

TOWN OF SOUTH THOMASTON  
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DECEMBER 31, 2011

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## INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of South Thomaston  
P.O. Box 147  
South Thomaston, Maine 04858-0147

We have audited the accompanying general purpose financial statements of the Town of South Thomaston, as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town of South Thomaston's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Town of South Thomaston as of December 31, 2011 and 2010, and the respective changes in financial position and cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on Schedule A-1 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of South Thomaston's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

February 9, 2012

## **Management's Discussion and Analysis Fiscal Year Ended December 31, 2011**

The Municipal Officials of the Town of South Thomaston, Maine offer the readers of South Thomaston's financial statements this narrative overview and analysis of its financial activities for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented in conjunction with additional information furnished in the basic financial statements and the accompanying notes to those financial statements.

### **The Financial Statements**

The financial statements presented herein include all activities of the Town of South Thomaston, Maine using the integrated approach as prescribed by GASB (Governmental Accounting Standards Board) Statement No. 34. The government-wide financial statements present the financial picture of the Town using the accrual basis of accounting. These statements include all assets of the Town as well as all liabilities, including long-term debt.

The fund financial statements include statements for each of the two categories of activity: governmental and fiduciary. Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Statement of Net Assets and Statement of Activities**

The statement of net assets and statement of activities report information about the Town and its activities as a whole. Excluding infrastructure, these statements include all assets and liabilities of the Town using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the Town's financial health or financial position. Over time, increases and decreases in net assets are one indicator of whether the Town's financial health is improving or deteriorating. Other factors to consider are changes in the Town's property tax base and the condition of its infrastructure. In the statement of net assets and statement of activities, the Town's activities are separated as follows:

*Governmental activities:* Most of the Town's basic services are reported in this category, including public safety, public works, and general administrative services. Property taxes, interest income, franchise fees, and state and federal grants finance these activities.

## **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by state law or by grantor. However, the Town of South Thomaston's selectmen may establish other funds to help it control and manage money for particular purposes, such as capital projects, or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town maintains governmental and fiduciary funds and has no activities requiring proprietary funds.

### **Governmental Funds**

Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the remaining balances at year end that are available for spending. These funds are reported using an accounting method called "modified accrual", which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed shorter-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The Town's governmental funds consist of the following:

*General Fund:* The general operating fund of the Town is used to account for all financial resources except those required to be accounted for in another fund.

*Fiduciary Funds:* The Town's fiduciary funds are held in trust for the benefit of others. These funds are not included in the government activities and operations.

### **Governmental Activities**

The cost of all governmental activities in 2011 was \$3,582,773 an increase of \$143,100 over 2010. Some of the costs were paid by those who directly benefited from the programs, or by other governments and organizations that subsidized certain programs with operating grants and contributions. The Town paid for the "public benefit" portion of governmental activities with property taxes and through additional sources such as excise tax, interest income, state revenue sharing, cable television franchise fees, and other miscellaneous revenues. Town programs include education, general government, health and sanitation, public works, public safety, social services and welfare, culture and recreation, special assessments, and unclassified. Each program's net cost (total cost less revenues generated by the activities) is presented below. The net costs show the financial burden placed on the Town's taxpayers by each of the functions:

	Net Cost 2011	Net Cost 2010	Net Cost 2009	Net Cost 2008	Net Cost 2007
<b>Government Activities:</b>					
Education	\$ 2,409,886	\$ 2,269,958	\$ 2,068,972	\$ 1,990,165	\$ 1,828,693
General Government	210,753	200,175	214,089	231,409	204,362
Health and Sanitation	149,432	142,462	146,260	142,074	160,967
Public Works	195,202	170,115	157,819	184,068	143,422
Public Safety	267,931	223,701	244,454	218,916	211,935
Culture & Recreation	9,703	3,109	3,980	3,908	8,450
Special Assessments (County Tax)	248,131	266,630	255,975	240,179	220,896
Unclassified	2,114	26,088	2,599	(50,907)	15,335
<b>Total</b>	<u>\$ 3,493,152</u>	<u>\$ 3,302,238</u>	<u>\$ 3,094,148</u>	<u>\$ 2,959,812</u>	<u>\$ 2,794,060</u>

On December 31, 2011, South Thomaston's net assets for governmental activities totaled \$1,950,033. Net assets as of December 31, 2010 were \$1,912,578. The result is a increase in net assets of \$37,455 during fiscal year 2011. The increase in net assets is due to a increase in revenues for the period.

### **Budgets and Budgetary Accounting**

The breakdown of actual expenditures for the year may be found in the Selectmen's Financial Report which is part of the 2011 Annual Report of the Town of South Thomaston. This could be compared with the proposed budget for 2012 to ascertain potential increases or decreases in individual budgetary items.

### **Administrative Notes**

The following mil rates are per \$1,000 of valuation:

	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Mil Rate	12.03	11.10	10.74	10.34	9.50	9.20

The cost for education continues to climb; the Town saw an increase of \$139,928 in 2011.

	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
Education	\$2,409,886	\$2,269,958	\$2,119,833	\$1,990,165	\$1,828,693	\$1,707,674

The County tax assessment decreased in the current year. The following is a comparison of the County tax assessment:

	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
County Tax	\$ 248,131	\$ 266,630	\$ 255,975	\$240,179	\$220,896	\$183,213

The Town of South Thomaston has no long-term debt. The following is a comparison of total principal payments on long-term debt:

	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>FY 2006</b>
	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

The Board of Selectmen feel the Town of South Thomaston is in a sound financial position. The Board of Selectmen continues to explore ways to decrease the cost of providing essential services to South Thomaston's taxpayers. Outside demands continue to rise with increasing costs for education, the County tax commitment, and state and federal mandates. The global/international economic crisis did impact the Town's revenues in 2011 as the excise tax revenues were below budget and delayed property tax payments have impacted cash flow. The Board of Selectmen anticipates these trends to continue through 2012.



