

**COMPREHENSIVE**  
**ANNUAL FINANCIAL REPORT**  
*of the*  
**TOWN OF THOMASTON,**  
**CONNECTICUT**

**YEAR ENDED**

**JUNE 30, 2015**

**PREPARED BY:**

**THE FINANCE DEPARTMENT**

**TRACY A. DECKER, FINANCE DIRECTOR**

**TOWN OF THOMASTON, CONNECTICUT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

YEAR ENDED JUNE 30, 2015

**TABLE OF CONTENTS**

---

	<u>PAGE</u>
<b><u>INTRODUCTORY SECTION</u></b>	
ORGANIZATIONAL CHART .....	1
LETTER OF TRANSMITTAL .....	2-6
LIST OF PRINCIPAL OFFICIALS .....	7
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FOR THE YEAR ENDED JUNE 30, 2014 .....	8
<b><u>FINANCIAL SECTION</u></b>	
INDEPENDENT AUDITOR'S REPORT .....	9-11
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	12-23
<b><u>EXHIBITS</u></b>	
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
<b><u>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</u></b>	
A STATEMENT OF NET POSITION .....	24-25
B STATEMENT OF ACTIVITIES .....	26
<b><u>FUND FINANCIAL STATEMENTS:</u></b>	
C BALANCE SHEET - GOVERNMENTAL FUNDS AND RECONCILIATION OF FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES .....	27-28
D STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS .....	29
E RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES .....	30-31
F STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND .....	32
G STATEMENT OF FIDUCIARY NET POSITION .....	33
H STATEMENT OF CHANGES IN FIDUCIARY NET POSITION .....	34
<b><u>NOTES TO FINANCIAL STATEMENTS:</u></b>	
I NOTES TO FINANCIAL STATEMENTS .....	35-69

**REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF THOMASTON RETIREMENT SYSTEM

RSI -1 SCHEDULE OF CHANGES IN NET PENSION LIABILITY .....	70
RSI -2 SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF INVESTMENT RETURNS .....	71
RSI -3 SCHEDULE OF CONTRIBUTIONS.....	72
RSI -4 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION .....	73

TOWN OF THOMASTON OTHER POST-EMPLOYMENT BENEFIT PLANS

RSI -5 SCHEDULES OF FUNDING PROGRESS .....	74
RSI -6 SCHEDULES OF EMPLOYER CONTRIBUTIONS .....	75
RSI -7 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION .....	76

STATE TEACHERS' RETIREMENT SYSTEM

RSI -8 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS .....	77
RSI -9 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION .....	78

SCHEDULES

**SUPPLEMENTAL SCHEDULES**

GENERAL FUND

1 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL .....	79-80
2 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL .....	81-82
3 REPORT OF TAX COLLECTOR .....	83

NONMAJOR GOVERNMENTAL FUNDS

4 COMBINING BALANCE SHEET.....	84-85
5 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES .....	86-87
6 SEWER COMMISSION USAGE FUND - SCHEDULE OF SEWER USE CHARGES RECEIVABLE .....	88

TOWN OF THOMASTON, CONNECTICUT  
 TABLE OF CONTENTS (CONTINUED)

---

		<u>PAGE</u>
<b><u>FIDUCIARY FUNDS</u></b>		
7	COMBINING STATEMENT OF FIDUCIARY NET POSITION - PRIVATE-PURPOSE TRUST FUNDS.....	89
8	COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PRIVATE-PURPOSE TRUST FUNDS.....	90
9	COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS .....	91

**STATISTICAL SECTION**

**TABLE**

1	NET POSITION BY COMPONENT .....	92
2	CHANGES IN NET POSITION .....	93
3	FUND BALANCES, GOVERNMENTAL FUNDS .....	94
4	CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS .....	95
5	ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY ...	96
6	PRINCIPAL TAXPAYERS.....	97
7	PROPERTY TAX RATES, LEVIES AND COLLECTIONS.....	98
8	RATIOS OF OUTSTANDING DEBT BY TYPE.....	99
9	RATIO OF LONG-TERM DEBT TO NET ASSESSED VALUE AND LONG-TERM DEBT PER CAPITA.....	100
10	SCHEDULE OF DEBT LIMITATION.....	101
11	LEGAL DEBT MARGIN INFORMATION .....	102
12	DEMOGRAPHIC STATISTICS .....	103
13	PRINCIPAL EMPLOYERS.....	104
14	FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM.....	105
15	OPERATING INDICATORS BY FUNCTION/PROGRAM.....	106
16	CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM .....	107

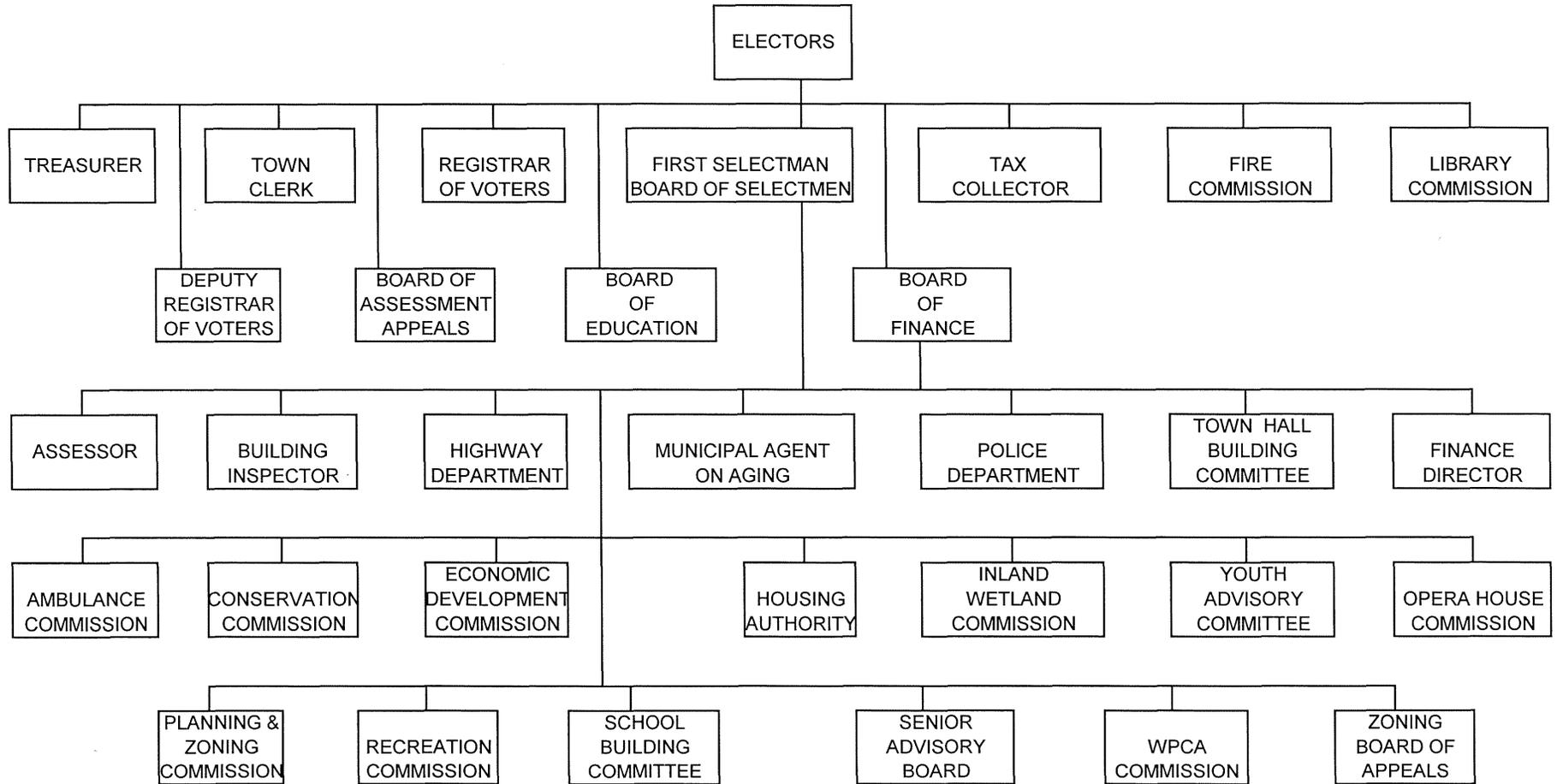
---

# **Introductory Section**

---

# TOWN OF THOMASTON, CONNECTICUT

## ORGANIZATIONAL CHART





**Town of Thomaston**  
**Finance Department**  
158 Main Street  
Thomaston, Connecticut 06787  
(860) 283-9678

December 7, 2015

Board of Finance  
Town of Thomaston  
Thomaston, Connecticut 06787

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby submit the Comprehensive Annual Financial Report (CAFR) of the Town of Thomaston, Connecticut, for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the Town of Thomaston. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Thomaston has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town of Thomaston's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefit, the Town of Thomaston's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Thomaston's financial statements have been audited by CohnReznick LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Thomaston for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Thomaston's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Thomaston was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies and a similar State Single Audit. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Thomaston's separately issued Federal and State Single Audit Report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Thomaston's MD&A can be found immediately following the independent auditor's report.

## **Profile of the Town of Thomaston**

The Town of Thomaston, located in Litchfield County, is a suburb consisting of 12 square miles and located 10 miles south of Torrington, Connecticut, 23 miles west of Hartford, Connecticut, with a population of 7,683. The Town is easily accessible by an excellent highway system. Route 8, a four-lane State highway, provides north-south interstate connections from Bridgeport to Winsted, where it meets Route 44 and continues north to the Massachusetts border. Interstate 84, the major east-west highway through Connecticut, is located just 11 miles south of the Town. Intra-town traffic is served by U.S. Route 6 and State Routes 254, 109, and 262, which pass through the Town. Air transport is available at the Oxford Regional, New Haven-Tweed and Bradley International Airports.

Thomaston originated in 1674 as part of the Mattatuck Plantation, now the City of Waterbury. The Town operates under a Town Meeting form of government, with a Board of Selectmen consisting of three elected members and a Board of Finance made up of six elected members. The Town Meeting is the legislative body of the Town and must approve the annual budget and all bond and note authorizations, except for refunding bonds which only need to be approved by the Board of Selectmen. The First Selectman is the Chief Executive of the Town, and is responsible for carrying out the policies and ordinances, overseeing the day-to-day operations of the Town, and for appointing the various department heads. The First Selectman presides over the Board of Selectmen, has full voting privileges, and is elected to a two-year term of office every odd-numbered year.

The Town of Thomaston provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, a water pollution control facility, household waste collection and disposal, health and welfare, education and recreational activities.

The annual budget serves as the foundation for the Town of Thomaston's financial planning and control. All agencies of the Town of Thomaston are required to submit requests for appropriations to the Board of Finance. The Board of Finance uses these requests as the starting point for developing a proposed budget for presentation to the public. The Board of Finance holds one or more public hearings on the budget not later than sixty days before the end of the fiscal year. The general fund is the only fund for which a legal budget is adopted.

## **Local Economy and Major Initiatives**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the Town of Thomaston operates.

### **Local Economy:**

Thomaston is a residential community with a diversified manufacturing economic base. The Town's proximity to the Naugatuck River continues to be a major factor in its natural appeal to the development of certain types of industries.

Best known for its namesake and founder, Seth Thomas, who established the Seth Thomas Clock Company in Thomaston in the late 1800s, the Town continues to be home to many small and medium-sized manufacturers. The original clock factory has now become a vibrant industrial park and is home to more than 20 tenants, employing nearly 500 people, many of whom work in skilled manufacturing trades. The current owners have expanded the site from 275,000 square feet to nearly 312,000 over the past decade to accommodate growth and demand for industrial and manufacturing space.

The Town of Thomaston has made changes in its Plan of Development that permits the creation of an industrial park located on Reynolds Bridge Road adjacent to an area already zoned and in use by many small to medium size manufacturers. Five large lots are proposed for development in the 22.39-acre parcel. The area is contiguous to Route 8, a divided highway which permits easy access to freight transport. The developer of this industrial park has already constructed a 50 unit senior housing complex near the industrial park. There is currently a 47 unit active adult community under construction at 500 South Main Street by a local developer.

The former Star Manufacturing building located on Route 254 has transformed into a mixed use professional services and office space building. The developer took advantage of a tax assessment abatement ordinance that the Town of Thomaston has in place to assist with development.

The Planning & Zoning Commission is in the process of updating the zoning maps based upon a digitized parcel map created by the Central Naugatuck Valley Council of Governments and working in conjunctions with the WPCA to create a master sewer plan for the Town of Thomaston that is in conformance with the State of Connecticut Plan of Conservation and Development. Changes to the Zoning District Map have been made to slow the pace of residential development, which in the past decade has been more than double the State average, by increasing lot sizes, particularly in those areas not served by municipal water and sewer service.

Also economically significant is the ongoing renovations of the town-owned Thomaston Opera House, which is considered to be one of the finest examples of Victorian/Gothic architecture in the state. In the past decade, the theater has undergone many improvements and restorations perpetuating its original function as a multipurpose cultural and recreational center for Litchfield County and Greater Waterbury. The Thomaston Opera House Commission leases the facility to a management company. A portion of each ticket sold is contributed to a fund for future restoration projects and the Town's Opera House Commission plans additional restoration projects in the upcoming year.

The Economic Development Commission's mission is to organize and promote sound economic growth in Thomaston by stimulating the expansion of existing businesses, attracting new enterprises and assuring a favorable community climate for new ideas and economic growth while respecting the character and history of the community. This nine member commission has been proactive in seeking business growth opportunities in Thomaston since its reestablishment. In 2007, a tax incentive program was established in order to attract, retain, and expand qualified businesses, to create employment opportunities, and to promote responsible economic growth to ensure Thomaston's future as a desirable community in which to live and work. Four developers have since taken advantage of this ordinance.

The Board of Selectmen appointed the previously established Thomaston Historical Commission to manage and oversee the Seth Thomas-Bradstreet House, grounds and furnishings at 237 Main Street, and such other historic properties or assets as the Town of Thomaston may acquire in the future. The home, which the Town purchased in November 2005, has stood on Main Street at least since 1838. A very well preserved two-story building, it has a long association with one of the most important families in Connecticut. Seth Thomas was the famed clockmaker whose company would attain an international reputation. The Town has made this home into a museum, which will entice future economic development.

The Department of Economic and Community Development approved the reallocation of certain Small Cities federal funds the Town holds, which will benefit low to moderate income families and Americans with Disabilities. \$300,000 has been reallocated for housing rehabilitation for those who qualify. Many taxpayers have taken advantage of this program. Additionally, \$200,000 was allocated for ADA improvements at Grove Manor, a senior housing complex.

A ten year Plan of Conservation and Development was recently completed. The plan is intended to address all aspects of governmental services including economic development. One aspect of this plan is to establish goals and develop a plan for the Downtown Development District in conjunction with local merchants.

The Small Town Economic Assistance Program (STEAP) funds economic development, community conservation and quality of life projects for localities that are ineligible to receive Urban Action (CGS Section 4-66c) bonds. Public Act 05-194 allows an Urban Act town that is not designated as a regional center under the State Plan of Conservation and Development to opt out of the Urban Action program and become a STEAP town for a period of four years.

The Town elected this option in 2006 and has since been awarded \$1,098,300 for sidewalk replacement, \$300,000 for the repair of Altair Avenue Bridge and culvert, \$100,000 for an emergency generator, \$500,000 towards a town-wide communication system and \$500,000 for the first phase of improvements to an athletic facility at Nystroms Park. The Town is currently seeking funding for additional projects including additional sidewalk replacement and a downtown parking area.

Thomaston's residential sector consists predominantly of single-family homes affordable across a broad range of income levels. Affordability and accessibility have been prime factors in the consistent levels of residential development. The Planning & Zoning Commission is reviewing an Incentive Housing Zone in an effort to encourage redevelopment of the downtown for commercial and residential uses.

### **Long-Term Financial Planning**

Prepared as part of the annual budget process, a five year plan of capital improvement projects attempts to identify and provide a responsible funding/execution plan for public betterments to ensure a stable community infrastructure. The plan is designed to budget adequate reserves for replacement of obsolete equipment and vehicles and provide for the betterment of town-wide roads. The Town recently had an architectural/engineering firm perform an assessment of all Town facilities. The results of this assessment will assist the capital improvement committee in prioritizing future capital needs.

The Town approved \$3,975,000 for a town-wide communication system used by public safety and public works personnel. \$3,475,000 was funded by general obligation bonds and the remaining \$500,000 was funded through a state STEAP grant. The system was recently brought online and has greatly improved communication among emergency personnel.

The Town approved \$3,998,400 for the replacement or reconstruction of the roofs at all three Town schools. The authorization was amended to include repairs to the Town Hall roof and clock tower and roof replacements at the Thomaston Public Library and Thomaston Fire Department. \$2,250,000 of this project was funded through bonds and the balance through CT School Construction grants.

The Town approved funds for various vehicles and equipment as follows: \$75,000 for an ambulance (to be reimbursed by the EMS Fund), \$600,000 for a new fire truck, \$150,000 for a pay-loader and \$300,000 for Board of Education computers.

Additionally, in May 2015, the Town issued \$6,455,000 of refunding bonds to take advantage of favorable interest rates. The anticipated savings resulting from this refunding was in excess of \$400,000.

### **Relevant Financial Position**

The Town's financial policies have been applied consistently with the prior year and had no notable current year effect on the financial statements. There were no developments at the State level that impacted the current year financial statements.

### **Awards and Acknowledgements**

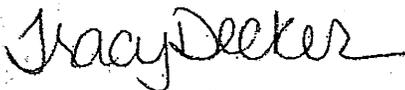
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Thomaston for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the eleventh consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Finance Department continuously strives to enhance the quality and ensure the integrity of the financial information provided to elected officials and staff, as well as to the citizens of the Town of Thomaston. The Finance Department will continue pursuit of its goals: to provide the highest degree of public credibility and confidence in its operations; working to foster and maintain a local government environment which demonstrates fiscal accountability, efficiency, integrity, and stability; and of course, the overall strive towards excellence.

The preparation of this report would not have been possible without the dedicated service of the finance staff and the cooperation of Town departments. My sincerest appreciation is extended to all of the contributing staff members. We also appreciate the professional service and assistance rendered by CohnReznick LLP.

Respectfully submitted,

A handwritten signature in black ink that reads "Tracy Decker". The signature is written in a cursive style with a horizontal line under the name.

Tracy A. Decker, CPA  
Finance Director

**TOWN OF THOMASTON, CONNECTICUT**

LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2015

---

**BOARD OF SELECTMEN**

Edmond V. Mone, First Selectman  
Bruce J. Barrett Sr., Selectman  
Kristin Mosimann, Selectman

**BOARD OF FINANCE**

George Seabourne, Chairman  
Stephen R. Turner  
Frank A. Treglia  
Michael S. Madow  
Luke Freimuth  
Thomas Duffany

**TOWN DEPARTMENTS**

Kenneth C. Hopkins, Jr., Treasurer  
Tracy A. Decker, Finance Director  
Todd Bendtsen, School Business Manager  
Robert Dudek, Tax Assessor  
Peggy K. Duffy, Tax Collector  
Francine Coss, Superintendent of Schools  
Glenn C. Clark, Superintendent of Highway  
Richard Tingle, Superintendent of W.P.C.A.  
Catherine P. Dupont, Town Clerk  
James L. Campbell, Jr., Chief of Police  
James O'Neil, Fire Chief  
Robert V. Norton, Sr., Fire Marshal  
Roger Natusch, Building Inspector  
Martin Egan, Park and Recreation Director

**AUDITORS**

CohnReznick LLP



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Thomaston  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

---

# Financial Section

---

## INDEPENDENT AUDITOR'S REPORT

Board of Finance  
Town of Thomaston, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### *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.

#### *Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and other post-employment benefit schedules on pages 12 through 23 and pages 70 through 78, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Thomaston, Connecticut's basic financial statements. The introductory section, supplemental schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2015, on our consideration of the Town of Thomaston, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Thomaston, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Hartford, Connecticut  
December 7, 2015

---

# **Basic Financial Statements**

---



**Town of Thomaston**  
**Finance Department**  
**158 Main Street**  
**Thomaston, Connecticut 06787**  
**(860) 283-9678**

**Management's Discussion and Analysis**  
**Year Ended June 30, 2015**

---

As management of the Town of Thomaston, we offer readers of the Town of Thomaston's financial statements this narrative overview and analysis of the financial activities of the Town of Thomaston for the fiscal year ended June 30, 2015.

**Financial Highlights**

- During the fiscal year, the Town implemented GASB 68 related to pensions. GASB 68 required that the net pension liability be recorded on the government-wide financial statements. The result of implementing GASB 68 was a prior period adjustment as of July 1, 2014 to record the net pension liability of \$4,243,303. The current year pension expense was \$728,048 and the net pension liability at June 30, 2015 was \$5,026,516.
- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$32,803,816 (*net position*). *Unrestricted net position*, the amount that may be used to meet the Town's ongoing obligations to citizens and creditors, was a deficit balance of \$3,630,183 at June 30, 2015.
- The Town's total net position increased by \$1,542,033. The Town's total liabilities decreased by \$191,658 primarily as a result of the \$783,213 increase in the net pension liability and net OPEB liability of \$1,172,892, offset by the reduction in other long-term debt of \$1,898,573. This was offset by the net increase in total assets of \$439,448 due primarily to the purchase of several new vehicles including a fire truck and an ambulance.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,167,146, an increase of \$330,496 in comparison with the prior year. This was mostly due to the bond premium received for the issuance of general obligation bonds in November 2014 and refunding bonds in May 2015.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,007,183, an increase of \$117,074 in comparison with the prior year. This represents 11.2 percent of total general fund revenues.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Thomaston's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The *statement of net position* and *statement of activities* report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include *all* assets, liabilities and deferred outflows and inflows using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The *statement of net position* presents information on all of the Town's assets, deferred outflows, liabilities, and deferred inflows, with the difference between these accounts being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the *financial* health or position of the Town is improving or deteriorating.

You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, health and welfare, culture and recreation, housing and development and education.

**Fund financial statements.** The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town establishes many other funds to help it maintain control and manage money that has been segregated for specific activities or objectives. Funds are also established to ensure and demonstrate compliance with finance related legal requirements for using certain grants. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town's near-term financing requirements.

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

The Town maintains 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, debt service, small cities, capital or nonrecurring and the communication system funds, all of which are considered to be major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements in Schedules 4 and 5 of this report.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Fiduciary funds.** The Town is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that, because of a trust agreement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position (Exhibits G and H). We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's net pension liability and the progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found in Schedules 4 through 6 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. The Town's combined net position increased by 4.9 percent from a year ago – increasing from \$31,261,783 to \$32,803,816 (after the restatement for the net pension liability).

