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South Berwick, Maine

THE FLAG BRIGADE
2017 “Spirit of America” Tribute Award Winner



2017 Annual Report

THE FLAG BRIGADE

2017 SPIRIT OF AMERICA AWARD

2017 VOLUNTEERS

Eric Pelchat	Norman Fortier	Audrey Fortier
Paul Steinhauer	Tamre Steinhauer	Burnell Bailey
Deirdre Williams	David Wessling	Joseph Wessling
Keith Gagne		John Sweet
Richard Currier, Deceased 2017		Dewitt Hardy, Deceased 2017

The Spirit of America Foundation is a 501©(3) public charity established in Augusta, ME in 1990 to honor volunteerism. This Tribute is presented annually to an individual or group for commendable community service. It was a privilege to recommend this Tribute be given to the South Berwick Flag Brigade.

Since 2006, The Flag Brigade's dedicated group of volunteers manages to place 138 American Flags out strategically throughout the main streets of the Town of South Berwick on National Holidays. They meet faithfully as early as 6am and take them down at the end of the day as late as 7pm. These flags are meticulously displayed and cared for and give a sense of pride and patriotism to residents and travelers through town.



Presentation of the "Spirit of America" Tribute Award 2017
(Courtesy of Norm Fortier)

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In Memory of George E. Gorman

9/11/1942—10/7/2017

South Berwick Fire Chief
1970—2017



Chief George Gorman served the Town of South Berwick Fire Department for over 50 years with 47 of them as the Fire Chief. He originally began his training with the Air Force stationed in Alaska and later as a firefighter with the Portsmouth Naval Shipyard before his long and admirable career with the Town.

As South Berwick grew so did the Fire Department under his commendable leadership. When he took charge there were only three breathing units for 40 firefighters. By the time he retired in September of 2017 every firefighter was outfitted with turnout gear.

George not only made great strides in keeping up with safety but also in the management of his team and in the maintenance of all the equipment. The pride he took in his profession reflects magnificently on the town where his diligence is recognized statewide for the aptitude and professionalism of our firefighters, the quality and upkeep of the station and the trucks, and the quality reputation that he helped found and which continues to be build upon.

The respect he gained was really evident by the grand turnout for his retirement party held in September 2017 as a great many residents lined up waiting to greet him. During his many years he trained generations of firefighters in Town including his own son and grandson who are proudly walking in his footsteps.

Joe Rousselle who has been with the department for 45 years and has taken on the role of Fire Chief said it best when he said “Chief Gorman set the standard for the department and his legacy will live on for many years.”



Chief Gorman
Side Photos : Retirement Plaque and Trumpet Trophy
(Photos Courtesy of the SBFD Facebook Page)

Officials



Elected Town Officials

Town Council, Board of Assessors,
Vaughan Fund Trustees &
Overseers of the Poor

John C. Kareckas, Chairman 2019

John James, Vice-Chair 2020

Russell H. Abell, 2019

Thomas Chase, 2018

Mallory Cook, 2020

Appointed Town Officials

Town Manager, Tax Collector,
Treasurer & Road Commissioner

Perry A. Ellsworth

Town Clerk.....	Barbara M. Bennett, CCM
Deputy Tax Collector	Heather Stanley
Accountant & Deputy Treasurer	Mandy Grenier
Planning Coordinator	Joseph Rousselle
Code Officer, Plumbing Inspector & Health Officer	Joseph Rousselle
Assessing Agent.....	Craig Skelton
Public Works Director	Jon St. Pierre
EMA Director	Blain Cote
Police Chief & Constable.....	Dana P. Lajoie
Animal Control Officer.....	Harvey Barr
Fire Chief & Fire Warden	Joseph Rousselle
Recreation Director.....	Sharon R. Brassard
Library Director	Karen McCarthy Eger
General Assistance Administrator.....	Karen Estee

Town Attorney

Bernstein, Shur

IN MEMORY

Clinton R. Schoff

1/28/1940—5/23/2017

Clinton Schoff was a well known, respected and loved resident of the Town of South Berwick. He went to school at Berwick Academy and was the proud recipient of the Berwick Academy Lifetime Achievement Award in 2014. He served in both the U.S. Marine Corps Reserve and the U.S. Coast Guard. He was a founding member and longtime volunteer of the South Berwick Emergency Rescue Squad. Clint was a “Pease Greeter” and life member of the VFW Chapter 5744. He worked proudly for fifteen years for the South Berwick Police Department as a Traffic Control Officer in the busy downtown district. He also remained active throughout his life volunteering and helping others with employment opportunities when they were down on their luck. We are honored to have shared a part of his life.



Traffic Control Officer
Clinton R. Schoff
(Photo courtesy of the Police Dept.)

Boards & Committees

BOARD OF ASSESSMENT REVIEW

David Stansfield, 2019
Smilie G. Rogers, Esq., 2020
Nora Irvine, 2018
Vacant Alternate
Meets as needed at Town Hall

BOARD OF DIRECTORS, SAD #35

Dr. Mary Nash, Superintendent
Keri Tice, Chair, 2019
Fred Wildnauer, Vice Chair 2018
Joe Long, 2019
Susan Berman, 2017
Paul Stanley, 2017
Dan Mannschreck, 2018
*Meets 1st & 3rd Wednesday of the month
at Marshwood High School*

BUILDING COMMITTEE

Thomas Harmon, Chairman, 2018
Bradford Christo, 2019
Mark Gagnon, 2020
David Stansfield, 2019
Fred Wildnauer, 2018
Meets as needed at Town Hall

CONSERVATION COMMISSION

Patricia Robinson, Chairman, 2018
Greg Tuano, 2020
Jaime Roberge, 2020
Vacant
Vacant
Meets 4th Wednesday of the month at Town Hall

HISTORIC DISTRICT COMMISSION

B. Dan Boyle, Chairman, 2019
Mary Vaughn, 2018
Marc Alterio, 2018
Virginia Jennings, 2019
George Muller, 2020
Meets 1st Monday of the month at Town Hall

LIBRARY ADVISORY BOARD

Elaine Pridham, Chairman, 2020
Tim Benoit, 2019
Peter Howell, 2019
Hilda Howell, 2020
David Gagnon, 2018
Meets 3rd Tuesday of the month at the Library

PLANNING BOARD

Paul Steinhauer, Chairman, 2019
William Straub, Vice-Chairman, 2017
Warren Spencer, Secretary, 2018
Manley Gove, Sr., 2018
Vacant
Vacant, Alternate
Vacant, Alternate
Meets 1st & 3rd Wednesday of the month at Town Hall

RECREATION COMMITTEE

Jeff Hoerth, 2018
Heather Holland, 2018
Nicole Drake, 2020
Vacant
Vacant
Meets 3rd Tuesday of the month at Community Center

TOWN COUNCIL

Meets 2nd & 4th Tuesday of the month at Town Hall

ZONING BOARD OF APPEALS

Francis Jillson, 2019
John Klossner, 2020
Smilie G. Rogers, Esq., 2019
Vacant
Vacant
Vacant, Alternate
Vacant, Alternate
Meets as needed at Town Hall

Committee membership as of 3/31/18

We are grateful for the time and effort offered by the
members of our boards and committees.

Their efforts improve the lives of everyone who lives
in our great community.

Town Council

Greetings Citizens of South Berwick,

The Town Council is pleased to contribute to this annual report and summarize our activities for 2017.

South Berwick's financial system and practices are reviewed via our annual audit for FY 2016-17 and we are pleased to report by all the auditor's metrics and analyses no material weakness were found and our reporting is fairly stated and consistent with generally accepted accounting principles. Our Town is found to be well managed as evidenced by our expenditures consistently falling within our budgeted amounts.

This doesn't happen without the thoughtful care of our Town Manager and Staff who collectively work as a team to stay within budgets and work creatively to handle ever changing revenue shortfalls resulting from unforeseen variables created by mercurial changes in State policies and priorities. These challenges echo discussion in past annual reports and include underfunding Municipal Revenue Sharing, devaluation and thus local tax increases from changes in Homestead Exemptions and now unfunded State mandates with increased costs toward essential public safety dispatch services.

We continue to make progress toward presenting at the Annual Town Meeting a proposal for funding a new Police Station. This is a necessary and essential Town facility which represents careful design and review of our existing and projected public safety needs. We hope the citizens have a chance to review our proposal prior to the budget meeting vote and find our approach to be a sensible representation of our Town needs and worthy of a vote in support of the requested bonding amount.

The Town Road Program continues into our third year of upgrades. This year we will be focusing more on the in-town roadways. Thanks to the Public Works Department for their work on this.

Ordinance review continues on what makes sense for South Berwick concerning medical and commercial marijuana facilities. We are actively researching alternatives for appropriate land use performance standards and await action/guidance from the State who has responsibility for crafting regulations.

Led by a coalition of our citizens, we are encouraged to see our civic engagement with Tuskegee, Alabama continue to grow. We are in the beginning stages of establishing a framework of inter-regional dialogue with our fellow Americans. We learn more about ourselves by engagement with others and we applaud those taking the initiative.

Lastly, it is the responsibility of the Town Council to appoint members of other Town boards and commissions. We currently have openings, particularly on the Planning Board, so please consider helping out by applying to serve.

Respectfully Submitted,

South Berwick Town Council
Russell H. Abell, Chair 2017

The Town Council meets on the 2nd and 4th Tuesday of each month in Council Chambers on the 2nd floor of Town Hall. All residents are encouraged to attend our meetings and offer input.

*Council and Planning Board meetings may now be viewed on the web
at: new.townhallstreams.com/towns/sb_maine.
Minutes are posted on the Town's website: www.southberwickmaine.org.*

Town Manager

To the Citizens of South Berwick,

It is a pleasure to again present you the reports of the offices and departments of the Town of South Berwick for the year 2017.

Time passes so quickly. I have been your Town Manager for seven years now. Every year is challenging, but with the ups and downs of State and Federal government and our changes in staff, this last year was an engaging one. For all the undercurrents that existed, Town business reflected very few ripples on the surface.

The last couple of years have seen changes in personnel that created voids but also opportunity to rebuild for the future. After losing two long term employees in the Finance Department a couple of years ago, we hired a new Finance Director and an Assistant to take their places. In less than a year we found ourselves once again with the Finance Director position open. The Finance Assistant moved into the position and is performing solidly as she continues to grow within the position. She is supported by the rest of the team and will be an asset to the Town long into the future.

Cross training is a must within the group that we have in place. We endeavor to have a minimum of two people trained for all the major tasks that have to be completed daily, weekly, monthly, and annually. The office staff here is second to none and should be recognized for their due diligence towards getting the job done. My thanks go out for teamwork of Barbara Bennett, Town Clerk and Vicky Couture in the Business Office, Mandy Grenier, Finance Director, Heather Stanley, Tax Collector, Deanna Remick, Executive Assistant to the Town Manager and Bridget Pote in the Code Enforcement, Assessing and General Assistance Offices who wears multiple hats and is always ready to step up to the plate when needed.

I hope that you have viewed our new website. Check it out if you haven't.

Year two of the Road Rebuild Bond Project went well with continued savings as the Highway Crew, headed by Jay Redimarker, continues to prep roads for the contractor to complete. Having Jon St. Pierre, a Certified Professional Engineer, as the Public Works Director, is a blessing few managers get an opportunity to experience. Jon and the Highway Department are devoted to safe passage of vehicles in all seasons.

We lost our long time Fire Chief to cancer this last year. He will truly be missed by friends and the community at large. As a lifetime fireman he touched many lives in this community. Joe Rousselle, our Code Enforcement Officer and the Assistant Fire Chief, has taken the position of Fire Chief to continue the leadership that George gave during his 47 years as Fire Chief for the Town of South Berwick.

The evaluation of sites for a proposed Police Station dominated discussions at Town Council sessions as each site brought questions and comments. In the end the Town Council chose a site adjacent to the Farmgate Road and once an agreement was in place with the Farmgate association, we moved forward with the plans for construction. There are lots of elements to make this all happen but we are hoping to have an article to Bond the dollars needed for this project included on this year's annual Town Meeting Warrant.

My Staff and I thank you all for your continued support. South Berwick is truly a wonderful place to live and work. I really can't think of a better place to be than right here.

Respectfully Submitted,

Perry Ellsworth
Town Manager



Members of Flag Brigade with Perry Ellsworth at Award Ceremony
(Photo courtesy of Norm Fortier)

Town Clerk

Many of the services we perform in the Business Office at Town Hall are also available online through the Town's website at www.southberwickmaine.org or www.maine.gov. Maine.gov is a great resource and has information and links for everything from auto registration renewals, hunting and fishing licenses, and recreational vehicle registrations to dog licensing, burn permits and new business information.

I am happy to report the following statistics for transactions processed in the Clerk's Office for the calendar year 2017:

6246	Motor vehicle transactions	151	Resident & Nonresident hunting/fishing licenses
129	ATV registrations	7	Liquor licenses processed
230	Boat registrations	75	Marriage Licenses Issued
150	Snowmobile registrations	436	Certified copies of vital records
1106	Dog licenses issued for 2017	2	Non-certified copies of vital records
2	Kennel licenses for 2017		

In addition to the motor vehicle transactions processed in the office, staff also downloaded and converted 1587 motor vehicle records processed online through the rapid renewal program.

The following vital statistics were recorded in 2017 calendar:

	<u>Births*</u>	<u>Marriages</u>	<u>Deaths*</u>
Occurred in Town	1	43	27
Total recorded	28	73	43

*Many of these events occur out of state and are not included in these figures. Vital records are state specific.

By State law, the Clerk/Registrar is responsible to the Secretary of State for elections and voter registrations. As of December 31st there were 5403 registered voters in South Berwick.

Democrat	1812
Green Independent	177
Libertarian	19
Republican	1392
Un-enrolled	2003 (Many people refer to this as being an independent. An un-enrolled voter has no party affiliation.)