TOWN OF SOUTH THOMASTON  
STATEMENTS OF NET ASSETS  
DECEMBER 31, 2011 AND 2010

ASSETS		2011	2010
CURRENT ASSETS:			
Cash (Note B)	\$	652,528.77	\$ 637,758.97
Accounts Receivable (Note C)		20,338.28	46,340.40
Taxes Receivable		218,199.28	221,297.64
Tax Liens		59,482.80	62,401.34
Total Current Assets	\$	<u>950,549.13</u>	<u>\$ 967,798.35</u>
PROPERTY, PLANT, AND EQUIPMENT (NOTE H):			
Land and Land Improvements	\$	294,695.00	\$ 288,595.00
Buildings		378,036.00	378,036.00
Vehicles		686,573.92	665,631.21
Equipment, Furniture, and Fixtures		304,505.60	304,505.60
Infrastructure		840,626.76	750,251.76
Total Property, Plant, and Equipment	\$	<u>2,504,437.28</u>	<u>\$ 2,387,019.57</u>
Less: Accumulated Depreciation		<u>(1,226,465.21)</u>	<u>(1,198,677.39)</u>
Net Property, Plant, and Equipment	\$	<u>1,277,972.07</u>	<u>\$ 1,188,342.18</u>
Total Assets	\$	<u><u>2,228,521.20</u></u>	<u><u>\$ 2,156,140.53</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts Payable - Trade	\$	5,322.23	\$ 2,635.26
Deferred Tax Revenue (Note F)		235,406.51	227,154.36
Deferred Revenue (Note E)		22,259.74	
Due To Other Funds (Note G)		15,500.00	13,772.90
Total Current Liabilities	\$	<u>278,488.48</u>	<u>\$ 243,562.52</u>
NET ASSETS:			
Invested in capital assets, net of related debt	\$	1,277,972.07	\$ 1,188,342.18
Committed for Capital Projects		343,100.07	419,373.13
Assigned for Other Purposes		3,851.60	3,095.39
Unassigned		325,108.98	301,767.31
Total Net Assets	\$	<u>1,950,032.72</u>	<u>\$ 1,912,578.01</u>
Total Liabilities and Net Assets	\$	<u><u>2,228,521.20</u></u>	<u><u>\$ 2,156,140.53</u></u>

TOWN OF SOUTH THOMASTON  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	2011	2010
Primary Government:					
Governmental Activities:					
General Government	\$ 228,589.65	\$ 17,836.31	\$ -	\$ (210,753.34)	\$ (200,174.89)
Health and Sanitation	175,161.91	25,730.41		(149,431.50)	(142,461.91)
Public Works	211,221.99		16,020.00	(195,201.99)	(170,114.93)
Education	2,409,885.66			(2,409,885.66)	(2,269,958.22)
County Tax Assessment	248,130.70			(248,130.70)	(266,630.18)
Recreation and Culture	9,702.99	6,179.46		(9,702.99)	(3,109.37)
Public Safety	274,111.32	23,854.15		(267,931.86)	(223,701.19)
Unclassified	25,968.42			(2,114.27)	(26,087.70)
Total Primary Government	<u>\$ 3,582,772.64</u>	<u>\$ 73,600.33</u>	<u>\$ 16,020.00</u>	<u>\$ (3,493,152.31)</u>	<u>\$ (3,302,238.39)</u>
General Revenues:					
Taxes:					
Property Taxes				\$ 3,142,440.35	\$ 2,836,863.58
Homestead Reimbursement				28,571.25	18,616.00
Excise Taxes				280,760.21	252,692.04
Intergovernmental				45,000.00	54,600.00
Interest and Investment Earnings				23,835.21	26,928.96
Cemetery Trust Transfer				10,000.00	1,500.00
Total General Revenues				<u>\$ 3,530,607.02</u>	<u>\$ 3,191,200.58</u>
Changes in Net Assets					
Net Assets, January 1				\$ 37,454.71	\$ (111,037.81)
Net Assets, December 31				<u>1,912,578.01</u>	<u>2,023,615.82</u>
				<u>\$ 1,950,032.72</u>	<u>\$ 1,912,578.01</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTH THOMASTON  
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
GOVERNMENTAL FUND BALANCES:		
Unassigned	\$ 340,608.98	\$ 301,767.31
Balance Forward (Schedule A-4)	(15,500.00)	
Committed for Capital Projects (Schedule A-11)	343,100.07	419,373.13
Restricted for Special Revenue	<u>3,851.60</u>	<u>3,095.39</u>
Total Governmental Fund Balances (Exhibit E)	\$ 672,060.65	\$ 724,235.83
Amounts reported for governmental activities in the Statements of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,277,972.07	1,188,342.18
Net Assets of Governmental Activities (Exhibit A)	<u><u>\$ 1,950,032.72</u></u>	<u><u>\$ 1,912,578.01</u></u>

TOWN OF SOUTH THOMASTON  
 RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Net Change in Fund Balances - Total Governmental Funds (Exhibit F)	\$ (52,175.18)	\$ (50,971.87)
Amounts reported for governmental activities in the Statements of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays (capital outlays exceeds depreciation).		
	89,629.89	(60,065.94)
Change in Net Assets of Governmental Activities	<u>\$ 37,454.71</u>	<u>\$ (111,037.81)</u>

TOWN OF SOUTH THOMASTON  
BALANCE SHEETS - GOVERNMENTAL FUNDS  
DECEMBER 31, 2011 AND 2010

	GOVERNMENTAL FUNDS			2011 TOTALS	2010 TOTALS
	GENERAL	CAPITAL PROJECTS	SPECIAL REVENUE		
<b>ASSETS:</b>					
Cash (Note B)	\$ 306,428.70	\$ 346,100.07	\$ -	\$ 652,528.77	\$ 637,758.97
Taxes Receivable (Schedule A-8)	218,199.28			218,199.28	221,297.64
Tax Liens (Schedule A-7)	59,482.80			59,482.80	62,401.34
Accounts Receivable (Note C)	20,338.28			20,338.28	46,340.40
Due From Other Funds (Note G)	3,000.00		3,851.60	6,851.60	12,080.10
<b>Total Assets</b>	<u>\$ 607,449.06</u>	<u>\$ 346,100.07</u>	<u>\$ 3,851.60</u>	<u>\$ 957,400.73</u>	<u>\$ 979,878.45</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 5,322.23	\$ -	\$ -	\$ 5,322.23	\$ 2,635.26
Due To Other Funds (Note G)	19,351.60	3,000.00		22,351.60	12,080.10
<b>Total Liabilities</b>	<u>\$ 24,673.83</u>	<u>\$ 3,000.00</u>	<u>\$ -</u>	<u>\$ 27,673.83</u>	<u>\$ 14,715.36</u>
<b>Reserves:</b>					
Deferred Revenue (Note E)	\$ 235,406.51	\$ -	\$ -	\$ 235,406.51	\$ 227,154.36
Deferred Property Taxes (Note F)	22,259.74			22,259.74	13,772.90
<b>Total Reserves</b>	<u>\$ 257,666.25</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,666.25</u>	<u>\$ 240,927.26</u>
<b>Fund Balances:</b>					
Unassigned	\$ 325,108.98	\$ -	\$ -	\$ 325,108.98	\$ 724,235.83
Committed		343,100.07		343,100.07	
Restricted			\$ 3,851.60	3,851.60	
<b>Total Fund Balances</b>	<u>\$ 325,108.98</u>	<u>\$ 343,100.07</u>	<u>\$ 3,851.60</u>	<u>\$ 672,060.65</u>	<u>\$ 724,235.83</u>
<b>Total Liabilities, Reserves, and Fund Balances</b>	<u>\$ 607,449.06</u>	<u>\$ 346,100.07</u>	<u>\$ 3,851.60</u>	<u>\$ 957,400.73</u>	<u>\$ 979,878.45</u>

