

Audited Financial Statements and  
Other Financial Information

**Town of Thomaston, Maine**

June 30, 2022



*Proven Expertise & Integrity*

TOWN OF THOMASTON, MAINE

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JUNE 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

Selectboard  
Town of Thomaston  
Thomaston, Maine

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Maine, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Maine as of June 30, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Thomaston, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Thomaston, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Thomaston, Maine's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Thomaston, Maine's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and OPEB information on pages 5 through 12 and 71 through 77 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Thomaston, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance

with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023, on our consideration of the Town of Thomaston, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Thomaston, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Thomaston, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
November 17, 2023



**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**(UNAUDITED)**

The following management's discussion and analysis of the Town of Thomaston, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

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

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

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

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

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, health and welfare, local agencies, recreation and leisure, library, education, buildings, capital outlay and unclassified.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Thomaston include Pollution Control.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Thomaston, like other local governments, uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Thomaston can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

*Governmental funds:* Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Thomaston presents five columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, TIF fund, Non-TIF Economic Development and Library Operating Fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

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

*Fiduciary Funds:* These funds are used to account for resources held for the benefit of parties outside the Town of Thomaston. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in Net Position - Fiduciary Funds.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pension, Schedule of Changes in Net OPEB Liability, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Contributions - OPEB and Notes to Required Supplementary Information.

### **Other Supplementary Information**

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

## Government-Wide Financial Analysis

Our analysis below focuses on net position and the changes in net position of the Town's governmental and business-type activities. The Town's total net position for governmental activities increased by \$567,741 from \$16,422,191 to \$16,989,932. The Town's total net position for business-type activities decreased by \$211,421 from a balance of \$5,857,539 to a balance of \$5,646,118.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased for governmental activities to a balance of \$3,810,241 at the end of this year. Unrestricted net position for business-type activities increased to a balance of \$684,878.

**Table 1**  
**Town of Thomaston, Maine**  
**Net Position**  
**June 30,**

	Governmental Activities		Business-type Activities	
	2022	2021 (Restated)	2022	2021
<b>Assets:</b>				
Current Assets	\$ 9,948,388	\$ 9,120,773	\$ 720,700	\$ 718,362
Noncurrent Assets-Capital Assets	9,274,461	9,446,519	9,159,144	9,593,715
Total Assets	19,222,849	18,567,292	9,879,844	10,312,077
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows Related to Pensions	348,881	131,434	-	-
Deferred Outflows Related to OPEB	22,695	9,712	-	-
Total Deferred Inflows of Resources	371,576	141,146	-	-
<b>Liabilities:</b>				
Current Liabilities	286,915	181,620	274,471	256,634
Noncurrent Liabilities	1,576,725	2,020,408	3,959,255	4,197,904
Total Liabilities	1,863,640	2,202,028	4,233,726	4,454,538
<b>Deferred Inflows of Resources:</b>				
Prepaid Taxes	122,916	3,602	-	-
Deferred Amount on Pensions	596,619	51,222	-	-
Deferred Amount on OPEB	21,318	29,395	-	-
Total Deferred Inflows of Resources	740,853	84,219	-	-
<b>Net Position:</b>				
Net Investment in Capital Assets	7,664,828	7,873,577	4,961,240	5,233,443
Restricted	5,514,863	5,271,395	-	-
Unrestricted	3,810,241	3,277,219	684,878	624,096
Total Net Position	\$ 16,989,932	\$ 16,422,191	\$ 5,646,118	\$ 5,857,539

**Table 2**  
**Town of Thomaston, Maine**  
**Change in Net Position**  
**For the Years Ended June 30,**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 267,365	\$ 249,146	\$ 657,251	\$ 578,413
Operating grants and contributions	319,060	-	-	-
Capital grants and contributions	225,000	23,592	-	-
<i>General Revenues:</i>				
Property taxes	8,271,749	8,553,651	-	-
Excise taxes	569,889	585,535	-	-
Grants and contributions not restricted to specific programs	1,244,007	809,729	-	-
Miscellaneous	(108,685)	798,799	52,450	129
Total Revenues	<u>10,788,385</u>	<u>11,020,452</u>	<u>709,701</u>	<u>578,542</u>
Expenses				
General government	1,032,492	989,505	-	-
Public safety	1,059,522	972,576	-	-
Public works	828,327	894,199	-	-
Health and welfare	634,240	667,426	-	-
Local agencies	14,561	15,249	-	-
Recreation and leisure	112,875	103,323	-	-
Library	157,241	173,260	-	-
Education	4,975,881	4,973,051	-	-
County tax	493,979	488,148	-	-
Buildings	109,068	116,894	-	-
Capital outlay	-	557,689	-	-
Interest expense	38,580	34,961	-	-
Pollution control	-	-	1,071,122	972,612
Unclassified	613,878	256,479	-	-
Total Expenses	<u>10,070,644</u>	<u>10,242,760</u>	<u>1,071,122</u>	<u>972,612</u>
Transfers	<u>(150,000)</u>	<u>(125,000)</u>	<u>150,000</u>	<u>125,000</u>
Change in Net Position	567,741	652,692	(211,421)	(269,070)
Net Position - July 1, Restated	<u>16,422,191</u>	<u>15,769,499</u>	<u>5,857,539</u>	<u>6,126,609</u>
Net Position - June 30	<u>\$ 16,989,932</u>	<u>\$ 16,422,191</u>	<u>\$ 5,646,118</u>	<u>\$ 5,857,539</u>

## Revenues and Expenses

Revenues for the Town's governmental activities decreased by 2.11%, while total expenses decreased by 1.68%. The largest decrease in revenues was in miscellaneous and was primarily due to a loss in investment income because of fair market value. The largest decrease in expenses was in capital outlay.

Revenues for the Town's business-type activities increased by 22.67%, while total expenses increased by 10.13%.

## Financial Analysis of the Town's Fund Statements

*Governmental funds:* The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

**Table 3**  
**Town of Thomaston, Maine**  
**Fund Balances - Governmental Funds**  
**June 30,**

	2022	2021 (Restated)	Increase/ (Decrease)
Major Funds:			
General Fund:			
Assigned	\$ 762,611	\$ 670,755	\$ 91,856
Unassigned	1,991,913	1,648,018	343,895
TIF Fund:			
Restricted	2,085,560	1,443,349	642,211
Non-TIF Economic Development:			
Restricted	1,045,790	1,211,696	(165,906)
Library Operating Fund:			
Nonspendable	66,609	66,609	-
Restricted	1,068,339	1,288,375	(220,036)
<b>Total Major Funds</b>	<b>\$ 7,020,822</b>	<b>\$ 6,328,802</b>	<b>\$ 692,020</b>
Nonmajor Funds:			
Special revenue funds:			
Restricted	\$ 377,666	\$ 204,492	\$ 173,174
Committed	42,286	76,938	(34,652)
Capital projects funds:			
Committed	710,432	631,168	79,264
Permanent funds:			
Nonspendable	259,618	259,618	-
Restricted	611,281	797,256	(185,975)
<b>Total Nonmajor Funds</b>	<b>\$ 2,001,283</b>	<b>\$ 1,969,472</b>	<b>\$ 31,811</b>

The changes to total fund balances for the general fund, TIF fund, Non-TIF economic development and library operating fund were due to the planned utilization of fund balance and the nonmajor funds change occurred due to the regular activity of operations.

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

The pollution control fund, a proprietary fund had a net position for the current year of \$5,646,118. This was a decrease of \$211,421 from the prior year.

### **Budgetary Highlights**

The difference between the original and final budget for the general fund was due to the use of assigned fund balance.

The general fund actual revenues exceeded budgeted amounts by \$184,601. This was a result of all revenue categories being receipted in excess of budgeted amounts with the exception of property taxes and transfers from other funds.

The general fund actual expenditures were under budgeted amounts by \$280,914. All expenditure categories were within or under budgeted amounts with the exception of general government and health and welfare.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

As of June 30, 2022, the net book value of capital assets recorded by the Town decreased by \$606,629 when compared to the prior year. This decrease is the result of capital additions and net transfers of \$731,866, less current year depreciation expense of \$1,327,597 and net disposals of \$10,898.

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

	<b>2022</b>	<b>2021 (Restated)</b>
Land	\$ 1,044,359	\$ 1,044,359
Construction in progress	1,135,855	1,124,897
Buildings, building and land improvements	4,794,493	4,939,183
Furniture and fixtures	967	1,000
Machinery and equipment	395,052	455,268
Vehicles	659,917	744,263
Infrastructure	10,402,962	10,731,264
Total	\$ 18,433,605	\$19,040,234

## **Debt**

At June 30, 2022, the Town had \$5,807,537 in bonds and notes from direct borrowings payable outstanding versus \$5,991,451 last year, a decrease of 3.17%. Refer to Note 6 of Notes to Financial Statements for more detailed information.

### **Currently Known Facts, Decisions or Conditions**

#### **Economic Factors and Next Year's Budgets and Rates**

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

#### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Department at 13 Valley Street, Thomaston, Maine 04861.



## TOWN OF THOMASTON, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 6,923,693	\$ 463,378	\$ 7,387,071
Investments	1,975,016	-	1,975,016
Accounts receivable (net of allowance for uncollectibles):			
Taxes	828,891	-	828,891
Liens	144,960	-	144,960
Other	65,969	257,322	323,291
Internal balances	9,859	(9,859)	-
Total current assets	<u>9,948,388</u>	<u>710,841</u>	<u>10,659,229</u>
Noncurrent assets:			
Capital assets:			
Non depreciable assets	324,800	1,855,414	2,180,214
Depreciated assets net of accumulated depreciation	8,949,661	7,303,730	16,253,391
Total noncurrent assets	<u>9,274,461</u>	<u>9,159,144</u>	<u>18,391,920</u>
<b>TOTAL ASSETS</b>	<u>19,222,849</u>	<u>9,869,985</u>	<u>29,092,834</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	348,881	-	348,881
Deferred outflows of resources related to OPEB	22,695	-	22,695
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>371,576</u>	<u>-</u>	<u>371,576</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 19,594,425</u>	<u>\$ 9,869,985</u>	<u>\$ 29,464,410</u>