There was one open town meeting held in 2017:

May 23rd	2017/2018 Budget	All 23 Articles passed
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There were three secret ballot elections held in 2017:

June 13th	SAD #35 Budget Validation	9% turnout, passed
November 7th	7 State Referendum	31% turnout
November 7th	Municipal	31% turnout

—John James was re-elected to the Town Council
 —Mallory Cook was elected to the Town Council
 —Paul Stanley was re-elected to the School Board

Respectfully,

Barbara Bennett, CCM
 Town Clerk

School Board

To the Citizens of South Berwick,

During the past year, the students, staff and administration have worked together to resolve or improve any issue that has come before them. One of their main focuses has been developing a Positive Culture for All. By working in tandem, along with involved community members, each school is developing what a Positive Culture for All means for their school. We feel this is a top priority in light of all the tragedy that is happening in the world around us.

This past year we were faced with an extremely challenging budget year. The community was wonderful in helping us to prioritize what was important for the district and supporting the budget at the polls. We thank you for that.

The current freshman class is the first class that will graduate with a proficiency based diploma. Creating graduation requirements has been a focus for all staff during their common planning time on Thursdays to develop cohesive instruction that builds from one year to the next resulting in graduation.

This year the use of an outside food vendor was implemented to provide the daily nutrition at all five schools. Chartwells is providing a variety of nutritional, yummy food to the students and staff. On top of the improved food, they offer an interactive app to help parents and students navigate through allergy and nutritional needs. They are working in coordination with the schools to support visiting chefs and giving students an opportunity to get more involved. All of this with a cost savings to the district at the same time.

There are so many talented learners, athletes, artists, musicians and thespians in our district at each school level. There are also a variety of successful teams to include quiz bowl, CyberPatriot, We The People, math and robotic teams, to name just a few. They all had a very successful year with plenty of individual and team accomplishments to be celebrated including state championships in football and wrestling. The vast majority of students participate in some type of extra curricular activity and the activity choices change often depending on what the students' interests are.

We always look forward to hearing from you. Our meetings are at MHS on the 1st and 3rd Wednesdays of the month. Check out the website at www.rsu35.org, go to <https://livestream.com/rsu35> to watch the meetings live or see an archived meeting, find us on Facebook, send us an email or call us on the phone.

Respectfully Yours,

Keri Tice
Board of Directors



Flag Brigade Members getting ready for set up
(Photo courtesy of Norm Fortier)



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

PAUL R. LePAGE
GOVERNOR

Dear Citizens of South Berwick:

For the past seven years as your Governor, my priority has been to make Maine—our people—prosper. Helping you keep more money in your wallet by reducing taxes has been part of that mission.

Too many Maine families are facing skyrocketing property taxes that strain household budgets. Our elderly on fixed incomes are particularly vulnerable to these increases. School budgets are often blamed for annual increases in property taxes. But there's another reason. A tremendous amount of land and property value has been taken off the tax rolls, leaving homeowners to pick up the tab.

As of 2016, towns and cities owned land and buildings valued at nearly \$5.5 billion statewide. Large and wealthy non-profits, such as hospitals and colleges, often escape paying property taxes on their vast real estate holdings—totaling more than \$5.1 billion statewide.

In Maine, nearly 2.5 million acres of land have been set aside for conservation by the federal and state governments and non-profit organizations, including land trusts. Municipalities are losing out on property taxes on an estimated \$2 billion in land that has been either removed from the tax rolls or prohibited from development—shifting the cost of municipal services to local homeowners through higher property taxes.

It's time to recognize the results of taking property off the tax rolls and identify solutions to reduce the burden on our homeowners. My administration's proposals have been met with staunch resistance.

In 1993, about 35,800 acres of land were documented as land-trust owned. That number has increased by an astonishing 1,270 percent. Land trusts now control over 490,000 acres with an estimated value of \$403 million. We must restore the balance. We will be working this session to ensure all land owners are contributing to the local tax base. It's time for them to pay their fair share.

I encourage you to ask your local officials how much land in your municipality has been taken off the tax rolls, as well as how much in tax revenue that land would have been contributing today to offset your property taxes.

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

Sincerely,

A handwritten signature in black ink that reads "Paul R. LePage".

Paul R. LePage Governor

Dear Friends:

It is an honor to represent Maine in the United States Senate. I am grateful for the trust the people of our State have placed in me and welcome this opportunity to share some key accomplishments from this past year.

Maine has the oldest average age in the nation. As Chairman of the Senate Aging Committee, my top three priorities for the Committee are fighting fraud and financial abuse directed at our nation's seniors, increasing investments in biomedical research, and improving retirement security. Following the Committee's investigation into skyrocketing prescription drug costs, I authored bipartisan legislation to foster generic competition, which was signed into law. The Aging Committee's toll-free hotline (1-855-303-9470) makes it easier for seniors to report suspected fraud and receive assistance. To support the 40 million family caregivers in the United States, I am proud to have authored the RAISE Family Caregivers Act to create a coordinated strategy to support family members who make countless personal and financial sacrifices to care for their loved ones.

The opioid crisis touches families and communities across our state. As a member of the Appropriations Committee, I fought for significant increases in funding to support community, law-enforcement, and public health efforts. In April, the State of Maine was awarded over \$2 million to fight this devastating public health crisis. Additionally, I have authored legislation to support grandparents and other extended family members who are raising grandchildren as a result of the nation's opioid epidemic.

Biomedical research has the potential to improve and save lives, and also supports good jobs at research facilities here in Maine. Last year, the Appropriations Committee approved a \$2 billion increase for the National Institutes of Health for the third consecutive year. This includes an increase of nearly 30 percent for research on Alzheimer's, our nation's most costly disease. As founder and co-chair of the Senate Diabetes Caucus, I work to raise awareness of the threats posed by diabetes, invest in research, and improve access to treatment options. My bill to establish a national commission of health care experts on diabetes care and prevention was signed into law in 2017.

We owe our veterans so much. Last year, I worked to secure the authorization of a Community-Based Outpatient Clinic in Portland to support the health care of Maine's veterans in the southern part of our state. I also worked to secure funding extensions to help veterans throughout rural Maine receive health care within their communities. I also worked to secure funding for housing vouchers for veterans to reduce veterans' homelessness.

Maine's contributions to our national security stretch from Kittery to Limestone. I successfully advocated for critical funding for projects at the Portsmouth Naval Shipyard for construction of an additional ship that will likely be built at Bath Iron Works. This funding will strengthen our national security and preserve great jobs in our state.

As chairman of the Transportation and Housing Appropriations Subcommittee, I worked to increase funding for the TIGER program that has provided Maine with more than \$122 million for vital transportation projects. For housing, I worked to provide \$160 million to help communities protect children from the harmful effects of lead poisoning.

Growing our economy remains a top priority. I supported the comprehensive tax reform bill because it will help lower- and middle-income families keep more of their hard-earned money; boost the economy; and encourage businesses, both small and large, to grow and create jobs here in Maine and around the country. This legislation contains key provisions I authored that are important to Mainers, including preserving the deduction for state and local taxes, expanding the deduction for medical expenses, and enabling public employees such as firefighters, teachers, and police officers, as well as clergy and employees of nonprofits, to make "catch-up" contributions to their retirement accounts. I led the effort to ensure that the tax cut will not trigger automatic budget cuts to Medicare or any other programs.

A Maine value that always guides me is our unsurpassed work ethic. As of December 2017, I have cast more than 6,500 consecutive votes, continuing my record of never missing a roll-call vote since my Senate service began in 1997.

I appreciate the opportunity to serve York County and Maine in the United States Senate. If ever I can be of assistance to you, please contact my York County office at 207-283-1101 or visit my website at www.collins.senate.gov. May 2018 be a good year for you, your family, your community, and our state.

Sincerely,



Susan M. Collins
United States Senator

ANGUS S. KING, JR.
MAINE

133 HART SENATE OFFICE BUILDING
(202) 224-5344
Website: <http://www.King.Senate.gov>

United States Senate
WASHINGTON, DC 20510

COMMITTEES:
ARMED SERVICES
BUDGET
ENERGY AND
NATURAL RESOURCES
INTELLIGENCE
RULES AND ADMINISTRATION

Dear Friends,

Representing Maine in the United States Senate is an honor.

I continue my work on the Senate Armed Services Committee, each year authorizing the funding required to build our military capabilities and ensuring that our service members are trained and equipped to defend our nation. I was pleased to be part of a bipartisan effort to enact a new law to simplify the appeals review process to reduce the backlog our veterans are facing, as well as a new law that provides critical funding to the VA Choice Program, allowing veterans in rural Maine to access services closer to home.

While my committee work is important, working to combat the opioid epidemic is one of my top priorities. Although Congress has made some important strides, much remains to be done to provide additional funding for prevention, treatment and enforcement. I am working with colleagues on both sides of the aisle to pressure the Drug Enforcement Administration to reduce the amount of opioids produced and to thwart the flow of fentanyl and other deadly drugs into our country.

I am very optimistic about the integrated, multiagency effort I led with Senator Collins to foster innovation and commercialization in Maine's forest economy. Through the Economic Development Assessment Team (EDAT) we are already experiencing increased federal investments that will strengthen our existing forest products industry and help support job creation in rural communities. Initiatives like Cross Laminated Timber, Combined Heat and Power, nanocellulose, 3D printing with biobased materials and other biobased products will mean that Maine's wood-basket will continue to be a major jobs and economic contributor for our future.

Finally, the coming year will continue the work of the Senate Select Committee on Intelligence in the ongoing investigation of Russian interference in the 2016 election. Our Committee has held seven public hearings and numerous classified sessions, reviewed tens of thousands of pages of documents and conducted hundreds of interviews. I remain focused on the security of our elections and committed to developing strategies to prevent interference by foreign governments in our democracy.

May 2018 be a good year for you, your family, your community and our great State.

Best,



Angus S. King
United States Senator

AUGUSTA
4 Gabriel Drive, Suite F1
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(207) 622-8292

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202 Harlow Street, Suite 20350
Bangor, ME 04401
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Senate of
Maine
Senate District 35

Senator Dawn Hill
3 State House Station
Augusta, ME 04333-0003
(207) 287-1515
Dawn.Hill@legislature.maine.gov

Dear Residents of South Berwick,

I hope 2018 finds you and your family doing well. It is and has been an absolute honor to represent you and this community as your state senator. I look forward to working hard for South Berwick in the upcoming session as my eight years of senatorial service comes to an end this year.

Property tax relief remains a top priority for me, and the Legislature made great strides in 2017. This past year, my colleagues and I fought to increase the Homestead Property Exemption from \$15,000 to \$20,000, protected state funding for local services such as fire departments and road maintenance, and increased public K-12 education funding by \$162 million over the biennium. These efforts will decrease the pressure on municipalities to increase mil rates and ultimately reduce the property tax burden that has been too high for too long.

Additionally, I would like to share some information about the state's unclaimed property list. "Unclaimed property" is money owed to Maine people by third parties, such as former employers, banks or utility companies. It could be from a forgotten account, an overpaid bill or uncollected wages, and could be unclaimed as a result of a change in name, addresses or bank account. Go to www.maine.gov/unclaimed or call 1-888-283-2808 to see if the state is holding any unclaimed property for you.

One of the best parts of being a legislator is bringing students into the State House to serve as Senate Pages. Pages assist legislators by handing out documents during the session, passing messages between senators, and performing other tasks critical to the legislative process. It's an excellent way to see Maine's government in action, and families can make a day of it by touring the State House and other nearby attractions. If you know of someone who may be interested, please reach out to my office.

I am always glad to hear from folks back in District 35. Please email me at Dawn.Hill@legislature.maine.gov or call (207) 287-1515 to share any thoughts or concerns you may have.

Sincerely,



Dawn Hill
Senate District 35

*TTY (207) 287-1583 * Message Service 1-800-423-6900 * Website: www.maine.gov/legis/senate*



HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1400
TTY: (207) 287-4469

Jennifer Ellen Parker

224 Witchtrot Road
South Berwick, ME 03908
Residence: (207) 704-0013
Cell phone: (207) 475-6792
jennifer.parker@legislature.maine.gov

Dear Residents of South Berwick,

It is an honor to serve as your State Representative. I hope to retain your trust and build upon the work I've done representing you.

This year the Legislature's agenda will be limited mostly to emergency legislation and bills carried over from 2017. We are scheduled to adjourn by the end of April.

The bills we will be taking up cover a wide range of topics, but our chief focus will be on making sure Maine properly implements the MaineCare expansion overwhelmingly passed by voters last November. We will also continue to wrestle with education costs, revenue sharing and property taxes, revisit our approach to energy and technology infrastructure in the wake of recent storms, find consensus on the voter-approved citizen initiative legalizing the limited recreational use and sale of marijuana and address any unexpected situations that might arise during the spring.

This year I will once again serve on the Legislature's Health and Human Services Committee. We will work to implement the recommendations of a task force that studied Maine's opioid crisis, help craft new rules for the medical use of marijuana, review the laws and regulations governing child care and other issues concerning the health and welfare on Maine's citizens.

Whether we are dealing with the above issues or any other topic, I will continue to work with all of my colleagues, regardless of party affiliation, to make sure we're doing the best work we can for the people of our district and all the people of Maine.

When the House is in session, students from elementary school through high school are invited to serve as honorary pages. This is a great opportunity to participate in the legislative process, and I'd love to host students during the upcoming session. Please contact me if you know of someone who is interested.

I'd also like to hear from you if I can be of any help or if you want to discuss or testify on any legislation. My email is jennifer.parker@legislature.maine.gov. I also send out e-newsletters from time to time. Let me know if you would like to receive them.

Respectfully,



Sallie Chandler
York County Commissioner
District 1
salliebc@metrocast.net
(207) 457-2197

County of York Commissioners Office

Thanks to sound management, the County continues to provide excellent services to our towns, cities and citizens. We have been able to keep tax increases to cities and towns below two percent despite increases in the rate of inflation and health costs.

The Board of Commissioners continues to support the Contract Deputy program. The Sheriff's Department patrols nine of the twenty-nine towns in the County. Our rural patrol provides the level of protection required by State Statute. If your town decides that a higher level of protection is wanted, the citizens may vote to contract a deputy from the Sheriff's Department. The Maine State Law requires that the county recoup the full cost of the program from the municipalities.

