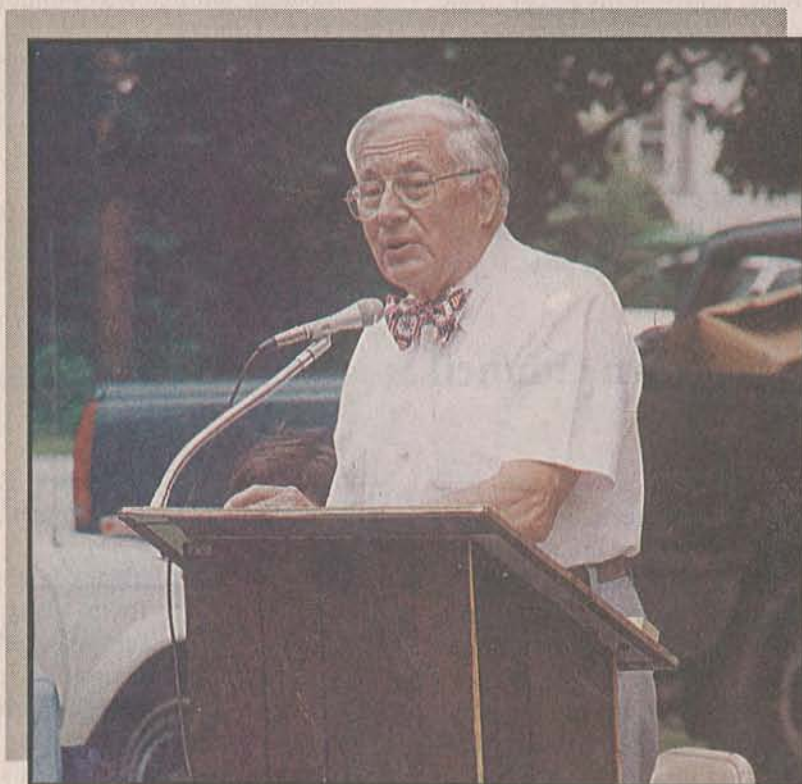
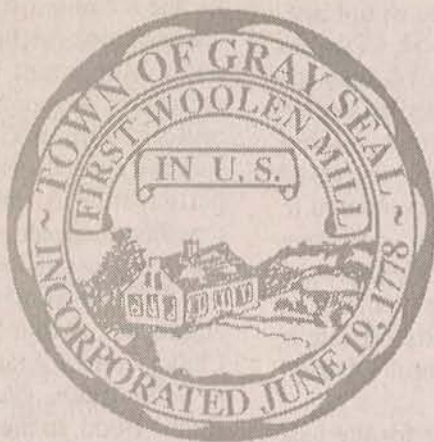

ANNUAL REPORT OF THE TOWN OF GRAY, MAINE



Gerald Kimball

January 22, 1920-April 26, 1999

A great and good man, who gave so much to his Town

FOR THE FISCAL YEAR JULY 1, 1998~JUNE 30, 1999

Town Manager

First, I am sorry this annual report is getting out so late this year. It has been a very busy summer and fall, and time is never as abundant as one would like.

Second, the Annual Audit. Keel Hood, CPA, has again conducted an independent review of the Town's financial condition, according to Generally Accepted Auditing Standards, and the Town office met those standards with flying colors. The Town also increased its general fund balance to \$2,117,455, compared to \$1,745,131 last year, through utilizing an aggressive cost control program, which returned \$55,000 to the Town's coffers. Copies of the Audit are available at the Town Office. The 1999-2000 property tax rate is \$18.46, broken down as follows: School District, \$12.75; Town, \$4.95; County, \$0.76.

Third, I reviewed my desk calendar for the past year, and it has been busy. Some of the larger items that the Town was able to resolve include the Portland Sand & Gravel litigation, Stimson Hall renovations (interior walls and furnace), the acquisition of the Manual Arts/maintenance building form SAD #15, transfer station bunkers, public road easements, new underground storage tanks for public works, updating library computerization and the completion of the Village project by the MDOT (although there is still some debate regarding traffic lights).

Fourth, I want to thank the volunteers, Committee members and Town employees who put in extra effort for the community. Major accomplishments by these unsung heroes include the development the Town Web page, Monument Park landscaping and redesign, recreation programs, Ordinance Reviews, planning reviews, Fire & Rescue Chicken Barbecue, police surveys and Old Home Days! It is true, community participation is the glue that binds the community together and makes it possible for the community to grow, prosper and serve.

Fifth, I want to welcome several new Town employees: Arthur St. Cyr, in Public Works; Veronica Chaya, at the Library; Frank Brown and John Mclean at Solid Waste; Chad Carroll, EMT/Firefighter; and Ronna Budd, in the Town Office.

Looking ahead, the community has many irons in the fire: Charter Review Commission, McKIn Superfund settlement, and completing Stimson Hall renovations, to name just a few. I look forward to aiding the community in meeting these challenges, and I look forward to serving you.

Peter Jankowski
Town Manager

Report from the Town Council

It is with great pleasure that I can report to you that the condition of the Town is excellent.

This past fiscal year has seen great improvements to most public buildings and landmarks. Although Stimson Hall has much left to be done, the improvements so far have made the building more user-friendly, as well as safer. There are plans in the works for Solid Waste, which have already begun in an effort to make this facility more economical and accommodating. The Public Library has a fresh coat of paint, as well as a new walkway. The Public Safety Building looks as fine as ever, due to the efforts of volunteer Fire and Rescue members and Town staff. And we saw another facelift for the Monument we all take such pride in.

These volunteer efforts, as well as the efforts of the Gray Business Association, are greatly appreciated. Enough cannot be said for the efforts of the Gray-New Gloucester Athletic Boosters for their

work on the High School track. To stand and look at it tells the story of the commitment by many outstanding citizens.

The Council continues to work hard at planning for the future of the Town. Many meetings have been held with the Maine Turnpike Authority and the Maine Department of Transportation to try to bring some traffic relief for the Village Center. After 25 years of uncertainty, it appears that we are nearing a settlement agreement to bring closure to this unfortunate page of our history.

In closing, I would like to say that it is the people of this Town who make Gray such a nice place to live and raise a family. Pat yourselves on the back-you deserve it.

Thank you,
Mark Sanborn
Chair, Gray Town Council

Town Officers

| | | | |
|---------------------------------|-------------------|-----------------------------------|-------------------|
| Town Manager, Town Clerk, | | Town Planner | Richard Cahill |
| Treasurer, Tax Collector | Peter Jankowski | Office Manager | Donna M. Hill |
| Tax Assessor | Helen Taylor, | Asst. Deputy Clerk | Meredith E. Davis |
| Code Enforcement Officer | C. Renee Carter | Asst. Deputy Clerk | Denise L. White |
| Public Safety Coordinator | Jon E. Barton | Secretary to CEO/Assessor/Planner | Debra C. Parks |
| Road Commissioner | Peter Jankowski | Administrative Assistant | Ronna Budd |
| Forest Fire Warden | Jon E. Barton | Librarian | Melanie Coombs |
| Legal Counsel | William Dale | Assistant Librarian | Marie Morey |
| Public Works Director | Steve N. LaVallee | Animal Control Officer | Heather Millette |

COMMITTEES/BOARDS/COMMISSIONS

OCTOBER, 1998

Town Council (3-year term, 5 members)

| | | | |
|--------------------------|-----------------------------------|------|----------------------------|
| Mark A. Sanborn, Chair | P.O. Box 304 267 Shaker Road | 7/00 | 657-2577 |
| Anthony Cook, Vice Chair | P.O. Box 171 94 West Gray Road | 7/99 | 657-3589 |
| John T. Goosetrey | 28 Deer Acres Road | 7/01 | 428-3206 |
| Frances Monroe | P.O. Box 117 23 Lewiston Road | 7/99 | 657-4420 Fax: 657-2355 |
| Ronald E. Norton | P.O. Box 517 193 Lewiston Road | 7/00 | 657-3255 Work: 657-3736 |

Board of Assessment Review (3-year term, 5 members)

| | | | |
|----------------------------|-------------------------------------|------|----------|
| Hubert Cobb | 66 Cambell Shore Road | 7/99 | 428-3777 |
| Robert C. Clark (advisory) | 311 West Gray Road | | 428-3943 |
| Gerald Kimball (advisory) | P.O. Box 118 11 Colley Hill Road | | 657-4973 |

Cable Television Committee (3-year term, 7 members)

| | | | | |
|------------------------|-----------------------------------|------|----------|----------------|
| Bradley J. Fogg, Chair | 10 Maplewood Park | 7/99 | 657-3850 | Work: 893-7001 |
| Craig Clark | 65 Blueberry Lane | 7/99 | 657-2093 | |
| Anthony J. Cook | P.O. Box 17194, West Gray Road | 7/99 | 657-3589 | |

| | | | |
|---------------|------------------------------------|------|----------|
| Mary J. Bosse | P.O. Box 35 8 Old Portland Road | 7/01 | 657-3723 |
| Gerald Grant | 314 West Gray Road | 7/00 | 428-3302 |
| Thoma Thuran | 351 West Gray Road | 7/01 | 428-3114 |

Charles Barker Scholarship Committee (unlimited term, 4 members)

| | | |
|--------------|------------------------|----------|
| Audrey Burns | 84 Mountain View Road | 428-3775 |
| Diana Mosher | 8 Wildwood Lane | 657-2143 |
| Ann Cobb | 105 Cambell Shore Road | 428-3668 |
| Diane Gorden | 23 Mountain View Road | 428-3228 |

Community Economic Development Committee (3-year term, 7 members/2 alternates)

| | | | | |
|--------------------------------|----------------------------------|------|----------|---------------------------------|
| Lynn D. Olsen, Chair | 56 Charlton Drive | 7/99 | 657-2203 | Work 287-1037, Extension 317 |
| Donnell P. Carroll, Vice Chair | P.O. Box 1320 162 Shaker Road | 7/99 | 657-4028 | Work 741-2790 |
| Karen Lee Cocks | 50 Yarmouth Road | 7/00 | 657-5107 | Work 772-2335 |
| Ralph Wink | P.O. Box 222 | 7/01 | 657-3452 | Work 767-0449 |

Nonvoting ex officio members: Town Manager/Planning Board Chair/Councilors Goosetrey and Norton

Conservation Commission (3-year term, 7 members/2 alternates)

| | | | | |
|---------------|-------------------|------|----------|---------------|
| Pam Wilkinson | 46 Birchwood Road | 7/00 | 428-3732 | Work 893-2483 |
|---------------|-------------------|------|----------|---------------|

Dry Mills Schoolhouse Committee (3-year term, 8 members)

| | | | |
|-----------------|-----------------------|------|----------|
| Mae Beck, Chair | 23 Main Street | 7/99 | 657-4195 |
| Beverly Prince | 186 Birchwood Road | 7/01 | 428-3737 |
| Norma Liberty | 15 North Raymond Road | 7/00 | 657-4511 |
| Nancy McMinn | 25 Gray Park | 7/00 | 657-3550 |

Grange No. 41 Scholarship Fund Committee (1 at-large 3-year term; 4 S.A.D. five-year terms)

| | | | |
|------------|-----------------------|------|----------|
| Carol West | 71 Cambell Shore Road | 7/00 | 428-3927 |
|------------|-----------------------|------|----------|

Gray Web Site Committee (2 3-year terms; 1 2-year term; 1 1-year term, 5 members)

| | | | |
|----------------------|---------------------|------|--|
| Cal Cutter | 12 Turtle Cove Lane | 7/01 | 428-3945 |
| Chris Dombrowski | 14 Main Street | 7/01 | 657-4352 |
| Elizabeth MacWhinnie | P.O. Box 197 | 7/00 | 657-5575 Work 879-0199 Extension 27 |
| Elizabeth Salvetti | 94 Mayberry Road | 7/99 | 657-4812 |
| Jack DeMarco | 38 Depot Road | 7/01 | 657-4359 Work 842-5058 |

Land Bank Commission (3-year term, 7 members)

| | | | |
|-------------------|-------------------|------|----------|
| James H. Morey | 15 Gray Park | 7/01 | 657-4862 |
| Charlotte Gardner | 60 Mayberry Road | 7/99 | 657-3516 |
| Pam Wilkinson | 46 Birchwood Road | 7/00 | 428-3732 |

Library Board of Trustees (3-year term, 5 members, 1 alternate)

| | | | |
|-----------------------------|-------------------|------|----------|
| Arlene Celler, Chair | 197 Portland Road | 9/01 | 657-4655 |
| Louise Knapp | 173 Weymouth Road | 9/00 | 657-4297 |
| Elizabeth Salvetti | 94 Mayberry Road | 9/00 | 657-4812 |
| Joan Bernard | 282 Yarmouth Road | 9/01 | 657-2530 |
| Claudette Simms (alternate) | 169 Depot Road | 9/99 | 657-2301 |

Ordinance Review Committee (3-year term, 5 members, 2 alternates)

| | | | |
|---------------------------|---------------------------------|------|----------|
| Scott Lowell, Chair | 360 Ramsdell Road | 7/00 | 428-3271 |
| Pam Wilkinson, Vice Chair | 46 Birchwood Road | 7/01 | 428-3732 |
| James Foster | P.O. Box 196 275 Shaker Road | 7/99 | 657-2192 |
| Philip Pulsifer | 189 Shaker Road | 7/01 | 657-3233 |

| | | | |
|-------------------|---------------------|------|----------|
| Richard F. Barter | 22 Skillings Street | 7/01 | 657-3724 |
|-------------------|---------------------|------|----------|

| | | | |
|----------------------------|--------------|------|----------|
| Clifton Foster (alternate) | P.O. Box 157 | 7/01 | 657-4756 |
|----------------------------|--------------|------|----------|

Nonvoting ex officio member: Councilor Sanborn

Parks and Recreation Committee (3-year term, 7 members, 2 alternates)

| | | | |
|----------------------|-----------------------|------|----------|
| Karen Garneau, Chair | 60 North Raymond Road | 7/01 | 657-2023 |
|----------------------|-----------------------|------|----------|

| | | | |
|--------------|-----------------|------|----------|
| Diana Mosher | 8 Wildwood Lane | 7/01 | 657-2143 |
|--------------|-----------------|------|----------|

| | | | |
|------------|-----------------------|------|----------|
| Jean Libby | 38 North Raymond Road | 7/99 | 657-2052 |
|------------|-----------------------|------|----------|

| | | | |
|-------------------|------------------|------|----------|
| Charlotte Gardner | 60 Mayberry Road | 7/00 | 657-3516 |
|-------------------|------------------|------|----------|

| | | | |
|-------------|-------------------|------|----------|
| John Keller | 22 Charlton Drive | 7/99 | 657-4427 |
|-------------|-------------------|------|----------|

| | | | |
|----------------------|-------------------|------|----------|
| Pam Wilkinson (Alt.) | 46 Birchwood Road | 7/00 | 428-3732 |
|----------------------|-------------------|------|----------|

Planning Board (3 years, 5 members/2 alternates)

| | | | | |
|--------------------|-----------------------|------|----------|----------------|
| Gail Walker, Chair | 27 Cole Road, Raymond | 7/00 | 428-3993 | Work: 786-2634 |
|--------------------|-----------------------|------|----------|----------------|

| | | | | |
|---------------------|-------------------|------|----------|----------------|
| Ken Austin, V.Chair | 164 Mayberry Road | 7/01 | 657-4335 | Work: 892-2582 |
|---------------------|-------------------|------|----------|----------------|

| | | | | |
|-----------------|--------------|------|----------|----------------|
| William Plummer | 14 Plum Lane | 7/99 | 657-3202 | Work: 892-2582 |
|-----------------|--------------|------|----------|----------------|

| | | | |
|-----------------|-------------------|------|----------|
| Charlotte Small | 269 Yarmouth Road | 7/01 | 657-4207 |
|-----------------|-------------------|------|----------|

| | | | | |
|------------------------------------|-------------------|------|----------|---------------|
| Rodney S. Boyington (alternate) | 33 Long Hill Road | 7/01 | 657-6111 | Work 784-6927 |
|------------------------------------|-------------------|------|----------|---------------|

Nonvoting ex officio member: Councilor Sanborn

Public Safety Committee (3-year term, 7 members)

| | | | |
|------------------------|-----------------|------|----------|
| Richard C. Wood, Chair | 322 Mayall Road | 7/99 | 657-3922 |
|------------------------|-----------------|------|----------|

| | | | |
|-----------|-----------------|------|----------|
| Gary Wood | 331 Mayall Road | 7/99 | 657-2816 |
|-----------|-----------------|------|----------|

| | | | |
|--------------|-----------------|------|----------|
| Dean Hadlock | 390 Shaker Road | 7/99 | 657-2528 |
|--------------|-----------------|------|----------|

| | | | | |
|---------------------|---------------------------------|------|----------|---------------|
| Robert W. Egan, Jr. | P.O. Box 17 86 Mayberry Road | 7/00 | 657-4527 | Work 773-1738 |
|---------------------|---------------------------------|------|----------|---------------|

David W. DiTomaso, Sr. 101 North Raymond Road 7/01 657-4318

Nonvoting ex officio members: Councilor Monroe; Chief Jon Barton; Lt. Ron Harmon, Maine State Police; Member, Cumberland County Sheriff's Department