By far the largest portion of the Town's net position (109.1%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Summary Statement of Net Position**

	2015	2014
Current and other asset	\$ 10,980,355	\$ 11,020,497
Capital assets (net)	63,828,968	63,349,378
<b>Total assets</b>	<b>74,809,323</b>	<b>74,369,875</b>
Total deferred outflows of resources	1,368,814	258,620
Long-term liabilities outstanding	37,626,590	33,923,136
Other liabilities	5,548,464	9,443,576
<b>Total liabilities</b>	<b>43,175,054</b>	<b>43,366,712</b>
Total deferred inflows of resources	199,267	
Net position:		
Net investment in capital assets	35,802,178	32,848,325
Restricted	631,821	710,116
Unrestricted	(3,630,183)	(2,296,658)
<b>TOTAL NET POSITION</b>	<b>\$ 32,803,816</b>	<b>\$ 31,261,783</b>

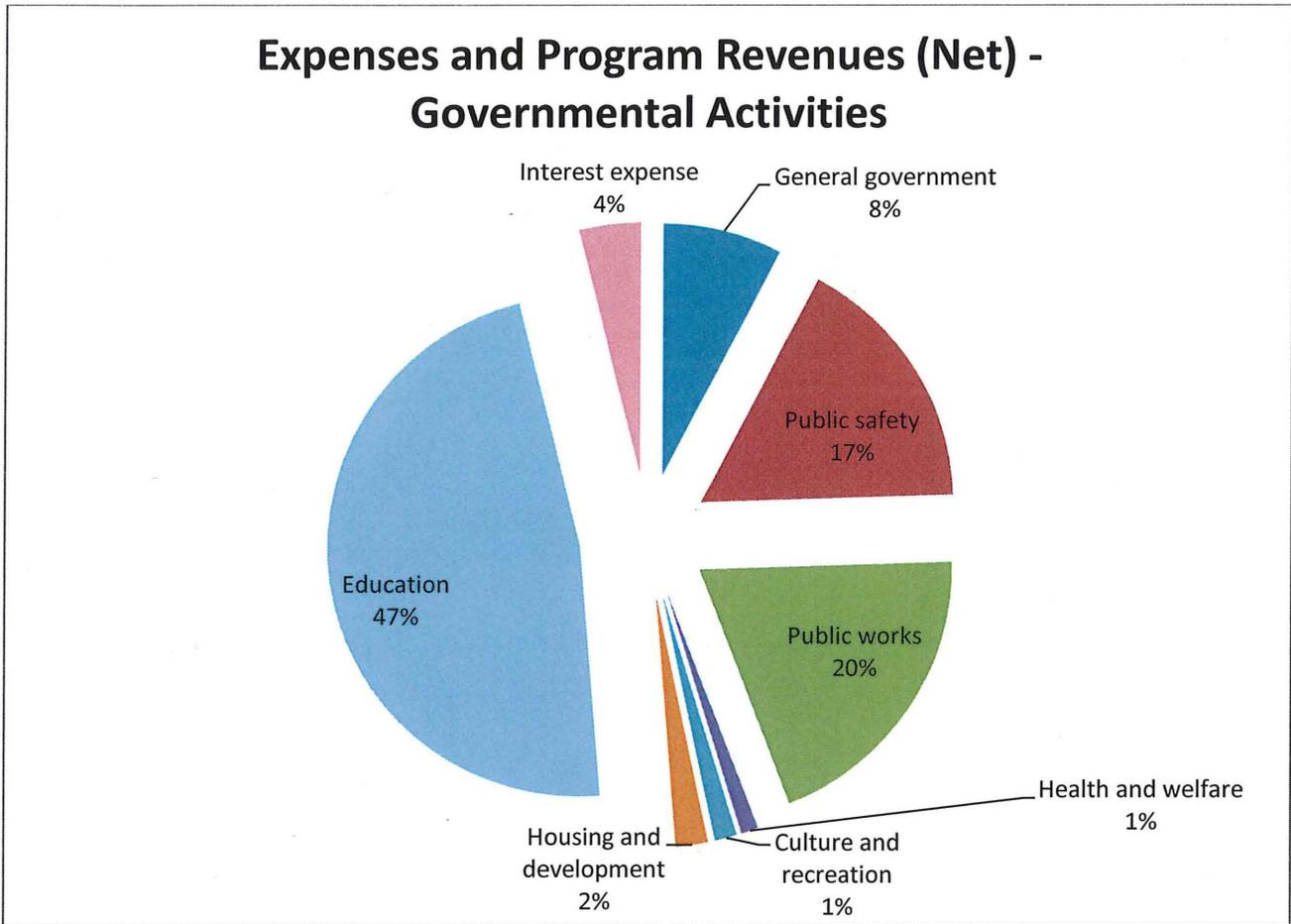
A portion of the Town's net position (1.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (-11.0 percent) may be used to meet the Town's ongoing obligations to citizens and creditors.

**Governmental activities.** Governmental activities increased the Town's net position by \$1,542,033. Key elements of this increase are as follows:

<b>Statement of Changes in Net Position</b>		
	<b>2015</b>	<b>2014</b>
<b><u>REVENUES:</u></b>		
Program revenues:		
Charges for services	\$ 2,019,546	\$ 1,853,029
Operating grants and contributions	8,450,907	8,781,136
Capital grants and contributions	2,230,932	655,034
General revenues:		
Property taxes	18,156,595	18,118,289
Grants and contributions not restricted to specific programs	521,843	517,874
Investment income	34,434	64,153
Miscellaneous	30,314	31,362
<b>TOTAL REVENUES</b>	<b>31,444,571</b>	<b>30,020,877</b>
<b><u>EXPENSES:</u></b>		
General government	1,468,054	1,662,601
Public safety	3,164,883	2,817,840
Public works	4,907,857	4,523,074
Health and welfare	203,022	189,646
Culture and recreation	1,034,470	856,538
Housing and development	460,058	384,582
Education	17,988,363	17,715,754
Interest expense	675,831	778,821
<b>TOTAL EXPENSES</b>	<b>29,902,538</b>	<b>28,928,856</b>
<b>(INCREASE) DECREASE IN NET POSITION</b>	<b>1,542,033</b>	<b>1,092,021</b>
<b>NET POSITION - JULY 1 (AS RESTATED)</b>	<b>31,261,783</b>	<b>34,413,065</b>
<b>RESTATEMENT FOR NET PENSION LIABILITY</b>		<b>(4,243,303)</b>
<b>NET POSITION - JUNE 30</b>	<b>\$ 32,803,816</b>	<b>\$ 31,261,783</b>

- Charges for services increased by \$166,517 (9.0%) due largely to increases in revenue received for police special duty work and WPCA sewer use fees.
- Operating grants and contributions decreased by \$330,229 (3.8%) due to a decrease in the on-behalf amount for the Town's allocable share of the pension expense for the State Teachers' Retirement Plan.
- Capital grants and contributions increased by \$1,575,898 (240.6%) due to school construction grant funds received for the school roofs and a STEAP grant for the first phase of the track and tennis court project at Nystroms Park.
- Expenses increased by \$973,682 (3.4%) due primarily to increases in pension and OPEB liabilities which impacted all functions of the Town except for interest expense.

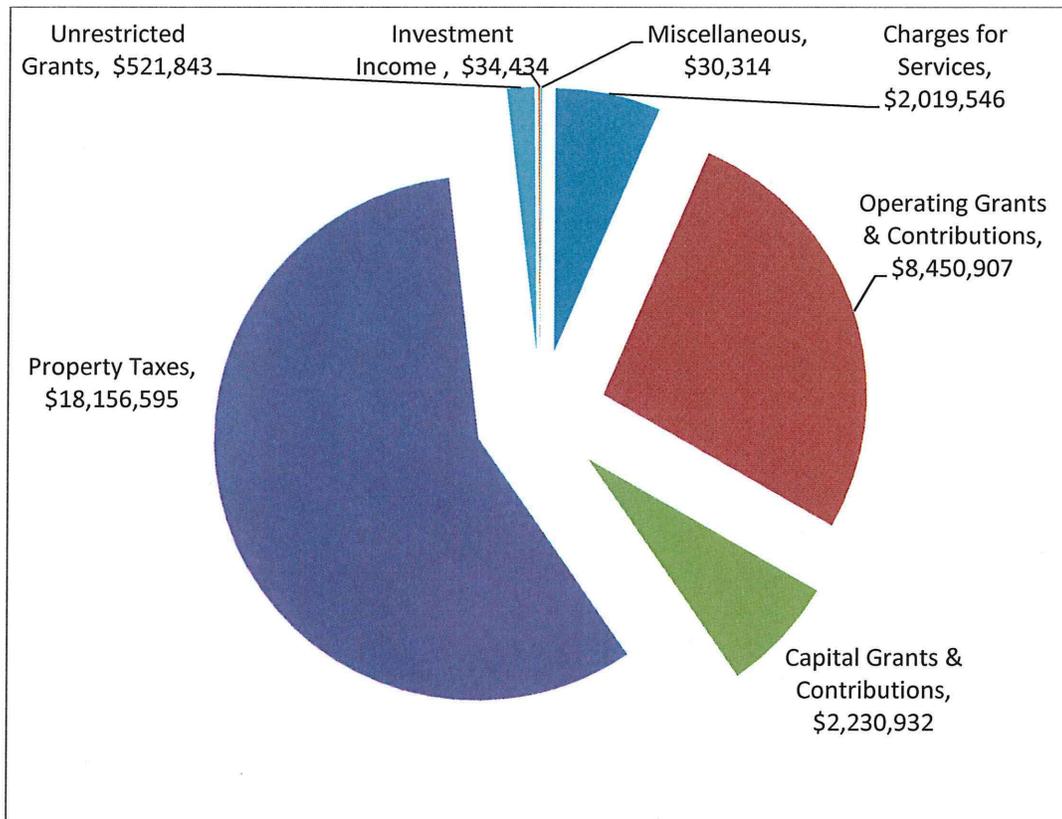
**Expenses and Program Revenues (Net) - Governmental Activities**



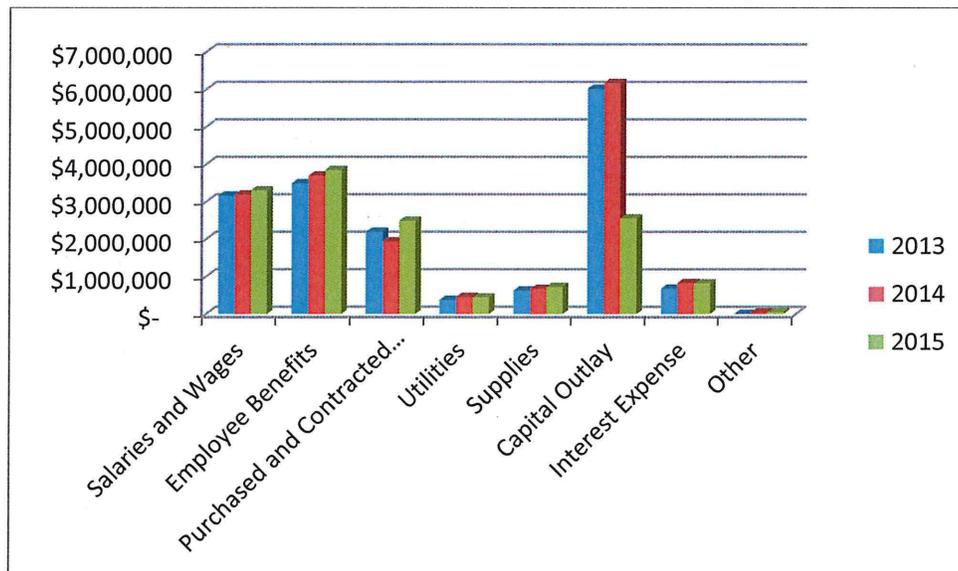
The above represents the percentage of net cost by function as presented in the statement of activities (Exhibit B). In most cases, the above chart represents the true cost of the departments because we have offset the costs by the revenues derived by those departments. For example, the net cost of Education of \$8,150,342 includes expenses of \$17,988,363 offset by charges for services of \$188,604, operating grants and contributions (including the Education Cost sharing grant) of \$8,176,146 and capital grants and contributions of \$1,473,271.

The statement of activities requires that we report capital grants, which often offset capital outlay and not operating expenses. Therefore, in this particular case, capital grants tend to distort the net costs in the statement of activities. Based on capital grants received in 2015, the net costs above are understated by \$1,448,420 in Education due to School Construction Grants used for the repair and replacement of the school roofs which were charged to Capital Outlay.

**Revenues by Source - Governmental Activities**



The chart above reflects the sources of revenue for 2015, which provide the services the taxpayers of Thomaston receive. Property taxes of \$18,156,595 (57.7 percent) is the major source of revenue, followed by operating grants and contributions of \$8,450,907 (26.9 percent), capital grants and contributions of \$2,230,932 (7.1 percent) and charges for services of \$2,019,546 (6.4 percent). The remaining \$586,591 (1.9 percent) is made up of unrestricted grants and contributions, investment income, and miscellaneous income.



The above chart was derived directly from the classification of expenses in the Town's chart of accounts on a government-wide basis excluding the Board of Education operating budget and the education grant fund for fiscal years 2015, 2014 and 2013. The overall trend is level spending. The decrease in capital outlay is due to the ongoing multi-year road rehabilitation program and new roofs at the Town's three schools which were substantially completed by 2014.

Capital outlay includes construction, building improvements, improvements to roads and other infrastructure assets, vehicles and machinery and equipment purchases. Purchased and contracted services include professional and technical services such as data processing, legal fees, repairs and maintenance, water, telephone, advertising, dues and rental of equipment. Supplies include general supplies, postage, gas, diesel and oil, sand and salt and other infrastructure materials.

### **Financial Analysis of the Town's Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,167,146. GASB 54 requires that fund balance be reported in one of five categories: nonspendable, restricted, committed, assigned or unassigned. The Town has a nonspendable balance of \$1,050,267 because it has been reserved as loans to residents and commercial businesses under the Federal Small Cities Economic Development Program (\$850,067) and to generate income to pay for the perpetual care of Kenea Park and the municipal cemetery and to generate income for various projects at the Fire Department (\$200,200). \$531,621 has been restricted, \$1,037,766 has been committed and \$1,540,309 has been assigned, leaving a balance of \$3,007,183 as unassigned.

The total fund balances increased by \$330,496 to a total of \$7,167,146. The receipt of premiums during both the bond and BAN issuances offset the fact that expenditures exceeded revenue in the Small Cities and Communication System funds.

The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,007,183. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund revenue. Unassigned fund balance represents 11.2 percent of total general fund revenues.

The fund balance of the Town's general fund increased \$27,074 during the current fiscal year. The Town had budgeted the use of prior year fund balance of \$250,000 to balance the fiscal 2014-2015 budget and also used additional appropriations during the year of \$350,627 to fund a sewer line repair on Kennedy Drive (\$281,135), eliminate the deficit fund balance in the Transfer Station Fund (\$29,930) and offset the variance between budgeted and actual expenditures in the General Fund (\$39,562).

Management's Discussion and Analysis (continued)

A comparative analysis of the general fund (GAAP basis) is shown below.

<b>GENERAL FUND</b>			
	<b>2015</b>	<b>2014</b>	<b>Increase (Decrease)</b>
<b>REVENUES:</b>			
Property taxes	\$ 18,337,484	\$ 18,134,271	\$ 203,213
Charges for services	365,467	266,698	98,769
Intergovernmental	8,030,707	8,298,939	(268,232)
Income from investments	9,846	6,208	3,638
Other	17,773	31,062	(13,289)
<b>TOTAL REVENUES</b>	<b>26,761,277</b>	<b>26,737,178</b>	<b>24,099</b>
<b>EXPENDITURES:</b>			
General government	3,690,634	3,494,547	196,087
Public safety	1,553,218	1,522,893	30,325
Public works	1,635,579	1,637,099	(1,520)
Health and welfare	84,315	81,645	2,670
Culture and recreation	426,054	407,406	18,648
Housing and development	138,100	108,882	29,218
Education	15,560,482	15,838,445	(277,963)
<b>TOTAL EXPENDITURES</b>	<b>23,088,382</b>	<b>23,090,917</b>	<b>(2,535)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,672,895</b>	<b>3,646,261</b>	<b>26,634</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	15,000	15,000	-
Transfers out	(3,660,821)	(3,537,590)	(123,231)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>(3,645,821)</b>	<b>(3,522,590)</b>	<b>(123,231)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 27,074</b>	<b>\$ 123,671</b>	<b>\$ (96,597)</b>

- Intergovernmental revenue decreased by \$268,232 due to a reduction in the on-behalf amount for the Town's allocable share of the pension expense for the State Teachers' Retirement Plan.
- General government expenditures increased by \$196,087 due to an increase in legal, insurance and social security expenditure lines.
- Education expenditures decreased by \$277,963 due to a reduction in the on-behalf amount for the Town's allocable share of the pension expense for the State Teachers' Retirement Plan.

**Debt Service Fund.** This fund accounts for financial resources to be used for current and future principal and interest payments for long-term debt. As part of the Town's Capital improvement policy, the Town committed to funding a minimum annual appropriation of \$2,800,000 into Debt Service to minimize a mill rate impact of an expected significant increase in debt service in future budget years. The assigned fund balance as of June 30, 2015 is \$1,380,309.

**Small Cities Fund.** The Small Cities fund provides residential loan assistance and commercial economic development loans to qualifying citizens and Town businesses. The Town started receiving Federal funds for this program in 1985. The Small Cities funded activities must meet one of three national objectives: (1) benefit low and moderate income persons; (2) aid in the prevention or elimination of slums or blight; or (3) meet community development needs having a particular urgency. The Town provided new residential loans in the amount of \$5,450, received back \$84,034 in loan principal repayments and wrote off \$50,572 as a bad debt for a property that was foreclosed. The total loan balance at June 30, 2015 was \$850,067 (net of an allowance for uncollectible loans). Restricted fund balance of \$269,072 is available for future loan assistance.

**Capital or Nonrecurring Fund.** This fund accounts for the financial revenues including resources from borrowing to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes. There are fifty-five separate projects, a summary of which can be found in Note II.E. of the notes to financial statements. The capital projects fund's revenue and other financing sources exceeded its expenditures by \$317,714, primarily due to the STEAP grant for the Nystrom's track and tennis courts project and school construction grants for the re-roofing the Town's three schools.

**Communications System Fund.** This fund accounts for the purchase and construction of a Town-wide communication system used by emergency personnel (police, fire and ambulance) and other town departments. The Town received a \$500,000 STEAP grant from the State of Connecticut and the balance of the cost was bonded by the Town. Construction of new towers began in 2012 and the final radios were installed in the fall of 2014. The remaining fund balance for the project at June 30, 2015 was \$26,535.

### **General Fund Budgetary Highlights**

There was an additional appropriation during the year of \$350,627 use of fund balance to fund a sewer line repair on Kennedy Drive (\$281,135), eliminate the deficit fund balance in the Transfer Station Fund (\$29,930) and offset the variance between budgeted and actual expenditures in the General Fund (\$39,562).

Transfers from contingency of \$100,000 were made during the year as follows:

- \$7,943 transferred to Capital or Nonrecurring for repairs to the Thomaston Public Library.
- \$92,057 to help defray year end overruns.

Management's Discussion and Analysis (continued)

The following summarizes the year end overruns and the budgets that were used to defray those overages:

<u>Overrun:</u>		<u>Funded by:</u>	
Board of Selectmen	\$ 606	Social Services	\$ 56
Board of Finance	201	Housing, Land Use & Develop.	142
Retiree Medical insurance	1,610	Board of Assessment Appeals	150
Emergency Management	247	Animal Control	282
Fire Marshal	99	Minibus	530
Tree removal	411	Treasurer	985
Nystroms Park	570	Economic Development	1,365
Insurance	3,364	Elections	232
Town Hall Oper. & Maint.	7,488	Elections	1,846
Town Clerk	5,547	Computer Information Systems	2,325
Unemployment	14,725	Visiting Nurse Medical services	2,625
Fire Protection	9,984	Pension - Town employees	3,277
Ambulance	2,964	Tax Collector	3,502
Street Lighting	3,290	Groundwater remediation	3,766
Recreation	12,247	Independent Audit	3,890
Public Library	12,308	Fire Hydrants	8,133
Legal	54,957	Tax Assessor	10,727
Social Security	53,855	Solid Waste & Recycling	18,139
Communications & Dispatch	28,661	Pension - Volunteer	13,688
Public Works	20,112	Pension - Volunteer	9,312
Snow & Ice removal	53,842	Fringe Benefits	25,497
		Police	44,998
		Contingency	92,057
		Surplus - Prior Years	39,564
	<hr/>		<hr/>
Total	<u>\$287,088</u>	Total	<u>\$287,088</u>

**Capital Assets and Debt Administration**

**Capital assets.** The Town's investment in capital assets for its governmental activities as of June 30, 2015 amounts to \$63,828,968 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, vehicles, machinery and equipment, sewer lines, roads, bridges, sidewalks and system storm drains. The total increase in the Town's investment in capital assets for the current fiscal year was \$479,590 (0.8%). This increase is due to Phase I Construction at Nystroms, sewer line repairs on Kennedy Drive and the purchase of a fire truck and an ambulance. Only those assets which cost \$5,000 or more with a useful life exceeding one year are capitalized. Assets costing less than \$5,000 are expensed.

**Capital Assets - Net**

	2015	2014
Land	\$ 1,315,620	\$ 1,315,620
Construction in progress	6,634,773	5,930,141
Buildings	31,659,743	32,262,489
Land improvements	491,586	467,606
Machinery and equipment	3,253,321	3,153,020
Intangible assets	3,624	6,041
Vehicles	1,498,620	806,679
Infrastructure	18,971,681	19,407,782
<b>TOTAL</b>	<b>\$ 63,828,968</b>	<b>\$ 63,349,378</b>

Major capital asset events during the current fiscal year included the following:

- Roofing work continued at Black Rock School, Town Hall and the Library. Total costs capitalized were \$102,033 and construction in progress increased by \$17,781.
- The Board of Education purchased and capitalized Chromebooks totaling \$299,813.
- The Opera House Commission received approval for a Historic Preservation matching grant not to exceed \$50,000 to remove a production booth and upgrade lighting and electrical in the Opera House. Total costs capitalized were \$122,616.
- Construction in progress for the Town-wide Communication system was increased by \$135,820 to \$3,948,465.
- New vehicles and equipment included a woodchipper (\$37,380), a payloader with a wing attachment (\$135,477), a fire truck (\$598,741), an ambulance (\$214,409) and two pickup trucks for the Fire Department (\$55,260).
- Additional items recorded as construction in progress include construction of sewer lines on Kennedy Drive (\$246,641) and Phase I of the track & tennis project (\$679,456) and the initial costs for the reconstruction of the Walnut Hill Bridge (\$60,800).

Additional information on the Town's capital assets can be found in Note III. C.

**Long-term debt.** At the end of the current fiscal year, the Town had total bonded debt outstanding of \$23,985,000. All debt is backed by the full faith and credit of the Town. The remainder of the Town's debt represents notes totaling \$3,021,140 funded by the State of Connecticut Clean Water Fund, and unamortized bond premium of \$815,417.

**TOWN OF THOMASTON'S OUTSTANDING DEBT  
LONG-TERM OBLIGATIONS**

	2015	2014
General obligation bonds	\$ 23,985,000	\$ 19,520,000
Notes	3,021,140	3,566,374
Bond anticipation notes	-	6,025,000
Bond premium	815,417	608,756
<b>Total</b>	<b>\$ 27,821,557</b>	<b>\$ 29,720,130</b>

On October 16, 2014, Standard & Poor's assigned ratings of AA and SP-1 to the Town's general obligation bonds and bond anticipation notes, respectively, and affirmed its AA long-term rating on the Town's parity debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$128,082,052, which is significantly in excess of the Town's outstanding general obligation debt.

On November 6, 2014, the Town issued \$6,025,000 General Obligation Bonds for the Town-wide communication system (\$3,475,000), the municipal building roofs (\$2,250,000) and computers for the Board of Education (\$300,000) and \$795,000 of bond anticipation notes for a fire truck (\$600,000), a pay-loader (\$145,000) and the balance on behalf of the Thomaston Volunteer Ambulance Corp for an ambulance (\$50,000).

On May 19, 2015, the Town issued \$6,455,000 of General Obligation Refunding Bonds to refund at or prior to maturity the Town's 2005 and 2010 Series A General Obligation Bonds.

Additional information on the Town's long-term debt can be found in Note III. F.

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

- The unemployment rate for the Town is currently 4.5%, which is a decrease from a rate of 5.8% a year ago. The Town's rate is favorable compared to the State rate of 5.5% and the Hartford Labor Market rate of 5.4%. While Connecticut is still in line with the national average of 5.2%, the overall market has not seen significant upward movement and unemployment rates are expected to stay somewhat elevated through 2016.
- The Town is under even greater fiscal pressure from voter opposition in the tax levy. Voter opposition remains regardless of the fact that the Town has no control over its significant revenue sources other than property taxes. The Town faces cost increases from contractual obligations as well as fixed costs, and failed budgets will only result in loss of services, personnel and infrastructure improvements.

These factors were considered in preparing the Town's budget for the 2015-2016 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Tracy Decker, CPA, Town of Thomaston, CT 158 Main Street, Thomaston, CT. 06787.