STATEMENT A (CONTINUED)  
TOWN OF THOMASTON, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 98,052	\$ 625	\$ 98,677
Accrued interest	19,619	25,338	44,957
Due to other governments	3,881	-	3,881
Current portion of long-term obligations	165,363	238,649	404,012
Total current liabilities	286,915	264,612	551,527
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	1,255,076	3,959,255	5,214,331
Notes from direct borrowings payable	217,860	-	217,860
Accrued compensated absences	85,997	-	85,997
Net pension liability/(asset)	(41,685)	-	(41,685)
Net OPEB liability	59,477	-	59,477
Total noncurrent liabilities	1,576,725	3,959,255	5,535,980
<b>TOTAL LIABILITIES</b>	<b>1,863,640</b>	<b>4,223,867</b>	<b>6,087,507</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	122,916	-	122,916
Deferred inflows of resources related to pensions	596,619	-	596,619
Deferred inflows of resources related to OPEB	21,318	-	21,318
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>740,853</b>	<b>-</b>	<b>740,853</b>
<b>NET POSITION</b>			
Net investment in capital assets	7,664,828	4,961,240	12,626,068
Restricted	5,514,863	-	5,514,863
Unrestricted	3,810,241	684,878	4,495,119
<b>TOTAL NET POSITION</b>	<b>16,989,932</b>	<b>5,646,118</b>	<b>22,636,050</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 19,594,425</b>	<b>\$ 9,869,985</b>	<b>\$ 29,464,410</b>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF THOMASTON, MAINE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 1,032,492	\$ 58,924	\$ -	\$ -	\$ (973,568)	\$ -	\$ (973,568)
Public safety	1,059,522	108,755	-	-	(950,767)	-	(950,767)
Public works	828,327	18,028	-	-	(810,299)	-	(810,299)
Health and welfare	634,240	-	3,280	-	(630,960)	-	(630,960)
Local agencies	14,561	-	-	-	(14,561)	-	(14,561)
Recreation and leisure	112,875	1,996	-	-	(110,879)	-	(110,879)
Library	157,241	1,124	-	-	(156,117)	-	(156,117)
Education	4,975,881	-	-	-	(4,975,881)	-	(4,975,881)
County tax	493,979	-	-	-	(493,979)	-	(493,979)
Buildings	109,068	78,538	-	-	(30,530)	-	(30,530)
Capital outlay	-	-	-	225,000	225,000	-	225,000
Interest expense	38,580	-	-	-	(38,580)	-	(38,580)
Unclassified	613,878	-	315,780	-	(298,098)	-	(298,098)
Total governmental activities	10,070,644	267,365	319,060	225,000	(9,259,219)	-	(9,259,219)
Business-type activities:							
Pollution control	1,071,122	657,251	-	-	-	(413,871)	(413,871)
Total business-type activities	1,071,122	657,251	-	-	-	(413,871)	(413,871)
Total government	\$ 11,141,766	\$ 924,616	\$ 319,060	\$ 225,000	(9,259,219)	(413,871)	(9,673,090)

STATEMENT B (CONTINUED)

TOWN OF THOMASTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Changes in net position:			
Net (expense) revenue	<u>(9,259,219)</u>	<u>(413,871)</u>	<u>(9,673,090)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	8,271,749	-	8,271,749
Excise taxes	569,889	-	569,889
Grants and contributions not restricted to specific programs	1,244,007	-	1,244,007
Miscellaneous	<u>(108,685)</u>	<u>52,450</u>	<u>(56,235)</u>
Total general revenues	<u>9,976,960</u>	<u>52,450</u>	<u>10,029,410</u>
Transfers	<u>(150,000)</u>	<u>150,000</u>	<u>-</u>
Change in net position	567,741	(211,421)	356,320
NET POSITION - JULY 1, RESTATED	<u>16,422,191</u>	<u>5,857,539</u>	<u>22,279,730</u>
NET POSITION - JUNE 30	<u>\$ 16,989,932</u>	<u>\$ 5,646,118</u>	<u>\$ 22,636,050</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF THOMASTON, MAINE

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2022

	General Fund	TIF Fund	Non-TIF Economic Development	Library Operating Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6,785,725	\$ -	\$ -	\$ 21,295	\$ 116,673	\$ 6,923,693
Investments	-	-	-	1,115,266	859,750	1,975,016
Accounts receivable (net of allowance for uncollectibles):						
Taxes	828,891	-	-	-	-	828,891
Liens	144,960	-	-	-	-	144,960
Other	65,969	-	-	-	-	65,969
Due from other funds	9,859	2,085,560	1,045,790	-	1,025,332	4,166,541
<b>TOTAL ASSETS</b>	<b>\$ 7,835,404</b>	<b>\$ 2,085,560</b>	<b>\$ 1,045,790</b>	<b>\$ 1,136,561</b>	<b>\$ 2,001,755</b>	<b>\$ 14,105,070</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 95,967	\$ -	\$ -	\$ 1,613	\$ 472	\$ 98,052
Accrued payroll	19,619	-	-	-	-	19,619
Due to other governments	3,881	-	-	-	-	3,881
Due to other funds	4,156,682	-	-	-	-	4,156,682
<b>TOTAL LIABILITIES</b>	<b>4,276,149</b>	<b>-</b>	<b>-</b>	<b>1,613</b>	<b>472</b>	<b>4,278,234</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Prepaid taxes	122,916	-	-	-	-	122,916
Deferred tax revenues	681,815	-	-	-	-	681,815
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>804,731</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>804,731</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	66,609	259,618	326,227
Restricted	-	2,085,560	1,045,790	1,068,339	988,947	5,188,636
Committed	-	-	-	-	752,718	752,718
Assigned	762,611	-	-	-	-	762,611
Unassigned	1,991,913	-	-	-	-	1,991,913
<b>TOTAL FUND BALANCES</b>	<b>2,754,524</b>	<b>2,085,560</b>	<b>1,045,790</b>	<b>1,134,948</b>	<b>2,001,283</b>	<b>9,022,105</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,835,404</b>	<b>\$ 2,085,560</b>	<b>\$ 1,045,790</b>	<b>\$ 1,136,561</b>	<b>\$ 2,001,755</b>	<b>\$ 14,105,070</b>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF THOMASTON, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 9,022,105
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	9,274,461
Long-term assets are not available in the current period and therefore are not reported as assets in the funds:	
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	681,815
Deferred outflows of resources are not financial resources and therefore are not reported in the funds:	
Pension	348,881
OPEB	22,695
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(1,326,165)
Notes from direct borrowings payable	(283,468)
Accrued compensated absences	(114,663)
Net pension asset	41,685
Net OPEB liability	(59,477)
Deferred inflows of resources are not financial resources and therefore are not reported in the funds:	
Pension	(596,619)
OPEB	<u>(21,318)</u>
Net position of governmental activities	<u>\$ 16,989,932</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF THOMASTON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	TIF Fund	Non-TIF Economic Development	Library Operating Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 8,334,148	\$ -	\$ -	\$ -	\$ -	\$ 8,334,148
Excise taxes	569,889	-	-	-	-	569,889
Intergovernmental	1,253,815	-	-	-	534,252	1,788,067
Charges for services	266,241	-	-	1,124	-	267,365
Miscellaneous revenues	128,788	999	792	(146,686)	(92,578)	(108,685)
<b>TOTAL REVENUES</b>	<b>10,552,881</b>	<b>999</b>	<b>792</b>	<b>(145,562)</b>	<b>441,674</b>	<b>10,850,784</b>
<b>EXPENDITURES</b>						
Current:						
General government	753,430	-	-	-	-	753,430
Public safety	981,585	-	-	-	-	981,585
Public works	603,984	-	-	-	-	603,984
Health and welfare	634,240	-	-	-	-	634,240
Local agencies	14,561	-	-	-	-	14,561
Recreation and leisure	111,287	-	-	-	-	111,287
Library	-	-	-	150,165	-	150,165
Education	4,975,881	-	-	-	-	4,975,881
County tax	493,979	-	-	-	-	493,979
Buildings	109,068	-	-	-	-	109,068
Unclassified	267,897	2,491	121,012	-	222,478	613,878
Debt service:						
Principal	96,538	18,601	-	-	-	115,139
Interest	36,399	2,181	-	-	-	38,580
Capital outlay	-	-	-	-	381,176	381,176
<b>TOTAL EXPENDITURES</b>	<b>9,078,849</b>	<b>23,273</b>	<b>121,012</b>	<b>150,165</b>	<b>603,654</b>	<b>9,976,953</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,474,032</b>	<b>(22,274)</b>	<b>(120,220)</b>	<b>(295,727)</b>	<b>(161,980)</b>	<b>873,831</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	35,000	743,799	25,189	75,691	262,279	1,141,958
Transfers (out)	(1,073,281)	(79,314)	(70,875)	-	(68,488)	(1,291,958)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,038,281)</b>	<b>664,485</b>	<b>(45,686)</b>	<b>75,691</b>	<b>193,791</b>	<b>(150,000)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>435,751</b>	<b>642,211</b>	<b>(165,906)</b>	<b>(220,036)</b>	<b>31,811</b>	<b>723,831</b>
<b>FUND BALANCES - JULY 1, RESTATED</b>	<b>2,318,773</b>	<b>1,443,349</b>	<b>1,211,696</b>	<b>1,354,984</b>	<b>1,969,472</b>	<b>8,298,274</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 2,754,524</b>	<b>\$ 2,085,560</b>	<b>\$ 1,045,790</b>	<b>\$ 1,134,948</b>	<b>\$ 2,001,283</b>	<b>\$ 9,022,105</b>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF THOMASTON, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 723,831</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	501,126
Capital asset disposals	(10,898)
Depreciation expense	<u>(662,286)</u>
	<u>(172,058)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>(62,399)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	217,447
OPEB	<u>12,983</u>
	<u>230,430</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	
	<u>(100,000)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>121,546</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(33,951)
Net pension liability	415,878
Net OPEB liability	<u>(18,216)</u>
	<u>363,711</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	(545,397)
OPEB	<u>8,077</u>
	<u>(537,320)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 567,741</u>

See accompanying independent auditor's report and notes to financial statements.



