

**Comprehensive**  
**Annual Financial Report**  
*of the*  
**Town of Thomaston,**  
**Connecticut**  
  
**For the Year Ended**  
**June 30, 2019**

**Prepared by:**

**The Finance Department**

**Tracy A. Decker, Finance Director**

**Town of Thomaston, Connecticut**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2019**

Table of Contents

Page

Introductory Section

Transmittal Letter	1-4
Organizational Chart	5
Principal Officials	6
Certificate of Achievement for Excellence in Financial Reporting For the Year Ended June 30, 2018	7

Financial Section

Independent Auditors' Report	8-10
Management's Discussion and Analysis	11-23

Exhibits

Basic Financial Statements

Government- Wide Financial Statements

A	Statement of Net Position	24-25
B	Statement of Activities	26
 <u>Fund Financial Statements</u>		
C	Balance Sheet - Governmental Funds and Reconciliation of Fund Balance to Net Position	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 Fiduciary Net Position	32
G	Statement of Changes in Fiduciary Net Position	33
H	Notes to Financial Statements	34-79

**Town of Thomaston, Connecticut**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2019**

Table of Contents

<u>RSI</u>	<u>Required Supplementary Information</u>	<u>Page</u>
1A	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	80
1B	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund	81
1C	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund	82-83
1D	Notes to Required Supplementary Information Budgets and Budgetary Accounting	84
	<u>Town Retirement Plan</u>	
2A	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns	85
2B	Schedule of Contributions	86
2C	Notes to Required Supplementary Information	87
	<u>Connecticut State Teachers' Retirement System</u>	
3A	Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	88
3B	Notes to Required Supplementary Information	89
	<u>Town Other Post-Employment Benefit (OPEB) Plan</u>	
4A	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns	90
4B	Schedule of Contributions	91
4C	Notes to Required Supplementary Information	92
	<u>Board of Education Other Post-Employment Benefit (OPEB) Plan</u>	
5A	Schedule of Changes in Total OPEB Liability	93
5B	Schedule of Contributions	94
	<u>Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan</u>	
6A	Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions	95
6B	Notes to Require Supplementary Information	96

**Town of Thomaston, Connecticut**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2019**

Table of Contents

<u>Schedules</u>	<u>Supplemental Schedules</u>	<u>Page</u>
	<u>General Fund</u>	
1	Report of Tax Collector	97
	<u>Other Governmental Funds</u>	
2	Combining Balance Sheet	98-99
3	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	100-101
4	Sewer Commission Usage Fund – Schedule of Sewer Use Charges Receivable	102
	<u>Fiduciary Funds</u>	
5	Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	103
6	Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	104
<u>Tables</u>	<u>Statistical Section</u>	
1	Net Position by Component	105
2	Changes in Net Position	106
3	Fund Balances, Governmental Funds	107
4	Changes in Fund Balances, Governmental Funds	108
5	Assessed and Estimated Actual Value of Taxable Property	109
6	Principal Property Taxpayers	110
7	Tax Rates, Levies and Cash Collections	111

**Town of Thomaston, Connecticut**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2019**

Table of Contents

<u>Tables</u>	<u>Statistical Section</u>	<u>Page</u>
8	Ratios of Outstanding Debt by Type	112
9	Ratios of General Bonded Debt Outstanding	113
10	Schedule of Debt Limitation	114
11	Legal Debt Margin Information	115
12	Demographic and Economic Statistics	116
13	Principal Employers	117
14	Full-Time Equivalent Employees by Function/Program	118
15	Operating Indicators by Function/Program	119
16	Capital Asset Statistics by Function/Program	120

---

# **Introductory Section**

---



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

December 30, 2019

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, 2019.

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 PKF O'Conner Davies, 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, 2019, 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 auditors 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, 2018, are fairly presented in conformity with GAAP. The independent auditors' 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, state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. 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 Town's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Town of Thomaston's separately issued 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 auditors' 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 7,836. 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. There are plans in the approval process to add a brewery in the building.

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. 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 51 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 and the former CPI building on Watertown Road have been transformed into mixed use professional services and office space buildings. The developers took advantage of a tax assessment abatement ordinance that the Town of Thomaston has in place to assist with development.

## **Local Economy**

The Planning and 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 conjunction 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 business, 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. The Town has established a tax incentive program 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. Although developers have taken advantage of this ordinance in the past, all incentive agreements have since expired.

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.

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.

## **Local Economy**

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 and 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 recently had a road assessment study performed in order to prioritize road reconstruction. Long-term borrowing for this project is being evaluated.

## **Relevant Financial Policies**

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, 2018. This was the thirteenth 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.

## **Awards and Acknowledgements**

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 PKF O'Connor Davies, LLP.

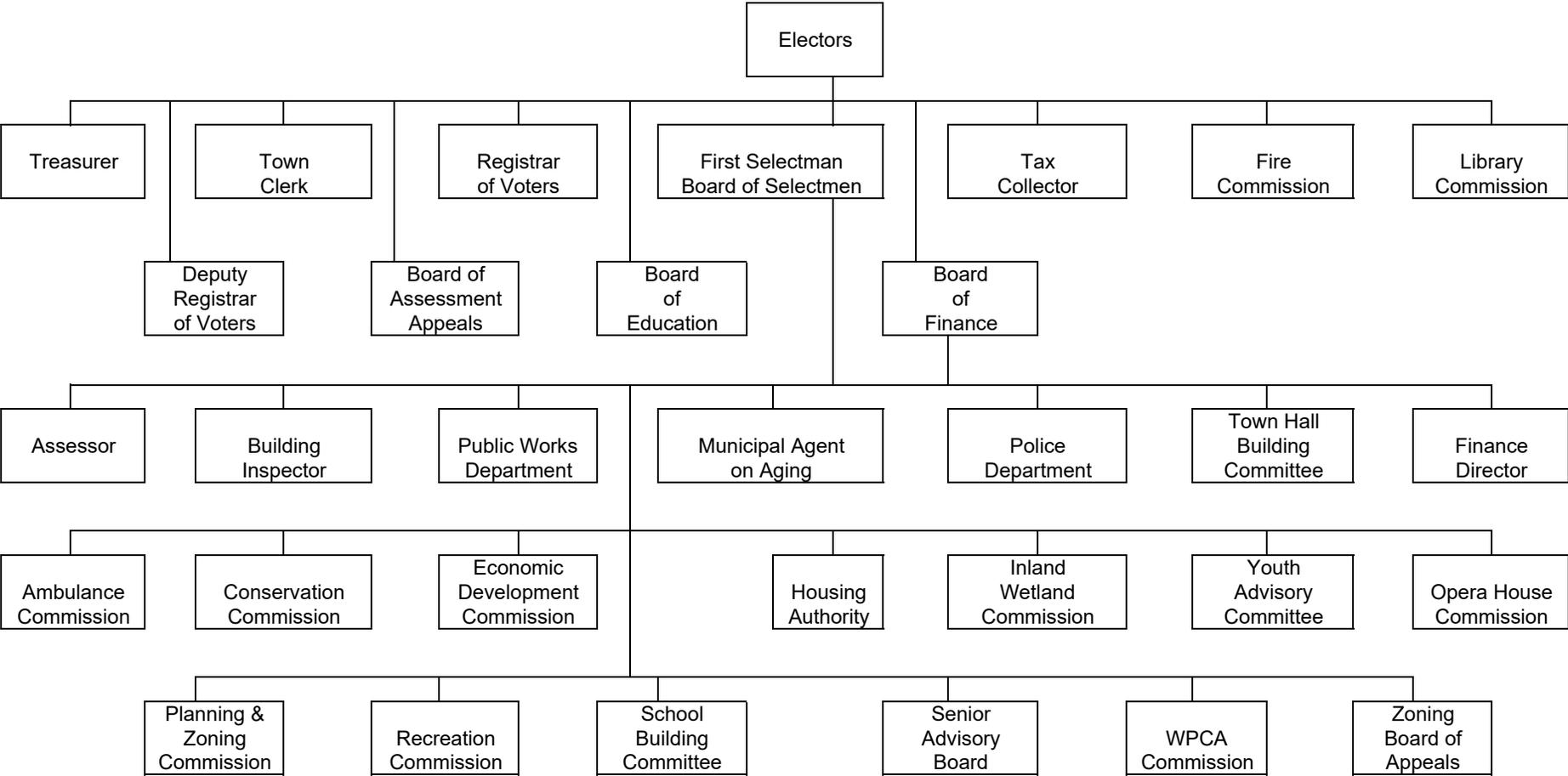
Respectfully submitted,



Tracy A. Decker, CPA  
Finance Director

Town of Thomaston, Connecticut

Organizational Chart



**Town of Thomaston, Connecticut**

**Principal Officials  
June 30, 2019**

**Board of Selectmen**

Edmond V. Mone, First Selectman  
Bruce J. Barrett Sr., Selectman  
Roger Perreault, Selectman

**Board of Finance**

George Seabourne, Chairman  
Luke Freimuth  
Michael S. Madow  
Richard Sileo  
Adam Silverman  
Stephen R. Turner

**Town Departments**

Kristin L. Mosimann, Treasurer  
Tracy A. Decker, Finance Director  
Todd Bendtsen, School Business Manager  
Robert Dudek, Tax Assessor  
Cassie Gorman, 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  
Jeffrey Madden, Chief of Police  
James O'Neil, Fire Chief  
Robert V. Norton, Sr., Fire Marshal  
Richard Brown, Building Inspector  
Martin Egan, Park and Recreation Director

**Auditors**

PKF O'Connor Davies, LLP



Government Finance Officers Association

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

Presented to

**City of Thomaston  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

---

# Financial Section

---

## **Independent Auditors' 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 ("Town"), as of and for the year ended June 30, 2019, 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of 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.

