

THE TOWN OF

Pownal, Maine

ANNUAL REPORT
JULY 1, 2014 – JUNE 30, 2015

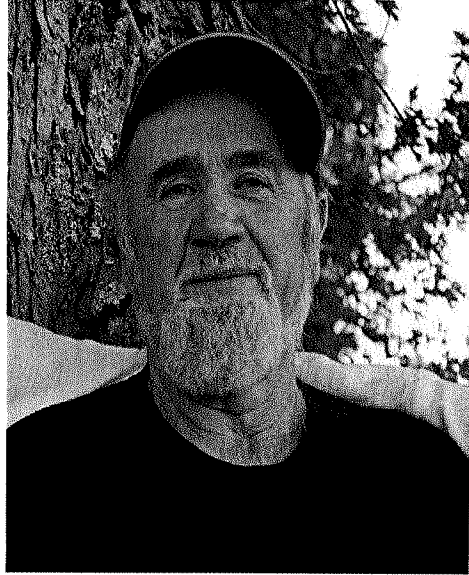
AUDIITED FINANCIAL REPORT
JULY 2013 – JUNE 2014

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ANNUAL REPORT
OF THE
TOWN OFFICERS

TOWN OF POWNAL, MAINE

JULY 1, 2014 – JUNE 30, 2015



This Town Report is dedicated in memory of Lois Pervier and Darrel Thurber who both passed this year after battling long illnesses.

Lois, a local artist and co-founder of Bradbury Mountain Arts, was well known throughout the arts community. Lois served on many committees through out her residency in the Town of Pownal. Her community work included helping to construct the Comprehensive Plan and serving as a board member on the Pownal Board of Appeals for many years.

Darrel was a lifelong resident of Pownal, working for the Town for 22 years, serving as Road Commissioner of 17 of them. Darrel not only maintained the roads and Town equipment, he was willing to use his welding and machining skills, accessing his ability to fix most anything to help someone in need. Darrel's contributions to the Community extended far beyond his official position as Road Commissioner



STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

Paul R. LePage
GOVERNOR

March 30, 2015

Town of Pownal
429 Hallowell Rd
Pownal, ME 04069

Dear Citizens of Pownal,

Maine has a long tradition of civil participation in both state and local government, and I thank you for being informed and involved citizens.

My vision for Maine is prosperity, not poverty. For this reason, one of my top priorities is the reduction and eventual elimination of the income tax. Not only does an income tax cut put more money back in your pockets, but it will attract businesses that can offer good paying careers to keep our young people here in Maine. Further, this tax cut maximizes one of our existing resources — tourism — and ensures the millions of visitors who come to Vacationland each year contribute their small part to our economy.

Simply put, this proposal results in an immediate pay raise for all of you hard-working Mainers. It creates stronger and even more vibrant communities as we show people that we are serious about wanting people and businesses to come — and stay — in Maine.

If we are to make Maine prosperous, we must also work hard to reduce our heating and energy costs. I am committed to lowering the cost of energy, not only to attract job creators, but also to allow Maine people to affordably and effectively heat and power their homes.

And finally, it is of utmost importance that we begin to address the growing drug problem in our state. Maine's people are its most precious commodity, and our safety is being threatened by the drugs that are entering our state each and every day. My goal is to face the problem head on by employing more drug agents, prosecutors and judges before the epidemic destroys our communities.

It is a pleasure serving as your Governor. If ever I can be of assistance to you or if you have any questions or suggestions, I encourage you to contact my office by calling 287-3531 or by visiting our website at www.maine.gov/governor.

Sincerely,

Paul R. LePage
Governor



PRINTED ON RECYCLED PAPER

TTY USERS CALL 711
www.maine.gov



HOUSE OF REPRESENTATIVES
2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1440
TTY: (207) 287-4469

Rep. Paul Chace

31 Colonial Drive,
Durham, ME 04222
207-287-1440

Paul.Chace@legislature.maine.gov

January 2015

Dear Friends and Neighbors of Pownal,

As a newly elected representative for our district, I wanted to start the 127th legislative session by giving you some updates of where things are to this point. I plan to send you an update as often as weekly with any relevant news with where we are in bills, committee information and other items important to our district. If you would like to receive these updates, please email me at Paul.Chace@legislature.maine.gov.

After swearing in on December 3rd, we got right to work talking about committee assignments and prospective bills to help achieve the goals for a better State of Maine! I have been assigned to the taxation committee, and after attending the inauguration of Governor LePage, it is apparent that we will be seeing some innovative ways to look at reducing tax burdens in a way that also produces stimulation of the economy. Now that the Governor's budget proposal is out, we are hard at work trying to review and understand what we can accomplish for our state. It was not lost on anyone that other major factors that need to be worked on are schooling, property tax and business stimulating ideas. Paramount to all of this is our ability to keep our folks from moving away, both young and retirees. We have to become competitive at keeping our citizens healthy, happy, and in Maine. I will be sure to update the details as more is brought forth to discuss.

It is incumbent upon all of us in the legislature to stay informed and listen carefully to our neighbors and partners. I want to be sure that you hear what is going on, and you should please reach out to me with any thoughts and concerns for our district. I am honored and humbled to be at your service.

My deepest regards,

A handwritten signature in cursive script that reads "Paul Chace".

Paul Chace
State Representative



SARA GIDEON
ASSISTANT MAJORITY LEADER

STATE OF MAINE
HOUSE OF REPRESENTATIVES
HOUSE DEMOCRATIC OFFICE
AUGUSTA, MAINE 04333-0002

Dear Neighbors,

Thank you for the opportunity to represent Pownal once again in the House of Representatives during the 127th Maine Legislature.

The legislative session is well underway, and I want you to know that my priority is to work with my colleagues to improve the lives of all Maine people. We can achieve this by working together to create jobs for today while paving the way for the jobs of tomorrow. At the end of every week, hardworking Maine people should not only be able to pay for their homes and their food but also have a little left over to save for a rainy day or for some fun.

Part of any plan to build this more prosperous future must include educating our children to prepare them for the global and competitive world they are entering, as well as protecting the environment we all love so dearly.

The challenges before us are sizeable. We have much to do to catch up with the job creation rate of our New England neighbors. We lead the country with our aging population and lag with our shrinking population of youth. Our high energy costs need to be addressed while planning for a clean energy future and the economic opportunity that will come with it.

We have a bright future ahead of us, but we will only reach it with planning, intention, compromise and the welcoming of great ideas. Please do not hesitate to contact me with any questions or concerns you may have, or if you need assistance with any aspect of state government.

You can reach me by phone at 865-9593. You can also sign up to receive my email newsletter or contact me by emailing sara.gideon@legislature.maine.gov. It is truly an honor to serve as your state representative.

With kind regards,

A handwritten signature in black ink, appearing to read "Sara Gideon".

Rep. Sara Gideon



127th Legislature
Senate of Maine
Senate District 24



Senator Stan Gerzofsky

Dear Residents of Pownal,

Thank you for the opportunity to serve as your State Senator during the 127th Session of the Maine State Legislature. I appreciate the faith you have placed in me once again, and I promise to continue working hard to represent you in Augusta.

This year I am pleased once again to be serving on the Criminal Justice and Public Safety Committee. This committee is charged with reviewing legislation and policy that will improve our justice system. Key to our success will be our ability to work across the aisle so we can address the pressing needs around the state.

I am also pleased to be serving on the Government Oversight Committee. The mission of this committee is to oversee program evaluation and government accountability matters in State government. The Committee seeks to ensure that public funds are expended for intended purposes, and that programs and activities are effectively, efficiently and economically managed.

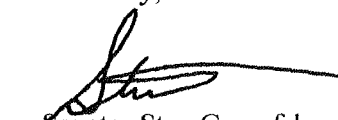
Maine faces serious challenges, and overcoming them will require hard work and a spirit of collaboration. We need to do more to bring good paying jobs to Maine. We need to address our healthcare costs, and we must continue to help our most vulnerable friends, family members, and neighbors through difficult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

Some of the issues we will be dealing with in this upcoming legislative session include the state economy, welfare reform, student hunger, affordable housing for the elderly and energy policy. This session, I have submitted legislation that will address access to affordable higher education, provide funding for municipal veteran cemeteries, prohibit excessive idling of passenger trains and preserve the integrity of Maine's shellfish industry.

As always, I welcome your opinion and feedback as your Maine Legislature does its work. I am deeply proud to represent the people of Pownal, and welcome your ideas, concerns, and questions. You may reach me at home at (207) 373-1328, in Augusta at (207) 287-1515, and by email at stan1340@aol.com. In addition, I encourage you to drop by my office hours the fourth Saturday of every month from 10:00-noon at Bow Street Market in Freeport. It is a great opportunity for me to hear from my constituents.

Once again, thank you for giving me the opportunity to represent our district in this great state, and more importantly, to serve you. Please know that I will work hard for our community.

Sincerely,


Senator Stan Gerzofsky
Senate District 24



CHELLIE PINGREE
CONGRESS OF THE UNITED STATES
1ST DISTRICT, MAINE

Dear Friends,

I hope this letter finds you and your family well. It's an honor to represent you in Congress. Thank you for the chance to update you on my work there and in Maine.

Like many here at home, I find the current partisan environment in Washington and Congress to be very frustrating. Attempts to take away people's health care, weaken environmental protections, and stoke controversy have been put ahead of more meaningful work to create jobs, help people through tough times, and give our children a better future.

Still, I have tried to find opportunities to work on issues where my colleagues across the aisle and I can find agreement. As a member of the minority party, I'm very proud that these efforts have earned several legislative victories that benefit the people of our state.

One of the most significant was passage of a Farm Bill containing many reforms I introduced to help the kind of small, diversified, family farms that we have here in Maine. These included more funding to help these farms meet the growing demand for healthy local food, as well as better insurance to fit their needs and helping SNAP recipients use benefits at farmers markets.