## TOWN OF THOMASTON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2022

	<u>Enterprise Funds</u>
	Pollution Control
	<u>Control</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 463,378
Accounts receivable (net of allowance for uncollectibles)	<u>257,322</u>
Total current assets	<u>720,700</u>
Noncurrent assets:	
Capital assets:	
Construction in progress	1,135,855
Land and buildings	2,265,668
Vehicles, machinery and equipment	198,609
Infrastructure	<u>19,087,809</u>
Total capital assets	22,687,941
Less: accumulated depreciation	<u>(13,528,797)</u>
Total noncurrent assets	<u>9,159,144</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 9,879,844</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 625
Accrued interest	25,338
Due to other funds	9,859
Bonds payable, current portion	<u>238,649</u>
Total current liabilities	<u>274,471</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable, net of current portion	<u>3,959,255</u>
Total noncurrent liabilities	<u>3,959,255</u>
<b>TOTAL LIABILITIES</b>	<u>4,233,726</u>
<b>NET POSITION</b>	
Net investment in capital assets	4,961,240
Unrestricted	<u>684,878</u>
<b>TOTAL NET POSITION</b>	<u>5,646,118</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 9,879,844</u></u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF THOMASTON, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>Enterprise Funds</u>
	Pollution Control
	<u>Control</u>
OPERATING REVENUES	
Charges for services	\$ 657,251
Miscellaneous	52,450
TOTAL OPERATING REVENUES	<u>709,701</u>
OPERATING EXPENSES	
Payroll and related benefits	134,769
Contract services	55,129
Repairs and maintenance	35,282
Equipment repairs and maintenance	6,206
Supplies	4,028
Utilities	76,441
Insurance	8,422
Depreciation	665,311
Other	34,273
TOTAL OPERATING EXPENSES	<u>1,019,861</u>
OPERATING INCOME (LOSS)	<u>(310,160)</u>
NONOPERATING REVENUES (EXPENSES)	
Transfers in	150,000
Interest income (expense)	(51,261)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>98,739</u>
NET CHANGE IN NET POSITION	(211,421)
NET POSITION - JULY 1	<u>5,857,539</u>
NET POSITION - JUNE 30	<u><u>\$ 5,646,118</u></u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF THOMASTON, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR JUNE 30, 2022

	<u>Enterprise Funds</u> <u>Pollution</u> <u>Control</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 638,378
Payments to suppliers	(286,154)
Payments to employees	(136,699)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>215,525</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Due to/from transactions	149,747
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>149,747</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfer in from general fund	150,000
Purchases of capital assets	(230,740)
Principal payments on bonds and notes from direct borrowings payable	(162,368)
Interest payments on bonds and notes from direct borrowings payable	(51,261)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(294,369)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	70,903
CASH AND CASH EQUIVALENTS - JULY 1	<u>392,475</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 463,378</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (310,160)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	665,311
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(71,323)
(Decrease) increase in accounts payable	(66,373)
(Decrease) increase in accrued interest	(1,930)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 215,525</u>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF THOMASTON, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2022

	Private- Purpose Trust Charitable Fund
	<u>                    </u>
ASSETS	
Cash and cash equivalents	\$ 147,037
Investments	<u>887,542</u>
TOTAL ASSETS	<u><u>\$ 1,034,579</u></u>
LIABILITIES	
Accounts payable	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted	<u>1,034,579</u>
TOTAL NET POSITION	<u><u>1,034,579</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,034,579</u></u>

See accompanying independent auditor's report and notes to financial statements.



TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Town of Thomaston was incorporated under the laws of the State of Maine. The Town operates under the Selectboard-manager form of government and provides the following services: general government, public safety, public works, health and welfare, local agencies, recreation and leisure, library, education, buildings, capital outlay and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

**Implementation of New Accounting Standards**

During the year ended June 30, 2022, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 87 "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting*

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 91 “Conduit Debt Obligations”. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 92 “Omnibus 2020”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 93 “Replacement of Interbank Offered Rates (paragraphs 4-11a)”. The primary objectives of paragraphs 4-11a concern hedging derivative instruments (specifically exceptions to termination of hedge accounting, modifications to hedged items, probability of expected transactions and appropriate benchmark interest rates). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency and comparability of reported information. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 97 “Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management has determined the impact of this Statement is not material to the financial statements.

**Government-Wide and Fund Financial Statements**

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

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

Both the government-wide and fund financial statements categorizes primary activities as either governmental or business-type. The Town's Sewer fund is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

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

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



TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

**Measurement Focus - Basic Financial Statements and Fund Financial Statements**

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

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

Major Fund

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The TIF Fund is a special revenue fund used to account for the proceeds and expenditures from the tax increment financing districts. The primary source of revenue for this fund is taxes.
- c. The Non-TIF Economic Development fund is a special revenue fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for economic development. The primary source of revenue for this fund is transfers from other funds.
- d. The Library Operating fund is a special revenue fund used to account for the proceeds and expenditures for the library department. The primary source of revenue for this fund is transfers from other funds.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonmajor Funds

- e. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
  - f. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
  - g. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.
2. Proprietary Funds:

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

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

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support the Town's programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose trust). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

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

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

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

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Budget**

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

**Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For the statement of cash flows purposes, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

**Receivables**

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. The allowance for uncollectible amounts is estimated to be \$17,611 as of June 30, 2022. Accounts receivable netted with allowances for uncollectible accounts were \$323,291 for the year ended June 30, 2022.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances”.

**Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All asset retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Land improvements	20 - 50 years
Buildings	20 - 50 years
Building improvements	20 - 50 years
Furniture and fixtures	5 - 20 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years
Infrastructure	50 - 100 years

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Long-term Obligations**

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

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, notes from direct borrowings payable, accrued compensated absences, net pension liability/(asset) and net OPEB liability.

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

**Pension**

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**OPEB**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the Town's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net position invested in capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given by the voters and determined by the Town Manager.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two types of this item, deferred outflows related to pension and OPEB that qualify for reporting in this category. These items are reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred tax revenues, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pension and OPEB qualify for reporting in this category as well. These items are reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied November 12, 2021 on the assessed value listed as of April 1, 2021, for all real and personal property located in the Town. Taxes were due in two installments on December 1, 2021 and June 1, 2022. Interest on unpaid taxes commenced on December 2, 2021 and June 2, 2022, at 6% per annum.



TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$77,157 for the year ended June 30, 2022.

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

**Program Revenues**

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

**Operating/Nonoperating Proprietary Fund Revenues**

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Encumbrance Accounting**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

**Use of Estimates**

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town’s investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2022, the Town’s cash and cash equivalents balance amounting to \$7,387,071 were comprised of bank deposits of \$7,784,626. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town’s cash and cash equivalents balance. Of these bank deposits, \$722,860 were fully insured by federal depository insurance and consequently not exposed to custodial credit risk and \$6,729,552 were collateralized by an irrevocable stand-by letter of credit held by the financial institution in the Town’s name. The remaining deposits of \$332,214 were uncollateralized and uninsured.

Account Type	Bank Balance
Checking accounts	\$ 7,045,252
NOW accounts	16,737
Money market checking	441,392
Money market savings	220,574
Savings	2,286
Cash equivalents	58,385
	\$ 7,784,626

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. Of the Town’s investments of \$2,862,558, \$20,448 were collateralized by an irrevocable stand-by letter of credit held by the financial institution in the Town’s name. The remaining investments of \$2,592,110 were uninsured and uncollateralized.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

At June 30, 2022, the Town had the following investments and maturities:

Investment Type	Fair Value	Not Applicable	Less Than 1 Year	1 - 5 Years
Exchange traded funds	\$ 2,862,558	\$ 2,862,558	\$ -	\$ -

**Fair Value Hierarchy**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as June 30, 2022:

	June 30, 2022 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments by fair value level				
Debt securities				
Exchange traded funds	\$ 899,766	\$ -	\$ 899,766	\$ -
Total debt securities	899,766	-	899,766	-
Equity securities:				
Exchange traded funds	\$ 1,962,792	\$ 1,962,792	\$ -	\$ -
Total equity securities	1,962,792	1,962,792	-	-
Total investments by fair value level	2,862,558	\$ 1,962,792	\$ 899,766	\$ -
Cash equivalents measured at the net asset value (NAV)				
Money market mutual funds	58,385			
Total cash equivalents measured at the NAV	58,385			
Total investments and cash equivalents measured at fair value	\$ 2,920,943			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2022 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk - Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2022 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 9,859	\$ 4,156,682
TIF Fund	2,085,560	-
Non-TIF Economic Development	1,045,790	-
Nonmajor Special Revenue Funds	314,900	-
Nonmajor Capital Projects Funds	710,432	-
Enterprise Fund	-	9,859
	\$ 4,166,541	\$ 4,166,541

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2022 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 35,000	\$ 1,073,281
TIF Fund	743,799	79,314
Non-TIF Economic Development	25,189	70,875
Library Operating Fund	75,691	-
Enterprise Fund	150,000	-
Nonmajor Special Revenue Funds	10,000	62,691
Nonmajor Capital Projects Funds	252,279	5,797
	\$ 1,291,958	\$ 1,291,958

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance, 7/1/21 (Restated)	Additions	Disposals	Balance, 6/30/22
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 324,800	\$ -	\$ -	\$ 324,800
Construction in progress	30,846	-	(30,846)	-
	<u>355,646</u>	<u>-</u>	<u>(30,846)</u>	<u>324,800</u>
Depreciated assets:				
Land improvements	448,990	-	-	448,990
Buildings	4,340,087	-	-	4,340,087
Building improvements	2,351,803	99,535	-	2,451,338
Furniture and fixtures	74,298	-	-	74,298
Machinery and equipment	1,353,670	-	(84,330)	1,269,340
Vehicles	2,124,345	26,260	(55,995)	2,094,610
Infrastructure	8,469,957	406,177	-	8,876,134
	19,163,150	531,972	(140,325)	19,554,797
Less: accumulated depreciation	(10,072,277)	(662,286)	129,427	(10,605,136)
	<u>9,090,873</u>	<u>(130,314)</u>	<u>(10,898)</u>	<u>8,949,661</u>
Net capital assets	<u>\$ 9,446,519</u>	<u>\$ (130,314)</u>	<u>\$ (41,744)</u>	<u>\$ 9,274,461</u>
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 719,559	\$ -	\$ -	\$ 719,559
Construction in progress	1,058,784	81,751	(4,680)	1,135,855
	<u>1,778,343</u>	<u>81,751</u>	<u>(4,680)</u>	<u>1,855,414</u>
Depreciated assets:				
Land improvements	-	11,058	-	11,058
Buildings	752,501	-	-	752,501
Building improvements	756,101	26,449	-	782,550
Machinery and equipment	120,128	14,910	(2,949)	132,089
Vehicles	71,800	-	(5,280)	66,520
Infrastructure	18,986,557	101,252	-	19,087,809
	20,687,087	153,669	(8,229)	20,832,527
Less: accumulated depreciation	(12,871,715)	(665,311)	8,229	(13,528,797)
	<u>7,815,372</u>	<u>(511,642)</u>	<u>-</u>	<u>7,303,730</u>
Net capital assets	<u>\$ 9,593,715</u>	<u>\$ (429,891)</u>	<u>\$ (4,680)</u>	<u>\$ 9,159,144</u>

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS (CONTINUED)

<u>Current year depreciation</u>		
Public safety	\$	104,197
Public works		297,257
Library		7,076
Recreation		1,588
General government		252,168
Subtotal governmental depreciation		<u>662,286</u>
Pollution control		<u>665,311</u>
Subtotal business-type depreciation		<u>665,311</u>
Total depreciation expense	\$	<u>1,327,597</u>

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2022:

	Balance, 7/1/21 (Restated)	Additions	Deletions	Balance, 6/30/22	Current Portion
Governmental activities:					
Bonds payable	\$ 1,396,087	\$ -	\$ (69,922)	\$ 1,326,165	\$ 71,089
Notes from direct borrowings payable	235,092	100,000	(51,624)	283,468	65,608
Totals	<u>\$ 1,631,179</u>	<u>\$ 100,000</u>	<u>\$ (121,546)</u>	<u>\$ 1,609,633</u>	<u>\$ 136,697</u>
Business-type activities:					
Bonds payable	<u>\$ 4,360,272</u>	<u>\$ -</u>	<u>\$ (162,368)</u>	<u>\$ 4,197,904</u>	<u>\$ 238,649</u>

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of bonds and notes from direct borrowings payable outstanding as of June 30, 2022:

Governmental activities:

Bonds payable:

\$250,000, 2012 General Obligation Bond due in annual principal and interest payments ranging from \$5,892 to \$20,928 through November of 2027. Interest is charged at a fixed rate ranging from 0.86% to 4.25% per annum.	\$ 110,538
\$280,000, 2019 General Obligation Bond due in annual principal and interest payments of \$18,813 through November of 2039. Interest is charged at a fixed rate ranging from 1.72% to 3.76% per annum.	257,634
\$1,000,000, 2020 General Obligation Bond due in annual principal and interest payments of \$63,902 through November of 2040. Interest is charged at a fixed rate ranging from 1.19% to 3.26% per annum.	957,993
Total bonds payable	<u>\$ 1,326,165</u>

Notes from direct borrowings payable:

\$92,554, 2020 Note for Municipal Buildings due in monthly principal and interest payments of \$1,045 through May 2028. Interest is charged at a fixed rate of 1.99% per annum.	\$ 69,355
\$100,000, 2021 Note for Beechwood Culvert due in annual principal and interest payments of \$17,935 through July 2027. Interest is charged at a fixed rate of 2.19% per annum.	100,000
\$94,513, 2019 Note for LED Street Lights due in annual principal and interest payments of \$21,431 through September 2024. Interest is charged at a fixed rate of 4.336% per annum.	59,096
\$72,805, 2020 Note for TRIO software due in annual principal and interest payments of \$16,252 through August 2024. Interest is charged at a fixed rate of 4.55% per annum.	44,634
\$11,739 2019 Note for Town Office Copiers due in monthly principal and interest payments of \$224 through November 2024. Interest is charged at a fixed rate of 5.47% per annum.	6,499



TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 6 - LONG-TERM DEBT (CONTINUED)

\$4,715 2019 Note for Police Department Copier due in monthly principal and interest payments of \$90 through December 2024. Interest is charged at a fixed rate of 5.47% per annum.	2,700
\$14,203 2019 Note for Phone System due in monthly principal and interest payments of \$395 through September 2022. Interest is charged at an estimated fixed rate of 1.00% per annum.	1,184
Total notes from direct borrowings payable	283,468
Total governmental activities	\$ 1,609,633
Business-type activities:	
\$1,099,000 2012 USDA Bond due in annual principal and interest payments of \$56,797 through November 2040. Interest is charged at a fixed rate of 2.750% per annum.	\$ 831,760
\$2,030,000, 2015 General Obligation Bond due in annual principal and interest payments of \$108,261 through June 2035. Interest is charged at a fixed rate of 0.150% per annum.	1,326,412
\$1,000,000, 2016 USDA Bond due in annual principal and interest payments of \$50,090 through January 2044. Interest is charged at a fixed rate of 2.500% per annum.	839,732
\$1,200,00, General Obligation Bond due in annual principal and interest payments of \$90,748 through November 2036. Interest is charged at a fixed rate from a range of 0.410% to 2.486% per annum.	1,200,000
Total business-type activities	\$ 4,197,904

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds and notes from direct borrowings payable principal and interest requirements for the following fiscal years ending June 30:

	Governmental Activities				Business-type Activities		Total Debt Service
	Bonds Payable		Notes from Direct Borrowings Payable		Bonds Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 71,089	\$ 28,675	\$ 65,608	\$ 7,501	\$ 238,649	\$ 67,248	\$ 478,770
2024	72,329	27,891	65,953	5,973	240,804	65,093	478,043
2025	73,644	27,072	65,728	4,090	243,065	62,831	476,430
2026	75,032	26,217	28,351	2,123	245,458	60,439	437,620
2027	76,715	25,317	28,723	1,750	247,991	57,905	438,401
2028-2032	322,782	110,932	29,105	1,369	1,283,576	245,907	1,993,671
2033-2037	340,920	72,658	-	-	1,168,134	143,826	1,725,538
2038-2042	293,654	18,394	-	-	433,762	43,729	789,539
2043-2047	-	-	-	-	96,465	3,631	100,096
	<u>\$ 1,326,165</u>	<u>\$ 337,156</u>	<u>\$ 283,468</u>	<u>\$ 22,806</u>	<u>\$ 4,197,904</u>	<u>\$ 750,609</u>	<u>\$ 6,918,108</u>

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to business-type activities expense for the year ended June 30, 2022 was \$58,184.

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

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2022 is as follows:

	Balance, 7/1/21 (Restated)	Additions	Deletions	Balance, 6/30/22	Current Portion
Accrued compensated absences	\$ 80,712	\$ 33,951	\$ -	\$ 114,663	\$ 28,666
Net pension liability/(asset)	374,193	218,263	(634,141)	(41,685)	-
Net OPEB liability	41,261	23,589	(5,373)	59,477	-
	<u>\$ 496,166</u>	<u>\$ 275,803</u>	<u>\$ (639,514)</u>	<u>\$ 132,455</u>	<u>\$ 28,666</u>

Refer to Notes 8, 17 and 18 for more detailed information regarding other long-term obligations.

TOWN OF THOMASTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding paid time off does permit employees to accumulate limited earned but unused leave. The liability for accrued compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2022, the Town's liability for compensated absences is \$114,663.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2022:

*Governmental activities:*

Investment in capital assets	\$ 19,879,597
Accumulated depreciation	(10,605,136)
Outstanding capital related debt	<u>(1,609,633)</u>
	<u>\$ 7,664,828</u>

*Business-type activities:*

Investment in capital assets	\$ 22,687,941
Accumulated depreciation	(13,528,797)
Outstanding capital related debt	<u>(4,197,904)</u>
	<u>\$ 4,961,240</u>

TOWN OF THOMASTON, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 10 - RESTRICTED NET POSITION

At June 30, 2022, the Town had the following amounts restricted in net position:

<i>Governmental activities:</i>	
TIF Fund	\$ 2,085,560
Non-TIF Economic Development	1,045,790
Library Operating Fund	1,134,948
Nonmajor Special Revenue Funds (Schedule E):	
Thomaston Green Fund	5,288
CDBG Loan Fund	136,510
ARPA	173,101
Dietz Scholarship	62,767
Nonmajor Permanent Funds (Schedule I):	
Library Book Fund	385,467
Cemetery Fund	485,432
	<u>\$ 5,514,863</u>

NOTE 11 - NONSPENDABLE FUND BALANCES

The Town has the following nonspendable fund balances at June 30, 2022:

Nonmajor Permanent Funds (Schedule I)	<u>\$ 259,618</u>
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NOTE 12 - RESTRICTED FUND BALANCES

The Town has the following restricted fund balances at June 30, 2022:

TIF Fund	\$ 2,085,560
Non-TIF Economic Development	1,045,790
Library Operating Fund	1,068,339
Nonmajor Special Revenue Funds (Schedule E)	377,666
Nonmajor Permanent Funds (Schedule I)	611,281
	<u>\$ 5,188,636</u>

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 13 - COMMITTED FUND BALANCES

The Town has the following committed fund balances at June 30, 2022:

Nonmajor Special Revenue Funds (Schedule E)	\$ 42,286
Nonmajor Capital Projects Funds (Schedule G)	710,432
	\$ 752,718

NOTE 14 - ASSIGNED FUND BALANCES

The Town has the following assigned fund balances at June 30, 2022:

General Fund:	
PW-paint roads	\$ 2,330
Summer roads	331
Survey	200
E-911	200
Hydrant rental	6,952
Paving projects	2,200
Harbor	2,143
Stump dump	9,255
Street lights	2,700
Sidewalk replacement	47,063
West Meadow Rd bridge	1,153
FEMA (October 2017)	2,376
Snow removal	90,817
PW Salt and Diecer and Sand	35,845
Insurance	29,900
GASB 2003	250
Payroll and benefits	274,669
Tree removal/dead limb	8,352
Tree planting	1,500
Comprehensive plan	1,058
Computer	2,373
Heating oil	20,338
PW vehicle maintenance	26,049
PW equipment	16,031
PW fuel, oil and grease	27,021
Ambulance coverage-Rockland	9,018
Consultant-municipal building	614

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 14 - ASSIGNED FUND BALANCES (CONTINUED)

Record restoration	5,622
Academy	10,272
Watts Block maintenance	12,428
Clerk wages for election	5,000
Retirement	2,084
Traffic study	7,301
Contingency	1,225
Photo copier	661
Tax billing	950
CEO training and memberships	599
Town Manager training	500
Elevator maintenance	1,088
Voting machines	547
Protective clothing	16
SCBA	12,979
Ambulance maintenance	669
Fire Dept communication equipment	10,000
Sam Watts portrait donation	755
S Watts Trust	1,901
Redevelopment	161
Watts hall rental	4,383
Belvedere historic grant	796
Regional planning commission	1,200
Senior citizens reimbursement	280
Rec community events	3,059
PW training/OSHA safety	475
Knox County-COVID ambulance	1,833
Knox County-COVID EMA	1,833
Police ammunition	1,389
Police equipment	4,893
Fire Station roof repair	4,641
General assistance	2,922
Social services	266
Landscaping	986
Christmas lighting	1,000
Conservation	1,700
Informed growth	791
EMA workplan	21,867
Kevin MoHolland rec donations	400
Recreation department	4,594

TOWN OF THOMASTON, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 14 - ASSIGNED FUND BALANCES (CONTINUED)

Donations-heating oil	300
Ambulance training	2,773
Gazebo	4,734
	\$ 762,611

NOTE 15 - OVERSPENT APPROPRIATIONS

The Town had the following overspent appropriations at June 30, 2022:

General government (Article 5)	\$ 29,495
Fire department (Article 10)	15,581
Ambulance (Article 12)	7,857
Transfer Station (Article 13)	7,391
	\$ 60,324

In accordance with Article 24 of the June 8, 2021 Town Meeting, the Selectboard is authorized to move up to 10% of unexpended balances between budget categories as they deem advisable.

NOTE 16 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state-chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2022.

