

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

We were unable to obtain sufficient evidential source documentation to support the permanent funds because the relevant legal indentures could not be located.

As discussed in the notes to the financial statements, management has not recorded certain general capital assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those general capital assets, be capitalized and depreciated, which would increase the assets, net assets, and expenses of the governmental activities. The amount by which this departure would affect the assets, net assets, and expenses of the governmental activities is not reasonably determinable.

In our opinion, because of the significance of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Statement of Net Position of the Town of Pownal, Maine, as of June 30, 2012, or the Statement of Activities position thereof for the year then ended.

In addition, except for the permanent funds, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and remaining fund information of the Town of Pownal and the respective changes in financial position and cash flows, where applicable, of those activities and funds and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Town of Pownal, Maine has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Smith & Associates

SMITH & ASSOCIATES, CPAs
A Professional Association

Yarmouth, Maine
March 7, 2013

Smith & Associates, CPAs
A Professional Association

Yarmouth, Maine 04096

EXHIBIT I

**TOWN OF POWNAL
STATEMENT OF NET POSITION
JUNE 30, 2012**

	<u>Primary Government Governmental Activities</u>
Assets	
Cash	\$ 883,759
Investments	75,342
Accounts Receivable	10,119
Taxes Receivable	135,529
Tax Liens Receivable	41,877
Capital Assets, Net of Accumulated Depreciation	<u>2,931,569</u>
Total Assets	\$4,078,195
Deferred Outflows of Resources	<u>0</u>
Total Assets and Deferred Outflows of Resources	<u>\$4,078,195</u>
Liabilities	
Accounts Payable	\$ 26,762
Accrued Expenses	29,126
Non-Current Liabilities	
Due Within One Year	145,522
Due in More than One Year	<u>2,522,604</u>
Total Liabilities	<u>\$2,724,014</u>
Deferred Inflows of Resources	<u>\$ 0</u>
Net Position	
<i>Net Investment in Capital Assets</i>	\$263,443
<i>Restricted for:</i>	
Permanent Funds, Non Expendable	51,895
Road Reconstruction	532,084
<i>Unrestricted</i>	<u>506,759</u>
Total Net Position	<u>\$1,354,181</u>

The Notes to the Financial Statements are an Integral Part of This Statement.

EXHIBIT II

**TOWN OF POWNAL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Primary Government				
Governmental Activities				
General Government	\$ 217,871	\$ 57,840	\$ 0	\$ (160,031)
Public Works	532,063	10,400	47,436	(474,227)
Public Safety	84,266	45	782	(83,439)
Health and Sanitation	117,017	44,581	0	(72,436)
Human Services and Welfare	5,185	0	0	(5,185)
Education	1,669,340	0	0	(1,669,340)
County Tax and Overlay	107,259	0	0	(107,259)
Interest on Long-Term Debt	109,009	0	0	(109,009)
Depreciation - Unallocated	<u>106,753</u>	<u>0</u>	<u>0</u>	<u>(106,753)</u>
Total Primary Government	<u>\$ 2,948,763</u>	<u>\$ 112,866</u>	<u>\$ 48,218</u>	<u>\$(2,787,679)</u>
General Revenues				
Property and Other Taxes				\$2,839,589
Grants and Contributions not Restricted to Special Programs				139,030
Unrestricted Investment Earnings				<u>13,821</u>
Total General Revenues				<u>\$2,992,440</u>
Changes in Net Position				\$ 204,761
Net Position – July 1, 2011				<u>1,149,420</u>
Net Position – June 30, 2012				<u>\$1,354,181</u>

The Notes to the Financial Statements are an Integral Part of This Statement.