The County Animal Response Team is entering its third successful year with a strong volunteer base of thirty people. The York County team is the largest and most active team in the State. The County is committed to recognizing community service and held the second Spirit of America awards ceremony in November. Nine citizens and one group were recognized for their commitment to their communities and volunteerism. If in your town you have someone to nominate please contact Bruce Flaherty at bwflah@gmail.com

The food pantry in conjunction with The York County Shelter is open. This will provide vital services to those who suffer from food insecurity. York County is proud to be a partner in this endeavor.

The Layman Way Recovery Center is on track. The Recovery Center is aimed at treating the many addictions that folks suffer from. Planning is going well and with the help of the budget committee we are anticipating an opening on April 1.

In conjunction with the Sexual Assault Response Services of Southern Maine (SARSSM) York County opened the Child Advocacy Center of York County. This is a vitally important service to children who have suffered sexual abuse and trauma. This group is housed in the courthouse basement.

Respectfully Submitted

Sallie Chandler



2017 Town Department & Board Reports

Code Enforcement/Plumbing

If you are planning any construction this year make sure all of the proper applications are taken out. Permits should be obtained for sheds, additions, pools and also for any renovations done to the home with the exception of installing new windows or siding. In addition, any and all structures constructed off site and brought to the premises need to have building permits as well. If you are unsure of the permit rules for your project, please call the office at 207-384-3011. All construction subject to a building permit but completed without one will be assessed at double the permit fee as well as possible additional fines. The permit history for the past three years is listed below. In addition to construction permits issued, also following are the Plumbing Permits issued & fees collected in 2017.

Respectfully Submitted,

Joseph E. Rousselle
Code Enforcement Officer / LPI

Permit History

Type	2015	2016	2017
Single Family Homes	10	19	27
Additions	15	19	19
Renovations	19	22	22
Out Buildings	37	39	35
Commercial	1	1	3
Swimming Pools	5	6	4
Demolitions	6	5	6

Plumbing Permits

Permits Issued	Type of Permit	Fee Collected
29	Internal Plumbing	\$ 2890
20	Subsurface Waste Water	\$ 4985
	Total Fees Collected	\$ 7875

Assessing

The Town of South Berwick's Assessing Agent is shared with the Town of North Berwick. The Agent is on site at the South Berwick Town Office on Monday, Thursday and Friday and at the North Berwick Town Office on Tuesday and Wednesday. The two towns share the cost of this position with South Berwick contributing 60% based on 3 days per week and North Berwick contributing 40% based on 2 days per week.

For 2017, the total number of real estate accounts in South Berwick was 3,281. This year the tax rate was set at \$19.00 per \$1,000 of value based on a taxable valuation of: \$654,479,943. The new rate represented a 70 cent increase to the tax rate from the prior year. A large portion of the tax rate change was necessary to cover the increase to school and municipal spending and a portion of the increase was necessary to compensate for a reduction in the towns taxable value. The taxable value again this year saw a reduction caused by a legislative change that increased the Homestead Exemption to \$20,000 from the previous amount of \$15,000. For this year, 1,635 property owners received a Homestead Exemption and the increase of the exemption resulted in a town wide valuation reduction of \$8,175,000. The total amount raised through taxes was \$12,435,460.92, an increase of approximately 3.5% from the previous year.

Applications for The Maine Veteran Exemption, Homestead Exemption and Blind Exemption program are available in the Assessor's Office or online under Departments/Assessing at www.southberwickmaine.org. Additional information on taxes and on Maine current use programs such as Tree Growth, Farm and Open Space can be found under the heading "Property Tax" at: www.maine.gov/revenue/homepage.html.

The Assessing Office is staffed by Craig Skelton, CMA, Assessing Agent and Bridget Pote, Administrative Assistant.

Respectfully Submitted,

Craig H. Skelton
on behalf of The South Berwick Board of Assessors



Police, Dispatch & Animal Control

FULL TIME STAFF

Chief, Dana P. Lajoie
Lt., Christopher Burbank
Sgt., David Ruger

Patrol:

Dennis Gaffney
Jeff Upton
Philip Moore
Jeffrey Limbert
Joshua Hartley
David Arsenault

Dispatch:

Sandra Clark
Raelynn Moore
Wendy Morrison
Andrew Noyes

PART TIME STAFF

Patrol:

Dennis Chagnon
Rick DeRochemont
Jeff Pelkey
John Willey
Peter Gagnon
Brian Moffitt

Dispatch:

Jon-Thomas (JT) Harmon
Tim Niehoff
Travis Doiron
Paul Galvin
Janet Eldridge

Administrative

Assistant:

Lauren Goodrich

Animal Control:

Harvey Barr

Traffic Control:

Richard Toussaint
Patsy Cheney
Robert Gagne

It is a pleasure to report on our operations to the South Berwick residents for 2017. We recorded consistent activity as in past years; however, drugs, domestic disturbance and consumer fraud remain high on time consumption to officers working the road. Proactive patrol time appears to be diminishing as these more intense cases demand more of the officers' attention.

I want to commend our Patrol Officers for their diligence with time management for the better of this community. Road time and investigative time are noticeably different as you will see less patrol time. Our staff worked on 36 drug related cases, 51 domestic situations and many alcohol related motor vehicle issues with 262 motor vehicle accidents. The requirements of report writing and follow up is extremely prevalent. Please continue to call with your speed and traffic concerns as it will be placed on the patrol board for daily reminders.

The Department staff including your Dispatch Center continually train in specialized areas in order to keep well rounded; including emergency medical dispatch, firearms training, management of various forms, drug recognition, school resource, investigation techniques, impaired driving etc. Officer Upton, the School Resource Officer has a wonderful relationship with all schools in the community including Seacoast Christian Academy and Berwick Academy. His presence in this role allows for seamless transition of school issues and activity follow-up.

Dispatch, Patrol and the Animal Control Officer (ACO) responded to and logged 70,000 phone calls and 7,500+ calls for service. Because we have very little turn over and our staff has multiple years of experience, you will continue to receive some of the finest service possible. I encourage you to call my office anytime when questions arise.

It is a welcome pleasure to report that a team of professionals was activated early in 2017 to move forward with plan development of our new police headquarters. Our 30-year temporary location may be coming to an end. The 2018 town meeting will be addressing the permanent relocation to the Farmgate neighborhood.

I want to thank this community for its continued support including the Town Council and Manager, Perry Ellsworth. If ever you have comments, questions, or concerns, please stop by or call. We are here for you.

Respectfully Submitted,

Dana P. Lajoie
Chief of Police



Police, Dispatch & Animal Control Service Calls

Traffic Stops	2013	2014	2015	2016	2017
Portland Street	512	500	407	328	304
Route 236	590	732	603	735	645
Main Street	448	557	441	499	509
Agamenticus Road	101	135	129	154	109
Witchtrot Road	39	106	108	142	102
York Woods Road	192	229	186	390	193
Route 101	147	169	181	183	98
Other Streets	444	365	367	369	458
Traffic Stops Town Wide	2473	2793	2422	2800	2418

Police Department Service Call Statistics	2013	2014	2015	2016	2017
Animal Complaints	351	361	400	295	275
Burglary/Including M/V	16	20	18	26	22
Parking Tickets Issued	104	77	89	141	70
Motor Vehicle Stops	2473	2793	2422	2800	2418
Citations Issued	185	169	137	241	158
Motor Vehicle Assist	151	118	139	116	85
Assault	22	12	22	9	13
Thefts	94	84	73	74	59
Domestic Disturbance	53	55	54	54	51
Motor Vehicle Accidents	261	258	290	264	262
Other Calls	4268	4946	4513	4820	4164
Police Calls For Service	7978	8893	8157	8840	7577

Total Calls for Service Entered by Dispatch	2013	2014	2015	2016	2017
<i>(Totals include South Berwick and Berwick)</i>	18,777	20,554	20,161	21,537	20,210



Members of the Flag Brigade at the award ceremony
(Photo courtesy of Norm Fortier)

Fire Department

I bring you this report with a heavy heart as we had to say goodbye to Chief George Gorman in 2017. Chief Gorman served the Fire Department for 53 years, including 47 years as Chief.

The Fire Department continues to bring you the best service for the least amount of money. The members of the Department are very dedicated to the residents of South Berwick and surrounding towns assisting when needed in case of emergencies. In 2017, the Department responded to 372 incidents.

We have maintained a work force of 32+ members. We are very fortunate to maintain this average when other towns are having trouble with their membership. My vision is to try and maintain this average for many more years for a savings to all the tax payers. Maintaining the dedication and commitment of the members of the Department is a goal that we all share. We are fortunate to have this lauded group available to aid and assist the residents of this town.

Respectfully Submitted,

Joseph Rousselle
Fire Chief

Fire Department Service Calls

Mutual Aid	69	Fuel Spills & Leaks	4
Motor Vehicle Accidents	61	Water Problems	7
Alarm Activations	76	Structure Fires/Chimney Fires/Smoke	12
Medical Aid	47	Public Assist	16
Trees/Wires Down	44	Appliance Fires	4
Outside Wires	16	Vehicles Fires	1
Smoke Investigations	12	Missing Persons	1
Sledding Accidents	1	Water Rescue	1
		TOTAL CALLS 2017	372



Emergency Management

The South Berwick Emergency Management Agency had a relatively quiet year as far as severe weather. Spring flooding and ice jams were not a real concern. With the lack of torrential spring rains, the rivers were allowed to thaw and the snow pack to melt and be absorbed into the ground. We had one big storm in October which knocked out power in town to about 3000 CMP customers. After a dry summer, we were in a pretty severe drought when that storm hit. Additional power loss and damage was caused by falling trees due to the excessive rain, the dry ground and very strong winds. The end of 2017 was marked with an extremely cold December.

These are my goals and objectives for the upcoming 2018-2019 year. I will work with the South Berwick Police Department to either move the EOC (Emergency Operations Center) to the new Police Station or keep it at the Fire Department Training Room. The EOC serves as the Center of Operations during an emergency and is staffed throughout the duration of an emergency. We will also move the dispatch consoles from the Dispatch center to the new Police Station and have one console available in the EOC for all communications during an activation. We will then plan an EOC activation drill to see how effective our EOC is and to evaluate its efficiencies as well as its deficiencies so we can make improvements. I will also monitor each season and warn of any hazards that may have an effect on the Town and the citizens of South Berwick. York County Emergency Management Agency is now utilizing a new alerting system called RAVE. I encourage all South Berwick residents to sign up their household with all family members and all cell phones and emails. Please go to www.smart911.com to sign up.

I'm working on a large scale exercise in May and June 2018 with Maine Rural Water, the South Berwick Water District as well as the Berwick Water Department, Berwick and the Somersworth Fire Department which will test 1st responders in a "HAZMAT" drill and water district emergency procedures. This drill will be conducted with funds through an EPA Grant and will count as an exercise for the Town of South Berwick as required by FEMA. County and MEMA (Maine Emergency Management Agency) are looking towards a "regional approach" for large scale exercises and will be the town's way of satisfying this requirement as well as be my approach for the future.

I will continue to establish my role as EMA Director to be that of the "stage director" coordinating with the Public Service Department, York Ambulance, the Town Manager, the Town Council and Town Employees to work and communicate in unison through the five phases of Emergency Management of Mitigation, Preparedness, Protection, Response and Recovery for the citizens of South Berwick.

I would like to thank the Town Manager, Perry Ellsworth, the Town Council, and all the employees of the Town of South Berwick for their continued support.

Respectfully Submitted,

Blain A. Cote,
CEM-ME
Director of Emergency Management



Rescue

The York Ambulance Association continues to serve as the Emergency Medical Services provider for the Town of South Berwick. We provide 24/7 Paramedic Advanced Life Support staffing in South Berwick based near downtown on Norton Street.

2017 was our busiest year so far. We answered 902 calls for service.

We stationed a second ambulance with ALS equipment in South Berwick this year which has been used as a backup for our staffed ambulance and is also used for providing EMS standby for community and special events.

In addition to our 911 response services, York Ambulance provides a Membership Program designed to help offset the costs of ambulance services along with a non-emergent transfer service with options for ambulance or wheelchair van depending on the needs of the patient.

It is a priority of our providers to protect not only the life and well-being but also the dignity and privacy of our patients. These professionals quietly go about their business while maintaining a low profile within the community. By necessity of our work, EMS professionals often forego recognition of their efforts and do not take opportunity to promote themselves or their accomplishments. I wish to recognize the providers who serve South Berwick who have dedicated themselves to the service of our community. It is only through the dedication of each and every one of the EMT's and Paramedics that we are able to provide our quality services.

2017 was not without loss. I would like to take this opportunity to remember Clinton Schoff, a founding member of the South Berwick Emergency Rescue, who passed on in May of 2017. In 1960, Clint was instrumental in founding the Rescue which preceded York Ambulance in providing service to the South Berwick community. In addition Clint provided support and guidance to the founding members of York Ambulance in 1972. Throughout the years, Clint was a constant source of encouragement to our providers and he continued his support right up until his passing. Clint will be remembered and will continue to serve as an inspiration for years to come.

Calls For Service Answered in 2017
Advanced Level Service 397
Basic Level Service 121
Treated on Scene / No Transport 482

Respectfully Submitted,

Brian Moffitt
Paramedic, South Berwick Operations Supervisor



Members of the Flag Brigade
(Photo courtesy of Norm Fortier)



Paul Steinhauer and Deidre Williams
(Photo courtesy of Norm Fortier)

Public Works

Town Meeting in 2016 approved a ten year, four million dollar bond to address an extensive backlog of road maintenance. As roads deteriorate, repair costs escalate rapidly. Therefore, the quicker roads are maintained and repaired, the lesser the cost. In fact, this bond will save South Berwick about two million dollars by doubling the amount roadwork completed during the first three years.

Here is the major road work completed in 2017:

- Rehabilitate Old Emerys Bridge Road
- Mill and fill Dogwood, Springtree, Hickory
- Rehabilitate portions and shim/surface Flynns, Rodier, Thurrell, and Hooper Sands
- Shim/surface Waterside, Pine, Vine (Oldfields end), Old South, Crescent Court, Liberty, Bennett Lot, Tufts, and Old County

At seventy percent complete, the accelerated Road CIP program remains on schedule and within budget.