TOWN OF SOUTH THOMASTON  
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	GOVERNMENTAL FUNDS			2011	2010
	GENERAL	CAPITAL PROJECTS	SPECIAL REVENUE	TOTALS	TOTALS
REVENUES:					
Property Taxes	\$ 3,142,440.35	\$ -	\$ -	\$ 3,142,440.35	\$ 2,836,863.58
Excise Taxes	280,760.21			280,760.21	252,692.04
Intergovernmental Revenues	73,571.25			73,571.25	73,216.00
General Government	17,836.31			17,836.31	39,702.34
Health and Sanitation	25,730.41			25,730.41	24,185.75
Public Works	16,020.00			16,020.00	16,020.00
Public Safety	6,179.46			6,179.46	39,184.41
Unclassified	20,189.15	500.00	3,165.00	23,854.15	19,842.32
Interest	23,028.04	807.17		23,835.21	26,928.96
Total Revenues	<u>\$ 3,605,755.18</u>	<u>\$ 1,307.17</u>	<u>\$ 3,165.00</u>	<u>\$ 3,610,227.35</u>	<u>\$ 3,328,635.40</u>
EXPENDITURES:					
Education	\$ 2,409,885.66	\$ -	\$ -	\$ 2,409,885.66	\$ 2,269,958.22
General Government	227,088.74			227,088.74	232,530.49
Health and Sanitation	175,161.91			175,161.91	166,647.66
Public Works	250,502.42			250,502.42	134,324.13
Public Safety	328,488.78			328,488.78	264,504.29
Recreation and Culture	7,175.90			7,175.90	582.28
Special Assessments	248,130.70			248,130.70	266,630.18
Unclassified	23,559.63		2,408.79	25,968.42	44,430.02
Total Expenditures	<u>\$ 3,669,993.74</u>	<u>\$ -</u>	<u>\$ 2,408.79</u>	<u>\$ 3,672,402.53</u>	<u>\$ 3,379,607.27</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (64,238.56)</u>	<u>\$ 1,307.17</u>	<u>\$ 756.21</u>	<u>\$ (62,175.18)</u>	<u>\$ (50,971.87)</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers - In	\$ 115,715.00	\$ 37,119.48	\$ -	\$ 152,834.48	\$ 92,500.00
Operating Transfers - Out	(37,119.48)	(105,715.00)		(142,834.48)	(92,500.00)
Total Other Financing Sources (Uses)	<u>\$ 78,595.52</u>	<u>\$ (68,595.52)</u>	<u>\$ -</u>	<u>\$ 10,000.00</u>	<u>\$ -</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 14,356.96</u>	<u>\$ (67,288.35)</u>	<u>\$ 756.21</u>	<u>\$ (52,175.18)</u>	<u>\$ (50,971.87)</u>
Fund Balance, January 1	310,752.02	410,388.42	3,095.39	724,235.83	775,207.70
Fund Balance, December 31	<u>\$ 325,108.98</u>	<u>\$ 343,100.07</u>	<u>\$ 3,851.60</u>	<u>\$ 672,060.65</u>	<u>\$ 724,235.83</u>

TOWN OF SOUTH THOMASTON  
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND  
 BALANCES - FIDUCIARY FUND TYPE - NONEXPENDABLE TRUST FUNDS  
 CEMETERY TRUST FUNDS  
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
REVENUES:		
Interest	\$ 857.18	\$ 959.49
Donations	1,600.00	2,350.00
Total Revenues	<u>\$ 2,457.18</u>	<u>\$ 3,309.49</u>
EXPENSES	10,000.00	1,550.00
Net Gain (Loss)	<u>\$ (7,542.82)</u>	<u>\$ 1,759.49</u>
Fund Balance, January 1	386,393.44	384,633.95
Fund Balance, December 31	<u><u>\$ 378,850.62</u></u>	<u><u>\$ 386,393.44</u></u>

STATEMENTS OF CASH FLOWS  
 FIDUCIARY FUND TYPE - NONEXPENDABLE TRUST FUNDS  
 CEMETERY TRUST FUNDS  
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Net Gain (Loss)	\$ (7,542.82)	\$ 1,759.49
Transfer to General Fund	(15,500.00)	
Net Cash Provided by (Used in) Operating Activities	<u>\$ (23,042.82)</u>	<u>\$ 1,759.49</u>
Cash Balance, January 1	386,393.44	384,633.95
Cash Balance, December 31	<u><u>\$ 363,350.62</u></u>	<u><u>\$ 386,393.44</u></u>

TOWN OF SOUTH THOMASTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Town of South Thomaston conform to generally accepted accounting principles as applicable to governmental units.

1. Financial Reporting Entity

The Town of South Thomaston was incorporated in 1848. The Town operates under a town meeting form of government.

In evaluating the Town of South Thomaston as a reporting entity, management has addressed all potential component units. The primary criteria for including a component reporting entity are the exercise of financial accountability by the Town of South Thomaston's municipal officials.

The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing Generally Accepted Accounting Principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP are used by the Town as discussed below.

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

1.) The financial statements now include:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Town's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Town's activities, including infrastructure (roads, bridges, etc.).

2.) A change in the fund financial statements to focus on the major funds.

2. Basic Financial Statements - Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The Town's fire protection, recreation, public works, and general administrative services are classified as governmental activities.

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



TOWN OF SOUTH THOMASTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

2. Basic Financial Statements - Government-Wide Statements (Cont'd)

The government-wide Statements of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (fire, public works, administrative, etc.). The functions are also supported by general government revenues (property, certain intergovernmental revenues, fines, permits and charges, etc.). The Statements of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (fire, public works, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, intergovernmental revenues, interest income, etc.).

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

3. Basic Financial Statements - Fund Financial Statements

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

The following fund types are used by the Town:

a. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

1. General Fund:

General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support town programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

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

TOWN OF SOUTH THOMASTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

3. Basic Financial Statements - Fund Financial Statements (Cont'd)

a. Governmental Funds (cont'd):

2. Fiduciary Funds (cont'd):

The Town's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

4. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied:

a. Accrual:

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

b. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

5. Financial Statement Amounts

a. Cash and Cash Equivalents:

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Statutes authorize the Treasurer of the Town, as directed by the municipal officers, to invest all municipal funds, including reserve and trust funds, to the extent that the terms of the instrument, order, or article creating the fund do not prohibit the investment, in financial institutions as described in Section 5706 MRSA and securities as described in Sections 5711 through 5717 MRSA.

TOWN OF SOUTH THOMASTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statement Amounts (Cont'd)

b. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,500.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Land and Land Improvements	15-50 Years
Buildings	20-50 Years
Vehicles	5-30 Years
Equipment, Furniture, and Fixtures	5-10 Years

c. Revenues:

Substantially, all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

d. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

e. Use of Estimates:

The presentation 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.

f. Fund Balance:

In accordance with GASB Statement No. 54, the Town employed new terminology and classifications for fund balance items during the fiscal year ending June 30, 2011.

Restricted fund balances are amounts that can be used only for specific purposes because of legislation or restrictions imposed by donors. The fund balance of the Special Revenue Funds are classified as restricted.

TOWN OF SOUTH THOMASTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statement Amounts (Cont'd)

f. Fund Balance (cont'd):

Committed fund balances are amounts that can be used only for specific purposes because of a formal action taken by town government. Budget carryforward amounts and the fund balances in the Capital Projects Fund are in this category.