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2015

<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 1,064,232
Investments.....	6,662,960
Receivables:	
Property taxes.....	240,786
Assessments/use charges.....	118,566
Loans.....	134,605
Intergovernmental.....	679,257
Other.....	146,171
Other assets.....	<u>15,117</u>
Total Current assets.....	<u>9,061,694</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments.....	84,740
Permanently restricted:	
Investments.....	<u>200,200</u>
Total Restricted assets.....	<u>284,940</u>
Receivables (net):	
Property taxes.....	297,715
Assessments/use charges.....	133,703
Loans.....	715,462
Intergovernmental.....	438,331
Notes.....	<u>48,510</u>
Total Receivables (net).....	<u>1,633,721</u>
Capital assets (net of accumulated depreciation):	
Land.....	1,315,620
Construction in progress.....	6,634,773
Buildings.....	31,659,743
Land improvements.....	491,586
Machinery and equipment.....	3,253,321
Intangible assets.....	3,624
Vehicles.....	1,498,620
Infrastructure.....	<u>18,971,681</u>
Total Capital assets (net of accumulated depreciation).....	<u>63,828,968</u>
Total Noncurrent assets.....	<u>65,747,629</u>
TOTAL ASSETS.....	<u>74,809,323</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding.....	393,947
Deferred outflow related to pensions.....	<u>974,867</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>1,368,814</u>

(Continued)

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2015

<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable.....	\$ 1,136,185
Accrued payroll.....	414,745
Accrued interest payable.....	96,096
Unearned revenue.....	85,385
Bond anticipation notes.....	795,000
Bonds and notes payable.....	2,680,430
Capital lease payable.....	24,527
Compensated absences.....	152,447
Other liabilities.....	163,649
	<hr/>
Total Current liabilities.....	5,548,464
Noncurrent liabilities:	
Bonds and notes payable and related liabilities.....	25,141,127
Net pension liability.....	5,026,516
OPEB obligations.....	6,425,989
Compensated absences.....	863,869
Other liabilities.....	169,089
	<hr/>
Total Noncurrent liabilities.....	37,626,590
	<hr/>
TOTAL LIABILITIES.....	43,175,054
 <u>DEFERRED INFLOWS OF RESOURCES</u> 	
Deferred inflow related to pensions.....	199,267
	<hr/>
 <u>NET POSITION</u> 	
Net investment in capital assets.....	35,802,178
Restricted for:	
Endowments:	
Nonexpendable.....	95,700
Expendable.....	13,170
Perpetual Care:	
Nonexpendable.....	104,500
Expendable.....	71,570
Housing and development.....	169,072
Sewer assessment.....	130,651
Other.....	47,158
Unrestricted.....	(3,630,183)
	<hr/>
TOTAL NET POSITION.....	\$ 32,803,816
	<hr/> <hr/>

(Concluded)

TOWN OF THOMASTON, CONNECTICUTSTATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
General government.....	\$ 1,468,054	\$ 149,298	\$ 5,000	\$ 250	\$ (1,313,506)
Public safety.....	3,164,883	243,508	600	16,771	(2,904,004)
Public works.....	4,907,857	1,314,456	223,708		(3,369,693)
Health and welfare.....	203,022	473	12,484		(190,065)
Culture and recreation.....	1,034,470	54,212	32,969	702,678	(244,611)
Housing and development.....	460,058	68,995		37,962	(353,101)
Education.....	17,988,363	188,604	8,176,146	1,473,271	(8,150,342)
Interest expense.....	675,831				(675,831)
<b>TOTAL.....</b>	<b>\$ 29,902,538</b>	<b>\$ 2,019,546</b>	<b>\$ 8,450,907</b>	<b>\$ 2,230,932</b>	<b>\$ (17,201,153)</b>
GENERAL REVENUES:					
Property taxes.....					\$ 18,156,595
Grants and contributions not restricted to specific programs.....					521,843
Investment income.....					34,434
Miscellaneous.....					30,314
<b>TOTAL GENERAL REVENUES.....</b>					<b>18,743,186</b>
<b>CHANGE IN NET POSITION.....</b>					<b>1,542,033</b>
<b>NET POSITION - JULY 1, 2014 (AS RESTATED).....</b>					<b>31,261,783</b>
<b>NET POSITION - JUNE 30, 2015.....</b>					<b>\$ 32,803,816</b>

TOWN OF THOMASTON, CONNECTICUT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	GENERAL	DEBT SERVICE	SMALL CITIES	CAPITAL OR NONRECURRING	COMMUNICATION SYSTEM	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>							
Cash.....	\$ 399,278	\$	\$ 319,568	\$	\$	\$ 345,386	\$ 1,064,232
Investments.....	5,907,835	236		36,876		1,002,953	6,947,900
Receivables, net:							
Property taxes.....	554,303						554,303
Assessments/use charges.....						198,207	198,207
Loans.....			850,067				850,067
Intergovernmental.....				504,646		19,272	523,918
Other.....	92,549					53,622	146,171
Due from other funds.....	199,848	1,430,073		1,053,919	54,684	181,144	2,919,668
Other assets.....	8,142					6,975	15,117
<b>TOTAL ASSETS.....</b>	<b>\$ 7,161,955</b>	<b>\$ 1,430,309</b>	<b>\$ 1,169,635</b>	<b>\$ 1,595,441</b>	<b>\$ 54,684</b>	<b>\$ 1,807,559</b>	<b>\$ 13,219,583</b>
<u>LIABILITIES</u>							
Accounts payable.....	\$ 455,929	\$	\$ 35,108	\$ 535,606	\$ 28,149	\$ 81,393	\$ 1,136,185
Accrued payroll.....	367,380					47,365	414,745
Due to other funds.....	2,668,216					251,452	2,919,668
Unearned revenue.....			15,388			69,997	85,385
Bond anticipation notes.....		50,000		745,000			795,000
<b>TOTAL LIABILITIES.....</b>	<b>3,491,525</b>	<b>50,000</b>	<b>50,496</b>	<b>1,280,606</b>	<b>28,149</b>	<b>450,207</b>	<b>5,350,983</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable revenue - property taxes.....	454,737						454,737
Unavailable revenue - sewer charges.....	48,510					198,207	246,717
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>503,247</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>198,207</b>	<b>701,454</b>
<u>FUND BALANCES</u>							
Nonspendable.....			850,067			200,200	1,050,267
Restricted.....			269,072			262,549	531,621
Committed.....				314,835	26,535	696,396	1,037,766
Assigned.....	160,000	1,380,309					1,540,309
Unassigned.....	3,007,183						3,007,183
<b>TOTAL FUND BALANCES.....</b>	<b>3,167,183</b>	<b>1,380,309</b>	<b>1,119,139</b>	<b>314,835</b>	<b>26,535</b>	<b>1,159,145</b>	<b>7,167,146</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES .....</b>	<b>\$ 7,161,955</b>	<b>\$ 1,430,309</b>	<b>\$ 1,169,635</b>	<b>\$ 1,595,441</b>	<b>\$ 54,684</b>	<b>\$ 1,807,559</b>	<b>\$ 13,219,583</b>

(Continued)

**TOWN OF THOMASTON, CONNECTICUT**

RECONCILIATION OF FUND BALANCE  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2015

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$	7,167,146
---	----	-----------

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning capital assets.....		63,349,378
Current year additions (net of construction in progress).....		2,399,439
Depreciation expense.....		(1,892,790)
Disposal of assets.....		(27,059)

OTHER LONG-TERM ASSETS AND DEFERRED OUTFLOWS ARE NOT AVAILABLE TO PAY CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE UNAVAILABLE IN THE FUNDS:

Property tax, sewer use and sewer assessment interest and lien accrual.....		345,260
School building grant receivable.....		593,670
Notes receivable.....		48,510
Allowance for doubtful accounts.....		(307,000)
Deferred outflow related to pensions.....		974,867
Deferred charge on refunding.....		393,947

OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE UNAVAILABLE IN THE FUNDS:

Property tax, sewer use and sewer assessment receivable - accrual basis change.....		701,454
---	--	---------

SOME LIABILITIES AND DEFERRED INFLOWS, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds and notes payable.....		(27,006,140)
Bond premium.....		(815,417)
Capital lease payable.....		(24,527)
Net pension liability.....		(5,026,516)
Net OPEB obligations.....		(6,425,989)
Compensated absences.....		(1,016,316)
Other liabilities.....		(332,738)
Accrued interest payable.....		(96,096)
Deferred inflow related to pensions.....		(199,267)

NET POSITION OF GOVERNMENTAL ACTIVITIES.....	\$	<u>32,803,816</u>
--	----	-------------------

(Concluded)

TOWN OF THOMASTON, CONNECTICUTSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	GENERAL	DEBT SERVICE	SMALL CITIES	CAPITAL OR NONRECURRING	COMMUNICATION SYSTEM	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>							
Property taxes.....	\$ 18,337,484	\$	\$	\$	\$	\$	\$ 18,337,484
Charges for services.....	365,467			36,360		1,662,426	2,064,253
Intergovernmental.....	8,030,707		30,337	1,971,755		1,057,241	11,090,040
Contributions.....				203,129		72,572	275,701
Income from investments.....	9,846	277	400	55		10,346	20,924
Net change in fair value of investments.....						13,510	13,510
Other.....	17,773			12,541			30,314
<b>TOTAL REVENUES.....</b>	<b>26,761,277</b>	<b>277</b>	<b>30,737</b>	<b>2,223,840</b>	<b>-</b>	<b>2,816,095</b>	<b>31,832,226</b>
<b>EXPENDITURES:</b>							
<b>Current:</b>							
General government.....	3,690,634			41,542		4,994	3,737,170
Public safety.....	1,553,218			62,484		2,709	1,618,411
Public works.....	1,635,579			70,430		1,289,286	2,995,295
Health and welfare.....	84,315					69,251	153,566
Culture and recreation.....	426,054			18,107		88,611	532,772
Housing and development.....	138,100		174,063	7,568			319,731
Education.....	15,560,482			55,085		1,288,068	16,903,635
Debt service.....		3,225,948		34,887			3,260,835
Capital outlay.....				2,069,601	135,820	194,018	2,399,439
<b>TOTAL EXPENDITURES.....</b>	<b>23,088,382</b>	<b>3,225,948</b>	<b>174,063</b>	<b>2,359,704</b>	<b>135,820</b>	<b>2,936,937</b>	<b>31,920,854</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>3,672,895</b>	<b>(3,225,671)</b>	<b>(143,326)</b>	<b>(135,864)</b>	<b>(135,820)</b>	<b>(120,842)</b>	<b>(88,628)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Issuance of refunding bonds.....		6,455,000					6,455,000
Payment to refunded bonds escrow agent.....		(6,654,127)					(6,654,127)
Bond premiums.....		611,263					611,263
BAN premiums.....		6,988					6,988
Transfers in.....	15,000	3,100,813		453,578		274,397	3,843,788
Transfers out.....	(3,660,821)					(182,967)	(3,843,788)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>(3,645,821)</b>	<b>3,519,937</b>	<b>-</b>	<b>453,578</b>	<b>-</b>	<b>91,430</b>	<b>419,124</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>27,074</b>	<b>294,266</b>	<b>(143,326)</b>	<b>317,714</b>	<b>(135,820)</b>	<b>(29,412)</b>	<b>330,496</b>
<b>FUND BALANCES - JULY 1, 2014.....</b>	<b>3,140,109</b>	<b>1,086,043</b>	<b>1,262,465</b>	<b>(2,879)</b>	<b>162,355</b>	<b>1,188,557</b>	<b>6,836,650</b>
<b>FUND BALANCES - JUNE 30, 2015.....</b>	<b>\$ 3,167,183</b>	<b>\$ 1,380,309</b>	<b>\$ 1,119,139</b>	<b>\$ 314,835</b>	<b>\$ 26,535</b>	<b>\$ 1,159,145</b>	<b>\$ 7,167,146</b>

**TOWN OF THOMASTON, CONNECTICUT**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES  
(EXHIBIT B) ARE DUE TO:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ 330,496

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 by which capital outlays exceeded depreciation in the current period:

Capital outlay.....	2,399,439
Depreciation expense.....	<u>(1,892,790)</u>
 Total .....	 <u>506,649</u>

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net position. In the Statement of Activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold... (27,059)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

School building grant receipts.....	(162,059)
Notes receivable.....	(8,868)
Change in property tax, sewer use and sewer assessment receivable - accrual basis change.....	(114,679)
Change in property tax, sewer use and sewer assessment interest and lien revenue.....	<u>(102,049)</u>
 Total .....	 <u>(387,655)</u>

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Issuance of refunding bonds.....	(6,455,000)
Premium.....	(412,136)
Deferred charge on refunding.....	165,000
Principal repayments:	
General obligation bonds.....	1,725,000
Notes payable.....	545,234
Refunded bonds.....	6,290,000
Capital lease.....	<u>60,363</u>
 Total .....	 <u>1,918,461</u>

(Continued)

**TOWN OF THOMASTON, CONNECTICUT**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of bond premium.....	\$ 205,475
Pension expense.....	102,542
Net OPEB obligation.....	(1,172,892)
Compensated absences.....	136,474
Termination benefits.....	(112,402)
Accrued interest payable.....	71,617
Amortization of deferred charges on refunding.....	<u>(29,673)</u>
Total .....	<u>(798,859)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT B) .....	<u>\$ 1,542,033</u>
	(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Property taxes.....	\$ 17,782,772	\$ 17,782,772	\$ 18,337,484	\$ 554,712
Charges for services.....	248,795	248,795	365,467	116,672
Intergovernmental.....	6,775,614	6,775,614	6,732,196	(43,418)
Income from investments.....	10,000	10,000	9,846	(154)
Other.....	17,884	17,884	17,773	(111)
<b>TOTAL REVENUES.....</b>	<b>24,835,065</b>	<b>24,835,065</b>	<b>25,462,766</b>	<b>627,701</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	3,723,713	3,690,634	3,690,634	-
Public safety.....	1,556,132	1,553,218	1,553,218	-
Public works.....	1,588,373	1,635,579	1,635,579	-
Health and welfare.....	87,527	84,315	84,315	-
Culture and recreation.....	400,929	426,054	426,054	-
Housing and development.....	139,607	138,100	138,100	-
Education.....	14,261,971	14,261,971	14,261,971	-
<b>TOTAL EXPENDITURES.....</b>	<b>21,758,252</b>	<b>21,789,871</b>	<b>21,789,871</b>	<b>-</b>
<b>EXCESS ( DEFICIENCY ) OF REVENUES OVER EXPENDITURES.....</b>	<b>3,076,813</b>	<b>3,045,194</b>	<b>3,672,895</b>	<b>627,701</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriation of fund balance.....	250,000	600,627		(600,627)
Transfers in.....	15,000	15,000	15,000	-
Transfers out.....	(3,341,813)	(3,660,821)	(3,660,821)	-
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>(3,076,813)</b>	<b>(3,045,194)</b>	<b>(3,645,821)</b>	<b>(600,627)</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>27,074</b>	<b>\$ 27,074</b>
FUND BALANCE - JULY 1, 2014.....			3,140,109	
FUND BALANCE - JUNE 30, 2015.....			<u>\$ 3,167,183</u>	

TOWN OF THOMASTON, CONNECTICUTSTATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>				
Cash.....	\$	\$	\$ 1,265	\$ 319,040
Investments:				
Certificates of Deposit.....			6,644	4,330
Mutual Funds:				
Money Market.....	115,836	25,079		
Equity.....	8,779,466	95,626		
Bonds.....	5,709,172	54,873		
Total Investments.....	14,604,474	175,578	6,644	4,330
Interest receivable.....	20,447	83		
TOTAL ASSETS.....	14,624,921	175,661	7,909	323,370
<u>LIABILITY</u>				
Accounts payable.....	14,685	220		323,370
<u>NET POSITION</u>				
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS AND OTHER PURPOSES.....	\$ 14,610,236	\$ 175,441	\$ 7,909	\$ -

TOWN OF THOMASTON, CONNECTICUTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2015

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS
<b>ADDITIONS:</b>			
Contributions:			
Employer.....	\$ 830,000	\$ 631,108	\$
Employees.....	167,530		
Total contributions.....	997,530	631,108	-
Investment income (loss):			
Net change in fair value of investments.....	62,268	1,759	
Interest and dividends.....	326,083	3,212	27
Total investment income (loss).....	388,351	4,971	27
Less investment expenses.....	22,280	500	
Net investment income (loss).....	366,071	4,471	27
<b>TOTAL ADDITIONS.....</b>	<b>1,363,601</b>	<b>635,579</b>	<b>27</b>
<b>DEDUCTIONS:</b>			
Benefits.....	1,015,713	606,108	
Administration.....	35,337	475	
<b>TOTAL DEDUCTIONS.....</b>	<b>1,051,050</b>	<b>606,583</b>	<b>-</b>
<b>CHANGES IN NET POSITION.....</b>	<b>312,551</b>	<b>28,996</b>	<b>27</b>
<b>NET POSITION - JULY 1, 2014.....</b>	<b>14,297,685</b>	<b>146,445</b>	<b>7,882</b>
<b>NET POSITION - JUNE 30, 2015.....</b>	<b>\$ 14,610,236</b>	<b>\$ 175,441</b>	<b>\$ 7,909</b>

**TOWN OF THOMASTON, CONNECTICUT**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**HISTORY AND ORGANIZATION**

The Town of Thomaston, Connecticut (the "Town") was incorporated July 6, 1875, and operates under the provisions of the General Statutes of the State of Connecticut. The legislative power of the Town is vested in a Board of Selectmen and the Town Meeting. The Town provides the following services: Public Safety (police, fire and ambulance), Public Works (streets and solid waste), Public Health and Welfare, Culture and Recreation (parks, programs and public library), Housing and Development (building and land use) and Education encompassing grades PreK-12.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Agency funds do not have a measurement focus, but are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Tax revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers tax revenues to be available if they are collected within 25 days of the end of the current fiscal period. For reimbursement grants, the Town considers revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, expenditure reimbursement type grants, certain intergovernmental revenues, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, long-term debt, principal, interest and related costs.

The *Small Cities Fund* accounts for the revolving loans for commercial and residential use under the Federal program administered by the Department of Economic and Community Development. Revenue consists of interest due on loan repayments and investment income.

The *Capital or Nonrecurring Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes.

The *Communication System Fund* accounts for the full replacement of the Town-wide radio communication system.

Additionally, the Town reports the following fund types:

The *Pension Trust Fund* accounts for the activities of the Town's Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

The *Other Post-Employment Benefit Trust Fund* accounts for the activities of the Town OPEB Plan, which accumulates resources for retiree medical and life insurance benefits.

The *Private-Purpose Trust Funds* are used to account for resources legally held in trust for educational purposes.

The *Agency Funds* account for monies held on-behalf of students and various community organizations and committees and amounts held for performance bonds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the Town's sewer usage fund and the various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, including special assessments, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town of Thomaston pension plan and the Connecticut State Teachers' Retirement System (CTRS) have been determined on the same basis as they are reported by the Town of Thomaston pension plan and CTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity**

**1. Deposits and Investments**

Deposits - The Town considers cash as cash on hand, demand deposits and money market accounts.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned other than the Capital or Nonrecurring Fund whose interest is recorded in the General Fund.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

**1. Deposits and Investments (Continued)**

Pension fund investments may be invested in fixed income, equities and real estate. The target asset allocation is 40% fixed income, 55% equities and 5% real estate. There are also minimum and maximum target levels defined. Professional investment managers are employed to manage the assets allocated to them. The Retirement Plan Committee, as trustee of the pension plan, is responsible for overall investment policy.

Method used to value investments - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

**2. Receivables and Payables**

**a. Interfunds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

**b. Property Taxes and Other Receivables**

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 70 percent of outstanding receivable balances and are calculated based upon prior collections.

Loan receivables consist of low interest bearing loans to Town residents and businesses primarily for residential rehabilitation and economic development. The loans were provided through the State Department of Economic and Community Development Small Cities grant program.

In the fund financial statements, all property taxes receivable at June 30, which have not been collected within 25 days of June 30, have been recorded as a deferred inflows of resources since they are not considered to be available to finance expenditures of the current year. Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

**3. Restricted Assets**

The restricted assets of the Town are restricted for endowment purposes determined by the donor requests.

**4. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	100
Land improvements	20-50
Machinery and equipment	3-40
Intangible assets	10
Vehicles	8-15
Infrastructure:	
Roads	50-75
Sewer lines	65
Storm drains	65

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources related to pensions for changes in assumptions and return on investments. These deferred outflows will be amortized over the average remaining service life of all plan members. The Town also reports a deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

**5. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenue from several sources: property taxes, grants and user charges. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town also reports a deferred inflow of resources related to pensions for experience losses. This deferred inflow will be amortized over a five year period.

**6. Compensated Absences**

All employees are granted vacation and sick time based upon contractual provisions. Employees are not permitted to carry vacation days from one calendar year to the next without prior approval. The Board of Education employees are paid vacation on a fiscal year basis and, therefore, unused vacation lapses at June 30. The Town employees are paid vacation on an anniversary date basis and, therefore, a liability for unused vacation has been recorded. Certified employees at the Board of Education may accumulate up to 165 days of unused sick time or 150 days for employees hired after June 30, 1998. Employees are one-third vested with 20 - 24 years of service and two-thirds vested with 25 or more years of service. Unused sick time does not accumulate for certified employees hired after July 1, 1992. A liability in the amount of \$412,400 and \$5,463 has been accrued for certified teachers and administrators, respectively, and \$332,738 has been accrued for severance payments for retirees.

For employees other than certified teachers, sick leave accrues at the rate of 1¼ days per month, cumulative to a maximum of one hundred days. Upon the death or pension retirement of an employee, the estate of, or such employee, shall receive a sum of money equal to the accumulated sick days times the rate of pay per day of such employee at the time of such death or retirement. Employees who resign or are terminated are not entitled to their unused sick days. Police officers hired after July 1, 2005 are entitled to 45 percent up to a maximum of 50 days; public works employees hired after January 1, 2006 are entitled to 50 percent up to a maximum of 50 days; and sewer and white collar employees hired after July 1, 2005 are not entitled to the benefit. A liability in the amount of \$84,584 has been accrued for non-certified Board of Education employees and \$513,869 for Town employees.

Compensated absences are only reported in governmental funds if they are due and payable to an employee who has resigned or retired before or at fiscal year end.

TOWN OF THOMASTON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

**7. Net Position Flow Assumption**

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**8. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**9. Fund Equity and Net Position**

In the government-wide financial statements, net position is classified into the following categories:

**Net Investment in Capital Assets**

This category presents the net position that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purpose is excluded.

**Restricted Net Position**

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

**Unrestricted Net Position**

The category presents the net position of the Town, which is not restricted.

In the fund financial statements, fund balances are classified into the following categories:

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. **Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

9. **Fund Equity and Net Position (Continued)**

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

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

Committed

This category presents amounts that can be used only for specific purposes established, modified or rescinded through resolutions approved by Town Meeting for capital and appropriation and Board of Finance for special revenue and other commitments.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passage of a resolution by the Board or a properly approved purchase order.

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

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

The Board of Finance adopted a minimum fund balance policy for the general fund. The policy is that Town Boards shall propose budgets that provide for the unassigned fund balance at fiscal year end to be not less than 5 percent nor more than 10 percent of the total operating general fund expenditures.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

**10. Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

**11. Comparative Data/Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting**

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The general fund is the only fund for which a legal budget is adopted.

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to the annual Town Meeting at which taxpayer comments are obtained. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally adopted by vote at the annual Town budget meeting.
- The Board of Selectmen and the Board of Education are authorized to transfer budgeted amounts within departments. Transfers of budgeted amounts between departments must be approved by the Board of Finance.
- The Board of Finance can approve additional appropriations for a department, provided such additional appropriations do not exceed \$20,000. Appropriations in excess of \$20,000 must be approved by vote of a Town Meeting. There was an additional appropriation of \$350,627 from fund balance during the year.
- Formal budgetary integration is employed as a management control device during the year.
- Except for encumbrance accounting and the on-behalf payment, the budget is prepared on the modified accrual basis of accounting.

TOWN OF THOMASTON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**A. Budgets and Budgetary Accounting (continued)**

- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Board of Finance approval and, if over \$20,000, Town Meeting approval.

**B. Budget - GAAP Reconciliation**

A reconciliation of revenues and expenditures between the accounting treatment required by GAAP (Exhibit D), and budgetary requirements (Exhibit F), is as follows:

	<u>REVENUES</u>	<u>EXPENDITURES</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F.....	\$ 25,462,766	\$ 21,789,871
State Teachers' Retirement on-behalf payment.....	<u>1,298,511</u>	<u>1,298,511</u>
BALANCE, GAAP BASIS, EXHIBIT D.....	<u>\$ 26,761,277</u>	<u>\$ 23,088,382</u>

**C. Donor-Restricted Endowments**

The Town has received certain endowments for the maintenance of the Hillside Cemetery and fire department operation purposes. The amounts are reflected in net position as restricted for endowments. Investment income (including appreciation) is approved for expenditure by the individual Boards. At June 30, 2015, the amount of appreciation (depreciation) included in restricted fund balance of the Hillside Cemetery Trust was \$88,727.