**Board of Finance  
Town of Thomaston, Connecticut**

Page 2

***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, 2019, and the respective changes in financial position 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, the budgetary comparisons and pension and other post-employment benefit schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town'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.

**Board of Finance  
Town of Thomaston, Connecticut**

Page 3

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 30, 2019, on our consideration of the Town'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 the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
December 30, 2019



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

**Management's Discussion and Analysis**  
**Year Ended June 30, 2019**

---

As management of the Town of Thomaston ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019.

**Financial Highlights**

- The assets and deferred outflow of resources of the Town exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$18,807,041 (*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 \$22,451,889.
- The Town's total net position increased by \$5,435,467. The Town's total liabilities decreased by \$4,711,109 primarily as a result of a reduction in bonds and notes payable of \$2,432,318 and reductions in net pension and OPEB liabilities of \$464,034 and \$4,025,814, respectively, offset by the issuance of an interim funding obligation of \$1,234,030. Total assets increased by \$2,009,832 due primarily to increase in investments, capital assets, and intergovernmental receivables of \$1,263,091, \$642,028, and \$198,883, respectively.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,976,239, an increase of \$231,263 in comparison with the prior year. This was due to positive operations of the general fund of \$737,706, debt service fund, and other governmental funds, offset by the decrease in fund balances of the small cities fund and the capital or nonrecurring fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,200,492, an increase of \$737,706 in comparison with the prior year. This represents 14.4% 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 of resources 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 of resources, liabilities, and deferred inflows of resources, 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 the Town's near-term financing requirements.

## Management's Discussion and Analysis (continued)

---

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.

For 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 and the capital or nonrecurring funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the combining statements in Schedules 2 and 3 of this report.

***Fiduciary funds.*** The Town is the trustee, or fiduciary, for its employees' pension and OPEB plans. It is also responsible for other assets that, because of a trust agreement, can be used only for the trust beneficiaries and other funds for which the Town has custody of the assets. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position (Exhibits F and G). 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 and OPEB liabilities 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 other governmental funds are presented immediately following the required supplementary information on pensions and other post-employment benefits. Combining statements and schedules can be found in Schedules 2 through 4 of this report.

The Town adopts an annual budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget (RSI 1A through 1D).

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The Town's combined net position increased by 40.6% from a year ago – increasing from \$13,371,574 to \$18,807,041.

**Summary Statement of Net Position  
June 30**

	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 11,458,568	\$ 10,090,764
Capital assets (net)	<u>66,695,765</u>	<u>66,053,737</u>
Total assets	<u>78,154,333</u>	<u>76,144,501</u>
Total deferred outflows of resources	<u>1,479,806</u>	<u>818,736</u>
Long-term liabilities outstanding	49,732,903	56,037,186
Other liabilities	<u>5,901,939</u>	<u>4,308,765</u>
Total liabilities	<u>55,634,842</u>	<u>60,345,951</u>
Total deferred inflows of resources	<u>5,192,256</u>	<u>3,245,712</u>
Net position:		
Net investment in capital assets	39,632,659	38,688,922
Restricted	1,626,271	784,862
Unrestricted	<u>(22,451,889)</u>	<u>(26,102,210)</u>
Total Net Position	<u>\$ 18,807,041</u>	<u>\$ 13,371,574</u>

By far the largest portion of the Town's net position 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.

A portion of the Town's net position (8.65%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is the amount available to meet the Town's ongoing obligations to citizens and creditors.

Management's Discussion and Analysis (continued)

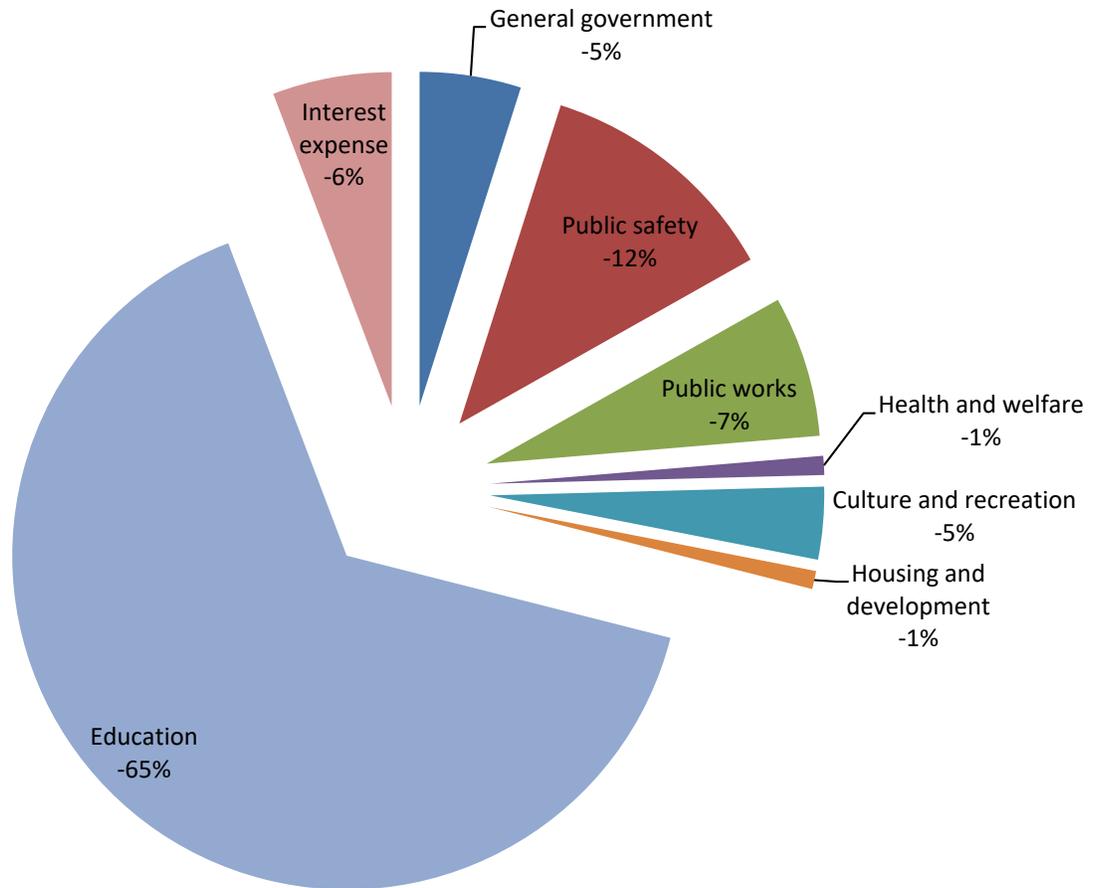
The Town's net position increased by \$5,435,467. Key elements of this increase are as follows:

**Statement of Changes in Net Position  
For the Years Ended June 30**

	<b>2019</b>	<b>2018</b>
<u>Revenues:</u>		
Program revenues:		
Charges for services	\$ 2,140,592	\$ 2,083,207
Operating grants and contributions	9,681,796	9,207,222
Capital grants and contributions	838,130	540,038
General revenues:		
Property taxes	20,081,678	19,473,610
Grants and contributions not restricted to specific programs	453,192	562,109
Income from investments	167,124	134,586
Other	46,427	88,936
 Total revenues	 33,408,939	 32,089,708
<u>Expenses:</u>		
General government	1,009,995	1,509,908
Public safety	2,100,352	3,716,219
Public works	3,697,513	5,217,983
Health and welfare	174,134	233,960
Culture and recreation	678,631	1,098,082
Housing and development	249,609	276,818
Education	19,180,664	19,875,111
Interest	882,574	647,763
 Total expenses	 27,973,472	 32,575,844
 Change in Net Position	 5,435,467	 (486,136)
 Net Position - July 1	 13,371,574	 13,857,710
 Net Position - June 30	 \$ 18,807,041	 \$ 13,371,574

- Revenues increased by \$1,319,231 due to the increase in property taxes of \$608,068 due to an increase in the budget and, therefore, the related tax levy. In addition, operating grants and contributions increased by \$474,574 (5.15%) primarily due to a \$489,575 Clean Water fund grant from the State.
- Expenses decreased by \$4,602,372 (14.13%) across all functions due primarily to the decreases in other postemployment benefit expense.