**TOWN OF POWNAL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	General Fund	Road Re- Construction	Other Governmental Funds	Total
Assets				
Cash	\$ 883,759	\$ 0	\$ 0	\$ 883,759
Investments	0	0	75,342	75,342
Accounts Receivable	10,119	0	0	10,119
Taxes Receivable	135,529	0	0	135,529
Liens Receivable	41,877	0	0	41,877
Due From Other Funds	<u>0</u>	<u>532,084</u>	<u>97,038</u>	<u>629,122</u>
Total Assets	\$ 1,071,284	\$ 532,084	\$ 172,380	\$ 1,775,748
Deferred Outflow of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 1,071,284</u>	<u>\$ 532,084</u>	<u>\$ 172,380</u>	<u>\$ 1,775,748</u>
Liabilities, Deferred Inflow of Resources, and Fund Balance				
Liabilities				
Accounts Payable	\$ 26,762	\$ 0	\$ 0	\$ 26,762
Accrued Expenses	550	0	0	550
Deferred Property Taxes	129,126	0	0	129,126
Due to Other Funds	<u>629,122</u>	<u>0</u>	<u>0</u>	<u>629,122</u>
Total Liabilities	<u>\$ 785,560</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 785,560</u>
Deferred Inflow of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balance				
<i>Reserved, Reported In:</i>				
<i>Nonspendable</i>				
Permanent Funds – Non Expendable	\$ 0	\$ 0	\$ 51,895	\$ 51,895
<i>Restricted</i>	0	0	0	0
<i>Committed</i>				
Reserved for Property Taxes	160,856	0	0	160,856
<i>Unreserved, Reported In:</i>				
<i>Assigned</i>				
Designated General Fund	35,000	0	0	35,000
Special Revenue Funds	0	0	59,202	59,202
Capital Projects	0	532,084	26,727	558,811
Permanent Funds, Expendable	0	0	34,556	34,556
<i>Unassigned</i>				
General Fund	<u>89,868</u>	<u>0</u>	<u>0</u>	<u>89,868</u>
Total Fund Balance	<u>\$ 285,724</u>	<u>\$ 532,084</u>	<u>\$ 172,380</u>	<u>\$ 990,188</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,071,284</u>	<u>\$ 532,084</u>	<u>\$ 172,380</u>	<u>\$ 1,775,748</u>

The Notes to the Financial Statements are an Integral Part of This Statement.

EXHIBIT IV

**TOWN OF POWNAL
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
JUNE 30, 2012**

Total Fund Balance – Total Governmental Funds \$ 990,188

**Amounts Reported for Governmental Activities in the
Statement of Net Position are different because:**

Capital Assets Used in Governmental Activities are Not
Current Financial Resources and Therefore are Not
Reported in the Governmental Funds Balance Sheet. 2,931,569

Property Tax Revenues are Reported in the Governmental Funds
Balance Sheet Under NCGA Interpretation-3, Revenue Recognition-
Property Taxes and Intergovernmental Revenues were Deferred. 129,126

Deferred Intergovernmental Revenues Reported in the Governmental
Funds Meet the Criteria for Revenues Under Accrual Accounting. (19,697)

Long Term Debt Liabilities are not due and payable in the Current Period and
therefore are not reported in the Governmental Funds Balance Sheet:

Due in One Year	\$ 145,522	
Due in More than One Year	2,522,604	
Accrued Compensated Absence Pay	<u>8,879</u>	<u>(2,677,005)</u>

Net Position of Governmental Activities \$ 1,354,181

The Notes to the Financial Statements are an Integral Part of This Statement.

**TOWN OF POWNAL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>Road Re- Construction</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Revenues				
Taxes	\$ 2,763,638	\$ 0	\$ 0	\$ 2,763,638
Intergovernmental	186,466	0	782	187,248
Licenses, Permits and Fees	26,731	0	0	26,731
Charges for Services	50,046	0	10,145	60,191
Investment Income	12,101	107	1,613	13,821
Miscellaneous	<u>25,689</u>	<u>0</u>	<u>255</u>	<u>25,944</u>
Total Revenues	<u>\$ 3,064,671</u>	<u>\$ 107</u>	<u>\$ 12,795</u>	<u>\$ 3,077,573</u>
Expenditures				
<i>Current</i>				
General Government	\$ 213,289	\$ 0	\$ 2,746	\$ 216,035
Public Works	536,928	0	5,690	542,618
Public Safety	83,193	0	1,073	84,266
Health and Sanitation	117,017	0	0	117,017
Human Services and Welfare	5,185	0	0	5,185
Education	1,669,340	0	0	1,669,340
Debt Service	176,255	0	0	176,255
Fixed Charges	107,259	0	0	107,259
<i>Capital Outlay</i>	<u>0</u>	<u>785,216</u>	<u>302,388</u>	<u>1,087,604</u>
Total Expenditures	<u>\$ 2,908,466</u>	<u>\$ 785,216</u>	<u>\$ 311,897</u>	<u>\$ 4,005,579</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 156,205	\$ (785,109)	\$ (299,102)	\$ (928,006)
Other Financing Resources (Uses)				
Operating Transfers	<u>(75,000)</u>	<u>0</u>	<u>75,000</u>	<u>0</u>
Net Change in Fund Balance	\$ 81,205	\$ (785,109)	\$ (224,102)	\$ (928,006)
Fund Balance – July 1, 2011	<u>204,519</u>	<u>1,317,193</u>	<u>396,482</u>	<u>1,918,194</u>
Fund Balance – June 30, 2012	<u>\$ 285,724</u>	<u>\$ 532,084</u>	<u>\$ 172,380</u>	<u>\$ 990,188</u>