Solid Waste Committee (3-year term, 5 members, 2 alternates)

| | | | | |
|---------------------|---------------------------------|------|----------|---------------------------------|
| Richard Budd, Chair | 195C Weymouth Road | 7/00 | 657-2163 | Work 883-2911 Extension 2869 |
| Donald Whitney | 37 Upper Marginal Way | 7/99 | 657-2657 | |
| Mae Beck | 23 Main Street | 7/00 | 657-4195 | |
| Jason Wilson | 24 Shaker Road | 7/01 | 657-3204 | |
| Brian McDonnell | 115 Lyons Pt. Rd., Raymond | 7/99 | 428-3603 | |
| James Foster | P.O. Box 196 275 Shaker Road | 7/99 | 657-2192 | Work 657-3500 |

Nonvoting ex officio member: Steve LaVallee, Public Works Director

Traffic Committee (3-year term, 5 members, 2 alternates)

| | | | |
|-----------------|-----------------|------|----------|
| Fred Robinson | Sunset View | 7/00 | 657-4563 |
| Janet Steeves | 151 Shaker Road | 7/00 | 657-3376 |
| James Stewart | 62 Shaker Road | 7/00 | 657-2332 |
| Philip Pulsifer | 189 Shaker Road | 7/00 | 657-3233 |

Nonvoting ex officio members: Steve LaVallee, Public Works Director; Lieutenant Ron Harmon, Maine State Police

Zoning Board of Appeals (3-year term, 5-members, 2 alternates)

| | | | |
|---------------------------|---------------------------------------|------|----------|
| Lionel Levingstone, Chair | 11 Cotton Road | 7/99 | 657-2077 |
| David W. Knudsen | 23 Cotton Road | 7/99 | 657-4479 |
| Dennis Durgin | P.O. Box 512 67 North Raymond Road | 7/00 | 657-2044 |
| Mary Sawyer | 38 Mayberry Road | 7/00 | 657-6210 |
| John D. McKnight | 18 Cotton Road | 7/01 | 657-5458 |

Other Committees and Boards

Ad Hoc Monument Landscape Committee

| | | |
|-------------------|------------------|----------|
| Karen Fogg | 30 Colley Road | 657-5208 |
| Rick Licht | 35 Fran Circle | 428-3368 |
| Helen Davis | 9 Brown Street | 657-4209 |
| Carl Nitz | 8 Portland Road | 657-3083 |
| Barbara McCormack | 20 Fran Circle | 428-3731 |
| Barbara Gorrill | 27 Wildwood Lane | 657-4249 |



Gray Water District (5-year term, 5 members)

| | | | |
|-----------------------|--------------------|------|----------|
| Dale Mosher, Chair | 16 Wildwood Lane | 6/01 | 657-2143 |
| Bruce Sawyer | 63 Yarmouth Road | 6/03 | 657-3871 |
| Charlotte Gardner | 60 Mayberry Road | 6/02 | 657-3516 |
| Jonathan E. Ziegra | 260 Westwood Road | 6/99 | 428-3340 |
| Elizabeth A. Hoermann | 16 Shaw Brook Lane | 6/00 | 657-5985 |

Nonvoting ex officio member: James Foster, Superintendent

M.S.A.D. 15 Board of Directors

Town of Gray

| | | |
|--------------------|-------------------|------|
| David Gray | P.O. Box 387 | 2000 |
| | 42 Long Hill Road | |
| Daniel Maguire | 70 Johnson Road | 2001 |
| Mary Main | 76 Depot Road | 1999 |
| Sarah McCleary | 181 Weymouth Road | 2000 |
| Katherine Murray | 63 Legrow Road | 1999 |
| Kristin Spitzinger | P.O. Box 1251 | 2001 |

Town of New Gloucester

| | | |
|-----------------|---------------------|------|
| Rosemarie Fitch | 1259 Intervale Road | 2000 |
| Carmel Morin | 1292 Lewiston Road | 1999 |
| Alison Moser | Cobbs Bridge road | 2001 |
| David Van Wie | Town Farm Road | 2001 |
| Barry Watson | 497 Mayall Road | 2000 |

State Senator Carol Kontos

Dear Friends:

I am honored to be serving you in the Maine Senate and look forward to your continued interest in our state government. With the conclusion of the First Regular Session of the 119th Maine Legislature, I am pleased to report that we have again provided Maine citizens with much-needed tax relief, continued to increase our investment in our children's future, and renewed our commitment to the state's economic prosperity. I urge you to contact me to share your opinions and thoughts on the work of the 119th Legislature.

We must continue to work as partners at all levels of government to address these problems as they arise. As the role and scope of government changes on all levels, we will be asked to find creative solutions to ongoing problems and to do more with less. When local, state and federal government work in tandem, waste is eradicated and efficiency wins the day. As you gather to organize the governance of your community, think about how public officials at all levels can work better together for those issues that are most important to you and your family. Please share these ideas with me so I can work better for you at the state level.

One of the most important challenges we face will

be to help Maine families prosper by finding sensible ways to stimulate the Maine economy and meet the obligations we have to our elderly. In addition, we must work toward finding new ways to prepare our children today to meet the challenges of tomorrow in a global economy. Many bills will be before us that will ask us not only to demand results from our children and schools, but also to provide the necessary support for teachers, parents and their communities.

Lastly, we will continue to improve the quality of life in Maine by finding a sensible balance between protecting our environment and our economy. Making government work again for the people of Maine means we must be more careful with your tax dollars and set priorities that are in line with Maine values. That's why addressing the viability of Maine's economy and environment, and academic excellence for our children, is so important.

As always, my door is open to municipal officials and citizens of Gray.

Carol Kontos
State Senator
District 26

Representative Clifton Foster

To the Citizens of Gray,

It has been my pleasure to serve as your representative for the first half of the 119th Maine Legislature.

This session saw a more cooperative mood between the two parties. To be sure, there were differences, but most were resolved with less rancor than in the 118th.

The Part One budget of 4.4 billion dollars was agreed to early on. Most of the increase in spending (\$311 million) was \$110 million for the hospital sick tax, \$70 million for education, \$4.5 million for the Homestead Property tax exemption and \$40 million in the Business Equipment tax reimbursement program.

The Part Two budget (\$290 million surplus funds)S included a 4.17% increase in General Purpose Aid for Education, \$23.4 million for school renovations, \$15.1 million for research and development projects, additional money for the University of Maine system and for Maine's Technical College System, and an

increase in Maine tourism and agricultural marketing of Maine products.

Prescription drugs for the elderly was expanded, raising the level of income eligibility to 185% of the Federal poverty level, which starts at age 62 or for individuals under Social Security who are over the age of 19.

The sales tax was lowered to 5%, which reduces taxes by some \$60 million, but the gas tax was raised by 3 cents per gallon and a \$2 increase on vehicle registration, at a cost of \$23 million. Less gas is being sold, as a result of better vehicle mileage, and so a committee has been established to search for other ways to fund the highway program.

The Governor vetoed 23 bills, one of which was overridden (Meals on Wheels). The voice of the people on a law passed to tax Social Security income was loud and clear. The Governor vetoed that law and it was soundly upheld, and deservedly so.

There will be 4 bond issues authorized by the

Legislature to be voted on next Fall:

1. \$50 million to purchase Land for Maine's Future.

2. \$26 million for improvements of infrastructure of Maine's seven technical colleges.

3. \$56 million for improvements to highways and bridges, airports, ferry terminals, rail corridors, marine infrastructure, and replacement of public transportation fleets, making Maine eligible for up to \$112 million in Federal funds.

4. \$9.4 million to meet Federal regulations for PBS (Maine's Public Broadcasting System).

I especially wish to thank all of those people who participated in my survey, sent faxes, called or wrote to tell me of their views on a number of subjects, which included Meals on Wheels, taxing Social Security

benefits, Land for Maine's Future, the gas tax and many others. Your thoughts do make a difference.

Representative Clifton E. Foster
657-4756



Code Enforcement Officer

To the residents and taxpayers:

It has been an extremely busy year. I apologize for any inconvenience that some of you may have experienced in trying to reach me. Usually there is a lull in building, but this year we did not have one. According to the Southern Maine Construction Survey, the Town of Gray has increased by 57% more dwelling units this year than last.

I enjoy working with all landowners in finding the best possible solutions. I would like to remind you that a building permit is needed for any construction or structure, whether it is a temporary shed, a dock, a deck, etc. A permit is also needed for remodeling, replacing a structure, demolition and any additions to any structure.

I continue to have questions regarding shoreland zoning, which is good. One of the most frequently asked questions is, "How come they can cut down all those trees and we can't?", or, "They got to put in a lawn and you won't allow me to." I would like to explain what can be done within 100 feet of a waterbody (lakes and rivers), and within 75 feet of streams, as far as "clearing of vegetation." With permission from the Town, you are allowed to selectively cut trees. Within 100 feet of lakes and rivers, you cannot remove existing vegetation under three (3) feet in height, and other ground cover shall not be removed, except to provide a footpath, with Town approval. Any disturbance of soil (filling and earthmoving) within 250 feet of the waterbody needs Town approval, and within 100 feet of the water would

require approval from the Department of Environmental Protection. A permit must be given any time a recreational vehicle is placed on the lot and utilized (as dwelling space), which must meet certain requirements, including a written sewage disposal plan. These are a few areas of concern that are raised by many on a daily basis. My response to each of you is, if you do not know, I am only a telephone call away, and will try my best to find the answer.

Outside of shoreland zoning, as many of you know, we have a Zoning Ordinance. There are setbacks to meet and the areas are "zoned" as to what you are allowed to do on any particular lot. Please call me if you have any questions; that is what I am here for.

In other Code Enforcement areas, we have approved the following between July 1, 1998, and June 30, 1999: 286 building permits (73 new dwellings; 2 commercial sites-Spring Meadow Golf Club and the Ladyslipper Flower Shop-33 garages; 178 additions, swimming pools, decks, sheds and renovations. We issued 153 plumbing permits and 191 electrical permits.

I look forward to working with each of you. Any time you have a question regarding any building or land use standards, I will make every effort to answer them. It is my goal to treat everyone equally and fairly in obtaining your permits.

Respectfully submitted
Renee Carter
Code Enforcement Officer

Town Planner

Annual Report for Year Ending June 30, 1999

The Town Planner's activities for the fiscal year ending June 30, 1999, can be grouped under the categories of Development, Grantsmanship, Codes & Ordinance and Committees.

Development

Some of the new development and expansions worked on during the year included the Spring Meadow Golf Course Complex, the NorthBook Business and Industry Campus expansion plan, the Ladyslipper Flower Shop, a proposed Planned Unit Development Project on Lewiston Road, Greg's Auto Body, and a proposed Commercial Office Building Complex on the Portland Road.

Grantsmanship

Grant programs worked on during the year included the T-2000 Sidewalk Program for the village area, and the Collector Road Development Grant Program for improvements to Route 115 (Yarmouth Road).

Codes & Ordinances

Some of the codes and ordinances drafted include an increase in building height limits for the Business and Commercial Zones, an ordinance allowing more than one principal structure per lot, an amendment to the gravel pit ordinance addressing the Portland Sand and Gravel supplemental pit, and an amendment to the Shoreland Zoning map allowing for a commercial use. Also, ordinances examined but not amended included the review of the Business Development Zone, Town Road Design Standards, and consideration of an

amendment to allow the expansion of the Dead River Convenience Store.

Committees

The Town Planner provides technical advice and assistance to several Committees, including the Planning Board, Ordinance Review Committee, the Traffic Committee, the Community Economic Development Committee, the Conservation Committee, the Monument Landscape Committee, the Land Bank Committee, and the McKin Site, to name a few.

The Planning Board, during the course of the year, acted upon twenty-one site plan review applications for various business developments, eleven residential subdivision plans and applications, three specific shoreland zoning applications, and twelve miscellaneous applications, of which several were for timber harvesting projects.

The Ordinance Review Committee consistently reviewed land use ordinances, such as the Zoning Ordinance, the Shoreland Zoning Ordinance, and the Subdivision Ordinance, for proposed ordinance changes.

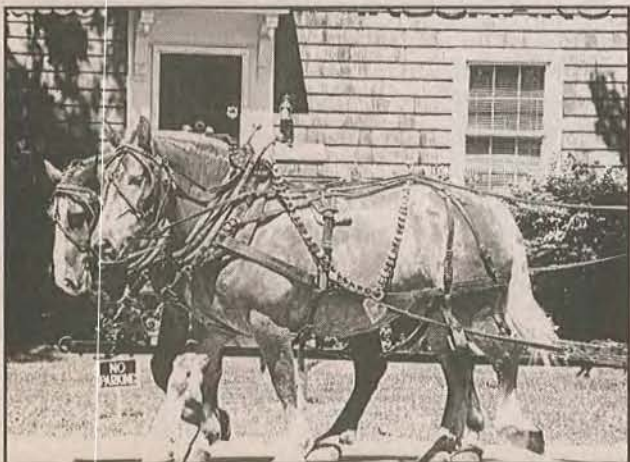
The Traffic Committee spent considerable time wrapping up the proposed westerly bypass-southern connector project.

The Community Economic Development Committee, among other things, held a series of roundtable discussions with the business community, to solicit ideas on how to improve the business climate in Gray. They also devoted a great deal of thought into developing a "Welcome to Gray" pamphlet. As of June 30, 1999, we have distributed approximately 2,000 copies of the pamphlet.

The Town Planner performed "mini planning studies", represented the Town on the overall Route 26 Corridor Committee, served on several of the Greater Portland Council of Government Committees, and has been a member of the Cumberland County Planners' Association.

I would like to take this opportunity to state that the Town of Gray is fortunate to have a dedicated Town Manager, staff, Town Council and Committees, all of which, working together, provide the citizenry with a better place to live, work and play.

Richard Cahill
Town Planner



Ordinance Review Committee

The function of the Ordinance Review Committee is to revise and adjust Gray's Zoning Ordinances to guide the growth of our town as it develops, suit the needs of the residents, and follow the direction defined in our comprehensive plan. We make recommendations for changes, additions or deletions in the town's ordinances to the Town Council, in response to the requests of the Town Manager, the Town Council, Planning Board, Town Planner, Code Enforcement Officer and town residents. Before a recommendation is made, considerable effort is put into researching the reasons behind a requested change, the best methods to be used to attain the desired result, and possible ramifications and effects that a zoning change might have on others along the way. Our meetings are conducted in a public forum, and your input is necessary for changes in our zoning codes that best represent the desires and needs of the people who live and work in the town. Meetings are normally held the first Thursday of each month at 7:00 P.M., upstairs in Stimson Hall. Please attend, if you see an issue of interest.

One of our first projects for the past year was to review the Comprehensive Plan to see if there were areas that had not been addressed. We came up with three areas of concern that we felt could be looked into.

1. Seasonal conversion and expansion of nonconforming use with potential for lake pollution: We had numerous discussions among ourselves, with Town Planner Richard Cahill and in workshops with our Code Enforcement Officer Renee Carter on this issue. As a result, it was determined that the State of Maine requirements concerning subsurface waste were working well for septic protection. State of Maine guidelines also exist governing most expansions in the Shoreland zone. We recommended some changes in lot setbacks, however, and made some changes in definitions of principal structures. Vegetated buffers for Shoreland Zone expansions are still being discussed.

2. Limitation of impervious surface sizes and treatment of drainage from impervious surfaces. Numerous filtration systems were reviewed in relation to storm runoff from impervious surfaces. Paula Thompson, from the Maine Rural Water Association, came to a meeting and spoke on our aquifer recharge areas and the importance of runoff from impervious surfaces reentering the groundwater system. Treatment systems for runoff are available, and normally come

with maintenance contracts. They are expensive, but would be an alternative when large areas of impervious surface are used in development. It was noted that the Turnpike Bypass falls in the aquifer recharge area.

3. Regulation and protection of critical habitat and wildlife areas and natural resources. We determined that significant regulation was in place at the State level, by the Department of Environmental Protection and Inland Fisheries and Wildlife on this issue. We reviewed several resource protection sites over the year. With the help of the above agencies, recommendations were passed along to the Town Council as to their treatment.

Recommendations were made with the input of our Fire Chief Jon Barton to increase the height limits for buildings in the Commercial Zone to 54 feet. This corresponds to the same previous recommendations in the Business District. The height increase allowance would be looked at on a case-by-case basis, and would need the Fire Department's approval before construction.

There was a request by the Code Enforcement Officer to look into principal structures versus accessory structures separated by a road. Some changes were made in definitions and wording, clearing up issues of land use, and what constitutes a principal structure in general, as well as on opposite sides of a road or right-of-way.

The Town Manager asked us to review a recommendation in relation to sand and gravel extraction on opposite sides of a roadway. After review of the issue, we approved the recommendation and sent it along to the Town Council.

There has been considerable discussion of road and street standards over the course of the year, prompted by questions of private road policy in the town and the Planning Board's request for variance limitations on roadways in the Subdivision Ordinance. Review of roadway design standards will require the input of the Traffic and Safety Committees, as well as our Public Works Director and Town Engineer. Those discussions will be ongoing this coming season.