For decades, North Berwick and South Berwick have shared an in-house roll-off truck and driver to service both Town's Transfer Stations. After a thorough analysis, both Towns decided to contract with Oceanside Waste for solid waste hauling. Because Oceanside operates a Transfer Station in Wells, they were able to offer considerable savings hauling to Wells versus Westbrook.

Steve Panter easily transitioned from operating the roll-off truck to other Public Works roles. We are pleased to utilize Steve's extensive experience and knowledge of the Town in different ways within the Public Works Department.

Nick Charleston joined our crew in November. Nick is a NCCER Certified Heavy Equipment Operator, and brings years of experience with several municipalities and Maine DOT. We have set a goal to attract and retain the most qualified employees we can find, and Steve and Nick exemplify this goal.

I want to acknowledge and thank the talented and dedicated Public Works personnel who always do whatever it takes to get the job done. As an example, our staff dealt with three separate storms Christmas weekend, including an eight inch snow storm on Christmas Day. As soon as the roads were cleaned up, our crew went to work and cleared the downtown of snow – still on Christmas Day. The American Public Works Association has developed the hashtag #publicworksmakesithappen. Public Works is the primary first-responder, because without public works clearing the way, other responders can't get there. I am so proud of our staff and their selfless dedication to "make it happen".

The Public Works staff and I wish to thank the Town Manager, Town Council, and citizens for your high level of support.

Respectfully Submitted,

Jon St. Pierre, P.E.
Public Works Director



Library

The South Berwick Public Library has been in the Maine Infonet Library System (MILS) for a year now and we are well integrated in the state-wide consortium. MILS allows you to request items from all over the state whenever it is convenient for you. And library users have been doing just that. You can see that we have had a tremendous increase of services at the Library.

Interlibrary Loans Changes from 2016-2017			
Borrowing		Lending	
<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
371	959 (160 % increase)	261	956 (266 % increase)

The Friends of the South Berwick Public Library contributed \$24,722 to our operating and capital budget this year for programming, technology, and amenities that make the library lively, comfortable, and beautiful. They also provided light therapy stations via a Strawberry Festival Grant, window & carpet cleaning, new children's toys, and stained glass window stabilization.

Noteworthy Events of 2017:

Ann Marie Townsend retired after 22 years of service as the Children's Librarian. She had two generations of children in her programs, made thousands of book recommendations for children, and helped parents connect their children with materials for literacy skills, information, and reading for the love of it. Thank you Ann Marie.

Caitlin Wollack is our new Children's Librarian. She is full of ideas and has added Pop-Up Discovery stations that engage children in focused creative play at various locations in the children's area and Family Time, a Saturday morning program for parents and children. Welcome Caitlin.

This year, "Common Ground: an American Sister City Project" between South Berwick and Tuskegee, Alabama became official with the two towns signing a Proclamation and South Berwick delegates making the first visit to our sister city. The project grew out of Library Community Conversations about race relations. Our community is a pleasure to work with and to serve.

Respectfully Submitted,

Karen McCarthy Eger
Library Director

Elaine Pridham
Chair, Library Advisory Board

<u>Staff</u>	<u>Library Volunteers</u>	
Karen McCarthy Eger	Vivian Burnham	Marilyn Ladner
Jane Cowen Fletcher	Margaret Cook	Ellen Minnehan
Ann Marie Townsend	Leslie Devaney	Charline Parsons
Shannon Weber	Michael Haberkorn	Dave Stansfield
Caitlin Wollack	Sally Hunter	

Recreation

The South Berwick Recreation Department offered a variety of programming to community youth and seniors again this year. Over 600 youth in town took advantage of the soccer, tennis, science, chorus, art, ski, and camp programs offered to the community. Over 200 families attended the annual special events such as the Valentine's Dance, Easter Egg Hunt and Breakfast with Santa. The Senior Center has over 250 active members.

Although the winter of 2017 started off slow, when it snowed it really snowed. Powderhouse Hill was ready to make the most of it. The Hill was open 24 days selling 1,448 tickets for the season. Powderhouse Hill continues to run through volunteer efforts of about 30 families with our community.

The Recreation Department collaborated with Central School again to offer free programming for the students. In the spring, the Recreation Department worked with the 1st grade teachers to provide a walking field trip for eighty-five 1st graders. The 1st graders joined the seniors for a Wildlife Encounters show held at the community center. In the fall, the Recreation Department hosted a Mad Science show for all students. Both the field trip and the science show were made possible through a generous grant provided by the Strawberry Festival Committee. We look forward to similar collaborations in the future.

The South Berwick Strawberry Run had another great year. We are thankful to our many generous sponsors for making this event possible for our community. Many local businesses and volunteers help make this race happen and it would not be possible without their continued support. Proceeds enable us to keep the cost of youth programming affordable for our community.

The Recreation Department is also able to keep the cost of programming down through the donation of proceeds made through the South Berwick Youth Penny Sale. Many hours and much effort go into the penny sale's continued success and the Recreation Department is very appreciative of everything that goes into putting on such a successful event.

The Senior Center celebrated 22 years in 2017. The Center continues to enrich the lives of all area adults over the age of 50, and provides safe and friendly places where seniors can enjoy friendships, a hot meal, fun and fitness. A variety of daily activities and events such as exercise classes, bingo, bridge, cards, line dancing, guest speakers, and trips are all available to seniors to enjoy. A calendar of events can all be found in the monthly newsletter the last Wednesday of each month.

The Recreation Department would also like to thank the commitment of the Recreation Committee and all the many volunteers and support from the community.

Respectfully Submitted,

Sharon Brassard
Recreation Director



General Assistance

General Assistance is a State mandated program with strict guidelines for determining eligibility. Assistance is available for basic necessities such as rent, fuel, electric, food, as well as some baby items. To be eligible, applicants must be actively searching for work if unemployed and keep a log of their efforts. Applicants are held accountable for how their income is spent and must show receipts at each appointment as well as supply pay stubs from their jobs. If assistance is granted there may be other requirements that the client must fulfill.

General Assistance works in conjunction with State programs to assist those who are at the poverty level. General Assistance is a temporary program designed to prevent the threat of utility interruption or eviction due to a financial hardship.

Determining eligibility is a challenging task and not everyone who applies will receive the assistance they are requesting or hoping for. Each circumstance is unique. Fortunately, there are many other programs and services that we can refer applicants to that may offer what we are unable to provide.

General Assistance law requires that able-bodied individuals receiving assistance participate in Workfare. The Workfare program requires applicants to “work off” the funds they are receiving in advance, unless it is an emergency situation. The goal of Workfare is to encourage employment and self-sufficiency.

Thanks to the generosity of individuals, businesses, schools and local churches we were able to provide the following gifts and scholarships to children and their families.

47 Thanksgiving Food Baskets
60 Christmas Food Baskets
65 Christmas Star Program
20 Summer Camp Scholarships

In addition, the Food Pantry served over 50 families in need in 2017.

Some residents may meet challenging circumstances which may require temporary assistance to overcome. We are here to help during these times and assist those in need to get over the hurdle and back on a positive track.

Respectfully Submitted,

Karen A. Estee
General Assistance Administrator



Old Berwick Historical Society

At the Old Berwick Historical Society, 2017 primarily focused on the *Forgotten Frontier: Untold Stories of the Piscataqua* exhibit and its supporting programs. *Forgotten Frontier* is a groundbreaking exhibit that tells interwoven stories of eight diverse characters who forged lives in the Piscataqua region in the 1600s, set against a backdrop of shifting alliances and frequent skirmishes with the native Wabanaki people and their French allies. Based on meticulous archaeological research and creative exhibit design, *Forgotten Frontier* includes nearly 200 objects and artifacts, some on display for the first time. The exhibit is up through October of 2018.

The exhibit at the Counting House Museum drew over five times the number of guests we receive in a typical season. Our museum guides were very busy as they greeted visitors from throughout not only Maine, but throughout the country. OBHS continued our monthly lecture series at Berwick Academy, with topics supporting the exhibit. OBHS partnered with the Great Works Regional Land Trust to offer site-specific tours related to the exhibit, with each hike being filled with the maximum 40 hikers.

We had a great turnout at Counting House Park on opening day of the exhibit, when French militia re-enactors from Montreal, Quebec, along with Ken Hamilton, a Penobscot interpreter from Corinth, Maine, brought to life the world of allies and combatants on the Piscataqua frontier in the late 1600s. Our friends at the Colonel Paul Wentworth House in Rollinsford presented a colonial encampment the same day, to offer both sides of the story of these conflicts.

The annual Hike through History theme was “Trades”, and children explored skilled trades that built our town more than a century ago, and how townspeople depended on each other to supply their needs. Eliot Elementary third graders participated in the early May program that Central School third graders participate in each year. This year, they joined us for Hike day. Along with students from Rollinsford Grade School and Berwick Academy.

Other activities include hosting a genealogy series at the Museum, co-hosting author talks and presentations with the South Berwick Library, presenting History Strolls in town, and our annual Old Fields Cemetery tour.

Throughout the year the Counting House welcomes visitors of all ages. We are open from 1:00-4:00 pm on weekends from June-October, and by appointment throughout the year. New members and volunteers are welcome and always needed to care for thousands of documents, photographs, and objects at the Counting House. If you enjoy history and community fun, please call 207-384-0000 or email info@oldberwick.org.

Respectfully Submitted,

Old Berwick Historical Society Board of Directors

Nicole St. Pierre, Vice President
Marilyn Ladner, Treasurer
Sally Hunter, Secretary
Roberta Beavers
James Flynn

Harland Goodwin
Dana Hughes
Norma Keim
Wendy Pirsig

Conservation Commission

Mt. Agamenticus Steering Committee:

John Branagan continued to represent South Berwick on the Mt Agamenticus Steering Committee.

Earth Day Road Clean-up:

In recognition of Earth Day we partnered with the Transfer Station to conduct our annual roadside trash clean-up. The Transfer Station provided a designated dumpster where the collected trash was disposed of at no cost to participants. The efforts of all those residents who participated was greatly appreciated. It makes a significant difference in the cleanliness of our roadsides, as well as the protection of our wildlife and our water resources.

Annual Well Water Testing:

In May, we sponsored the annual well water testing program. We again partnered with Nelson Analytical Lab to offer residents discounted pricing.

Town Forest:

Throughout the year, a tremendous amount of work was accomplished in the Town Forest. Led by Greg Tuno, a number of dedicated volunteers have continued work improving the trails, bridges, trail markings, and signage. Tree identification signs have been placed in the Town Forest to encourage visitors to learn the different species of trees in the forest. We continue to encourage residents to discover and enjoy our Town Forest. Volunteer workdays will continue to be coordinated in 2018.

Promotion of Organic Lawn and Garden Care:

Promoted organic lawn care and provided "Pesticide Free" signs to residents who expressed interest in the placement of a sign on their property. The signs are used to both recognize residents who have committed to not using pesticides, as well as promote the message of pesticide free lawns and gardens in Town.

Open Space Planning:

Throughout the year, the Open Space Committee focused on the identification and prioritization of Town owned lands that they have recommend for conservation. The Committee has been working with the Town Council, the Town Manager, the Mt. Agamenticus to the Sea Conservation Initiative (MTA2C), and the Great Works Regional Land Trust (GWRLT), to further this important initiative. The town council gave approval to investigate 4 parcels for possible transfer to permanent conservation.

The committee wants to thank Pat Durkin for her service and wish her well in her next endeavors.

Respectfully Submitted,

Pat Robinson

Discover South Berwick - we live here!



Cemetery Association

The South Berwick Cemetery Association provides the care and maintenance of the Portland Street Cemetery and Woodlawn Cemetery on Agamenticus Road, and the Pleasant Hill Cemetery on Wadleigh Lane.

As members of the Association, we are honored to be the caretakers of these historic cemeteries. In recent years, the Association has expanded Woodlawn Cemetery, repaired numerous headstones, cleared fallen trees, repaired retaining walls, completed seasonal clean-ups and continued to keep the lawns trimmed. In addition to the usual cemetery maintenance completed in 2017, the Association hired a local contractor to do extensive road repairs in Woodlawn Cemetery.

The Portland Street Cemetery, established in 1818, is the final resting place of South Berwick's most famous resident, Sarah Orne Jewett. The Pleasant Street Cemetery was founded in the mid 1800's and contains the gravesites of many of the textile workers from the Great Works Woolen Mill and numerous Civil War veterans. Woodlawn Cemetery, established in the late 1800's, is the largest of South Berwick's cemeteries and contains many graves of World War I and World War II veterans.

This past year, we once again received \$5000 in funding from the Town of South Berwick to help with the maintenance of the hundreds of Veteran's graves located within the above mentioned burial sites. Our other funding is provided through sales of burial lots, income from investments, burial fees and donations. We would like to thank the generous residents who supported our fundraising effort this past year and hope we can count on your continued support as we proceed with our town-wide mailer. As a 501C3 non-profit organization, all donations are tax deductible.

Respectfully Submitted,

South Berwick Cemetery Association
Suzanne Roberge, President
Scott Brown, Superintendent
Dawn Chase, Treasurer
Robin Hilton, Secretary
Paul Hussey Jr.
Dana Hughes



SoBo Central

SoBo Central provides an umbrella for citizen groups providing fuel and food assistance for those in need. Hosts concerts, supports Powderhouse Hill, nurtures our downtown, and works to keep our town healthy - environmentally, socially and economically. In the last year we helped launch the Common Ground Tuskegee/South Berwick Sister City project and SoBo Cares. We encourage all residents and businesses to support all of our events and programs.

In August, the 6th annual South Berwick Lantern Fest drew thousands of people to the grounds of Spring Hill Restaurant. Attendees enjoyed music by PB &J, the lantern parade, launching memory lanterns, children's activities, food provided by Spring Hill, fireworks and much more.

SoBo Central plants the barrels in downtown South Berwick to beautify our town each summer. The plants are donated in part by Salmon Falls Gardens in Berwick and the water source is from Civil Consultants and Russ Tarason.

Keep South Berwick Warm provides financial assistance for fuel to families in need. The community comes together each fall to raise funds through its annual soup supper in November at Spring Hill Restaurant. Nearly \$4,000.00 was raised in 2017.