The Notes to the Financial Statements are an Integral Part of This Statement

EXHIBIT VI

**TOWN OF POWNAL
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Net Change In Fund Balance – Total Governmental Funds \$ (928,006)

**Amounts Reported for Governmental Activities in the
Statement of Net Position are different because:**

Governmental Funds Report Capital Outlays as Expenditures. However, In the Statement of Activities the Cost of Those Assets is Allocated Over Their Estimated Useful Lives and Reported as Depreciation Expense. This is the Amount of Capital Assets Recorded in the Current Period. 1,239,511

Depreciation Expense on Capital Assets is Reported in the Government-Wide Statement of Activities and Changes in Net Position, But They Do Not Require the Use of Current Financial Resources. Therefore, Depreciation Expense is Not Reported as Expenditure in Governmental Funds. (106,753)

Some Property Tax will not be Collected for Several Months After the Town’s Fiscal Year End; They are not Considered “Available” Revenues in the Governmental Funds. This Amount is the Net Effect of the Differences. 75,951

The Issuance of Long-Term Debt (e.g. Bonds and Accrued Compensated Absence Pay) Provides Current Financial Resources to Governmental Funds, While the Repayment of the Principal of Long-Term Debt Consumes the Current Financial Resources of Governmental Funds. Neither Transaction, However, has Any Effect on Net Position. Also, Governmental Funds Report the Effect of Issuance Cost, Premiums, Discounts, and Similar Items When Debt is First Issued, Whereas the Amounts are Deferred and Amortized in the Statement of Activities. This Amount is the Net Effect of These Differences in the Treatment of Long-Term Debt and Related Items. (73,772)

Accrued Interest Expense on Long-Term Debt is Reported in the Government-Wide Statement of Activities and Changes in Net Position, But Does Not Require the Use of Current Financial Resources; Therefore, Accrued Interest Expense is not Reported as Expenditures in Governmental Funds. (2,170)

Change in Net Position of Governmental Activities \$ 204,761

The Notes to the Financial Statements are an Integral Part of This Statement.

EXHIBIT VII

**TOWN OF POWNAL
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues				
Taxes	\$ 2,809,477	\$ 2,809,477	\$ 2,763,638	\$ (45,839)
Intergovernmental	167,415	167,415	186,466	19,051
Licenses, Permits and Fees	27,000	27,000	26,731	(269)
Charges for Services	53,600	53,600	50,046	(3,554)
Investment Income	0	0	12,101	12,101
Miscellaneous	<u>0</u>	<u>0</u>	<u>25,689</u>	<u>25,689</u>
Total Revenues	<u>\$ 3,057,492</u>	<u>\$ 3,057,492</u>	<u>\$ 3,064,671</u>	<u>\$ 7,179</u>
Expenditures				
<i>Current</i>				
General Government	\$ 249,661	\$ 249,661	\$ 213,289	\$ 36,372
Public Works	584,562	584,562	536,928	47,634
Public Safety	86,245	86,245	83,193	3,052
Health and Sanitation	107,543	107,543	117,017	(9,474)
Human Services and Welfare	9,000	9,000	5,185	3,815
Education	1,652,566	1,652,566	1,669,340	(16,774)
Debt Service	176,256	176,256	176,255	1
Fixed Charges	116,659	116,659	107,259	9,400
<i>Capital Outlay</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 2,982,492</u>	<u>\$ 2,982,492</u>	<u>\$ 2,908,466</u>	<u>\$ 74,026</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ 75,000	\$ 75,000	\$ 156,205	\$ 81,205
Other Financing Sources (Uses)				
Transfers Out	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>0</u>
Net Change in Fund Balances	\$ 0	\$ 0	\$ 81,205	\$ 81,205
Fund Balance – July 1, 2011	<u>204,519</u>	<u>204,519</u>	<u>204,519</u>	<u>0</u>
Fund Balance – June 30, 2012	<u>\$ 204,519</u>	<u>\$ 204,519</u>	<u>\$ 285,724</u>	<u>\$ 81,205</u>

The Notes to the Financial Statements are an Integral Part of This Statement.