Additionally, this coming year we will be looking into our gravel pit and extraction ordinance, following the progress toward the installation of the turnpike bypass and its association to the aquifer recharge area, and reviewing vegetation requirements in the Shoreland Zone.

We have lost a valuable and long-term member of our committee this year. Pam Wilkinson has been

serving on the Ordinance Review Committee and Planning Board for many years. She has brought a wealth of knowledge, experience and resources to the process. Her involvement has provided insight and solutions to many of the issues we have faced over the years. She is a tireless worker, who always strives to find the best answer before making a choice. Many thanks, Pam! Your experience here should serve you well as a member of the Town Council. We would also like to thank Richard Barter, who has spent his sabbatical year from the education profession serving on our Board, and has now returned to work. His input will be missed. Good luck on your new position.

The recent vacancies on our committee make the opportunity possible for new members to become involved. Any residents interested should contact Dick Cahill, at the Town Planner's office, or anyone on the Town Council or Ordinance Review Committee.

Respectfully submitted,
Scott Lowel



Community Economic Development Committee

The Gray Community Economic Development Committee had some membership transitions during the year, but ended with a full complement of members as follows: Lynn Olson, chair; Donnie Carroll, vice chair; BJ Carter, secretary; Ralph Wink, Ray Clark, Jason Wilson and Leona Crooker (with Karen Lee Cocks resigning in January).

During the year, the CEDC completed two significant initiatives that will hopefully set the stage for future economic development activities. The first Town of Gray Informational Brochure was developed as a tool describing those features of location, access, skilled labor, supportive environment and other qualities that make Gray the "Crossroads of Maine". The distribution of the full-color, high-quality brochure has begun with a goal of monitoring its dissemination and obtaining feedback for future printings.

The Economic Round Table Report was the product of several forums held with businesses and the general public in order to seek input on areas of

economic concern. Certain themes were clearly identified across all the discussions that will provide valuable insight as to changes that might be considered to improve the living and working conditions in Gray, and to focus on the changing needs of our residents and businesses within a competitive business environment.

Both the Informational Brochure and the Economic Round Table are available to anyone at the Town Office and/or through the Town's web site. The public is encouraged to comment on these publications and other economic development concerns to the CEDC by mail, electronic mail or during our monthly meetings. The CEDC looks forward to following through on these and other initiatives as it works with the town council, town staff and other town committees throughout the coming year.

Sincerely,
Lynn Olson, Chair

Department of Public Works

It is with great pleasure that I submit to you the annual report of the Department of Public Works.

The summer of 1998 proved to be another busy summer for the Department. The major reclamation project was the Ramsdell Road. .8 of a mile, or 13,090 square feet, was reclaimed and then resurfaced with 1,095 tons of hot top. The gravel section was also rebuilt during this period, and 2,000 tons of hot top added, making Ramsdell a paved road all the way to the end of the Town section of the road. The following roads were overlaid with 1-1/4 inches of hot top: Brown Road, Cotton Road, Lawrence Road, Upper Mayall Road, Jenny Drive, Mountain View Road, Whitney Road and Two Rod Road. A total of 6,634 tons of hot top was added to these roads. Town Farm Road was also reconstructed, and 1,500 tons of hot top added to make this road a paved road all the way to Route 231. After the installation of shoulders for the above-mentioned roads, the Department spent the rest of the season doing routine maintenance.

Over the course of the winter of 1998 and 1999, we used 1,600 tons of salt, 10,000 yards of sand, 1,000 gallons of calcium and many hours of overtime, all of these straining our budget. Our first storm was November 17, 1998, and our last storm was March 16, 1999. We had a total of 89.3 inches of snow and 20 inches of ice. We had a total of 21 storms, with the majority coming on the weekends.

Our short-range plans are to upgrade the infrastructure, especially the gravel roads. We are continuing to upgrade our communications system, and we are in the process of studying the feasibility of a new Public Works/Solid Waste Facility.

The Transfer/Recycling Center continues to

prosper. Our waste-to-recycling tonnage ration continues to improve. In 1998/1999, our recycling rate was 35%, much higher than the State's expected average of 30%. At this time, I would like to thank all of the volunteers and members of the Solid Waste Committee who volunteer countless hours to continue to make our operation successful. I would also like to thank all of the citizens of Gray for their recycling efforts, and I strongly encourage them to continue. Again, we are in the process of studying what we can do with the facilities to make recycling a much easier task, and a more profitable venture for the Town.

Once again, I want to thank Chief Barton and the Department of Public Safety for the many assists during the year. I also would like to thank the Maine State Police and the Cumberland County Sheriff's Department for their many assists. I also would like to thank our Public Safety Dispatchers; they are a valuable asset to the many Town Departments.

At this time, I would like to wish Dorothy Fogarty, one of our Administrative Assistants, a happy retirement and a very happy marriage. The Town of Gray will certainly miss Dottie.

Also, a big thank you to all of the citizens of Gray who volunteer their time to serve our departments, and all of the citizens who show courtesy toward us while we continue to improve the safety of our Town ways. And last, but not least, Donna, Meredith, Denise, Ronna, Helen, Debbie, Dick and Renee, whose constant support makes my job much easier.

Respectfully submitted,
Steve LaVallee
Public Works Director

Fire-Rescue Department

I am pleased to submit my report for the year 1998-99.

I WANT TO THANK THE MEMBERS OF GRAY FIRE-RESCUE FOR THEIR CALL STATUS, BECAUSE WITHOUT YOU WE WOULD BE IN DEEP TROUBLE. YOU ARE A VITAL PART OF THIS DEPARTMENT.

I want to thank the Town Manager and Town Council for their continued support this past year.

We have ordered a new Fire Truck this April, which will be replacing Engine Four; for the first time, we will have a reserve piece of equipment, which is

recommended by ISO, and which will give us credit for insurance ratings. The committee for the rescue replacement has been gathering their materials, and should be going out to bid this coming fall.

As in the past, I have to commend the members for their commitment to this town, and for the numerous hours of training which they have undertaken this year. They are: ME Fire Training and Education FF 11 at the Academy for nine days (two members); Maine Safety Health Conference (one member); Maine Fire Training and Education Fire Instructors Course (two

members); CPR recertifications (twelve members); Samoset Seminar, for 2-3 days (four members); EMT Class (ten members); Skills Lab (one member); Southern Maine Conference (one member); Cumberland County Attack School (five members); New England Chiefs Conference (two members). These classes involve anywhere from four hours up to 120-plus hours, and many of them are over the weekends. I would like to recognize Dean and Shaun Hadlock as the two members who took a week-plus of their vacations to attend the Fire Academy for nine straight days. The members are also required to make the Monday night training for Fire, and the Friday night training for Rescue, as well as one Wednesday night a month, on average. As you can see, this represents an awful lot of the members' time, which they give so generously.

I want to give special thanks to Public Works Director Steve LaVallee and the rest of his department for all their assistance.

We still need more Fire Police to help out at various times, especially during daytime hours.

The Cold Water Rescue is moving along, and hopefully will be in full operation this fall.

I want to THANK THE GRAY BUSINESS ASSOCIATION for their support and generous donation this year, which enabled the Department to purchase a "Cutter's Edge" saw, which has been placed in service on the Ladder Truck.

The dispatchers are to be commended for their outstanding work throughout the year. Without them, it would be very difficult to provide our services to this community. They have been busy, as usual: issuing 1,017 burning permits, and answering some 14,444 telephone calls and helping 16,590 walk-ins. As you can see, they certainly keep busy!

I am very pleased with the coverage that we have been able to provide to the residents of the town this past year, with the per-diems and our full-time person during the week. They have been able to do inspections, and provide public assistance as requested, as well as making monthly visits to Apple Tree Village and Meadow View Apartments.

Once again, with the coordination of Mike Carroll and the faculty from our Russell-Pennell Schools, the "Learn Not to Burn" program has continued for another great year. We have also been successful in starting the Juvenile Fire Setter Intervention program this past year, with members from S.A.D. #15, the New Gloucester Fire Department, the Maine Forest Service, St. Mary's Counseling Services, C.C.S.O. and Gray Fire-Rescue. We have found this program to be very useful, as it was implemented on a couple of occasions

during the year. EMS and Fire Prevention Weeks were also successful, with a good turnout of townspeople and with various demonstrations. We hope to see more of you this upcoming year.

I want to remind citizens that a Burning Permit is required at all times, and to remind you that if the Department has to respond for an unpermitted fire, it will be extinguished. We do not issue permits on weekdays during the months of April through November, unless we have snow on the ground or have had substantial rain. If you have any questions, please call 657-3931.

Once again, the businesses are to be commending for allowing their employees to leave work when they are needed, and to all of you who continue to support and contribute to our various fundraisers.

Thanks, also, to the Chad and all the per-diems for providing their services to the community.

I want to thank our neighboring towns for their assistance when called upon for mutual aid, which is so vital: New Gloucester, Windham, North Yarmouth, Cumberland and Raymond.

The Fire-Rescue Department responded to 888 calls this past year. The breakdown is as follows:

| Call | 1996-97 | 1997-98 | 1998-99 |
|----------------|---------|---------|---------|
| Vehicles | 16 | 7 | 13 |
| Chimney | 8 | 7 | 1 |
| Structure | 20 | 19 | 17 |
| Auto Accidents | 68 | 83 | 78 |
| Grass/Woods | 5 | 12 | 11 |
| False Alarms | 20 | 20 | 30 |
| Rescue | 542 | 538 | |
| 627 | | | |
| Miscellaneous | 76 | 101 | 80 |
| C.O. Detectors | 19 | 15 | 8 |
| Mutual Aid | 10 | 13 | 23 |
| TOTALS | 784 | 815 | |
| 888 | | | |

ONCE AGAIN, I WANT TO THANK MY OFFICERS AND MEMBERS FOR ALL THEIR SUPPORT DURING THE YEAR. WITHOUT THEM, WE COULD NOT PROVIDE THE SERVICES WE ARE DEDICATED TO: PROTECTING LIFE AND PROPERTY.

Respectfully submitted
Jon E. Barton
Chief, Fire-Rescue
Public Safety Coordinator

Gray Parks and Recreation

It is with great pleasure that I submit this annual report for the 1998-99 year.

The year has been one of program growth, and many strides have been made to better the quality of life for the residents of Gray. We hope that this trend continues in the years to come.

This department is responsible for all of the recreational programs for all ages, the day-to-day operations of Newbegin Community Center, Wilkies Beach, the recreational facilities and grounds surrounding Newbegin, as well as the Soldier's Memorial Park. The responsibility to provide all of these services is a great undertaking (especially for just two staff members), and we hope that as the town and its need for service continue to grow, this department will grow with them.

Parks Division: The Wilkies Beach landscaping is almost complete. This summer, we added more shrubs, perennials and mulch to the bankings and surrounding grounds. We also add floodlighting to the parking area. The Soldier's Memorial Park was completed in the late spring, and over the summer months we spent many hours pruning, weeding beds and mowing to keep it attractive. We feel it is a central focal point of the town. We continue to maintain the landscaping and grounds surrounding Newbegin Community Center, the Gray News building and the newly acquired maintenance building.

Recreation Division: The recreation programs continually experience growth, especially in our summer programs. The Summer Day Camp program averaged 80 campers per day. With these numbers, we had to utilize Russell School for the six- to eight-year-old campers. The soccer camps that we offered ("Play Soccer" and "Major League Soccer Camps") registered

an amazing 140 young soccer stars. The summer trips we offered to the senior citizens have been great, with the Cabbage Island Clambake and the Castle in the Clouds trips were highlights. Our biggest undertaking was the revival of Old Home Days. This year, we planned to keep it small, in order to assure quality. The many events, food and entertainment that have been planned should guarantee a good time for all ages. Next year, we would like to see more of a commitment from volunteers and businesses.

Newbegin Gym: Newbegin has had more renovations done this past year. The exterior trim and front walls were primed and painted, the front steps will (hopefully) be looked at, and later this year, the recreation room will have a hung ceiling. The major job this past year was the installation of a new heating system; the building should be comfortably warm this winter. Many of the ongoing programs are still being offered in the gym and recreation room. Some of these activities include lessons in karate, gymnastics, ballet and quilting. We also offer adult basketball, volleyball, gym rentals and this fall a schedule of tournaments, special events and activities in the recreation room.

In conclusion, Gray Parks and Recreation will continue to offer diverse and quality programs in the year to come. With the growing need for services, we hope to keep abreast of the demands with the two full-time staff we have and with the invaluable services of volunteers who help coach, instruct and oversee our many recreation and sports programs. Without the help of these volunteers, we would not be able to do all we do here. Thank you!

Respectfully submitted,
Dean Bennett
Director

Gray Public Library

Statistical Report

| | |
|--|--------|
| Total circulation | 41,163 |
| (An increase of 4,776 from previous fiscal year) | |
| Total days open | 261 |
| Total hours open per week | 33 |
| Total hours for year | 1,652 |
| Avg. hours per day open | 6.33 |
| Circulation per day | 158 |

| | |
|----------------------|------------------------|
| Circulation per hour | 25 |
| Volunteer hours | 1,646.25 |
| Avg. per month | 137.19 |
| Avg. per day | 6.31 |
| New patrons | 398 |
| New books | 1,405 |
| Reference questions | 1,022 |
| Programs | 62 |
| Children's | 49(1,738 participants) |

| | |
|------------------------------|-----------------------|
| Adult | 13 (596 participants) |
| Total attendance | 2,334 |
| Interlibrary loans processed | 290 |

Library Mission Statement:

The purpose of the Gray Public Library is "...to provide books and related materials that will assist residents of the community in the pursuit of knowledge, information, education, research, and recreation in order to promote an enlightened citizenry and enrich the quality of life."

The Gray Public Library provided many services to the community during the past year in order to achieve this objective. The services provided include:

1. Interlibrary loan (borrowing books from other libraries to meet the needs of our patrons)
2. Reader's advisory (the staff is required to have a working knowledge beyond the use of reference materials in order to recommend works of fiction and nonfiction, and to be familiar with resources that provide readers' advisory)
3. Reference service (assisting patrons to find specific pieces of information)
4. Bibliographic instruction (teaching patrons how to use the library efficiently)
5. Children's programming (story hours and special events)
6. Adult services (programs aimed at adult audiences)
7. Timely response to patron needs (purchasing books and materials requested by our patrons)
8. Internet access (to allow patrons information beyond the physical constraints of the Library)

Librarian's Report

The 1998-1999 fiscal year was a year of achievement for the Gray Public Library. The Town, Trustees, Friends, staff and volunteers worked hard to accomplish several goals set at the beginning of the year. The main objective of FY 1998-1999 was to focus on collection development, community programming and physical plant usage. The following is a brief outline of the achievements of the past year.

The data entry facet of the computer conversion project was completed in late summer of 1998. Following the completion, the library reference area, genealogy materials and Maine collection were reorganized to make patron research easier.

The Friends of the Gray Public Library planted spring bulbs and annals, and maintained the landscaping to keep the grounds of the Library looking wonderful. The group held two book and bake sales

this year. With the proceeds, they supplied museum passes to the Portland Museum of Art and the Children's Museum of Maine. The Friends also cosponsored a summer concert series with Gray Parks and Recreation Department.

The Library offered a wide range of programs this year, aimed at reaching a variety of audiences. Some of these programs were "Let's Talk About It", "Book Talk", magician Jonathon Strain, "Pajama Story Hour", the third annual pet show, "Books for Babies", "Readers of the Round Table" and many others. The Friends provided refreshments and financial support for many of these programs.

Workers from the Windham Correctional Facility painted the outside of the Library.

The Gray Public Library experienced many changes in Library staff in FY 1998-1999. Library Aide Liz Gill moved to the Russell School and Library Aide Marie Morey is continuing a writing career. Library Aides Veronica Chaya and Kathy George bring with them special talents which enhance the Library staffing.

The Board of Trustees implemented a new Volunteer Policy, which encourages quality volunteerism at the Library. The volunteers contributed over 1,500 hours shelving materials, watering plants, processing materials, reading stories and handling publicity. The Library would not survive without such dedicated individuals.

The Gray Public Library continued to work closely with other community organizations. The Friends of the Library co-sponsored the "Bat Man" in June with the Gray Historical Society. The Historical Society meets at the Library monthly, and representative Howard Black provided genealogy assistance Friday afternoons. The Library participated in local job-shadow programs and offered tours to scouting organizations.

This year, the Library hosted a Library Directors' meeting for the Southern Maine Library District, and Librarian Melanie Coombs attended a disaster-preparedness workshop.

In November, the Gray Public Library was burglarized. In response, the Library has implemented extra security measures.

Winnebago Spectrum, a Windows-based on-line public access software, was selected and computers were purchased for the Library's database. This is the final stage of the computerization project.

Respectfully submitted,
Melanie Coombs, Librarian

Pennell Institute Alumni Association

On July 17, 1999, at Newbegin Gym, fifty alumni members and friends gathered for an afternoon reunion. We had two classes celebrating special reunions: the Class of 1939, for their 60th; and the Class of 1949, for their 50th. A great time was enjoyed by all, even in the 90-plus temperatures!