**D. Capital Project Authorizations**

The following is a summary of certain capital projects at June 30, 2015:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Thomaston High School and Center School	\$16,280,000	\$15,366,050	\$913,950

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**E. Capital or Nonrecurring Project Authorizations**

The following is a summary of capital or nonrecurring projects at June 30, 2015:

	PROJECT AUTHORIZATION	CURRENT YEAR EXPENDITURES	CUMULATIVE EXPENDITURES	BALANCE JUNE 30, 2015
Assessors revaluation.....	\$ 524,875	\$ 360	\$ 478,637	\$ 46,238
Beautification: Seth Thomas Park sign .....	625		171	454
BOE projects .....	431,835	410,617	410,617	21,218
Bradstreet House repairs.....	400			400
Christmas lights - reserve .....	12,000	10,000	10,000	2,000
Emergency shelter.....	6,770	6,284	6,284	486
Energy efficiency project.....	3,172,835	17,938	3,038,535	134,300
Fire Department projects .....	673,245	355,271	654,001	19,244
Grove Manor: chimney swift roost.....	7,625	143	143	7,482
Highway Department projects .....	11,071,249	249,775	10,765,045	306,204
Housing for Economic Growth Grant.....	36,981		40,652	(3,671)
K-9 donation reserves.....	10,015		9,904	111
Library building repairs.....	16,050	16,050	16,050	-
Opera House renovation.....	55,395	6,000	51,603	3,792
Park bench wood repairs .....	1,125		889	236
Park & Recreation: Playground equipment ...	10,623			10,623
Police Department projects.....	207,485	51,198	178,650	28,835
P&Z: Plan of conservation & development....	56,000	7,425	52,545	3,455
Roof replacement schools & town buildings..	4,020,227	167,367	3,480,943	539,284
Skate park proceeds.....	1,090			1,090
Town-wide sick pay reserve.....	877,274		840,398	36,876
Track Committee .....	381,136	679,456	761,302	(380,166)
Town Hall projects .....	583,397	69,347	467,647	115,750
TVAC projects .....	29,925	5,002	13,533	16,392
WPCA projects .....	456,135	307,471	437,419	18,716
Total .....	\$ 22,644,317	\$ 2,359,704	\$ 21,714,968	\$ 929,349

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES**

**A. Cash and Investments**

Deposits - Custodial Credit Risk - Custodial credit risk is risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2015, \$2,105,868 of the Town's bank balance of \$3,156,401 (including certificates of deposit and money market funds) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized .....	\$ 1,845,281
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name .....	<u>260,587</u>
Total amount subject to custodial credit risk .....	<u>\$ 2,105,868</u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

At June 30, 2015, the Town's investments (including restricted investments) consisted of the following investment types and maturities. Specific identification was used to determine the maturities.

TYPE OF INVESTMENT	INVESTMENT MATURITIES (IN YEARS)				
	FAIR VALUE	N/A	LESS THAN 1	1-5 YEARS	5-10 YEARS
Mutual Funds:					
Equity.....	\$ 8,875,092	\$ 8,875,092	\$	\$	\$
Money Market.....	140,915		140,915		
Bond .....	6,115,646			351,601	5,764,045
Certificates of Deposit.....	234,706		234,706		
Bank Money Market Funds .....	1,198,601		1,198,601		
Pooled Fixed Income .....	5,103,434		5,103,434		
Common Stock.....	<u>70,532</u>	<u>70,532</u>			
TOTAL.....	<u>\$ 21,738,926</u>	<u>\$ 8,945,624</u>	<u>\$ 6,677,656</u>	<u>\$ 351,601</u>	<u>\$ 5,764,045</u>

Interest rate risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - The Town has no investment policy that would limit its investment choices due to credit risk in addition to abiding by State Statutes, which govern investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

The Town's investments subject to credit risk has average ratings by Standard & Poor's as follows:

AVERAGE RATING	POOLED FIXED INCOME	BOND MUTUAL FUNDS	MONEY MARKET MUTUAL FUNDS
AAA.....	\$ 5,103,434	\$ 3,000,614	\$ 140,915
AA.....		351,601	
A.....		830,889	
BBB.....		842,183	
BB.....		278,838	
B.....		533,960	
Below B.....		277,561	
TOTAL.....	\$ 5,103,434	\$ 6,115,646	\$ 140,915

Custodial credit risk - The Town does not have a formal policy with respect to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

The investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money market funds.

The Town did not have any investments at June 30, 2015 subject to custodial credit risk since the common stock is held in the Town's name.

**B. Receivables**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's financial statements with allowances for uncollectible accounts as of June 30, 2015, including the applicable allowances for uncollectible accounts, are presented below.

	PROPERTY TAXES		
	TAXES	INTEREST & LIEN FEES	TOTAL
Current Portion.....	\$ 198,712	\$ 42,074	\$ 240,786
Long-term Portion.....	\$ 355,591	\$ 242,124	\$ 597,715
Less Allowance for Uncollectibles.....	(100,000)	(200,000)	(300,000)
Net Long-term Portion.....	\$ 255,591	\$ 42,124	\$ 297,715

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. **DETAILED NOTES (CONTINUED)**

B. **Receivables (Continued)**

	<u>SEWER USE/ASSESSMENTS</u>			<u>CDBG LOANS</u>
	<u>CHARGES</u>	<u>INTEREST &amp; LIEN FEES</u>	<u>TOTAL</u>	
Current Portion.....	<u>\$ 90,572</u>	<u>\$ 27,994</u>	<u>\$ 118,566</u>	<u>\$ 134,605</u>
Long-term Portion .....	\$ 107,635	\$ 33,068	\$ 140,703	\$ 815,462
Less Allowance for Uncollectibles .....	<u>(5,500)</u>	<u>(1,500)</u>	<u>(7,000)</u>	<u>(100,000)</u>
Net Long-term Portion .....	<u>\$ 102,135</u>	<u>\$ 31,568</u>	<u>\$ 133,703</u>	<u>\$ 715,462</u>

C. **Capital Assets**

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>BALANCE JULY 1, 2014</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE JUNE 30, 2015</u>
<u>Capital Assets, not being depreciated:</u>				
Land.....	\$ 1,315,620	\$	\$	\$ 1,315,620
Construction in progress .....	5,930,141	1,742,431	1,037,799	6,634,773
Total capital assets, not being depreciated .....	<u>7,245,761</u>	<u>1,742,431</u>	<u>1,037,799</u>	<u>7,950,393</u>
<u>Capital assets, being depreciated:</u>				
Buildings.....	41,606,819	294,289		41,901,108
Land improvements .....	1,347,004	51,496		1,398,500
Machinery and equipment.....	8,424,923	480,613	45,000	8,860,536
Intangible assets .....	24,165			24,165
Vehicles.....	2,832,942	868,409	42,995	3,658,356
Infrastructure .....	<u>25,541,993</u>			<u>25,541,993</u>
Total capital assets, being depreciated .....	<u>79,777,846</u>	<u>1,694,807</u>	<u>87,995</u>	<u>81,384,658</u>
Total capital assets .....	<u>87,023,607</u>	<u>3,437,238</u>	<u>1,125,794</u>	<u>89,335,051</u>
<u>Less accumulated depreciation for:</u>				
Buildings.....	9,344,330	897,035		10,241,365
Land improvements .....	879,398	27,516		906,914
Machinery and equipment.....	5,271,903	362,286	26,974	5,607,215
Intangible assets .....	18,124	2,417		20,541
Vehicles.....	2,026,263	167,435	33,962	2,159,736
Infrastructure .....	<u>6,134,211</u>	<u>436,101</u>		<u>6,570,312</u>
Total accumulated depreciation.....	<u>23,674,229</u>	<u>1,892,790</u>	<u>60,936</u>	<u>25,506,083</u>
Total Capital Assets, being depreciated, net...	<u>56,103,617</u>	<u>(197,983)</u>	<u>27,059</u>	<u>55,878,575</u>
Capital Assets, net .....	<u>\$ 63,349,378</u>	<u>\$ 1,544,448</u>	<u>\$ 1,064,858</u>	<u>\$ 63,828,968</u>

TOWN OF THOMASTON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**C. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the Town as follows:

General government .....	\$ 116,093
Public safety .....	154,446
Public works .....	854,259
Culture and recreation.....	216,052
Housing and development .....	1,130
Education .....	<u>550,810</u>
Total Depreciation Expense .....	<u>\$ 1,892,790</u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2015. At year end, the Town's commitments with contractors were as follows:

<u>Project Description</u>	<u>Commitment</u>
Nystrom's Track .....	\$ 114,630

**D. Interfund Accounts**

**1. Interfund Payables and Receivables**

At June 30, 2015, the amounts due from and due to other funds were as follows:

INTERFUND PAYABLE FUND	INTERFUND RECEIVABLE FUND						TOTAL
	GENERAL FUND	DEBT SERVICE FUND	CAPITAL OR NON-RECURRING	COMMUN- ICATION SYSTEM	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR CAPITAL PROJECTS FUNDS	
GENERAL FUND.....	\$	\$ 1,380,073	\$ 1,052,315	\$ 54,684	\$ 65,314	\$ 115,830	\$ 2,668,216
DEBT SERVICE FUND.....							-
CAPITAL OR NONRECURRING FUND.....							-
NONMAJOR FUNDS:							
SPECIAL REVENUE FUNDS:							
School lunch fund.....	19,783						19,783
Education grants fund.....	112,829						112,829
Transfer station fund.....	13,234						13,234
EMS fund.....	15,000	50,000					65,000
CAPITAL PROJECTS FUNDS:							
WPCA repair and replacement fund.....			1,604				1,604
PERMANENT FUNDS:							
Edith Kenea Park and Tree Fund.....	623						623
Hillside Cemetery Trust Fund.....	38,379						38,379
TOTAL NONMAJOR FUNDS.....	199,848	50,000	1,604	-	-	-	251,452
TOTAL.....	<u>\$ 199,848</u>	<u>\$ 1,430,073</u>	<u>\$ 1,053,919</u>	<u>\$ 54,684</u>	<u>\$ 65,314</u>	<u>\$ 115,830</u>	<u>\$ 2,919,668</u>

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts (Continued)**

1. **Interfund Payables and Receivables (Continued)**

The Debt Service interfunds balance is a result of amounts invested with General Fund monies. The capital projects balances relate to the timing of the payment of vendor invoices and the reimbursement of the general fund. All other interfund balances resulted from the time lag between the dates payments occurred between funds for short-term internal financing.

2. **Interfund Transfers**

A summary of interfund transfers for the year ended June 30, 2015 is as follows:

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS	TOTAL
TRANSFERS IN:				
GENERAL FUND.....	\$	\$	\$ 15,000	\$ 15,000
DEBT SERVICE FUND.....	3,100,813			3,100,813
CAPITAL OR NONRECURRING FUND.....	453,578			453,578
NONMAJOR FUNDS:				
SPECIAL REVENUE FUNDS:				
Sewer commission usage fund.....			91,280	91,280
School lunch fund.....	44,000			44,000
Transfer station fund.....	29,930			29,930
CAPITAL PROJECTS FUNDS:				
WPCA repair and replacement fund.....		76,687		76,687
Seth Thomas museum fund.....	6,500			6,500
PERMANENT FUNDS:				
Hillside Cemetery Trust Fund.....	26,000			26,000
TOTAL NONMAJOR FUNDS.....	106,430	76,687	91,280	274,397
TOTAL.....	\$ 3,660,821	\$ 76,687	\$ 106,280	\$ 3,843,788

Transfers are used to account for the financing by the General Fund of various programs and activities in the Debt Service, Capital Projects, Capital or Nonrecurring and Special Revenue Funds. In turn, the EMS fund offsets its budget by transferring money to the general fund. Operating surpluses (deficits) in the Sewer Commission Usage fund are transferred to (from) the WPCA Repair and Replacement Fund.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**E. Short-Term Obligations - Bond Anticipation Notes**

The Town uses bond anticipation notes ("BANs") during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the year ended June 30, 2015 was as follows:

PURPOSE	BALANCE JULY 1, 2014	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2015
Ambulance	\$ 101,000	\$ 50,000	\$ 101,000	\$ 50,000
CNR	750,000	745,000	750,000	745,000
Communication system	324,000		324,000	-
Total	\$ 1,175,000	\$ 795,000	\$ 1,175,000	\$ 795,000

The BANs carry an interest rate of 0.50% and mature in November 2015. In November 2015, the Town issued bond anticipation notes in the amount of \$2,910,000 with a coupon rate of 1.5% and a true interest cost of .599% maturing August 2016.

**F. Changes in Long-Term Obligations**

**1. Summary of Changes**

The following is a summary of changes in long-term obligations during the fiscal year:

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2014 (AS RESTATED)	ADDITIONS	DEDUCTIONS	REFUNDED	BALANCE JUNE 30, 2015	CURRENT PORTION
<b>BONDS/NOTES</b>										
General Purpose:										
Refunding bond.....	\$ 417,938	02/05/10	08/15/18	1.50-3.00%	\$ 219,040	\$	\$ 45,880	\$ 5,490,000	\$ 173,160	\$ 44,400
Improvement bond.....	7,520,000	02/05/10	02/01/30	2.00-4.00	5,895,000		405,000		-	
Refunding bond.....	140,008	12/21/10	12/01/22	2.00-4.00	99,790		13,507		86,283	13,406
Improvement bond.....	4,570,571	05/01/13	05/01/33	2.00-4.00	4,325,926		242,405		4,083,521	239,049
Improvement bond.....	5,725,000	11/01/14	11/01/34	3.00-4.00	5,725,000				5,725,000	290,000
Refunding bond.....	5,809,500	05/19/15	02/01/30	3.00-4.00		5,809,500			5,809,500	432,000
Total General Purpose.....					16,264,756	5,809,500	706,792	5,490,000	15,877,464	1,018,855
Schools:										
Improvement bond.....	7,700,000	04/15/05	04/15/25	3.75-4.50%	800,000			800,000	-	-
Refunding bond.....	2,402,062	02/05/10	08/15/18	1.50-3.00	1,260,960		264,120		996,840	255,600
Refunding bond.....	6,244,960	12/21/10	12/01/22	2.00-4.00	4,451,052		602,465		3,848,587	597,970
Improvement bond.....	2,164,429	05/01/13	05/01/33	2.00-4.00	2,069,074		97,595		1,971,479	100,951
Improvement bond.....	300,000	11/01/14	11/01/34	3.00-4.00	300,000				300,000	60,000
Refunding bond.....	645,500	05/19/15	02/01/30	3.00-4.00		645,500			645,500	48,000
Total Schools.....					8,881,086	645,500	964,180	800,000	7,762,406	1,062,521
Sewer:										
Clean water.....	1,077,413	04/30/97	04/30/16	2.00%	116,547		63,042		53,505	53,505
Clean water.....	9,091,656	02/28/02	03/31/21	2.00	3,449,827		482,192		2,967,635	491,925
Refunding bond.....	556,000	12/21/10	12/01/22	2.00-4.00	399,158		54,028		345,130	53,624
Total Sewer.....					3,965,532	-	599,262	-	3,366,270	599,054
TOTAL BONDS/NOTES.....					29,111,374	6,455,000	2,270,234	6,290,000	27,006,140	2,680,430
PREMIUMS.....					608,756	412,136	205,475	-	815,417	-
TOTAL BOND/NOTES AND RELATED LIABILITIES.....					29,720,130	6,867,136	2,475,709	6,290,000	27,821,557	2,680,430
CAPITAL LEASE OBLIGATIONS.....					84,890		60,363	-	24,527	24,527
NET PENSION LIABILITY.....					4,353,458	2,001,322	1,328,264	-	5,026,516	-
NET OPEB OBLIGATIONS.....					5,253,097	1,960,020	787,128	-	6,425,989	-
COMPENSATED ABSENCES.....					1,152,790	142,074	278,548	-	1,016,316	152,447
TERMINATION BENEFITS (SEVERANCE).....					220,336	269,708	157,306	-	332,738	163,649

TOWN OF THOMASTON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**F. Changes in Long-Term Obligations (Continued)**

**1. Summary of Changes (Continued)**

All long-term liabilities are generally liquidated by the General Fund.

The following is a summary of debt maturities and of amounts to be provided by the State of Connecticut for repayment of school bonds:

FISCAL YEAR	BONDS		NOTES		STATE REIMBURSEMENT	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$ 2,135,000	\$ 683,837	\$ 545,430	\$ 55,347	\$ 147,363	\$ 7,975
2017	1,990,000	683,494	501,854	44,926	144,907	5,993
2018	1,940,000	615,769	511,984	34,796	142,451	3,717
2019	1,910,000	549,406	522,318	24,462	139,995	1,269
2020	1,620,000	487,481	532,861	13,919		
2021	1,560,000	430,731	406,693	3,397		
2022	1,415,000	384,681				
2023	1,405,000	340,131				
2024	1,395,000	298,212				
2025	1,385,000	255,875				
2026	980,000	214,800				
2027	975,000	185,400				
2028	965,000	157,050				
2029	965,000	128,975				
2030	965,000	99,500				
2031	610,000	69,413				
2032	610,000	50,426				
2033	610,000	32,126				
2034	275,000	13,235				
2035	275,000	4,467				
<b>TOTALS</b>	<b>\$23,985,000</b>	<b>\$ 5,685,009</b>	<b>\$ 3,021,140</b>	<b>\$ 176,847</b>	<b>\$ 574,716</b>	<b>\$ 18,954</b>

**2. Statutory Debt Limitations**

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

CATEGORY	DEBT LIMIT	NET INDEBTEDNESS	BALANCE
General purpose .....	\$ 41,169,231	\$16,672,464	\$ 24,496,767
Schools.....	82,338,462	7,187,690	75,150,772
Sewers .....	68,615,385	345,130	68,270,255
Urban renewal.....	59,466,667		59,466,667
Pension deficit.....	54,892,308		54,892,308

TOWN OF THOMASTON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**III. DETAILED NOTES (CONTINUED)**

**F. Changes in Long-Term Obligations (Continued)**

**2. Statutory Debt Limitations (Continued)**

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$128,082,052.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$574,716 for bond principal is reflected as deductions in the computation of net indebtedness.

**3. Capital Leases**

At June 30, 2015, the Town is committed under capital leases for phone system and vehicles. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Phone system and vehicles totaling \$182,063, net of accumulated depreciation of \$38,315, are recorded under the leases as of June 30, 2015. This year, \$17,207 was included in depreciation expense.

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments as of June 30, 2015:

Year Ending <u>June 30,</u>	
2016	\$ 25,657
Less amount representing interest	<u>(1,130)</u>
Present value of minimum lease payments	<u>\$ 24,527</u>

**4. Termination Benefits**

The Board of Education provides severance benefit payments to eligible former employees. Benefits are paid annually based on the retirement agreement for each employee and are payable through 2018. The benefits were paid from the General Fund Board of Education Department.

TOWN OF THOMASTON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

5. Environmental Remediation

The Town settled a claim relating to contamination resulting from use of underground storage tanks. The Town is working with the State on a plan of remediation that it filed with the State of Connecticut Department of Environmental Protection. Under terms of the remediation plan, the Town is responsible for annual operation and maintenance costs relating to the remediation system. The Town does not expect any future environmental remediation costs; therefore, no liability has been recorded as of June 30, 2015.

6. Authorized/Unissued Bonds

The amount of authorized, unissued bonds is \$8,301,505, as follows:

PROJECT	BONDING AUTHORIZATION	PREVIOUSLY BONDED	AUTHORIZED BUT UNISSUED
Wastewater Treatment plant system upgrade ....	\$ 13,291,607	\$ 13,117,462	\$ 174,145
Black Rock School renovations.....	6,530,000	6,400,000	130,000
Altair Avenue Bridge project.....	220,000	106,572	113,428
Public works trucks.....	324,460	309,316	15,144
Refunding bonds.....	9,000,000	6,945,000	2,055,000
Seven Year Road Program .....	10,674,500	10,674,112	388
WPCA Upgrade – Phosphorus effluent limits.....	725,000		725,000
Ambulance I.....	80,000		80,000
Ambulance II.....	75,000		75,000
Communication system .....	3,975,000	3,475,000	500,000
Municipal building roofs.....	3,998,400	2,250,000	1,748,400
Fire truck.....	600,000		600,000
Payloader.....	150,000		150,000
Board of Education computers.....	300,000	300,000	-
Refunding bonds.....	7,000,000	6,455,000	545,000
WPCA sewer lines.....	1,390,000		1,390,000
<b>TOTAL .....</b>	<b>\$ 58,333,967</b>	<b>\$ 50,032,462</b>	<b>\$ 8,301,505</b>

The Wastewater Treatment plant, Black Rock School renovations, Altair Avenue Bridge project and public works trucks are completed, and the Town does not intend to issue any bonds for the amounts authorized and unissued.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**III. DETAILED NOTES (CONTINUED)**

**F. Changes in Long-Term Obligations (Continued)**

**7. Current Year Advance Refunding**

In May 2015, the Town issued \$6,455,000 of general obligation refunding bonds with an average interest rate of 3.01%. These refunding bonds were issued to advance refund and defease debt issued in 2010. The refunding resulted in an economic gain of \$350,360, with a total savings of \$407,644.

**G. Restricted Net Position**

The amount of restricted net position, which was restricted by enabling legislation, totaled \$159,417 at June 30, 2015.

**H. Fund Balances**

As of June 30, 2015, fund balances are composed of the following:

	GENERAL FUND	DEBT SERVICE	SMALL CITIES	CAPITAL OR NON- RECURRING	COMM- UNICATION SYSTEM	NONMAJOR FUNDS	TOTAL
<b><u>NONSPENDABLE:</u></b>							
Permanent fund principal.....	\$	\$	\$	\$	\$	\$ 200,200	\$ 200,200
Revolving loan program.....			850,067				850,067
TOTAL NONSPENDABLE.....	-	-	850,067	-	-	200,200	1,050,267
<b><u>RESTRICTED:</u></b>							
Cemetery maintenance.....						71,570	71,570
School lunch operations.....						22,456	22,456
Library operations.....						18,392	18,392
Park maintenance.....						12,370	12,370
Other.....						7,110	7,110
Revolving loan program.....			269,072				269,072
Debt service.....						130,651	130,651
TOTAL RESTRICTED.....	-	-	269,072	-	-	262,549	531,621
<b><u>COMMITTED:</u></b>							
Fire department - training.....						12,729	12,729
Public safety - EMS.....						4,841	4,841
Cemetery maintenance.....						341,338	341,338
Other.....	-					7,454	7,454
Recreation programs.....						15,975	15,975
Approved CNR projects.....				314,835	26,535	314,059	655,429
TOTAL COMMITTED.....	-	-	-	314,835	26,535	696,396	1,037,766
<b><u>ASSIGNED:</u></b>							
Subsequent year's budget.....	160,000						160,000
Future debt service payments.....		1,380,309					1,380,309
TOTAL ASSIGNED.....	160,000	1,380,309	-	-	-	-	1,540,309
<b><u>UNASSIGNED:</u></b>							
.....	3,007,183						3,007,183
TOTAL.....	\$ 3,167,183	\$ 1,380,309	\$ 1,119,139	\$ 314,835	\$ 26,535	\$ 1,159,145	\$ 7,167,146

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**IV. OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies.

The Town of Thomaston is a member of the Connecticut Interlocal Risk Management Agency ("CIRMA"), an unincorporated association of Connecticut local public agencies, which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's workers' compensation pool, a risk sharing pool, which began on July 1, 1980. The workers' compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. CIRMA's workers' compensation pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10 million per occurrence. Settled claims have not exceeded commercial coverage in any of the past three years, and there have not been any significant reductions in insurance coverage from amounts held in prior years.

The Town is a self-insured provider of claims under C.G.S. 7-433c, the Heart and Hypertension Act.

**B. Commitments and Litigation**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

**C. Pension Plan**

**1. Plan Description**

Plan Administration

The Town administers the Town of Thomaston Retirement Plan - a single-employer defined benefit pension plan that provides pensions for any person who has completed or is expected to complete a Year of Participation Service with a minimum of 1,250 hours and is employed by the employer, including the school nurse and paid elected officials. The plan was established through an ordinance at a Town Meeting and may be amended by the Board of Selectmen per Article IX of the Pension Plan. The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial statements as a pension trust fund. The plan does not issue stand-alone financial statements.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plan (Continued)**

**1. Plan Description (Continued)**

Management of the plan is vested in the Retirement Committee, which consists of four members appointed by the Board of Selectmen.

Plan membership

At January 1, 2015, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits .....	72
Inactive plan members entitled to but not yet receiving benefits.....	19
Active plan members .....	<u>69</u>
Total .....	<u>160</u>

This plan was closed to new entrants during 2010. At that time, employees became eligible for participation in the Town's 457(b) deferred compensation plan.

**2. Benefit Provisions**

The plan provides retirement, disability and death benefits. Retirement benefits for Town employees are calculated as 2 percent of final average compensation times credited service for benefit accrual purposes, to a maximum of 50 percent of final average compensation. Town plan members employed after January 1, 1998 with 25 years of credited service can retire at the earlier of age 65 or 62. For Town plan members employed before January 1, 1998, they can retire at the earlier of age 55 and 10 years of credited service or the completion of 25 years of credited service. Town plan members with 10 years of credited service are eligible to receive an actuarially reduced benefit at age 55.