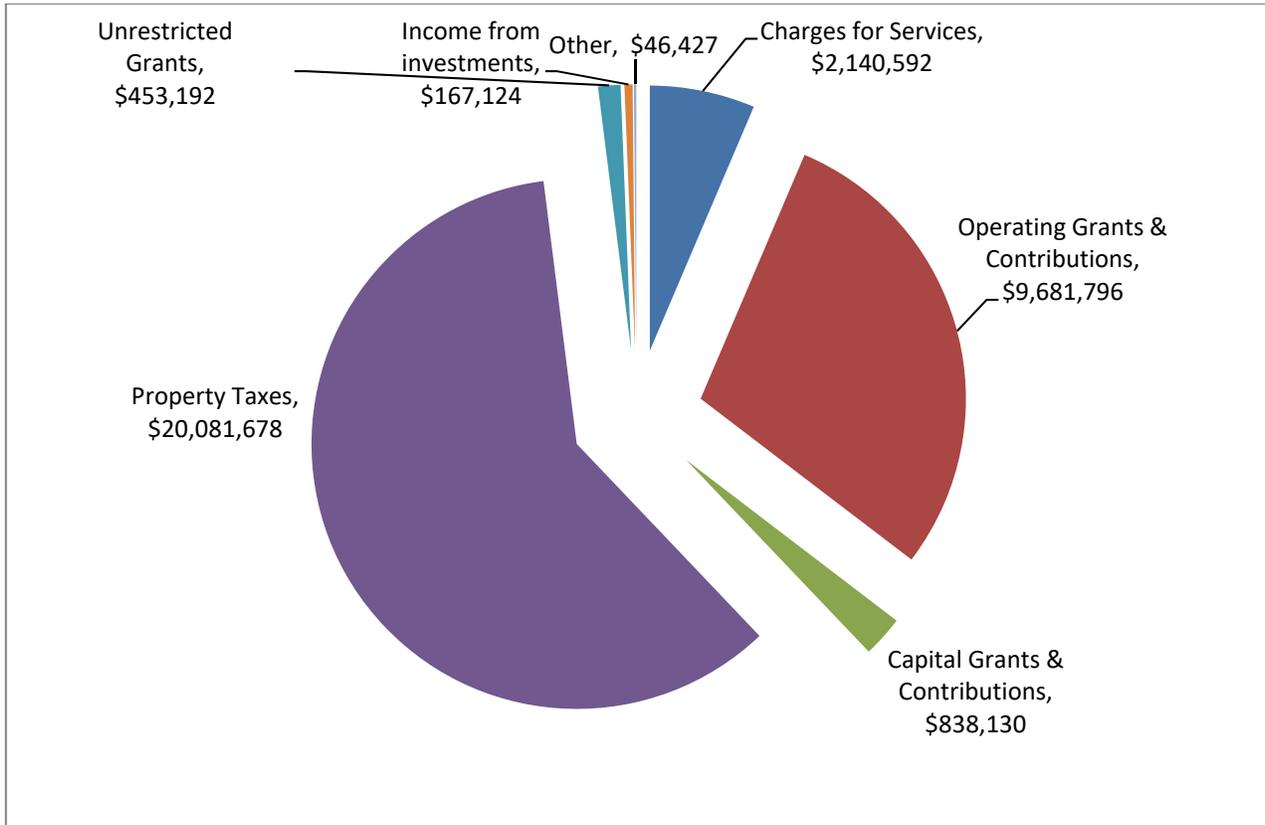
### Expenses and Program Revenues (Net) - Governmental Activities



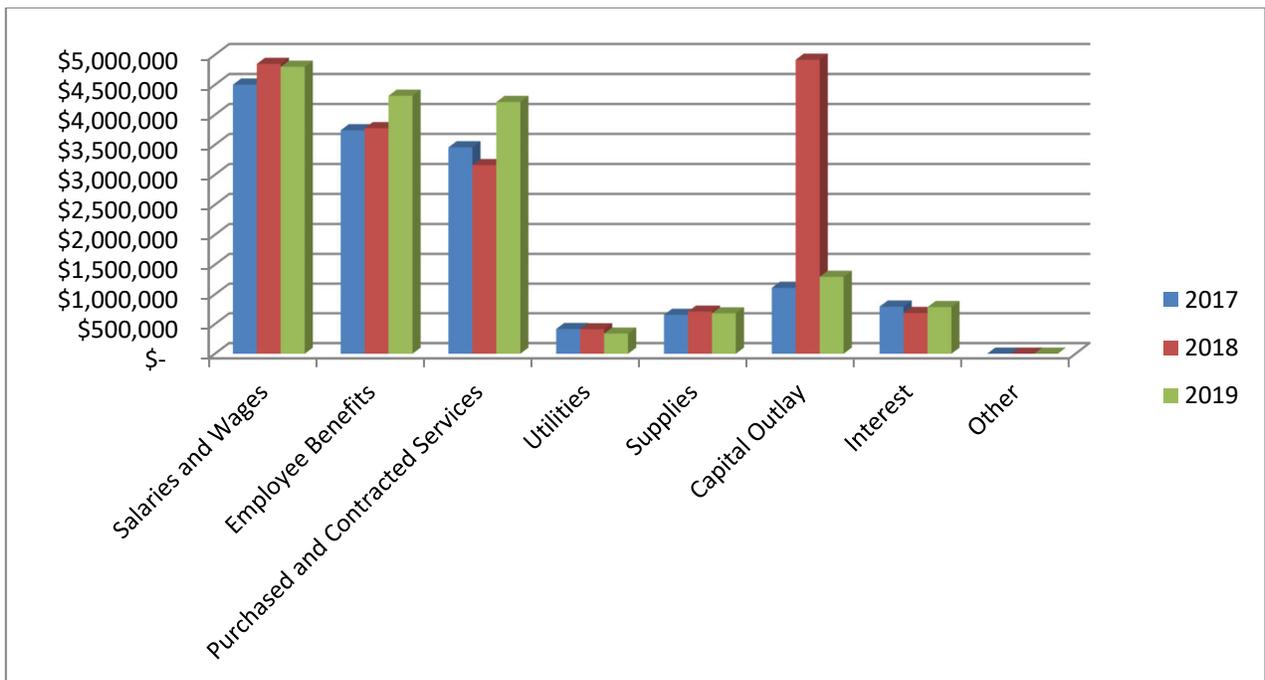
The above represents the percentage of net cost by function as presented in the statement of activities (Exhibit B). In most cases, the above chart represents the true cost of the departments because we have offset the costs by the revenues derived by those departments. For example, the net cost of Education of \$9,994,907 includes expenses of \$19,180,664 offset by charges for services of \$180,492, operating grants and contributions (including the Education Cost sharing grant) of \$8,945,640 and capital grants and contributions of \$59,625.

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 during the fiscal year, the net costs above are understated by \$503,650 in Public Works due to LoCIP and Local Bridge Program grants received for road and bridge projects.

**Revenues by Source**



The chart above reflects the sources of revenue for the fiscal year, which provide the services the taxpayers of Thomaston receive. Property taxes of \$20,081,678 (60.1%) is the major source of revenue, followed by operating grants and contributions of \$9,681,796 (29.0%), charges for services of \$2,140,592 (6.4%), capital grants and contributions of \$838,130 (2.5%) and unrestricted grants of \$453,192 (1.4%). The remaining \$213,551 (0.6%) is made up of investment and other revenue.