TOWN OF THOMASTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 16 - RISK MANAGEMENT (CONTINUED)

The Town is a member of the Maine Municipal Association - Property and Casualty Pool and pays an annual premium for its coverage. Under the property portion of the policy, coverage is provided after a per occurrence deductible is met. The limit of coverage for liability claims brought under the Maine Tort Claims Act is \$400,000 per occurrence. A \$2,000,000 limit of liability is provided for liability claims outside the Maine Tort Claims Act. There is no aggregate liability limit. Coverage for Public Officials Liability, including Employment Practices, is a part of the program. Coverage is on an occurrence basis, rather than a "claims made" form. A \$2,000,000 limit of liability is provided for all claims for Wrongful Acts seeking monetary damages pursuant to federal or state law for which the Maine Tort Claims Act does not provide immunity or limitations. Each member has a \$4,000,000 annual aggregate limit. An annual sublimit of \$100,000 per member applies for all back wages and/or future salary awards for employment related claims, subject to a \$5,000 retention and a 10% contribution by the member.

The Town is also a member of the Maine Municipal Association - Worker Compensation Trust Fund ("Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain lower costs for worker's compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker's compensation coverage. The Town's agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies' reinsurance contracts, coverage for claims in excess of \$1,000,000.

NOTE 17 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

**Plan Description**

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.



TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Benefits Provided**

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60, 62 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions. As of June 30, 2021, there were 305 employers in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 0.93%.

**Contributions**

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's 3C plan members are required to contribute 9.7% of their annual covered salary and the Town's AC plan members are also required to contribute 7.8% of their annual salary. The Town is required to contribute at an actuarially determined rate. The current rate is 13.4% for the 3C plan and 10.3% for the AC plan of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2022 was \$98,567.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Pension Liabilities/(Assets)**

*PLD Consolidated Plan*

At June 30, 2022, the Town reported a liability/(asset) of \$(41,685) for its proportionate share of the net pension liabilities/(assets) for the plan. The net pension liabilities/(assets) were measured as of June 30, 2021 and the total pension liabilities/(assets) used to calculate the net pension liabilities/(assets) was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities/(assets) were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2021, the Town's proportion was 0.129712%, which was an increase of 0.035531% from its proportion measured as of June 30, 2020.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2022, the Town recognized total pension revenue of \$87,928 for the PLD plan. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,965	\$ 2,833
Changes of assumptions	139,973	-
Net difference between projected and actual earnings on pension plan investments	-	568,176
Changes in proportion and differences between contributions and proportionate share of contributions	83,376	25,610
Contributions subsequent to the measurement date	98,567	-
Total	<u>\$ 348,881</u>	<u>\$ 596,619</u>

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$98,567 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		PLD Plan
Plan year ended June 30:		
2022	\$	(47,108)
2023		(11,974)
2024		(129,337)
2025		(157,885)
2026		-
Thereafter		-

**Actuarial Methods and Assumptions**

The respective collective total pension liability/(asset) for the plans was determined by an actuarial valuation as of June 30, 2021, using the following methods and assumptions applied to all periods included in the measurement:

*Actuarial Cost Method*

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities/(assets). Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits and dividing it by the value, also as of the member's entry age of their member's expected future salary. The normal cost for each member is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Asset Valuation Method*

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

*Amortization*

The net pension liability/(asset) of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2021 are as follows:

*Investment Rate of Return* - 6.50% per annum for the year ended June 30, 2021, compounded annually.

*Salary Increases, Merit and Inflation* - 2.75% to 11.48% per year

*Mortality Rates* - For the plan, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC\_2020 model.

*Cost of Living Benefit Increases* - 1.91%

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2021 are summarized in the following table.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	PLD Plan	
	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	7.2%
Diversifiers	10.0%	5.9%

*Discount Rate*

The discount rate used to measure the collective total pension liability/(asset) was 6.50% for 2021 for the Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

The following table shows how the collective net pension liability/(asset) as of June 30, 2021 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for each of the Plans.

	1% Decrease	Discount Rate	1% Increase
PLD Plan:			
Discount rate	5.50%	6.50%	7.50%
Town's proportionate share of the net pension liability/(asset)	\$ 593,195	\$ (41,685)	\$ (566,813)

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Changes in Net Pension Liability/(Asset)**

Each employer's share of the collective net pension liability/(asset) is equal to the collective net pension liability/(asset) multiplied by the employer's proportionate share as of June 30, 2021 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability/(asset) are recognized in pension expense for the year ended June 30, 2021 with the following exceptions.

*Differences between Expected and Actual Experience*

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resource. For 2021 and 2020, this was three years for the PLD Consolidated Plan. For 2019, this was four years for the PLD Consolidated Plan. For 2018 and 2017, this was three years; prior to 2017, this was four years for the PLD Consolidated Plan.

*Differences between Expected and Actual Investment Earnings*

Differences between projected and actual investment earnings are recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

*Changes in Assumptions*

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2021 valuation were based on the results of an actuarial experience study for the period of June 30, 2016 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Please refer to the *Actuarial Methods and Assumptions* section for information relating to the use of assumptions.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions*

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability/(asset).

**Pension Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2021 Annual Comprehensive Financial Report available online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES' HEALTH TRUST

**Plan Description**

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

TOWN OF THOMASTON, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

**Benefits Provided**

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

**Employees Covered by Benefit Terms**

At January 1, 2022, the following employees were covered by the benefit terms:

Active members	15
Retirees and spouses	0
Total	15

**Contributions**

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. Medical benefits are provided for the life of the retiree and surviving spouses.

**Retiree Premium Amounts**

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<b>Pre-Medicare</b>	<b>Single Coverage</b>	<b>Family Coverage</b>
POS C	\$1,141	\$2,559
<b>Medicare</b>		
Medicare-Eligible Retirees	\$601	\$1,201



TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

**Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2022, the Town reported a liability of \$59,477 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2022 and was determined by an actuarial valuation as of that date. The Town’s total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2022, the Town recognized OPEB revenue of \$2,844. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,826	\$ 16,703
Changes of assumptions	5,932	4,615
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	937	-
Total	\$ 22,695	\$ 21,318

\$937 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	MMEHT
Plan year ended June 30:	
2023	\$ (2,134)
2024	(1,270)
2025	(1,270)
2026	(1,273)
2027	1,857
Thereafter	4,530

**Discount Rate**

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2022. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.06% per annum for June 30, 2022 was based upon a measurement date of December 30, 2021. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	1.06%	2.06%	3.06%
Total OPEB liability	\$ 70,915	\$ 59,477	\$ 50,254
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ 70,915	\$ 59,477	\$ 50,254
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Healthcare Trend**

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

TOWN OF THOMASTON, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 49,054	\$ 59,477	\$ 73,118
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 49,054</u>	<u>\$ 59,477</u>	<u>\$ 73,118</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Actuarial Methods and Assumptions**

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2022, using the following methods and assumptions applied to all periods included in the measurement:

*Actuarial Cost Method*

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

*Assumptions*

The actuarial assumptions used in the January 1, 2022 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. As of January 1, 2021, they are as follows:

Discount Rate - 2.06% per annum for year end 2022 reporting. 2.12% per annum for year end 2021 reporting.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2022\_fa was used for this valuation. The following assumptions were input into this model:

Variable Rate

Rate of Inflation	2.40%
Rate of Growth in Real Income/GDP per capital 2031+	1.10%
Extra Trend due to Taste/Technology 2031+	1.00%
Expected Health Share of GDP 2031	19.00%
Health Share of GDP Resistance Point	20.00%
Year for Limiting Cost Growth to GDP Growth	2042

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends selected from 2022 to 2025 were based on plan design, population weighting, renewal projections and market analysis. For years 2026 to 2030, these are interpolated from 2025 to 2031 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, Co-payments and Out of Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense - 3% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2021, they are as follows:

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality:

Healthy Annuitant - Based on 112% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC\_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC\_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

males and females. These rates are generationally projected using the same version of the RPEC\_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected.

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

**Changes in Net OPEB Liability**

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2022 with the following exceptions:

*Differences between Expected and Actual Experience*

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2022 was (\$877).

*Changes in Assumptions*

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2022 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

*Differences between Projected and Actual Earnings on OPEB Plan Investments*

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 13 Valley Street, Thomaston, Maine 04861.

NOTE 19 - COMMITMENTS AND CONTINGENCIES

With regard to unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

In early September 2023, a significant taxpayer in the Town announced that it was closing its facilities in 2025. The Town is not able to predict or determine the impact to the Town's financial position based on this information.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

The Town contracts with GovOffice LLC for website services. The contract was valid beginning September 2019 through September 2022. The annual payments under this contract are \$3,433 per year.

TOWN OF THOMASTON, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 20 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County and School District debt. As of June 30, 2022, the Town's share was as follows:

	Outstanding Debt	Town's Percentage	Total Share
RSU No. 13	\$ 18,546,754	18.39%	\$ 3,410,748
Knox County	2,776,382	4.68%	129,861
			\$ 3,540,609

NOTE 21 - TAX INCREMENT FINANCING DISTRICTS

**Tax Increment Financing Districts**

The Town has established a tax increment financing district in accordance with Maine statutes to finance economic development programs located in the Town of Thomaston, Maine. The expenditures from these development programs will be recovered in future years through an incremental tax levied upon the districts' so called "captured assessed value". A portion of the incremental tax revenues will be returned to the district to repay principal and interest on any indebtedness, to fund the expenditures of the development program and to finance future expansion.

Dragon Products Company and Tax Increment Financing District Development Program

In March of 2002, the Thomaston Selectboard, as well as the Maine Department of Economic and Community Development, approved a Tax Increment Financing District to expand and diversify the Town's tax base and improve its economy. The area of the District is approximately 34 acres of land. The projects implemented under this Development Program include: sewer improvements of sewer line extension, recreational trails and economic development planning and administrative expenses associated with the development effort. The original assessed value of the property is \$25,359,600. The Development Program provides for 100% of the increase in assessed value of the District to be captured and designated as captured assessed value for 30 years. The tax increment revenues will be deposited by the Town into the Development Program Fund for a period of 30 years. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. §5801.



TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 21 - TAX INCREMENT FINANCING DISTRICT (CONTINUED)

The TIF District will remain in place for a period of 30 years from adoption. The allocation of tax increment revenues, through a credit enhancement agreement, to be paid to owners/developers of specified property, will commence by agreement between the Town and the owner/developer and will continue for a period not to exceed 30 years or the remainder of the term of the District designation, whichever is less. No more than 90% of the property taxes to be generated on the improvements within the District will be returned to the developer. The remaining amount will be retained by the Town and used to fund the development plan of the District. The Selectboard shall determine, in its discretion, whether it is necessary or appropriate to enter any Credit Enhancement Agreement to grant these abatements. The state law does not provide for the recapture of abated taxes in the event an abatement recipient does not fill the commitment it makes in return for the tax abatement. The Town reserves the right to incur indebtedness to finance, in part or in whole, the projects within the Development Program. Any projects financed through municipal bonded indebtedness must be completed within five years of the approval of the District.