Retirement benefits for Police and the Superintendent of Highways are calculated as 2.25 percent of final average compensation times credited service for benefit accrual purposes to a maximum of 67.5 percent of final average compensation. Police plan members can retire at full benefits at age 50 and the completion of 10 years of credited service, or the completion of 25 years of credited service.

All plan members are eligible for disability benefits after 10 years of service who become disabled. Disability retirement benefits are determined in the same manner as retirement benefits and are paid as an annuity, reduced by any workers' compensation payments. Death benefits will be paid if a member reaches age 55 and has at least 10 years of service. For a surviving spouse, the death benefit will be equal to 50 percent of the accrued benefit. If a participant dies without a surviving spouse, the beneficiary will receive a payment equal to the participant's net amount of contributions.

A plan member who leaves Town service may withdraw his or her net contributions. A plan member who completes 10 years of service may choose to receive his normal retirement benefit at the date of termination and commencing at his normal retirement age.

TOWN OF THOMASTON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plan (Continued)**

**2. Benefit Provisions (Continued)**

A plan member's retirement benefit may be increased, by majority vote of the Thomaston Pension Committee, for cost of living adjustments. Such benefit increase may be reviewed every year in accordance with past practices to determine the amount of cost of living increase, if any, to be granted.

**3. Contributions**

Article IV of the Pension Plan provides that employees make mandatory contributions of 2 – 8% as required by their respective collective bargaining agreements or by their employment agreement with the employer.

The Town is required to contribute the amount determined by the actuary, considering the member contributions.

For the year ended June 30, 2015, the average active member contribution rate was 4.0% of annual base compensation, and the Town's average contribution rate was 22.40% of annual payroll.

**4. Investments**

*Investment policy.* The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Committee by a majority vote of its members. It is the policy of the Town's Retirement Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of June 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	40%
Domestic Equities	35%
International Equities	20%
Real Estate	<u>5%</u>
Total	<u>100%</u>

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plan (Continued)**

**5. Concentrations**

There were no investments in any one organization that represents 5% or more of the pension plan's net position.

**6. Rate of Return**

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**7. Net Pension Liability**

The components of the net pension liability at June 30, 2015 were as follows:

Total pension liability	\$ 19,636,752
Plan Fiduciary net position	<u>(14,610,236)</u>
Net pension liability	<u>\$ 5,026,516</u>
Plan fiduciary net position as percentage of the total pension liability	<u>74.40%</u>

**8. Actuarial Assumptions**

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age
Asset valuation method	Fair value
Post-retirement increases	None
Inflation	3.00%
Salary increase	4.00%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality rates	Based on the RP 2014+ Mortality with social security generational improvement scale from 2006

TOWN OF THOMASTON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plan (Continued)**

**8. Actuarial Assumptions (Continued)**

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	4.22%
International Equity	4.74%
Fixed Income	1.08%
Real Estate	3.40%
Cash	(.73)%

The weighted average expected rate of return is 3.03%.

**9. Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of 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 THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plan (Continued)**

**10. Changes in the Net Pension Liability**

The Town's net pension liability was measured at June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The changes in net pension liability for the year ended June 30, 2015 were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at June 30, 2014	\$ 18,651,143	\$ 14,297,685	\$ 4,353,458
Service cost	363,897		363,897
Interest	1,295,503		1,295,503
Differences between expected and actual experience	(265,689)		(265,689)
Changes of assumptions	607,611		607,611
Contributions - employer		830,000	(830,000)
Contributions - member		167,530	(167,530)
Net investment income		366,071	(366,071)
Benefit payments, including refunds of member contributions	(1,015,713)	(1,015,713)	
Administrative expenses		(35,337)	35,337
Net change	<u>985,609</u>	<u>312,551</u>	<u>673,058</u>
Balance at June 30, 2015	<u>\$ 19,636,752</u>	<u>\$ 14,610,236</u>	<u>\$ 5,026,516</u>

The changes in assumptions had a minimal impact on the required contribution.

**11. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability, calculated using the discount rate of 7.00% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net Pension Liability	\$ 7,124,322	\$ 5,026,516	\$ 3,131,189

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**C. Pension Plan (Continued)**

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

For the year ended June 30, 2015, the Town recognized pension expense of \$728,048. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description of outflows/inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 199,267
Changes in assumptions	455,708	
Net difference between projected and actual earnings on pension plan investments	<u>519,159</u>	
Total	<u>\$ 974,867</u>	<u>\$ 199,267</u>
Net amount of deferred inflow and outflow excluding Town contributions subsequent to measurement date		<u>\$ 775,600</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive, which was also 5 years.

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

Year Ending June 30:	
2016	\$ 215,271
2017	215,271
2018	215,269
2019	<u>129,789</u>
Total	<u>\$ 775,600</u>

**IV. OTHER INFORMATION (CONTINUED)****D. Pension Plan – Connecticut State Teachers' Retirement Plan****1. Plan Description**

Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (TRS) - a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board (TRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

**2. Benefit Provisions**

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of average annual salary.

**3. Contributions**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

**Employer (School Districts)**

School District employers are not required to make contributions to the plan.

**Employees**

Effective July 1, 1992, each teacher is required to contribute 6% of their salary for the pension benefit.

TOWN OF THOMASTON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**D. Pension Plan – Connecticut State Teachers’ Retirement Plan (Continued)**

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

The Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town’s proportionate share of the net pension liability	\$	-
State’s proportionate share of the net pension liability associated with the Town		<u>17,306,889</u>
Total	\$	<u>17,306,889</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2015, the Town recognized pension expense and revenue of \$1,298,511 for on-behalf amounts for the benefits provided by the State.

**5. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010.

TOWN OF THOMASTON, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**D. Pension Plan – Connecticut State Teachers’ Retirement Plan (Continued)**

**5. Actuarial Assumptions (Continued)**

Future cost-of-living increases- For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers’ Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers’ Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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 asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
Total	100.0%	

**IV. OTHER INFORMATION (CONTINUED)****D. Pension Plan – Connecticut State Teachers' Retirement Plan (Continued)****6. Discount Rate**

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of 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.

**7. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The Town's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

**8. Plan Fiduciary Net Position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2014.

**E. Other Post-Employment Benefits Plan****1. Plan Description**

The Town administers two single-employer, post-retirement healthcare plans: Town of Thomaston (Police, Sewer, Highway, Non-Union and White Collar) and the Board of Education (Administrators, AFSCME, Non-Union, Superintendent, Teachers and Non-Union Cafeteria). The Town plan provides medical and dental benefits for eligible retirees and their spouses. The Board of Education plan provides medical, dental and life insurance benefits to eligible retirees and their spouses. The plans do not issue stand-alone financial reports.

**2. Summary of Significant Accounting Policies and Plan Asset Matters****Basis of Accounting**

The OPEB trust fund is accounted for using the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contractual requirements, and revenue (investment income) is recognized when earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the plan.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**E. Other Post-Employment Benefits Plan (Continued)**

**3. Benefit Provisions and Contributions**

**a. Benefit Provisions**

The Town plan provides for medical and dental benefits for all eligible Town Highway, Police, Sewer and White Collar retirees and their spouses. The Board of Education plan provides medical, dental and life insurance benefits for all Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

**b. Employer Contributions**

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town and Board of Education's total plan contributions were \$631,108 and \$156,020, respectively.

**c. Employee Contributions**

There are no employee contributions to the plans.

**4. Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2014 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIAL ACCRUED LIABILITY (AAL)	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>TOWN</u>						
JULY 1, 2014	\$ 146,570	\$19,190,331	\$(19,043,761)	0.8%	\$2,471,848	(770.4%)
<u>BOARD OF EDUCATION</u>						
JULY 1, 2014	\$ -	\$ 5,404,325	\$(5,404,325)	0.0%	\$7,067,974	(76.5%)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedules of funding progress ("RSI-5"), immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**E. Other Post-Employment Benefits Plan (Continued)**

**5. Actuarial Methods and Assumptions**

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The data presented in the schedules of funding progress and schedules of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

Valuation Date	July 1, 2014
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	22 years open
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Investment rate of return - Town	5.33%
Investment rate of return - Board of Education	4.50%
Healthcare cost trend rate:	
Initial	9.00%
Ultimate	4.50%
Inflation rate:	3.00%

**6. Annual OPEB Cost and Net OPEB Obligation (NOO)**

The changes in the NOO were as follows:

	<u>TOWN</u>	<u>BOARD OF EDUCATION</u>
Annual required contribution .....	\$ 1,480,136	\$ 456,347
Interest on net OPEB obligation .....	180,707	83,822
Adjustment to annual required contribution .....	<u>(161,597)</u>	<u>(79,395)</u>
Annual OPEB cost .....	1,499,246	460,774
Contributions made .....	<u>(631,108)</u>	<u>(156,020)</u>
Change in net OPEB obligation .....	868,138	304,754
Net OPEB obligation - July 1, 2014 .....	<u>3,390,375</u>	<u>1,862,722</u>
Net OPEB obligation - June 30, 2015 .....	<u>\$ 4,258,513</u>	<u>\$ 2,167,476</u>

TOWN OF THOMASTON, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**IV. OTHER INFORMATION (CONTINUED)**

**E. Other Post-Employment Benefits Plan (Continued)**

**7. Three Year Trend Information**

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
TOWN			
2015	\$1,499,246	42.1%	\$4,258,513
2014	1,265,452	51.6%	3,390,375
2013	1,237,833	49.1%	2,777,494
BOARD OF EDUCATION			
2015	\$ 460,774	33.9%	\$2,167,476
2014	418,349	44.9%	1,862,722
2013	437,543	41.5%	1,632,388

**F. Prior Period Adjustment**

The government-wide net position was restated as follows:

Net position, as previously reported as of June 30, 2014	\$ 35,505,086
To remove net pension obligation previously recorded	110,155
To record beginning net pension liability (NPL)	<u>(4,353,458)</u>
Net position, as restated as of July 1, 2014	<u>\$ 31,261,783</u>

---

**Required  
Supplementary  
Information**

---

TOWN OF THOMASTON, CONNECTICUT

## TOWN OF THOMASTON RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY

LAST TWO YEARS

	2015	2014
Total pension liability:		
Service cost.....	\$ 363,897	\$ 401,270
Interest .....	1,295,503	1,269,639
Differences between expected and actual experience.....	(265,689)	(19,597)
Changes of assumptions.....	607,611	
Benefit payments, including refunds of member contributions.....	<u>(1,015,713)</u>	<u>(1,059,644)</u>
Net change in total pension liability.....	985,609	591,668
Total pension liability - July 1.....	<u>18,651,143</u>	<u>18,059,475</u>
Total pension liability - June 30 (a) .....	<u>\$ 19,636,752</u>	<u>\$ 18,651,143</u>
Plan fiduciary net position:		
Contributions - employer .....	\$ 830,000	\$ 924,999
Contributions - member.....	167,530	153,778
Net investment income .....	366,071	1,902,564
Benefit payments, including refunds of member contributions.....	(1,015,713)	(1,059,644)
Administrative expenses.....	<u>(35,337)</u>	<u>(31,839)</u>
Net change in plan fiduciary net position.....	312,551	1,889,858
Plan fiduciary net position - July 1.....	<u>14,297,685</u>	<u>12,407,827</u>
Plan fiduciary net position - June 30.....	<u>\$ 14,610,236</u>	<u>\$ 14,297,685</u>
Net pension liability - June 30 (a)-(b).....	<u>\$ 5,026,516</u>	<u>\$ 4,353,458</u>

TOWN OF THOMASTON, CONNECTICUT

## TOWN OF THOMASTON RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF NET PENSION LIABILITY

LAST TWO YEARS

	2015	2014
Total pension liability.....	\$ 19,636,752	\$ 18,651,143
Plan fiduciary net position.....	(14,610,236)	(14,297,685)
Net pension liability.....	<u>\$ 5,026,516</u>	<u>\$ 4,353,458</u>
Plan fiduciary net position as a percentage of the total pension liability.....	<u>74.40%</u>	<u>76.66%</u>
Covered-employee payroll.....	<u>\$ 3,309,461</u>	<u>\$ 3,285,183</u>
Net pension liability as a percentage of covered-employee payroll.....	<u>151.88%</u>	<u>132.52%</u>

## SCHEDULE OF INVESTMENT RETURNS

	2015	2014
Annual money weighted rate of return, net investment expense.....	<u>1.89%</u>	<u>15.34%</u>

TOWN OF THOMASTON, CONNECTICUT

## TOWN OF THOMASTON RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS

LAST 10 YEARS

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION EXCESS (DEFICIENCY)	COVERED-EMPLOYEE PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
2015	\$ 741,399	\$ 830,000	\$ 88,601	\$ 3,309,461	25.08%
2014	734,912	924,999	190,087	3,285,183	28.16%
2013	824,021	895,000	70,979	3,381,120	26.47%
2012	852,964	913,000	60,036	3,805,200	23.99%
2011	820,223	946,555	126,332	3,838,262	24.66%
2010	882,428	1,015,078	132,650	4,122,857	24.62%
2009	880,798	753,078	(127,720)	4,311,802	17.47%
2008	703,728	719,078	15,350	4,158,634	17.29%
2007	728,462	692,000	(36,462)	3,945,508	17.54%
2006	713,064	642,000	(71,064)	3,700,000	17.35%

TOWN OF THOMASTON, CONNECTICUT

TOWN OF THOMASTON RETIREMENT SYSTEM

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2015

Changes of benefit terms	2015- effective July 1, 2015, the sewer union contribution rate will increase to 6.5%
Changes of assumptions	2015- The mortality table for police, public works, WPCA, and highway members has been updated to RP-2014 blue collar mortality with social security generational improvement scale from 2006. The mortality table for all other members and beneficiaries has been updated to the RP-2014 total mortality with social security generational improvement scale from 2006.
Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of January 1, 2015, one year prior to the end of the fiscal year in which contributions are reported

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry age
Amortization Method	Level dollar, 20 years closed
Asset Valuation Method	Fair value of assets on the measurement date adjusted for a five year phase in of gains and losses of plan assets
Inflation	3.00%
Salary Increases	4%, average, including inflation
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation

TOWN OF THOMASTON, CONNECTICUTREQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESSTHOMASTON OPEB PLANS

## LAST SIX YEARS

TOWN PLAN

ACTUARIAL VALUATION DATE JULY 1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIAL ACCRUED LIABILITY (AAL)	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER(UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
2014	\$ 146,570	\$ 19,190,331	\$ (19,043,761)	0.8%	\$ 2,471,848	-(770.4)%
2013	93,552	15,904,480	(15,810,928)	0.6%	2,310,927	-(684.2)%
2012	85,194	15,644,587	(15,559,393)	0.5%	2,243,618	-(693.5)%
2011	82,105	12,841,107	(12,759,002)	0.6%	2,400,858	-(531.4)%
2010	-	12,662,763	(12,662,763)	0.0%	2,330,960	-(543.2)%
2009	-	14,302,699	(14,302,699)	0.0%	2,794,282	-(511.9)%

BOARD OF EDUCATION PLAN

ACTUARIAL VALUATION DATE JULY 1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIAL ACCRUED LIABILITY (AAL)	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER(UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
2014	\$ -	\$ 5,404,325	\$ (5,404,325)	0.0%	\$ 7,067,974	-(76.5)%
2013	-	5,064,158	(5,064,158)	0.0%	7,458,734	-(67.9)%
2012	-	5,308,995	(5,308,995)	0.0%	7,241,489	-(73.3)%
2011	-	5,153,488	(5,153,488)	0.0%	7,846,462	-(65.7)%
2010	-	5,278,926	(5,278,926)	0.0%	7,617,924	-(69.3)%
2009	-	5,382,969	(5,382,969)	0.0%	7,874,313	-(68.4)%

TOWN OF THOMASTON, CONNECTICUTREQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF EMPLOYER CONTRIBUTIONSTHOMASTON OPEB PLANS

## LAST SEVEN YEARS

TOWN PLAN

ACTUARIAL VALUATION DATE JULY 1,	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
2014	\$ 1,480,136	\$ 631,108	42.6%
2013	1,249,797	652,571	52.2%
2012	1,225,729	607,716	49.6%
2011	1,059,036	514,196	48.6%
2010	1,045,568	582,499	55.7%
2009	1,071,050	499,864	46.7%
2008	1,026,727	475,073	46.3%

BOARD OF EDUCATION PLAN

ACTUARIAL VALUATION DATE JULY 1,	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
2014	\$ 456,347	\$ 156,020	34.2%
2013	414,469	188,015	45.4%
2012	434,272	181,447	41.8%
2011	495,837	159,683	32.2%
2010	514,993	164,335	31.9%
2009	534,839	186,177	34.8%
2008	507,023	171,098	33.7%

TOWN OF THOMASTON, CONNECTICUT

## TOWN OF THOMASTON OTHER POST-EMPLOYMENT BENEFIT PLANS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2015

---

Changes of benefit terms	None
Changes of assumptions	None

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level dollar
Remaining Amortization Period	22 years open
Asset Valuation Method	Fair Value
Inflation rate	3.00%
Investment Rate of Return - Town	5.33%
Investment Rate of Return - Board of Ed	4.50%
Healthcare Inflation rate - Initial	9.00%
Healthcare Inflation rate - Ultimate	4.50%

TOWN OF THOMASTON, CONNECTICUT

## STATE TEACHERS' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

JUNE 30, 2015

	2015
Town's proportion of the net pension liability	0.00%
Town's proportionate share of the net pension liability	\$ -
State of Connecticut's proportionate share of the net pension liability associated with Town	17,306,889
Total	\$ 17,306,889
Town's covered-employee payroll	(2) N/A
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	0.00%

## SCHEDULE OF CONTRIBUTIONS

	2015
Contractually required contribution (1)	(1) \$ -
Contributions in relation to the contractually required contribution	-
Contribution deficiency (excess)	\$ -
Town's covered-employee payroll	(2) N/A
Contributions as a percentage of covered-employee payroll	0.00%

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the net pension liability

TOWN OF THOMASTON, CONNECTICUT

## STATE TEACHERS' RETIREMENT SYSTEM

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2015

Changes of benefit terms	None
Changes of assumptions	In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted more closely to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.
Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2014, one year prior to the end of the fiscal year in which contributions are reported
Actuarial Cost Method	Entry age
Amortization Method	Level percent of salary, closed
Remaining Amortization Period	22.4 years
Asset Valuation Method	4 year smoothed market
Inflation	3.00%
Salary Increases	3.75%-7.00%, average, including inflation
Investment Rate of Return	8.50%, net of pension plan investment expense, including inflation

---

# **Supplemental Schedules**

---

---

## **General Fund**

---

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

**TOWN OF THOMASTON, CONNECTICUT**

GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>PROPERTY TAXES:</b>				
Taxes.....	\$ 17,291,822	\$ 17,291,822	\$ 17,849,055	\$ 557,233
Prior year taxes.....	300,000	300,000	284,487	(15,513)
Interest and lien fees.....	150,000	150,000	168,108	18,108
Housing authority in lieu of taxes.....	15,950	15,950	16,973	1,023
Telecommunications property tax.....	25,000	25,000	18,861	(6,139)
<b>TOTAL PROPERTY TAXES.....</b>	<b>17,782,772</b>	<b>17,782,772</b>	<b>18,337,484</b>	<b>554,712</b>
<b>CHARGES FOR SERVICES:</b>				
Building permits.....	40,000	40,000	60,809	20,809
Conveyance tax.....	35,000	35,000	36,491	1,491
Special duty police reimbursements.....	40,000	40,000	103,958	63,958
Accident reports.....	285	285	334	49
Gun permits.....	2,000	2,000	5,425	3,425
Vendor permits.....	300	300	420	120
Zoning and land use fees.....	8,500	8,500	8,186	(314)
Minibus fares.....	800	800	473	(327)
Recreation - Nystroms.....	3,675	3,675	3,500	(175)
CGS 51-56a (d) Police ticket revenue sharing.....	835	835		(835)
Other licenses, fees and permits.....	100	100	1,323	1,223
Fingerprinting.....	200	200	90	(110)
Town of Litchfield - Sewer upgrade.....	8,867	8,867	8,868	1
Dam patrol.....	16,733	16,733	16,733	-
False alarms.....	300	300		(300)
Parking fines.....	200	200	1,794	1,594
Dog fines and fees.....	4,000	4,000	7,041	3,041
Rent of Tower.....	72,000	72,000	86,356	14,356
Rent of Opera House.....	15,000	15,000	15,000	-
PA 09-229 LOCIP project funding.....			8,666	8,666
<b>TOTAL CHARGES FOR SERVICES.....</b>	<b>248,795</b>	<b>248,795</b>	<b>365,467</b>	<b>116,672</b>
<b>INTERGOVERNMENTAL:</b>				
Property tax relief - state owned property.....	38,453	38,453	40,663	2,210
Property tax relief - circuit breaker.....	56,375	56,375	55,138	(1,237)
Property tax relief - Veterans' exemption.....	8,448	8,448	10,538	2,090
Property tax relief - totally disabled.....	845	845	986	141
Property tax relief - Municipal grant in aid.....	371,822	371,822	371,822	-
Federal PILOT - land authorization.....	1,414	1,414	1,378	(36)
LOCIP.....	54,334	54,334		(54,334)
Education cost sharing.....	5,737,258	5,737,258	5,740,956	3,698
School construction grants.....	162,059	162,059	162,059	-
School transportation.....	54,080	54,080	51,440	(2,640)
Special education excess.....			32,191	32,191
Mashantucket Pequot.....	40,221	40,221	41,317	1,096
Town Aid Road.....	224,305	224,305	223,708	(597)
FEMA Public Assistance.....	26,000	26,000		(26,000)
<b>TOTAL INTERGOVERNMENTAL.....</b>	<b>6,775,614</b>	<b>6,775,614</b>	<b>6,732,196</b>	<b>(43,418)</b>

(Continued)

TOWN OF THOMASTON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
INCOME FROM INVESTMENTS.....	\$ 10,000	\$ 10,000	\$ 9,846	\$ (154)
OTHER:				
Recycling rebates.....			4,418	4,418
Sale of capital assets.....			7,449	7,449
Miscellaneous.....	17,884	17,884	5,906	(11,978)
TOTAL OTHER.....	17,884	17,884	17,773	(111)
TOTAL REVENUES.....	24,835,065	24,835,065	25,462,766	627,701
OTHER FINANCING SOURCES:				
Appropriation of fund balance.....	250,000	600,627		(600,627)
Transfers in:				
EMS Fund.....	15,000	15,000	15,000	-
TOTAL OTHER FINANCING SOURCES.....	265,000	615,627	15,000	(600,627)
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 25,100,065	\$ 25,450,692	\$ 25,477,766	\$ 27,074

(Concluded)

**TOWN OF THOMASTON, CONNECTICUT**

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>GENERAL GOVERNMENT:</b>				
Board of Selectmen.....	\$ 109,857	\$ 110,463	\$ 110,463	\$ -
Elections.....	22,154	20,076	20,076	-
Board of Finance.....	1,800	2,001	2,001	-
Treasurer.....	178,254	177,269	177,269	-
Computer information systems.....	24,205	21,880	21,880	-
Independent audit.....	54,025	50,135	50,135	-
Legal.....	93,000	147,957	147,957	-
Tax collector.....	112,268	108,765	108,765	-
Tax assessor.....	119,625	108,898	108,898	-
Board of Assessment Appeals.....	3,150	3,000	3,000	-
Insurance.....	374,696	378,060	378,060	-
Town Hall operations and maintenance.....	198,498	205,986	205,986	-
Town Clerk.....	52,911	58,458	58,458	-
Probate court.....	3,853	3,853	3,853	-
Social security.....	210,000	263,855	263,855	-
Unemployment expense.....	3,500	18,225	18,225	-
Pension - Town employees.....	583,618	580,341	580,341	-
Pension - Volunteer Firefighters and Ambulance.....	133,200	110,200	110,200	-
Medical / life insurance.....	734,269	708,772	708,772	-
Retirees medical insurance.....	602,568	604,178	604,178	-
Council of governments.....	3,368	3,368	3,368	-
CT Conference of Municipalities.....	4,894	4,894	4,894	-
Contingency.....	100,000	-	-	-
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>3,723,713</b>	<b>3,690,634</b>	<b>3,690,634</b>	<b>-</b>
<b>PUBLIC SAFETY:</b>				
Police.....	989,749	944,751	944,751	-
Emergency management.....	5,055	5,302	5,302	-
Communications and dispatch.....	271,910	300,571	300,571	-
Fire protection.....	134,557	144,541	144,541	-
Fire marshal.....	30,497	30,596	30,596	-
Ambulance.....	58,250	61,214	61,214	-
Tree removal.....	6,000	6,411	6,411	-
Animal control.....	60,114	59,832	59,832	-
<b>TOTAL PUBLIC SAFETY.....</b>	<b>1,556,132</b>	<b>1,553,218</b>	<b>1,553,218</b>	<b>-</b>
<b>PUBLIC WORKS:</b>				
Highways.....	498,225	518,337	518,337	-
Town Aid Road.....	224,305	224,305	224,305	-
Snow and ice removal.....	143,550	197,392	197,392	-
Street lighting.....	64,250	67,540	67,540	-
Fire hydrants.....	174,000	165,867	165,867	-
Solid waste and recycling.....	464,043	445,904	445,904	-
Groundwater remediation.....	20,000	16,234	16,234	-
<b>TOTAL PUBLIC WORKS.....</b>	<b>1,588,373</b>	<b>1,635,579</b>	<b>1,635,579</b>	<b>-</b>