## Management's Discussion and Analysis (continued)

---

The previous 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 2019, 2018 and 2017. The overall trend is level spending. The large decrease in capital outlay is due to majority of the project expenditures for the sewer repairs/reconstruction in the "web" area of town, the Walnut Hill bridge project, and the second phase of the Nystroms Track and Tennis projects occurring in the prior year.

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 the 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 \$7,976,239. GASB 54 requires that fund balance be reported in one of five categories: nonspendable, restricted, committed, assigned or unassigned. At the end of the current fiscal year the fund balance for each category was as follows:

Nonspendable	\$ 170,200
Restricted	1,456,071
Committed	1,637,755
Assigned	1,201,834
Unassigned	<u>3,510,379</u>
Total	<u>\$ 7,976,239</u>

The Town has a nonspendable balance that has been reserved 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.

The total fund balances increased by \$231,263. This was due to positive operations of the general fund of \$737,706, debt service fund of \$140,126 and other governmental funds of \$97,129, offset by the decrease in fund balances of the capital or nonrecurring fund of \$739,186 and small cities fund of \$4,512.

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 \$4,200,492. 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 14.4% of total general fund revenues.

The fund balance of the Town's general fund increased \$737,706 during the current fiscal year. This was due to the Town revenues and other financing sources exceeding the amount budgeted by \$269,138, offset by \$119,500 appropriated to balance the budget combined with under expenditure of various departments totaling \$588,068. The details of these variances are discussed under budgetary highlights.

Management's Discussion and Analysis (continued)

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

	<b>General Fund</b>		<b>Increase (Decrease)</b>
	<b>2019</b>	<b>2018</b>	
<b>Revenues:</b>			
Property taxes	\$ 20,033,981	\$ 19,357,281	\$ 676,700
Charges for services	384,991	356,712	28,279
Intergovernmental	8,531,550	8,784,064	(252,514)
Income from investments	95,954	76,046	19,908
Other	46,427	88,936	(42,509)
<b>Total revenues</b>	<b>29,092,903</b>	<b>28,663,039</b>	<b>429,864</b>
<b>Expenditures:</b>			
General government	3,618,591	3,776,603	(158,012)
Public safety	1,792,809	1,659,815	132,994
Public works	1,814,952	1,824,019	(9,067)
Health and welfare	97,085	85,922	11,163
Culture and recreation	445,564	418,532	27,032
Housing and development	152,572	147,311	5,261
Education	16,973,251	17,408,200	(434,949)
Capital outlay	-	489	(489)
<b>Total expenditures</b>	<b>24,894,824</b>	<b>25,320,891</b>	<b>(426,067)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,198,079</b>	<b>3,342,148</b>	<b>855,931</b>
<b>Other financing sources (uses):</b>			
Sale of capital assets	12,670	-	12,670
Transfer in	15,000	15,000	-
Transfer out	(3,488,043)	(3,386,268)	(101,775)
<b>Net other financing sources (uses)</b>	<b>(3,460,373)</b>	<b>(3,371,268)</b>	<b>(89,105)</b>
<b>Net change in fund balances</b>	<b>\$ 737,706</b>	<b>\$ (29,120)</b>	<b>\$ 766,826</b>

- Property taxes increased by \$676,700 due to an increase in the budget and, therefore, the related tax levy.
- Intergovernmental revenue and education expenditures decreased by \$252,514 and \$434,949, respectively, due primarily to a decrease in state teachers' on-behalf payments for pension and OPEB.
- General government decreased from the prior year due to lower than anticipated medical insurance costs.
- Public safety was more than the prior year due to overtime costs in the police department, a mid-year wage adjustment for part-time dispatchers, and unanticipated tree removal costs caused by ash tree disease.

**General Fund Budgetary Highlights**

Transfers to help defray year end budget overruns came from:

Contingency	\$100,000
Street lighting	22,116
Special education excess cost	304,060
Appropriation of fund balance	<u>19,500</u>
 Total	 <u><u>\$445,676</u></u>

The following summarizes the year end budget overruns:

Elections	\$ 1,639
Tax assessor	1,767
Unemployment expense	845
Pension - Town employees	3,125
Insurance	4,758
Communications and dispatch	17,437
Tree removal	7,112
Highways	23,951
Snow and ice removal	49,091
Fire hydrants	176
Solid waste and recycling	5,138
Social services	18
Minibus	3,293
Veterans' administration	286
Recreation programs	3,480
Housing, land use and development	19,500
Education	<u>304,060</u>
 Total	 <u><u>\$445,676</u></u>

**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 totals \$1,061,834.

**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 \$2,000. The ending loan balance was \$816,379 (net of an allowance for uncollectible loans).

**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. A summary of the projects can be found in Note II.C. of the notes to financial statements. The capital or nonrecurring fund's expenditures exceeded its revenues and other financing sources by \$739,186, primarily due to the clean water project activity and the use of interim funding obligations to finance the project.

**Capital Assets and Debt Administration**

**Capital assets.** The Town's investment in capital assets amounts to \$66,695,765 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, land improvements, vehicles, machinery and equipment, sewer lines, roads, bridges, sidewalks and storm drains. The total increase in the Town's investment in capital assets for the current fiscal year was \$642,028 (0.97%).

**Capital Assets  
(Net of Accumulated Depreciation)**

	<b>2019</b>	<b>2018</b>
Land	\$ 1,341,961	\$ 1,341,961
Construction in progress	6,113,568	7,589,627
Buildings	30,080,442	30,636,065
Land improvements	420,312	448,851
Machinery and equipment	5,661,053	6,020,533
Vehicles	1,983,030	2,097,134
Infrastructure	21,095,399	17,919,566
 Total	 \$ 66,695,765	 \$ 66,053,737

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

- Several of last year's projects continued during the year, but at lower levels than the prior year. This activity is included in construction in progress: Nystrom's Track and Tennis project (\$210,753), Walnut Hill bridge project (\$619,256), and a phosphorus project at the Water Pollution Control Plant (\$1,658,161).
- Various projects were completed and capitalized as infrastructure, including roads totaling \$2,358,425 and a portion of the sewer repairs/reconstruction in the "web" area of town of \$1,281,733.

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

**Long-term and short-term debt.** At the end of the current fiscal year, the Town had total bonded debt outstanding of \$24,425,000. All debt is backed by the full faith and credit of the Town. The remainder of the Town's debt represents notes totaling \$939,554 funded by the State of Connecticut Clean Water Fund, and unamortized bond premium of \$697,335.

**Outstanding Debt  
Long-Term Obligations**

	<b>2019</b>	<b>2018</b>
General obligation bonds	\$ 24,425,000	\$ 17,920,000
Premium	697,335	607,060
Bond anticipation notes (permanently financed)	-	7,620,000
Notes	939,554	1,461,872
 Total	 \$ 26,061,889	 \$ 27,608,932

The Town's total debt decreased by \$1,547,043 during the current fiscal year as a result of the current year issuance of general obligation bonds of \$795,000 offset by scheduled principal payments of \$2,432,318 made during the year.

The Town's short-term debt increased to \$1,234,030 during the year with the issuance of the interim funding obligations being used to fund the upgrade to the sewers.

In June 2018, Standard & Poor's assigned a AA rating to the Town's general obligation bonds 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 \$134,490,097, which is significantly in excess of the Town's outstanding general obligation debt.

On July 17, 2018, the Town issued \$8,415,000 of general obligation bonds of which \$7,620,000 was permanently financed in the prior fiscal year, for two fire trucks (\$1,309,000), a payloader (\$130,000). A dump truck (\$150,000), engineering for the "web" road project (\$212,000), Hickory Hill project (\$283,000) and for construction costs for the "web" roads (\$2,701,000), sewer lines (\$1,280,000) and Phase 2 of the Nystroms Track and Tennis project (\$2,350,000).

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

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

- The unemployment rate for the Town is currently 4.3%, which is up from 3.9% one year ago. The Town's rate is favorable compared to the State rate of 3.7% and the Hartford Labor Market rate of 4.6%. Connecticut continues to have a rate higher the national average of 3.7% and, while the overall market has seen some upward movement, unemployment rates are expected to stay somewhat elevated through 2020.
- 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 and fixed costs as well as significant decreases in revenue from the State of Connecticut 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 2019-2020 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.