Unassigned fund balances are all amounts in the General Fund that are not assigned to another category. Only the General Fund can have an unassigned fund balance.

NOTE B - CASH:

Cash

The Town's cash is categorized to give an indication of the level of risk assumed by the Town at year end. These Categories are defined as follows:

Category #1 - Insured or collateralized with securities held by the Town or by its agent in the Town's name.

Category #2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

Category #3 - Uncollateralized (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Town's name.)

ACCOUNT TYPE	CARRYING AMOUNT	BANK BALANCE	CATEGORY		
			#1	#2	#3
Interest Bearing Accounts	\$ 1,015,879.52	\$ 1,025,553.56	\$ 250,000.00	\$ 775,553.56	\$

NOTE C - ACCOUNTS RECEIVABLE:

Accounts Receivable consists of the following:

State of Maine - Homestead Reimbursement	\$ 2,402.25
Ambulance Billing	17,936.03
	<u>\$ 20,338.28</u>

TOWN OF SOUTH THOMASTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE D - GENERAL FUND BUDGET:

The Town operates on a net budget as compared with a gross budget. All revenues are not estimated, but are credited to the particular operating account. Certain revenues are dedicated for particular purposes by vote of the townspeople at the annual town meeting or at special town meetings.

At the annual town meeting, held in March of each year, the townspeople vote on various articles on which amounts for appropriations have been recommended by the Board of Selectmen and/or the Budget Committee.

NOTE E - DEFERRED REVENUE:

Deferred Revenue consists of the following:

2011 Prepaid Taxes	<u>\$ 22,259.74</u>
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NOTE F - REVENUE RECOGNITION - PROPERTY TAXES:

The Town's property tax for the current year was levied July 19, 2011 on the assessed value listed as of April 1, 2011 for all taxable real and personal property located in the Town. Taxes were due October 1, 2011 with interest at 7.00% per annum or part thereof commencing October 2, 2011.

Tax liens are filed against delinquent real estate taxpayers after eight months but within one year of the original tax commitment. If the tax, interest, and costs have not been paid eighteen months after the filing of a lien certificate then the lien is automatically foreclosed.

The National Council on Governmental Accounting (N.C.G.A.) Interpretation No. 3 requires that property tax revenue be recognized only to the extent it will be collected within sixty days following the year end. The deferred tax revenue shown on the balance sheet represents property taxes not expected to be collected within sixty days after the year end.

Property taxes are recognized when they become available. Available includes those taxes expected to be collected within sixty days after year end as stated above.

NOTE G - INTERFUND RECEIVABLES AND PAYABLES:

Due To and Due From Other Funds consist of the following:

Due From Capital Reserves	\$ 3,000.00
Due To Special Revenues	3,851.60
Due To Cemetery	<u>15,500.00</u>
	<u>\$ 22,351.60</u>

TOWN OF SOUTH THOMASTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE H - PROPERTY, PLANT, AND EQUIPMENT:

The following is a summary of changes in fixed assets at December 31, 2011:

	BALANCE JANUARY 1, 2011	ADDITIONS	DISPOSALS	BALANCE DECEMBER 31, 2011
Land and Land Improvements	\$ 288,595.00	\$ 6,100.00	\$	\$ 294,695.00
Buildings	378,036.00			378,036.00
Vehicles	665,631.21	120,942.71	100,000.00	686,573.92
Equipment, Furniture, and Fixtures	304,505.60			304,505.60
Infrastructure	750,251.76	90,375.00		840,626.76
	\$ 2,387,019.57	\$ 217,417.71	\$ (100,000.00)	\$ 2,504,437.28
Accumulated Depreciation	(1,198,677.39)	(110,010.11)	82,222.29	(1,226,465.21)
Net Property, Plant, and Equipment	<u>\$ 1,188,342.18</u>	<u>\$ 107,407.60</u>	<u>\$ (17,777.71)</u>	<u>\$ 1,277,972.07</u>

NOTE I - RISK MANAGEMENT:

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All significant losses are covered by commercial insurance. There has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE J - INTEREST COST INCURRED:

During the current year the Town incurred interest costs totaling \$6,893.09 which was charged as an expense to various accounts.

NOTE K - OVERLAPPING DEBT:

The Town of South Thomaston is situated in Knox County and is therefore subject to annual assessment of its proportional share of County expenses. There was no long-term debt outstanding in Knox County at December 31, 2011 for which the Town of South Thomaston would be proportionally responsible in the event the County defaulted.

The Town of South Thomaston is a participant in Regional School Unit No. 13 (RSU #13) and is subject to annual assessment of its proportional share of school expenses. Long-term debt outstanding in RSU #13 for which the Town of South Thomaston would be proportionally responsible in the event the school defaulted is approximately \$3,603,250.00 at June 30, 2011. The Town of South Thomaston's share would be 9.31% of the debt or \$335,462.00.

The Town of South Thomaston participates in the Cooperative Solid Waste Transfer Facility in Thomaston, Maine and is subject to an annual assessment of its proportional share of facility expenses. The facility's 2011 budget totaled \$514,989.00 of which the Town of South Thomaston was responsible for 21% of the assessment or \$108,147.69. As of December 31, 2011, the Cooperative Solid Waste Transfer Facility had no outstanding long-term debt.

TOWN OF SOUTH THOMASTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE L - EXPENDITURES IN EXCESS OF APPROPRIATIONS:

During the year expenditures exceeded total appropriations in the following general fund categories:

	APPROPRIATION AND REVENUE		EXPENDITURES		VARIANCE
Building and Grounds	\$ 27,364.00	\$	29,101.65	\$	(1,737.65)
Interest	\$ 870.19	\$	2,500.00	\$	(1,629.81)
Town Landing and Harbor	\$ 525.00	\$	1,097.00	\$	(572.00)
Solid Waste	\$ 174,456.00	\$	174,979.46	\$	(523.46)
Town Roads/Snow removal	\$ 240,075.00	\$	249,405.42	\$	(9,330.42)
Tax Abatements	\$	\$	1,502.54	\$	(1,502.54)
Tax Discounts	\$	\$	4,442.52	\$	(4,442.52)
Town Landing Reserve	\$ 7,000.00	\$	9,119.48	\$	(2,119.48)
Fire Department	\$ 97,992.00	\$	98,019.97	\$	(27.97)

Historically, the Town has not appropriated funds for abatements or discounts but rather funds the expenditures through other unappropriated revenue or unappropriated surplus. Overdrafts were due to higher than anticipated expenses or revenues not meeting budgeted amounts.

NOTE M - POST EMPLOYMENT HEALTHCARE PLAN:

Plan Description - The Towns defined benefit post employment healthcare plan provides benefits to eligible retired town employees. The Town plan is part of its regular health insurance with Maine Municipal Employees Health Trust. The annual premium amounts listed for retiree coverage was \$8,713.68 for single coverage.

Funding Policy - The Town contributes annually to cover the health insurance costs. Funding is due through the regular budget and is recorded on the cash basis of accounting.