Another bill I introduced was signed into law, initiating a study of the York River to see if it is a good candidate for the federal Wild and Scenic Rivers program. The classification would help protect this important natural resource while potentially bringing more visitors to the area and an increased amount of federal investment for its conservation. As a member of the House Appropriations Committee, I've worked to secure other investments for the state as well, including \$20 million to replace a crumbling, unhealthy and outdated tribal school in Washington County.

But not all the work I do is from Washington. My offices in Portland and Waterville assist hundreds of constituents every year who have issues with federal agencies and programs—veterans benefits, Social Security, and Passports among them. If you have a problem where I might be of assistance, I encourage you to call (207) 774-4019. My staff and I welcome the opportunity to serve you.

Again, it's a pleasure to represent you in Congress. Please keep in touch.

Best wishes,

Chellie Pingree
Member of Congress

Washington
2162 Rayburn HOB
Washington, D.C. 20515
(202) 225-6116

Portland
2 Portland Fish Pier
Portland, ME 04101
(207) 774-5019

Waterville
1 Silver Street
Waterville, ME 04901
(207) 873-5713

Table of Contents

Elected Officials	1
Appointed Officers	1
Boards, Committees and Commissions	1
Town Office Hours	3
Telephone Directory	3
Email Addresses	3
Report of the Board of Selectmen	4
Report of the Budget Committee	5
Report of the CIP Committee	6
Report of the Planning Board	7
Report of the Town Clerk	8
Report of the Fire Chief	8
Report of the Mallett Hall Building and Grounds Committee	11
Report of the Pownal Scenic and Historical Society	11
Town Meeting Warrant	14
Audited Financial Statements 13/14	23

TOWN OF POWNAL

Elected Officials

Board of Selectmen

Jonathan Morris	2015
Timothy Giddinge (Chair)	2016
George Anderson, Jr.	2017

RSU #5 Directors

Naomi Ledbetter	2016
Kathryn Brown	2017

Cemetery Commission

Duane Snow	2015
Craig Vosmus	2016
Lorraine Merrill	2017

Appointed Officers

Administrative Assistant	Scott W. Seaver
Deputy Town Clerk/Tax Collector	Rose Napolitano
Road Commissioner	Shawn Bennett
Fire and Rescue Chief	Jesse Peters
Code Enforcement Officer	Ryan Keith
Moderator	James G. Boyles
Constable	Craig Vosmus
Animal Control Officer	John Rankins
Health Officer	Leslie Searfoss
General Assistance Administrator	Jonathan Morris

Boards, Committees & Commissions

Planning Board	Ronald Hodsdon, Chair
	Elizabeth Nichols, Secretary
	John Bowdren
	Matthew St. Cyr
	Jeremy Gould
	Russell Schmidt, Alternate
	Tony Dater, Planner

Board of Appeals

Richard Hogue, Chairman
Philip Wentworth
Stephen Litchfield
Cliff Ruprecht
David Steckler, Alternate
Thomas Hall, Alternate

Solid Waste and Recycling Comm.

Jamie Welch
Andrew Wyatt
Will Johnston

Conservation Committee

Ruth Hannan
Rosemary Whitney
Matthew Welch
Derek Lovitch
Sheri Dietrich

Mallet Hall Building and Grounds

James Boyles
Doris Blackstone
Kathy Hogue
Jane Mittel
Jan Pieter van Voorst van Beest
Marie Wendt

Budget Committee

Andrew Wyatt, chair
Kim Best
Carlene Harvey
Jan Pieter van Voorst van Beest
John Green
Kathy Hogue

Capital Improvement Committee

Rodney Richard, chair
Andy Wyatt
Jan Pieter van Voorst van Beest
Paul Shuman
David Steckler

TOWN OFFICE HOURS

MONDAY – 8:30am TO 6:30 pm

TUESDAY – 8:30 am TO 4:30 pm

WEDNESDAY – 8:30 am TO 4:30 pm

THURSDAY – 8:30 am TP 4:30 pm

CLOSED FRIDAY, SATURDAY AND SUNDAY

The office is closed all State of Maine Holidays

TELEPHONE DIRECTORY

EMERGENCY – ALWAYS DIAL 911

Town Clerk, Tax Collector, Treasurer	688-4611
Selectmen/Assessors	688-4431
Road Commissioner	688-4407
Animal Control Officer	939-4475
Code Enforcement Officer	829-3705

EMAIL ADDRESSES

Board of Selectmen/Assessors	selectmen@pownalmaine.org
Administrative Assistant	sseaver@pownalmaine.org
Deputy Clerk/Tax Collector	rnapolitano@pownalmaine.org
Road Commissioner	publicworks@pownalmaine.org
Fire Chief	pownalcar1@maine.rr.com
Code Enforcement Officer	CEO@pownalmaine.org
Animal Control Officer	jrankins44@hotmail.com
Assessor’s Agent	dhays57@msn.com

REPORT OF THE BOARD OF SELECTMEN

The Town of Pownal weathered 2014-2015. A particularly difficult winter taxed the resources of the Road Department, yet the crew rose to the challenge. Long-Time Road Commissioner resigned his post to accept a career opportunity in the private sector, and the department again stepped up to maintain a sense of normalcy during a very interesting winter and frost heave season. Mallett Hall received a partial roof replacement and a new interior paint job in the office section. A warrant item appears in your Town Meeting agenda to appropriate funds to repair the entrance to Mallett Hall. The Capital Improvement Committee has developed an economic vision that has integrated projected expenses with expected bonded projects to help moderate the fiscal impact of municipal spending.

A re-valuation of property is scheduled to begin in August. State Law requires this. It will be important for all citizens of Pownal to educate themselves about re-valuation, its implications for land valuation, and the various tax shelter programs available to open, farm and forest land provided to taxpayers by the State of Maine. Information concerning re-valuation will be posted on the Town's website, but all Selectmen's meetings are public meeting, and there are opportunities for questions and information gathering.

Relationships with other towns continue to impact Pownal's future. The Selectmen have agreed to enter into another one-year agreement with Durham to share the Road Commissioner position. Constant evaluation of this enterprise is ongoing to determine the existence of actual cost savings. We are also well aware of our relationship with Freeport and Durham in RSU #5. The Selectmen are well aware of tax commitment implications of this enterprise and continue to work with the School Directors and the municipal officials of Freeport and Durham to examine cost savings within the RSU #5 budget. Pownal Fire Department continues its mutual aid agreement with neighboring towns.

The Selectmen would like to thank the countless volunteers who serve on boards and commissions and committees. Please make note of these people in the Town Report and take a moment to personally thank them. Without their selfless work, the town of Pownal would grind to a halt. If you feel you have time to volunteer for the Town, please contact a Selectman or a member of the various committees. The Selectmen remain confident that the Town of Pownal is moving in the right direction to maintain its character, as well as to protect all of its characters!

Thank you for making the past year a success!

Timothy Giddinge, George Anderson, Jr., Jonathan Morris

Pownal Board of Selectmen

Pownal Budget Committee Report 2015

The Pownal Budget Committee is comprised of a talented group of people bringing various perspectives to the budget process, all dedicated to ensuring that our process and recommendations fairly represent the best interests of the community we serve.

This year's Budget Committee consists of six members who meet six or seven times, starting in March, to review the budget proposals 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.

The role of the Budget Committee is to provide citizen oversight for the development of the municipal budget which 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 assessed portion of 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, such as

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

Some of these other sources of revenue have been on a downward trend for a number of years, which places more weight on property taxation as the primary means of funding the municipal budget.

The Budget Committee members appreciate all the efforts extended to us during our budget examination sessions. The Budget Committee would like to thank everyone who assisted us with our process. The Board of Selectmen and department heads and other committee chairs were always cooperative and helpful with any questions or assistance we needed. We believe that this budget represents a responsible balance between two often conflicting concerns: to keep the property tax burden as low as possible, while still providing quality services such as public safety, waste management, road maintenance, etc.

We encourage the public 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 participate starting with the next budget preparation cycle in March 2016. If you are interested in serving on this committee, please contact one of the Selectmen.

The 2015 Budget Committee:

Andy Wyatt, Chair

John Green

Carlene Harvey

Kathy Hogue

Kim Best

Jan Pieter van Voorst van Beest

Capital Improvement Planning Committee

The Capital Improvement Planning Committee met September through May over the past fiscal year and has expanded the 20 year plan to include capital projects funded with appropriations and future bond issues. In conjunction with the selectmen, 3 new line items were added to the planning worksheet. The first line item is an exhaust system for each of the firehouses to vent the exhaust out of the building when the trucks start up. The second item, called Road Improvements, will allow improvements to extend the life of a road that is not scheduled to be rebuilt in the near term. The third line item, Road Rebuilds, is in the section of the plan that includes large capital items that will be funded with bonds. The second line item is not funded in the current plan, but will be addressed in next year's plan.

This year's appropriation of \$150,000 is \$25,000 less than last year's appropriation due to not replacing the backup dump truck and \$35,000 that was saved on the purchase of a truck last year. The capital improvement plan projects that debt service and appropriation, as part of the FY 2016 tax commitment, will be under 12% down from 13% in FY 2015. Debt service for FY 2016 is projected to be below 8% of the tax commitment.

Please see the chart below which shows the debt service and appropriation as a percentage of the tax commitment. Please refer to the article on Capital Improvement Plan appropriation to see the expenditure plans.