---

# **Basic Financial Statements**

---

Town of Thomaston, Connecticut

Statement of Net Position  
Governmental Activities  
June 30, 2019

Assets

Current assets:	
Cash.....	\$ 1,214,912
Investments.....	7,954,231
Receivables:	
Property taxes.....	281,025
Assessments/use charges.....	89,277
Loans.....	62,535
Intergovernmental.....	375,928
Other.....	111,984
Other assets.....	16,993
Total current assets.....	<u>10,106,885</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments.....	111,149
Permanently restricted:	
Investments.....	170,200
Total restricted assets.....	<u>281,349</u>
Receivables (net):	
Property taxes.....	217,837
Assessments/use charges.....	82,795
Loans.....	753,844
Notes.....	15,858
Total receivables (net).....	<u>1,070,334</u>
Capital assets (net of accumulated depreciation):	
Land.....	1,341,961
Construction in progress.....	6,113,568
Buildings.....	30,080,442
Land improvements.....	420,312
Machinery and equipment.....	5,661,053
Vehicles.....	1,983,030
Infrastructure.....	21,095,399
Total capital assets (net of accumulated depreciation).....	<u>66,695,765</u>
Total noncurrent assets.....	<u>68,047,448</u>
Total assets.....	<u>78,154,333</u>

Deferred Outflows of Resources

Deferred charge on refunding.....	246,003
OPEB related.....	1,233,803
Total deferred outflows of resources.....	<u>1,479,806</u>

(Continued)

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

Town of Thomaston, Connecticut

Statement of Net Position  
Governmental Activities  
June 30, 2019

Liabilities

Current liabilities:	
Accounts payable.....	\$ 804,016
Retainage payable.....	76,221
Accrued payroll.....	595,045
Accrued interest payable.....	242,544
Unearned revenue.....	86,225
Interim funding obligation.....	1,234,030
Bonds and notes payable.....	2,627,318
Capital lease payable.....	13,190
Compensated absences.....	134,672
Termination benefits.....	88,678
Total current liabilities.....	<u>5,901,939</u>
Noncurrent liabilities:	
Bonds and notes payable and related liabilities.....	23,434,571
Net pension liability.....	2,919,066
Net OPEB liability.....	22,441,948
Compensated absences.....	763,139
Termination benefits.....	174,179
Total noncurrent liabilities.....	<u>49,732,903</u>
Total liabilities.....	<u>55,634,842</u>

Deferred Inflows of Resources

Pension related.....	525,776
OPEB related.....	4,666,480
Total deferred inflows of resources.....	<u>5,192,256</u>

Net Position

Net investment in capital assets.....	39,632,659
Restricted for:	
Endowments:	
Nonexpendable.....	65,700
Expendable.....	39,579
Perpetual care:	
Nonexpendable.....	104,500
Expendable.....	71,570
Housing rehabilitation.....	950,170
Public safety.....	21,403
Sewer operations.....	144,282
Education.....	198,659
Library.....	13,574
Other.....	16,834
Unrestricted.....	<u>(22,451,889)</u>
Total net position.....	<u>\$ 18,807,041</u>

(Concluded)

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

Town of Thomaston, Connecticut

Statement of Activities  
 Governmental Activities  
 For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net Expenses and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government.....	\$ 1,009,995	\$ 188,285	\$ 4,500	\$ 66,211	\$ (750,999)
Public safety.....	2,100,352	194,083	-	79,782	(1,826,487)
Public works.....	3,697,513	1,434,453	713,126	503,650	(1,046,284)
Health and welfare.....	174,134	-	11,333	22,406	(140,395)
Culture and recreation.....	678,631	48,830	7,197	85,656	(536,948)
Housing and development.....	249,609	94,449	-	20,800	(134,360)
Education.....	19,180,664	180,492	8,945,640	59,625	(9,994,907)
Interest.....	882,574	-	-	-	(882,574)
<b>Total.....</b>	<b>\$ 27,973,472</b>	<b>\$ 2,140,592</b>	<b>\$ 9,681,796</b>	<b>\$ 838,130</b>	<b>(15,312,954)</b>
General revenues:					
Property taxes.....					20,081,678
Grants and contributions not restricted to specific programs.....					453,192
Income from investments.....					167,124
Other.....					46,427
<b>Total general revenues.....</b>					<b>20,748,421</b>
Change in net position.....					5,435,467
Net position - July 1, 2018.....					13,371,574
Net position - June 30, 2019.....					<b>\$ 18,807,041</b>

26

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

Town of Thomaston, Connecticut

Balance Sheet  
Governmental Funds  
June 30, 2019

	General	Debt Service	Small Cities	Capital or Nonrecurring	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash.....	\$ 249,642	\$ -	\$ 15,475	\$ -	\$ 949,795	\$ 1,214,912
Investments.....	5,573,685	855,694	119,576	3,833	1,682,792	8,235,580
Receivables, net:						
Property taxes.....	474,982	-	-	-	-	474,982
Sewer charges.....	15,856	-	-	-	127,613	143,469
Loans.....	-	-	816,379	-	-	816,379
Intergovernmental.....	65,933	-	-	284,018	25,977	375,928
Other.....	45,676	-	-	-	66,308	111,984
Due from other funds.....	429,676	206,140	-	453,881	177,428	1,267,125
Other.....	7,751	-	-	-	9,242	16,993
<b>Total assets.....</b>	<b>\$ 6,863,201</b>	<b>\$ 1,061,834</b>	<b>\$ 951,430</b>	<b>\$ 741,732</b>	<b>\$ 3,039,155</b>	<b>\$ 12,657,352</b>
<u>Liabilities</u>						
Accounts payable.....	\$ 634,372	\$ -	\$ 1,260	\$ 110,494	\$ 57,890	\$ 804,016
Retainage payable.....	-	-	-	76,221	-	76,221
Accrued payroll.....	571,258	-	-	-	23,787	595,045
Due to other funds.....	826,241	-	-	-	440,884	1,267,125
Unearned revenue.....	-	-	-	-	86,225	86,225
Interim funding obligation.....	-	-	-	1,234,030	-	1,234,030
<b>Total liabilities.....</b>	<b>2,031,871</b>	<b>-</b>	<b>1,260</b>	<b>1,420,745</b>	<b>608,786</b>	<b>4,062,662</b>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue - property taxes.....	474,982	-	-	-	-	474,982
Unavailable revenue - sewer charges.....	15,856	-	-	-	127,613	143,469
<b>Total deferred inflows of resources.....</b>	<b>490,838</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,613</b>	<b>618,451</b>
<u>Fund Balances</u>						
Nonspendable.....	-	-	-	-	170,200	170,200
Restricted.....	-	-	950,170	-	505,901	1,456,071
Committed.....	-	-	-	-	1,637,755	1,637,755
Assigned.....	140,000	1,061,834	-	-	-	1,201,834
Unassigned.....	4,200,492	-	-	(679,013)	(11,100)	3,510,379
<b>Total fund balances.....</b>	<b>4,340,492</b>	<b>1,061,834</b>	<b>950,170</b>	<b>(679,013)</b>	<b>2,302,756</b>	<b>7,976,239</b>
<b>Total liabilities, deferred inflows of resources and fund balances.....</b>	<b>\$ 6,863,201</b>	<b>\$ 1,061,834</b>	<b>\$ 951,430</b>	<b>\$ 741,732</b>	<b>\$ 3,039,155</b>	<b>\$ 12,657,352</b>

27

(Continued)

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

Town of Thomaston, Connecticut

Reconciliation of Fund Balance to Net Position  
June 30, 2019

Amounts reported in the statement of net position (Exhibit A) are different from the governmental funds balance sheet due to:

Total fund balance (Exhibit C, page 1)..... \$ 7,976,239

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets.....	66,053,737
Current year additions (net of construction in progress).....	2,787,469
Depreciation expense.....	(2,145,441)

Other long-term assets and deferred outflows of resources 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.....	209,483
Notes receivable (sewer charges).....	15,858
Allowance for doubtful accounts.....	(157,000)
Deferred charge on refunding.....	246,003
Deferred outflows related to OPEB.....	1,233,803

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.....	618,451
---	---------

Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable.....	(25,364,554)
Premiums.....	(697,335)
Capital lease payable.....	(13,190)
Net pension liability.....	(2,919,066)
Net OPEB liability.....	(22,441,948)
Compensated absences.....	(897,811)
Termination benefits.....	(262,857)
Accrued interest payable.....	(242,544)
Deferred inflows related to pensions.....	(525,776)
Deferred inflows related to OPEB.....	(4,666,480)

Net position (Exhibit A)..... \$ 18,807,041

(Concluded)