Thomaston Green Downtown Revitalization TIF District

In March of 2019, the Town received approval from the Maine Department of Economic and Community Development to create a municipal development and tax increment financing district located within the Town's entire village center, designating it as the Thomaston Green Downtown Revitalization Tax Increment Financing District. The Downtown TIF was approved for a duration of 30 years beginning with tax year, April 1, 2008.

The District was created to assist in improving the Town's infrastructure and public utilities within said rights of way and to expand and diversify the Town's tax base in order to improve its economy. This Development Program will provide the infrastructure and planning necessary for commercial development of property within the District, as well as certain public improvements within and outside the District that will enable additional commercial development within the Town, thereby expanding and diversifying the Town's tax base.

The taxable Original Assessed Value of the District is \$9,896,419 and consists of 44 acres and 49 parcels, only nineteen of which are public properties. Therefore, the majority of the property within the District is privately owned and subject to independent development consistent with the Town's Zoning Ordinance and Comprehensive Plan.

TOWN OF THOMASTON, MAINE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 21 - TAX INCREMENT FINANCING DISTRICT (CONTINUED)

**Abatement**

The Town has not made any commitments as part of the Credit Enhancement Agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities. The Town currently has one tax abatement agreement, the Dragon Products Company Credit Enhancement Agreement which is summarized below:

*Dragon Products Company Credit Enhancement Agreement*

On October 5, 2004, the Town of Thomaston entered into a credit enhancement agreement with Dragon Products Company for the fire safety improvements and sewer extension. The original valuation of the property was \$25,359,600. No more than 90% of the property taxes to be generated on the improvements within the District will be returned to the developer for 30 years. The remaining amount will be retained by the Town and used to fund the development plan of the District.

For the fiscal year ended June 30, 2022, the Town abated property taxes for the following programs:

Tax Abatement Program	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Dragon Products	0.00%	\$ -

NOTE 22 - LETTER OF CREDIT

At June 30, 2022, the Town had an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD, Bank, N.A. The letter of credit, which expires at the close of business on September 6, 2022, authorizes one draw only, up to the amount of \$7,000,000. There were no draws for the year ended June 30, 2022.

NOTE 23 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

TOWN OF THOMASTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 24 - RESTATEMENTS

In 2021, the Town determined that certain transactions were recorded incorrectly or omitted in the previous year, therefore restatements to the Town's government-wide and fund financial statements were required. A restatement was made to reduce the governmental activities by \$35,267 to correct capital assets, by \$58,237 to include the debt for the TRIO lease and by \$60,944 for the MMEHT OPEB plan. The governmental activities and the nonmajor special revenue funds total fund balance were both increased by \$104,668 to reclassify the Dietz Scholarship and 4<sup>th</sup> of July funds from Fiduciary to governmental.

Additionally, the Town made a restatement from the general fund total fund balance to separate the Retirement IUUAL fund and the capital projects funds for presentation on the financial statements.

These restatements resulted in the beginning net position for the governmental activities decreasing from \$16,471,971 to \$16,422,191, decreasing the general fund total fund balance from \$2,984,909 to \$2,318,773, increasing the nonmajor special revenue fund total fund balance from \$141,794 to \$281,430 and increasing the nonmajor capital projects fund total fund balance from \$0 to \$631,168.

## Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

## TOWN OF THOMASTON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated	\$ 2,318,773	\$ 2,318,773	\$ 2,318,773	\$ -
Resources (Inflows):				
Property taxes	8,356,360	8,356,360	8,334,148	(22,212)
Excise taxes	543,600	543,600	569,889	26,289
Intergovernmental	1,102,037	1,102,037	1,253,815	151,778
Charges for services	258,776	258,776	266,241	7,465
Miscellaneous revenues	86,107	86,107	128,788	42,681
Transfers from other funds	56,400	56,400	35,000	(21,400)
Amounts Available for Appropriation	<u>12,722,053</u>	<u>12,722,053</u>	<u>12,906,654</u>	<u>184,601</u>
Charges to Appropriations (Outflows):				
General government	740,203	723,935	753,430	(29,495)
Public safety	1,061,495	1,040,064	981,585	58,479
Public works	729,590	729,590	603,984	125,606
Health and welfare	624,773	624,773	634,240	(9,467)
Local agencies	15,660	15,660	14,561	1,099
Recreation and leisure	148,256	148,256	111,287	36,969
Education	4,975,882	4,975,882	4,975,881	1
County tax	493,979	493,979	493,979	-
Buildings	109,389	109,389	109,068	321
Tax increment financing	743,799	-	-	-
Unclassified	365,298	365,298	267,897	97,401
Debt service:				
Principal	58,839	96,538	96,538	-
Interest	46,417	46,417	36,399	10,018
Transfer to other funds	289,700	1,073,281	1,073,281	-
Total Charges to Appropriations	<u>10,403,280</u>	<u>10,443,062</u>	<u>10,152,130</u>	<u>280,914</u>
Budgetary Fund Balance, June 30	<u>\$ 2,318,773</u>	<u>\$ 2,278,991</u>	<u>\$ 2,754,524</u>	<u>\$ 475,533</u>
Utilization of assigned fund balance	<u>\$ -</u>	<u>\$ 39,782</u>	<u>\$ -</u>	<u>\$ (39,782)</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF THOMASTON, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST 10 FISCAL YEARS\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>PLD Plan:</u>									
Proportion of the net pension liability/(asset)	0.13%	0.09%	0.11%	0.12%	0.12%	0.11%	0.12%	0.12%	0.11%
Proportionate share of the net pension liability/(asset)	\$ (41,685)	\$ 374,193	\$ 338,183	\$ 330,238	\$ 487,865	\$ 594,145	\$ 381,085	\$ 188,778	\$ 331,881
Covered payroll	853,482	598,343	668,225	685,679	653,030	589,576	613,955	531,600	499,704
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-4.88%	62.54%	50.61%	48.16%	74.71%	100.77%	62.07%	35.51%	66.42%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.30%	94.10%	87.50%

\* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF THOMASTON, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSION  
LAST 10 FISCAL YEARS\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>PLD Plan:</u>									
Contractually required contribution	\$ 98,567	\$ 88,744	\$ 60,836	\$ 67,680	\$ 66,985	\$ 61,072	\$ 52,472	\$ 48,825	\$ 42,528
Contributions in relation to the contractually required contribution	<u>(98,567)</u>	<u>(88,744)</u>	<u>(60,836)</u>	<u>(67,680)</u>	<u>(66,985)</u>	<u>(61,072)</u>	<u>(52,472)</u>	<u>(48,825)</u>	<u>(42,528)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 872,405	\$ 853,482	\$ 598,343	\$ 668,225	\$ 685,679	\$ 653,030	\$ 589,576	\$ 613,955	\$ 531,600
Contributions as a percentage of covered payroll	11.30%	10.40%	10.17%	10.13%	9.77%	9.35%	8.90%	7.95%	8.00%

\* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF THOMASTON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2022

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u>          </u>	<u>          </u>	<u>          </u>
Balances at 1/1/21 (Reporting 12/31/2021)	\$ 41,261	\$ -	\$ 41,261
Changes for the year:			
Service cost	4,820	-	4,820
Interest	965	-	965
Changes of benefits	-	-	-
Differences between expected and actual experience	17,804	-	17,804
Changes of assumptions	(4,220)	-	(4,220)
Contributions - employer	-	1,153	(1,153)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(1,153)	(1,153)	-
Administrative expense	-	-	-
Net changes	<u>18,216</u>	<u>-</u>	<u>18,216</u>
Balances at 1/1/22 (Reporting December 31, 2022)	<u>\$ 59,477</u>	<u>\$ -</u>	<u>\$ 59,477</u>

See accompanying independent auditor's report and notes to financial statements.



## TOWN OF THOMASTON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
AND RELATED RATIOS  
LAST 10 FISCAL YEARS\*

	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>					
Service cost (BOY)	\$ 4,820	\$ 4,211	\$ 3,654	\$ 3,968	\$ 4,638
Interest (includes interest on service cost)	965	1,050	2,257	1,857	2,914
Changes of benefit terms	-	-	(684)	-	-
Differences between expected and actual experience	17,804	-	(29,228)	-	(33,944)
Changes of assumptions	(4,220)	2,454	7,315	(4,324)	4,799
Benefit payments, including refunds of member contributions	(1,153)	(1,109)	(111)	(107)	(1,608)
Net change in total OPEB liability	<u>\$ 18,216</u>	<u>\$ 6,606</u>	<u>\$ (16,797)</u>	<u>\$ 1,394</u>	<u>\$ (23,201)</u>
Total OPEB liability - beginning	\$ 41,261	\$ 34,655	\$ 51,452	\$ 50,058	\$ 73,259
Total OPEB liability - ending	<u>\$ 59,477</u>	<u>\$ 41,261</u>	<u>\$ 34,655</u>	<u>\$ 51,452</u>	<u>\$ 50,058</u>
<u>Plan fiduciary net position</u>					
Contributions - employer	1,153	1,109	111	107	1,608
Contributions - member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(1,153)	(1,109)	(111)	(107)	(1,608)
Administrative expense	-	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 59,477</u>	<u>\$ 41,261</u>	<u>\$ 34,655</u>	<u>\$ 51,452</u>	<u>\$ 50,058</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	\$ 785,295	\$ 385,466	\$ 385,466	\$ 356,326	\$ 356,326
Net OPEB liability as a percentage of covered payroll	7.6%	10.7%	9.0%	14.4%	14.0%

\* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF THOMASTON, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB  
LAST 10 FISCAL YEARS\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>					
Employer contributions	\$ 1,153	\$ 1,109	\$ 111	\$ 107	\$ 1,608
Benefit payments	<u>(1,153)</u>	<u>(1,109)</u>	<u>(111)</u>	<u>(107)</u>	<u>(1,608)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 785,295	\$ 385,466	\$ 385,466	\$ 356,326	\$ 356,326
Contributions as a percentage of covered payroll	0.15%	0.29%	0.03%	0.03%	0.45%

\* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

TOWN OF THOMASTON, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022

**Changes of Assumptions:**

MEPERS PLD Plan:

The discount rate was reduced from 6.75% to 6.50%.

The investment rate of return changed from 6.75% to 6.50%.

In addition, the salary increases for the plan, increased from 2.75% to 2.75% - 11.48% per year.

Maine Municipal Health Trust:

The discount rate was updated to reflect the December 30, 2021 Bond Buyer 20-Bond GO Index. The ultimate trend assumption was reduced to reflect the reduction in the Bond Buyer 20-Bond GO Index.