(Continued)

TOWN OF THOMASTON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>HEALTH AND WELFARE:</b>				
Medical services.....	\$ 7,115	\$ 4,490	\$ 4,490	\$ -
Torrington Area Health District.....	41,666	41,666	41,666	-
Northwest Regional Mental Health Board.....	857	857	857	-
Social services.....	17,779	17,722	17,722	-
Elderly nutrition.....	3,525	3,525	3,525	-
Susan B. Anthony project.....	1,500	1,500	1,500	-
Minibus.....	14,085	13,555	13,555	-
Veterans' administration.....	1,000	1,000	1,000	-
<b>TOTAL HEALTH AND WELFARE.....</b>	<b>87,527</b>	<b>84,315</b>	<b>84,315</b>	<b>-</b>
<b>CULTURE AND RECREATION:</b>				
Recreation programs.....	82,100	94,347	94,347	-
Memorial Day.....	1,750	1,750	1,750	-
Nystroms Park.....	12,500	13,070	13,070	-
Public Library.....	304,579	316,887	316,887	-
<b>TOTAL CULTURE AND RECREATION.....</b>	<b>400,929</b>	<b>426,054</b>	<b>426,054</b>	<b>-</b>
<b>HOUSING AND DEVELOPMENT:</b>				
Conservation Commission.....	1,795	1,795	1,795	-
Economic Development Commission.....	2,200	835	835	-
Housing, Land Use and Development.....	135,612	135,470	135,470	-
<b>TOTAL HOUSING AND DEVELOPMENT.....</b>	<b>139,607</b>	<b>138,100</b>	<b>138,100</b>	<b>-</b>
<b>EDUCATION.....</b>	<b>14,261,971</b>	<b>14,261,971</b>	<b>14,261,971</b>	<b>-</b>
<b>TOTAL EXPENDITURES.....</b>	<b>21,758,252</b>	<b>21,789,871</b>	<b>21,789,871</b>	<b>-</b>
<b>OTHER FINANCING USES:</b>				
Transfers out:				
Debt Service Fund.....	2,940,000	2,940,000	2,940,000	-
Debt Service Fund (Education).....	160,813	160,813	160,813	-
School Lunch Fund.....	44,000	44,000	44,000	-
Transfer Station Fund.....	29,930	29,930	29,930	-
Hillside Cemetery Trust Fund.....	26,000	26,000	26,000	-
Capital or Nonrecurring .....	164,500	453,578	453,578	-
Seth Thomas/Bradstreet House.....	6,500	6,500	6,500	-
<b>TOTAL OTHER FINANCING USES.....</b>	<b>3,341,813</b>	<b>3,660,821</b>	<b>3,660,821</b>	<b>-</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES.....</b>	<b>\$ 25,100,065</b>	<b>\$ 25,450,692</b>	<b>\$ 25,450,692</b>	<b>\$ -</b>

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND  
REPORT OF TAX COLLECTOR  
YEAR ENDED JUNE 30, 2015

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2014	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS			UNCOLLECTED TAXES JUNE 30, 2015
			ADDITIONS	DEDUCTIONS			NET TAXES COLLECTED	INTEREST & LIENS	TOTAL	
2002	\$ 28,223	\$	\$	\$ 327	\$ 435	\$ 27,461	\$ 20,632	\$ 1,161	\$ 21,793	\$ 6,829
2003	79,186			155		79,031	33,691	26,474	60,165	45,340
2004	15,230			130	123	14,977	316	519	835	14,661
2005	24,764				83	24,681	949	2,432	3,381	23,732
2006	19,555				6,467	13,088	619	2,718	3,337	12,469
2007	23,806		378		7,537	16,647	4,194	3,520	7,714	12,453
2008	26,237		43	177	6,911	19,192	3,662	3,404	7,066	15,530
2009	19,941		48	108	3,487	16,394	2,328	2,172	4,500	14,066
2010	43,677		32	717	3,334	39,658	4,432	2,766	7,198	35,226
2011	94,575		3,299	3,379	1,985	92,510	26,465	7,445	33,910	66,045
2012	264,173		4,325	6,815	1,274	260,409	189,098	36,179	225,277	71,311
Total Prior Years	639,367	-	8,125	11,808	31,636	604,048	286,386	88,790	375,176	317,662
2013		18,128,653	19,720	66,387	1,199	18,080,787	17,844,146	78,114	17,922,260	236,641
<b>TOTAL</b>	<b>\$ 639,367</b>	<b>\$ 18,128,653</b>	<b>\$ 27,845</b>	<b>\$ 78,195</b>	<b>\$ 32,835</b>	<b>\$ 18,684,835</b>	<b>\$ 18,130,532</b>	<b>\$ 166,904</b>	<b>\$ 18,297,436</b>	<b>\$ 554,303</b>

---

# Nonmajor Governmental Funds

---

## Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

### Sewer Commission Usage Fund

To account for sewer use fees and expenditures of the sewer use fund, which was established to pay for the sewer plant operations.

### Sewer Commission Assessment & Appropriation Fund

To account for special sewer assessments for connections to the existing sewer lines.

### School Lunch Fund

To account for the receipts and expenditures associated with operating the school lunch program.

### Education Grant Fund

To account for the receipt and expenditures of Federal and state education grants.

### Town Clerk Preservation Fund

A fund established in accordance with House Bill 5178, *An Act Concerning Real Estate Filings and the Preservation of Historic Documents*, which requires a portion of recording fees to be deposited into this fund and the funds be restricted to preserving documents.

### Transfer Station Fund

To account for all revenues and expenditures associated with the reopening and operations of the Town transfer station.

### Fire Marshal Fund

To account for fees charged for investigations and permits. The monies will be used for education and training.

# **NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

---

## **Special Revenue Funds (Continued)**

### Neighborhood Assistance Program

To account for revenues and expenditures associated with the Neighborhood Watch Program.

### Thomaston Opera House

To account for all sales and expenditures associated with the operation of the Opera House.

### Public Library

To account for the grants and donations received by the public library.

### Recreation Fund

To account for the revenues and expenditures associated with athletic and cultural programs for residents of all ages.

### Public Safety

To account for the revenues and expenditures associated with the D.A.R.E. program and other substance abuse grants and to account for the revenues associated with the Town's participation in the Statewide Narcotics Task Force.

### Gift Fund

To account for the revenues and expenditures associated with various donations and grants, such as the Helen Philbrick Memorial fund, clock tower restoration, Citizen Emergency Response Team (CERT) and the replacement of defibrillators.

### Social Services Crisis Fund

To account for the donations in and donations out to those in need in Town.

### EMS Fund

To account for revenue received from the Thomaston Volunteer Ambulance Corp. related to billings for EMS transportation services less expenses associated with third party EMS services. The Corp. also retains \$1,600 per month of billing money for miscellaneous EMS expenses.

## **Capital Project Funds**

Capital project funds account for financial resources to be used for the construction or acquisition of capital equipment or facilities.

# NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

---

## Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

### Edith Kenea Park and Tree Fund

To account for money bequeathed to the Town of Thomaston for the purpose of replacing flowers and trees and beautification of Town parks.

### Fire Department Trust Fund

To account for money endowed to the Fire Department from Edith Kenea, for which only the interest may be used.

### Hillside Cemetery Trust Fund

To account for the endowments, perpetual care assets and operations of the Hillside Cemetery.

TOWN OF THOMASTON, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	SPECIAL REVENUE FUNDS										
	SEWER COMMISSION USAGE FUND	SEWER COMMISSION ASSESSMENT & APPROPRIATION FUND	SCHOOL LUNCH FUND	EDUCATION GRANT FUND	TOWN CLERK PRESERVATION FUND	TRANSFER STATION FUND	FIRE MARSHAL FUND	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE	PUBLIC LIBRARY	RECREATION FUND
<u>ASSETS</u>											
Cash.....	\$ 547	\$ 25,375	\$ 21,361	\$ 233,695	\$ 6,310	\$	\$ 1,188	\$ 806	\$ 472	\$ 18,392	\$
Investments.....		105,276				22,598					
Receivables:											
Assessments/use charges.....	198,207										
Intergovernmental.....			19,268	4							
Other.....				11,999							
Due from other funds.....	49,561										15,503
Other assets.....			6,975								
<b>TOTAL ASSETS.....</b>	<b>\$ 248,315</b>	<b>\$ 130,651</b>	<b>\$ 47,604</b>	<b>\$ 245,698</b>	<b>\$ 6,310</b>	<b>\$ 22,598</b>	<b>\$ 1,188</b>	<b>\$ 806</b>	<b>\$ 472</b>	<b>\$ 18,392</b>	<b>\$ 15,503</b>
<u>LIABILITIES</u>											
Accounts payable.....	\$ 38,146	\$	\$ 5,365	\$ 33,234	\$	\$ 1,518	\$	\$	\$	\$	\$
Accrued payroll.....	11,962			34,244		251					
Due to other funds.....			19,783	112,829		13,234					
Unearned revenue.....				62,402		7,595					
<b>TOTAL LIABILITIES.....</b>	<b>50,108</b>	<b>-</b>	<b>25,148</b>	<b>242,709</b>	<b>-</b>	<b>22,598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>											
Unavailable revenue - sewer charges.....	198,207										
<u>FUND BALANCES</u>											
Nonspendable.....											
Restricted.....		130,651	22,456		6,310					18,392	
Committed.....				2,989			1,188	806	472		15,503
<b>TOTAL FUND BALANCES.....</b>	<b>-</b>	<b>130,651</b>	<b>22,456</b>	<b>2,989</b>	<b>6,310</b>	<b>-</b>	<b>1,188</b>	<b>806</b>	<b>472</b>	<b>18,392</b>	<b>15,503</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 248,315</b>	<b>\$ 130,651</b>	<b>\$ 47,604</b>	<b>\$ 245,698</b>	<b>\$ 6,310</b>	<b>\$ 22,598</b>	<b>\$ 1,188</b>	<b>\$ 806</b>	<b>\$ 472</b>	<b>\$ 18,392</b>	<b>\$ 15,503</b>

TOWN OF THOMASTON, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS	PERMANENT FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	PUBLIC SAFETY	GIFT FUND	SOCIAL SERVICES CRISIS FUND	EMS FUND	TOTAL SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	EDITH KENEA PARK AND TREE FUND	FIRE DEPARTMENT TRUST FUND	HILLSIDE CEMETERY TRUST FUND		TOTAL PERMANENT FUNDS
<b>ASSETS</b>											
Cash.....	\$	\$ 3,642	\$ 426	\$	\$ 312,214	\$ 22,733	\$	\$	\$ 10,439	\$ 10,439	\$ 345,386
Investments.....	10,735		147	29,841	168,597	177,982	92,993	16,500	546,881	656,374	1,002,953
Receivables:											
Assessments/use charges.....					198,207					-	198,207
Intergovernmental.....					19,272					-	19,272
Other.....				40,000	51,999				1,623	1,623	53,622
Due from other funds.....		250			65,314	115,830				-	181,144
Other assets.....					6,975					-	6,975
<b>TOTAL ASSETS.....</b>	<b>\$ 10,735</b>	<b>\$ 3,892</b>	<b>\$ 573</b>	<b>\$ 69,841</b>	<b>\$ 822,578</b>	<b>\$ 316,545</b>	<b>\$ 92,993</b>	<b>\$ 16,500</b>	<b>\$ 558,943</b>	<b>\$ 668,436</b>	<b>\$ 1,807,559</b>
<b>LIABILITIES</b>											
Accounts payable.....	\$	\$	\$	\$	\$ 78,263	\$ 882	\$	\$	\$ 2,248	\$ 2,248	\$ 81,393
Accrued payroll.....					46,457				908	908	47,365
Due to other funds.....				65,000	210,846	1,604	623		38,379	39,002	251,452
Unearned revenue.....					69,997					-	69,997
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,000</b>	<b>405,563</b>	<b>2,486</b>	<b>623</b>	<b>-</b>	<b>41,535</b>	<b>42,158</b>	<b>450,207</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable revenue - sewer charges.....					198,207						198,207
<b>FUND BALANCES</b>											
Nonspendable.....					-		80,000	15,700	104,500	200,200	200,200
Restricted.....					177,809		12,370	800	71,570	84,740	262,549
Committed.....	10,735	3,892	573	4,841	40,999	314,059			341,338	341,338	696,396
<b>TOTAL FUND BALANCES.....</b>	<b>10,735</b>	<b>3,892</b>	<b>573</b>	<b>4,841</b>	<b>218,808</b>	<b>314,059</b>	<b>92,370</b>	<b>16,500</b>	<b>517,408</b>	<b>626,278</b>	<b>1,159,145</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 10,735</b>	<b>\$ 3,892</b>	<b>\$ 573</b>	<b>\$ 69,841</b>	<b>\$ 822,578</b>	<b>\$ 316,545</b>	<b>\$ 92,993</b>	<b>\$ 16,500</b>	<b>\$ 558,943</b>	<b>\$ 668,436</b>	<b>\$ 1,807,559</b>

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS										
	SEWER COMMISSION USAGE FUND	SEWER COMMISSION ASSESSMENT & APPROPRIATION FUND	SCHOOL LUNCH FUND	EDUCATION GRANT FUND	TOWN CLERK PRESERVATION FUND	TRANSFER STATION FUND	FIRE MARSHAL FUND	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE	PUBLIC LIBRARY	RECREATION FUND
REVENUES:											
Charges for services.....	\$ 1,255,441	\$ 28,000	\$ 188,604	\$ 901,502	\$ 2,785	\$ 22,953	\$ 390	\$	\$ 400	\$ 5,730	\$ 40,924
Intergovernmental.....			145,009	27,848	5,000					27,076	
Contributions.....											
Income from investments.....		854			5	20	1	1	1		
Other.....											
TOTAL REVENUES.....	1,255,441	28,854	333,613	929,350	7,790	22,973	391	1	565	32,806	40,924
EXPENDITURES:											
Current:											
General government.....					4,994						
Public safety.....							198				
Public works.....	1,164,161	30,480				27,989					
Culture and recreation.....								500	32,396	40,951	
Education.....			349,832	934,716							
Capital outlay.....											
TOTAL EXPENDITURES.....	1,164,161	30,480	349,832	934,716	4,994	27,989	198	-	500	32,396	40,951
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	91,280	(1,626)	(16,219)	(5,366)	2,796	(5,016)	193	1	65	410	(27)
OTHER FINANCING SOURCES (USES):											
Transfers in.....	76,687		44,000			29,930					
Transfers out.....	(91,280)	(45,000)									
NET OTHER FINANCING SOURCES (USES).....	(14,593)	(45,000)	44,000	-	-	29,930	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	76,687	(46,626)	27,781	(5,366)	2,796	24,914	193	1	65	410	(27)
FUND BALANCES, JULY 1, 2014.....	(76,687)	177,277	(5,325)	8,355	3,514	(24,914)	995	805	407	17,982	15,530
FUND BALANCES, JUNE 30, 2015.....	\$ -	\$ 130,651	\$ 22,456	\$ 2,989	\$ 6,310	\$ -	\$ 1,188	\$ 806	\$ 472	\$ 18,392	\$ 15,503

(Continued)

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS	PERMANENT FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	PUBLIC SAFETY	GIFT FUND	SOCIAL SERVICES CRISIS FUND	EMS FUND	TOTAL SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	EDITH KENEA PARK AND TREE FUND	FIRE DEPARTMENT TRUST FUND	HILLSIDE CEMETERY TRUST FUND		TOTAL PERMANENT FUNDS
REVENUES:											
Charges for services.....	\$	\$	\$	\$ 72,000	\$ 1,611,497	\$ 21,771	\$	\$	\$ 29,158	\$ 29,158	\$ 1,662,426
Intergovernmental.....					1,057,241					-	1,057,241
Contributions.....	600	250	12,484		68,422	4,150				-	72,572
Income from investments.....	17	4	3	135	1,041	463	139	121	8,582	8,842	10,346
Net change in fair value of investments.....					-				13,510	13,510	13,510
TOTAL REVENUES.....	617	254	12,487	72,135	2,738,201	26,384	139	121	51,250	51,510	2,816,095
EXPENDITURES:											
Current:											
General government.....					4,994					-	4,994
Public safety.....	2,511				2,709					-	2,709
Public works.....					1,222,630	66,656				-	1,289,286
Health and welfare.....			12,220		12,220				57,031	57,031	69,251
Culture and recreation.....		520			74,367	13,652	592			592	88,611
Education.....					1,284,548	3,520				-	1,288,068
Capital outlay.....				194,018	194,018					-	194,018
TOTAL EXPENDITURES.....	2,511	520	12,220	194,018	2,795,486	83,828	592	-	57,031	57,623	2,936,937
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(1,894)	(266)	267	(121,883)	(57,285)	(57,444)	(453)	121	(5,781)	(6,113)	(120,842)
OTHER FINANCING SOURCES (USES):											
Transfers in.....					150,617	97,780			26,000	26,000	274,397
Transfers out.....				(15,000)	(151,280)	(31,687)				-	(182,967)
NET OTHER FINANCING SOURCES (USES).....	-	-	-	(15,000)	(663)	66,093	-	-	26,000	26,000	91,430
NET CHANGE IN FUND BALANCES.....	(1,894)	(266)	267	(136,883)	(57,948)	8,649	(453)	121	20,219	19,887	(29,412)
FUND BALANCES, JULY 1, 2014.....	12,629	4,158	306	141,724	276,756	305,410	92,823	16,379	497,189	606,391	1,188,557
FUND BALANCES, JUNE 30, 2015.....	\$ 10,735	\$ 3,892	\$ 573	\$ 4,841	\$ 218,808	\$ 314,059	\$ 92,370	\$ 16,500	\$ 517,408	\$ 626,278	\$ 1,159,145

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

SEWER COMMISSION USAGE FUND  
 SCHEDULE OF SEWER USE CHARGES RECEIVABLE  
 YEAR ENDED JUNE 30, 2015

FISCAL YEAR	UNCOLLECTED BALANCE JULY 1, 2014	CURRENT YEAR BILLING	CORRECTIONS		ADJUSTED USER CHARGES COLLECTIBLE	COLLECTIONS			UNCOLLECTED BALANCE JUNE 30, 2015
			ADDITIONS	DEDUCTIONS		USE CHARGES	INTEREST & LIENS	TOTAL	
2004	\$ 235	\$	\$	\$	\$ 235	\$	\$	\$ -	\$ 235
2005	235				235			-	235
2006	590				590	295	449	744	295
2007	1,592				1,592	1,130	851	1,981	462
2008	5,229				5,229	3,174	2,368	5,542	2,055
2009	9,740				9,740	4,692	5,339	10,031	5,048
2010	15,796				15,796	8,317	6,892	15,209	7,479
2011	28,054				28,054	15,144	8,203	23,347	12,910
2012	54,488				54,488	32,113	14,090	46,203	22,375
2013	111,297			332	110,965	60,583	16,854	77,437	50,382
Total Prior Years	227,256	-	-	332	226,924	125,448	55,046	180,494	101,476
2014		1,169,404	382		1,169,786	1,073,055	11,693	1,084,748	96,731
<b>TOTAL</b>	<b>\$ 227,256</b>	<b>\$ 1,169,404</b>	<b>\$ 382</b>	<b>\$ 332</b>	<b>\$ 1,396,710</b>	<b>\$ 1,198,503</b>	<b>\$ 66,739</b>	<b>\$ 1,265,242</b>	<b>\$ 198,207</b>

---

# Fiduciary Funds

---

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

## **Pension Trust Fund**

To account for the Town's single employer defined benefit pension plan, which provides pension benefits for full-time personnel except teachers of the Board of Education who are covered under the State Teachers' Retirement System.

## **OPEB Trust Fund**

To account for the Town's other post-employment benefit plan, which provides medical and life insurance benefits to retirees.

## **Private-Purpose Trust Funds**

A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in a pension trust fund or investment trust fund, under which principal and income benefit individuals, private organizations, or other governments.

### **Leander Smith Award**

To account for an endowment from which the interest is used to award exceptional teachers.

### **Peppie Wagner Fund**

To account for a \$2,000 donation, which will be used to award \$50 annually for an exceptional 8<sup>th</sup> grade student.

### **Seth Thomas Prize Fund**

To account for a \$1,000 endowment from which the interest is used to award exceptional students.

## **Agency Funds**

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

# FIDUCIARY FUNDS (CONTINUED)

---

## Agency Funds (Continued)

### School Activities Fund

To account for collections and payments related to education extracurricular activities at the schools. Financing is provided by individual fundraising projects.

### High School Athletic Council

To account for the operation of extracurricular recreational activities at the schools. Funding is provided by fees from individuals attending the programs.

### Athletic Pay to Participate

To account for the collection and payments related to athletic activities at the schools. Funding is provided by fees from individuals participating in the programs.

### Public School Internal Account

To account for collections and payments related to education extracurricular activities at the schools. Financing is provided by individual fundraising projects.

### Public Library Staff Fund

To account for extracurricular activities sponsored by the library such as bus trips. Funding is provided by fees from individuals attending the programs and sales from the use of the copier.

### Join Against Insensible Lawlessness

To account for donations received specifically to be used to reward people coming forward with information related to crimes committed.

### Class Reunions

To account for fees collected from students and held for their use on class reunions.

### Christmas Lights Fund

To account for the donations and expenditures associated with the Light Up the Town Celebration and maintenance of the lights.

### Police Recreation and Educational Fund

To account for donations received specifically to be used towards police recreational and educational activities.

### Railroad Museum Commission

To account for fundraising through the sale of pavers; the proceeds of which will help preserve the railroad museum.

# FIDUCIARY FUNDS (CONTINUED)

---

## Agency Funds (Continued)

### Recreation Commission

To account for the operation of extracurricular recreational activities. Funding is provided by fees from individuals attending the programs.

### Thomaston Police Explorers

To account for the revenue and expenditures associated with education and training of the Police Explorers.

### Car Show

To account for the revenue and expenditures associated with the annual car show.

### TRIAD

To account for donations which will be used to serve the community's elderly by way of offering more public safety for seniors and streamlining emergency care for first responders with their patients.

### Christmas Committee

To account for donations that will be used to give gifts to the less fortunate at Christmas time.

### Noah Rogozinski Playground Fund

To account for donations that will be used to replace broken and worn out playground equipment.

### Substance Abuse Prevention Fund

To account for donations that will be used to fund the substance abuse prevention program for the Town.

### Tri-centennial Committee

To account for donations received for the Town's tricentennial celebration.