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

Town of Thomaston, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2019

	General	Debt Service	Small Cities	Capital or Nonrecurring	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes.....	\$ 20,033,981	\$ -	\$ -	\$ -	\$ -	\$ 20,033,981
Charges for services.....	384,991	-	-	49,695	1,719,395	2,154,081
Intergovernmental.....	8,531,550	-	-	1,099,265	1,233,437	10,864,252
Contributions.....	-	-	800	69,854	179,475	250,129
Income from investments.....	95,954	6,165	253	19	46,014	148,405
Net change in fair value of investments.....	-	-	-	-	18,719	18,719
Other.....	46,427	-	-	-	-	46,427
Total revenues.....	<u>29,092,903</u>	<u>6,165</u>	<u>1,053</u>	<u>1,218,833</u>	<u>3,197,040</u>	<u>33,515,994</u>
Expenditures:						
Current:						
General government.....	3,618,591	-	-	121,506	743	3,740,840
Public safety.....	1,792,809	-	-	40,905	28,196	1,861,910
Public works.....	1,814,952	-	-	143,459	1,362,476	3,320,887
Health and welfare.....	97,085	-	-	-	82,938	180,023
Culture and recreation.....	445,564	-	-	500	96,685	542,749
Housing and development.....	152,572	-	5,565	3,566	-	161,703
Education.....	16,973,251	-	-	57,734	1,393,656	18,424,641
Debt service.....	-	3,240,313	-	-	-	3,240,313
Capital outlay.....	-	-	-	2,727,871	59,598	2,787,469
Total expenditures.....	<u>24,894,824</u>	<u>3,240,313</u>	<u>5,565</u>	<u>3,095,541</u>	<u>3,024,292</u>	<u>34,260,535</u>
Excess (deficiency) of revenues over expenditures.....	<u>4,198,079</u>	<u>(3,234,148)</u>	<u>(4,512)</u>	<u>(1,876,708)</u>	<u>172,748</u>	<u>(744,541)</u>
Other financing sources (uses):						
Issuance of bonds.....	-	-	-	795,000	-	795,000
Premiums.....	-	168,134	-	-	-	168,134
Sale of capital assets.....	12,670	-	-	-	-	12,670
Transfers in.....	15,000	3,206,140	-	342,522	138,547	3,702,209
Transfers out.....	(3,488,043)	-	-	-	(214,166)	(3,702,209)
Net other financing sources (uses).....	<u>(3,460,373)</u>	<u>3,374,274</u>	<u>-</u>	<u>1,137,522</u>	<u>(75,619)</u>	<u>975,804</u>
Net change in fund balances.....	737,706	140,126	(4,512)	(739,186)	97,129	231,263
Fund balances - July 1, 2018.....	3,602,786	921,708	954,682	60,173	2,205,627	7,744,976
Fund balances - June 30, 2019.....	<u>\$ 4,340,492</u>	<u>\$ 1,061,834</u>	<u>\$ 950,170</u>	<u>\$ (679,013)</u>	<u>\$ 2,302,756</u>	<u>\$ 7,976,239</u>

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

**Town of Thomaston, Connecticut**

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to Statement of Activities  
For the Year Ended June 30, 2019**

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different due to:

Net change in fund balances - total governmental funds (Exhibit D).....	<u>\$ 231,263</u>
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.	
Capital outlay.....	2,787,469
Depreciation expense.....	<u>(2,145,441)</u>
Total .....	<u>642,028</u>

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.....	(141,263)
Notes receivable.....	(7,928)
Change in property tax, sewer use and sewer assessment receivable - accrual basis change.....	7,399
Change in property tax, sewer use and sewer assessment interest and lien revenue.....	<u>34,737</u>
Total .....	<u>(107,055)</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:	
General obligation bonds.....	(795,000)
Premiums.....	(168,134)
Principal repayments:	
General obligation bonds.....	1,910,000
Notes payable.....	522,318
Capital lease payable.....	<u>25,682</u>
Total .....	<u>1,494,866</u>

(Continued)

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

Town of Thomaston, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to Statement of Activities  
For the Year Ended June 30, 2019

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 premiums.....	\$ 77,859
Pension expense.....	464,034
OPEB expense.....	4,025,814
Compensated absences.....	76,175
Termination benefits.....	(42,909)
Accrued interest payable.....	(141,134)
Amortization of deferred charges on refunding.....	(36,986)
Amortization of deferred outflows of resources.....	698,056
Amortization of deferred inflows of resources.....	<u>(1,946,544)</u>
 Total .....	 <u>3,174,365</u>
 Change in net position (Exhibit B) .....	 <u>\$ 5,435,467</u>
	(Concluded)

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

**Town of Thomaston, Connecticut**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

<u>Assets</u>	<u>Pension and OPEB Trust Funds</u>	<u>Private- Purpose Trust Funds</u>	<u>Custodial Fund</u>
Cash.....	\$ -	\$ 869	\$ 121,360
Investments:			
Certificates of deposit.....	-	6,768	-
Mutual funds/exchange traded funds:			
Money market.....	317,738	-	-
Equity.....	10,955,485	-	-
Bond.....	6,385,488	-	-
Real estate investment trusts.....	902,078	-	-
Total investments.....	<u>18,560,789</u>	<u>6,768</u>	<u>-</u>
Total assets.....	<u>18,560,789</u>	<u>7,637</u>	<u>121,360</u>
<u>Net Position</u>			
Restricted for:			
Pension benefits.....	18,221,568	-	-
OPEB benefits.....	339,221	-	-
Individuals and organizations.....	-	7,637	121,360
Total net position.....	<u>\$ 18,560,789</u>	<u>\$ 7,637</u>	<u>\$ 121,360</u>

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

## Town of Thomaston, Connecticut

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

	Pension and OPEB Trust Funds	Private- Purpose Trust Funds	Custodial Fund
Additions:			
Contributions:			
Employer.....	\$ 1,549,356	\$ -	\$ -
Employees.....	147,029	-	-
Total contributions.....	<u>1,696,385</u>	<u>-</u>	<u>-</u>
Activities fees.....	<u>-</u>	<u>-</u>	<u>98,375</u>
Investment income (loss):			
Net change in fair value of investments.....	402,050	-	-
Interest and dividends.....	<u>851,658</u>	<u>98</u>	<u>1</u>
Total investment income (loss).....	1,253,708	98	1
Less investment expenses.....	<u>26,285</u>	<u>-</u>	<u>-</u>
Net investment income (loss).....	<u>1,227,423</u>	<u>98</u>	<u>1</u>
Total additions.....	<u>2,923,808</u>	<u>98</u>	<u>98,376</u>
Deductions:			
Benefits.....	1,947,637	-	-
Administration.....	43,895	-	-
Activities.....	<u>-</u>	<u>-</u>	<u>131,921</u>
Total deductions.....	<u>1,991,532</u>	<u>-</u>	<u>131,921</u>
Changes in net position.....	932,276	98	(33,545)
Net position - July 1, 2018.....	<u>17,628,513</u>	<u>7,539</u>	<u>154,905</u>
Net position - June 30, 2019.....	<u>\$ 18,560,789</u>	<u>\$ 7,637</u>	<u>\$ 121,360</u>

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

## Town of Thomaston, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**History and organization**

The Town of Thomaston, Connecticut ("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.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town does not report any component units.

**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. 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.

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. 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 by the end of the current fiscal period. For reimbursement grants, intergovernmental grants, charges for services and interest the Town considers revenues to be available if they are collected within one year of the end of the current fiscal period.

## Town of Thomaston, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

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.

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.

Additionally, the Town reports the following fund types:

*Special Revenue Funds* are used to account for and report the proceeds of specific revenue resources that are restricted or committed to expenditures for specified purposes other than debt.

*Capital Project Funds* are used to account for and report resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.

*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 Town's programs.

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

*OPEB Trust Funds* account for the activities of the Town OPEB Plan and Board of Education OPEB Plan, which accumulate resources for OPEB benefits.

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

*Custodial Funds* account for monies held on-behalf of students and various community organizations and committees.

## Town of Thomaston, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019****B. Measurement focus, basis of accounting and financial statement presentation (continued)**

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.

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflow of resources related to pensions and OPEB and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town of Thomaston pension and OPEB plans and the Connecticut State Teachers' Retirement System ("TRS") have been determined on the same basis as they are reported by the Town of Thomaston pension and OPEB plans and TRS. 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 equity****1. Deposits and investments****a. Deposits**

The Town considers cash as cash on hand and demand deposits.

**b. 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. For the capital nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

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.

The Town's pension and OPEB funds have adopted a formal investment policy that defines allowable investments, prohibited investments, prohibited transactions, asset allocation guidelines, diversification guidelines and fixed income and cash guidelines.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Pension fund investments may be invested in fixed income, equities, and real estate. 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.