2017 marks the 13th year for The South Berwick Community Food Pantry. The Pantry receives donations of food, services, and funds that allow us to assist residents in need. The pantry also receives help from Hannaford's of North Berwick, Central School's 100-day food drive, the Berwick Academy food drive, and the US Postal Service food drive.

Hot Summer Nights brings the community downtown to gather on the Central School lawn to enjoy the music of professional local artists. Local teens open the shows with superb performances. Our generous business sponsors make these shows possible.

On the first Friday in December, the annual SmartGrowth Home for the Holidays lit up the streets of downtown with strolling, caroling, shopping, visiting Santa and playing SoBo Central's trademark scavenger hunt, all geared at supporting our local, independent retailers. The event has become a staple of the community's holiday celebration. SoBo Arts, a part of Home for the Holidays, drew shoppers up to Town Hall for holiday shopping.

Friends of Powderhouse Hill sold refreshments to skiers and sledders at Powderhouse Hill whenever the rope tow was open. Families continued to come out for healthy, affordable local entertainment and exercise in the fresh winter air.

Pollinator Project continues to educate and promote healthy garden environments for our local community.

The Great Works Bridge Brigade is a volunteer effort to build a covered wooden pedestrian bridge at Leighs Mill Pond on Vine Street to replace the current road and bridge that were condemned in 2007. Fundraising has been supported by neighbors, businesses and school children while working on the design to again connect this area for all to use.

Common Ground Sister City formed a relationship with a similar sized town in Tuskegee, Alabama. This was started as a way to communicate about race in an open sharing environment. A committee of local teachers, community members and clergy have visited Tuskegee and we are looking forward to their visit north to us in May 2018.

SoBo Cares was formed out of a need of local families struggling with financial burdens. This first holiday season of 2017, many families were able to experience festive comfort, and the group will address further children's' needs as they arise, such as enrichment and summer camps.

Respectfully Submitted,

Kara Plank, President

Great Works Regional Land Trust



...striving to conserve
working landscapes and wildlife lands,
...saving the best for our children and yours.

Your Land Trust at Work

With the support of people who value the landscape of this area, we continue our efforts to ensure that the natural spaces we love remain forever. Great Works seeks to ensure that growth and development is balanced with the permanent protection of forest and farm lands – resources that provide clean water, recreational opportunities, and fresh local food to maintain the health of local citizens and visitors.

South Berwick highlights:

- **Great Works Regional Land Trust partnered with Old Berwick Historical Society (OBHS)** on five hikes on Great Works properties. These hikes corresponded with lectures in the OBHS 2017 program series *The Forgotten Frontier: Untold Stories of the Piscataqua Region*. The hikes were very well attended and created a strong partnership, with more joint hikes scheduled in 2018.
- **May 2017 Grand Opening of the Ogunquit River Trail Network**, linking Great Works' Kimball Farm North Preserve, Hilton-Winn Farm, and York Land Trust's Hilton-Winn Preserve. Located on Ogunquit Road where South Berwick, York and Ogunquit town lines meet, these properties encompass 280 acres with 3.25 miles of trails.
- **Fourteen acres were added to the Orris Falls Conservation Area.**
- **Trail work at Gerard Desrochers Memorial Forest** (adjacent to South Berwick Town Forest): On several well-attended workdays, volunteers and staff improved the trail to access the woods road, cleared shrubs and other vegetation and downed trees out of the woods road all the way to the river, created a short loop trail along the river, around an old cellar hole and back to the woods road.

Great Works Regional Land Trust published an **updated trail guide** showing the location of the sixteen preserves with hiking trails in the six communities we serve. This brochure is available at the Library, Town Hall, and some local businesses, as well as through the office: 207-646-3604 or info@gwrlt.org. Partial funding was awarded by the Strawberry Festival Committee.

- **South Berwick preserves with trails for hiking and snowshoeing:**
- **Gerard Desrochers Memorial Forest** (off Knights Pond Road)
- **Kenyon Hill Preserve** (Ogunquit Road)
- **Kimball Farm North Preserve** and the Ogunquit River Trail Network (Ogunquit Road)
- **Orris Falls Conservation Area** (trailheads on Thurrell Road and Emery's Bridge Road)
- **Raymond and Simone Savage Wildlife Preserve** (Dover-Eliot Road)
- **Rocky Hills Preserve** in the York Pond area, linking to Eliot Town Forest and Maine Inland Fisheries & Wildlife land. (Punkintown Road). This preserve is scheduled for trail expansion, signage and maps in 2018.

The Board of Directors extends a grateful *thank you* to the Town of South Berwick for the use of the Community Center throughout the year for two monthly meetings and quarterly mailing parties.

Respectfully Submitted,

Pat Robinson
Board member

Great Works Regional Land Trust provides conservation options for landowners in the six southern Maine towns of Eliot, South Berwick, Berwick, North Berwick, Wells and Ogunquit. Great Works' mission is to conserve our area's natural, historic, agricultural, forestry, scenic and recreational resources.

Tax Collector

2016/2017 Unpaid Real Estate Taxes

Bain, Bruce	648.74	Renaud, III William A.	885.72
Bowden, Michael C.	583.77 *	Robbins, Rhonda & Robert	2627.99
Bowden, Scott M.	565.47 *	Sanborn, James E.	3669.15
Brookes, Robert	1140.09 *	Silva, Tammy	2657.16 *
Brown, Kevin A.	5868.81	Smith, Forest B.	1786.08
Charles, Jr. Rebecca C. Trustee	3681.96	St. Pierre, Trustee Eva B.	2582.13 *
Chase, Shawn D.	2481.48	Sterling, Ralph	2318.61 **
Clark, Joni L.	1626.87 *	Sterling, Ralph E.	3837.51 *
Clark, Kathleen C.	2026.41 **	Stevens, Richard D. & Catherine A.	2040.45
Connors, Jennifer J.	4045.87	Stevens, Richard D. & Catherine A.	1094.34
Cormier Realty Trust	3127.47	Stevens Richard D. & Catherine A.	234.53
Dagan, Mary L. & Healy, Patrick J.	604.34 *	Stevens, Richard D. & Catherine A.	2045.94
Donahue, Marie A. Revocable Tr	4106.52	Stevens, Richard D. & Catherine A.	1900.20
Doran, John D. & Michael J. Tr	148.23 **	Stevens, Richard D. & Catherine A.	184.46 *
Downing, Charles & Bonnie	4298.75	Trull, Christopher Paul & Amanda	3861.30
Dwelle, Neal S.	1103.49 *	Turner, James R.	481.29
Eastbrook Timber Company, Inc.	418.80	Weston, Keith R. & Marjorie G.	972.64 *
Eastbrook Timber Company, Inc.	364.70	Will, Debbie L.	2646.18 *
Eastbrook Timber Company, Inc.	230.58		
Eastbrook Timber Company, Inc.	309.27	Total	\$146031.43
Essex, Richard L.	4651.86		
Filocamo, John P. & Katharine	1810.38	2016/2017 Unpaid Personal Property Taxes	
Friebely, John H. & Elogie K.	736.57		
Goulet, Patricia A.	4015.02 *	Abby Chic	159.21
Gove, Sr. Manley C.	1070.55 *	JB's Chuck Wagon	47.58 *
Heffren, Martha & Woodin, Melissa	2137.51 *	Lawrence, Mark Attorney	45.75 *
Holton, Carl J.	3332.43	Mikey's Wicked Good Pizza	183.00
Hundley, Daniel S. & Julie L.	3843.85 **		
Hussey Jr., Paul	1841.90 *	Total	\$435.54
Kamark, Trust	891.21		
Kingsley, III Edwin F. & Kathleen A.	4130.31 **	2015/16 Unpaid Personal Property	
Krunkenkamp, Trustees Irvin B.	11849.25		
Landry Reo J.	2089.86 *	Reo's Barber Shop	28.48 *
Mackenzie, Daniel B.	1245.25		
Manville, Elliott H. & Susan B.	4741.53	Total	\$28.48
Maynard, Susanna & William R.	850.92 *		
McCarthy, Margaret R. Heirs	2463.18	2014/15 Unpaid Personal Property	
McManus, Matthew J.	3314.13 **		
Michaud, Rebecca	2655.33	Main Street Beauty & Barb	\$44.25
Millett, Robert P.	691.74 *		
Murphy, Teresa M. & James R.	1634.19 **	Total	\$44.25
Mushorn, Marjorie	2005.68		
Myers, Kevin	1055.91		
O'Loughlin, James F. & Joanne T.	1721.81 *		
Owner, Unknown	349.53		
Owner, Unknown	367.83		
Owner, Unknown	204.96		
Owner Unknown	197.64		
Patstone, Jr. Frank L. & Heffren M	2242.66 *		
Ramsdell Sand & Gravel	226.92 *		
Ramsdell Sand & Gravel Inc.	4454.22		

Tax Collector (continued)

2015/2016 Unpaid Real Estate Taxes

Bowden Scott M.	42.48 *
Brookes, Robert	1108.94 *
Charles, Jr. Rebecca C. Trustee	3670.36 *
Cormier Realty Trust	3042.02 *
Donahue, Marie A. Revocable TR	4083.32 *
Dwellely, Neal S.	1073.34 *
Eastbrook Timber Company, Inc.	1393.74 *
Eastbrook Timber Company, Inc.	224.28 *
Eastbrook Timber Company, Inc.	300.82 *
Essex, Richard L.	4524.76 *
Goulet, Patricia A.	3994.32 *
Gove, Sr. Manley C.	1025.56 *
Holton, Carl J.	2412.95 *
Kamark, Trust	46.11 *
Kingsley, III Edwin F. & Kathleen A.	307.93 *
Landry Reo J.	2032.76 *
Manville, Elliott H. & Susan B.	4700.98 *
McCarthy, Margaret R. Heirs	2395.88 *
Michaud, Rebecca	2671.78 *
Millett, Robert P.	65.81 *
Murphy, Teresa M. & James R.	70.13 *
Myers, Kevin	1116.06 *
Owner, Unknown	339.98
Owner, Unknown	357.78
Owner, Unknown	391.60
Owner, Unknown	192.24
Ramsdell Sand & Gravel	181.04 *
Ramsdell Sand & Gravel, Inc.	4332.52 *
Renaud, III William A.	861.52 *
Sanborn, James E.	3657.90 *
Silva, Tammy	2673.56 *
St. Pierre, Trustee Eva B.	2511.58 *
Sterling, Ralph	230.07 *
Stevens, Richard D. & Catherine A.	1984.70 *
Stevens, Richard D. & Catherine A.	1064.44 *
Stevens, Richard D. & Catherine A.	188.04 *
Stevens, Richard D. & Catherine A.	1990.04 *
Stevens, Richard D. & Catherine A.	1830.52 *
Trull, Christopher Paul & Amanda	2916.96 *
Turner, James R.	438.58 *
Will, Debbie L.	2573.88 *

Total \$69021.28

2014/2015 Unpaid Real Estate Taxes

Owner Unknown	355.77
Owner Unknown	338.07
Owner Unknown	191.16
Owner Unknown	389.40
St. Pierre, Trustee Eva B.	3532.92 *

Total \$4807.32

2013/2014 Unpaid Real Estate Taxes

Owner, Unknown	346.73
Owner, Unknown	329.48
Owner, Unknown	186.30
Owner, Unknown	379.50

Total \$1242.01

2009/2010 Unpaid Real Estate Taxes

Fairpoint Communications, Inc.	4,468.80
--------------------------------	----------

Total \$4468.80

2014/15 Foreclosed Properties

<u>Dunnybrook Historical FDN INC</u>	911.55
<u>Friebely, Rowland Hartley</u>	2092.14
<u>Macleod, Margaret J. Heirs</u>	3125.82

Total \$6129.51

All taxes were outstanding as of June 30, 2017

* indicates paid in full after June 30, 2017

** indicates partial payment made after June 30, 2017

Payments posted through April 4, 2018

Abatements

2016/2017 Abatements

Owner	Map/Lot	Amount	Reason
Grayhawk Leasing, LLC		69.54	
Total		\$69.54	

**Financial Audit Report
Year Ended
June 30, 2017**

**Smith & Associates, CPAs
Yarmouth, Maine**

**TOWN OF SOUTH BERWICK
SOUTH BERWICK, MAINE
JUNE 30, 2017**

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Smith & Associates, CPAs
A Professional Association

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www.smithassociatescpa.com

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Town Council and Manager
TOWN OF SOUTH BERWICK
South Berwick, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund and remaining fund information, which collectively comprise the financial statements, of the Town of South Berwick, Maine as of and for the year ended June 30, 2017, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

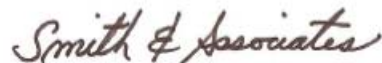
Opinions

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

Other Matter*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Schedule of the Town's Proportionate Share of Net Pension Liability and Schedule of Town Pension Contributions be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 response to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Management has omitted Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.