A business meeting was held, with an election of officers. They are: President, Ellen Parady; Vice Presidents, Jean Dunn and Jane Barton; Secretary,

Margaret Wilson; Treasurer, Yvonne Wilkinson.

We are still trying to raise money to have the tower above the clock on Pennell repaired. Pennell Institute is a beautiful building and is listed in the National Register of Historic Buildings. It would be a disgrace to let it deteriorate.

Respectfully submitted,
Jean Dunn and Jane Barton, Co-Presidents

The Gray Web Site Committee

The Gray Web Site Committee has completed its first complete year of operation, and what a success it has been! The Town of Gray's web site has gone from an idea and desire of several committed individuals to a reality. The Gray web site committee is very proud of the work that all the interested individuals have accomplished in the last year.

The Gray web site is seen as an information resource for both local townspeople and anyone in the world interested in this area of Maine. For the local townspeople, we offer comprehensive information on town services, town committees, town recreation, social and religious organizations, fire and rescue, town library, and many other items. For the world wide web browser, we offer information about local life and our past town history.

In the future, we hope to make the site more interactive, allowing local residents to access

information and download forms that may be of use to them in dealing with town government.

The Gray web site committee also would like to have all other committees and organizations submit information to us for publication on the site. Please access the site at www.graymaine.org for information submittal.

The Gray Web Committee would like to thank Fran Monroe as our Town Council contact, and for her efforts in starting the Gray web site.

Last but not least, the Gray web committee would like to thank our web master, Tammy Ryan, for the great job she has done on the site.

The Gray Web Site Committee
Natalie Blake
Jack DeMarco
Chris Dombrowski
Liz Beck MacWhinnie
Paul O'Brien

Gray Health Council

Your Loan Closet has been busy, as usual, with many of the things we have to share, such as hospital beds, commodes, walkers, canes, wheelchairs and so forth. We still sponsor W.I.C. and Well Child Clinics. These are very well attended. Well Child is on the second Wednesday of each month, and W.I.C. the second Thursday of each month.

Our flu clinic is on the third Tuesday in October, and grows every year. Last year, about 200 inoculations

for flu plus pneumonia shots were given.

We thank Fire and Rescue for allowing us to store our equipment at the Public Safety Building, and we also thank the Town of Gray for supporting us.

If you have any questions, feel free to call either Pat Dunn or myself, Agnes Stansfield, at 657-3766.

Sincerely,
Agnes Stansfield, Chair

Dry Mills Schoolhouse

The plaque for Historic Places has arrived and been placed on the left side of the door. The four desks that had no seats have been repaired and installed. The outhouse has been built, and looks very fitting on the outside with walks leading up to it. (This is a unisex, handicapped-accessible building.) Many thanks to Bob Skillings and Sons for securing tanks and installing them. The tanks we received at cost, and the labor for

installing them was donated.

We have had open houses several weekends. Jimmy and Gary MacWhinnie donated their services in cutting a window in a granite slab; many thanks.

It has taken me over ten years to bring this building up to date.

Mae Beck
Chair

The Gray Historical Society

Our members are interested in the history of Gray. We would like others to join us and become aware of the history around them. Our meetings are held each month, on the second Wednesday, at 7:00 P.M., at the Gray Public Library. (This change was made because the Library is handicapped-accessible.)

GHS' museum is located on the second floor of the Pennell Institute. The public is welcome to visit the museum during National Museum Week in June, and during "Open House", which is on Alumni Reunion Day. You are welcome to call the curator for a special appointment to see the museum or to do research. School children and adults have been given special tours and special programs on request this year by our curator, Margaret Sawyer.

We have gathered information to put on the Town of Gray's Website. Thanks to the 1997-'98 Sophomore Class for their help with their stories that were added to the Historical Society's website.

The Historical Society sponsored several informative programs this past year. The Fifth Annual Christmas Tree Lighting Ceremony in front of Gray's Town Hall in November was a beautiful sight. A special thanks to the Fire Department for their help with getting things ready and serving the refreshments.

We cannot forget the Number One guest, Santa Claus! We closed the year's events by having a picnic on July 19 at the top of Quaker Ridge in Casco.

The Society continues to assist in supporting the restoration of the Dry Mills School House. We encourage the townspeople to continue your help with the many needs of this project. As of July 17, with the assistance of our wonderful volunteers, the school was opened for public visits on Saturdays and Sundays, from 1:00 to 3:30 P.M. More volunteers are needed. Getting involved with such projects is certainly a good way to appreciate the historical values and the purpose of our Society.

This past year, the Society was concerned with the landscaping of the Civil War Soldier's Monument.

Helen Davis has served on this committee. Also, Howard Black and Helen Davis have been researching names of Civil War soldiers from Gray, so that all their names can be put on the Monument. This project is almost completed.

Woolen Mill T-shirts are available from members of the GHS, if you wish to purchase one or two. The proceeds helped to fund the Samuel Mayall Day celebration. Plans are in the works to have a second Mayall Day on August 7, 1999, at the Old Home Days events. If you would like to help, or have suggestions, please let us know.

A BIG thank you from the Gray Historical Society to all of you who are helping, or who have helped, with the launching of the sale of our new book, *Images of America: Gray, Maine*. We thank the people who have supplied us with the many photos for the book. Without them, this pictorial history of Gray would not have been the success it is.

The Gray Historical Society attends many informative meetings throughout the year, pertaining to the organization and the protection of materials and artifacts. We are members of S.O.L.V.E., a non profit historical management organization in Southern Maine.

Our dedicated members continue to inventory the Society's collections of articles that have been donated through the years. If you have any photos or items concerning Gray, please think of the museum and call us.

This year's offices are: President, Louise Knapp; Vice President, Mae Beck; Secretary, Shelley Black; Treasurer, Howard Black; Historian/Curator, Margaret Sawyer; Financial Secretary, Helen Davis.

The Historical Society thanks all who continue to support our programs.

Respectfully submitted,
Louise Knapp, President

Gray Cemetery Association

July 1, 1998-June 30, 1999

CASH ON HAND, JULY 1, 1998
\$23,043.48

RECEIPTS:

| | |
|-----------------------------|------------|
| Interest, Fleet Bank | \$2,014.52 |
| Interest, Key Bank | 1,034.89 |
| Sale of graves | 6,050.00 |
| Town of Gray, appropriation | 6,500.00 |
| Town of Gray, interest | 918.80 |
| Gladys Merrill Trust Fund | 5,000.00 |
| 21,518.21. | |
| TOTAL | |
| \$44,561.69 | |

DISBURSEMENTS:

| | |
|----------------------------|------------|
| Payroll/taxes | \$9,666.97 |
| Workmen's Compensation | 761.00 |
| Clark Associates | 100.00 |
| Gas/oil/supplies | 947.56 |
| Equipment hire | 1,716.00 |
| Key Bank investment | 1,210.00 |
| Reimbursements for lots | 500.00 |
| Wilkinson Excavating | 902.00 |
| Maine Cemetery Association | 25.00 |
| John Holmes | 150.00 |
| Returned checks | 408.00 |
| Trust fund, invested | 5,000.00 |
| TOTAL | |
| 21,386.53 | |

BALANCE, JUNE 30, 1999
\$23,175.16

TRUST FUNDS ON DEPOSIT:

| | |
|---------------------|-------------|
| Fleet Bank | \$32,876.83 |
| Key Bank | 26,365.00 |
| Flower Fund | 2,400.00 |
| Egbert Andrews Fund | 551.52 |
| TOTAL ON DEPOSIT | \$62,193.35 |

KEY BANK SAVINGS ACCOUNT:530.27

LOTS SOLD, JULY 1, 1998-JUNE 30, 1999

David/Judy Hoglund
Wilson Funeral Home
Dawn Bailey
Harold/Diane Burrington
Everett/Louise Doughty
Mary E. Berry
Jeffery Given
Evelyn Lewis
Michael Dehetre
Robert Green

BURIALS, 1998

Luella Mae Grant
Lorraine Davenport Strudenroth
William A. Robertshaw
Ethel LeBeau
Eileen Shaugnessy
George Gozalski
George L. Humphrey
Maurice I. Tucker
Grant Chandler
Neal LaVallee
Francis Carr
Robert Russell
Harold Bracey
Donald Christie
Adaline Saunders
Amy Verrill
Henry Hawkes
Kathleen Leavitt
Frederick Wing
Mildred Booth Foss
Evelyn Carr
Grace Browne
Lena Witham
Madolyn T. Bakiewicz
Rita Reynold
Marion G. Merrill
Thomas P. Thompson
David Wilkinson
Donald Bracey
Loretta Simpson
Mildred Alley
George Maynard

Respectfully submitted,
Barbara Pollard,
Secretary/Treasurer

KEEL J. HOOD

Certified Public Accountant

2 Burns Street - Fairfield, Maine 04937 - (207)453-2006

INDEPENDENT AUDITORS REPORT

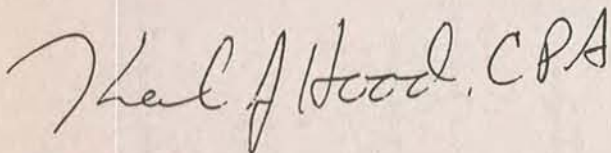
Town Council
Town of Gray
Gray, Maine

I have audited the accompanying general purpose financial statements of the Town of Gray, Maine, as of June 30, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Gray, Maine management. My responsibility is to express an opinion on those general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Gray, Maine as of June 30, 1999 and the results of its operations and cash flows of its proprietary fund types and similar trust funds for the year then ended, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statement of the Town of Gray, Maine. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



July 16, 1999

Exhibit 1

TOWN OF GRAY, MAINE
Combined Balance Sheet - All Fund Types and Account Group
June 30, 1999

| ASSETS | Governmental | | Proprietary | | Fiduciary | | Account Groups | | | Totals | |
|--|--------------|------------|-------------|---------------|----------------|-----------|----------------|------------|------------|-------------------|--|
| | Fund Types | | Fund Types | | Fund Types | | General | | | (Memorandum Only) | |
| | General | Internal | Service | Nonexpendable | Trust & Agency | Term Debt | Fixed Assets | 1999 | 1998 | | |
| Cash | \$ 460,926 | \$ 265,168 | \$ 161,002 | \$ | \$ | \$ | \$ | \$ | \$ | | |
| Investment | 3,547,565 | | | | | | | 3,547,565 | 2,863,069 | | |
| Receivables | | | | | | | | | | | |
| Taxes | 301,113 | | | | | | | 301,113 | 262,709 | | |
| Liens | 86,717 | | | | | | | 86,717 | 79,088 | | |
| Accounts | | | | | | | | 0 | 208 | | |
| Other governments | | | | | | | | 0 | 29,512 | | |
| Ambulance (net of allowance for doubtful accounts \$23,000) | 33,747 | | | | | | | 33,747 | 34,783 | | |
| Tax acquired property | 1,339 | | | | | | | 1,339 | 1,338 | | |
| Due from other funds | | 21,180 | | | | | | 21,180 | 29,108 | | |
| Operating property | | 1,223,459 | | | | | 3,947,911 | 5,171,370 | 5,249,386 | | |
| Accumulated depreciation | | (778,099) | | | | | | (778,099) | (693,648) | | |
| Amount to be provided for accrued compensation | | | | | | 77,035 | | 77,035 | 71,417 | | |
| Amount to be provided for retirement of general long-term debt | | | | | | | | | | | |
| Total Assets | 4,431,407 | 731,708 | 161,002 | | | 1,265,968 | 3,947,911 | 10,615,031 | 10,351,509 | | |
| LIABILITIES AND FUND EQUITIES | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | |
| Amounts held in escrow | 27,210 | | | | | | | 27,210 | 11,189 | | |
| Accrued compensated absences | 54,075 | | | | | 77,035 | | 131,110 | 110,934 | | |
| Deferred revenue | 304,098 | | | | | | | 304,098 | 266,791 | | |
| Due to other funds | 21,180 | | | | | | | 21,180 | 29,108 | | |
| Bonds payable | | | | | | 1,265,968 | | 1,265,968 | 1,453,481 | | |
| Total Liabilities | 406,563 | 0 | 0 | | | 1,343,003 | 0 | 1,749,566 | 1,871,503 | | |
| Fund Equity: | | | | | | | | | | | |
| Investment in general fixed assets | | | | | | | 3,947,911 | 3,947,911 | 4,066,491 | | |
| Contributed capital | | 95,670 | | | | | | 95,670 | 102,224 | | |
| Retained Earnings: | | | | | | | | | | | |
| Unreserved | | 636,038 | | | 34,188 | | | 670,226 | 658,702 | | |
| Fund Balances: | | | | | | | | | | | |
| Reserved for endowments | | | | | | | | | | | |
| Reserved for capital | 1,376,901 | | | | 97,299 | | | 97,299 | 97,299 | | |
| Unreserved: | | | | | | | | 1,376,901 | 1,559,894 | | |
| Designated | 530,488 | | | | | | | 560,003 | 250,265 | | |
| Undesignated | 2,117,455 | | | | | | | 2,117,455 | 1,745,131 | | |
| Total Fund Equity | 4,024,844 | 731,708 | 161,002 | | | 0 | 3,947,911 | 8,865,465 | 8,480,006 | | |
| Total Liabilities and Fund Equity | 4,431,407 | 731,708 | 161,002 | | | 1,343,003 | 3,947,911 | 10,615,031 | 10,351,509 | | |

The accompanying notes to the financial statements are an integral part of this statement.
page 2

Exhibit 2

TOWN OF GRAY, MAINE
Combined Statement of Revenues, Expenditures, and
Changes in Fund Equity All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999

| | <u>Governmental</u> | | <u>Fiduciary</u> | <u>Totals</u> | |
|--|---------------------|-------------------------|---------------------|--------------------------|-------------|
| | <u>Fund Types</u> | | <u>Fund Types</u> | <u>(Memorandum Only)</u> | |
| | <u>General</u> | <u>Expendable Trust</u> | | <u>1999</u> | <u>1998</u> |
| Revenues: | | | | | |
| Taxes | \$ 6,307,679 | \$ | \$ 6,307,679 | \$ 6,092,117 | |
| Licenses and permits | | | 0 | 46,309 | |
| Intergovernmental revenues | 762,803 | | 762,803 | 669,843 | |
| Charges for services | 245,318 | | 245,318 | 165,110 | |
| Interest | 200,810 | 1,168 | 201,978 | 157,488 | |
| Other | 246,315 | | 246,315 | 43,197 | |
| Total Revenues | <u>7,762,925</u> | <u>1,168</u> | <u>7,764,093</u> | <u>7,174,064</u> | |
| Expenditures: | | | | | |
| General government | 486,218 | | 486,218 | 559,312 | |
| Protection | 422,795 | | 422,795 | 405,046 | |
| Public works | 1,149,708 | | 1,149,708 | 1,133,669 | |
| Recreation | 130,693 | | 130,693 | 115,762 | |
| County tax | 270,462 | | 270,462 | 275,927 | |
| Education | 3,713,232 | | 3,713,232 | 3,513,462 | |
| Social groups | 27,927 | | 27,927 | | |
| Other | 460,673 | 560 | 461,233 | 489,019 | |
| Tax abatements | | | 0 | 3,500 | |
| Debt service | 268,855 | | 268,855 | 179,679 | |
| Capital outlay | 336,974 | | 336,974 | 213,672 | |
| Tax increment financing | | | 0 | 35,339 | |
| Total Expenditures | <u>7,267,537</u> | <u>560</u> | <u>7,268,097</u> | <u>6,924,387</u> | |
| Excess of Revenues Over (Under) Expenditures | <u>495,388</u> | <u>608</u> | <u>495,996</u> | <u>249,677</u> | |
| Other Financing Sources (Uses) | | | | | |
| Debt issuance proceeds | | | 0 | 516,681 | |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>516,681</u> | |
| Excess of Revenues and Other Sources over (under) Expenditures and Other Uses | <u>495,388</u> | <u>608</u> | <u>495,996</u> | <u>766,358</u> | |
| Fund Equities - July 1 | <u>3,529,456</u> | <u>33,580</u> | <u>3,563,036</u> | <u>2,796,678</u> | |
| Fund Equities - June 30 | <u>\$ 4,024,844</u> | <u>\$ 34,188</u> | <u>\$ 4,059,032</u> | <u>\$ 3,563,036</u> | |

Exhibit 3

TOWN OF GRAY, MAINE
Statement of Revenues, Expenditures, and
Changes in Fund Equity - All Budgeted Governmental Funds (General Fund)
Year Ended June 30, 1999

| | <u>Budget</u> | <u>Actual</u> | <u>Variance favorable (unfavorable)</u> |
|---|---------------------|---------------------|---|
| Revenues: | | | |
| Taxes | \$ 6,191,014 | \$ 6,307,679 | \$ 116,665 |
| Intergovernmental revenues | 679,427 | 762,803 | 83,376 |
| Charges for services | 138,198 | 245,318 | 107,120 |
| Interest | 85,000 | 200,810 | 115,810 |
| Other | 13,500 | 246,315 | 232,815 |
| Total Revenues | <u>7,107,139</u> | <u>7,762,925</u> | <u>655,786</u> |
| Expenditures: | | | |
| General government | 506,041 | 486,218 | 19,823 |
| Protection | 446,088 | 422,795 | 23,293 |
| Public works | 1,230,401 | 1,149,708 | 80,693 |
| Recreation | 132,901 | 130,693 | 2,208 |
| County tax | 270,462 | 270,462 | 0 |
| Education | 3,713,232 | 3,713,232 | 0 |
| Social groups | 39,855 | 27,927 | 11,928 |
| Other | 480,555 | 460,673 | 19,882 |
| Debt service | 280,173 | 268,855 | 11,318 |
| Capital outlay | 336,974 | 336,974 | 0 |
| Tax increment financing | 76,020 | | 76,020 |
| Total Expenditures | <u>7,512,702</u> | <u>7,267,537</u> | <u>245,165</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(405,563)</u> | <u>495,388</u> | <u>900,951</u> |
| Fund Equities - July 1 | <u>3,529,456</u> | <u>3,529,456</u> | <u>0</u> |
| Fund Equities - June 30 | <u>\$ 3,123,893</u> | <u>\$ 4,024,844</u> | <u>\$ 900,951</u> |

The accompanying notes to the financial statements are an integral part of this statement.