TOWN OF THOMASTON, CONNECTICUT

PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015

---

	LEANDER SMITH AWARD	PEPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
<u>ASSETS</u>				
Cash.....	\$	\$	\$	\$
Investments.....	5,595	1,265	1,049	6,644
TOTAL ASSETS.....	5,595	1,265	1,049	7,909
<u>NET POSITION</u>				
Net Position Held in Trust.....	\$ 5,595	\$ 1,265	\$ 1,049	\$ 7,909

---

**TOWN OF THOMASTON, CONNECTICUT**

PRIVATE-PURPOSE TRUST FUNDS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 YEAR ENDED JUNE 30, 2015

	LEANDER SMITH AWARD	PEPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
ADDITIONS:				
Income from investments.....	\$ 19	\$ 1	\$ 7	\$ 27
CHANGES IN NET POSITION.....	19	1	7	27
NET POSITION, JULY 1, 2014.....	5,576	1,264	1,042	7,882
NET POSITION, JUNE 30, 2015.....	\$ 5,595	\$ 1,265	\$ 1,049	\$ 7,909

TOWN OF THOMASTON, CONNECTICUT

AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2015
<u>ASSETS</u>				
CASH:				
School Activities Fund.....	\$ 100,788	\$ 93,699	\$ 93,378	\$ 101,109
High School Athletic Council.....	1,267	36,718	32,547	5,438
Athletics Pay to Participate.....	16,397	31,975	14,309	34,063
Public School Internal Account.....	75,957	81,159	58,785	98,331
Public Library Staff Fund.....	714	5,667	4,427	1,954
Join Against Insensible Lawlessness.....	5,296	5		5,301
Class Reunions.....	824	1		825
Christmas Lights Fund.....	16,360	14,039	12,353	18,046
Police Recreation and Educational Fund.....	2,036	3,665	779	4,922
Railroad Museum Commission.....	3,148	153		3,301
Recreation Commission.....	10,303	52,435	48,607	14,131
Thomaston Police Explorers.....	912	1,600	750	1,762
Car Show.....	20,286	9,870	16,416	13,740
TRIAD.....	1,818	2		1,820
Christmas Committee.....	7,075	830	1,962	5,943
Noah Rogozinski Playground Fund.....	6,498	6		6,504
Substance Abuse Prevention Fund.....		2,850	1,000	1,850
TOTAL CASH.....	269,679	334,674	285,313	319,040
INVESTMENTS:				
Tri-centennial Committee.....	4,242	88		4,330
TOTAL ASSETS.....	\$ 273,921	\$ 334,762	\$ 285,313	\$ 323,370
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
School Activities Fund.....	\$ 100,788	\$ 93,699	\$ 93,378	\$ 101,109
High School Athletic Council.....	1,267	36,718	32,547	5,438
Athletics Pay to Participate.....	16,397	31,975	14,309	34,063
Public School Internal Account.....	75,957	81,159	58,785	98,331
Public Library Staff Fund.....	714	5,667	4,427	1,954
Join Against Insensible Lawlessness.....	5,296	5		5,301
Class Reunions.....	824	1		825
Christmas Lights Fund.....	16,360	14,039	12,353	18,046
Police Recreation and Educational Fund.....	2,036	3,665	779	4,922
Railroad Museum Commission.....	3,148	153		3,301
Recreation Commission.....	10,303	52,435	48,607	14,131
Thomaston Police Explorers.....	912	1,600	750	1,762
Car Show.....	20,286	9,870	16,416	13,740
TRIAD.....	1,818	2		1,820
Christmas Committee.....	7,075	830	1,962	5,943
Noah Rogozinski Playground Fund.....	6,498	6		6,504
Substance Abuse Prevention Fund.....		2,850	1,000	1,850
Tri-centennial Committee.....	4,242	88		4,330
TOTAL LIABILITIES.....	\$ 273,921	\$ 334,762	\$ 285,313	\$ 323,370

---

# Statistical Section

---

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

## **CONTENTS**

### **FINANCIAL TRENDS (TABLES 1 - 4)**

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

### **REVENUE CAPACITY (TABLES 5 - 7)**

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

### **DEBT CAPACITY (TABLES 8 - 11)**

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

### **DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 12 - 13)**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

### **OPERATING INFORMATION (TABLES 14 - 16)**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

TOWN OF THOMASTON, CONNECTICUT

NET POSITION BY COMPONENT  
LAST TEN YEARS (1)  
(UNAUDITED)

	FISCAL YEAR ENDED									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net investment in capital assets.....	\$ 35,802,178	\$ 32,848,325	\$ 32,134,289	\$ 32,469,999	\$ 30,913,796	\$ 25,851,843	\$ 25,467,102	\$ 27,183,637	\$ 25,534,737	\$ 22,865,552
Restricted for:										
Endowments:										
Nonexpendable.....	95,700	95,700	95,700	95,700	95,700	200,200	200,200	200,200	200,200	200,200
Expendable.....	13,170	13,502	13,329	12,772	12,593	1,823	1,109	425	1,314	1,314
Perpetual Care:										
Nonexpendable.....	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500
Expendable.....	71,570	71,570	71,570	71,570	71,570	40,894				
Public safety.....		38,365	58,365	58,365	120,000	90,000	60,000	30,000		
Housing and development.....	169,072	183,242	317,089	233,177	183,905	212,196				
Sewer assessment.....	130,651	177,277	173,322	168,203	189,889	237,002	211,000	217,229	212,929	204,139
Other.....	47,158	25,960	25,909	41,023	112,944	77,495				
Unrestricted.....	(3,630,183)	(2,296,658)	1,418,992	260,607	1,823,160	7,399,655	8,605,088	7,105,859	8,715,089	10,732,985
TOTAL NET POSITION.....	\$ 32,803,816	\$ 31,261,783	\$ 34,413,065	\$ 33,515,916	\$ 33,628,057	\$ 34,215,608	\$ 34,648,999	\$ 34,841,850	\$ 34,768,769	\$ 34,108,690

(1) Only fiscal year 2010 and forward were fully restated for the impact of GASB 54.

TOWN OF THOMASTON, CONNECTICUT

CHANGES IN NET POSITION  
LAST TEN YEARS  
(UNAUDITED)

	FISCAL YEAR ENDED									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>EXPENSES:</b>										
General government.....	\$ 1,468,054	\$ 1,662,601	\$ 1,718,977	\$ 1,792,675	\$ 1,668,332	\$ 1,737,840	\$ 1,667,898	\$ 1,697,981	\$ 1,493,290	\$ 1,318,822
Public safety.....	3,164,883	2,817,840	2,531,191	2,645,588	2,350,689	2,429,014	2,403,832	2,205,660	2,252,002	2,313,428
Public works.....	4,907,857	4,523,074	4,590,427	4,264,949	4,297,830	4,258,496	4,345,216	3,953,285	3,785,089	3,695,376
Health and welfare.....	203,022	189,646	142,874	82,192	102,826	86,991	142,079	176,275	174,341	151,226
Culture and recreation.....	1,034,470	856,538	873,818	849,888	1,054,447	1,224,333	1,418,346	1,404,087	1,372,057	1,250,946
Housing and development.....	460,058	384,582	255,635	208,886	235,491	351,387	271,461	197,298	255,595	221,051
Education.....	17,988,363	17,715,754	18,236,951	17,893,897	18,141,755	17,516,144	17,620,403	19,045,383	16,011,966	14,937,047
Interest expense.....	675,831	778,821	695,454	1,011,416	655,789	777,173	718,142	760,841	823,502	868,833
<b>TOTAL EXPENSES.....</b>	<b>29,902,538</b>	<b>28,928,856</b>	<b>29,045,327</b>	<b>28,749,491</b>	<b>28,507,159</b>	<b>28,381,378</b>	<b>28,587,377</b>	<b>29,440,810</b>	<b>26,167,842</b>	<b>24,756,729</b>
<b>PROGRAM REVENUES:</b>										
Charges for services:										
General government.....	149,298	143,897	132,663	112,966	34,561	46,806	47,646	113,248	145,710	146,781
Public safety.....	243,508	158,884	144,636	178,532	157,914	148,106	158,988	130,819	198,027	81,746
Public works.....	1,314,456	1,216,145	1,207,400	1,174,669	1,167,243	1,155,344	1,161,218	1,154,767	1,108,832	882,825
Health and welfare.....	473	444	596	915	755	885	1,816	1,866	1,938	2,289
Culture and recreation.....	54,212	50,645	55,195	51,091	156,737	354,639	411,361	393,855	454,209	350,430
Housing and development.....	68,995	69,425	57,044	55,659	41,689	57,543	61,149	56,508	69,453	84,417
Education.....	188,604	213,589	221,288	243,921	273,660	297,431	330,850	312,213	328,342	332,542
Operating grants and contributions.....	8,450,907	8,781,136	9,515,488	8,860,269	8,342,648	8,437,791	8,348,877	10,403,236	6,813,623	6,590,309
Capital grants and contributions.....	2,230,932	655,034	299,942	386,186	564,196	311,838	715,950	555,629	307,086	1,863,703
<b>TOTAL PROGRAM REVENUES.....</b>	<b>12,701,385</b>	<b>11,289,199</b>	<b>11,634,252</b>	<b>11,064,208</b>	<b>10,739,403</b>	<b>10,810,383</b>	<b>11,237,855</b>	<b>13,122,141</b>	<b>9,427,220</b>	<b>10,335,042</b>
<b>NET EXPENSES.....</b>	<b>(17,201,153)</b>	<b>(17,639,657)</b>	<b>(17,411,075)</b>	<b>(17,685,283)</b>	<b>(17,767,756)</b>	<b>(17,570,995)</b>	<b>(17,349,522)</b>	<b>(16,318,669)</b>	<b>(16,740,622)</b>	<b>(14,421,687)</b>
<b>GENERAL REVENUES:</b>										
Property taxes.....	18,156,595	18,118,289	17,679,388	16,785,654	16,549,427	16,452,886	16,444,961	15,506,863	16,066,609	15,368,327
Grants and contributions not restricted to specific programs...	521,843	517,874	509,956	691,072	457,793	500,552	514,848	399,510	779,885	742,520
Investment income.....	34,434	64,153	47,706	49,314	89,062	90,133	89,454	228,647	520,009	438,209
Miscellaneous.....	30,314	31,362	71,174	47,102	83,923	94,033	107,408	256,730	34,198	53,060
<b>TOTAL GENERAL REVENUES.....</b>	<b>18,743,186</b>	<b>18,731,678</b>	<b>18,308,224</b>	<b>17,573,142</b>	<b>17,180,205</b>	<b>17,137,604</b>	<b>17,156,671</b>	<b>16,391,750</b>	<b>17,400,701</b>	<b>16,602,116</b>
<b>CHANGE IN NET POSITION.....</b>	<b>\$ 1,542,033</b>	<b>\$ 1,092,021</b>	<b>\$ 897,149</b>	<b>\$ (112,141)</b>	<b>\$ (587,551)</b>	<b>\$ (433,391)</b>	<b>\$ (192,851)</b>	<b>\$ 73,081</b>	<b>\$ 660,079</b>	<b>\$ 2,180,429</b>

**TOWN OF THOMASTON, CONNECTICUT**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	FISCAL YEAR ENDED JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>GENERAL FUND:</b>										
Nonspendable.....	\$	\$	\$	\$	\$ 250,932	\$	\$	\$	\$	\$
Committed.....										
Assigned.....	160,000	250,000	315,000	84,533	153,207	350,000	273,000	250,000	1,185,800	587,800
Unassigned.....	3,007,183	2,890,109	2,701,438	2,240,778	1,766,537	1,626,920	1,554,869	1,743,007	1,553,554	2,384,337
<b>TOTAL GENERAL FUND.....</b>	<b>3,167,183</b>	<b>3,140,109</b>	<b>3,016,438</b>	<b>2,325,311</b>	<b>2,170,676</b>	<b>1,976,920</b>	<b>1,827,869</b>	<b>1,993,007</b>	<b>2,739,354</b>	<b>2,972,137</b>
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>										
Nonspendable.....	1,050,267	1,279,423	1,305,819	1,306,788	1,366,650	1,303,437	1,351,772	1,326,688	1,326,955	1,364,569
Restricted.....	531,621	509,916	659,584	585,110	690,901	573,765	728,726	1,252,866	964,020	615,319
Committed.....	1,037,766	930,964	2,520,150	558,852	3,047,788	5,578,523	780,549	899,188	919,398	850,968
Assigned.....	1,380,309	1,086,043	1,179,720	363,589	309,413	112,784				
Unassigned.....		(109,805)	(2,505,405)	(1,980,505)	(179,998)	203,085	(488,523)	1,137,653	2,240,330	3,970,335
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>3,999,963</b>	<b>3,696,541</b>	<b>3,159,868</b>	<b>833,834</b>	<b>5,234,754</b>	<b>7,771,594</b>	<b>2,372,524</b>	<b>4,616,395</b>	<b>5,450,703</b>	<b>6,801,191</b>
<b>GRAND TOTAL.....</b>	<b>\$ 7,167,146</b>	<b>\$ 6,836,650</b>	<b>\$ 6,176,306</b>	<b>\$ 3,159,145</b>	<b>\$ 7,405,430</b>	<b>\$ 9,748,514</b>	<b>\$ 4,200,393</b>	<b>\$ 6,609,402</b>	<b>\$ 8,190,057</b>	<b>\$ 9,773,328</b>

TOWN OF THOMASTON, CONNECTICUT  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN YEARS  
 (UNAUDITED)

	FISCAL YEAR ENDED JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>REVENUES:</b>										
Property taxes.....	\$ 18,337,484	\$ 18,134,271	\$ 17,943,306	\$ 16,932,230	\$ 16,858,253	\$ 16,525,756	\$ 16,138,322	\$ 15,488,705	\$ 16,027,666	\$ 15,353,444
Charges for services.....	2,064,253	1,864,263	1,826,482	1,817,625	1,840,244	2,048,914	2,164,402	2,125,660	2,259,932	1,834,142
Intergovernmental.....	11,090,040	10,023,755	9,815,369	9,730,818	9,496,291	9,380,430	9,627,289	11,424,372	8,247,795	9,283,405
Contributions.....	275,701	109,013	684,800	129,773	46,019	67,190	155,075	129,857	93,471	154,955
Income from investments.....	20,924	19,144	47,709	49,314	89,061	90,133	117,301	260,567	520,007	438,209
Net change in fair value of investments.....	13,510	45,009					(39,572)			
Other.....	30,314	31,361	79,912	47,104	83,923	94,033	107,409	268,748	86,115	105,203
<b>TOTAL REVENUES.....</b>	<b>31,832,226</b>	<b>30,226,816</b>	<b>30,397,578</b>	<b>28,706,864</b>	<b>28,413,791</b>	<b>28,206,456</b>	<b>28,270,226</b>	<b>29,697,909</b>	<b>27,234,986</b>	<b>27,169,358</b>
<b>EXPENDITURES:</b>										
Current:										
General government.....	3,737,170	3,517,321	3,412,749	3,343,498	3,390,754	3,250,801	3,096,831	3,176,283	3,149,242	3,118,103
Public safety.....	1,618,411	1,562,456	1,506,881	1,536,180	1,345,780	1,489,274	1,470,060	1,513,799	1,419,646	1,379,520
Public works.....	2,995,295	3,000,019	2,758,011	2,686,572	2,637,989	2,658,236	2,710,550	2,754,083	2,548,694	2,374,480
Health and welfare.....	153,566	150,984	126,396	64,551	88,257	72,358	98,539	118,260	120,849	116,505
Culture and recreation.....	532,772	504,198	502,030	494,639	623,821	863,441	1,021,600	1,045,793	1,002,376	1,002,115
Housing and development.....	319,731	294,715	159,504	115,834	145,477	280,865	228,556	153,805	200,834	171,770
Education.....	16,903,635	17,181,062	17,361,746	17,148,470	16,781,904	16,623,775	16,536,919	18,514,871	15,397,354	14,416,639
Debt service:										
Principal.....	2,246,275	2,174,261	1,777,286	1,604,385	1,663,002	1,788,959	1,556,043	1,650,416	1,699,680	1,280,487
Interest.....	1,014,560	1,014,560	1,014,560	1,014,560	1,014,560	1,014,560	1,014,560	1,014,560	1,014,560	931,902
Capital outlay.....	2,399,439	6,258,365	5,842,077	4,960,660	3,176,564	2,385,154	2,957,302	1,304,774	2,408,022	3,548,126
<b>TOTAL EXPENDITURES.....</b>	<b>31,920,854</b>	<b>35,657,941</b>	<b>34,461,240</b>	<b>32,969,349</b>	<b>30,868,108</b>	<b>30,427,423</b>	<b>30,690,960</b>	<b>31,246,644</b>	<b>28,961,257</b>	<b>28,339,647</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(88,628)</b>	<b>(5,431,125)</b>	<b>(4,063,662)</b>	<b>(4,262,485)</b>	<b>(2,454,317)</b>	<b>(2,220,967)</b>	<b>(2,420,734)</b>	<b>(1,548,735)</b>	<b>(1,726,271)</b>	<b>(1,170,289)</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Capital lease.....		54,085	127,645						143,000	371,317
Issuance of bonds (BANS).....		6,025,000	6,735,000			7,520,000				
Issuance of refunding bonds.....	6,455,000				6,945,000	2,820,000				
Payment to refunding bond escrow.....	(6,654,127)				(7,239,828)	(2,800,000)				
Premiums.....	618,251	12,384	218,178	16,200	406,061		11,725			
Transfers in.....	3,843,788	3,679,843	3,247,341	3,059,313	3,113,769	2,928,843	400,038	687,897	3,538,490	3,166,372
Transfers out.....	(3,843,788)	(3,679,843)	(3,247,341)	(3,059,313)	(3,113,769)	(2,928,843)	(400,038)	(687,897)	(3,538,490)	(3,166,372)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>419,124</b>	<b>6,091,469</b>	<b>7,080,823</b>	<b>16,200</b>	<b>111,233</b>	<b>7,769,088</b>	<b>11,725</b>	<b>-</b>	<b>143,000</b>	<b>371,317</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>\$ 330,496</b>	<b>\$ 660,344</b>	<b>\$ 3,017,161</b>	<b>\$ (4,246,285)</b>	<b>\$ (2,343,084)</b>	<b>\$ 5,548,121</b>	<b>\$ (2,409,009)</b>	<b>\$ (1,548,735)</b>	<b>\$ (1,583,271)</b>	<b>\$ (798,972)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....</b>	<b>11.05%</b>	<b>10.85%</b>	<b>9.76%</b>	<b>9.40%</b>	<b>9.67%</b>	<b>10.02%</b>	<b>9.27%</b>	<b>8.88%</b>	<b>10.22%</b>	<b>8.92%</b>

TOWN OF THOMASTON, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30	GRAND LIST	REAL ESTATE		PERSONAL PROPERTY				TOTALS		RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE
		ASSESSED VALUE	ESTIMATED ACTUAL VALUE	MOTOR VEHICLE ASSESSED VALUE	PERSONAL PROPERTY ASSESSED VALUE	TOTAL ASSESSED VALUE	ESTIMATED ACTUAL VALUE	GROSS ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2015	2013	\$ 450,632,746	\$ 643,761,066	\$ 55,638,245	\$ 56,971,640	\$ 112,609,885	\$ 160,871,264	\$ 563,242,631	\$ 804,632,330	70.00%	33.63
2014	2012	452,163,616	645,948,023	54,202,556	59,821,474	114,024,030	162,891,471	566,187,646	808,839,494	70.00%	33.13
2013	* 2011	537,525,240	767,893,200	50,253,419	55,234,100	105,487,519	150,696,456	643,012,759	918,589,656	70.00%	32.83
2012	2010	537,525,240	767,893,200	50,253,419	55,234,100	105,487,519	150,696,456	643,012,759	918,589,656	70.00%	26.98
2011	2009	534,211,167	763,158,810	49,483,309	48,600,045	98,083,354	140,119,077	632,294,521	903,277,887	70.00%	26.54
2010	2008	533,956,500	762,795,000	50,028,393	49,300,103	99,328,496	141,897,851	633,284,996	904,692,851	70.00%	26.28
2009	2007	534,050,143	762,928,776	46,307,505	52,696,749	99,004,254	141,434,649	633,054,397	904,363,425	70.00%	26.28
2008	* 2006	535,758,290	765,368,986	51,810,436	47,824,927	99,635,363	142,336,233	635,393,653	907,705,219	70.00%	24.99
2007	2005	310,737,220	443,910,314	53,061,256	50,272,468	103,333,724	147,619,606	414,070,944	591,529,920	70.00%	39.62
2006	2004	306,571,130	437,958,757	49,776,370	49,209,162	98,985,532	141,407,903	405,556,662	579,366,660	70.00%	38.66

\* Revaluation performed

**TABLE 6**

**TOWN OF THOMASTON, CONNECTICUT**

PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

TAXPAYER	2015			2006		
	(1) ASSESSMENT	RANK	PERCENT OF NET TAXABLE GRAND LIST	ASSESSMENT	RANK	PERCENT OF NET TAXABLE GRAND LIST
Connecticut Light & Power Co.	\$ 8,116,950	1	1.52%	\$ 4,451,444	2	1.16%
Albea (formerly Rexam)	5,433,990	2	1.02%	2,351,411	6	0.61%
Connecticut Water Company	3,704,640	3	0.69%	3,289,426	3	0.85%
Yankee Gas Services Company	3,402,120	4	0.64%	2,144,068	8	0.56%
Tyler Properties	3,326,382	5	0.62%			0.00%
Thomaston Savings Bank	3,124,270	6	0.59%	2,096,148	9	0.54%
GLC Associates One, LLC	2,804,450	7	0.53%	2,451,440	5	0.64%
Summit Corp of America	2,703,250	8	0.51%	5,977,391	1	1.55%
Subs Realty	2,283,820	9	0.43%			0.00%
W L Real Estate Company	2,170,000	10	0.41%			0.00%
Totals	<u>\$ 37,069,872</u>		<u>6.96%</u>	<u>\$ 22,761,328</u>		<u>5.91%</u>

Source: Town Assessor Department.

(1) The net taxable grand list as of October 1, 2013 totaled \$533,917,497.

TOWN OF THOMASTON, CONNECTICUT

PROPERTY TAX RATES, LEVIES AND COLLECTIONS  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30	(1) (2) TOTAL TAX RATE IN MILLS	GRAND LIST OF OCTOBER 1,	TOTAL ADJUSTED TAX LEVY	NET CURRENT TAX COLLECTIONS	PERCENT OF CURRENT LEVY COLLECTED	TOTAL COLLECTIONS TO DATE			
						COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENTAGE OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
2015	33.63	2013	\$ 18,080,787	\$ 17,844,146	98.7%	\$	\$ 17,844,146	98.7%	\$ 236,641
2014	33.13	2012	17,879,100	17,614,927	98.5%	192,862	17,807,789	99.6%	71,311
2013	* 32.83	2011	17,645,073	17,364,941	98.4%	214,087	17,579,028	99.6%	66,045
2012	26.98	2010	16,626,776	16,324,968	98.2%	266,582	16,591,550	99.8%	35,226
2011	26.54	2009	16,462,140	16,192,962	98.4%	255,112	16,448,074	99.9%	14,066
2010	26.28	2008	16,070,948	15,687,137	97.6%	368,281	16,055,418	99.9%	15,530
2009	26.28	2007	16,017,616	15,511,321	96.8%	493,842	16,005,163	99.9%	12,453
2008	* 24.99	2006	15,325,961	14,907,955	97.3%	405,537	14,907,955	97.3%	12,469
2007	39.62	2005	15,758,093	15,384,998	97.6%	349,363	15,384,998	97.6%	23,732
2006	38.66	2004	15,003,165	14,679,512	97.8%	308,992	14,988,504	99.9%	14,661

Source: Town Audit Reports.

\* Revaluation performed

(1) There are no overlapping of tax rates.

(2) Tax levy is per \$1,000 of the assessed value of taxable property.

TOWN OF THOMASTON, CONNECTICUT

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30	GENERAL LONG-TERM DEBT OUTSTANDING					TOTAL	PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS/BOND ANTICIPATION NOTES	PREMIUM	CLEAN WATER NOTES	CAPITAL LEASE PAYABLE				
2015	\$ 23,985,000	\$ 815,417	\$ 3,021,140	\$ 24,527	\$ 27,846,084	0.24%	\$ 3,624	
2014	25,545,000	608,756	3,566,374	84,890	29,805,020	0.22%	3,791	
2013	21,290,000	664,948	4,100,821	91,120	26,146,889	0.25%	3,336	
2012	16,000,000	582,448	4,624,694	-	21,207,142	0.31%	2,659	
2011	17,425,000	632,036	5,138,202	-	23,195,238	N/A	2,941	
2010	18,715,000	353,311	5,641,550	-	24,709,861	N/A	3,168	
2009	12,410,000	134,374	6,134,939	122,009	18,801,322	0.36%	2,421	
2008	13,645,000	144,525	6,618,567	240,811	20,648,903	N/A	2,641	
2007	14,880,000	154,676	7,092,626	421,704	22,549,006	N/A	2,846	
2006	16,115,000	-	7,557,306	-	23,672,306	N/A	2,982	

NOTE: Details regarding the Town's outstanding debt can be found in the notes to financial statements.

N/A Information not available.

**TOWN OF THOMASTON, CONNECTICUT**

RATIO OF LONG-TERM DEBT TO NET ASSESSED VALUE AND LONG-TERM DEBT PER CAPITA  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(2) NET ASSESSED VALUE	(3) LONG-TERM DEBT AND RELATED LIABILITIES	RATIO OF BONDED DEBT/NOTES TO NET ASSESSED VALUE	DEBT PER CAPITA
2015	7,683	\$ 533,917,497	\$ 27,846,084	5.22%	\$ 3,624
2014	7,862	523,199,267	29,805,020	5.70%	3,791
2013	7,838	525,998,215	26,146,889	4.97%	3,336
2012	7,975	599,951,403	21,207,142	3.53%	2,659
2011	7,887	607,818,174	23,195,238	3.82%	2,941
2010	7,801	612,278,500	24,709,861	4.04%	3,168
2009	7,766	613,301,069	18,801,322	3.07%	2,421
2008	7,818	615,374,875	20,648,903	3.36%	2,641
2007	7,922	395,518,561	22,549,006	5.70%	2,846
2006	7,938	385,160,536	23,672,306	6.15%	2,982

**Sources:**

- (1) CT Health Department.
- (2) Town Assessor's Department.
- (3) From Table 8.