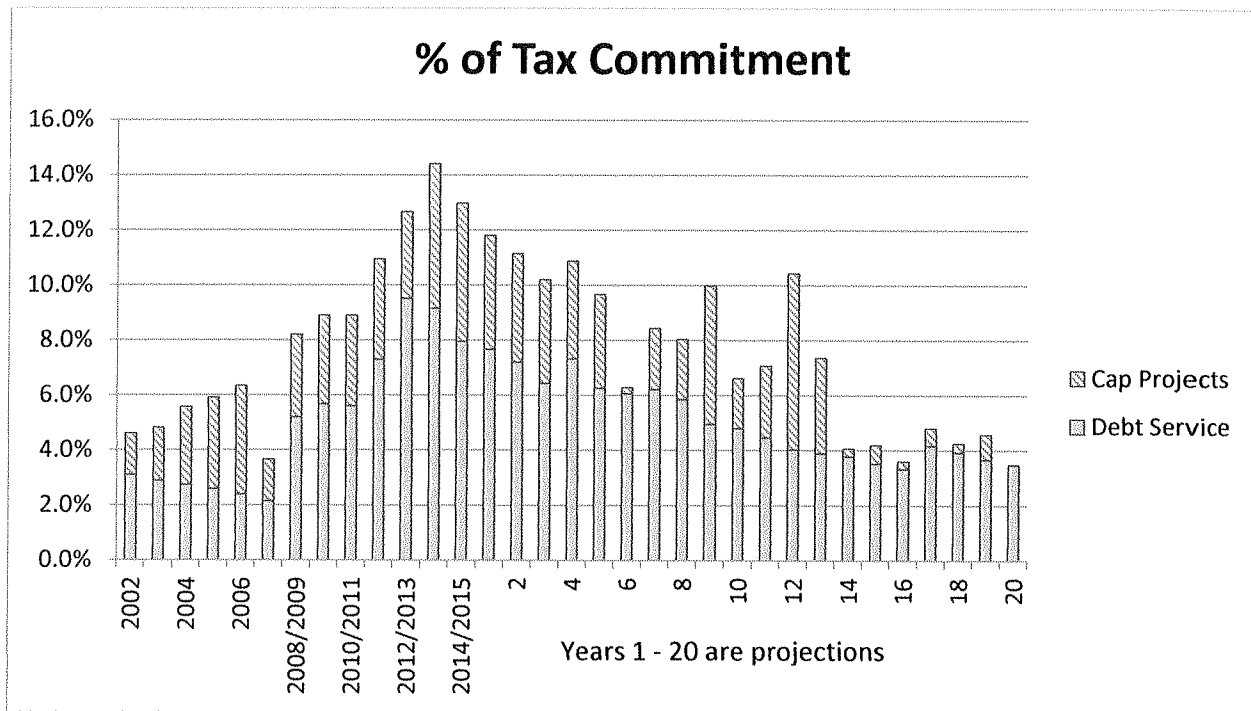
Rodney Richard, Chairman

Jan Pieter van Voorst van Beest

Paul Schumann

David Steckler

Andy Wyatt



Planning Board Annual Report 2014 – 2015

The Planning Board has been focused throughout the year with the continued reformatting and updating the town Land Use Codes. Last year’s town meeting voted on Definitions and the Zoning and Site Plan Ordinances. Before they were to take effect, the plan was to hold a Special Town Meeting in the fall to consider several remaining Land use Ordinances. Though it worked feverishly with bi-weekly workshops it became apparent that the Board could not be ready in that time frame and decided to aim for a vote this June, 2015. This year the Planning Board presents a revised Subdivision Ordinance and new Private Road and Mobile Home Park Ordinances. When passed, these ordinances and last year’s will go into effect. The Board hopes townspeople will find them collectively more up to date and user friendly. There are more ordinances to come, so the Board’s work is ongoing, but there is light at the end of the tunnel.

In other business the Planning Board approved a private road with modifications and conditions for Morgan Myer on Hodsdon Rd. in November. In December, the Board approved an amended subdivision lot for Dwight Edgerly/Denise Edgerly Gaddis on the lower Lawrence Rd. and reviewed a Single Lot application at the request of the CEO for Dan Catlin on Hallowell Rd. In January, a lot and private road was approved for Russell Schmidt’s amended Old Homestead Subdivision on Poland Range Rd. March, April and May saw a quickening pace in weekly workshops and periodic public hearings as the Board sprinted to the June town meeting.

The Planning Board meets the third Wednesday of each month at 7:00 PM at Mallett Hall. The public is welcomed and encouraged to attend all meetings, workshops, onsite inspections and

hearings. Town Planner Tony Dater is available once a month by appointment to preview and facilitate applications and proposals.

Ronald Hodsdon, Chair
John Bowdren, Vice-Chair
Elizabeth Nichols, Secretary
Matthew St. Cyr
Jeremy Gould
Russell Schmidt, alternate Tony Dater, planner

Report of the Town Clerk

The following transactions and vital records were recorded in the 14-15 fiscal year:

Deaths Recorded - 10

Burns, Lawrence F. Sr.	09/20/2014
Coulombe, Alice Ayer	02/27/2015
Cushman, Howard A.	11/22/2014
Daly, Joan P.	11/14/2015
Graham, James Harold Jr.	12/04/2014
Pervier, Lois Jeanne	12/31/2014
Searfoss, Patricia Ann	03/02/2015
Thurber, Darrel	03/11/2015
Tucci, June Magda	10/18/2014
Ward, Barbara	07/24/2014

Births Recorded – 10

Marriages Recorded -10

Hunting-Fishing Licenses Issued – 235

Boats Registered – 28

ATV's Registered – 22

Pownal Fire and Rescue Department

Annual Report

May1, 2014 – April 30, 2015

During the time period between May 1, 2013 and April 30, 2014, the Pownal Fire and Rescue Department answered 163 calls for service. This was approximately a 10.4% decrease over the

previous year. Most of the decrease was in EMS calls. This translated to a decrease in the amount that we pay for ambulance service.

1 Building Fires	3 Carbon Monoxide Alarm
4 Chimney Fires	5 False Alarms
1 Gas Leak	3 Wilderness Rescues
1 Oil Spill	7 Public Service Calls

The members of the Pownal Fire and Rescue Department logged over 975 hours responding to emergencies. The town of Pownal received mutual aid six times in during this period. We also responded to 25 requests for mutual aid to surrounding communities. There was one incident that resulted in a total dollar loss of approximately \$500.00.

Our membership logged over 1320 hours in training and maintaining the department's equipment. Some members attended outside trainings in pump operation as well as EMS skills. All members who drive our apparatus received specialized training in emergency operations. This certifies them to drive emergency vehicles under all conditions.

We have completed our training in Low-angle and wilderness rescue. This training provided the members with much needed skills in packaging and removing patients from wooded areas and difficult terrain. This training and equipment was paid for through a grant in the amount of \$5043.00 from Maine Outdoor Heritage Trust. I would like to thank Maine Outdoor Heritage Trust for their financial support for this project.

We are now using Wardens Report.com. It's an online burn permit program. This program is free to the permittee, compared to the state's program which costs \$7.00 per permit. Look for the link on the town's website, in the fire department section. Remember, you must print and sign your permit to make it legal. Permits will still be available to the public at town hall, Monday through Thursday during normal business hours. The station will no longer be staffed on weekend mornings. If you are unable to get a permit online, please feel free to contact one of us and we will make arrangements with you to access one.

In 2010 the "Needs Assessment Committee" reported that the Pownal Fire and Rescue Department was in need of a modern, safer and more user friendly facility. Both stations are outdated and out of compliance with current standards. One of the biggest issues is when the equipment is started, they fill the buildings with dangerous fumes. These fumes are loaded down with carbon monoxide and benzene, to just name a few. The fumes also permeate our

fire gear, shortening their usable life. Also, from an operational standpoint, we would be better able to serve this community if all our trucks in one central location. Currently there are no plans to build a much needed new facility.

We would like to thank the members of the department for their dedication and commitment to the citizenry of Pownal. We would also like to thank the member's families for their support and understanding when their loved ones must leave to help a stranger in need.

I would like to give a very special thank you to Ron "Hutch" Hodsdon for more than 15 years of dedicated service to the department. Hutch served as a member of the Fire Police. Their main job is direct traffic at emergency scenes, freeing firefighters and EMT's to focus on mitigating the emergency. Hutch was a great asset to our team and he will be greatly missed. A few other members have left as well because of personal reasons. Their service is also deeply appreciated. Every member is valuable, and their loss is felt throughout the entire department.

This year we were joined by one new member. Heather Liimakka is new to town. She is an EMT currently studying to become a nurse.

We would also like to thank the Pownal Fire Company for their continued support of the department through donations and fundraisers. They purchase items for the department not funded by the town in the operation budget, such as food and beverages for trainings, T-shirts, and flags for former members who have passed away. They also supplied materials and food items for our 2nd annual open house during "Fire Prevention Week". We hope we see you next year at open house. The Fire Company in turn, would like to thank the citizens of Pownal for their continued support at the bottle building, located behind town hall. It is with these funds that they are able to help the Fire & Rescue Department.

In conclusion, we would like to thank the citizens of Pownal for their continued support. Being able to assist the residents and guests of the town in their time of need is why they have chosen this profession. We are always 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, Junior Firefighter, or Fire Police, please contact Chief Peters at 318-1997 or e-mail pownalcar1@maine.rr.com.

Respectfully submitted,
Chief Jesse Peters

On behalf of,
Deputy Chief Erik Nielsen
Deputy Chief Richard Hogue

Mallett Hall Building and Grounds Committee

Mallett Hall continues to be used regularly for town business, meetings, and social events. We hope that you have noted with approval the newly repainted interior lobby, offices, and stairwell. The interior and exterior of the building remain in fine condition with the exception of the side entrance ramp and porch. Extensive renovation of that area is scheduled for completion during the summer of 2015. That renovation will address not only safety and cosmetic issues but also the predictable endurance of the structures. The committee will be aiding the Selectmen in their oversight of this project. We continue to remind all users of the building that taping of materials to walls or supports is not allowed. Most tapes (including regular scotch tape) strip off paint when removed. Please hang materials from the existing picture rails or use easels for display. Also, the committee has noted an increase in clutter left behind after building use. Users are encouraged to remove all materials and objects they imported and to return permanent objects to their accustomed places. All of us are entitled to take great pride in our impressive Town Hall.

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

(We thank departing member Jane Mittel for her many years of valuable service.)