The target asset allocation for the pension fund and the other post-employment benefits fund are as follows:

Asset Class	Target Allocation	
	Pension	OPEB
Fixed income	40.00%	40.00%
Equity	55.00%	55.00%
Real estate	5.00%	5.00%
Total	100.00%	100.00%

There are also minimum and maximum target levels defined.

**c. Method used to value investments**

Investments for the Town are reported at fair value except as described below. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Certain pension investments are valued using the most recent valuation available from the external fund manager and is based on net asset value. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a readily available market for the securities existed.

**Fair value of investments**

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1:* Quoted prices for identical investments in active markets;
- Level 2:* Quoted prices for identical investments in markets that are not active; and
- Level 3:* Unobservable inputs.

**d. Risk policies**

**Interest rate risk** – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. 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** – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing 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  
As of and for the Year Ended June 30, 2019****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Concentration of credit risk – Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.

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 Town does not have a formal policy with respect to custodial credit risk.

Foreign currency risk – Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to the foreign currency risk.

**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 34% 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 by June 30, have been recorded as a deferred inflow 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.

**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 acquisition 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.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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>Asset Class</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 net 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.

In addition to liabilities, the statement of net 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 reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions and net difference between projected and actual earnings on plan investments. The deferred outflow or inflow related to differences between expected and actual experience and changes in assumptions will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period.

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the life of the debt.

Advance tax collections represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from several sources: property taxes (including advance collections, if any), and sewer assessment and use charges. These amounts are recognized as an inflow of resources in the period that the amounts become available.

## Town of Thomaston, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****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. Board of Education employees are paid vacation on a fiscal year basis and, therefore, unused vacation lapses at June 30. 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. 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.

For employees other than certified teachers, sick leave accrues at the rate of 1¼ days per month, cumulative to a maximum of 100 days. Upon the death or retirement of an employee an amount will be due 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% up to a maximum of 50 days; public works employees hired after January 1, 2006 are entitled to 50% up to a maximum of 50 days; and sewer and white collar employees hired after July 1, 2005 are not entitled to the benefit. 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.

**7. Special termination benefits**

Termination benefits represent the present value of future benefits to be paid to former employees. Certain Board of Education employees were granted retirement awards based on years of service and other provisions in their contracts. A liability for these amounts has been recorded in the government-wide financial statements.

**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.

## Town of Thomaston, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****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.

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.

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

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 of Finance or a properly approved purchase order.

## Town of Thomaston, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**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 the Board of Finance has provided otherwise in its commitment or assignment actions.

**Minimum Fund Balance Policy**

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% nor more than 10% of the total operating general fund expenditures.

**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. 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. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the budgetary statements included as required supplementary information.

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**B. Donor-restricted Endowments**

The Town has received certain endowments for the maintenance of Edith Kenea Park, the Hillside Cemetery and fire department operation purposes. The amounts are reflected in net position as restricted for endowments and perpetual care. Investment income (including appreciation) is approved for expenditure by the individual Boards. The amount of appreciation (depreciation) included in restricted fund balance of the Hillside Cemetery Trust was \$143,342.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Donor-restricted Endowments (continued)**

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

**C. Capital or nonrecurring project authorizations**

The following is a summary of capital or nonrecurring projects:

	Project Authorization	Current Year Expenditures	Cumulative Expenditures	Balance June 30, 2019
Assessors revaluation	\$ 613,137	\$ -	\$ 547,137	\$ 66,000
Beautification: Seth Thomas Park sign	625	-	171	454
BOE projects	142,077	60,278	106,073	36,004
Bradstreet house repairs	5,400	-	1,982	3,418
Christmas lights-reserve	12,000	-	10,000	2,000
EDC outreach	850	850	850	-
Emergency management projects	23,818	2,310	19,066	4,752
Energy efficiency project	3,177,835	14,903	3,116,828	61,007
Fire department projects	175,500	7,870	51,605	123,895
Grove manor chimney swift roost	29,462	-	29,605	(143)
Inland wetland engineering	16,036	2,716	10,566	5,470
Kenea park clock restoration	16,000	-	13,150	2,850
K-9 donation reserves	13,917	(146)	11,244	2,673
Library projects	23,916	-	18,895	5,021
Opera house projects	15,092	-	-	15,092
Park bench wood repairs	1,125	-	889	236
Police department projects	428,113	68,726	355,479	72,634
Public works department projects	14,328,083	928,834	14,209,830	118,253
Recreation department projects	10,000	-	-	10,000
Roofs engineering repairs	4,142,099	71,190	4,044,847	97,252
Selectmen department projects	35,000	35,000	35,000	-
Senior Center - CT Community Foundation grant	1,400	-	1,320	80
Seth Thomas park	1,416	500	500	916
Skate park proceeds	1,090	-	-	1,090
Town-wide sick pay reserve	877,524	-	873,691	3,833
Street lights	20,000	1,044	1,044	18,956
Track committee	3,298,508	210,753	3,258,344	40,164
Town hall projects	504,067	32,552	416,312	87,755
TVAC projects	29,925	-	18,242	11,683
WPCA projects	3,666,799	1,658,161	3,143,610	523,189
Totals	<u>\$31,610,814</u>	<u>\$ 3,095,541</u>	<u>\$30,296,280</u>	<u>\$ 1,314,534</u>

The Grove manor chimney swift roost project was over expended due to unanticipated costs related to the drafting of bid specifications. The Town will increase the project authorization at a future meeting.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**III. Detailed notes****A. Cash and investments****1. Deposits – custodial credit risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year end, \$3,799,695 of the Town's bank balance of \$4,912,509 (including certificates of deposit and bank money market funds) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,638,936
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,160,759</u>
Total amount subject to custodial credit risk	<u><u>\$ 3,799,695</u></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.

**2. Investments**

- a. 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	Fair Value	Investment Maturities (In Years)		
		N/A	Less Than 1	5-10 Years
Certificates of deposit	\$ 244,159	\$ -	\$ 244,159	\$ -
Bank money market funds	3,082,149	-	3,082,149	-
Pooled fixed income	4,355,138	-	4,355,138	-
Mutual funds/exchange traded funds:				
Money market	317,738	-	317,738	-
Equity	11,404,736	11,404,736	-	-
Bond	6,385,488	-	-	6,385,488
Real estate investment trust	902,078	902,078	-	-
Common stock	111,651	111,651	-	-
Totals	<u>\$ 26,803,137</u>	<u>\$12,418,465</u>	<u>\$7,999,184</u>	<u>\$6,385,488</u>

Town of Thomaston, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

A. Cash and investments (continued)

b. The Town had the following recurring fair value measurement:

Investments by fair value level	Amount	Quoted Market Prices in Active Markets Level 1
Mutual funds/exchange traded funds:		
Money market	\$ 317,738	\$ 317,738
Equity	11,404,736	11,404,736
Bond	6,385,488	6,385,488
Real estate investment trust	902,078	902,078
Common stock	<u>111,651</u>	<u>111,651</u>
Total investments by fair value level	<u>19,121,691</u>	<u>\$ 19,121,691</u>
Other investments		
Certificates of deposit	244,159	
Bank money market funds	3,082,149	
Pooled fixed income	<u>4,355,138</u>	
Total other investments	<u>7,681,446</u>	
Total investments	<u>\$ 26,803,137</u>	

Level 1: Quoted prices for identical investments in active markets

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

Type of Investment	Ratings						Totals
	AAA	A	BBB	BB	B	Below B	
Pooled fixed income	\$4,355,138	\$ -	\$ -	\$ -	\$ -	\$ -	4,355,138
Mutual funds/exchange traded funds:							
Money market	317,738	-	-	-	-	-	317,738
Bond	<u>3,458,774</u>	<u>990,568</u>	<u>1,049,681</u>	<u>407,774</u>	<u>363,451</u>	<u>115,240</u>	<u>6,385,488</u>
Totals	<u>\$8,131,650</u>	<u>\$ 990,568</u>	<u>\$1,049,681</u>	<u>\$407,774</u>	<u>\$ 363,451</u>	<u>\$ 115,240</u>	<u>\$11,058,364</u>

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 does not have any investments subject to custodial credit risk since the common stock is held in the Town's name.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Receivables**