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. – General Statement

The Town of Pownal, Maine was incorporated in 1808 under the laws of the State of Maine and currently operates under a Selectmen-Town Meeting Form of Government.

The accounting and reporting policies of the Town relating to the funds and account groups included in the accompanying basic financial statements conform to generally accepted accounting principles as applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the Town are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Town’s overall financial position and results of operations. Management of the Town has elected to omit the MD&A as indicated in the Independent Auditors’ Report.
- Financial statements prepared using full accrual accounting for all of the Town’s activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements including notes to financial statements.

B. – Financial Reporting Entity

The Town's combined financial statements include the accounts of all Town of Pownal operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. – Financial Reporting Entity (Continued)

- The organization is legally separate (can sue and be sued in their own name).
- The Town holds the corporate powers of the organization.
- The Town appoints a voting majority of the organization's board.
- The Town is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the Town.
- There is fiscal dependency by the organization on the Town.

Based on the aforementioned criteria, the Town of Pownal has no component units.

C. – Basic Financial Statements – Government-Wide 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.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, charges for services, 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 (whether operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc).

D. – Basic Financial Statements – Fund Financial Statements

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

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. – Basic Financial Statements – Fund Financial Statements (Continued)

The following fund types are used by the Town:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in 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:

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.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Road Reconstruction Fund is a major fund.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry. A permanent fund would be used, for example, to account for the perpetual care endowment of a municipal cemetery.

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

E. – Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. – Measurement Focus/Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for recognition of all other Governmental fund revenues. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

F. – Budgetary Control

Formal budgetary accounting is employed as a management control for the general fund of the Town of Pownal.

The Town of Pownal'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 Town is currently preparing budgets under a net budgeting concept, which does not estimate total revenues of the Town. Budgets are not prepared annually for the special revenue funds.

During the fiscal year, the Town over-expended certain budget amounts, which will be raised through taxation in the next fiscal year.

G. – Cash and Investments

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. Generally, the Town invests certain funds in checking, savings accounts, or certificates of deposit.

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent. Investments are recorded at fair market value.

H. – Capital Assets

Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, requires that governmental entities report all infrastructure assets on a prospective basis starting at the appropriate effective date of the standard. It does not require governmental entities with annual revenues of less than \$10 million to retroactively report infrastructure assets.

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. – Capital Assets (Continued)

Accounting principles generally accepted in the United States of America require capital assets, which include land, buildings, vehicles, machinery and equipment, and infrastructure assets be reported in the applicable governmental activities in the government-wide financial statements.

Capital assets purchased or acquired with an original cost of \$10,000 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. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Useful Lives</u>	
Land Improvements	20	Years
Buildings and Improvements	40	Years
Machinery and Equipment	10-20	Years
Vehicles	10-20	Years
Infrastructure	40	Years

Management believes it is not cost effective to report general capital assets acquired before January 1, 2008, but may report them in the future.

I. – Compensated Absences

- A. The Town of Pownal recognizes accumulated sick and annual leave compensation during the period in which the related liability is incurred.

Level I – An employee who works (or is expected to work) on average at least thirty-six (36) hours per week for the town is eligible for “Level I” benefits. The term “work” means time spent on town business for which the individual receives monetary compensation. The hours worked will be based on the records of the town’s payroll system. The “average” will be based on a rolling full three (3) months average as determined at the end of each month. For this calculation, any Employee Benefit Time taken within these guidelines will be considered as “work” time.

Paid Time Off – Only Level I employees are eligible for paid time off based on the schedule below. The time off is to be used for Vacation, Illness, Bereavement, Doctor Visits, etc. If an employee terminates having taken time off prior to the accumulated accrual time, such employee will owe any such wages back to the Town.