POWNA SCENIC & HISTORICAL SOCIETY 2014 Annual Report

2014 was a busy and productive year for the Pownal Scenic & Historical Society [PSHS]. The Executive Committee comprised of myself, President; Robin Hodsdon Morin, Vice president; Jen Blackstone Kaplan, Secretary; and Jim Boyles, Treasurer; continued the work of the society. We were joined in our efforts by transition-in members: Karen Menchen Puckett, Vanessa Mason Mathews and Darren Mathews, and Leslie Searfoss. A program – **Finding and Preserving parts of Pownal's Early Beginnings – the Hearse and Its House** preceded the Annual Meeting in November. We are grateful for the support of those who attended and for all who have contributed to the organization over its past forty-four years.

This fall, as Jim and I watched Matt Welch and Jim Bennis complete the restoration of the front of the society's hearse house, the idea took root of sharing the uniqueness of its history and that of the hearse, along with the role both played in Pownal's early beginnings. The program, with digitized visuals, was presented in three parts: finding Pownal's third hearse dating to 1878; restoration and preservation of the hearse and its house (located on land where the original was built in 1834) over the past forty years; and sharing the artistry of two who just completed the

front and door restoration: metal worker and blacksmith Jim Bennis and carpenter and farrier Matt Welch. Using the Carl and Marjorie Mason Memorial fund (established by the family at the time of Carl's death) the most recent phase of restoration (the front of the building) was completed this year. Matt Welch installed new shingles, trim, door cap, and door stops. He then re-hung the doors using wrought iron hinges and lock hasp made by Jim Bennis. Pownal's restored 1878 town hearse rests safely inside. Marjorie and Carl Mason, along with members of the Hodsdon and extended families, were recognized during the program for their contributions to Pownal history.

The major effort of the society continues to be the organization of the Marjorie Alward Mason Archive Room located in Mallett Hall. Using updated administrative policies and procedures, the tedious and time-consuming task of evaluating the relevance of each object in our extensive collection has begun. Archiving selected items will follow. Shelving and archival storage supplies have been purchased and are in place; items now in local homes are being returned to the room; and this summer the archival process will continue.

Over many years, our society has financially supported three major projects. Over those years, Mallett Hall [MH] has received the most extensive financial support. The preservation and restoration of MH was a first concern of the society since its founding in 1970, and society efforts in that direction have continued. One of our most concerns has been to insure that restoration and active use of MH not destroy its historical significance. We have also financially supported two projects which are now considered Town of Pownal Historic sites. The first of these is the North Pownal One-room School (1894-1968), now part of the North Pownal United Methodist Church and used as a Sunday school room. When scheduled, it serves as a place for celebrating school class reunions and for displaying school-related memorabilia. It was dedicated when Pownal celebrated its Bicentennial in 2008 as the only remaining one-room school in Pownal. The second is the North Pownal Community Club that has been receiving financial support from PSHS for many years. This year, with support of PSHS, members updated their by-laws; voted to retain and restore the building (a country store dating to 1826); and rallied volunteers to begin the restoration. In October, a plea from President Alan Bradstreet was sent out to the community to join the club as a member and/or as a supportive contributor. The response was overwhelming. A celebration of accomplishment will be held in 2015.

Through the efforts of PSHS, the Town of Pownal has three listings in the *National Register of Historic Places* of which we are proud. These places are considered a vital part of the Historical and Cultural Heritage of our nation. The three are: the Jacob Randall homestead (1800) on the Lawrence Road cited for its Federal-style architecture and its association with early industry (saw and grist mill); the Town Cattle Pound (1818) listed as it was one of few remaining structures

associated with early settlement patterns in the State of Maine; and Mallett Hall (1886) recognized for its Colonial Revival-style of architecture and for its vital role as a town center of government and community living for over one hundred years.

Society members maintain the garden at MH while the Hodsdon One-room School site is cared for by the family of PSHS Honorary Life member William 'Bill' DeWitt. Lilyan Forbes, founding member and past-president, remains interested and would enjoy hearing from you. We are saddened by the deaths of long-time members Thelma Penley Blackstone, Dorothy Tryon Clement, and June Tucci. The society mourns the untimely death of talented artist and musician Lois Strickland Pervier. Lois was co-founder of Bradbury Mountain Arts; served on town committees and the Appeals Board; was a major presence and advocate for the restoration of Mallett Hall; and organized community events, most recently "Keep Pownal Warm."

The society is grateful for gifts received: *Book-Shaker Furniture* and Pownal memorabilia from Richard Blackstone; *Book- Abecedaris* (History of North Yarmouth Memorial School) from North Yarmouth Historical Society; *Tryon Genealogy traced to the Mayflower* from Ann Tryon Nicol; *Civil War Token* – Henry Nichols. Purchases: *Post Card-Blackstone Country Store ca.1920*; *Book-Thomas Pownal published 1908*; *Map digitized copy-Ancient North Yarmouth 1795*; *Photograph - L. E. Sawyer Country Store and Post Office ca.1900*. To date, 685 copies of *ON POWNAL TIME 1908* have found a place to call home.

Donna F. Boyles, President

TOWN MEETING WARRANT

To Kim Best, a resident of 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 the Town Hall in said Town of Pownal, on Tuesday, the 9th day of June, A.D. 2015, at 8:00 o'clock in the morning to act upon 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, assemble at the Pownal Elementary School on Monday, the fifteenth day of June, A.D. 2015 at 7 o'clock in the evening to act on the remaining article in this warrant beginning with Article 3.

The polls will open at the Town Hall at 8:00 AM and will close sharply at 8:00 PM on the 9th day of June, A.D. 2015. 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, by secret ballot, the following officers, to wit: One Selectman/Assessor/Overseer of the Poor for a three (3) year term; and one Cemetery Commissioner for a three (3) year term.

Action on all further articles will continue at 7:00 pm on the evening of Monday, June 15th, 2015 at the Pownal Elementary School

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

Article 4. To see if the Town will vote to amend the document entitled Land Use Codes, Town of Pownal by correcting and adding to Article 2, Definitions correcting "Street", "Subdivision" and by adding "Single Lot", as shown in the attached Exhibit A.

Article 5. To see if the Town will vote to amend the Land Use Codes, Town of Pownal Subdivision Ordinance, with Article 6, Subdivision Ordinance as shown in the attached Exhibit B.

Article 6. To see if the Town will vote to amend the Town of Pownal Land Use Codes by adding a new Article 8, Public and Private Roads Ordinance, as shown in the attached Exhibit C.

Article 7. To see if the Town will vote to amend the Town of Pownal Land Use Codes by adding a new Article 12, Mobile Home Park Ordinance and removing the present Mobile Home Park section from the Town of Pownal Zoning Ordinance, as shown in the attached Exhibit D

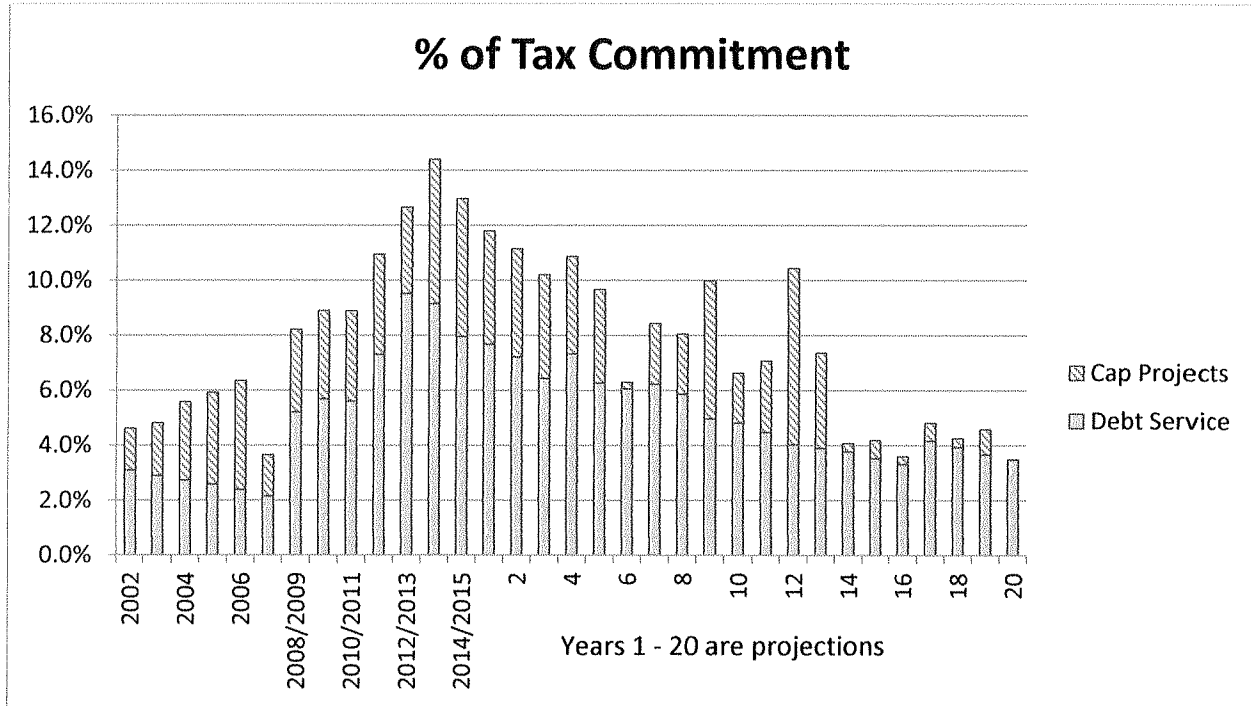
Article 8. To see what sum of money the Town will vote to raise and/or appropriate for the Capital Project Fund.