Exhibit 4

TOWN OF GRAY, MAINE
Combining Statement of Revenues, Expenses, and Changes in
Retained Earning
Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 1999

| | Proprietary Fund Internal Service | Fiduciary Fund Nonexpendable Trust | Totals (Memorandum Only) | |
|-----------------------------------|--|---|-----------------------------|------------|
| | | | 1999 | 1998 |
| Operating Revenues: | | | | |
| Charges for services | \$ 138,967 | \$ | \$ 138,967 | \$ 154,736 |
| Interest and penalties | | 5,690 | 5,690 | 6,676 |
| Miscellaneous | 323 | | 323 | 9,502 |
| Total Operating Revenues | 139,290 | 5,690 | 144,980 | 170,914 |
| Operating Expenses: | | | | |
| Maintenance | 60,017 | | 60,017 | 70,859 |
| Depreciation | 84,452 | | 84,452 | 77,542 |
| Cemeteries and scholarships | | 2,009 | 2,009 | 3,924 |
| Total Operating Expenses | 144,469 | 2,009 | 146,478 | 152,325 |
| Operating Income | (5,179) | 3,681 | (1,498) | 18,589 |
| Nonoperating Revenues (Expenses): | | | | |
| Interest | 9,541 | | 9,541 | 8,478 |
| Net Income | 4,362 | 3,681 | 8,043 | 27,067 |
| Retained Earnings - July 1 | 727,346 | 123,133 | 850,479 | 823,412 |
| Retained Earnings - June 30 | \$ 731,708 | \$ 126,814 | \$ 858,522 | \$ 850,479 |

Exhibit 5

TOWN OF GRAY, MAINE
Combined Statement of Revenues, Expenses, and Changes in
Retained Earning
Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 1999

| | Proprietary Fund Internal Service | Fiduciary Fund Nonexpendable Trust | Totals (Memorandum Only) | |
|---|--|---|-----------------------------|------------|
| | | | 1998 | 1997 |
| Cash flows from operating activities: | | | | |
| Net income | \$ 4,361 | \$ 3,681 | \$ 8,042 | \$ 27,067 |
| Adjustments to reconcile net income to cash provided by operating activities: | | | | |
| Change in due to from other fund | 7,929 | | 7,929 | (13,492) |
| Depreciation | 84,451 | | 84,451 | 77,542 |
| Net cash provided by operating activities | 96,741 | 3,681 | 100,422 | 91,117 |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition of fixed assets | (40,564) | | (40,564) | (105,948) |
| Net cash used in capital and related financing activities | (40,564) | 0 | (40,564) | (105,948) |
| Net increase (decrease) in cash | 56,177 | 3,681 | 59,858 | (14,831) |
| Retained Earnings - July 1 | 208,991 | 123,133 | 332,124 | 346,955 |
| Retained Earnings - June 30 | \$ 265,168 | \$ 126,814 | \$ 391,982 | \$ 332,124 |

Schedule 1

TOWN OF GRAY, MAINE
Comparative Balance Sheet - General Fund
June 30, 1999

| | 1999 | 1998 |
|---|------------------|------------------|
| ASSETS | | |
| Cash | \$ 460,926 | \$ 605,354 |
| Investment | 3,547,565 | 2,863,069 |
| Receivables: | | |
| Taxes | 301,113 | 262,709 |
| Liens | 86,717 | 79,088 |
| Accounts | | 208 |
| Other governments | | 29,512 |
| Ambulance (net of allowance for doubtful accounts \$23,000) | 33,747 | 34,783 |
| Tax acquired property | 1,339 | 1,338 |
| Total Assets | <u>4,431,407</u> | <u>3,876,061</u> |
| LIABILITIES AND FUND EQUITIES | | |
| Liabilities: | | |
| Amounts held in escrow | 27,210 | 11,189 |
| Accrued compensated absences | 54,075 | 39,517 |
| Deferred revenue | 304,098 | 271,791 |
| Due to other funds | 21,180 | 29,108 |
| Total Liabilities | <u>406,563</u> | <u>351,605</u> |
| Fund Equity: | | |
| Reserved for capital improvements | 1,376,901 | 1,559,894 |
| Unreserved: | | |
| Designated | 345,833 | 120,200 |
| Undesignated | 2,302,110 | 1,844,362 |
| Total Fund Equity | <u>4,024,844</u> | <u>3,524,456</u> |
| Total Liabilities and Fund Equity \$ | <u>4,431,407</u> | <u>3,876,061</u> |

Schedule 2

TOWN OF GRAY, MAINE
Schedule of Budgeted and Actual Revenues
For the Year Ended June 30, 1999

| | Budget | Actual | Variance Favorable (Unfavorable) |
|------------------------------|------------------|------------------|--|
| Taxes: | | | |
| General property taxes | \$ 5,470,014 | \$ 5,434,324 | \$ (35,690) |
| Supplemental | | 1,529 | 1,529 |
| Excise taxes | 721,000 | 871,826 | 150,826 |
| Intergovernmental: | | | |
| State revenue sharing | 370,000 | 403,204 | 33,204 |
| Highway block grant | 80,000 | 82,308 | 2,308 |
| Tree growth reimbursement | 4,000 | 15,029 | 11,029 |
| General assistance | 2,500 | 1,144 | (1,356) |
| Snowmobile refund | 2,400 | 2,808 | 408 |
| Homestead exemption | 217,427 | 217,393 | (34) |
| Homestead application | | 3,590 | 3,590 |
| Veterans reimbursement | 3,100 | 3,764 | 664 |
| FEMA | | 33,563 | 33,563 |
| Charges for Services: | | | |
| Clerk fees | 19,050 | 32,876 | 13,826 |
| General government | 34,375 | 47,814 | 13,439 |
| Public works | 15,050 | 30,370 | 15,320 |
| Public safety | 1,498 | 2,304 | 806 |
| Rescue | 10,000 | 71,811 | 61,811 |
| Public Service | 57,625 | 59,090 | 1,465 |
| Library | 600 | 1,053 | 453 |
| Interest: | | | |
| Delinquent taxes | 40,000 | 41,048 | 1,048 |
| Operating funds | 45,000 | 86,193 | 41,193 |
| Reserve funds | | 73,569 | 73,569 |
| Other: | | | |
| Donations | | 13,251 | 13,251 |
| Cable TV franchise | 10,000 | 57,076 | 47,076 |
| Miscellaneous | 3,500 | 13,402 | 9,902 |
| Legal settlement | | 162,586 | 162,586 |
| Total | <u>7,107,139</u> | <u>7,762,925</u> | <u>655,786</u> |

TOWN OF GRAY, MAINE
Schedule of Budgeted and Actual Expenditures
For the Year Ended June 30, 1999

| | Budget | Actual | Variance Favorable (Unfavorable) | 1997 Actual |
|-----------------------------|--------------|--------------|--|----------------|
| General government: | | | | |
| Administration | \$ 245,939 | \$ 232,908 | \$ 13,031 | \$ 274,846 |
| Municipal officers | 7,500 | 7,500 | 0 | 5,000 |
| Assessor | 52,744 | 64,383 | (11,639) | 39,808 |
| Geographic information | 0 | 0 | 0 | 11,030 |
| Janitorial services | 35,948 | 32,366 | 3,582 | 27,423 |
| Elections | 4,818 | 2,847 | 1,971 | 4,481 |
| Planner | 49,569 | 47,045 | 2,524 | 46,450 |
| Municipal building | 11,530 | 10,153 | 1,377 | 8,199 |
| Development | 5,535 | 4,897 | 638 | 3,105 |
| Animal control | 7,961 | 8,040 | (79) | 7,384 |
| Library | 66,420 | 64,098 | 2,322 | 55,230 |
| Stimson Hall | 2,502 | 2,659 | (157) | 2,604 |
| Welfare | 0 | 0 | 0 | 5,111 |
| Tree care | 1,600 | 350 | 1,250 | 55 |
| Community services | 0 | 0 | 0 | 26,640 |
| Cable television | 0 | 0 | 0 | 2,982 |
| Contracted services | 5,730 | 3,771 | 1,959 | 4,465 |
| Economic development | 6,275 | 3,905 | 2,370 | 49 |
| Zoning board of appeals | 1,970 | 1,296 | 674 | 408 |
| Conservation commission | 0 | 0 | 0 | 350 |
| Legal fees | 0 | 0 | 0 | 33,683 |
| Total | 506,041 | 486,218 | 19,823 | 559,303 |
| Protection: | | | | |
| Public safety | 117,354 | 120,068 | (2,714) | 109,746 |
| Fire and rescue | 147,820 | 135,572 | 12,248 | 129,446 |
| Public safety communication | 106,868 | 104,504 | 2,364 | 104,972 |
| Code enforcement | 53,775 | 45,706 | 8,069 | 43,724 |
| Rescue | 20,271 | 16,945 | 3,326 | 17,158 |
| Total | 446,088 | 422,795 | 23,293 | 405,046 |
| Public works: | | | | |
| Public works - winter roads | 231,391 | 233,436 | (2,045) | 217,829 |
| Public works - summer roads | 199,454 | 192,515 | 6,939 | 176,614 |
| Garage | 68,707 | 65,668 | 3,039 | 60,513 |
| Additional roadwork | 347,570 | 306,185 | 41,385 | 346,621 |
| Solid waste | 383,279 | 351,904 | 31,375 | 332,092 |
| Total | 1,230,401 | 1,149,708 | 80,693 | 1,133,669 |
| Recreation | | | | |
| Parks and recreation | 72,800 | 73,500 | (700) | 61,893 |
| Newbegin | 60,101 | 57,193 | 2,908 | 53,869 |
| Total | 132,901 | 130,693 | 2,208 | 115,762 |
| County tax | 270,462 | 270,462 | 0 | 275,927 |
| Education | 3,713,232 | 3,713,232 | 0 | 3,513,462 |
| Social Groups: | | | | |
| General Assistance | 14,300 | 3,120 | 11,180 | |
| Employee benefits | 25,555 | 24,807 | 748 | |
| | \$ 39,855 | \$ 27,927 | \$ 11,928 | \$ 0 |
| Other: | | | | |
| Insurance | 74,000 | 47,111 | 26,889 | 72,562 |
| Employee Benefits | 244,370 | 254,960 | (10,590) | 221,070 |
| Web page | 7,325 | 3,742 | 3,583 | |
| Learn not to burn | | | 0 | 225 |
| FEMA expenses | | | 0 | 186,850 |
| Carry forwards | 154,860 | 154,860 | 0 | |
| | 480,555 | 460,673 | 19,882 | 480,707 |
| Tax abatements: | | | 0 | 3,500 |
| Debt service: | | | | |
| Principal | 187,514 | 187,514 | 0 | 101,400 |
| Interest | 92,659 | 81,341 | 11,318 | 78,279 |
| | 280,173 | 268,855 | 11,318 | 179,679 |
| Capital outlay: | | | | |
| Fire truck purchase | | | | |
| Reserves | 336,974 | 336,974 | 0 | 200,743 |
| Stimson hall | | | 0 | 12,429 |
| | 336,974 | 336,974 | 0 | 213,172 |
| Tax increment financing | 76,020 | | 76,020 | 35,340 |
| Total Expenditures | \$ 7,512,702 | \$ 7,267,537 | \$ 245,165 | \$ 6,915,567 |

Schedule 4

TOWN OF GRAY, MAINE
Combining Balance Sheet - Trust Fund Types
June 30, 1999

| ASSETS | | Nonexpendable | Expendable | Totals | |
|-----------------------------|--|---------------|----------------|----------------|----------------|
| | | Trust Funds | Trust Funds | 1998 | 1997 |
| Cash | | \$ 34,188 | \$ 126,814 | \$ 161,002 | \$ 156,713 |
| Total Assets | | <u>34,188</u> | <u>126,814</u> | <u>161,002</u> | <u>156,713</u> |
| LIABILITIES AND FUND | | | | | |
| Fund Equity: | | | | | |
| Fund Balances: | | | | | |
| Reserved for | | | 97,299 | 97,299 | 97,299 |
| Unreserved: | | | | | |
| Undesignated | | 34,188 | 29,515 | 63,703 | 59,414 |
| Total Fund Equity | | <u>34,188</u> | <u>126,814</u> | <u>161,002</u> | <u>156,713</u> |
| Total Liabilities and Fund | | <u>34,188</u> | <u>126,814</u> | <u>161,002</u> | <u>156,713</u> |

Schedule 5

TOWN OF GRAY, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Equities
Year ended June 30, 1999

| | Fund Balances | | | | Fund Balances | | | |
|--|-------------------|-------------------|-----------------|--------------|-------------------|---------------|-------------------|--|
| | Beginning of Year | | | | Beginning of Year | | | |
| | Principal | Unexpended Income | Interest Earned | Contribution | Expended | Principal | Unexpended Income | |
| Expendable trust funds: | | | | | | | | |
| Helen Frank Cemetery Trust | \$ | \$ 33,580 | \$ 1,168 | \$ | \$ 560 | \$ | \$ 33,580 | |
| Nonexpendable trust funds: | | | | | | | | |
| Pennell | 25,030 | 8,661 | 1,193 | | 55 | 25,030 | 8,661 | |
| Cemetery | 22,798 | 2,518 | 891 | | 168 | 22,798 | 2,518 | |
| C. Baker School | 14,276 | 5,614 | 896 | | 400 | 14,276 | 5,614 | |
| George Doughty | 10,000 | 1,095 | 389 | | 117 | 10,000 | 1,095 | |
| Stimson | 7,000 | 2,564 | 339 | | 13 | 7,000 | 2,564 | |
| Monument and Christian Temple | 462 | 1,267 | 61 | | | 462 | 1,267 | |
| Common School | 1,300 | 391 | 60 | | 6 | 1,300 | 391 | |
| Grange Scholarship | 16,433 | 3,726 | 1,859 | | 1,250 | 16,433 | 3,726 | |
| Total nonexpendable trust funds | <u>97,299</u> | <u>25,836</u> | <u>5,688</u> | <u>0</u> | <u>2,009</u> | <u>97,299</u> | <u>25,836</u> | |
| Total expendable and nonexpendable trust funds | <u>97,299</u> | <u>59,416</u> | <u>6,856</u> | <u>0</u> | <u>2,569</u> | <u>97,299</u> | <u>59,416</u> | |

Schedule 6

TOWN OF GRAY, MAINE
Schedule of General Fixed Assets by Function and Activity
Year ended June 30, 1999

| | Land | Buildings | Equipment | Furniture, fixtures and books | Vehicles | Total |
|---------------------------|---------------|------------------|----------------|-------------------------------|------------------|------------------|
| General fixed assets: | | | | | | |
| General government | \$ 14,280 | \$ 251,125 | \$ 255,472 | \$ 5,981 | \$ | \$ 526,858 |
| Public works | 11,225 | 180,684 | 90,116 | 2,605 | 179,250 | 463,880 |
| Police | 11,567 | 270,132 | 5,755 | 1,250 | | 288,704 |
| Fire and rescue | 19,318 | 19,001 | 115,633 | 1,616 | 1,504,297 | 1,659,865 |
| Library | 34,563 | 270,661 | 205,118 | 42,554 | | 552,896 |
| Recreation | 5,416 | 212,532 | 49,764 | 3,687 | | 271,399 |
| Solid Waste | | 156,072 | 28,147 | 90 | | 184,309 |
| Balances at June 30, 1998 | <u>96,369</u> | <u>1,360,207</u> | <u>750,005</u> | <u>57,783</u> | <u>1,683,547</u> | <u>3,947,911</u> |

Schedule 7

TOWN OF GRAY, MAINE
Schedule of Changes in General Fixed Assets by Function and Activity
Year ended June 30, 1999

| | Balance 7-1-98 | Additions | Deletions | Balance 6-30-99 |
|--------------------|---------------------|-------------------|-------------|---------------------|
| General government | \$ 510,149 | \$ 16,709 | \$ | \$ 526,858 |
| Public works | 453,927 | 9,953 | | 463,880 |
| Police | 288,704 | | | 288,704 |
| Fire and rescue | 1,584,885 | 74,980 | | 1,659,865 |
| Library | 549,058 | 3,838 | | 552,896 |
| Recreation | 236,929 | 34,470 | | 271,399 |
| Solid waste | 166,591 | 17,718 | | 184,309 |
| | <u>\$ 3,790,243</u> | <u>\$ 157,668</u> | <u>\$ 0</u> | <u>\$ 3,947,911</u> |

Town Council Liaisons to Town Committees

| <u>Committee</u> | <u>Council Representative</u> | <u>Meeting Date</u> |
|---|-------------------------------|--|
| Board of Assessment Review | n/a | As Required |
| Cable TV Public Access | Grant | 2 nd Monday |
| Charles Baker Scholarship | n/a | May |
| Community Econ. Dev. Comm | Goosetrey / Norton | 3 rd Wednesday |
| Dry Hydrants | Wilkinson | TBD |
| Dry Mills Schoolhouse | Sanborn | |
| Gray Grange No. 41 Scholarship Fund | n/a | |
| Library Committee | Grant | 2 nd Tuesday |
| Ordinance Review | Wilkinson | 1 st Thursday |
| Recreation & Conservation | Wilkinson/Norton | TBD |
| Planning Board | Goosetrey | 2 nd & 4 th Thur |
| Public Safety | Sanborn | 4 th Tuesday |
| Solid Waste | Sanborn | 3 rd Monday |
| Traffic Committee. | Wilkinson/Grant | TBD |
| Web Site Committee | Grant | 3 rd Wednesday |
| Zoning Board of Appeals (ZBA). | n/a | As Required |

Other Council Liaisons

| | |
|-----------------|------------------------|
| COG | Norton/ Town Manager |
| McKin | Sanborn / Town Manager |
| RWS | Town Manager |

Approved July 20, 1999.