TOWN OF SOUTH THOMASTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE M - POST EMPLOYMENT HEALTHCARE PLAN (CONT'D):

Accrued Liability - The calculation of the accrued liability is as follows:

Actuarial Accrued Liability

	January 1, 2011
Retirees and Spouses	\$ 205,952.00

Calculation of Annual Required Contribution  
Fiscal Year Ending December 31, 2011

	Amortization Method	
	Level Dollar	Level Percent of Pay
Discount Rate	4.00%	4.00%
Payroll Growth Assumption	N/A	3.00%
Accrued Liability	\$ 205,952.00	N/A
Value of Assets		N/A
Unfunded Liability	\$ 205,952.00	N/A
Normal Cost	\$ 4,009.00	N/A
Amortization of Unfunded	11,452.00	N/A
Interest	618.00	N/A
Annual Required Contribution	\$ 16,079.00	N/A

NOTE N - SOLID WASTE TRANSPORTATION AND DISPOSAL CONTRACT:

The Town has entered into a two year contract with DM&J Waste, Inc. The contract is from April 2010 to April 2012 with a two year renewal option that is dependent on the completion of two years of satisfactory service and successful negotiation of rates. Contracted rates for the next two years are container rental \$70.00 a month, Transportation \$260.00 per trip, and Disposal \$80.00 per ton.

NOTE O - SUBSEQUENT EVENT:

As of February 9, 2012 management has reviewed events after December 31, 2011 and there were no material subsequent events requiring disclosure.



TOWN OF SOUTH THOMASTON  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL AND FINAL BUDGET	ACTUAL
REVENUES:		
Property Taxes	\$ 3,141,259.21	\$ 3,142,440.35
Excise Taxes	252,000.00	280,760.21
Intergovernmental Revenue	73,571.25	73,571.25
General Government	13,753.88	17,836.31
Health and Sanitation	23,500.00	25,730.41
Public Works	16,020.00	16,020.00
Public Safety	700.00	6,179.46
Unclassified	16,280.00	20,189.15
Interest	24,500.00	23,028.04
Total Revenues	<u>\$ 3,561,584.34</u>	<u>\$ 3,605,755.18</u>
EXPENDITURES:		
Education	\$ 2,409,885.66	\$ 2,409,885.66
General Government	227,476.00	227,088.74
Health and Sanitation	176,956.00	175,161.91
Public Works	240,600.00	250,502.42
Public Safety	239,083.00	328,488.78
Recreation and Culture	7,500.00	7,175.90
Special Assessments	248,130.70	248,130.70
Unclassified	23,823.00	23,559.63
Total Expenditures	<u>\$ 3,573,454.36</u>	<u>\$ 3,669,993.74</u>
Excess of Expenditures Over Revenues	<u>\$ (11,870.02)</u>	<u>\$ (64,238.56)</u>
OTHER FINANCING SOURCES (USES):		
Operating Transfers - In	\$ 37,000.00	\$ 115,715.00
Operating Transfers - Out	(35,000.00)	(37,119.48)
Total Other Financing Sources (Uses)	<u>\$ 2,000.00</u>	<u>\$ 78,595.52</u>
Excess of Revenues and Other Sources Over (Under)		
Expenditures and Other Uses	<u>\$ (9,870.02)</u>	<u>\$ 14,356.96</u>
Fund Balance, January 1	310,752.02	310,752.02
Fund Balance, December 31	<u><u>\$ 300,882.00</u></u>	<u><u>\$ 325,108.98</u></u>

TOWN OF SOUTH THOMASTON  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

Cash Balance, January 1, 2011 \$ 227,370.55

ADD: CASH RECEIPTS:

Property Tax Collections:

Current Year	\$ 2,903,341.97
Prior Years	224,216.18
Prepayments	<u>22,259.74</u>

Total Property Tax Collections	\$ 3,149,817.89
Excise Taxes	280,760.21
Departmental (Schedule A-4)	103,175.91
State Revenue Sharing	60,378.35
Homestead Reimbursement	26,169.00
Capital Reserve Receipts	102,715.00
Special Revenue Receipts	3,165.00
Accounts Receivable	34,211.83
Trust Fund Receipts	1,600.00
Short-Term Loan Proceeds	770,000.00
Transfer from Trust Fund	25,500.00
State Fees	<u>35.40</u>

Total Cash Receipts	<u>4,557,528.59</u>
Total Cash Available	<u>\$ 4,784,899.14</u>

LESS: CASH DISBURSEMENTS:

Departmental (Schedule A-4)	\$ 3,664,706.91
Repayment of Short-Term Loan	770,000.00
Accounts Payable	2,635.26
Transfer to Trust Funds	1,600.00
Special Revenue Expenses	2,408.79
Transfer to Capital Reserves	<u>37,119.48</u>

Total Cash Disbursements	4,478,470.44
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Cash Balance, December 31, 2011	<u><u>\$ 306,428.70</u></u>
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TOWN OF SOUTH THOMASTON  
STATEMENT OF CHANGES IN UNAPPROPRIATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2011

Unappropriated Surplus, January 1, 2011		\$ 310,752.02
INCREASES:		
Operating Account Balances Lapsed - Net (Schedule A-4)	\$ 43,230.76	
Decrease in Deferred Property Taxes	<u>7,126.20</u>	<u>50,356.96</u>
Total Available		\$ 361,108.98
DECREASES:		
Appropriated at Annual and Special Town Meetings		20,500.00
Unappropriated Surplus, December 31, 2011		<u><u>\$ 340,608.98</u></u>