TOWN OF THOMASTON, CONNECTICUT

SCHEDULE OF DEBT LIMITATION  
CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)  
YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

Total tax collections (including interest and lien fees) for current year and Base For Debt Limitation Computation.....					<u>\$ 18,297,436</u>
DEBT LIMITATION:	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
2 1/4 times base.....	\$ 41,169,231	\$	\$	\$	\$
4 1/2 times base.....		82,338,462			
3 3/4 times base.....			68,615,385		
3 1/4 times base.....				59,466,667	
3 times base.....					54,892,308
TOTAL DEBT LIMITATION.....	41,169,231	82,338,462	68,615,385	59,466,667	54,892,308
INDEBTEDNESS:					
Bonds payable.....	15,877,464	7,762,406	345,130		
Bond anticipation notes.....	795,000				
Less: School building grants.....		(574,716)			
TOTAL INDEBTEDNESS.....	16,672,464	7,187,690	345,130	-	-
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT	<u>\$ 24,496,767</u>	<u>\$ 75,150,772</u>	<u>\$ 68,270,255</u>	<u>\$ 59,466,667</u>	<u>\$ 54,892,308</u>
The total net indebtedness above amounts to:					<u>\$ 24,205,284</u>
In no event shall total indebtedness exceed seven time the base for debt limitation computation:					<u>\$ 128,082,052</u>

(1) There is no overlapping debt.

**TABLE 11****TOWN OF THOMASTON, CONNECTICUT**LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
2015	\$ 128,082,052	\$ 24,205,284	\$ 103,876,768	18.90%
2014	126,610,372	25,993,009	100,617,363	20.53%
2013	125,550,264	24,245,997	101,304,267	19.31%
2012	117,980,709	18,686,529	99,294,180	15.84%
2011	118,368,957	16,296,459	102,072,498	13.77%
2010	114,583,798	17,452,561	97,131,237	15.23%
2009	112,410,347	15,826,028	96,584,319	14.08%
2008	107,773,680	12,089,494	245,797,526	4.69%
2007	111,579,636	13,177,964	98,401,672	11.81%
2006	254,959,825	14,113,425	240,846,400	5.54%

TOWN OF THOMASTON, CONNECTICUT

DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(2) PERSONAL INCOME	(5) PER CAPITA INCOME	(2) MEDIAN-AGE	EDUCATION LEVEL IN YEARS OF SCHOOLING	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT PERCENTAGE
2015	7,683	\$ 67,426	(5)	43	High School 35% Some College 35%	856	4.5%
2014	7,862	64,982	(5)	43	High School 35% Some College 35%	941	5.8%
2013	7,838	66,197	(5)	44	High School 35% Some College 58%	1,004	8.0%
2012	7,975	66,197	(5)	44	High School 35% Some College 58%	1,010	8.5%
2011	7,887	(5)	(5)	(5)	(5)	1,114	8.2%
2010	7,801	(5)	(5)	(5)	(5)	1,186	8.6%
2009	7,766	67,558	(5)	(5)	(5)	1,216	9.4%
2008	7,818	(5)	(5)	(5)	(5)	1,259	6.3%
2007	7,922	(5)	(5)	(5)	(5)	1,295	4.5%
2006	7,938	(5)	(5)	(5)	(5)	1,306	4.2%

(1) Source: State of Connecticut, Department of Public Health and Addiction Services.

(2) Connecticut Economic Resource Center, Inc.

(3) Thomaston Board of Education.

(4) Connecticut Labor Department - Research and Statistics.

(5) Information not available.

**TABLE 13**

**TOWN OF THOMASTON, CONNECTICUT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**(UNAUDITED)**

EMPLOYER	2015			2006		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT
Albea (formerly Rexam)	390	1	8%	300	1	7%
State of Connecticut	317	2	7%	88	9	2%
Town of Thomaston	196	3	4%	256	2	6%
Thomaston Savings Bank	174	4	4%	119	7	3%
Ward Leonard Electric, Inc.	153	5	3%	125	4	3%
Stewart Eyelets for Industry, Inc.	144	6	3%	119	6	3%
UniMetal/ Quality Rolling & Deburring	125	7	3%	100	8	2%
Summit Corporation of America	74	8	2%	120	5	3%
Stevens Co., Inc.	39	9	1%	70	10	2%
WHYCO Chromium, Inc	38	10	1%	138	3	3%
<b>TOTAL.....</b>	<b>1,650</b>		<b>36%</b>	<b>1,435</b>		<b>34%</b>
<b>Total Town Employment</b>	<b>4,671</b>			<b>4,359</b>		

SOURCE: Annual Town survey.

N/A - Companies did not respond or information was unavailable.

TOWN OF THOMASTON, CONNECTICUT

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS  
(UNAUDITED)

FUNCTION / PROGRAM	FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>GENERAL GOVERNMENT:</b>										
Selectmen.....	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.7
Elections.....	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.7
Treasurer.....	3.9	3.0	3.0	3.9	3.9	2.9	3.3	3.5	3.3	3.3
Tax Collector.....	2.0	2.0	2.0	2.0	2.0	1.9	2.0	2.0	2.0	2.0
Assessor/Assessment appeals.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	2.3	1.6
Town Hall maintenance.....	1.5	1.5	1.4	1.5	1.0	1.0	1.1	1.0	0.8	0.6
Town Clerk.....	1.7	1.7	1.5	1.7	1.6	1.6	1.7	1.7	1.7	1.5
<b>PUBLIC SAFETY:</b>										
Police officers.....	13.1	13.4	11.6	11.7	11.4	12.3	12.5	13.2	13.4	13.8
Inmate supervision.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Dispatch.....	4.9	4.5	4.8	4.0	4.6	4.7	4.8	5.1	5.0	4.1
Fire Marshall.....	0.1	0.1	0.1	0.6	0.6	0.6	0.6	0.6	0.6	0.5
Animal control.....	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.2	1.2	1.1
<b>PUBLIC WORKS:</b>										
Highway.....	7.0	7.0	8.0	6.0	7.0	8.1	8.8	9.0	8.6	10.0
Solid waste and recycling.....	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.5
Sewer plant.....	7.0	7.0	7.0	5.0	7.0	7.0	7.0	7.0	6.9	7.0
Hillside Cemetery.....	1.8	1.7	1.9	1.7	1.5	1.0	1.6	1.3	1.5	1.7
<b>HEALTH AND WELFARE:</b>										
Social services.....	0.5	0.5	0.0	0.0	0.0	0.0	1.0	1.7	1.5	1.6
Minibus.....	0.2	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.2
Veterans administration.....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>CULTURE AND RECREATION:</b>										
Recreation.....	2.0	1.6	1.6	3.5	2.4	2.3	2.4	2.8	3.1	2.1
Public library.....	6.1	5.4	6.1	5.8	5.8	6.2	6.2	7.4	6.6	5.9
Opera House.....	0.0	0.0	0.0	0.0	0.0	2.5	4.0	3.7	3.7	3.2
<b>HOUSING AND DEVELOPMENT:</b>										
Housing, land use & development...	2.5	2.1	2.1	2.5	2.0	2.3	2.3	2.1	1.9	2.7
EDUCATION.....	136.5	162.8	163.5	165.9	164.1	160.7	161.1	180.8	195.0	186.3
TOTAL.....	195.6	219.3	220.0	221.0	220.1	220.3	225.7	248.9	262.4	254.2

SOURCE: Actual payroll data.

TOWN OF THOMASTON, CONNECTICUT

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS  
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>GENERAL GOVERNMENT</b>										
<b>PUBLIC SAFETY:</b>										
Fire:										
Emergency responses.....	265	239	266	436	367	268	240	338	360	335
Fires extinguished.....	39	26	17	43	26	27	40	57	29	146
Police:										
Incidents.....	39,126	37,715	32,646	33,503	33,523	33,299	34,946	35,162	35,191	35,641
Accidents.....	353	347	195	217	230	206	248	216	262	232
Physical arrests.....	629	565	236	258	161	165	257	155	198	115
Traffic violations.....	898	853	841	949	952	1,001	867	922	742	878
<b>PUBLIC WORKS:</b>										
Street resurfacing (miles).....	3.0	2.0	0.0	0.0	0.0	0.0	2.38	5.00	0.0	0.73
Streets rebuilt (miles).....	0.0	0.0	4.86	4.86	4.31	3.12	0.66	1.14	1.14	2.16
<b>PARKS AND RECREATION:</b>										
Athletic field permits issued.....	42	40	41	46	51	44	55	55	76	66
Number of recreation programs.....	32	34	36	34	29	27	26	25	27	29
<b>HEALTH AND WELFARE:</b>										
Number of elderly serviced.....	109	86	N/A	N/A	N/A	N/A	N/A	1,012	1,410	3,639
Number of families serviced.....	162	150	N/A	N/A	N/A	N/A	N/A	2,612	2,650	5,477
Number of disabled serviced.....	87	60	N/A	N/A	N/A	N/A	N/A	626	672	1,410
<b>LIBRARY:</b>										
Total print items.....	40,285	40,885	40,637	41,243	40,137	42,804	44,541	46,260	46,533	47,769
Total non-print items.....	6,876	6,291	5,991	5,775	8,095	6,366	11,578	8,221	7,652	5,407
Circulation.....	70,396	75,418	80,528	80,371	86,380	95,354	93,826	89,305	92,997	95,145
Interlibrary borrows.....	3,346	3,605	3,537	3,662	3,210	3,429	3,432	2,408	1,984	1,841
Interlibrary loans.....	2,275	2,427	3,003	3,391	3,467	3,298	3,289	2,392	2,308	1,675
<b>EDUCATION:</b>										
Enrollment:										
High School.....	417	412	438	460	518	559	547	582	600	593
Middle School.....	206	237	256	227	256	267	278	296	298	300
Elementary Schools.....	233	292	310	323	340	360	391	381	397	413
Total.....	856	941	1,004	1,010	1,114	1,186	1,216	1,259	1,295	1,306
<b>SEWER FUND:</b>										
Average daily sewage treatment (million gallons).....										
Residential customers.....	0.98	0.989	0.924	0.871	0.937	0.992	0.982	0.864	1.067	1.001
Commercial & Industrial Customers.....	2,635	2,700	2,695	2,619	2,613	2,600	2,600	2,594	2,587	2,169
Manhole repair as part of I/I reduction.....	129	128	130	130	128	134	131	136	130	136
	6	9	42	48	80	80	62	6	8	11
<b>SOLID WASTE &amp; RECYCLING:</b>										
CRRA tonnage (annual).....	5,131	2,506	3,069	3,817	4,226	4,284	4,724	4,961	5,024	5,140

SOURCES: Various Town Departments.

N/A - Data not available.

TOWN OF THOMASTON, CONNECTICUT  
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
 LAST TEN YEARS  
 (UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>GENERAL GOVERNMENT:</b>										
Election voting machines.....	2	2	2	2	2	2	2	2	2	7
Vehicles.....	1	2	2	2	1	1	1	1	1	1
<b>PUBLIC SAFETY:</b>										
Fire and ambulance stations.....	2	2	2	2	2	2	2	2	2	2
Police stations.....	1	1	1	1	1	1	1	1	1	1
Police vehicles.....	11	11	8	8	10	10	10	10	10	10
Fire trucks.....	5	5	7	7	7	7	7	7	7	7
Ambulances.....	2	2	2	2	2	2	2	2	2	2
Other emergency vehicles.....	5	6	6	6	6	6	6	6	6	6
<b>PUBLIC WORKS:</b>										
Miles of Streets:										
Paved.....	41.25	41.25	41.25	41.25	41.00	41.00	41.00	41.00	41.00	40.58
Accepted.....	41.25	41.25	41.25	41.25	41.00	41.00	41.00	41.00	41.00	40.58
Private.....	0.30	0.30	0.30	0.30	0.30	0.30	0.03	0.03	0.03	0.03
State Highway.....	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89
Miles of Sidewalks.....	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88
Miles of Sewer:										
Storm.....	95.25	95.25	95.25	95.25	95.25	95.25	95.00	95.00	85.50	85.00
Sanitation.....	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.00
Dump trucks.....	10	10	10	10	10	10	10	10	9	8
Other public works vehicles & heavy equipment.....	28	28	27	27	27	27	27	27	26	24
<b>HEALTH AND WELFARE:</b>										
Minibus.....	1	1	1	1	1	1	1	1	1	1
<b>CULTURE AND RECREATION:</b>										
Acres of park land.....	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Hardball baseball diamonds.....	1	1	1	1	1	1	1	1	1	1
Youth baseball diamonds.....	5	5	5	5	5	5	5	5	5	5
Basketball courts.....	1	3	3	3	3	3	3	3	3	3
Soccer fields.....	3	3	3	3	3	3	3	3	3	3
Nature areas.....	1	1	1	1	1	1	1	1	1	1
Picnic areas.....	1	1	1	1	1	1	1	1	1	1
Playgrounds.....	4	7	7	7	7	7	7	7	7	7
Public beach.....	1	1	1	1	1	1	1	1	1	1
Public greens.....	3	3	3	3	3	3	3	3	3	3
Tennis courts.....	6	3	3	3	3	3	3	3	3	3
Public indoor theatres.....	1	1	1	1	1	1	1	1	1	1
Public library.....	1	1	1	1	1	1	1	1	1	1
<b>EDUCATION:</b>										
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of elementary schools.....	1	1	1	1	1	1	1	1	1	1

SOURCES: Various Town Departments.

**Federal Single Audit  
and  
State Single Audit**

**of the**

**Town of Thomaston, Connecticut**

**Year Ended June 30, 2015**

# Town of Thomaston, Connecticut

## Table of Contents

	<u>Page</u>
<u>Federal Single Audit</u>	
Schedule of Expenditures of Federal Awards	1
Notes to Schedule of Expenditures of Federal Awards	2
Schedule of Findings and Questioned Costs	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	8-10
<u>State Single Audit</u>	
Schedule of Expenditures of State Financial Assistance	11-12
Notes to Schedule of Expenditures of State Financial Assistance	13
Schedule of Findings and Questioned Costs	14
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15-16
Independent Auditor's Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act	17-19

---

**Federal  
Single  
Audit**

---

Town of Thomaston, Connecticut

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	State Project Number	Expenditures
U.S. Department of Agriculture:			
Passed through State Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555		\$ 100,070
National School Lunch Program - Commodities	10.555		14,882
School Breakfast Program	10.553	12060-20508-82079-2015	<u>9,615</u>
Total U.S. Department of Agriculture			<u>124,567</u>
U.S. Department of Housing and Urban Development:			
Passed through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			
	14.228	140-SC-14	<u>30,337</u>
U.S. Department of Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226		<u>1,378</u>
U.S. Department of Justice:			
Passed through State Office of Policy and Management:			
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government			
	16.804		<u>13,000</u>
U.S. Department of Education:			
Passed through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies		12060-20679-82070-2014-170002	20,102
Title I Grants to Local Educational Agencies		12060-20679-82070-2015-170002	<u>89,626</u>
Total Title I Grants to Local Educational Agencies	84.010		<u>109,728</u>
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)		12060-20977-82032-2014-170002	46,404
Special Education - Grants to States (IDEA, Part B)		12060-20977-82032-2015-170002	<u>183,441</u>
Total Special Education - Grants to States (IDEA, Part B)	84.027		<u>229,845</u>
Special Education - Preschool Grants (IDEA, Preschool)		12060-20983-82032-2014-170002	9,261
Special Education - Preschool Grants (IDEA, Preschool)		12060-20983-82032-2015-170002	<u>17,265</u>
Total Special Education - Preschool Grants (IDEA, Preschool)	84.173		<u>26,526</u>
Total Special Education Cluster			<u>256,371</u>
Improving Teacher Quality State Grants	84.367	12060-20858-84131-2014-170002	<u>30,416</u>
Total Federal Awards			<u>\$ 565,797</u>

See Notes to Schedule of Expenditures of Federal Awards.

## Town of Thomaston, Connecticut

### Notes to Schedule of Expenditures of Federal Awards June 30, 2015

**1. Significant accounting policies**

The accounting policies of the Town of Thomaston, Connecticut (the "Town"), conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. The following is the significant policy relating to Federal awards:

Basis of presentation

The accompanying schedule of expenditures of Federal awards is presented on the modified accrual basis of accounting and a current financial resources measurement focus. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**2. Noncash Federal awards**

The Town received and expended \$14,882 of USDA donated commodities under the Federal Food Distribution Program.

**3. Prior year findings and questioned costs**

There were no prior year audit findings or questioned costs.

**Town of Thomaston, Connecticut**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2015**

I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?       yes   x  no  
 Significant deficiency(ies) identified?       yes   x  none reported

Noncompliance material to financial statements noted?       yes   x  no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?       yes   x  no  
 Significant deficiency(ies) identified?       yes   x  none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?   x  yes       no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?       yes   x  no

II - Financial Statement Findings

None

**Town of Thomaston, Connecticut**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2015**

III - Federal Award Findings and Questioned Costs

**2015-001** Cash Management - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii - 14.228

**Condition**

Excess monies were drawn down by the Town for the Community Development Block Grant during the fiscal year.

**Criteria**

Federal cash management regulations require that only immediate cash requirements should be drawn down by the grantee.

**Questioned costs**

There were no questioned costs.

**Context**

The deficiency occurred for the drawdowns throughout the fiscal year.

**Effect**

Amounts were drawn down in excess of immediate cash requirements.

**Cause**

The cause is due to the Town requesting funds from these programs without an adequate process and analysis of the actual amount of monies needed to pay immediate amounts due.

**Recommendation**

We recommend that all cash draw down requests be based upon actual immediate cash needed in accordance with Federal regulations.

**Views of responsible officials and planned corrective actions**

We concur with the finding.

**Town of Thomaston, Connecticut**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2015**

III - Federal Award Findings and Questioned Costs

**2015-002** Cash Management – Special Education Grants to States, IDEA Part B - 84.027

**Condition**

Excess monies were drawn down by the Town for the IDEA Grant during the fiscal year.

**Criteria**

Federal cash management regulations require that only immediate cash requirements should be drawn down by the grantee.

**Questioned costs**

There were no questioned costs.

**Context**

The deficiency occurred for the drawdowns throughout the fiscal year.

**Effect**

Amounts were drawn down in excess of immediate cash requirements.

**Cause**

The cause is due to the Town requesting funds from the program without a reasonably accurate analysis of the actual amount of monies needed to pay immediate amounts due.

**Recommendation**

We recommend that all cash draw down requests be based upon actual immediate cash needed in accordance with Federal regulations.

**Views of responsible officials and planned corrective actions**

We concur with the finding.

Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

Board of Finance  
Town of Thomaston, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 7, 2015.

#### Internal Control over Financial Reporting

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Hartford, Connecticut  
December 7, 2015

Independent Auditor's Report on Compliance for Each  
Major Federal Program; Report on Internal Control over  
Compliance; and Report on the Schedule of Expenditures  
of Federal Awards Required by OMB Circular A-133

Board of Finance  
Town of Thomaston, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Thomaston, Connecticut's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Town's major Federal programs for the year ended June 30, 2015. The Town's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Town's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the Town's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2015.

### *Other Matters*

The results of our auditing procedures disclosed two instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Finding 2015-001 and 2015-002. Our opinion on each major Federal program is not modified with respect to these matters.

The Town's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

#### Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 7, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Hartford, Connecticut  
December 7, 2015

---

# **State Single Audit**

---

Town of Thomaston, Connecticut

Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2015

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core CT Number	Expenditures
Department of Education:		
Child Nutrition State Matching Grant	11000-SDE64000-16211-82051	\$ 3,708
Healthy Foods Initiative	11000-SDE64000-16212-82010	7,609
School Breakfast	11000-SDE64000-17046	9,124
Adult Education	11000-SDE64000-17030	15,562
Magnet Schools	11000-SDE64000-17057	98,622
Development of Mastery Exams Grant	11000-SDE64000-12171	10,000
Common Core Grant	11000-SDE64000-12566	1,386
Office of Early Childhood:		
School Readiness and Child Care in Competitive Grant Municipalities	11000-OEC64840-12113	128,835
School Readiness Quality Enhancement	12060-OEC64840-17097	3,700
Department of Economic and Community Development:		
Historic Preservation Activities Grant	12060-ECD46840-90455	2,710
Department of Emergency Services and Public Protection		
School Security Competitive Grant Program	13019-DPS32183-41238	5,201
Department of Energy and Environmental Protection:		
Endangered Species Natural Area Preservation	12060-DEP44150-35212	7,625
Small Town Economic Assistance Program	12052-DEP43153-40531	500,000
Department of Transportation:		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455-34005	223,708
Office of Policy and Management:		
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	55,138
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	986
Property Tax Relief for Veterans	11000-OPM20600-17024	10,538
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	40,663
Municipal Grants-in-Aid	12052-OPM20600-43587	371,822
Connecticut State Library:		
Historic Documents Preservation Grants	12060-CSL66094-35150	5,000
State Grants to Public Libraries	11000-CSL66051-17003	1,158
Connecticard Payments	11000-CSL66051-17010	4,572
Total State Assistance before Exempt Programs		<u>1,507,667</u>

Town of Thomaston, Connecticut

Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2015

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Grant Program Core CT Number</u>	<u>Expenditures</u>
Exempt Programs:		
Department of Education:		
Public School Transportation	11000-SDE64000-17027	\$ 51,440
Education Cost Sharing	11000-SDE64000-17041-82010	5,740,956
Special Education - Excess Cost - Student Based	11000-SDE64000-17047	241,201
Special Education - Excess Cost - Student Based Supplement	11000-SDE64000-17047	32,671
Department of Construction Services:		
Commitments for School Construction - Interest	13009-DCS28000-40896	9,784
Commitments for School Construction - Principal	13010-DCS28000-40901	152,275
Commitments for School Construction - Progress	13010-DCS28000-40901	1,448,420
Office of Policy and Management:		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	<u>41,317</u>
Total Exempt Programs		<u>7,718,064</u>
Grand Total State Financial Assistance		<u>\$ 9,225,731</u>

See Notes to Schedule of Expenditures of State Financial Assistance.

**Town of Thomaston, Connecticut**

**Notes to Schedule of Expenditures of State Financial Assistance  
June 30, 2015**

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Thomaston, Connecticut, under programs of the State of Connecticut. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including general government, education, public works and library.

**1. Summary of significant accounting policies**

The accounting policies of the Town of Thomaston, Connecticut, conform to accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the schedule of expenditures of state financial assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

**2. Loan programs**

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2015:

Department of Energy and Environmental Protection:

Clean Water Funds (21014-OTT14230-40001):

<u>Grant</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance July 1, 2014</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
264-C	04/30/97	2.00%	\$ 1,077,413	\$ 116,547	\$ 63,042	\$ 53,505
197-C	02/28/02	2.00%	9,091,656	3,449,827	482,192	2,967,635

**3. Prior year findings and questioned costs**

There were no prior year audit findings or questioned costs.

**Town of Thomaston, Connecticut**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2015**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?     yes   x  no  
 Significant deficiency(ies) identified?     yes   x  none reported

Noncompliance material to financial statements noted?     yes   x  no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?     yes   x  no  
 Significant deficiency(ies) identified?     yes   x  none reported

Type of auditor's report issued on compliance  
for major programs: Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with Section 4-236-24  
of the Regulations to the State Single Audit Act?     yes   x  no

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core - CT Number</u>	<u>Expenditures</u>
Department of Energy and Environmental Protection:		
Small Town Economic Assistance Program	12052-DEP43153-40531	\$ 500,000
Office of Policy and Management:		
Municipal Grants-In-Aid	12052-OPM20600-43587	371,822
Department of Transportation:		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455-34005	223,708
Dollar threshold used to distinguish between type A and type B programs:		\$200,000

II. Financial Statement Findings

None

III. State Financial Assistance Findings and Questioned Costs

None

Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

Board of Finance  
Town of Thomaston, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 7, 2015.

#### Internal Control over Financial Reporting

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Hartford, Connecticut  
December 7, 2015

Independent Auditor's Report on Compliance for Each Major  
State Program; Report on Internal Control over Compliance;  
and Report on the Schedule of Expenditures of State  
Financial Assistance Required by the State Single Audit Act

Board of Finance  
Town of Thomaston, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of Thomaston, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2015. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

### *Opinion on Each Major State Program*

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

### Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated December 7, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



Hartford, Connecticut  
December 7, 2015