	13-14	14-15	15-16		
	Budget	Budget	Request	Change \$	Change %

CAPITAL ACCOUNTS	162,000	175,000	150,000	- 25,000	-0.14
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Board of Selectmen recommends: \$150,000

Budget Committee recommends: \$150,000



The Following Chart is informational and depicts the Expenditure Plan as devised by the Capital Project Investment Committee

Fiscal Year 2016 Expenditure Plan

Bond Threshold - \$250,000

Item	Select Dept.	Service Life	Current Replacement Cost	Year in Service	Expenditures										
					2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Elevator software and sensors	Mallett Hall	22	\$ 30,000	2000	0	0	0	0	0	0	0	35,661	0	0	0
Mallett Hall Access Ramp	Mallett Hall	15	\$ 45,000	0	0	0	0	0	0	0	0	0	0	0	0
Mallett Hall Automatic Generator	Mallett Hall	20	\$ 10,000	2018	0	0	10,769	0	0	0	0	0	0	0	0
Mallett Hall Exterior Painting	Mallett Hall	16	\$ 15,000	2012	0	0	0	0	0	0	0	0	0	0	0
Roof - old building east side of addition	Mallett Hall	25	\$ 20,000	2000	0	0	0	0	0	0	0	0	0	0	25,602
Air Bottles	Public Safety	15	\$ 27,000	2004	0	0	0	29,803	0	0	0	0	0	0	0
Air compressor system	Public Safety	15	\$ 52,000	2004	0	0	0	57,398	0	0	0	0	0	0	0
Air Packs	Public Safety	20	\$ 86,000	2004	0	0	0	0	0	0	0	0	0	107,402	0
Communications	Public Safety	10	\$ 14,000	2014	0	0	0	0	0	0	0	0	0	17,484	0
Exhaust System - 2 Fire Stations	Public Safety	25	\$ 37,000	2016	37,925	0	0	0	0	0	0	0	0	0	0
Extrication Equipment	Public Safety	25	\$ 42,000	1997	0	0	0	0	0	0	0	49,925	0	0	0
Repeater System	Public Safety	10	\$ 9,500	2014	0	0	0	0	0	0	0	0	0	11,864	0
Squad 3	Public Safety	27	\$ 132,000	2000	0	0	0	0	0	0	0	0	0	0	0
Thermal image camera	Public Safety	0	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
Dump Truck (2000 Sterling)	Public Works	16	\$ -	2000	0	0	0	0	0	0	0	0	0	0	0
Dump Truck (2006 Int)	Public Works	11	\$ 190,000	2006	0	199,639	0	0	0	0	0	0	0	0	0
Dump Truck (2012 International)	Public Works	12	\$ 190,000	2012	0	0	0	0	0	0	0	0	0	237,284	0
Dump Truck (2015 Freightliner)	Public Works	12	\$ 190,000	2015	0	0	0	0	0	0	0	0	0	0	0
Excavator	Public Works	20	\$ 180,000	2007	0	0	0	0	0	0	0	0	0	0	0
F-250 Pick Up (2010)	Public Works	10	\$ 50,000	2010	0	0	0	0	56,570	0	0	0	0	0	0
F-350 w Plow (2008)	Public Works	8	\$ 50,000	2008	51,250	0	0	0	0	0	0	0	0	62,443	0
Loader / Backhoe (2008)	Public Works	10	\$ 113,000	2008	0	0	121,689	0	0	0	0	0	0	0	0
Poland R Rd multi plate	Public Works	31	\$ 100,000	1989	0	0	0	0	113,141	0	0	0	0	0	0
Road Improvements	Public Works	5	\$ 50,000	0	0	0	0	0	0	0	0	0	0	0	0
Sweetser Rd Bridge Deck	Public Works	20	\$ 10,000	2005	0	0	0	0	0	0	0	0	0	0	12,801
Item	0	0	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
Item	0	0	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
Item	0	0	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
Item	0	0	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
Item	0	0	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
Item	0	0	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
Item	0	0	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
Item	0	0	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
Item	0	0	\$ -	0	0	0	0	0	0	0	0	0	0	0	0

Article 9. To see what sum the Town will vote to appropriate from the Capital Project Fund to purchase a 1-ton truck with plow, dump body and sander. (Replacing older model)

Board of Selectmen recommends: up to \$50,000
 Budget Committee recommends: up to \$50,000

Article 10. To see what sum of money the Town will vote to raise and/or appropriate for General Government budget.

	2014 Budget	2015 Budget	2015 YTD	2016 Request	Change \$	Change %
GENERAL GOVERNMENT	82,801	95,350	78,050	87,921	- 7,429	-7.79%
TECHNOLOGY	11,100	10,450	7,946	11,000	550	5.26%
ANIMAL CONTROL	2,500	2,500	1,954	3,200	700	28.00%
PLANNING BOARD	3,300	3,300	2,301	3,300	0	.00%
COMPENSATION	117,238	122,838	91,721	123,992	1,154	.94%

Expense Totals: 216,939.00 234,438.00 181,972.31 229,413.00 -5,025.00 -2.14%

Board of Selectmen recommends: \$229,413
 Budget Committee recommends \$229,413

Article 11. To see if the Town will vote to authorize the Selectmen to utilize available funds and carryover funds to replace the access ramp to Mallett Hall, or take any action thereon.

Available or planned funds

Mallett Hall Painting Balance	\$ (6,847.19)
FB Mallett Fund	\$ (1,970.00)
14-15 budget Carry Forward	\$ (3,000.00)
FB Ramp	\$ (18,613.10)
Cumberland County Block Grant	\$ (5,850.00)
	\$ (767.29)

Selectmen Recommend using available funds and carryover accounts.

Article 12. To see what sum of money the Town will vote to raise and/or appropriate to a dedicated fund to conduct a Town Wide Revaluation. (Revaluation was authorized at 2014 Town Meeting)

Board of Selectmen Recommend \$15,000

Article 13. To see what sum of money the Town will vote to raise and/or appropriate for Human Services budget.

	2014 Budget	2015 Budget	2015 YTD	2016 Request	Change \$	Change %
TOWN EXPENSE	4,500	4,500	356	4,500	0	.00%
FREEPORT COMMUNITY SERVICES	4,500	4,500	4,500	4,500	0	.00%
FAMILY CRISIS CENTER	500	500	500	500	0	.00%
TEEN PORT CENTER	0	300	300	300	0	.00%
	9,500.00	9,800.00	5,656.44	9,800.00	0.00	.00%

Board of Selectmen recommends \$9,800

Budget Committee recommends \$9,800

Article 14. To see what sum of money the Town will vote to raise and/or appropriate for the Mallett Hall Budget.

	2014 Budget	2015 Budget	2015 YTD	2016 Request	Change \$	Change %
MAINTENANCE	11,900	15,800	2,884	15,900	100	.63%
LIFE SAFETY	9,945	2,150	905	1,700	- 450	-20.93%
UTILITIES	3,000	5,500	4,220	5,500	0	.00%
	24,845.00	23,450.00	8,009.55	23,100.00	-350.00	-1.49%

Board of Selectmen recommends \$23,100
 Budget Committee recommends \$23,100

Article 15. To see what sum of money the Town will vote to raise and/or appropriate to install smoke and fire alarm systems in the Pownal Central Fire Station and the North Pownal Fire Station.

Board of Selectmen recommends Up to \$6,356
 Budget Committee recommends Up to \$6,356

Article 16. To see what sum of money the Town will vote to raise and/or appropriate for the Public Safety Budget.

	2014 Budget	2015 Budget	2015 YTD	2016 Request	Change \$	Change %
FIRE AND RESCUE DEPT						
PUBLIC SAFETY	27,032	27,274	26,429	26,561	- 713	-2.61%
ADMINISTRATION	2,778	2,778	2,224	2,859	81	2.92%
COMPENSATION	29,622	34,500	24,620	34,125	- 375	-1.09%
BUILDINGS	6,906	6,906	6,365	8,118	1,212	17.55%
OPERATIONS	33,671	39,975	26,650	41,155	1,180	2.95%
Expense Totals:	100,009	111,433	86,288	112,818	1,385	1.24%

Board of Selectmen recommend \$112,818
 Budget Committee recommend \$112,818

Article 17. To see what sum of money the Town will vote to raise and/or appropriate for the Public Works Budget.

	2014 Budget	2015 Budget	2015 YTD	2016 Request	Change \$	Change %
FACILITIES MAINTENANCE	8,460	8,860	7,068	5,800	-3,060	-34.54%
WINTER ROADS	59,500	62,510	87,209	70,705	8,195	13.11%
COMPENSATION	195,144	200,302	170,527	203,370	3,068	1.53%
FLEET MAINTENANCE	34,535	31,300	22,762	29,700	-1,600	-5.11%
FUEL	43,500	43,500	30,776	38,500	-5,000	-11.49%
ROAD MAINTENANCE	237,000	248,300	224,039	247,000	-1,300	- .52%
SUPPLIES	1,100	1,900	1,225	600	-1,300	-68.42%
ADMINISTRATIVE	2,120	2,720	1,517	1,920	- 800	-29.41%
	581,359	599,392	545,123	597,595	-1,797	- 0.30%

Board of Selectmen recommends \$597,595
 Budget Committee recommends \$604,969 (Compensation was reduced after the Budget Committee reviewed the Public Works Budget)

Article 18. To see what sum of money the Town will vote to raise and/or appropriate for the Solid Waste Budget.

	2014 Budget	2015 Budget	2015 YTD	2016 Request	Change \$	Change %
ECOMAINE ASSESSMENT	14,049	0	0	0	0	0
ECOMAINE TIPPING FEES	12,428	13,215	11,721	13,955	740	0.056
SOLID WASTE HAULING	71,130	71,130	65,203	72,126	996	0.014
SEPTIC CONTRACT	250	250	0	250	0	0
POWNAI PRIDE DAY	250	250	109	250	0	0
PAYT BAGS	7,200	6,017	6,399	6,122	105	0.0175
	105,307	90,862	83,432	92,703	1,841	0.0203

Board of Selectmen recommends \$92,703
 Budget Committee recommends \$92,703

Article 19. To see what sum of money the Town will vote to raise and/or appropriate for the Pownal Center Water Association.

	2014 Budget	2015 Budget	2015 YTD	2016 Request	Change \$	Change %
TOWN EXPENSE	700	700	685	700	0	.00%
PCWA FUND GL	5000	0	0	0	0	.00%
ELECTRICITY	1100	1100	390	1100	0	.00%
	6800	1800	1075	1800	0	.00%

Board of Selectmen recommend \$1,800
 Budget Committee recommends \$1,800

Article 20. To see what sum of money the Town will vote to raise and/or appropriate to purchase a natural gas powered emergency generator for Mallett Hall.