TOWN OF SOUTH THOMASTON  
STATEMENT OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	BALANCES FORWARD 1/1/11	APPROPRIATIONS	CASH RECEIPTS	OTHER CREDITS	TOTAL	CASH DISBURSED	OTHER CHARGES	UNEXPENDED (OVERDRAFT)	BALANCES FORWARD 12/31/11
<b>EDUCATION:</b>									
Common School	\$ -	\$ 2,409,885.66	\$ -	\$ -	\$ 2,409,885.66	\$ 2,409,885.60	\$ -	\$ -	\$ -
<b>GENERAL GOVERNMENT:</b>									
Administration	\$ -	\$ 141,986.00	\$ -	\$ -	\$ 141,986.00	\$ 140,474.86	\$ 113.50	\$ 1,397.64	\$ -
Assessors		38,699.00			38,699.00	38,455.92		243.08	
Interest and Lien Costs			22,157.85		22,157.85		22,000.00	157.85	
Building and Grounds		27,364.00			27,364.00	28,929.93	171.72	(1,737.65)	
Miscellaneous Administration Income			12,453.81		12,453.81		8,500.00	3,953.81	
Interest			870.19		870.19		2,500.00	(1,629.81)	
Code Enforcement/Plumbing		18,327.00			18,327.00	18,068.96		258.04	
Code Enforcement/Plumbing Fees			5,324.50		5,324.50		5,200.00	124.50	
State Revenue Sharing				60,378.35	60,378.35		60,378.35		
Planning Board		1,100.00			1,100.00			226.15	
BETE Reimbursement			58.00		58.00	873.85	53.88	4.12	
	\$ -	\$ 227,476.00	\$ 40,864.35	\$ 60,378.35	\$ 328,718.70	\$ 226,803.52	\$ 98,917.45	\$ 2,997.73	\$ -
<b>HEALTH AND SANITATION:</b>									
General Assistance	\$ -	\$ 2,500.00	\$ 165.21	\$ -	\$ 2,665.21	\$ 182.45	\$ 200.00	\$ 2,282.76	\$ -
Solid Waste Revenue			25,565.20		25,565.20		23,300.00	2,265.20	
Solid Waste		174,456.00			174,456.00	174,979.46		(523.46)	
	\$ -	\$ 176,956.00	\$ 25,730.41	\$ -	\$ 202,686.41	\$ 175,161.91	\$ 23,500.00	\$ 4,024.50	\$ -
<b>PUBLIC WORKS:</b>									
Town Roads/Snow Removal	\$ -	\$ 240,075.00	\$ -	\$ -	\$ 240,075.00	\$ 245,307.70	\$ 4,097.72	\$ (9,330.42)	\$ -
Town Landings and Harbors		525.00			525.00	1,097.00		(572.00)	
Maine Department of Transportation Block Grant			16,020.00		16,020.00		16,020.00		
	\$ -	\$ 240,600.00	\$ 16,020.00	\$ -	\$ 256,620.00	\$ 246,404.70	\$ 20,117.72	\$ (9,902.42)	\$ -
<b>PUBLIC SAFETY:</b>									
Street Lights	\$ -	\$ 7,100.00	\$ -	\$ -	\$ 7,100.00	\$ 6,334.39	\$ 622.31	\$ 143.30	\$ -
Ambulance Department		115,666.00		5,807.46	121,473.46	112,094.56	281.58	9,097.32	
Animal Control		18,325.00	372.00		18,697.00	16,920.97	700.00	1,076.03	
Fire Department		97,992.00			97,992.00	98,019.97		(27.97)	
	\$ -	\$ 239,083.00	\$ 372.00	\$ 5,807.46	\$ 245,262.46	\$ 233,369.89	\$ 1,603.89	\$ 10,288.68	\$ -
<b>SPECIAL ASSESSMENTS:</b>									
County Tax	\$ -	\$ 248,130.70	\$ -	\$ -	\$ 248,130.70	\$ 248,130.70	\$ -	\$ -	\$ -
Overlay		10,629.98			10,629.98			10,629.98	
	\$ -	\$ 258,760.68	\$ -	\$ -	\$ 258,760.68	\$ 248,130.70	\$ -	\$ 10,629.98	\$ -
<b>RECREATION AND CULTURE:</b>									
Library	\$ -	\$ 1,100.00	\$ -	\$ -	\$ 1,100.00	\$ 1,019.90	\$ -	\$ 80.10	\$ -
Recreation		6,400.00			6,400.00	6,156.00		244.00	
	\$ -	\$ 7,500.00	\$ -	\$ -	\$ 7,500.00	\$ 7,175.90	\$ -	\$ 324.10	\$ -

TOWN OF SOUTH THOMASTON  
STATEMENT OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	BALANCES FORWARD 1/1/11	APPROPRIATIONS	CASH RECEIPTS	OTHER CREDITS	TOTAL	CASH DISBURSED	OTHER CHARGES	UNEXPENDED (OVERDRAFT)	BALANCES FORWARD 12/31/11
UNCLASSIFIED:									
Excise Taxes	\$ -	\$ -	\$ -	\$ 271,640.73	\$ 271,640.73	\$ -	\$ 245,000.00	\$ 26,640.73	\$ -
Boat Excise Taxes				9,119.48	9,119.48		7,000.00	2,119.48	
Tax Abatements							1,502.54	(1,502.54)	
Tax Discounts							4,442.52	(4,442.52)	
Homestead Exemption				28,571.25	28,571.25		28,571.25		
Cemeteries		16,823.00	200.00		17,023.00	16,666.54		356.46	
Debt Service		7,000.00			7,000.00	6,893.09		106.91	
Cable Television			13,004.41		13,004.41		12,000.00	1,004.41	
Miscellaneous			6,984.74		6,984.74		4,280.00	2,704.74	
	\$ -	\$ 23,823.00	\$ 20,189.15	\$ 309,331.46	\$ 353,343.61	\$ 23,559.63	\$ 302,796.31	\$ 26,987.67	\$ -
CAPITAL RESERVES:									
Fire Truck Reserve	\$ -	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00	\$ -	\$ 20,000.00	\$ -	\$ -
Ambulance Purchase				78,715.00	78,715.00	94,215.00			(15,500.00)
Paving Reserve				34,000.00	34,000.00		34,000.00		
Town Landing Reserve		7,000.00			7,000.00			(2,119.48)	
Fire Equipment Reserve				3,000.00	3,000.00		3,000.00		
Ambulance Reserve		5,000.00			5,000.00		5,000.00		
Ambulance Defibrillator Reserve		3,000.00			3,000.00		3,000.00		
	\$ -	\$ 35,000.00	\$ -	\$ 115,715.00	\$ 150,715.00	\$ 94,215.00	\$ 74,119.48	\$ (2,119.48)	\$ (15,500.00)
	\$ -	\$ 3,619,084.34	\$ 103,175.91	\$ 491,232.27	\$ 4,213,492.52	\$ 3,664,706.91	\$ 521,054.85	\$ 43,230.76	\$ (15,500.00)

TOWN OF SOUTH THOMASTON  
VALUATION, ASSESSMENT, AND COLLECTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2011

## VALUATION:

Real Estate	\$ 264,898,953.00
Personal Property	969,851.00
Less: Homestead Exemption	<u>4,750,000.00</u>
	<u><u>\$ 261,118,804.00</u></u>

## ASSESSMENTS:

Valuation x Rate (\$261,118,804.00 x .012030)	\$ 3,141,259.21
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## COLLECTIONS AND CREDITS:

Cash Collections	\$ 2,903,341.97	
Abatements	1,502.54	
Discounts	4,442.52	
Prepaid Taxes	<u>13,772.90</u>	
Total Collections and Credits		2,923,059.93
2011 Taxes Receivable - December 31, 2011		<u><u>\$ 218,199.28</u></u>

## COMPUTATION OF ASSESSMENT

Tax Commitment	\$ 3,141,259.21	
Unappropriated Surplus	20,500.00	
Excise Taxes	252,000.00	
State Revenue Sharing	45,000.00	
Maine Department of Transportation Block Grant	16,020.00	
Homestead Reimbursement	28,571.25	
Administration	38,253.88	
Miscellaneous	40,480.00	
Capital Reserve Transfers	<u>37,000.00</u>	
		\$ 3,619,084.34
REQUIREMENTS:		
Appropriations	\$ 3,360,323.66	
County Tax	<u>248,130.70</u>	
Total Requirements		3,608,454.36
Overlay		<u><u>\$ 10,629.98</u></u>

TOWN OF SOUTH THOMASTON  
RECONCILIATION OF TREASURER'S CASH BALANCE  
DECEMBER 31, 2011

CASH ON HAND \$ 238.00

Camden National Bank, Rockland, Maine

General Fund Checking

Balance Per Bank Statement \$ 316,102.74

Add: Deposits in Transit 8,896.00

Deduct: Outstanding Checks (18,808.04)