SMITH & ASSOCIATES, CPAs
A Professional Association

Yarmouth, Maine
November 22, 2017

EXHIBIT I**TOWN OF SOUTH BERWICK
STATEMENT OF NET POSITION
JUNE 30, 2017**

	<u>Primary Government Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 10,042,072
Investments	302,776
Accounts Receivable	152,066
Taxes Receivable	167,824
Tax Liens Receivable	111,481
Prepaid Expenses	38,806
Capital Assets, Net of Accumulated Depreciation	<u>9,292,557</u>
Total Assets	<u>\$ 20,107,582</u>
Deferred Outflows of Resources	
Related to Pensions	<u>\$ 886,797</u>
Liabilities	
Accounts Payable	\$ 447,615
Accrued Expenses and Liabilities	683,285
Non Current Liabilities	
Payable Within One Year	756,040
Payable in More Than One Year	<u>7,530,201</u>
Total Liabilities	<u>\$ 9,417,141</u>
Deferred Inflows of Resources	
Related to Pensions and Property Tax Payments	<u>\$ 514,354</u>
Net Position	
<i>Net Investment in Capital Assets</i>	\$ 5,010,528
<i>Restricted for</i>	
Permanent Funds, Non-Expendable	5,500
Tax Incremental Financing	666,422
<i>Unrestricted</i>	<u>5,380,434</u>
Total Net Position	<u>\$ 11,062,884</u>

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

EXHIBIT II

**TOWN OF SOUTH BERWICK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets Primary Government</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants Contributions</u>	<u>Governmental Activities</u>
Primary Government					
Governmental Activities					
General Government	\$ 1,417,253	\$ 216,697	\$ 0	\$ 0	\$ (1,200,556)
Public Safety	1,910,794	253,090	0	0	(1,657,704)
Public Works and Sanitation	1,259,474	212,339	64,804	0	(982,331)
Public Health and Welfare	67,789	0	0	0	(67,789)
Culture and Recreation	362,337	145,958	0	0	(216,379)
Education	7,625,305	0	0	0	(7,625,305)
Fixed Charges	364,319	0	0	0	(364,319)
Interest on Long-Term Debt	154,380	0	0	0	(154,380)
Depreciation - Unallocated	474,842	0	0	0	(474,842)
Pension - Unallocated	195,371	0	0	0	(195,371)
Total Primary Government	\$ 13,831,864	\$ 828,084	\$ 64,804	\$ 0	\$ (12,938,976)
General Revenues					
Property and Other Taxes					\$ 13,378,038
Grants and Contributions Not Restricted to Special Programs					670,571
Book Value of Capital Assets Disposed					(28,301)
Miscellaneous Income					20,681
Unrestricted Investment Earnings					59,882
Total General Revenues					\$ 14,100,871
Changes in Net Position					\$ 1,161,895
Net Position - July 1, 2016					\$ 9,900,989
Net Position - June 30, 2017					\$ 11,062,884

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

EXHIBIT III

**TOWN OF SOUTH BERWICK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	General Fund	Road Bond	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 5,374,528	\$ 4,130,274	\$ 537,270	\$ 10,042,072
Investments	0	0	302,776	302,776
Taxes Receivable	167,824	0	0	167,824
Tax Liens Receivable	111,481	0	0	111,481
Accounts Receivable	152,066	0	0	152,066
Prepaid Expenses	38,806	0	0	38,806
Due From Other Funds	<u>2,105,135</u>	<u>0</u>	<u>1,580,897</u>	<u>3,686,032</u>
Total Assets	\$ 7,949,840	\$ 4,130,274	\$ 2,420,943	\$ 14,501,057
Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 7,949,840</u>	<u>\$ 4,130,274</u>	<u>\$ 2,420,943</u>	<u>\$ 14,501,057</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Accounts Payable	\$ 447,615	\$ 0	\$ 0	\$ 447,615
Accrued Expenses and Liabilities	638,516	0	0	638,516
Due to Other Funds	<u>1,580,897</u>	<u>1,922,493</u>	<u>182,642</u>	<u>3,686,032</u>
Total Liabilities	<u>\$ 2,667,028</u>	<u>\$ 1,922,493</u>	<u>\$ 182,642</u>	<u>\$ 4,772,163</u>
Deferred Inflows of Resources				
Unavailable Revenue – Property Taxes	<u>\$ 243,297</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 243,297</u>
Fund Balance				
<i>Nonspendable</i>				
Permanent Funds – Non-Expendable	\$ 0	\$ 0	\$ 5,500	\$ 5,500
<i>Restricted</i>				
Tax Incremental Financing	666,422	0	0	666,422
Capital Projects	0	2,207,781	0	2,207,781
<i>Committed</i>				
General Fund, Appropriated Surplus for FY 2017/18	450,000	0	0	450,000
Capital Projects	0	0	1,676,923	1,676,923
Special Revenue Funds	0	0	148,458	148,458
<i>Assigned</i>				
General Fund, Designated	155,052	0	0	155,052
General Fund, Reserve for Encumbrances	88,913	0	0	88,913
Permanent Funds, Expendable	0	0	407,420	407,420
<i>Unassigned</i>				
General Fund	<u>3,679,128</u>	<u>0</u>	<u>0</u>	<u>3,679,128</u>
Total Fund Balance	<u>\$ 5,039,515</u>	<u>\$ 2,207,781</u>	<u>\$ 2,238,301</u>	<u>\$ 9,485,597</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 7,949,840</u>	<u>\$ 4,130,274</u>	<u>\$ 2,420,943</u>	<u>\$ 14,501,057</u>

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

EXHIBIT IV

**TOWN OF SOUTH BERWICK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
JUNE 30, 2017**

Total Fund Balance – Total Governmental Funds **\$ 9,485,597**

**Amounts Reported for Governmental Activities in the Statement of Net
Position are Different Because:**

Capital assets used in governmental activities are not
current financial resources and therefore, are not
reported in the governmental funds balance sheet. 9,292,557

Interest payable on long-term debt does not require current
financial resources and therefore, interest payable is not reported
as a liability in governmental funds balance sheet. (44,769)

Property tax revenues are reported in the governmental funds
balance sheet under NCGA interpretation-3, *Revenue Recognition-
Property Taxes* and intergovernmental revenues were deferred. 222,000

Long term liabilities are not due and payable in the current period
and therefore, they are not reported in the governmental funds
balance sheet:

Due in One Year	\$ 756,040	
Due in More Than One Year	5,836,083	
Accrued Compensated Absence Pay	<u>191,026</u>	(6,783,149)

Changes Between Deferred Inflows and Deferred Outflows Regarding
Related Pension Expenses Due to Implementation of GASB No. 68 (1,109,352)

Net Position of Governmental Activities **\$ 11,062,884**

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

EXHIBIT V

**TOWN OF SOUTH BERWICK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund	Road Bond	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Taxes	\$ 13,364,805	\$ 0	\$ 0	\$ 13,364,805
Intergovernmental	735,375	0	0	735,375
Licenses, Permits and Fees	118,022	0	0	118,022
Charges for Services	475,353	0	157,177	632,530
Investment Income	14,050	12,405	33,427	59,882
Miscellaneous	81,545	0	16,668	98,213
Total Revenues	\$ 14,789,150	\$ 12,405	\$ 207,272	\$ 15,008,827
Expenditures				
<i>Current</i>				
General Government	\$ 1,751,509	\$ 0	\$ 68,581	\$ 1,820,090
Public Safety	1,806,250	0	104,544	1,910,794
Public Works and Sanitation	1,183,220	0	270,417	1,453,637
Public Health and Welfare	67,789	0	0	67,789
Culture and Recreation	217,207	0	145,130	362,337
Education	7,625,305	0	0	7,625,305
Debt Service	236,113	0	0	236,113
Fixed Charges	364,319	0	0	364,319
<i>Capital Outlay</i>	0	1,254,528	27,205	1,281,733
Total Expenditures	\$ 13,251,712	\$ 1,254,528	\$ 615,877	\$ 15,122,117
Excess (Deficiency) of Revenues Over(Under) Expenditures	\$ 1,537,438	\$ (1,242,123)	\$ (408,605)	\$ (113,290)
Other Financing Sources (Uses)				
Proceeds of Capital Lease	0	0	27,205	27,205
Transfers In (Out)	(1,055,715)	(96,669)	1,152,384	0
Total Other Financing Sources (Uses)	\$ (1,055,715)	\$ (96,669)	\$ 1,179,589	\$ 27,205
Net Change in Fund Balance	\$ 481,723	\$ (1,338,792)	\$ 770,984	\$ (86,085)
Fund Balance – July 1, 2016	4,557,792	3,546,573	1,467,317	9,571,682
Fund Balance – June 30, 2017	\$ 5,039,515	\$ 2,207,781	\$ 2,238,301	\$ 9,485,597

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

EXHIBIT VI

**TOWN OF SOUTH BERWICK
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Net Change In Fund Balance – Total Governmental Funds \$ (86,085)

**Amounts Reported for Governmental Activities in the Statement of Net
Position are Different Because**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period. 1,475,896

Depreciation expense on capital assets is reported in the government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds. (474,842)

The issuance of long-term debt (e.g. bonds, leases and accrued compensated absence pay) provides current financial resources to Governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 314,805

Some property tax will not be collected for several months after the Town's fiscal year end; they are not considered "available" revenues in the governmental funds. This amount is the net effect of the differences and deferred intergovernmental revenues. 13,233

Accrued interest expense on long-term debt is reported in the government-wide Statement of Activities and Changes in Net Position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. (17,147)

Change in liability for accrued compensated absences. 7,708

Carrying value of capital assets disposed of during the year. (28,301)

Changes Between Deferred Inflows and Deferred Outflows Related to Pension And Implementation of GASB No. 68. (43,372)

Change In Net Position of Governmental Activities \$ 1,161,895

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

EXHIBIT VII

**TOWN OF SOUTH BERWICK
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final Budget Positive (Negative)</u>
Revenues				
Property and Other Taxes	\$13,239,437	\$13,239,437	\$13,364,805	\$ 125,368
Intergovernmental	747,973	747,973	735,375	(12,598)
Licenses, Permits and Fees	102,605	102,605	118,022	15,417
Charges for Services	513,615	513,615	475,353	(38,262)
Investment Income	14,500	14,500	14,050	(450)
Miscellaneous	<u>57,800</u>	<u>57,800</u>	<u>81,545</u>	<u>23,745</u>
Total Revenues	<u>\$14,675,930</u>	<u>\$14,675,930</u>	<u>\$14,789,150</u>	<u>\$ 113,220</u>
Expenditures				
<i>Current</i>				
General Government	\$ 2,150,721	\$ 2,150,721	\$ 1,751,509	\$ 399,212
Public Safety	1,805,235	1,805,235	1,806,250	(1,015)
Public Works and Sanitation	1,187,126	1,187,126	1,183,220	3,906
Public Health and Welfare	70,382	70,382	67,789	2,593
Culture and Recreation	221,968	221,968	217,207	4,761
Education	7,625,305	7,625,305	7,625,305	0
Debt Service	243,363	243,363	236,113	7,250
Fixed Charges	587,076	587,076	364,319	222,757
Tax Incremental Financing	<u>229,039</u>	<u>229,039</u>	<u>0</u>	<u>229,039</u>
Total Expenditures	<u>\$14,120,215</u>	<u>\$14,120,215</u>	<u>\$13,251,712</u>	<u>\$ 868,503</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ 555,715	\$ 555,715	\$ 1,537,438	\$ 981,723
Other Financing Sources (Uses)				
Transfers In (Out)	<u>(1,055,715)</u>	<u>(1,055,715)</u>	<u>(1,055,715)</u>	<u>0</u>
Net Change in Fund Balance	\$ (500,000)	\$ (500,000)	\$ 481,723	\$ 981,723
Fund Balance – July 1, 2016	<u>4,557,792</u>	<u>4,557,792</u>	<u>4,557,792</u>	<u>0</u>
Fund Balance – June 30, 2017	<u>\$ 4,057,792</u>	<u>\$ 4,057,792</u>	<u>\$ 5,039,515</u>	<u>\$ 981,723</u>

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

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. – General Statement

The Town of South Berwick, Maine was incorporated in 1814 under the laws of the State of Maine and currently operates under a Town Manager-Council Form of Government.

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

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

The financial statements include:

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

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

B. – Financial Reporting Entity

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

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

Based on the aforementioned criteria, the Town of South Berwick has no component units that are not included in this report.

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. – Financial Statements – Government-Wide Statements

The Town's financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, charges for services, etc). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function of a business-type activity. Operating grants include operating-specific and discretionary (whether operating or capital) grants while the capital grants column reflects capital-specific grants.

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

D. – Financial Statements – Fund Financial Statements

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

Governmental Funds

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

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

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

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

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizens. However, one exception is the Elizabeth Vaughan Fund where by 100% of the funds are expendable and restricted to the youth recreation. The current Trustees have directed the fund manager to preserve, at a minimum, the initial bequest of \$50,000. A permanent fund would be used, for example, to account for the perpetual care endowment of a municipal cemetery.

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

E. – Measurement Focus/Basis of Accounting

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. A one-year availability period is used for recognition of all other Governmental fund revenues. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. – Budgetary Control

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

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

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

1. Early in the second half of the last fiscal year the Town prepared a budget for this 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 of South Berwick was then 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.

The Town does not adopt budgets for the Special Revenue Funds.

G. – Cash, Cash Equivalents, and Investments

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

H. – Accounts Receivable

Accounts Receivable at June 30, 2017, primarily consist of miscellaneous intergovernmental receivables. There is no allowance for doubtful accounts as the Town believes they are 100% collectible.

I. – 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. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	15 – 40 Years
Land Improvements	25 Years
Vehicles	4 – 30 Years
Furniture, Fixtures and Equipment	7 – 40 Years

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. – Capital Assets (Continued)

The Town of South Berwick has elected not to retroactively report their major general infrastructure assets.

J. – Compensated Absences

Under the terms of personnel policies and union contracts, vacation, sick leave and compensation time are granted in varying amounts according to length of service. The Town of South Berwick recognizes accumulated unused vacation and sick annual leave compensation during the period in which the related liability is incurred. In compliance with the Town's personnel policies, the total for accrued compensated absence pay was \$191,026 at June 30, 2017.

K. – Interfund Activity

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

L. – Deferred Outflows and Inflows of Resources

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

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

The GASB emphasizes in GASB No. 63 that deferred inflows and deferred outflows are not assets or liabilities and therefore should be separately categorized in the financial statements.

The deferred outflows and inflows of resources listed at June 30, 2017 in Exhibit I amounted to \$886,797 and \$514,354 respectively. Per Exhibit III, the deferred inflows of resources listed at June 30, 2017 amounted to \$243,297, and there was no deferred outflow of resources at June 30, 2017.

M. – Equity Classifications

Government-Wide Statements

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

- Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. – Equity Classifications (Continued)

Government-Wide Statements (Continued)

- Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. The Town’s fund balances represent: (1) **Nonspendable Fund Balance**, resources that cannot be spent because of legal or contractual provisions that require they be maintained intact. (e.g. the principal of an endowment). (2) **Restricted Purposes**, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (3) **Committed Purposes**, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Selectmen; (4) **Assigned Purposes**, which includes balances that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. (5) **Unassigned Fund Balance**, net resources in excess of what is properly categorized in one of the four categories already described. A positive amount of unassigned fund balance will never be reported in a governmental fund other than the general fund, because GASB Statement 54 prohibits reporting resources in another fund unless they are at least assigned to the purpose of that fund. However, funds other than the general fund could report a negative amount of unassigned fund balance should the total of nonspendable, restricted and committed fund balance exceeds the total net resources of the fund.