<u>Time Worked for Town</u>	<u># of Annual Paid Days Off</u>	<u>Monthly Accrual Rate</u>
30 Days – 4 Years	15	1.25 Days
5 – 9 Years	20	1.66 Days
10+ Years	25	2.08 Days

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. – Compensated Absences (Continued)

B. To comply with the Town's personnel policies, a liability for accrued compensated absence pay of \$8,879 at June 30, 2012 is recorded.

J. – Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market, or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

K. – Equity Classifications

Government-Wide Statements

Net position represent the differences between assets and liabilities. Equity is classified as net assets and displayed in three components:

- Net Investment in Capital Assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – all other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Selectmen, such as an appropriation. Assigned fund balance is constrained by the Board's intent to be used for specific purposes by directive. See Note 10 for additional information about fund balances.

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. – Use of Estimates

Preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and certain corporate stocks and bonds. Generally, the Town invests such excess funds in checking accounts, savings accounts or certificates of deposit.

Deposits

The Town's deposits are categorized as follows to give an indication of the level of risk assumed by the Town at year end: Category 1 includes deposits covered by federal depository insurance or by collateral held by the Town or by the Town's agent in the Town's name; Category 2 includes uninsured deposits covered by collateral held by the pledging financial institution's trust department or agent in the Town's name; Category 3 includes uninsured and uncollateralized deposits.

At June 30, 2012 cash and cash equivalents were all considered Category 1.

Investments

Government Accounting Standards Board Statement No. 3 requires the investments to be classified into three categories. Category 1 includes investments which are insured or registered or for which the securities are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments, investments held by the financial institution's trust department or agent in the Town's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent, but not in the Town's name.

At June 30, 2012, all investments were considered either Category 1 (\$10,414) or Category 3 (\$64,928).

NOTE 3 – PROPERTY TAXES

The Town is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. The Town of Pownal's property tax is levied on the assessed value listed as of the prior April 1st for all taxable real and personal property located in the Town. Assessed values are periodically established by the Assessor at 100% of assumed market value. The assessed value for the list of April 1, 2012, upon which the levy for the year ended June 30, 2012, was based, amounted to \$77,547,600. This assessed value was 100.0% of the estimated market value and 43.07% of the 2012 State valuation of \$184,550,000.

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 – PROPERTY TAXES (CONTINUED)

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 \$10,325 for the year ended June 30, 2012.

In the fund financial statements, property taxes are recognized in compliance with NCGA Interpretation – 3, *Revenue Recognition – Property Taxes* which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. In the government-wide financial statements, property taxes are recognized under the accrual method.

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

Assessed Value		\$ 79,492,900	
Less Homestead Exemption		(1,945,300)	
Net Assessed Value		\$ 77,547,600	
Tax Rate		33.65	
Commitment		\$ 2,609,477	
Supplemental Taxes Assessed		304	
Sub Total		\$ 2,609,781	
Less:			
Abatements		(1,399)	
Collections		(2,472,853)	
Receivable at Year End		<u>\$ 135,529</u>	
 Collection Rate			 <u>94.8%</u>

Property taxes on personal and real property accounts were due quarterly on September 15, 2011, December 15, 2011, March 15, 2012, and June 15, 2012. Interest was charged at a rate of 7% on delinquent accounts after those dates.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance <u>7/1/11</u>	Additions/ Completions	Retirement/ Adjustments	Ending Balance <u>06/30/12</u>
Governmental Activities				
Capital Assets, Depreciated				
Vehicles	\$ 952,688	\$ 454,295	\$ 0	\$ 1,406,983
Infrastructure	<u>1,221,922</u>	<u>785,216</u>	<u>0</u>	<u>2,007,138</u>
Total Depreciated Capital Assets	<u>\$ 2,174,610</u>	<u>\$ 1,239,511</u>	<u>\$ 0</u>	<u>\$ 3,414,121</u>

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	Beginning Balance <u>7/1/11</u>	Additions/ Completions	Retirement/ Adjustments	Ending Balance <u>06/30/12</u>
Less: Accumulated Depreciation for:				
Vehicles	\$ 306,540	\$ 76,205	\$ 0	\$ 382,745
Infrastructure	<u>69,259</u>	<u>30,548</u>	<u>0</u>	<u>99,807</u>
Total Accumulated Depreciation	<u>\$ 375,799</u>	<u>\$ 106,753</u>	<u>\$ 0</u>	<u>\$ 482,552</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,798,811</u>	<u>\$ 1,132,758</u>	<u>\$ 0</u>	<u>\$ 2,931,569</u>

Depreciation expense has not been charged as a direct expense.