Board of Selectmen recommends up to \$12,150
 Budget Committee recommends up to \$12,150

Article 21. To see what sum of money the Town will vote to raise and/or appropriate for Debt Service and Other Obligations.

	2014 Budget	2015 Budget	2016 Request	Change \$	Change %
2007 ROAD BOND					
PRINCIPAL	69,416	39,416	39,416	0	.00%
INTEREST	49,030	43,458	42,119	- 1,339	-3.08%
	<u>118,446</u>	<u>82,874</u>	<u>81,535</u>	<u>- 1,339</u>	<u>-1.62%</u>
2007 FIRE TRUCK					
PRINCIPAL	0	30,000	30,000	0	.00%
INTEREST	0	3,690	2,483	- 1,207	-32.71%
	<u>0</u>	<u>33,690</u>	<u>32,483</u>	<u>- 1,207</u>	<u>-3.58%</u>
2011 ROAD BOND					
PRINCIPAL	45,724	45,724	45,725	1	.00%
INTEREST	52,423	50,283	48,560	- 1,723	-3.43%
	<u>98,147</u>	<u>96,007</u>	<u>94,285</u>	<u>- 1,722</u>	<u>-1.79%</u>
EQUIPMENT LEASES					
FIRE TRUCK LEASE	30,382	30,382	30,382	0	.00%
GRADER LEASE	21,378	21,378	21,378	0	.00%
EXCAVATOR LEASE	14,039	14,039	14,038	- 1	-.01%
	<u>65,799</u>	<u>65,799</u>	<u>65,798</u>	<u>- 1</u>	<u>.00%</u>
	282,392.00	278,370.00	274,101.00	-4,269.00	-1.53%

Board of Selectmen recommends \$274,101

Budget Committee recommends \$274,101

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Article 22. To see if the Town will appropriate the following estimated revenues to reduce the 2015-2016 Tax Commitment.

	2014 Budget	2014 Actual	2015 Budget	2015 YTD	2016 Request	Change \$	Change %
GENERAL GOVERNMENT							
CABLE FRANCHISE FEE	10,700	10,709	10,700	10,430	10,400	- 300	-2.80%
AUTO EXCISE	200,000	271,092	225,000	247,161	265,000	40,000	17.78%
BOAT EXCISE	900	1,975	900	1,246	900	0	.00%
TOWN FEES	6,500	11	6,300	12	6,300	0	.00%
IFW AGENT FEES	0	685	0	557	0	0	.00%
CLERK FEES	0	171	0	152	0	0	.00%
VITAL STATISTICS FEES	0	1,486	0	890	0	0	.00%
REVENUE SHARING	72,000	68,731	68,035	54,032	60,000	- 8,035	-11.81%
COPY/FAX FEE	0	97	0	147	0	0	.00%
HOMESTEAD EXEMPTION	36,370	26,975	36,300	25,880	36,300	0	.00%
VETERANS REIMBURSEMENT	940	849	850	848	850	0	.00%
LIEN COSTS	1,500	682	1,700	187	1,200	- 500	-29.41%
REAL ESTATE INTEREST	5,900	10,592	9,000	10,316	8,000	- 1,000	-11.11%
BMV AGENT FEES	0	5,708	0	4,804	0	0	.00%
STATE PARK FEES	1,350	1,341	1,350	0	1,300	- 50	-3.70%
SNOWMOBILE REIMBURSEMENT	0	662	0	702	0	0	.00%
CEO PERMITS	6,000	7,999	6,000	11,371	6,000	0	.00%
CHECKING ACCT INTEREST	0	0	0	- 20	0	0	.00%
ACO FEE	300	284	300	303	300	0	.00%
ACO LATE FEE	300	225	225	203	190	- 35	-15.56%
SITE PLAN REVIEW	0	100	100	0	0	- 100	-100.00%
SUBDIVISION APPLICATION	500	200	200	100	100	- 100	-50.00%
MDOT ASSISTANCE	38,328	38,328	38,328	34,244	34,244	- 4,084	-10.66%
HALL RENTAL	500	770	500	609	500	0	.00%
GENERAL ASST REIM	0	308	0	320	0	0	.00%
BAG SALES	45,000	40,432	20,500	23,077	27,000	6,500	31.71%
METAL COLLECTION	0	804	0	0	0	0	.00%
ECOMAINE	0	0	0	3,793	0	0	.00%
	427,088	491,213	426,288	431,364	458,584	32,296	0.076

Article 23. To see if the Town will authorize the Board of Selectmen and the Town Treasurer, on behalf of the Town, to rent sell or otherwise dispose of any parcel of real estate or any portion thereof acquired by the Town of Pownal between July 1, 2105 and June 30th, 2016 for non-payment of taxes thereon, on such terms as they deem advisable.

Board of Selectmen recommend ought to Pass

Article 24. To see if the Town will vote to authorize the Board of Selectmen to transfer not more than 3% of the Town's budgeted expenditures between budget line items provided that the Town's total budgeted expenditures shall not be increased.

Board of Selectmen recommend ought to Pass

Article 25. To see if the Town will vote to authorize the Tax Collector to accept prepayments of taxes not yet committed pursuant to 36 M.R.S.A. Section 506 at a rate of zero interest. (Note: This article is required by state Law at each Annual Town Meeting, in order to collect any prepayment for taxes paid prior to the commitment of said taxes)

Board of Selectmen recommend ought to Pass

Article 26. To see if the Town will vote to fix September 15th, 2015; December 15th, 2015; March 15th, 2016 and June 15th, 2016 as the dates on which one quarter of taxes shall be due and payable as the dates after which interest will be charged on any unpaid taxes at the rate of 7% per year. (Note: 7% is the maximum interest rate allowed by the State of Maine.)

Board of Selectmen recommend ought to Pass

Article 27. To see if the Town will vote to set the interest rate of 3% to be paid by the Town on abated taxes pursuant to 36 M.R.S.A. section 506A.

Board of Selectmen recommend ought to Pass

Article 28. To see if the Town will vote to authorize the Board of Selectmen to accept and expend any other revenue from the State, Federal, local and private sources for the support of the Town.

Board of Selectmen recommend ought to Pass

Article 29. To see if the Town will vote to accept any gifts, unanticipated donations, or pass-through funds that may be provided by individuals, business associations, charitable groups, or other organizations, which have not been listed in any of the previous articles, if the Selectmen determines that the gifts, donations or pass-through funds and their purposes are in the best interest of the Town.

Board of Selectmen recommend ought to Pass.

Given under our hands this 1st day of June, 2015.

Timothy J. Giddinge

Jonathan W. Morris

George Anderson, Jr.

The Board of Selectmen has tentatively scheduled a Special Town Meeting to be held on November 16th, 2015 to deal with any further Zoning Amendments or any other items as the Selectmen may determine appropriate.

TOWN OF POWNAL

POWNAL, MAINE

FINANCIAL AUDIT REPORT

JUNE 30, 2014

**TOWN OF POWNAL
POWNAL, MAINE
JUNE 30, 2014**

TABLE OF CONTENTS

FINANCIAL SECTION

EXHIBITS

Independent Auditors' Report

Financial Statements

Government-Wide Financial Statements

Statement of Net Position

Exhibit I

Statement of Activities

Exhibit II

Fund Financial Statements

Governmental Funds

Balance Sheet

Exhibit III

Reconciliation of the Governmental Funds Balance Sheet
to Statement of Net Position

Exhibit IV

Statement of Revenues, Expenditures, and Changes in Fund Balance

Exhibit V

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities

Exhibit VI

Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget to Actual – General Fund

Exhibit VII

Notes to 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
www.smithassociatescpa.com

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 financial statements, of the Town of Pownal, Maine as of and for the year ended June 30, 2014, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. We also believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions on the governmental activities, major funds, and the budgetary comparison for the general fund.

Basis for Adverse Opinion on the Government-Wide Financial Statements

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 significant.

Adverse Opinion on the Government-Wide Financial Statements

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, 2014, or the Statement of Activities position thereof for the year then ended.

Basis for Qualified Opinion on the Governmental Funds

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

Qualified Opinion on the Governmental Funds

In our opinion, except for the permanent funds, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major funds, and remaining fund information of the Town of Pownal and the changes in financial position 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.

Other Matter

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 financial statements.



SMITH & ASSOCIATES, CPAs
A Professional Association

Yarmouth, Maine
January 14, 2015

EXHIBIT I

**TOWN OF POWNAL
STATEMENT OF NET POSITION
JUNE 30, 2014**

	<u>Primary Government Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 911,266
Investments	117,801
Accounts Receivable	16,805
Taxes Receivable	139,338
Tax Liens Receivable	49,083
Capital Assets, Net of Accumulated Depreciation	<u>3,506,396</u>
Total Assets	\$4,740,689
Deferred Outflows of Resources	<u>0</u>
Total Assets and Deferred Outflows of Resources	<u>\$4,740,689</u>
Liabilities	
Accounts Payable	\$ 1,000
Accrued Expenses	27,365
Prepaid Taxes	2,165
Non Current Liabilities	
Due Within One Year	180,938
Due in More than One Year	<u>2,352,165</u>
Total Liabilities	<u>\$2,563,633</u>
Deferred Inflows of Resources	<u>\$ 0</u>
Net Position	
<i>Net Investment in Capital Assets</i>	\$973,293
<i>Restricted</i>	
Permanent Funds, Non-Expendable	51,895
<i>Unrestricted</i>	<u>1,151,868</u>
Total Net Position	<u>\$2,177,056</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, 2014**