Balance Per Books 306,190.70

Cash Balance, December 31, 2011

\$ 306,428.70

TOWN OF SOUTH THOMASTON  
TAX LIENS  
DECEMBER 31, 2011

2010

Angela, Monroe	\$	1,077.81	
Angela, Monroe		1,687.64	
Black, Gertrude		387.46	
Brannan, Betty		1,904.76	
Butman, John A. & Pamela		1,139.59	
ChasinTail, Inc.		116.11	
Connell, Gordon C.		1,689.42	
Connell, Gordon & Leslie L.M.		6,085.02	
Curry, John & Philip		349.65	
Dean, David & Laurel		1,168.83	
Earl, David C.		2,104.56	
Foltz, Sara E.		3,571.26	
Freeway Investments		816.96	
Grierson, Beverly R.		698.31	
Grierson, David & Joyce		415.14	
Hendricks Properties LLC		1,998.00	
Hendricks Properties LLC		960.15	
Hennessey, Kathleen C.		47.74	
Jamieson, Paul C., III		1,182.15	
Johnson, Paul E.		4,028.19	
Luscombe, Lucy, Heirs		271.95	
Mercer, Jay A.		1,697.63	
Monti, Dwight D. & Karen		2,120.10	
Pauley, Jack S. & Cheryl A.		3,473.19	
Paulsen, Linda J.		1,908.87	
Powell, Robert W.		1,038.96	
Powell, Robert W.		840.27	
Rackliff, Brian S.		1,202.82	
Rackliff, Richard L.		2,016.87	
Rackliff, Richard L. & Karen		1,402.27	
Rahkonen, Scott		1,732.33	
Searle, Margaret		2,283.27	
Smith, Grace, Estate of		1,817.07	
Snow, Jacob A.		1,864.80	
Strong, Janet		68.82	
Tyler, Andrew		1,587.30	
Whitten, Michael L.		1,555.55	
Williams, Rachel		570.54	
		<hr/>	
	\$		58,881.36

2009

Curry, John & Philip	\$	338.31	
Luscombe, Lucy, Heirs		263.13	
		<hr/>	
			601.44
	\$		<hr/> <hr/> 59,482.80



TOWN OF SOUTH THOMASTON  
TAXES RECEIVABLE  
DECEMBER 31, 2011

Real Estate - 2011

Arey, Robert	\$ 707.36
Baker, Susan	1,261.95
Barter, Donald W.	1,459.38
Benner, Jason D.	911.87
Benner, Jason Daniel	719.39
Black, Gertrude	1,660.14
Brannan, Betty	2,064.35
Brown, Charles W. & Kristin M.	2,706.75
Butler, Todd & Becky	1,960.89
Butman, Jason & Melanie	3,942.55
Butman, John A. & Pamela	5,257.11
Calderwood, Bryan T.	1,227.06
Callahan, Albert D.	673.68
Campbell, Autumn	2,197.88
Campbell, Michael J., Sr.	2,764.98
Carlson, David & Phoebe	66.81
Carter, Andrew A. & Melissa A.	1,139.24
Catalano, Thomas F. & Michael R.	431.88
ChasinTail, Inc.	460.75
Connell, Elizabeth A.	734.82
Connell, Gordon C.	1,830.97
Connell, Gordon & Leslie L.M.	6,594.85
Corazzini, Richard M.	7.99
Curry, John & Philip	378.95
Curtis, Cathy Ann	456.45
Curtis, Karen E.	2,297.73
Curtis, Todd R.	1,725.10
Dean, David & Laurel	1,266.76
Dennison, Craig & Jennifer	786.76
Dinsmore, Jody L. & Aaron C.	1,715.48
Earl, David C.	2,280.89
Earl, John E.	406.46
Eaton, David & Melanie	388.28
Elwell, Melissa	1,117.59
Feld, Richard D., Jr., & Julie A.	1,285.90
Ferraiolo, Frank A.	8,537.69
Fogg, Ray	1,646.48
Foltz, Sara E.	5,619.21
Freeway Investments	885.41
French, Mildred E.	1,868.43
Grant, David B. & Darlene E.	193.86
Grierson, Beverly R.	1,343.75
Grierson, Karen J.	1,495.33
Grierson, David & Joyce	295.94
Grotton, Roy R., Sr. & Linda A.	2,361.49
Hall, Gary & Gregory	460.14
Hardway, Inc.	1,021.35
Hendricks Properties LLC	2,165.40
Hendricks Properties LLC	1,040.60
Hendricks, John B.	2,883.59

TOWN OF SOUTH THOMASTON  
TAXES RECEIVABLE  
DECEMBER 31, 2011

Real Estate - 2011 (Cont'd)

Hendricks, John B. & James A.	\$ 626.71
Hennessey, Kathleen C.	387.37
Hohfeld, Wesley & Ruth Anne	2,781.42
Hoppe, Craig H., Jr.	316.63
Ilvonen, Darla	436.69
Ilvonen, Darla T.	470.37
Ilvonen, Marie A. & Mark A.	694.64
Ilvonen, Darla	778.34
Jameson, Paul C., III	1,281.20
Jimenez, Carlos E.	166.34
Johnson, R. James, Jr., James J. & Vickie L.	300.89
Johnson, Paul E.	4,365.69
Katz, Jeffery A. & Janice E.	3,105.54
Kendall, G. Austin & Debra H.	1,748.34
Lewis, Tracy L.	471.58
Lewis, Tracy L.	1,855.03
Loos, Joan S.	3,941.69
Luscombe, Lucy, Heirs	294.73
Mahonen, Armas, E.A.	132.33
Martin, Neil A. & Carol A.	2,922.09
Masterson, James & Donna	1,870.52
Masterson, James & Donna	493.23
McClure, Thomas C.	673.68
McMahan, Lynn M. & David L.	2,013.34
Mercer, Jay A.	1,841.79
Miller, Kenneth A., Jr.	251.17
Monroe, Angela	2,313.37
Moyer, Pandora A.	185.76
Mullin, Michael J. & Susanne B.	1,888.71
Mullin, Michael J. & Susanne B.	2,672.15
Pauley, Jack S. & Cheryl A.	1,998.27
Pauley, Jack S. & Cheryl A.	3,764.19
Pauley, Kim J.	769.92
Paulsen, Linda J.	3,054.42
Payson, Lisa	562.87
Penney, Rachel & Roderick	492.03
Penney, Rod & Rachel	412.63
Perkins, Pamela J.	3,080.88
Pierce, John A.	230.19
Pomeroy, Pamela	1,168.11
Powell, Robert W.	1,126.01
Powell, Robert W.	910.67
Rackliff, Brian S.	2,290.51
Rackliff, Ernest	88.00
Rackliff, Richard L.	2,171.42
Rackliff, Richard L.	2,753.67
Rahkonen, Scott	2,764.49
Rahkonen, Joan	1,419.54
Roberts, Carol J.	1,343.88
Robinson, Dorothy	1,221.03