N. – Use of Estimates

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

NOTE 2 – CASH AND CASH EQUIVALENTS

The Town’s deposits maybe subject to the following risks:

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s policy is to invest in only financial institutions that are insured by the F.D.I.C. or additional insurance. The Town’s bank balances are covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions or by collateral pledged in the form of federal debt instruments.

Interest Rate Risk – The Town does not currently have a deposit policy for interest rate risk.

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk – The Town does not have a formal policy regarding credit risk. Maine statutes authorized the Town to invest in obligations of the U.S. Treasury and U.S. agencies and certain bonds.

Concentration of Credit Risk – The Town does not have a policy for concentration of credit risk.

NOTE 3 – PROPERTY TAXES

The Town is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. The Town of South Berwick's property tax is levied on the assessed value listed as of the prior April 1st for all taxable real and personal property located in the Town. Assessed values are periodically established by the Assessor at 100% of assumed market value. The assessed value for the list of April 1, 2016 upon which the levy for the year ended June 30, 2017, was based amounted to \$669,568,927. This assessed value was 99.15% of the 2017 State valuation of \$675,300,000.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$292,826 for the year ended June 30, 2017.

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

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

The following summarizes the 2016-2017 levy:

Assessed Value	\$ 669,568,927
Less: Homestead Exemption Reimbursement Value	(12,502,500)
BETE Exempt Reimbursement Value	(955,100)
Net Assessed Value	\$ 656,111,327
Tax Rate (Per \$1,000)	18.30
Commitment	\$ 12,006,837
Supplemental Taxes Assessed	0
	\$ 12,006,837
Less: Abatements	(70)
Collections	(11,850,316)
	\$ 156,451
Receivable at Year End	98.7%
Collection Rate	

Property taxes were due on September 30, 2016, and March 31, 2017, with interest charged at a rate of 7% on delinquent accounts.

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning Balance July 1	Additions/ Completions	Retirements/ Adjustments	Ending Balance June 30
Governmental Activities				
<i>Capital Assets not being Depreciated</i>				
Land	\$ 1,539,240	\$ 0	\$ 0	\$ 1,539,240
Artwork	5,000	0	0	5,000
Construction in Progress	8,450	0	0	8,450
Total Capital Assets not being Depreciated	\$ 1,552,690	\$ 0	\$ 0	\$ 1,552,690
<i>Capital Assets, being Depreciated</i>				
Buildings and Improvements	\$ 5,779,470	\$ 0	\$ 0	\$ 5,779,470
Land Improvements	148,026	0	0	148,026
Infrastructure	595,196	1,351,197	0	1,946,393
Vehicles	3,157,900	79,481	38,294	3,199,087
Furniture, Fixtures and Equipment	1,989,137	45,218	28,766	2,005,589
Total Capital Assets, being Depreciated	\$ 11,669,729	\$ 1,475,896	\$ 67,060	\$ 13,078,565
<i>Less Accumulated Depreciation for</i>				
Buildings and Improvements	\$ 2,163,171	\$ 179,825	\$ 0	\$ 2,342,996
Land Improvements	115,286	3,360	0	118,646
Infrastructure	418	19,840	0	20,258
Vehicles	1,371,719	154,464	30,609	1,495,574
Furniture, Fixtures and Equipment	1,252,021	117,353	8,150	1,361,224
Total Accumulated Depreciation	\$ 4,902,615	\$ 474,842	\$ 38,759	\$ 5,338,698
Total Capital Assets, being Depreciated, Net	\$ 6,767,114	\$ 1,001,054	\$ 28,301	\$ 7,739,867
Governmental Activities Capital Assets, Net	\$ 8,319,804	\$ 1,001,054	\$ 28,301	\$ 9,292,557

Depreciation expense has not been charged as a direct expense.

NOTE 5 – LONG-TERM DEBT

At June 30, 2017, notes, leases and bonds payable consisted of the following individual issues.

	<u>Governmental Activities</u>
Maine Municipal Bond Bank	
Library Bond of 2008C, Interest Rates 2.075% to 5.575%, Annual Principal Payments of \$31,579, Maturity in 2028.	\$347,813
Capital Improvement Note of 2010DE, Interest Rates of 2.124% - 5.124%, Annual Payments of \$27,000 – \$45,000, Maturity in 2030	523,000

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5 – LONG-TERM DEBT (CONTINUED)

Maine Municipal Bond Bank (Continued)

Governmental Activities (Continued)

Moors and Cabot

Library Construction Note of 2012, Interest Rates
2% - 5%, Annual Payments of \$100,000 Maturity
in 2026.

900,000

Road Reconstruction Bond of 2016, Coupon Rate
Of 2%, Annual Payments of Principal of \$400,000
Commencing in 2017, Maturity in 2026, Effective
Interest Rate of 1.49%, Issued at Premium of 102.95,
Unamortized Premium of \$102,314 Included in
Carrying Balance at June 30, 2017.

4,102,314

Tax Exempt Leasing Corp

2013 Capital Lease for Fire Tanker, Interest Rate
2.59%, Annual Payments of \$23,705, Maturity
in 2020.

67,585

2016 Capital Lease for Fire Truck, Interest Rate
2.87%, Annual Payments of \$31,561, Maturity
in 2021.

145,078

2016 Capital Lease for Vehicle, Interest Rate
2.65%, Annual Payments of \$9,553, Maturity in 2019

27,205

Mercedes-Benz Financial Services USA LLC

2015 Capital Lease for Plow Trucks, Interest Rate
2.36%, Annual Payments of \$127,642, Maturity
In 2020.

479,128

Total Notes, Leases and Bonds Payable

\$6,592,123

Transactions for the year ended June 30, 2017 are summarized as follows:

	Balance <u>July 1</u>	Issues or <u>Additions</u>	Payments or <u>Expenditures</u>	Balance <u>June 30</u>	Due Within <u>One Year</u>
Governmental Activities					
General Obligation Bonds and Notes Payable	\$6,050,832	\$ 0	\$ 177,706	\$5,873,126	\$ 563,579
Capital Leases	856,096	27,205	164,304	718,997	192,461
Net Pension Liability	1,049,916	453,176	0	1,503,092	0
Compensated Absences	<u>198,734</u>	<u>0</u>	<u>7,708</u>	<u>191,026</u>	<u>0</u>
Total Governmental Activities	<u>\$8,155,578</u>	<u>\$ 480,381</u>	<u>\$ 349,718</u>	<u>\$8,286,241</u>	<u>\$ 756,040</u>

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5 – LONG-TERM DEBT (CONTINUED)

Annual Requirements to Retire Debt Obligation

The annual aggregate maturities requiring cash outflow for each debt type for the years subsequent to June 30, 2017, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017/18	\$ 563,579	\$ 144,327	\$ 707,906
2018/19	563,579	131,366	694,945
2019/20	564,579	117,939	682,518
2020/21	565,579	103,352	668,931
2021/22	566,579	94,154	660,733
2022/27	<u>2,946,917</u>	<u>253,867</u>	<u>3,200,784</u>
Total	<u>\$ 5,770,812</u>	<u>\$ 845,005</u>	<u>\$ 6,615,817</u>

Capital Leases

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2017/18	\$ 192,461
2018/19	192,461
2019/20	192,461
2020/21	159,203
2021/22	<u>31,561</u>
Net Minimum Payments	\$ 768,147
Less: Interest	<u>(49,150)</u>
Present Value of Minimum Payments	<u>\$ 718,997</u>

In accordance with 30-A MRSA, Section 5702, as amended, the amount of long-term debt that can be incurred by the Municipality is limited by state statute. Total outstanding long-term obligations during a year can be no greater than 7.5%, with certain exceptions, of the state valuation of taxable property as of the beginning of the fiscal year. As of June 30, 2017, the amount of outstanding long-term debt was equal to 0.98% of property valuation for the year then ended.

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6 – RETIREMENT PLANS

The Town of South Berwick provides retirement pension plans for its employees through a deferred compensation plan and a defined benefit pension plan.

I. Deferred Compensation Plan – ICMA-RC

A. Description of the Plan

The government offers its employees a deferred compensation plan through ICMA Retirement Corporation, Public Employees Benefit Services Corporation (PEBSCO) and the Variable Annuity Life Insurance Company (VALIC), created in accordance with Internal Revenue Code Section 457. The plans, available to all government employees, permit them to defer a portion of their salary until future years. Participation in the plans is optional.

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

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

As indicated above, the Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457.

B. Funding Policy

Investments are managed by the plan's trustee under one of three investment options, or a combination thereof. The choice of the investment options is made by the participants. The Town matches the employee's contribution of up to 6.5% of total wages and contributes 13% of the Town Manager's base salary. The total employer contribution was \$36,147 for the year ending June 30, 2017.

II. Defined Benefit Pension Plan - Maine Public Employees Retirement System (MEPERS)

A. Plan Description

Qualifying personnel of the Town participate in the Maine Public Employees Retirement System. The plan is a multiple employer, cost-sharing pension plan. The Town of South Berwick has been enrolled in the MEPERS system since July 1, 1996. It is part of the COLA program within the MEPERS system plan. The Town participates in the Regular and Special Plan options.

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6 – RETIREMENT PLANS (CONTINUED)

II. Defined Benefit Pension Plan - Maine Public Employees Retirement System (MEPERS)

B. Funding Policy

The Town of South Berwick makes available to all full time employees the option to make a one-time irrevocable election to participate in the Maine Public Employees Retirement System (MEPERS), Plan AC and 1C, as an alternate retirement plan. The employee shall pay, through payroll deduction(s), his/her required contribution determined by MEPERS. The Town shall pay its required contribution determined by MEPERS. This benefit shall be offered to eligible employees on the date of hire.

C. Pension Benefits

Benefit terms are established in Maine Statute. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e. eligibility of benefits upon reaching qualification) occurs upon the earning of 20-25 years of service credit for Town employees. Normal retirement age of PLD members is age 60 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute.

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 statute for State employee and teacher members.

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 interest credited to member's accounts is set by the System's Board of Trustees.

D. Member and Employer 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. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the plan under which a member is covered. Employer contributions rates are determined through actuarial valuations. For the year ended June 30, 2017, the member contribution rate was between 7.5% and 9.0%, while the Town's contribution rate was between 8.9% and 12.9%.

E. Revenue Recognition

Employer contributions to the System are recognized as additions in the period when they become due pursuant to formal commitments or statutory requirements. Investment income is recognized when earned and investment expenses are recorded when incurred.

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6 – RETIREMENT PLANS (CONTINUED)

II. Defined Benefit Pension Plan - Maine Public Employees Retirement System (MEPERS)

F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the Town reported a net pension liability of \$1,503,092. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The Town proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At the June 30, 2015 measurement date, the Town proportion was 0.329079%, while at the June 30, 2016 measurement date it was 0.282892%. For the fiscal year ended June 30, 2017, the Town recognized pension expense of \$195,371.

At June 30, 2017, the reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources are as follows:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between Expected and Actual Experience	\$ 18,221	\$ 96,677
Changes in Assumptions	161,136	0
Net Difference between Projected and Actual Earnings on Pension Plan Investments	555,441	231,167
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions.	0	165,213
Town Contributions Subsequent to the Measurement Date	<u>151,999</u>	<u>0</u>
Total	<u>\$ 886,797</u>	<u>\$ 493,057</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30,	<u>Amount</u>
2018	\$ 149,550
2019	11,844
2020	145,716
2021	<u>86,630</u>
Total	<u>\$ 393,740</u>

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6 – RETIREMENT PLANS (CONTINUED)

II. Defined Benefit Pension Plan - Maine Public Employees Retirement System (MEPERS)

G. Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions applied to all period included in the measurement:

➤ Salary Increases and Inflation	2.75% to 9.00%
➤ Investment Rate of Return	6.875%
➤ Cost of Living Benefit Increases	2.20%

For the Town employees, the mortality rate is based on the RP2014 Total Dataset Mortality Tables for males and females.

The long-term expected rate of return on pension plan investments were 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 weighing 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 of the June 30, 2016 valuation are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equities	20%	5.7%
Non- US Equities	20%	5.5%
Private Equity	10%	7.6%
Real Assets:		
Real Estate	10%	5.2%
Infrastructure	10%	5.3%
Hard Assets	5%	5.0%
Fixed Income	<u>25%</u>	2.9%
	<u>100%</u>	

H. Discount Rate

The discount rate used to measure the total pension liability was 6.875%. The projection of cash flows used to determine the discount rate assumed that plan member contribution will be made 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.

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6 – RETIREMENT PLANS (CONTINUED)

II. Defined Benefit Pension Plan - Maine Public Employees Retirement System (MEPERS)

I. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.875%, as well as what the Town proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.875%) or 1 percentage point higher (7.875%) than the current rate:

	1% Decrease (5.875%)	Current Discount Rate (6.875%)	1% Increase (7.875%)
Proportionate Share of the Net Pension Liability	\$2,494,862	\$1,503,092	\$569,376

J. Pension Plan Financial and Actuarial Information

Additional financial information and actuarial information can be found in the Maine PERS 2016 Comprehensive Annual Financial Report available online at www.mainebers.org or by contacting the System at (207) 512-3100.

NOTE 7 – GOVERNMENTAL FUND BALANCES

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

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

The General Fund unassigned fund balance total of \$3,679,128 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.

The Town adopted a formal Fund Balance Policy on December 14, 2010. In its policy the Town recognizes the importance of maintaining an appropriate level of Undesignated Fund Balance. The Town establishes goals regarding the Undesignated Fund Balance of the General Fund for the Town. The level of fund balance that the Town strives to maintain as undesignated is an amount equal to (i) 10% of the Town's General Fund Budget *plus* (ii) an amount equal to one (1) month operating expenses from the then current operating budget. Once the Town achieves its goal of an appropriate level of Undesignated Fund Balance, any excess funds may be utilized for other municipal fiscal purposes, including, without limitation, additional capital improvement needs or tax rate stabilization or reduction purposes that will among other things, (a) reduce the need to incur long-term debt and (b) avoid creating an operating funding gap in subsequent fiscal years.