The following demographic assumptions were updated based on the June 30, 2021 experience study:

Mortality, termination, retirement and salary rates.

The enrollment participation for plans with no employer subsidy was update for ages 65-70.

There was a change in the discount rate from 2.12% to 2.06% per GASB 75 discount rate selection. In addition, medical and prescription drug trend arrays were updated.

## Other Supplementary Information

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

- Budgetary Comparison Schedule - Budget Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

## TOWN OF THOMASTON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND REVENUES  
 FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues (Inflows):				
Taxes:				
Property taxes	\$ 8,356,360	\$ 8,356,360	\$ 8,333,748	\$ (22,612)
Auto excise	540,000	540,000	566,161	26,161
Boat excise	3,600	3,600	3,728	128
PILOT	-	-	400	400
Intergovernmental revenues:				
State revenue sharing	557,962	557,962	704,429	146,467
Homestead reimbursement	262,739	262,739	261,746	(993)
Local road assistance	25,528	25,528	25,528	-
Tree growth	1,400	1,400	1,828	428
BETE reimbursement	242,283	242,283	242,375	92
General assistance	6,125	6,125	3,280	(2,845)
FEMA	-	-	7,291	7,291
Veteran's/other reimbursement	6,000	6,000	7,338	1,338
Charges for services:				
Code enforcement	19,700	19,700	44,190	24,490
Public works	12,500	12,500	18,028	5,528
Public safety	139,600	139,600	108,755	(30,845)
Administration fees	11,920	11,920	14,734	2,814
Building rent	73,856	73,856	78,538	4,682
Harbor services	1,200	1,200	1,996	796
Miscellaneous revenues:				
Tax interest	35,000	35,000	57,999	22,999
Investment interest	3,050	3,050	840	(2,210)
Lien fees	6,500	6,500	5,700	(800)
Cable TV	24,000	24,000	23,389	(611)
Tower lease	17,457	17,457	31,530	14,073
Other	100	100	9,330	9,230
Transfers from other funds	56,400	56,400	35,000	(21,400)
Amounts Available for Appropriation	<u>\$ 10,403,280</u>	<u>\$ 10,403,280</u>	<u>\$ 10,587,881</u>	<u>\$ 184,601</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF THOMASTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive/(Negative)
General government:					
Administration	\$ 21,266	\$ -	\$ 21,266	\$ 50,526	\$ (29,260)
Town Manager	243,416	-	243,416	242,910	506
Clerks office	86,451	-	86,451	86,302	149
General office	32,183	-	32,183	30,469	1,714
Finance office	113,856	-	113,856	109,847	4,009
Contingency	1,000	-	1,000	972	28
Computers	47,062	(16,268)	30,794	24,514	6,280
Selectboard	41,223	-	41,223	45,154	(3,931)
Planning Board	200	-	200	143	57
Code enforcement	75,022	-	75,022	73,552	1,470
Code and assessing layout	550	-	550	550	-
Assessor	77,974	-	77,974	88,491	(10,517)
	<u>740,203</u>	<u>(16,268)</u>	<u>723,935</u>	<u>753,430</u>	<u>(29,495)</u>
Public safety:					
Police department	667,296	-	667,296	604,324	62,972
Lighting	36,701	(21,431)	15,270	10,471	4,799
EMA	9,273	-	9,273	4,442	4,831
Animal control	10,944	-	10,944	8,680	2,264
Sewer	2,300	-	2,300	2,300	-
Hydrants	165,800	-	165,800	166,606	(806)
Fire department	169,181	-	169,181	184,762	(15,581)
	<u>1,061,495</u>	<u>(21,431)</u>	<u>1,040,064</u>	<u>981,585</u>	<u>58,479</u>
Public works:					
General/operations	550,612	-	550,612	487,491	63,121
Winter	80,200	-	80,200	32,889	47,311
Summer	35,750	-	35,750	21,669	14,081
Stump Dump	53,928	-	53,928	54,641	(713)
Building	9,100	-	9,100	7,294	1,806
	<u>729,590</u>	<u>-</u>	<u>729,590</u>	<u>603,984</u>	<u>125,606</u>
Health and welfare:					
Ambulance	360,402	-	360,402	368,259	(7,857)
MSW-Recycling	255,621	-	255,621	263,012	(7,391)
General assistance	8,750	-	8,750	2,969	5,781
	<u>624,773</u>	<u>-</u>	<u>624,773</u>	<u>634,240</u>	<u>(9,467)</u>
Local agencies:					
Social services	7,510	-	7,510	7,510	-
Agencies	8,150	-	8,150	7,051	1,099
	<u>15,660</u>	<u>-</u>	<u>15,660</u>	<u>14,561</u>	<u>1,099</u>

TOWN OF THOMASTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Adjustments	Original Budget	Original Budget	Variance Positive/(Negative)
Buildings:					
Watts Block	38,906	-	38,906	26,682	12,224
Academy	35,583		35,583	36,413	(830)
Municipal building	34,900		34,900	45,973	(11,073)
	<u>109,389</u>	<u>-</u>	<u>109,389</u>	<u>109,068</u>	<u>321</u>
Recreation and leisure:					
Recreation	115,516	-	115,516	93,066	22,450
Shade trees	13,865	-	13,865	7,283	6,582
Harbor services	16,375	-	16,375	10,174	6,201
Conservation committee	2,500	-	2,500	764	1,736
	<u>148,256</u>	<u>-</u>	<u>148,256</u>	<u>111,287</u>	<u>36,969</u>
Education	4,975,882	-	4,975,882	4,975,881	1
County tax	493,979	-	493,979	493,979	-
TIF	743,799	(743,799)	-	-	-
Debt service:					
Principal	58,839	37,699	96,538	96,538	-
Interest	46,417	-	46,417	36,399	10,018
	<u>105,256</u>	<u>-</u>	<u>142,955</u>	<u>132,937</u>	<u>10,018</u>
Unclassified:					
Insurance	117,829	-	117,829	103,349	14,480
Public restrooms	350	-	350	265	85
Building maintenance	21,785	-	21,785	22,404	(619)
Memberships	8,177	-	8,177	4,533	3,644
Cemetery	19,000	-	19,000	19,000	-
Overlay	77,157	-	77,157	-	77,157
Paving	118,000	-	118,000	115,346	2,654
Shellfish management	3,000	-	3,000	3,000	-
	<u>365,298</u>	<u>-</u>	<u>365,298</u>	<u>267,897</u>	<u>97,401</u>
Transfers:					
Capital projects	216,700	29,782	246,482	246,482	-
Special revenue	73,000	10,000	83,000	83,000	-
TIF	-	743,799	743,799	743,799	-
	<u>289,700</u>	<u>783,581</u>	<u>1,073,281</u>	<u>1,073,281</u>	<u>-</u>
Total Departmental Operations	<u>\$ 10,403,280</u>	<u>\$ 2,083</u>	<u>\$ 10,443,062</u>	<u>\$ 10,152,130</u>	<u>\$ 290,932</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF THOMASTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 105,052	\$ -	\$ 11,621	\$ 116,673
Investments	-	-	859,750	859,750
Due from other funds	314,900	710,432	-	1,025,332
<b>TOTAL ASSETS</b>	<u>\$ 419,952</u>	<u>\$ 710,432</u>	<u>\$ 871,371</u>	<u>\$ 2,001,755</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 472	\$ 472
Due to other funds	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>472</u>	<u>472</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	259,618	259,618
Restricted	377,666	-	611,281	988,947
Committed	42,286	710,432	-	752,718
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>419,952</u>	<u>710,432</u>	<u>870,899</u>	<u>2,001,283</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 419,952</u>	<u>\$ 710,432</u>	<u>\$ 871,371</u>	<u>\$ 2,001,755</u>

See accompanying independent auditor's report and notes to financial statements.



## TOWN OF THOMASTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 290,252	\$ 225,000	\$ 19,000	\$ 534,252
Investment income net of unrealized gains/(losses)	-	-	(136,117)	(136,117)
Other	9,425	552	33,562	43,539
TOTAL REVENUES	<u>299,677</u>	<u>225,552</u>	<u>(83,555)</u>	<u>441,674</u>
EXPENDITURES				
Capital outlay	-	381,176	-	381,176
Other	108,464	11,594	102,420	222,478
TOTAL EXPENDITURES	<u>108,464</u>	<u>392,770</u>	<u>102,420</u>	<u>603,654</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>191,213</u>	<u>(167,218)</u>	<u>(185,975)</u>	<u>(161,980)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	252,279	-	262,279
Transfers (out)	(62,691)	(5,797)	-	(68,488)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(52,691)</u>	<u>246,482</u>	<u>-</u>	<u>193,791</u>
NET CHANGE IN FUND BALANCES	138,522	79,264	(185,975)	31,811
FUND BALANCES - JULY 1, RESTATED	<u>281,430</u>	<u>631,168</u>	<u>1,056,874</u>	<u>1,969,472</u>
FUND BALANCES - JUNE 30	<u>\$ 419,952</u>	<u>\$ 710,432</u>	<u>\$ 870,899</u>	<u>\$ 2,001,283</u>

See accompanying independent auditor's report and notes to financial statements.

## Special Revenue Funds

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

TOWN OF THOMASTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2022

	Thomaston Green Fund	CDBG Loan Fund	ARPA	Dietz Scholarship	4th of July	Tree Planting Grant	Retirement IUUAL	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 62,767	\$ 42,285	\$ -	\$ -	\$ 105,052
Due from other funds	5,288	136,510	173,101	-	-	-	1	314,900
<b>TOTAL ASSETS</b>	<b>\$ 5,288</b>	<b>\$ 136,510</b>	<b>\$ 173,101</b>	<b>\$ 62,767</b>	<b>\$ 42,285</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 419,952</b>
<b>LIABILITIES</b>								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	5,288	136,510	173,101	62,767	-	-	-	377,666
Committed	-	-	-	-	42,285	-	1	42,286
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>5,288</b>	<b>136,510</b>	<b>173,101</b>	<b>62,767</b>	<b>42,285</b>	<b>-</b>	<b>1</b>	<b>419,952</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,288</b>	<b>\$ 136,510</b>	<b>\$ 173,101</b>	<b>\$ 62,767</b>	<b>\$ 42,285</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 419,952</b>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF THOMASTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR YEAR ENDED JUNE 30, 2022

	Thomaston Green Fund	CDBG Loan Fund	ARPA	Dietz Scholarship	4th of July	Tree Planting Grant	Retirement IUUAL	Total
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 290,252	\$ -	\$ -	\$ -	\$ -	\$ 290,252
Interest income	4	-	-	69	47	-	33	153
Other	-	-	-	-	1,700	7,572	-	9,272
TOTAL REVENUES	4	-	290,252	69	1,747	7,572	33	299,677
EXPENDITURES								
Other	-	-	89,460	-	11,432	7,572	-	108,464
TOTAL EXPENDITURES	-	-	89,460	-	11,432	7,572	-	108,464
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4	-	200,792	69	(9,685)	-	33	191,213
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	10,000	-	-	10,000
Transfers (out)	-	-	(27,691)	-	-	-	(35,000)	(62,691)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(27,691)	-	10,000	-	(35,000)	(52,691)
NET CHANGE IN FUND BALANCES	4	-	173,101	69	315	-	(34,967)	138,522
FUND BALANCES - JULY 1, RESTATED	5,284	136,510	-	62,698	41,970	-	34,968	281,430
FUND BALANCES - JUNE 30	\$ 5,288	\$ 136,510	\$ 173,101	\$ 62,767	\$ 42,285	\$ -	\$ 1	\$ 419,952

See accompanying independent auditor's report and notes to financial statements.

## Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF THOMASTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2022

	Salt Shed	Capital Improvement	Police Cruiser	Ambulance	Tennis Court	Fire Apparatus	Academy Building	Sidewalk	Recreation Center
<b>ASSETS</b>									
Due from other funds	\$ -	\$ 57,890	\$ 4,652	\$ 100,746	\$ -	\$ 234,275	\$ 51,131	\$ 20,845	\$ 12,968
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 57,890</b>	<b>\$ 4,652</b>	<b>\$ 100,746</b>	<b>\$ -</b>	<b>\$ 234,275</b>	<b>\$ 51,131</b>	<b>\$ 20,845</b>	<b>\$ 12,968</b>
<b>LIABILITIES</b>									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	57,890	4,652	100,746	-	234,275	51,131	20,845	12,968
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>57,890</b>	<b>4,652</b>	<b>100,746</b>	<b>-</b>	<b>234,275</b>	<b>51,131</b>	<b>20,845</b>	<b>12,968</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>									
	<b>\$ -</b>	<b>\$ 57,890</b>	<b>\$ 4,652</b>	<b>\$ 100,746</b>	<b>\$ -</b>	<b>\$ 234,275</b>	<b>\$ 51,131</b>	<b>\$ 20,845</b>	<b>\$ 12,968</b>

TOWN OF THOMASTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2022

	Drainage	Computers	PW Equip Reserve	Culverts	Backhoe	Recycle Center	Municipal Facilities	Beechwood St Bridge	Watts Block	Total
<b>ASSETS</b>										
Due from other funds	\$ -	\$ 25,670	\$ 91,282	\$ 6	\$ -	\$ 1,529	\$ 101,432	\$ -	\$ 8,006	\$ 710,432
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 25,670</b>	<b>\$ 91,282</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ 1,529</b>	<b>\$ 101,432</b>	<b>\$ -</b>	<b>\$ 8,006</b>	<b>\$ 710,432</b>
<b>LIABILITIES</b>										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	25,670	91,282	6	-	1,529	101,432	-	8,006	710,432
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>25,670</b>	<b>91,282</b>	<b>6</b>	<b>-</b>	<b>1,529</b>	<b>101,432</b>	<b>-</b>	<b>8,006</b>	<b>710,432</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ -</b>	<b>\$ 25,670</b>	<b>\$ 91,282</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ 1,529</b>	<b>\$ 101,432</b>	<b>\$ -</b>	<b>\$ 8,006</b>	<b>\$ 710,432</b>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF THOMASTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR YEAR ENDED JUNE 30, 2022

	Salt Shed	Capital Improvement	Police Cruiser	Ambulance	Tennis Court	Fire Apparatus	Academy Building	Sidewalk	Recreation Center
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	41	6	70	-	172	64	1	9
TOTAL REVENUES	-	41	6	70	-	172	64	1	9
EXPENDITURES									
Capital outlay	-	-	26,260	-	-	-	40,000	-	-
Other	-	-	-	-	-	11,594	-	-	-
TOTAL EXPENDITURES	-	-	26,260	-	-	11,594	40,000	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	41	(26,254)	70	-	(11,422)	(39,936)	1	9
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	7,000	25,000	-	30,000	7,000	20,000	4,658
Transfers (out)	(830)	-	-	-	(4,658)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(830)	-	7,000	25,000	(4,658)	30,000	7,000	20,000	4,658
NET CHANGE IN FUND BALANCES	(830)	41	(19,254)	25,070	(4,658)	18,578	(32,936)	20,001	4,667
FUND BALANCES - JULY 1, RESTATED	830	57,849	23,906	75,676	4,658	215,697	84,067	844	8,301
FUND BALANCES - JUNE 30	\$ -	\$ 57,890	\$ 4,652	\$ 100,746	\$ -	\$ 234,275	\$ 51,131	\$ 20,845	\$ 12,968



TOWN OF THOMASTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR YEAR ENDED JUNE 30, 2022

	Drainage	Computers	PW Equip Reserve	Culverts	Backhoe	Recycle Center	Municipal Facilities	Beechwood St Bridge	Watts Block	Total
REVENUES										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ -	\$ 225,000
Interest income	-	23	65	10	-	1	84	-	6	552
TOTAL REVENUES	-	23	65	10	-	1	84	225,000	6	225,552
EXPENDITURES										
Capital outlay	-	12,012	-	24,334	-	-	53,570	225,000	-	381,176
Other	-	-	-	-	-	-	-	-	-	11,594
TOTAL EXPENDITURES	-	12,012	-	24,334	-	-	53,570	225,000	-	392,770
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(11,989)	65	(24,324)	-	1	(53,486)	-	6	(167,218)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	15,700	30,831	24,308	-	-	79,782	-	8,000	252,279
Transfers (out)	(308)	-	-	-	(1)	-	-	-	-	(5,797)
TOTAL OTHER FINANCING SOURCES (USES)	(308)	15,700	30,831	24,308	(1)	-	79,782	-	8,000	246,482
NET CHANGE IN FUND BALANCES	(308)	3,711	30,896	(16)	(1)	1	26,296	-	8,006	79,264
FUND BALANCES - JULY 1, RESTATED	308	21,959	60,386	22	1	1,528	75,136	-	-	631,168
FUND BALANCES - JUNE 30	\$ -	\$ 25,670	\$ 91,282	\$ 6	\$ -	\$ 1,529	\$ 101,432	\$ -	\$ 8,006	\$ 710,432

See accompanying independent auditor's report and notes to financial statements.

## Permanent Funds

Permanent funds are used to account for assets held by the Town of Thomaston, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the support of the public library and Village Cemetery in the Town of Thomaston.

## TOWN OF THOMASTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2022

	Library Book Fund	Cemetery Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,816	\$ 8,805	\$ 11,621
Investments	382,651	477,099	859,750
<b>TOTAL ASSETS</b>	<b><u>\$ 385,467</u></b>	<b><u>\$ 485,904</u></b>	<b><u>\$ 871,371</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 472	\$ 472
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>472</u></b>	<b><u>472</u></b>
<b>FUND BALANCES</b>			
Nonspendable	97,172	162,446	259,618
Restricted	288,295	322,986	611,281
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>385,467</u></b>	<b><u>485,432</u></b>	<b><u>870,899</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 385,467</u></b>	<b><u>\$ 485,904</u></b>	<b><u>\$ 871,371</u></b>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF THOMASTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	Library Book Fund	Cemetery Fund	Total
REVENUES			
Intergovernmental	\$ -	\$ 19,000	\$ 19,000
Investment income net of unrealized gains/(losses)	(60,808)	(75,309)	(136,117)
Other	262	33,300	33,562
TOTAL REVENUES	<u>(60,546)</u>	<u>(23,009)</u>	<u>(83,555)</u>
EXPENDITURES			
Other	16,060	86,360	102,420
TOTAL EXPENDITURES	<u>16,060</u>	<u>86,360</u>	<u>102,420</u>
NET CHANGE IN FUND BALANCES	(76,606)	(109,369)	(185,975)
FUND BALANCES - JULY 1	<u>462,073</u>	<u>594,801</u>	<u>1,056,874</u>
FUND BALANCES - JUNE 30	<u>\$ 385,467</u>	<u>\$ 485,432</u>	<u>\$ 870,899</u>

See accompanying independent auditor's report and notes to financial statements.

## General Capital Assets

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

TOWN OF THOMASTON, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
 JUNE 30, 2022

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ 324,800	\$ 6,513,084	\$ 232,652	\$ 25,024	\$ 7,095,560
Public safety	-	116,139	1,993,395	-	2,109,534
Public works	-	396,535	1,080,193	8,809,358	10,286,086
Recreation and leisure	-	42,962	50,040	41,752	134,754
Library	-	171,695	81,968	-	253,663
Pollution control	1,855,414	1,546,109	198,609	19,087,809	22,687,941
<b>Total General Capital Assets</b>	<b>2,180,214</b>	<b>8,786,524</b>	<b>3,636,857</b>	<b>27,963,943</b>	<b>42,567,538</b>
Less: Accumulated Depreciation	-	(3,992,031)	(2,580,921)	(17,560,981)	(24,133,933)
<b>Net General Capital Assets</b>	<b>\$ 2,180,214</b>	<b>\$ 4,794,493</b>	<b>\$ 1,055,936</b>	<b>\$ 10,402,962</b>	<b>\$ 18,433,605</b>

See accompanying independent auditor's report and notes to financial statements.

## TOWN OF THOMASTON, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2022

	General Capital Assets 7/1/21	Additions	Deletions/ Transfers	General Capital Assets 6/30/22
General government	\$ 6,990,835	\$ 104,725	\$ -	\$ 7,095,560
Public safety	2,172,697	26,260	(89,423)	2,109,534
Public works	9,966,847	400,987	(81,748)	10,286,086
Recreation and leisure	134,754	-	-	134,754
Library	253,663	-	-	253,663
Pollution control	22,465,431	235,419	(12,909)	22,687,941
Total General Capital Assets	41,984,227	767,391	(184,080)	42,567,538
Less: Accumulated Depreciation	<u>(22,943,992)</u>	<u>(1,327,597)</u>	<u>137,656</u>	<u>(24,133,933)</u>
Net General Capital Assets	<u>\$ 19,040,235</u>	<u>\$ (560,206)</u>	<u>\$ (46,424)</u>	<u>\$ 18,433,605</u>

See accompanying independent auditor's report and notes to financial statements.



Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Selectboard  
Town of Thomaston  
Thomaston, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Maine as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Town of Thomaston, Maine's basic financial statements and have issued our report thereon dated November 17, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Thomaston, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Thomaston, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Thomaston, Maine's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Thomaston, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Thomaston, Maine in a separate letter dated November 17, 2023.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RHR Smith & Company*

Buxton, Maine  
November 17, 2023