NOTE 5 – INTERFUND ACTIVITY

Interfund balances at June 30, 2012 consisted of the following:

Due To	
Major Governmental Funds:	
Road Reconstruction	\$ 532,084
Non-Major Governmental Funds:	
Special Revenues	59,202
Capital Project Funds	26,727
Permanent Funds - Expendable	<u>11,109</u>
Total	<u>\$ 629,122</u>
 Due From	
General Fund	<u>\$ 629,122</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2012 consisted of the following:

Transfer To	
Minor Governmental Funds:	
Capital Projects - Future Expenses	<u>\$ 75,000</u>
 Transfer From	
General Fund	<u>\$ 75,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance.

There have been no significant reductions in insurance coverages during the fiscal year and no significant settlements that exceeded insurance coverage.

NOTE 7 – OVERLAPPING DEBT

The Town's proportionate share of RSU #5 debt is not reported in the Town of Pownal's financial statements. At June 30, 2012, the Town's share was approximately 12.6% (or \$361,819) of the District's outstanding debt of \$2,871,580.

The Town's proportionate share of Cumberland County's debt is not reported in the financial statements of the Town of Pownal. At June 30, 2012, the Town's share was 0.47% (or \$173,911) of the County's outstanding debt of \$37,220,000.

NOTE 8 – FUND BALANCE APPROPRIATIONS

At the annual Town meeting on June 14, and 20, 2011, the Townspeople voted no appropriations of general fund balance, which is reflected as the excess of budgeted expenditures over budgeted revenues on Exhibit VII.

NOTE 9 – LONG-TERM DEBT

At June 30, 2012, bonds and lease payables consisted of the following individual issues:

	<u>Governmental Activities</u>
Maine Bond Bank	
Fire Truck Bond of 2007, Principal Payments of \$30,000, 10 Years, 2% - 6% Interest, Maturity on November 1, 2017	\$ 180,000
Road Reconstruction Bond of 2007, Principal Payments of \$39,416, 25 Years, 2% - 6% Interest, Maturity on November 1, 2033.	1,024,836
Road Reconstruction Bond of 2011, Principal Payments of \$45,725, 30 Years, 2.02% - 5.52% Interest, Maturity on November 1, 2033.	1,326,000
Oshkosh Capital Leasing	
Lease Purchase Agreement for a 2011 Pierce Dryside Pumper dated July 18, 2011, Amount Financed \$307,290. Five Payments of \$30,381 Due Thru 2017.	<u>137,290</u>
Total Long-Term Debt	<u>\$2,668,126</u>

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Changes in Outstanding Debt

Transactions for the year ended June 30, 2012 are summarized as follows:

	<u>Balance</u> <u>July 1</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>June 30</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities					
Bonds Payable	\$ 2,600,252	\$ 0	\$ 69,416	\$ 2,530,836	\$ 115,141
Lease Payable	0	307,290	170,000	137,290	30,381
Accrued Compensated Absences	2,981	5,898	0	8,879	0
	<u>\$ 2,603,233</u>	<u>\$ 313,188</u>	<u>\$ 239,416</u>	<u>\$ 2,677,005</u>	<u>\$ 145,522</u>

Annual Requirements to Retire Debt Obligations

The annual aggregate maturities for each debt type for the years subsequent to June 30, 2012, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012/2013	115,141	106,396	221,537
2013/2014	115,141	101,877	217,018
2014/2015	115,141	97,668	212,809
2015/2016	115,141	93,577	208,718
2016/2017	115,140	89,188	204,328
2017/2022	455,704	383,452	839,156
2022/2027	425,705	282,549	708,254
2027/2032	425,705	202,038	627,743
2032/2037	425,705	112,738	538,443
2037/2042	<u>222,313</u>	<u>21,365</u>	<u>243,678</u>
Total	<u>\$ 2,530,836</u>	<u>\$ 1,490,848</u>	<u>\$ 4,021,684</u>

In accordance with 30-A MRSA, Section 5702, as amended, the amount of long-term debt that can be incurred by the Municipality is limited by state statute. Total outstanding long-term obligations during a year can be no greater than 7.5%, with certain exceptions, of the state valuation of taxable property as of the beginning of the fiscal year. As of June 30, 2012, the amount of outstanding long-term debt was equal to 3.3% of property valuation for the year then ended.