As per Exhibit III, a summary of the nature and purpose of these reserves by fund type at June 30, 2017 follows.

TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 – GOVERNMENTAL FUND BALANCES (CONTINUED)

Nonspendable and Assigned

	Non- <u>Expendable</u>	<u>Expendable</u>	<u>Total</u>
Permanent Funds			
Elizabeth Vaughan Fund	\$ 0	\$ 380,186	\$ 380,186
Florence Wentworth Trust	2,500	15,805	18,305
Library Trust Funds	3,000	6,527	9,527
Charitable Contributions	<u>0</u>	<u>4,902</u>	<u>4,902</u>
Total	<u>\$ 5,500</u>	<u>\$ 407,420</u>	<u>\$ 412,920</u>

Restricted

Road Construction Bond Fund \$ 2,207,781

General Fund

Tax Incremental Financing \$ 666,422

Committed

Capital Project Funds

Highway Equipment	\$ 258,914
Professional Services	3,622
Transfer Station	44,606
Fire Equipment	38,199
Boat Ramp	7,298
Public Safety Equipment	31,655
Recreation Fields/Facilities	46,057
Municipal Facility	83,975
Police Station	114,001
Youth Center	7,313
Roads	895,816
Roads Special Projects	9,066
Roads Match	123,000
Sidewalks	6,054
Recycling	4,256
Library Building Reserve	<u>3,091</u>
Total	<u>\$ 1,676,923</u>

Committed

General Fund -

Appropriated Surplus for FY 2017/18 \$ 450,000

Committed

Special Revenue Funds

Avesta Land Sale	\$ 66,641
Health Reimbursement	5,965
Powderhill Ski Hill	18,911
Avesta Parking Lot	16,935
Benches	12,683

TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 – GOVERNMENTAL FUND BALANCES (CONTINUED)

Committed

Special Revenue Funds

Recreation	\$ 6,457
Kitchen Fund	7,198
TIF Professional Fees	(378)
Library	5,450
Gateway Grant	2,806
Library Furnishings	1,518
Congregate Meals	995
Strawberry Festival Race	3,393
Community Garden	417
Homeland Security – Generator	84
Plastic Bags	8
Senior Center	(625)
Total	<u>\$ 148,458</u>

Assigned

General Fund - Designated

Compensated Absences	\$ 81,331
Office Equipment	65,057
Transfer Station	8,000
Highway Block Grant	664
Total	<u>\$ 155,052</u>

General Fund

Reserve for Encumbrances	<u>\$ 88,913</u>
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Unassigned

General Fund

Undesignated	<u>\$ 3,679,128</u>
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NOTE 8 – INTERFUND ACTIVITY

Interfund balances at June 30, 2017, consisted of the following:

Due To

Special Revenues	\$ 148,458
Capital Projects Funds	1,418,010
General Fund	2,105,135
Permanent Funds	14,429
Total	<u>\$ 3,686,032</u>

Due From

Road Construction Bond Fund	\$ 1,922,493
Capital Projects Funds	182,642
General Fund	1,580,897
Total	<u>\$ 3,686,032</u>

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8 – INTERFUND ACTIVITY (CONTINUED)

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

Interfund transfers for the year ended June 30, 2017, consisted of the following:

Transfer To	
Capital Projects Funds	\$ 1,150,669
Special Revenue Funds	<u>1,715</u>
Total	<u>\$ 1,152,384</u>
 Transfer From	
General Fund	\$ 1,055,715
Road Bond Fund	<u>96,669</u>
Total	<u>\$ 1,152,384</u>

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

NOTE 9 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in insurance coverages during the fiscal year and no significant settlements that exceeded insurance coverage.

NOTE 10 – OVERLAPPING DEBT

The Town's proportionate share of Maine School Administrative District No. 35's local debt is not recorded in the financial statements of the Town of South Berwick. At June 30, 2017, the Town's share was 43.77% (or \$1,177,764) of the District's outstanding local debt of \$2,690,802.

The Town's proportionate share of York County's debt is not recorded in the financial statements of the Town of South Berwick. At June 30, 2017, the Town's share equated to 2.23% (or \$112,692) of the County's outstanding debt of \$5,053,463.

NOTE 11 – FUND BALANCE APPROPRIATIONS

The Townspeople and Council voted appropriations of general fund balance, per Town Meeting on May 17, 2016, which are reflected as the excess of budgeted expenditures over budgeted revenues as per Exhibit VII.

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 – FUND BALANCE APPROPRIATIONS (CONTINUED)

These appropriations were for the following purposes:

Capital Improvements – Roads	Article #12	\$ 476,000
Capital Improvements – Vine Street	Article #22	<u>24,000</u>
Total		<u>\$ 500,000</u>

NOTE 12 – COMMITMENTS AND CONTINGENCIES

There are various claims pending against the Town of South Berwick which arise in the normal course of the Town's activities. Several cases are currently pending which in the aggregate could have a material effect on the financial position of the Town. In the opinion of the Town's counsel, it is extremely difficult to assess the extent or probability of the Town's liability at the present time.

The Town participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not expected to be material.

Maine Energy Recovery Company

The Town of South Berwick became a participating municipality under two separate waste handling agreements signed with the Maine Energy Recovery Company, Limited Partnership (MERC), whose purpose is carrying out a solid waste disposal program.

Each participating municipality is obligated to the extent provided in the agreements to deliver all of its acceptable waste to MERC and to pay a tipping fee per ton of waste. The collective term of the agreements began on July 1, 2004 and expires on June 30, 2025.

Subsequently, Maine Energy Recovery Company was dissolved and a new waste handling agreement between the Town and Pine Tree Waste and Casella Waste Systems was signed. The term of the agreement is from January 1, 2013 through June 30, 2025. For the calendar year 2016 base tipping fee was \$73.50 per ton. Thereafter, the net tipping fee shall be increased by \$1 each January 1st.

NOTE 13 – TAX INCREMENT FINANCING

The Town has designated a TIF (Tax Increment Financing) District on Punkin Town Road and the Central Maine Power Corridor. Taxes assessed and collected on these properties are set aside to be used for specific development projects approved by the State. To date, although no specific projects have been started, the Town is in discussion with the South Berwick Water District and South Berwick Sewer District about running utilities to the area.

The balance at June 30, 2017 amounted to \$666,422. At that date, no pending Credit Enhancement Agreements existed. In addition, the Town has not created the Downtown TIF that was previously discussed.

**TOWN OF SOUTH BERWICK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. - Budgetary Accounting

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

B. - Excess of Expenditures over Appropriations and Deficit Balances

For the year ended June 30, 2017, the Town's expenditures did not exceed appropriations. Exhibit VII shows no overdrafts, other than that for Public Safety in the amount of (\$1,015).

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end. At June 30, 2017 no individual funds held deficit balances, other than a deficit of (\$378) in the TIF Professional Fees fund, and a deficit of (\$625) in the Senior Center fund.

NOTE 15 – INVESTMENTS

At June 30, 2017, the Town's investment balances were as follows:

	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>1-5 Years</u>	<u>More Than 5 Years</u>
Cash and Cash Equivalents	\$ 11,491	\$ 11,491	\$ 0	\$ 0
Equities	2,970	2,970	0	0
Mutual Funds	288,315	288,315	0	0
Total Investments	<u>\$ 302,776</u>	<u>\$ 302,776</u>	<u>\$ 0</u>	<u>\$ 0</u>

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles, based on inputs used in making such measurements. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Town's investments above are measured at fair value on a recurring basis using Level 1 inputs.

NOTE 16 – FUNDS HELD IN ESCROW

Included within accrued expenses and liabilities are escrowed funds held by the Town on behalf of the developer of a construction project currently taking place within the Town, in the amount of \$574,912, to be released in the future upon the fulfillment of agreed-upon conditions as construction progresses.

NOTE 17 – DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through November 22, 2017, the date on which the financial statements were available to be issued.

Smith & Associates, CPAs
A Professional Association
Yarmouth, Maine 04096

SCHEDULE I

**TOWN OF SOUTH BERWICK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY
JUNE 30, 2017**

	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>
Town's Proportion of Net Pension Liability	0.282892%	0.329079%	0.337451%
Town's Proportionate Share of the Net Pension Liability	1,503,902	\$ 1,049,916	\$ 519,274
Town's Covered Payroll	1,322,674	\$ 1,271,835	\$1,281,487
Town's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	<u>113.70%</u>	<u>82.55%</u>	<u>40.05%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>81.61%</u>	<u>88.27%</u>	<u>94.10%</u>

Amounts presented for each fiscal year were determined as of June 30. The data above was determined by the actuarial valuation date which was one year prior to the audit report date. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

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

SCHEDULE II

**TOWN OF SOUTH BERWICK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN PENSION CONTRIBUTIONS
JUNE 30, 2017**

	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>
Contractually Required Contribution	\$ 151,999	\$ 146,666	\$ 134,516
Actual Contribution	<u>(151,999)</u>	<u>(146,666)</u>	<u>(134,516)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$1,370,769	\$ 1,322,674	\$ 1,271,835
Contributions as a Percentage of Covered Payroll	<u>11.09%</u>	<u>11.09%</u>	<u>10.57%</u>

Amounts presented for each fiscal year were determined as of June 30. The data above was determined for the Town's fiscal years indicated, which differs from the reporting timeframes used in Schedule I. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.

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

Town Meeting
Tuesday, May 22, 2018
Check-in: 6:00 p.m.
Meeting Begins: 6:30 p.m.

Richard P. Gagnon
Assembly Hall
Town Hall

**The Fiscal Year 2019
Appropriation Budget, Revenue Master Report and
the Annual Town Meeting
Warrant are available
At Town Hall, by visiting
the Town Website or
upon request.**

Members of the 127th Legislature

<i>State Representatives:</i>	<u>District 6</u> Jennifer Ellen Parker 224 Witchtrot Road South Berwick ME 03908 C: 475-6792 Jennifer.Parker@legislature.maine.gov	<u>District 2</u> Mark W. Lawrence 52 Wildbrook Lane Eliot, ME 03908 3 C: 475-4975 B: 384-5105 Mark.Lawrence@legislature.maine.gov
Legislative Address:	House of Representatives 2 State House Station Augusta, ME 04333-0002 207-287-1400	
Capitol Telephone:	1-800-423-2900 287-4469-TTY	
<i>State Senator:</i>	<u>District 35</u> Dawn Hill PO Box 701 Cape Neddick, ME 03902 337-3689 Dawn.Hill@legislature.maine.gov dawnhill@maine.rr.com www.dawnhillsenate.org	
Legislative Address:	Senate Office 3 State House Station Augusta, ME 04333-0003	
Capitol Telephone:	1-800-423-6900 287-1583-TTY	

Maine Congressional Delegation

United States Congress:

Representative Chellie Pingree-D (1st District) 2162 Rayburn House Office Building Washington, DC 20515 202-225-6116 202-225-5590-fax www.pingree.house.gov	County Office:	2 Portland Fish Pier, Suite 304 Portland, ME 04101 774-5019 871-0720-fax 888-862-6500-toll free
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United States Senate:

Senator Susan M. Collins-R 413 Dirksen Senate Office Building Washington, DC 20510 202-224-2523 202-224-2693-fax www.collins.senate.gov	County Office:	160 Main Street Biddeford, ME 04005 283-1101 283-4054-fax
Senator Angus King-I 133 Hart Building Washington, DC 20510 202-224-5344 202-224-1946-fax www.king.senate.gov	County Office:	383 US Route 1, Suite 1-C Scarborough, ME 04074 883-1588 883-1733-fax 800-432-1599-toll free

TOWN MEETING
Tuesday, May 22, 2018- 6:00 pm check-in
Richard P. Gagnon Assembly Hall
Town Hall—180 Main Street
Handicap Accessible

COMMUNITY PHONE NUMBERS

EMERGENCY

Dial: 911

DEPARTMENTS

Fire Department (Business line)	384-2731
Police Department (Business line)	384-2254
Public Library	384-3308
Recreation Department	384-3306
Community Building/Senior Activities	384-3310
Social Services	384-3012
Transfer Station	384-3309
Public Works	384-3017
Tax Collector	384-3036
Town Manager	384-3015
Executive Asst. to Town Mgr.	384-3013
Town Office General	384-3300
Town Office Fax	384-3303

OTHER TOWN SERVICES

Post Office	384-2780
Rescue (Business line)	384-2300
Sewer District Office	384-2760
Sewer Treatment Plant	384-0091
Water District Office	384-2257

LOCAL WEB ADDRESSES

Municipal
www.southberwickmaine.org

Public Library
www.southberwicklibrary.org

Rescue
www.yorkambulance.com

MSAD #35 (All schools)
www.rsu35.org

State of Maine
www.maine.gov

Printed by: Xpress Copy of Portland, ME

TOWN OPERATING HOURS

TOWN HALL

180 Main Street

Town Manager & Finance
Monday-Friday from 9:00 am to 5:00 pm

Town Clerk's Office (384-3001)

Licensing and Registrations
Monday & Tuesday: 9:00 am to 4:00 pm
Thursday: 9:00 am to 6:00 pm
Friday: 9:00 am to 1:00 pm
Closed on Wednesday

Assessing Office (384-3010)
Monday & Thursday: 8:00 am to 4:00 pm
Friday: 7:00 am to 3:00 pm

Code Enforcement/Planning Office (384-3011)
Monday, Tuesday, & Friday: 8:00 am to 4:00 pm

PUBLIC LIBRARY

27 Young Street

Tuesday : 10:00 am to 8:00 pm
Wednesday: 10:00 am to 8:00 pm
Thursday: 10:00 am to 5:00 pm
Friday: 1:00 pm to 5:00 pm
Saturday: 9:00 am to 1:00 pm

COMMUNITY CENTER

70 Norton Street

Recreation Department and Senior Center
Monday - Friday: 8:30 am to 4:30 pm

TRANSFER STATION

Agamenticus Road

Wednesday: 7:00 am to 6:00 pm
Saturday: 7:00 am to 6:00 pm
Sunday: 7:00 am to Noon