**Tax Acquired Real Property List
(As of June 30, 1999)**

| | <u>Tax Date</u> | <u>Name</u> | <u>Location</u> | <u>Acres</u> | <u>Description</u> | <u>1997 Valuation</u> | <u>Map/Lot</u> |
|----|---------------------|--------------------|-------------------|--------------|--------------------|---------------------------|----------------|
| 1 | 95-01 | Bane, Brent | 143 Yarmouth | 0.50 | wht. Trailer | 39,500 | 33/23B |
| 2 | | Bean, Charles | 35 Wild Acres | 4.00 | SFR | 40,400 | 20/16A |
| 3 | | Blanchard, Eleanor | 16 Duton Hill Rd | 0.50 | | 55,500 | 41/12 |
| 4 | | Blanchard, Gale | 12 Two Lights RRd | 1.84 | 14x66 MH | 58,200 | |
| 5 | 88-01 | Boyton, David | 130A Yarmouth | 5.00 | Lumber Yd | 80,000 | 32/11A |
| 6 | 93-01 | Cardona, Michael | 240 No. Raymond | 3.30 | SFR | 83,900 | M5/14 |
| 7 | | Crawford, Edith | 74 Whitney Rd. | 2.00 | 12x65 MH | 38,500 | 41/49 |
| 8 | | Cummings, Daniel | 20 Zachary Dr | 5.30 | | 60,900 | |
| 9 | 93-01 | Daggett, Charles | 92 Long Hill | 4.50 | Lot-back | 2,000 | 42/10 |
| 10 | 90-01 | Driscoll, John | 131 Depot | 0.75 | Lot-dallhouse | 21,700 | 39/18 |
| 11 | | Furlong, Alan | 23 Maplewood | x | Mobile Home | 18,200 | |
| 12 | 93-01 | Gerardo, David | 27 Rustic | 2.00 | Lot | 19,500 | 28/6D |
| 13 | | Grant, Ruth | 423 Ramsdell Rd | 1.00 | Lake Cottage | 90,100 | |
| 14 | | Hardy, Nancy | 390 Mayall Rd | 0.20 | Land | 900 | |
| 15 | | Leavitt, Earl | 176 Mayberry Rd | 0.52 | SFR | 121,300 | |
| 16 | 95-01 | Lewis, Susan | 59 Dutton Hill | 2.00 | SFR | 74,300 | 40/37 |
| 17 | 96-01 | Lucarelli, Bruce | 197 Mayall | 1.25 | SFR | 84,700 | 26/34B |

**Tax Acquired Real Property List
(As of August 26, 1999)**

| | | | | | | | |
|----|-------|-----------------|-------------------|-------|-----------------|--------|---------|
| 18 | 96-01 | MacEachern, R. | 84 Birchwood | 0.69 | Lot | 21,300 | L07/54 |
| 19 | 96-01 | McLeod, Peter | 23 Lake | 0.38 | SFR -Lake front | 89,800 | L02/65 |
| 20 | 96-01 | Moore, Stephen | 337 Shaker | 0.22 | SFR-Lake front | 99,100 | C03/13 |
| 21 | | Rodway, James | Totten Rd | 23.50 | Land | 25,700 | C01/12 |
| 22 | | Sloat, Kimberly | 9 Maple Wood Park | x | MH | 18,900 | 20/11-9 |
| 23 | | Small, Kenneth | Weymouth Rd | 44.00 | Land | 17,600 | 21/31 |
| 24 | 88-01 | Town of Gray | 90 Whitney | 0.43 | Lot | 15,000 | 41/38 |
| 25 | | Wetmore, Steven | 82 Yarmouth Rd | 0.50 | SFR | 52,500 | |

Total (8/26/99)

UNPAID 1999 TAXES AS OF JUNE 30, 1999

| NAMES | AMOUNTS | | |
|-----------------------------------|---------|-------------------------------------|---------|
| A & S RISK CAPITAL ASSOC | 1646.72 | CROOKER LELAND E & LEONA S | 305.81 |
| ACKERMAN WAYNE H | 909.97 | CROSBY LORRAINE P | 623.03 |
| ADAMS TIMOTHY J | 6.37 | CRYSTAL LAKE LAND TRUST | 186.91 |
| AGRO TYRONE | 259.74 | CRYSTAL LAKE LAND TRUST | 1038.08 |
| ALEXANDER MARK R & CHRYSA | 53.94 | CUMMINGS DANIEL B & RODRIGUEZ DIANA | 945.95 |
| ALLEN ANN | 747.66 | CURRY ELIZABETH | 1.76 |
| ALLEN DANFORD D SR | 1565.46 | CUTTER CALVIN T | 387.36 |
| AMERICAN HOLDINGS INC | 3316.16 | CYR JAMES & ROSEMARIE | 2915.93 |
| AUDETTE RONALD C & | 825.59 | DAVIS ROBERT & DARLING DAVIS CAROLY | 103.41 |
| BAGLEY BONNIE J & | 952.96 | DAVOL RICHARD D & MONT SHARON A | 2.00 |
| BAGLEY ROY W & | 968.99 | DAY LINWOOD M | 1597.05 |
| BAKER SHERYL G | 1712.88 | DEAN DENNIS A & | 4.44 |
| BALFOUR ROBERT I & | 365.04 | DECESERE FRANK P | 337.84 |
| BARTER DAVID L & | 767.19 | DESROCHERS DANNY SR | 88.63 |
| BARTER MARYANN & CAIOLA MICHAEL | 7.64 | DIBIASE NICHOLAS M TRUST | 700.63 |
| BARTON BRIAN & CRAIG & TIMOTHY | 245.70 | DIORIO PAULA M | 938.05 |
| BARTON BRIAN & CRAIG & | 39.49 | DINGWELL AUBINE W | 43.00 |
| BARTON BRIAN & CRAIG & | 91.26 | DONDLEY GLENN | 51.77 |
| BEAN CHARLES W JR | 578.22 | DONDLEY GLENN | 128.99 |
| BELLEFLUR CHERYL L | 2695.68 | DONNELLY LORRAINE | 23.74 |
| BIBBER REBECCA | 1274.13 | DONOVAN ROBERT W & | 2.63 |
| BISHOP DOUGLAS E | 396.63 | DOUGHTY ROBERT F & | 200.07 |
| BLAIS PAULINE | 944.19 | DOUGHTY ROBERT F & | 198.31 |
| BLANCHARD ELEANOR C & | 974.03 | DOUSE BEVERLY J | 182.52 |
| BLANCHARD GALE M | 1021.41 | DUDLEY NATHANIEL | 1661.99 |
| BONVILLE FRANK J JR | 136.01 | DULAC SHARON A | 529.13 |
| BOREALIS INC | 3.12 | DURGIN DENISE M & CARLENE | 479.12 |
| BOWLES NORMAN | 332.80 | DURGIN DENNIS M | 1181.12 |
| BOWLES NORMAN | 374.69 | DURGIN DIANNA | 545.81 |
| BRAASCH BENJAMIN B & ANNE | 8.77 | DYKE JODY E | 210.60 |
| BRAASCH BRENT D | 1101.98 | EASTMAN MICHELLE | 639.82 |
| BRICKETT EUGENE T | 638.25 | EASTWARD GROUP INC | 182.52 |
| BROOKS-HILLOCK GLORIA C | 451.03 | ELLIOTT EDGAR & | 3.28 |
| BROWN KATHLEEN E | 581.78 | ELLSWORTH THOMAS E | 47.38 |
| BROWN TIMOTHY W | 195.68 | EMERY HILDA M | 1079.33 |
| BRUNS CHARLES L SR | 179.89 | EVANS MARY C | 1363.64 |
| BRUNS CHARLES SR | 246.58 | FAIETTA MICHAEL J | 2.63 |
| BRUNS LOUIS A | 375.57 | FALCONE JANIS F & | 570.37 |
| BRYANT JULIE A | 1.71 | FARRAR DEAN C | 2058.62 |
| BUENDIA CYNTHIA A | 155.32 | FEDERAL HOME LOAN MORTGAGE | 1501.40 |
| BURNELL ELAINE K | 1528.61 | FEELAN ROBIN W | 1609.34 |
| BURNELL JEANNA A | 3.37 | FEENEY EDWARD J & | 849.42 |
| BURNELL ROBERT E & MICHELLE | 641.34 | FEINTECH JEANNE | 188.83 |
| BURNELL-DICKEY BONNIE | 1554.93 | FENDERSON NANCY J | 1461.92 |
| BURNS DAVID A JR | 1191.65 | FILES JOANNE M & | 5.40 |
| BURNS SHAWN MICHAEL | 196.56 | FILES WILLIAM E | 203.58 |
| BUSQUE PETER | 94.01 | FINNEY WILLIAM L | 1802.39 |
| BUTLER LAWRENCE E & | 6.59 | FLYNN DANIEL & SUSAN I | 1886.62 |
| CABANA GERARD P | 933.66 | FOGG BRADLEY J | 177.25 |
| CAMINITI JOSEPH J III | 389.94 | FOSTER WALTER & | 570.38 |
| CAMPBELL JOHN JR & | 11.51 | FOURNIER DOROTHEA L | 620.39 |
| CANAAN DEVELOPMENT CORP | 187.79 | FRASER HOLLY A | 50.90 |
| CANAAN DEVELOPMENT CORP | 187.79 | FROTTON GEORGE E JR & | 2202.53 |
| CANAAN DEVELOPMENT CORP | 93.89 | FURLONG ALAN | 196.56 |
| CANAAN DEVELOPMENT CORP | 187.79 | FURMAN RONALD BRUCE & BETTY J | 960.86 |
| CANAAN DEVELOPMENT CORP | 187.79 | GAFFNEY PAULINE M | 925.31 |
| CANAAN DEVELOPMENT CORP | 187.79 | GALLANT CATHY E | 6.20 |
| CANAAN DEVELOPMENT CORP | 187.79 | GERARDO JOHN EDWARD | 386.10 |
| CANAAN DEVELOPMENT CORP | 187.79 | GIONIS PANAGOITIS A | 880.13 |
| CANAAN DEVELOPMENT CORP | 187.79 | GIPSON NORMAN B | 792.68 |
| CANAAN DEVELOPMENT CORP | 187.79 | GLANTZ ANDREW & RONALD | 368.55 |
| CANAAN DEVELOPMENT CORP | 187.79 | GLANTZ JAMES ALFRED | 694.98 |
| CANAAN DEVELOPMENT CORP | 187.79 | GOBEIL ROBERT | 76.34 |
| CARROLL DONNELL P & IVA A | 630.92 | GOLDROP DAVID TRUSTEE | 346.61 |
| CASSIDY WILLIAM A JR | 409.79 | GORDON JEFF W | 730.08 |
| CHARRON MAYNARD G & JANE M | 427.34 | GRANGER GERARD A | 754.04 |
| CHASE FRANK W & | 391.36 | GRANT RUTH | 1581.26 |
| CHENERY PERSIS E | 575.64 | GRAVES KELLEY L & | 2090.21 |
| CLEMENTS HARRY W & GAIL M | 1361.00 | GRAY AUTO PARTS C/O MORRELL, R | 4.33 |
| COBB MICHAEL G & | 1649.70 | GREENWOOD EDWARD H & | 1.82 |
| COFFIN DOROTHY E | 56.16 | GUERETTE PAUL B & | 247.05 |
| CONNORS FRED & LISA | 45.63 | HAGAR RICHARD O | 362.54 |
| COPP ELEANOR M & RONALD W | 3345.03 | HAMBLET DANIEL | 71.95 |
| COPP HOWELL R | 4594.59 | HAMBLET DANIEL | 561.60 |
| COTE RICHARD C & PANNETIER EILEEN | 1423.31 | HAMILTON KARL & | 941.56 |
| CRAWFORD EDITH | 435.70 | HAMILTON RICHARD E JR | 129.87 |
| CREATIVE REALTY GROUP INC | 242.19 | HARDY NANCY E | 15.80 |
| CREST ENTERPRISES LTD | 3.96 | HARRIMAN KEITH | 3.63 |