<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>	
Primary Government Governmental Activities				
General Government	\$ 189,221	\$ 35,832	\$ 0	\$ (153,389)
Public Works	460,936	2,178	0	(458,758)
Public Safety	101,016	826	5,705	(94,485)
Human Services and Welfare	8,559	0	0	(8,559)
Health and Sanitation	105,373	41,236	0	(64,137)
Education	1,980,621	0	0	(1,980,621)
County Tax and Overlay	118,296	0	0	(118,296)
Interest on Long-Term Debt	106,690	0	0	(106,690)
Depreciation - Unallocated	<u>162,898</u>	<u>0</u>	<u>0</u>	<u>(162,898)</u>
Total Primary Government	\$ 3,233,610	\$ 80,072	\$ 5,705	<u>\$(3,147,833)</u>
General Revenues				
Property and Other Taxes				\$3,489,594
Grants and Contributions not Restricted to Special Programs				143,452
Unrestricted Investment Earnings				<u>8,790</u>
Total General Revenues				<u>\$3,641,836</u>
Changes in Net Position				\$ 494,003
Net Position – July 1, 2013				<u>1,683,053</u>
Net Position – June 30, 2014				<u>\$2,177,056</u>

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

EXHIBIT III

**TOWN OF POWNAL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General Fund	Capital Reserve	Road Re- Construction	Other Governmental Funds	Total
Assets					
Cash and Cash Equivalents	\$ 911,266	\$ 0	\$ 0	\$ 0	\$ 911,266
Investments	32,988	0	0	84,813	117,801
Accounts Receivable	16,805	0	0	0	16,805
Taxes Receivable	139,338	0	0	0	139,338
Tax Liens Receivable	49,083	0	0	0	49,083
Due From Other Funds	<u>0</u>	<u>228,276</u>	<u>0</u>	<u>187,173</u>	<u>415,449</u>
Total Assets	\$ 1,149,480	\$ 228,276	\$ 0	\$ 271,986	\$ 1,649,742
Deferred Outflow of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 1,149,480</u>	<u>\$ 228,276</u>	<u>\$ 0</u>	<u>\$ 271,986</u>	<u>\$ 1,649,742</u>
Liabilities, Deferred Inflow of Resources, and Fund Balance					
Liabilities					
Accounts Payable	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ 1,000
Accrued Expenses	261	0	0	0	261
Prepaid Taxes	2,165	0	0	0	2,165
Due to Other Funds	<u>415,449</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>415,449</u>
Total Liabilities	<u>\$ 418,875</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 418,875</u>
Deferred Inflow of Resources					
Unavailable Revenue – Property Taxes	<u>\$ 128,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 128,500</u>
Fund Balance					
<i>Reserved, Reported In:</i>					
<i>Nonspendable</i>					
Permanent Funds – Non-Expendable	\$ 0	\$ 0	\$ 0	\$ 51,895	\$ 51,895
<i>Restricted</i>	0	0	0	0	0
<i>Committed</i>					
Reserved for Property Taxes	404,937	0	0	0	404,937
<i>Unreserved, Reported In:</i>					
<i>Assigned</i>					
Designated General Fund	107,300	0	0	0	107,300
Special Revenue Funds	0	0	0	146,097	146,097
Capital Projects	0	228,276	0	40,443	268,719
Permanent Funds, Expendable	0	0	0	33,551	33,551
<i>Unassigned</i>					
General Fund	<u>89,868</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>89,868</u>
Total Fund Balance	<u>\$ 602,105</u>	<u>\$ 228,276</u>	<u>\$ 0</u>	<u>\$ 271,986</u>	<u>\$ 1,102,367</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,149,480</u>	<u>\$ 228,276</u>	<u>\$ 0</u>	<u>\$ 271,986</u>	<u>\$ 1,649,742</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, 2014**

Total Fund Balance – Total Governmental Funds \$ 1,102,367

**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. 3,506,396

Interest Payable on Long-Term Debt Does Not Require Current
Financial Resources and Therefore, Interest Payable is Not Reported
As a Liability in Governmental Funds Balance Sheet. (15,551)

Unavailable Property Tax Revenues are Not Available to Pay for Current
Period Expenditures and, Therefore, are Deferred Inflows of Resources. 128,500

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	\$ 180,938	
Due in More than One Year	2,352,165	
Accrued Compensated Absence Pay	<u>11,553</u>	<u>(2,544,656)</u>

Net Position of Governmental Activities \$ 2,177,056

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, 2014

	General <u>Fund</u>	Capital <u>Reserve</u>	Road Re- <u>Construction</u>	Other Governmental <u>Funds</u>	<u>Total</u>
Revenues					
Taxes	\$ 3,489,125	\$ 0	\$ 0	\$ 0	\$ 3,489,125
Intergovernmental	143,452	0	0	5,705	149,157
Licenses, Permits and Fees	29,371	0	0	0	29,371
Charges for Services	42,306	0	0	7,633	49,939
Investment Income	5,545	0	0	3,245	8,790
Miscellaneous	<u>236</u>	<u>0</u>	<u>0</u>	<u>526</u>	<u>762</u>
Total Revenues	\$ 3,710,035	\$ 0	\$ 0	\$ 17,109	\$ 3,727,144
Expenditures					
<i>Current</i>					
General Government	\$ 190,859	\$ 0	\$ 0	\$ 1,435	\$ 192,294
Public Works	511,784	0	0	4,025	515,809
Public Safety	99,023	0	0	1,993	101,016
Health and Sanitation	105,373	0	0	0	105,373
Human Services and Welfare	6,059	0	0	2,500	8,559
Education	1,980,621	0	0	0	1,980,621
Debt Service	282,387	0	0	0	282,387
Fixed Charges	118,296	0	0	0	118,296
<i>Capital Outlay</i>	<u>0</u>	<u>0</u>	<u>441,195</u>	<u>0</u>	<u>441,195</u>
Total Expenditures	\$ 3,294,402	\$ 0	\$ 441,195	\$ 9,953	\$ 3,745,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 415,633	\$ 0	\$ (441,195)	\$ 7,156	\$ (18,406)
Other Financing Resources (Uses)					
Transfers In (Out)	<u>(187,000)</u>	<u>142,000</u>	<u>0</u>	<u>45,000</u>	<u>0</u>
Net Change in Fund Balance	\$ 228,633	\$ 142,000	\$ (441,195)	\$ 52,156	\$ (18,406)
Fund Balance – July 1, 2013	<u>373,472</u>	<u>86,276</u>	<u>441,195</u>	<u>219,830</u>	<u>1,120,773</u>
Fund Balance – June 30, 2014	\$ <u>602,105</u>	\$ <u>228,276</u>	\$ <u>0</u>	\$ <u>271,986</u>	\$ <u>1,102,367</u>

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

**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, 2014**

Net Change In Fund Balance – Total Governmental Funds \$ (18,406)

**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. 517,105

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. (162,898)

Some Property Tax will not be Collected for Several Months After the Town’s Fiscal Year End; They are not Considered Current Financial Resources in the Governmental Funds. This Amount is the Net Effect of the Differences. 469

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. 160,972

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. (3,239)

Change in Net Position of Governmental Activities \$ 494,003

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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 3,422,238	\$ 3,422,238	\$ 3,489,125	\$ 66,887
Intergovernmental	146,504	146,504	143,452	(3,052)
Licenses, Permits and Fees	26,650	26,650	29,371	2,721
Charges for Services	46,000	46,000	42,306	(3,694)
Investment Income	5,900	5,900	5,545	(355)
Miscellaneous	<u>0</u>	<u>0</u>	<u>236</u>	<u>236</u>
Total Revenues	<u>\$ 3,647,292</u>	<u>\$ 3,647,292</u>	<u>\$ 3,710,035</u>	<u>\$ 62,743</u>
Expenditures				
<i>Current</i>				
General Government	\$ 221,784	\$ 221,784	\$ 190,859	\$ 30,925
Public Works	582,359	582,359	511,784	70,575
Public Safety	100,009	100,009	99,023	986
Health and Sanitation	105,307	105,307	105,373	(66)
Human Services and Welfare	9,500	9,500	6,059	3,441
Education	1,980,621	1,980,621	1,980,621	0
Debt Service	282,392	282,392	282,387	5
Fixed Charges	214,691	214,691	118,296	96,395
<i>Capital Outlay</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$ 3,496,663</u>	<u>\$ 3,496,663</u>	<u>\$ 3,294,402</u>	<u>\$ 202,261</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 150,629</u>	<u>\$ 150,629</u>	<u>\$ 415,633</u>	<u>\$ 265,004</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>(187,000)</u>	<u>(187,000)</u>	<u>(187,000)</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ (36,371)</u>	<u>\$ (36,371)</u>	<u>\$ 228,633</u>	<u>\$ 265,004</u>
Fund Balance – July 1, 2013	<u>373,472</u>	<u>373,472</u>	<u>373,472</u>	<u>0</u>
Fund Balance – June 30, 2014	<u>\$ 337,101</u>	<u>\$ 337,101</u>	<u>\$ 602,105</u>	<u>\$ 265,004</u>

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

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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 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, 2014

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. – Financial Statements – Government-Wide Statements

The Town's 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. – 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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. – 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.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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 and Capital Reserves are major funds.

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.

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. – Capital Assets

Governmental Accounting Standards Board Statement No. 34, 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.

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.

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. – Compensated Absences (Continued)

<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

B. To comply with the Town’s personnel policies, a liability for accrued compensated absence pay of \$11,553 at June 30, 2014 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. – Accounts Receivable

Accounts Receivable at June 30, 2014, primarily consist of miscellaneous intergovernmental receivables. There is no allowance for doubtful accounts as the Town believes they are 100% collectible.

L. – Equity Classifications

Government-Wide Statements

Net position represents 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.”

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. – Equity Classifications (Continued)

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.

M. – 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, 2014 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.

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)

At June 30, 2014, all investments were considered either Category 1 (\$73,499) or Category 3 (\$44,302).

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, 2014, upon which the levy for the year ended June 30, 2014, was based, amounted to \$93,714,380. This assessed value was 100.0% of the estimated market value and 49.53% of the 2014 State valuation of \$189,200,000.

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 \$96,759 for the year ended June 30, 2014.