TOWN OF SOUTH THOMASTON  
TAXES RECEIVABLE  
DECEMBER 31, 2011

Real Estate - 2011 (Cont'd)

Ross, Charles E., Jr.	\$ 1,003.30	
Ross, Charles E., Jr.	2,736.83	
Sawyer, Brittany A.	2,327.81	
Searle, Margaret	2,474.57	
Smith, Grace, Estate of	1,969.31	
Snow, Jacob A.	2,021.04	
Snow, Kathleen	1,458.18	
Snow, Michele	481.29	
South Thomaston Auto, Inc.	1,058.64	
Sprague, Nick A.	2,153.37	
Spruce Head Lobster Co.	3,487.50	
Spruce Head Lobster Co.	3,992.76	
Spruce Head Lobster Co.	4,005.99	
Strong, Janet	74.59	
Strout, Fred & Linda	3,131.41	
Sturges, Phyllis M. (LE)	4,410.20	
Tyler, Adam, Vincent & Lisa Kangas	827.66	
Tyler, Adam, Vincent & Lisa Kangas	138.35	
Tyler, Andrew	1,720.29	
Tyler, Matthew C. & Kathy M.B.	1,733.52	
Tyler, Adam & Vincent	96.24	
Van Buskirk, Scott H.	1,538.64	
W.J.J. Pleasant Beach - Maple Family LP	2,420.44	
W.J.J. Pleasant Beach Family Limited Partnership	3,602.98	
Walsh, Charlene C.	862.55	
Waterman, Nellie M.	1,915.23	
Weaver, Sonia M.	198.70	
Whitmore, Adrian & Jessica	245.78	
Whitten, Michael L.	2,812.61	
Widdecombe, Catherine	646.73	
Williams, Douglas M.	1,132.02	
Williams, Rachel	618.34	
Woodhull, Clement C. & Joan P.	9.36	
Woodruff, Nellie, et al	429.59	
	<hr/>	\$ 217,347.56

Personal Property - 2010

Chippers Auto Body	\$ 31.34	
Gerald E. Grierson	336.84	
John, Hendricks	122.07	
Maine Coast Seafood	335.00	
Wee Care Daycare Center	26.47	
	<hr/>	\$ 851.72
		<hr/> <hr/>
		\$ 218,199.28

TOWN OF SOUTH THOMASTON  
ABATEMENTS  
DECEMBER 31, 2011

2011

Baines, Cole & Heather	\$	153.98	
Brown Family Trust		16.84	
Brown, Elsie		332.03	
Lawrence, Russell & Cathy		524.51	
McLennan, Douglas & Laura		42.10	
Taylor, Frank & Beverly		372.93	
Woollett, Bruce & Rosanne		<u>60.15</u>	
			<u>\$ 1,502.54</u>

TOWN OF SOUTH THOMASTON  
TRUST FUNDS  
DECEMBER 31, 2011

TRUST FUND INVESTMENTS

<u>TIME DEPOSITS</u>	<u>AMOUNT</u>	
BankNorth, N.A. - Money Market Fund (Pooled Account)	\$ 363,350.62	
Due From General Fund	<u>15,500.00</u>	
		<u>\$ 378,850.62</u>

TRUST FUND EQUITY

	<u>PRINCIPAL</u>	<u>UNEXPENDED INCOME</u>	<u>TOTAL</u>
TRUST FUNDS:			
Horace Allen Scholarship	\$ 500.00	\$ 1,754.23	\$ 2,254.23
Ralph & Ella Rackliff Memorial Fund	100,000.00	973.30	100,973.30
Ambulance Fund Trust	30,000.00	(9,751.68)	20,248.32
Randall & Arlene Hopkins Memorial Fund	30,000.00	291.99	30,291.99
Randall & Arlene Hopkins Library Fund	50,000.00	335.36	50,335.36
Randall & Arlene Hopkins Historical Fund	50,000.00	335.36	50,335.36
	<u>\$ 260,500.00</u>	<u>\$ (6,061.44)</u>	<u>\$ 254,438.56</u>
CEMETERY FUNDS:			
Forest Hills Cemetery Trust	\$ 7,000.00	\$ 152.64	\$ 7,152.64
Miriam Pierce Cemetery Trust	2,000.00	1,601.96	3,601.96
Monroe Cemetery Trust	4,000.00	72.26	4,072.26
South Thomaston Cemetery Trust	67,490.00	2,842.78	70,332.78
Thorndike Cemetery Trust	600.00	92.09	692.09
Williams Cemetery Trust	700.00	40.56	740.56
Ocean View Cemetery	37,115.00	704.77	37,819.77
	<u>\$ 118,905.00</u>	<u>\$ 5,507.06</u>	<u>\$ 124,412.06</u>

TOWN OF SOUTH THOMASTON  
CAPITAL PROJECT FUNDS  
DECEMBER 31, 2011

<b>AMBULANCE RESERVE:</b>		
Fund Balance, January 1	\$ 69,154.58	
Add: Interest Earned	45.11	
Appropriation	5,000.00	
Less: Expenditures	<u>(68,715.00)</u>	
Fund Balance, December 31		\$ 5,484.69
<b>AMBULANCE EQUIPMENT RESERVE:</b>		
Fund Balance, January 1	\$ 2,131.10	
Add: Interest Earned	5.94	
Appropriation	<u>3,000.00</u>	
Fund Balance, December 31		5,137.04
<b>ANDERSON CEMETERY RESERVE:</b>		
Fund Balance, January 1	\$ 1,001.78	
Add: Interest Earned	<u>2.32</u>	
Fund Balance, December 31		1,004.10
<b>TOWN LANDING RESERVE:</b>		
Fund Balance, January 1	\$ 112,573.71	
Add: Appropriation	9,119.48	
Interest Earned	<u>265.43</u>	
Fund Balance, December 31		121,958.62
<b>REVALUATION RESERVE:</b>		
Fund Balance, January 1	\$ 30,164.70	
Add: Interest Earned	<u>70.29</u>	
Fund Balance, December 31		30,234.99
<b>FIRE EQUIPMENT RESERVE:</b>		
Fund Balance, January 1	\$ 6,055.25	
Add: Interest Earned	14.13	
Less: Expenditures	<u>(3,000.00)</u>	
Fund Balance, December 31		3,069.38
<b>FIRE TRUCK RESERVE:</b>		
Fund Balance, January 1	\$ 91,294.34	
Appropriation	20,000.00	
Add: Interest Earned	<u>219.37</u>	
Fund Balance, December 31		111,513.71
<b>PAVING RESERVE:</b>		
Fund Balance, January 1	\$ 98,012.96	
Add: Interest Earned	184.42	
Less: Expenditures	<u>(34,000.00)</u>	
Fund Balance, December 31		64,197.38
<b>CEMETERY RESERVE:</b>		
Fund Balance, January 1	\$ -	
Add: Appropriation	500.00	
Interest Earned	<u>0.16</u>	
Fund Balance, December 31		500.16
		<u>\$ 343,100.07</u>