The following is a schedule of future minimum lease payments for the Oshkosh Capital lease together with the present value of net minimum lease payments as of June 30, 2012:

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Year Ending <u>June 30</u>	<u>Governmental Activities</u>
2012	\$ 30,381
2014	30,381
2015	30,381
2016	30,382
2017	<u>30,382</u>
Total Minimum Lease Payments	\$ 151,907
 Less Amount Representing Interest	 <u>(14,617)</u>
 Present Value of Future Minimum Lease Payments	 <u>\$ 137,920</u>

NOTE 10 – GOVERNMENTAL FUND BALANCES

As of June 30, 2012, the Town implemented the following accounting standard issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions.

GASB Statement 54 clarifies the existing governmental fund type definitions and provides clearer fund balance categories and classifications. The hierarchical fund balance classification is based primarily upon the extent to which a government is bound to follow constraints on resources in governmental funds and includes the terms: nonspendable, committed, restricted, assigned, and unassigned.

The Town's fund balances represent: **(1) Nonspendable Fund Balance**, resources that cannot be spent because of legal or contractual provisions that require they maintained intact. (e.g. the principal of an endowment). **(2) Restricted Purposes**, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; **(3) Committed Purposes**, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Selectmen; **(4) Assigned Purposes**, which includes balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. **(5) Unassigned Fund Balance**, net resources in excess of what is properly categorized in one of the four categories already described.

A positive amount of unassigned fund balance will never be reported in a governmental fund other than the general fund, because GASB Statement 54 prohibits reporting resources in another fund unless they are at least assigned to the purpose of that fund. However, funds other than the general fund could report a negative amount of unassigned fund balance should the total of nonspendable, restricted and committed fund balance exceeds the total net resources of the fund.

The Town of Pownal has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments.

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10 – GOVERNMENTAL FUND BALANCES (CONTINUED)

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town's policy to use committed or assigned resources first, then unassigned resources as they are needed.

The General Fund unassigned fund balance total of \$89,868 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.

As per Exhibit III, a summary of the nature and purpose of these reserves by fund type at June 30, 2012 follows.

Nonspendable

Permanent Funds – Non Expendable

Cemetery – Non Expendable	<u>\$ 51,895</u>
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Committed

Reserved for Property Taxes	<u>\$ 160,856</u>
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Assigned

Special Revenue Funds

Impact Fees	\$ 32,089
Fire Station	6,867
Snowmobile	6,846
Veteran's Memorial	4,588
Stewardship Fund for Town Owned Land	4,442
Mallet Hall Improvements	1,370
Formatted Ordinances	<u>3,000</u>

Total	<u>\$ 59,202</u>
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Capital Project – Major Funds

Road Reconstruction	<u>\$ 532,084</u>
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Capital Projects – Minor Funds

Communication Upgrades	\$ 14,000
Future Expenses	11,728
Highway Truck	<u>999</u>

Total	<u>\$ 26,727</u>
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Permanent Funds – Expendable

Cemetery – Expendable	\$ 33,593
Scholarship Fund	<u>963</u>

Total	<u>\$ 34,556</u>
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**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 10 – GOVERNMENTAL FUND BALANCES (CONTINUED)

General Fund - Designated	
Public Works Road Maintenance - Paving	\$ 25,000
Mallet Hall Maintenance - Painting	<u>10,000</u>
Total	<u>\$ 35,000</u>
 <i>Unassigned</i>	
General Fund	<u>\$ 89,868</u>
 Total Governmental Fund Balances	 <u>\$ 990,188</u>

NOTE 11 – PENSION PLAN

The Town provides a defined contribution plan for eligible employees through ICMA. The Town contributes 6% of the annual basic gross pay (including overtime pay) of employees who work an average of 36 hours per week (Level I employee). Employees are eligible to participate after 90 days of services as a Level I employee. Employee's interest in Town contribution vests 20% for each year of service. Employee is 100% vested after five (5) years of service. This applies to employees hired after 5/1/08. Any employees hired before 5/1/08 are grandfathered under earlier vesting schedule, which allows the employee's interest in the Town's contribution to vest at 1/3 each year of full-time employment service. If the employee terminates, non-vested portion reverts to the Town. The Town contributes at the end of the year based on the Town's payroll records.