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	\$ 93,714,380
Less Homestead Exemption	<u>(1,014,000)</u>
Net Assessed Value	\$ 92,700,380
Tax Rate	<u>34.75</u>
Commitment	\$ 3,221,338
Supplemental Taxes Assessed	<u>0</u>
Sub Total	\$ 3,221,338
Less:	
Abatements	(511)
Collections	<u>(3,078,431)</u>
Receivable at Year End	<u><u>\$ 142,396</u></u>
 Collection Rate	 <u>95.6%</u>

Property taxes on personal and real property accounts were due quarterly on September 15, 2013, December 15, 2013, March 15, 2014, and June 15, 2014. Interest was charged at a rate of 7% on delinquent accounts after those dates.

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance <u>July 1</u>	Additions/ Completions	Retirement/ Adjustments	Ending Balance <u>June 30</u>
Governmental Activities				
<i>Capital Assets, Depreciated</i>				
Vehicles	\$ 1,679,302	\$ 70,193	\$ 0	\$ 1,749,495
Equipment	7,796	0	0	7,796
Infrastructure	<u>2,101,446</u>	<u>446,912</u>	<u>0</u>	<u>2,548,358</u>
Total Depreciated Capital Assets	<u>\$ 3,788,544</u>	<u>\$ 517,105</u>	<u>\$ 0</u>	<u>\$ 4,305,649</u>
<i>Less: Accumulated Depreciation for:</i>				
Vehicles	\$ 486,240	\$ 108,802	\$ 0	\$ 595,042
Equipment	130	1,559	0	1,689
Infrastructure	<u>149,985</u>	<u>52,537</u>	<u>0</u>	<u>202,522</u>
Total Accumulated Depreciation	<u>\$ 636,355</u>	<u>\$ 162,898</u>	<u>\$ 0</u>	<u>\$ 799,253</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,152,189</u>	<u>\$ 354,207</u>	<u>\$ 0</u>	<u>\$ 3,506,396</u>

Depreciation expense has not been charged as a direct expense.

NOTE 5 – INTERFUND ACTIVITY

Interfund balances at June 30, 2014 consisted of the following:

Due To	
<i>Major Governmental Funds</i>	
Capital Reserve	\$ 228,276
<i>Non-Major Governmental Funds</i>	
Special Revenues	146,097
Capital Project Funds	40,443
Permanent Funds - Expendable	<u>633</u>
Total	<u>\$ 415,449</u>
 Due From	
General Fund	<u>\$ 415,449</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.

TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 – INTERFUND ACTIVITY (CONTINUED)

Interfund transfers for the year ended June 30, 2014 consisted of the following:

Transfer To	
<i>Major Governmental Funds</i>	
Capital Reserve	\$ 142,000
<i>Non-Major Governmental Funds</i>	
Special Revenues	25,000
Capital Projects Funds	<u>20,000</u>
Total	<u>\$ 187,000</u>
Transfer From	
General Fund	<u>\$ 187,000</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.

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, 2014, the Town's share was approximately 12.6% (or \$288,855) of the District's outstanding debt of \$2,292,500.

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, 2014, the Town's share was 0.49% (or \$187,756) of the County's outstanding debt of \$38,325,000.

NOTE 8 – FUND BALANCE APPROPRIATIONS

At the annual Town meeting on June 11, and 17, 2013, the Townspeople voted appropriations of general fund balance totaling \$36,371, which is reflected as the excess of budgeted expenditures over budgeted revenues on Exhibit VII.

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9 – LONG-TERM DEBT

At June 30, 2014, 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	\$ 120,000
Road Reconstruction Bond of 2007, Principal Payments of \$39,416, 25 Years, 2% - 6% Interest, Maturity on November 1, 2033.	946,004
Road Reconstruction Bond of 2011, Principal Payments of \$45,725, 30 Years, 2.02% - 5.52% Interest, Maturity on November 1, 2033.	1,234,551
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.	85,167
Androscoggin Bank Leasing	
Lease Purchase Agreement for a Grader Dated July 12, 2012, Amount Financed \$184,540. Ten Payments of \$21,378 Due Thru 2021.	147,381
Caterpillar Financial	
Lease Purchase Agreement for an Excavator Dated April 20, 2012, Amount Financed \$70,193.	<u>26,160</u>
Total Long-Term Debt	<u>\$2,533,103</u>

Changes in Outstanding Debt

Transactions for the year ended June 30, 2014 are summarized as follows:

	Balance <u>July 1</u>	Issues or <u>Additions</u>	Payments or <u>Expenditures</u>	Balance <u>June 30</u>	Due Within <u>One Year</u>
Governmental Activities					
Bonds Payable	\$ 2,415,695	\$ 0	\$ 115,140	\$ 2,300,555	\$ 115,141
Leases Payable	274,835	70,193	112,480	232,548	65,797
Accrued Compensated Absences	<u>15,098</u>	<u>0</u>	<u>3,545</u>	<u>11,553</u>	<u>0</u>
	<u>\$ 2,705,628</u>	<u>\$ 70,193</u>	<u>\$ 231,165</u>	<u>\$ 2,544,656</u>	<u>\$ 180,938</u>

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Annual Requirements to Retire Debt Obligations

The annual aggregate maturities for each debt type for the years subsequent to June 30, 2014, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014/2015	\$ 115,141	\$ 97,668	\$ 212,809
2015/2016	115,141	93,577	208,718
2016/2017	115,141	89,188	204,328
2017/2018	115,140	84,872	200,012
2018/2019	85,141	81,225	166,366
2019/2024	425,705	324,035	749,740
2024/2029	425,705	248,520	674,225
2029/2034	425,705	169,676	595,381
2034/2039	386,288	71,610	457,898
2039/2044	<u>91,448</u>	<u>5,048</u>	<u>96,496</u>
Total	<u>\$ 2,300,555</u>	<u>\$ 1,265,419</u>	<u>\$ 3,565,974</u>

In accordance with 30-A M RSA, 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, 2014, the amount of outstanding long-term debt was equal to 2.7% of property valuation for the year then ended.

The following is a schedule of future minimum lease payments for the capital leases together with the present value of net minimum lease payments as of June 30, 2014:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2014/2015	\$ 65,797
2015/2016	65,798
2016/2017	51,762
2017/2018	21,378
2018/2019	21,378
Thereafter 2019/2024	<u>64,133</u>
Total Minimum Lease Payments	\$ 290,246
Less Amount Representing Interest	<u>(31,538)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 232,548</u>

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 10 – GOVERNMENTAL FUND BALANCES

Previously, 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 be 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.

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, 2014 follows.

Nonspendable

Permanent Funds – Non-Expendable

Cemetery – Non-Expendable

\$ 51,895

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 10 – GOVERNMENTAL FUND BALANCES (CONTINUED)

Committed

Reserved for Property Taxes \$ 404,937

Assigned

Special Revenue Funds

Impact Fees	\$ 53,642
Revaluation Fund	40,000
Federal Emergency Management Agency (FEMA)	12,981
Pownal Center Water Association (PCWA) - Maintenance Fund	10,000
Fire Station	6,881
Snowmobile	5,378
Stewardship Fund for Town Owned Land	4,394
Veteran's Memorial	4,376
Fire Department Ropes Rescue Grant	3,475
Formatted Ordinances	3,000
Mallett Hall Improvements	<u>1,970</u>

Total \$ 146,097

Capital Project – Major Funds

Capital Reserve \$ 228,276

Capital Projects – Minor Funds

Mallet Hall Ramp Improvement	\$ 18,613
Future Expenses	11,728
Communication Upgrades	4,612
Fire Truck	4,491
Highway Truck	<u>999</u>

Total \$ 40,443

Permanent Funds – Expendable

Cemetery – Expendable	\$ 32,587
Scholarship Fund	<u>964</u>

Total \$ 33,551

General Fund - Designated

Public Works Road Maintenance - Paving	\$ 95,575
Mallet Hall Maintenance – Painting	9,930
Fire Department	<u>1,795</u>

Total \$ 107,300

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 10 – GOVERNMENTAL FUND BALANCES (CONTINUED)

<i>Unassigned</i>	
General Fund	\$ <u>89,868</u>
Total Governmental Fund Balances	\$ <u>1,102,367</u>

NOTE 11 – DEFINED PENSION PLAN

Deferred Compensation Plan

The government offers its employees a deferred compensation plan through ICMA Retirement Corporation, created in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional.

The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the government subject only to the claims of the government's general creditors. Participants' right under the plan are equal to those of general creditor of the government in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the government's legal counsel that the government has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The government believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

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>
6/30/2014	\$ 230,964	\$ 13,858
6/30/2013	\$ 222,115	\$ 13,327
6/30/2012	\$ 192,788	\$ 11,567

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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.

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. Ecomaine's liabilities include an accrual for landfill closure and post closure care amounting to \$16,191,575, unaudited as of June 30, 2014. The Town of Pownal's share of costs amount to \$86,782 or 0.54% of the total. Ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2012 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, 2014, expenditures did not exceed appropriations. Exhibit VII shows one overdraft. The following overdraft will be ratified at the next Town Meeting:

Health and Sanitation (Solid Waste)	\$	(66)
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C. - Deficit Balances

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

At June 30, 2014, no individual funds held a deficit balance.

NOTE 14 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

All governments with periods beginning after December 15, 2012 were 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.

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 14 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (CONTINUED)

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.

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.

Unavailable revenues from property taxes are the only type of deferred resources that qualifies for reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

NOTE 15 – SHARED SERVICES BETWEEN TOWNS

The Towns of Pownal and Durham share certain Public Works personnel, along with equipment to efficiently operate summer and winter road operations. The Town of Pownal tracks hours of personnel and equipment used for billing the Town of Durham. The amount of services paid by Town of Durham to the Town of Pownal amounted to \$55,485 for the fiscal year ending June 30, 2014.

NOTE 16 - CONCENTRATION OF RISK/ECONOMIC DEPENDENCY

The Town of Pownal’s largest taxpayer is Central Maine Power and represents 26% of the assessed valuation for year ending June 30, 2014.

**TOWN OF POWNAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 17 – DATE OF MANAGEMENT REVIEW

Management has evaluated subsequent events through January 14, 2015 the date on which the financial statements were available to be issued.