| | | | |
|-----------------------------------|---------|-----------------------------------|---------|
| HART ROBIN RAE | 71.08 | MCDONALD FAMILY REALTY TRUST | 862.58 |
| HARVEY DARRYL J | 249.20 | MCGRAW WALTER & JACQUELYN | 396.63 |
| HARVEY TODD G | 224.64 | MCKENNA DENNIS E & CYNTHIA D | 672.37 |
| HAWKES F BLAINE & | 23.84 | MCKENNA DENNIS E & CYNTHIA D | 296.60 |
| HAWKES F BLAINE & | 107.80 | MCPHAIL JACK A & LINDA | 2034.05 |
| HEALY BEVERLY I TRUSTEE | 1.49 | MEADE JOHN J | 353.63 |
| HEATHCOTE JADE W | 1963.85 | MEADE JOHN J | 956.47 |
| HEBERT TRACEY A | 97.03 | MESSER PATRICIA J & BROWN LEONARD | 1.90 |
| HELVER A MAUD | 544.05 | MESSINA EDWARD T & | 19.30 |
| HEWITT KEVIN J | 1235.52 | METAYER A JOSEPH & ELIZABETH | 4.69 |
| HODGDON JOAN E | 515.27 | MICHAUD ANDREW L JR | 575.64 |
| HODERMANN ELIZABETH A & | 741.49 | MICHAUD TRACY | 45.99 |
| HOLLAND NANCY | 1028.43 | MILLER ROBERT H SR | 408.04 |
| HOLMES SUSAN L | 298.35 | MITCHELL RICHARD | 221.13 |
| HOOPER GARY L & | 1705.86 | MORANG FRANK C | 1232.01 |
| HUFF JUDITH | 780.98 | MOREAU NORMAN R | 233.41 |
| HUMPHREY BARBARA N | 1268.87 | MORENCY ROBERT K & JOANNE P | 1066.16 |
| HUMPHREY BARBARA N | 417.69 | MORGAN GEORGE & | 380.84 |
| HUMPHREY GEORGE L | 431.73 | MORGAN ROBERT D & BURROUGHS DAVID | 1202.18 |
| HUMPHREY GEORGE L | 393.12 | MORRIS RONALD W & BETSY A | 786.24 |
| HUMPHREY GEORGE L | 398.39 | MORTON LARRY A & JILL | 1847.19 |
| HUMPHREY GEORGE L | 751.14 | NADDIF MICHAEL | 959.98 |
| HUNTLEY DARRELL & | 614.25 | NEW JEB INC | 2106.88 |
| IRACE DOMENIC & DIANE | 288.04 | NEWCOMB ROBIN | 138.65 |
| IVERSON ATHA G | 41.82 | NEWMAN ROSEMARIE | 1356.62 |
| JENSEN STACY L | 1407.51 | NICHOLS MARK A | 1082.83 |
| JEWETT ORVILLE S | 47.38 | NICHOLS ROBERT A & MORAN SANDY A | 844.42 |
| JOHNSON EDWARD M & | 1586.52 | NINETEEN MAIN | 2746.58 |
| JOHNSON STEPHEN F & | 768.69 | NISS ROBERT S | 694.98 |
| JONES ROGER L & | 854.69 | NISS ROBERT S | 1268.87 |
| JORDAN WILLIAM H & | 765.18 | NORTHEAST CELLULAR | 1010.00 |
| JOY TIMOTHY S & | 837.13 | O'BRIEN FRANCIS X & MARTHA | 579.15 |
| KAMINSKI KAREN A | 3.03 | O'LEARY MARILYN R | 247.15 |
| KATLER LEONARD B | 5.95 | ODDI MARK A & DIANA B | 913.48 |
| KENNEDY CARROLL L & JUNE M | 1161.81 | ODONOGHUE EDWARD | 501.05 |
| KINNEY FRED T & | 1642.68 | OLESEN ROBERT B & HELEN | 616.88 |
| KINNEY FRED T & | 1746.23 | OLESEN FRED MRS | 175.50 |
| LADOUCEUR LINDA SUE | 905.58 | OLSON RICHARD P | 1360.13 |
| LAFLEUR-WHITMORE PENNY J | 1955.07 | OSGOOD KEITH K & OPAL LIFE ESTATE | 810.81 |
| LAMKIN KEITH D | 795.01 | P B RALEIGH ASSOCIATES | 12.58 |
| LANDRY CHRISTOPHER R & | 85.99 | PALMITER TAMI JO | 14.91 |
| LANDRY JOSEPH | 9.61 | PARADISE NOEL E & LOIS M | 210.60 |
| LARRABEE PATRICIA A | 542.29 | PARADISE NOEL E & LOIS M | 1690.06 |
| LARRACEY JANNY K | 266.76 | PARADISE NOEL E & LOIS M | 241.31 |
| LARRIVEE MARTHA | 596.33 | PARKER WARREN L & MARTHA J | 1157.29 |
| LAURITSEN STEVEN E | 694.10 | PATTERSON ROY D & | 1312.74 |
| LEAVITT EARL G | 2005.97 | PATTON JOYCE A | 1339.07 |
| LEDoux ROGER H | 239.56 | PECORELLI JEAN-MARIE T | 724.81 |
| LEFEBVRE ROBERT J | 1161.51 | PEDDLE ALLAN | 50.90 |
| LEFEBVRE ROBERT J | 33.46 | PERKINS BRADLEY I | 489.65 |
| LIBBEY SCOTT A | 856.44 | PERKINS CHARLES E & ELEANOR A | 50.02 |
| LIBERTY DANIEL A SR | 893.00 | PETERSEN PETER D | 786.24 |
| LIBERTY DANIEL A SR & LINDA | 286.81 | PETERSEN ROBERT | 1209.20 |
| LIBERTY DARLENE | 182.52 | PETERSEN ROBERT E & | 1168.83 |
| LIBERTY MARY F | 735.34 | PHELAN SANDRA H | 637.12 |
| LOBOZZO ALLAN | 423.83 | PHILLIPS CYNTHIA W | 1447.88 |
| LOCKARD ROBERT A | 2139.35 | PHINNEY BRYAN H | 2.84 |
| LOCKE ARTHUR JR | 27.31 | PHINNEY TIMOTHY J | 1.29 |
| LOVEITT BURLEIGH H & TATE WILLIAM | 393.12 | PIERCE C WALKER & JOAN A | 1053.00 |
| LOWE PETER | 2237.63 | PLUMMER JAMES P | 700.24 |
| LOWELL ALBERT T | 162.93 | POLAND JOHN D | 340.47 |
| LOWELL DONALD M | 206.21 | POLLARD JEFFREY B | 277.56 |
| LYONS MICHAEL L & | 10.84 | POLLOCK WILLIAM P & | 1153.03 |
| MACEACHERN ROBERT W | 2137.59 | POOLE MARY D & | 1844.51 |
| MAGID KIM I | 1.30 | POOLE MARY D & | 194.81 |
| MAIN JAMES B & MARY E | 751.36 | POOLE MARY D & | 491.40 |
| MAINS WILLIAM J | 1639.17 | PORTLAND CELLULAR | 615.13 |
| MANCINI JAMES G | 263.25 | POST JOHN R & GAIL | 34.51 |
| MARTIN BERTRAM T & | 5.20 | POTTER LILLIAN F | 693.22 |
| MASON THOMAS & | 508.95 | POTVIN GARY L & | 10.86 |
| MATARESE ELIZABETH A | 192.30 | POULIN LAWRENCE E & | 1179.36 |
| MAXFIELD DOREEN A | 1051.24 | POULIN LAWRENCE E & | 150.52 |
| MAY MEADOW INC | 236.05 | PRATT STEPHEN W & | 692.35 |
| MAY MEADOW INC | 242.19 | PRESCOTT ELVIS W & | 124.10 |
| MAY MEADOW INC | 356.26 | RAMER STEVEN W & | 1445.50 |
| MAY MEADOW INC | 588.80 | RANALLETTE MARK WALLINGFORD KATHR | 876.62 |
| MAY MEADOW INC | 80.73 | RANDALL LLEWELLYN | 593.19 |
| MCCARTHY THOMAS P | 859.95 | RANDALL LLEWELLYN | 2079.68 |
| MCCOLLOR WENDELL R & HELENE G | 987.19 | REDMAN STEVE | 150.93 |

| | | | |
|---------------------------------|---------|--------------------------------|-----------|
| REDWAY DIAN P G HAZZARD | 2187.02 | VINING CLAIRE I & | 1112.67 |
| RHODE JOHN M & MARYANN | 2.24 | VIOLA WILLARD H & | 322.04 |
| RICHARDS ANITA L S | 556.33 | VOLTOLINA LESLIE & | 99.16 |
| RICHARDS DENNIS H & | 355.39 | WALLACE JAMES P | 602.38 |
| RICHARDS WILLIAM | 1233.77 | WASHBURN JANET | 179.01 |
| RICHARDSON PAMELA H | 2318.36 | WESTLAKE JUDY | 3380.03 |
| RICHE JACKIE L | 565.99 | WETMORE STEVEN J | 921.38 |
| RICKER RALPH J | 345.74 | WHITE RALPH A | 2381.54 |
| RIPLEY BRYAN R & | 250.08 | WHITE RALPH A | 1725.84 |
| ROBINSON BRUCE C & | 53.22 | WHITNEY DAVID P & | 1007.37 |
| RODERICK THOMAS L 111 & | 1665.50 | WHITNEY DONALD W & | 615.13 |
| RODWAY DAVID J | 177.25 | WHITNEY DORIS B | 288.70 |
| RODWAY JAMES A | 451.04 | WHITNEY PETER I & | 496.84 |
| ROGERS ARTHUR L | 182.52 | WILKIE'S CARPENTRY | 199.19 |
| ROMAN ERLINE G | 502.81 | WILSON JEFFERY T & | 2027.03 |
| RUHLIN JAMES R JR TRUSTEE | 770.44 | WILSON MARILYN | 473.85 |
| RUSSELL PATRICIA ANN | 483.24 | WILSON MARILYN | 456.30 |
| RUSSO JOHN G | 150.93 | WILSON MARILYN | 122.85 |
| S & G SAND & GRAVEL INC | 497.54 | WILSON MARILYN | 480.87 |
| SAILOR GEORGE E & | 299.86 | WILSON MICHAEL | 301.86 |
| SARELAS ELIZABETH | 149.17 | WILSON MICHAEL | 245.70 |
| SARELAS ELIZABETH | 448.40 | WILSON MICHAEL | 372.06 |
| SARELAS LOUIS & ELIZABETH | 122.85 | WILSON MICHAEL M | 2820.29 |
| SAWYER JEFFREY T | 1441.73 | WILSON MICHAEL M & | 7.02 |
| SAWYER RAYMOND & JANICE C | 361.53 | WILSON MICHAEL M & | 2453.49 |
| SCHECHTER RICKI | 176.38 | WILSON MICHAEL M & | 1323.27 |
| SCHECHTER RICKI | 1472.44 | WILSON MICHAEL M & | 212.36 |
| SCHIDZIG ANDREW J & DOROTHY | 391.36 | WING COLLEEN A | 1130.22 |
| SCOTT CANDACE L | 577.40 | WITHAM STEPHEN E | 662.51 |
| SENECAL MELODY | 180.77 | WITHNELL LESLIE EDEN | 333.76 |
| SETTIPANE WILLIAM P | 1498.77 | WONG DANIEL J & | 1130.03 |
| SHAW HOWARD C | 327.34 | WOOD RICHARD & | 912.60 |
| SHAW WESTON A & | 986.31 | WOODBURY JEFFREY A & ANNETTE M | 204.46 |
| SHIRFAN ANTOINE F & ELAINE | 902.95 | WOODLEY LAURA J | 952.97 |
| SICO JOHN R & | 745.88 | YOUNG CHARLES E JR | 408.91 |
| SIMPSON DOROTHY J | 182.52 | ZEGOUROS VINAL O & | 1226.75 |
| SIMPSON DWAYNE, PEARSALL WENDY | 405.41 | ZUCKERMAN LAWRENCE J | 675.67 |
| SINCLAIR DAVID H | 18.55 | ZUCKERMAN LAWRENCE J | 843.28 |
| SIVULICH MICHAEL R | 4.78 | ZUCKERMAN LAWRENCE J | 246.58 |
| SLOAT KIMBERLY | 208.85 | ZUKOWSKI ROBERT F & MARY | 927.52 |
| SMALL KENNETH | 308.88 | TOTAL | 290130.19 |
| SMALL RICHARD L & | 780.10 | | |
| SMITH BARBARA J/REVOCABLE TRUST | 882.76 | | |
| SMITH GEORGE | 312.39 | | |
| SMITH JAMES B | 301.44 | | |
| SOUCHEK STEVEN H & | 2.22 | | |
| SPAULDING BRUCE C | 1728.68 | | |
| ST PIERRE ROBERT M | 2.78 | | |
| STETSON CINDRA Y | 152.99 | | |
| STILKEY STEPHEN D | 709.03 | | |
| STRATTARD STACY J | 1130.22 | | |
| STRONG MARK E & | 816.95 | | |
| STROUT THOMAS & JAN | 724.94 | | |
| STROUT THOMAS & JAN | 35.64 | | |
| SULLIVAN JOSEPH M | 601.96 | | |
| SYLVESTER GLENN D | 9.60 | | |
| TALBOT FRANCIS F & | 1147.77 | | |
| TARLING WALTER E JR | 816.95 | | |
| TERESHKO JAMES M & | 10.00 | | |
| THERIAULT BEVERLY E | 565.11 | | |
| THIBODEAU BERNARD J & | 1140.75 | | |
| THOITS RYAN | 192.17 | | |
| THOMPSON JOHN F & KAREN L | 179.89 | | |
| TIBBETTS ALVAH & | 100.03 | | |
| TIBBETTS KATHLEEN A | 56.81 | | |
| TRIPP ALLEN & NANCY | 366.22 | | |
| TRUSSELL DAVID W | 972.27 | | |
| TUCCI GARY & ANN MARIE | 114.08 | | |
| TYBORSKI THOMAS J & | 1716.39 | | |
| UNIVERSITY CREDIT UNION | 1095.80 | | |
| VALENTE MICHAEL | 340.47 | | |
| VALREN INC | 296.97 | | |
| VANBRUNT MARY LEE | 331.79 | | |
| VAUGHN MICHAEL P & | 1105.98 | | |
| VELEK BRADLEY F & | 659.00 | | |
| VERRILL SHIRLEY E | 924.01 | | |
| VERZONI RICHARD J | 4.35 | | |
| VICKERSON HARRY R & | 773.95 | | |
| VICKERY FLORENCE B & | 864.34 | | |

PERSONAL PROPERTY TAXES UNPAID AS OF JUNE 30, 1999

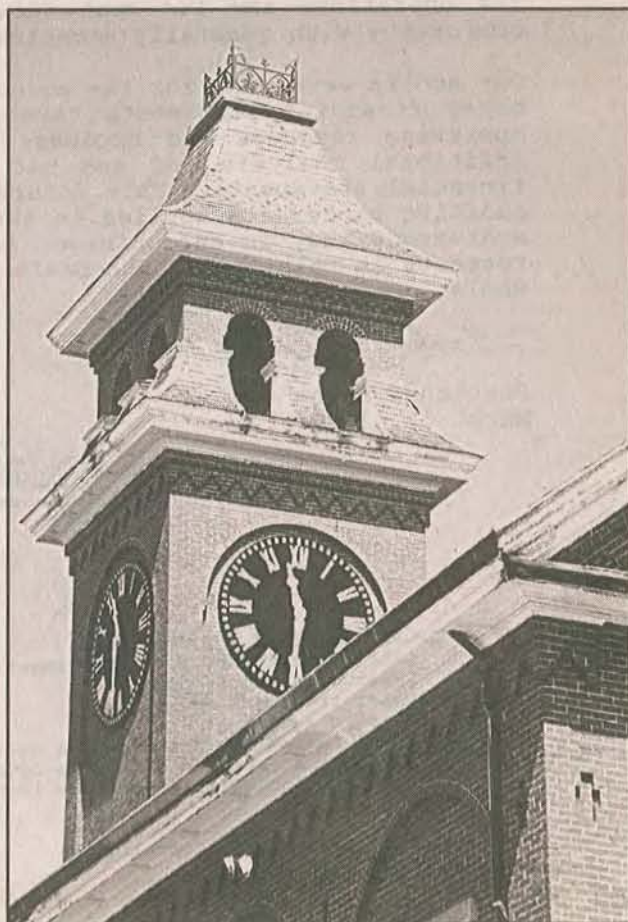
| | |
|---------------------------|----------|
| A T & T | 9.75 |
| ADONAY VENDING | 53.94 |
| ALLEN STUDIO | 71.94 |
| ALOHA LEASING | 10.71 |
| ATLANTIC COLOR LAB | 528.41 |
| BACHMAN OF MAINE | 74.08 |
| COPELCO CREDIT CORP | 79.01 |
| CREDIT CORP OF MAINE | 15.60 |
| CYR AUCTION CO | 5.90 |
| DELETE | 17.50 |
| F.A.WING PAVING | 132.50 |
| FUTURE FOODS INC | 10.39 |
| GBI INVESTMENTS | 80.75 |
| GE CAPITAL MODULAR SPACE | 36.57 |
| GENERAL ELECTRIC CAP.COR | 8.21 |
| GINA'S PIZZA | 128.74 |
| GOODE MAXWELL R | 7.19 |
| GRAY DOVE PRINTING | 4,226.84 |
| GRAY ELECTRONICS | 115.83 |
| GRAY FAMILY VISION CENTER | 453.60 |
| GRAY INSURANCE PLANNING | 71.25 |
| GRAY RENTAL | 1564.26 |
| GRIFFIN VERNON A IV | 91.53 |
| HBH FURNITURE | 20.18 |
| HOLMES JOHNNY | 1,566.50 |
| HOWELL'S GUN SHOP | 17.55 |
| ICON CASH FLOW PARTNERS | 89.49 |
| IOS CAPITAL | 121.45 |
| JONES BEACH INC | 32.47 |
| KEITES CURTIS S | 43.17 |
| LOLLEY'S INC | 1,115.83 |
| LAPOINT DANIEL T | 1,017.60 |
| MCKEEN TJ & SONS | 1,929.77 |
| MISCO MAINT & SUPPLY CO | 610.73 |
| MORTON LARRY A | 138.04 |

| | |
|----------------------------|-----------------|
| NORTH COVE DESIGN | 427.38 |
| NORTHEAST LEASING | 1.49 |
| NORTHEAST CELLULAR | 1,074.94 |
| PANDA'S EXPRESS | 15.70 |
| R P MORRISON BUILDERS | 23.55 |
| SEVEE & MAHER ENGINEERS | 402.77 |
| SOUTHWIND MILLWORK INC. | 218.23 |
| STEEVES JANET | 136.51 |
| T-JA'S ICE CREAM | 109.90 |
| THE CLIP SHOP | 2.44 |
| THE INCREDIBLE EDIBLE DELI | 333.32 |
| TILCON OF MAINE | 271.20 |
| TRASK EVERETT | 8.77 |
| TYSECO OFFICE PRODUCTS I | 96.18 |
| VALCON INC | 24.57 |
| WEB ELECTRIC | 10.42 |
| WILSON MICHAEL | 596.70 |
| TOTAL | 18251.35 |