Employees who work on average fewer than 36 hours, but more than 20 hours per week (Level II employee) are eligible to defer pay into the plan, but the Town does not contribute. An employee is eligible to participate after ninety (90) days of service as a Level II employee. Employees are fully vested in their deferred contribution.

The pension expense of the Town of Pownal:

<u>Year-Ended</u>	<u>Eligible Wages</u>	<u>Pension Expense</u>
6/30/2012	\$ 192,788	\$ 11,567
6/30/2011	\$ 170,690	\$ 10,241
6/30/2010	\$ 198,141	\$ 11,888

NOTE 12 – JOINT VENTURE

Ecomaine is a solid waste management corporation serving 40 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 21 member communities, Ecomaine creates electricity through its processing of waste and also operates an extensive recycling program. The town is a member community in Ecomaine. Interlocal (waste handling) agreements between Ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to Ecomaine for processing and to make service payments and pay tipping fees for such processing.

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12 – JOINT VENTURE (CONTINUED)

The Town has no explicit, measurable equity interest and therefore has not reported an asset in these financial statements in connection with its participation in Ecomaine. Selected balance sheet information for Ecomaine for the year ended June 30, 2011, the latest date available, includes total assets of \$59,636,994, total liabilities of \$28,808,855 and unrestricted net assets of \$7,088,994. The liabilities include an accrual for landfill closure and post closure care amounting to \$15,416,704. Ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of Ecomaine may be obtained from the Town's Finance office.

NOTE 13 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. - Budgetary Accounting

The Town of Pownal utilizes a formal budgetary accounting system to control revenues and expenditures accounted for in the General Fund. This budget is established by the Board of Selectmen must be approved at the Annual Town Meeting.

B. - Excess of Expenditures over Appropriations

For the year ended June 30, 2012, expenditures did not exceed appropriations. Exhibit VII shows two overdrafts. The following overdrafts will be ratified at the next Town Meeting:

Health and Sanitation	\$	(9,474)
Education	\$	(16,774)

C. - Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end.

At June 30, 2012, no individual funds held a deficit balance.

NOTE 14 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

All governments with periods beginning after December 15, 2011 are required to implement the following statements. The Town of Pownal has chosen early implementation.

GASB No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB No. 65, Items Previously Reported as Assets and Liabilities.

GASB 63 and GASB 65 amend GASB 34 to incorporate deferred outflows of resources and deferred inflows of resources into the financial reporting model. These terms are defined as follows:

Deferred Outflows of Resources - a consumption of net assets by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 14 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred Inflows of Resources - an acquisition of net assets by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

The GASB emphasizes in GASB 63 that deferred inflows and deferred outflows are not assets or liabilities and therefore should be separately categorized in the financial statements.

GASB 65 clarifies which financial statement items should continue to be presented as assets and liabilities and which should be reclassified as deferred outflows and deferred inflows, and which items should be treated as current period expenditures (outflows) or current period inflows.

The term “Net Assets” has been replaced with the term “Net Position” on the face of the statements. For governmental, proprietary and fiduciary statements, the residual amount remaining after the effects of assets plus deferred outflows less liabilities and deferred inflows has been referred as Net Position rather than Net Assets, Proprietary, or Fiduciary Fund Balance or equity.

The previously component of net assets title “Net Assets Invested in Capital Net of Related Debt” is now named “Net Investment in Capital Assets.” It also changed the calculation of that amount to include the effects of deferred outflows and inflows related to the acquisition, construction or improvements of those related capital assets. Lastly, it removes the portion of debt or deferred inflows related to unspent proceeds of those capital related financing transactions from the calculation of Net Investment in Capital Assets.

There are no deferred outflows or inflows of resources listed at June 30, 2012 for the Town of Pownal.

NOTE 15 – DATE OF MANAGEMENT REVIEW

Management has evaluated subsequent events through March 7, 2013 the date on which the financial statements were available to be issued.