UNPAID 1998 TAXES AS OF JUNE 30, 1999

| | |
|--------------------------|----------|
| ALLEN DANFORD D SR | 1,616.16 |
| BAKER SHERYL G | 1,639.68 |
| BALFOUR ROBERT I, II & | 174.72 |
| BISHOP DOUGLAS E | 18.83 |
| BLANCHARD ELEANOR C & | 932.40 |
| BLANCHA RD GALE M | 977.76 |
| BURNELL ELAINE K | 872.15 |
| COFFIN DOROTHY E | 53.76 |
| COTE RICHARD C & | 4.20 |
| CUMMINGS DANIEL B & | 1,023.12 |
| CURRY ELIZABETH | 1.68 |
| DAVIS ROBERT & | 6.26 |
| DUDLEY NATHANIEL | 1,708.56 |
| DURGIN DIANNA | 544.53 |
| EMERY HILDA | 563.06 |
| EVANS MARY | 652.68 |
| FARRAR DEAN C | 3.94 |
| FARRIN TERENCE W | 294.77 |
| FENDERSON NANCY J | 926.73 |
| FINNEY WILLIAM L | 862.68 |
| FLETCHER MICHAEL H | 698.88 |
| FOSTER WALTER & | 641.82 |
| FRASER HOLLY A | 32.47 |
| FURLONG ALAN | 305.76 |
| GLANTZ JAMES ALFRED | 665.28 |
| GRANT RUTH | 1,513.68 |
| GRAVES KIELLEY L & | 1,811.10 |
| HARDY NANCY E | 15.12 |
| HEATHCOTE JADE W | 1,997.52 |
| HEBERT TRACEY A | 102.13 |
| HEWITT KEVIN J | 1,300.32 |
| HOLDTMAN KAREN H | 20.63 |
| HUFF JUDITH I | 423.75 |
| HUNTLEY DARRELL & | 705.60 |
| JONES ROGER L & | 935.76 |
| JORDAN WILLIAM H & | 732.48 |
| LADOUCEUR LINDA SUE | 984.48 |
| LAFLEUR-WHITMORE PENNY J | 34.03 |
| LARRACEY DANNY K | 137.4 |
| LEAVITT EARL G | 2,037.84 |
| LOBOZZO ALAN | 19.56 |
| LOWE PETER | 2,142.00 |
| MACEACHERN ROBERT W | 357.84 |
| MASON THOMAS & | 487.2 |
| MCLEOD PETER J & | 1,441.47 |
| MOORE STEPHEN B & | 1,664.88 |
| MORGAN GEORGE & | 364.56 |
| NEWCOMB ROBIN | 132.72 |
| NEWMAN ROSEMARIE | 649.32 |
| NINETEEN MAIN | 2,629.20 |
| NISS ROBERT S | 1,331.40 |
| ODDO PHILLIP | 717.36 |
| OLSON RICHARD P | 651 |
| PATTON JOYCE | 1,393.92 |
| PHILLIPS CYNTHIA W | 1,503.60 |
| POOLE MARY D | 941.64 |

| | |
|----------------------|------------------|
| POOLE MARY D & | 93.24 |
| POOLE MARY D & | 235.20 |
| REDMAN STEVE | 144.48 |
| RICHARDS WILLIAM | 1,149.96 |
| RICHARDSON PAMELA H | 2,336.88 |
| RICKER RALPH J | 57.17 |
| RODWAY JAMES A | 431.76 |
| RUSSELL PATRICIA ANN | 484.72 |
| SANBORN MICHELLE M | 1,016.65 |
| SCOTT CANDACE L | 492.27 |
| SENECAL MELODY | 290.64 |
| SHAW WESTON A & | 946.75 |
| SICO JOHN R & | 573.21 |
| SLOAT KIMBERLY | 317.52 |
| SMALL KENNETH | 295.68 |
| TYBURSKI THOMAS J | 232.12 |
| WETMORE STEVEN J | 882.00 |
| WHITE RALPH A | 1,597.52 |
| WILSON JEFFERY T. & | 970.20 |
| WILSON MARILYN | 453.60 |
| WILSON MARILYN | 436.80 |
| WILSON MARILYN J | 117.60 |
| WILSON MARILYN J | 460.32 |
| WILSON MICHAEL | 288.96 |
| WILSON MICHAEL | 235.20 |
| WILSON MICHAEL | 356.16 |
| WILSON MICHAEL M | 2,817.36 |
| WILSON MICHAEL M & | 6.72 |
| WILSON MICHAEL M & | 2,348.64 |
| WILSON MICHAEL M & | 1,266.72 |
| WILSON MICHAEL M & | 203.28 |
| WING COLLEEN A | 1,199.52 |
| WOOD RICHARD & | 970.73 |
| WOODLEY LAURA J | 9.29 |
| WOODLEY LAURA J | 1,020.55 |
| ZEGOUROS VINAL O & | 1,291.92 |
| TOTAL | 70,432.73 |



Goodline/McAfee

• Professional Association •
 Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Trustees
 Gray Water District
 Gray, Maine



We have audited the accompanying balance sheets of Gray Water District as of December 31, 1998 and 1997 and the related statements of revenue, expense and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gray Water District as of December 31, 1998 and 1997 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of operating revenues and expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Goodline / McAfee, P.A.

Portland, Maine
 March 11, 1999

Gray Water District
 BALANCE SHEETS
 December 31,

ASSETS

| | <u>1998</u> | <u>1997</u> |
|---|------------------|------------------|
| OPERATING PLANT AND EQUIPMENT | | |
| Land, structures, and improvements | \$ 83,227 | \$ 83,227 |
| Reservoirs and standpipes | 296,108 | 296,108 |
| Water treatment equipment | 9,097 | 9,097 |
| Pumping equipment | 85,275 | 79,275 |
| Transmission and distribution equipment | 1,939,009 | 1,855,146 |
| Other plant and miscellaneous equipment | 186,956 | 68,798 |
| Construction work in progress (Note 9) | - | 165,544 |
| | <u>2,599,672</u> | <u>2,556,195</u> |
| Less accumulated depreciation | <u>768,261</u> | <u>709,995</u> |
| Net operating plant | <u>1,831,411</u> | <u>1,846,200</u> |

CURRENT ASSETS

| | | |
|--|---------|---------|
| Cash | 5,747 | 25,083 |
| Cash for construction and debt (Notes 3, 10) | 369,747 | 364,845 |
| Other investments | 78,033 | - |
| Customer accounts receivable | 12,860 | 16,732 |
| Plant materials and supplies (Note 1) | 15,997 | 21,642 |
| Prepayments | 721 | 1,130 |
| Prepaid legal fees (Note 8) | 5,519 | 4,343 |

| | | |
|----------------------|---------|---------|
| Total current assets | 488,624 | 433,775 |
|----------------------|---------|---------|

OTHER DEFERRED DEBITS

| | | |
|---|--------|--------|
| Unamortized debt discounts and expense (Note 1) | 4,236 | 6,711 |
| Prepaid legal fees (Note 8) | 49,673 | 34,748 |

| | | |
|-----------------------------|--------|--------|
| Total other deferred debits | 53,909 | 41,459 |
|-----------------------------|--------|--------|

TOTAL ASSETS

| | |
|-------------|-------------|
| \$2,373,944 | \$2,321,434 |
|-------------|-------------|

LIABILITIES AND NET WORTH

| | 1998 | 1997 |
|-------------------------|------------|------------|
| LONG-TERM DEBT (Note 2) | \$ 502,543 | \$ 574,175 |

CURRENT LIABILITIES

| | | |
|--|--------|--------|
| Current portion of long-term debt (Note 2) | 71,632 | 70,825 |
| Accounts payable | 8,750 | 24,666 |
| Accrued interest payable | 7,021 | 7,912 |
| Accrued compensation | 37,370 | 31,649 |
| Accrued taxes | 1,589 | - |

| | | |
|---------------------------|---------|---------|
| Total current liabilities | 126,362 | 135,052 |
|---------------------------|---------|---------|

TOTAL LIABILITIES

| | |
|---------|---------|
| 628,905 | 709,227 |
|---------|---------|

MISCELLANEOUS DEFERRED CREDITS

| | | |
|---|--------|--------|
| Customer advances for construction (Note 5) | 7,437 | 38,952 |
| Deferred interest payable | 2,400 | 2,800 |
| Standpipe painting reserve | 40,000 | 33,000 |

| | | |
|------------------------|--------|--------|
| Total deferred credits | 49,837 | 74,752 |
|------------------------|--------|--------|

NET WORTH

| | | |
|---|-----------|---------|
| Contributions in aid of construction (Note 5) | 1,013,299 | 918,299 |
| Less accumulated depreciation on contributed plant (Note 4) | 184,578 | 169,444 |

| | |
|---------|---------|
| 828,721 | 748,855 |
|---------|---------|

| | | |
|----------------------------|---------|---------|
| Retained earnings (Note 6) | 866,481 | 788,600 |
|----------------------------|---------|---------|

TOTAL NET WORTH

| | |
|-----------|-----------|
| 1,695,202 | 1,537,455 |
|-----------|-----------|

TOTAL LIABILITIES AND NET WORTH

| | |
|-------------|-------------|
| \$2,373,944 | \$2,321,434 |
|-------------|-------------|

STATEMENTS OF CASH FLOWS
For The Years Ended December 31,

| | 1998 | 1997 |
|---|-----------|-----------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 77,881 | \$ 61,364 |
| Adjustments to reconcile net income to net cash | | |
| Depreciation and amortization | 58,266 | 48,481 |
| Decrease (increase) in | | |
| Accounts receivable | 3,872 | (8,026) |
| Plant materials and supplies | 5,645 | (7,941) |
| Prepayments and deferred debits | 2,884 | (1,189) |
| Prepaid legal fees | (16,101) | (39,091) |
| Increase (decrease) in | | |
| Accounts payable | (15,916) | 8,478 |
| Accrued interest payable | (891) | 981 |
| Accrued compensation | 5,721 | 3,492 |
| Accrued taxes | 1,589 | - |
| Standpipe painting reserve | 7,000 | 7,000 |
| Deferred interest payable | (400) | (400) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 129,550 | 73,149 |

| | | |
|--|-------------------|-------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of operating plant | (43,477) | (191,731) |
| Advances and contributions in aid of construction | <u>48,351</u> | <u>(3,323)</u> |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>4,874</u> | <u>(195,054)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Principal payments of long-term debt | (70,825) | (55,000) |
| Proceeds from bond issue | <u>-</u> | <u>200,000</u> |
| NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES | <u>(70,825)</u> | <u>145,000</u> |
| NET CHANGE IN CASH AND SPECIAL DEPOSITS | 63,599 | 23,095 |
| CASH AND SPECIAL DEPOSITS, BEGINNING OF YEAR | <u>389,928</u> | <u>366,833</u> |
| CASH AND SPECIAL DEPOSITS, END OF YEAR | <u>\$ 453,527</u> | <u>\$ 389,928</u> |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash paid during the year for: | | |
| Interest | \$ 44,368 | \$ 42,665 |

STATEMENTS OF REVENUE, EXPENSE AND RETAINED EARNINGS
For The Years Ended December 31,

| | 1998 | 1997 |
|---|-------------------|-------------------|
| OPERATING REVENUES | \$ <u>348,242</u> | \$ <u>323,646</u> |
| OPERATING EXPENSES | | |
| Operations and maintenance | 183,082 | 187,475 |
| Depreciation and amortization (Notes 1) | 44,558 | 41,021 |
| Taxes other than income | <u>7,681</u> | <u>6,679</u> |
| Total operating expenses | <u>235,321</u> | <u>235,175</u> |
| OPERATING INCOME | <u>112,921</u> | <u>88,471</u> |
| OTHER INCOME | | |
| Jobbing (expense) | (3,553) | 291 |
| Interest income | <u>12,050</u> | <u>16,096</u> |
| Total other income | <u>8,497</u> | <u>16,387</u> |
| INCOME BEFORE DEBT SERVICE | <u>121,418</u> | <u>104,858</u> |
| DEBT SERVICE EXPENSE | | |
| Interest on long-term debt | 43,077 | 43,246 |
| Amortization of debt discount and expense | <u>460</u> | <u>248</u> |
| Total debt service | <u>43,537</u> | <u>43,494</u> |
| NET INCOME | \$ <u>77,881</u> | \$ <u>61,364</u> |
| RETAINED EARNINGS, JANUARY 1 | \$ 788,600 | \$ 727,236 |
| NET INCOME | <u>77,881</u> | <u>61,364</u> |
| RETAINED EARNINGS, DECEMBER 31 | \$ <u>866,481</u> | \$ <u>788,600</u> |

See accompanying notes and independent auditors' report.

Gray Water District
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Gray Water District, a quasi-municipal water utility, maintains its accounting system according to the rules and regulations prescribed by the Maine Public Utilities Commission.

Plant Materials and Supplies

Materials and supplies are recorded at cost, determined on a first-in first-out basis.

Depreciation

Operating plant and equipment are depreciated by the straight-line method with lives ranging from five to seventy-five years.

Bond Discount and Expense

Bond discount and issue costs are being amortized over the life of the bond issue.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. DEBT

Long-Term

The unsecured indebtedness of the District follows:

| | <u>1998</u> | <u>1997</u> |
|---|-------------|-------------|
| 6.9% to 7.3% serial bonds, dated October 26, 1988, maturing October 25, 2006. | \$300,000 | \$340,000 |
| 9.75% to 10% serial bonds, dated October 24, 1984, maturing January 1, 2004. | 90,000 | 105,000 |

(continued)

Gray Water District
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

| 2. DEBT (continued) | <u>1998</u> | <u>1997</u> |
|--|------------------|------------------|
| 5.14% to 5.24% serial bonds, dated May 29, 1997, maturing November 1, 2007. | <u>184,175</u> | <u>200,000</u> |
| Total debt - December 31, | 574,175 | 645,000 |
| Less: Current maturities | <u>71,632</u> | <u>70,825</u> |
| Long-term debt - December 31, | <u>\$502,543</u> | <u>\$574,175</u> |

Annual principal payments on long-term debt follows:

| | |
|----------------|------------------|
| 1999 | \$ 71,632 |
| 2000 | 72,480 |
| 2001 | 73,372 |
| 2002 | 74,309 |
| 2003 and later | <u>282,382</u> |
| | <u>\$574,175</u> |

3. CASH FOR CONSTRUCTION AND DEBT

The deposits represent funds designated for acquisition and construction of new operating plant, which have been deposited in interest-bearing accounts until the funds are used.

4. DEPRECIATION ON CONTRIBUTED PROPERTY

For financial purposes, recognition has been given to the depreciation on contributed plant through charges to the contribution account. Net income has not been decreased for the depreciation on contributed property and reflects the District's income on the basis of accounting practices prescribed by the PUC.

For The Year 1998

Contributed Property - Accumulated Depreciation

| | | | | |
|---------------|-----------|---|------|----------------------------|
| Wells | \$ 30,000 | x | 2.0% | \$ 600 |
| Mains | 688,515 | x | 1.3% | 8,951 |
| Services | 97,442 | x | 3.0% | 2,923 |
| Meters | 35,679 | x | 4.0% | 1,427 |
| Meter Remotes | 926 | x | 7.5% | 69 |
| Hydrants | 58,174 | x | 2.0% | <u>1,164</u> |
| | | | | \$ 15,134 |
| | | | | <u>169,444</u> Prior years |
| | | | | <u>\$184,578</u> |

5. CONTRIBUTIONS AND ADVANCES IN AID OF CONSTRUCTION

Customers advances on construction include advances from customers which may be refunded wholly or in part. Advances are held until it is evident that no further refunds will be paid, but in no event are they held beyond ten years. Advances not refunded are transferred to contributions in aid of construction.

6. CONTINGENCY RESERVE

Maine law allows a quasi-municipal water utility to provide for a contingency reserve allowance by charging rates that reflect a 5% addition to the yearly revenue requirement. When the contingency allowance becomes excessive, regulatory rules prescribe that the excess be returned to the ratepayers in various manners.

7. DEFERRED COMPENSATION PLAN

The District has a deferred compensation plan through IDS Financial Services which qualifies under Internal Revenue Code Section 457. Eligible employees (two) may contribute up to 6.5% of wages, and the District contributes 10% of eligible wages. District contributions to the plan for 1998 were \$6,027.

8. PREPAID LEGAL FEES

The District incurred \$66,701 of legal fees in negotiations with McKin Corp. for a long-term settlement of potential underground water contamination. No settlement has been reached to date, future legal fees will be incurred, and the District is amortizing these costs over a ten year period.

9. CONSTRUCTION WORK IN PROGRESS

The District expended \$164,544 in 1997 to install new water mains through Gray Village in anticipation of 1998 State Highway reconfiguration. In 1998 the District expended \$34,625 to complete the construction site restoration.

10. CONCENTRATIONS OF CREDIT RISK

The District maintains cash balances at four financial institutions located in Maine. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 1998 the District's uninsured cash balances total \$544.

Gray Water District
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For The Years Ended December 31,

| | <u>1998</u> | <u>1997</u> |
|-----------------------------------|------------------|------------------|
| REVENUES | | |
| Unmetered sales | \$ 1,947 | \$ 1,563 |
| Residential - metered | 171,619 | 176,950 |
| Commercial - metered | 39,371 | 31,173 |
| Sales to public authorities | 24,234 | 21,400 |
| Public fire protection | 104,400 | 86,400 |
| Private fire protection | 5,368 | 4,962 |
| Miscellaneous water sales | <u>1,303</u> | <u>1,198</u> |
| Total revenues | <u>\$348,242</u> | <u>\$323,646</u> |
| OPERATIONS AND MAINTENANCE | | |
| Source of supply and pumping | | |
| Operations | \$ 23,586 | \$ 34,366 |
| Maintenance | 1,614 | 1,480 |
| Water Treatment | | |
| Operations | 17,321 | 16,667 |
| Maintenance | 24 | 782 |
| Transmissions and Distribution | | |
| Operations | 22,504 | 31,080 |
| Maintenance | 18,994 | 17,441 |
| Customer Accounts | 16,133 | 14,509 |
| Administrative | <u>82,906</u> | <u>71,150</u> |
| | <u>\$183,082</u> | <u>\$187,475</u> |

See independent auditors' report.