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

	Property Taxes			
	Taxes	Interest and lien fees	Total	
Current portion	\$ 204,665	\$ 76,360	\$ 281,025	
Long-term portion	\$ 270,317	\$ 97,520	\$ 367,837	
Less allowance for uncollectibles	(100,000)	(50,000)	(150,000)	
Net long-term portion	\$ 170,317	\$ 47,520	\$ 217,837	
	Sewer Use			
	Use	Interest and lien fees	Total	CDBG Loans
Current portion	\$ 57,393	\$ 16,028	\$ 73,421	\$ 62,535
Long-term portion	\$ 70,220	\$ 19,575	\$ 89,795	\$ 853,844
Less allowance for uncollectibles	(5,500)	(1,500)	(7,000)	(100,000)
Net long-term portion	\$ 64,720	\$ 18,075	\$ 82,795	\$ 753,844

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Interfund accounts****1. Interfund payables and receivables**

The amounts due from and due to other funds were as follows:

	Corresponding Fund	Due From	Due To
General fund			
Debt service	N/A	\$ -	\$ 206,140
Capital or nonrecurring	N/A	-	452,277
Sewer commission usage fund	N/A	-	33,053
Education funds	N/A	353,479	-
Town clerk preservation fund	N/A	-	4,500
Transfer station fund	N/A	8,770	-
Recreation funds	N/A	-	26,474
Gift fund	N/A	-	250
Capital projects	N/A	-	103,547
Edith Kenea park and tree fund	N/A	1,197	-
Hillside cemetary trust fund	N/A	66,230	-
Total general fund		429,676	826,241
Debt service	General fund	206,140	-
Capital or nonrecurring			
General fund	N/A	452,277	-
Capital projects	N/A	1,604	-
Total capital or nonrecurring		453,881	-
Other governmental funds			
Special revenue funds			
Sewer commission usage fund	General fund	33,053	-
School lunch fund	Education funds	-	5,604
Education funds	General fund	-	353,479
Education funds	School lunch fund	5,604	-
Town clerk preservation fund	Public library funds	4,000	-
Town clerk preservation fund	General fund	4,500	-
Transfer station fund	General fund	-	8,770
Public library funds	Town clerk preservation fund	-	4,000
Recreation funds	General fund	26,474	-
Gift fund	General fund	250	-
Capital project funds			
Capital projects	Capital or nonrecurring	-	1,604
Capital projects	General fund	103,547	-
Permanent funds			
Edith Kenea park and tree fund	General fund	-	1,197
Hillside cemetary trust fund	General fund	-	66,230
Total other governmental funds		177,428	440,884
Total		\$ 1,267,125	\$ 1,267,125

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Interfund accounts (continued)**

The Debt Service fund interfund 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 or in instances where certain funds do not have a cash account.

**2. Interfund transfers**

A summary of interfund transfers for the fiscal year is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General fund			
Debt service	N/A	\$ -	\$3,206,140
Capital or nonrecurring	N/A	-	246,903
Social services crisis fund	N/A	-	1,000
EMS fund	N/A	15,000	-
Recreation funds	N/A	-	8,000
Hillside cemetary trust fund	N/A	-	26,000
Total general fund		<u>15,000</u>	<u>3,488,043</u>
Debt service	General fund	<u>3,206,140</u>	-
Capital or nonrecurring			
General fund	N/A	246,903	-
Sewer commission assessment & appropriation fund	N/A	<u>95,619</u>	-
Total capital or nonrecurring		<u>342,522</u>	-
Other governmental funds			
Special revenue funds			
Sewer commission usage fund	Capital projects	-	103,547
Sewer commission assessment & appropriation fund	Capital or nonrecurring	-	95,619
Social services crisis fund	General fund	1,000	-
EMS fund	General fund	-	15,000
Recreation funds	General fund	8,000	-
Capital project funds			
Capital projects	Sewer commission usage fund	103,547	-
Permanent funds			
Hillside cemetary trust fund	General fund	<u>26,000</u>	-
Total other governmental funds		<u>138,547</u>	<u>214,166</u>
Total		<u>\$3,702,209</u>	<u>\$3,702,209</u>

Transfers are used to account for the financing by the general fund of various programs and activities in the special revenue funds, debt service, capital projects and capital or nonrecurring fund. In turn, the EMS fund offsets its budget by transferring money to the general fund. Surpluses (deficits) in the sewer commission usage fund are transferred to (from) the capital projects funds.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Capital assets**

Capital asset activity for the year was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
<u>Capital assets, not being depreciated:</u>				
Land	\$ 1,341,961	\$ -	\$ -	\$ 1,341,961
Construction in progress	7,589,627	2,488,169	3,964,228	6,113,568
Total capital assets, not being depreciated	8,931,588	2,488,169	3,964,228	7,455,529
<u>Capital assets, being depreciated:</u>				
Buildings	43,787,505	412,849	-	44,200,354
Land improvements	1,441,764	-	-	1,441,764
Machinery and equipment	12,813,195	91,278	5,717	12,898,756
Intangibles	24,165	-	-	24,165
Vehicles	4,778,909	119,243	-	4,898,152
Infrastructure	25,791,243	3,640,158	-	29,431,401
Total capital assets, being depreciated	88,636,781	4,263,528	5,717	92,894,592
Total capital assets	97,568,369	6,751,697	3,969,945	100,350,121
<u>Less accumulated depreciation for:</u>				
Buildings	13,151,440	968,472	-	14,119,912
Land improvements	992,913	28,539	-	1,021,452
Machinery and equipment	6,792,662	450,758	5,717	7,237,703
Intangibles	24,165	-	-	24,165
Vehicles	2,681,775	233,347	-	2,915,122
Infrastructure	7,871,677	464,325	-	8,336,002
Total accumulated depreciation	31,514,632	2,145,441	5,717	33,654,356
Total capital assets, being depreciated, net	57,122,149	2,118,087	-	59,240,236
Governmental activities capital assets, net	<u>\$ 66,053,737</u>	<u>\$ 4,606,256</u>	<u>\$ 3,964,228</u>	<u>\$ 66,695,765</u>

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**D. Capital assets (continued)**

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

General government	\$ 113,661
Public safety	319,642
Public works	847,078
Culture and recreation	46,355
Education	<u>818,705</u>
Total depreciation expense	<u><u>\$ 2,145,441</u></u>

**E. Construction commitments**

At year end, the Town's commitments with contractors were as follows:

<u>Project Description</u>	<u>Commitment</u>
WPCA phosphorus upgrade	<u><u>\$ 96,119</u></u>

**F. Short-term obligations – interim funding obligation**

The Town uses interim funding obligations during the construction period for the water pollution control authority plant upgrade.

Short-term obligation activity was as follows:

<u>Type of Obligation</u>	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Clean Water Loan CWF 680-DC	<u>\$ -</u>	<u>\$ 1,234,030</u>	<u>\$ -</u>	<u>\$ 1,234,030</u>

The obligation issued by the State carries an interest rate of 2%.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**G. 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, 2018	Additions	Deductions	Balance June 30, 2019	Current Portion	Long Term Portion
<u>Bonds/notes</u>										
General purpose:										
Refunding bond	\$ 417,938	02/05/10	08/15/18	1.50 - 3.00%	\$ 42,180	\$ -	\$ 42,180	\$ -	\$ -	\$ -
Refunding bond	140,008	06/01/11	12/01/22	2.00 - 4.00%	49,491	-	11,088	38,403	11,088	27,315
Improvement bond	4,570,571	05/01/13	05/01/33	2.00 - 4.00%	3,377,568	-	228,078	3,149,490	228,078	2,921,412
Improvement bond	5,725,000	11/01/14	11/01/34	3.00 - 4.00%	4,855,000	-	290,000	4,565,000	290,000	4,275,000
Refunding bond	5,809,500	05/19/15	02/01/30	3.00 - 4.00%	4,653,000	-	346,500	4,306,500	342,000	3,964,500
Improvement bond	7,135,000	07/17/18	07/15/38	3.00 - 4.00%	6,340,000	795,000	-	7,135,000	411,227	6,723,773
Total general purpose					19,317,239	795,000	917,846	19,194,393	1,282,393	17,912,000
Schools:										
Refunding bond	2,402,062	02/05/10	08/15/18	1.50 - 3.00%	242,820	-	242,820	-	-	-
Refunding bond	6,244,960	06/01/11	12/01/22	2.00 - 4.00%	2,207,543	-	494,561	1,712,982	494,561	1,218,421
Improvement bond	2,164,429	05/01/13	05/01/33	2.00 - 4.00%	1,657,432	-	111,922	1,545,510	111,922	1,433,588
Improvement bond	300,000	11/01/14	11/01/34	3.00 - 4.00%	120,000	-	60,000	60,000	60,000	-
Refunding bond	645,500	05/19/15	02/01/30	3.00 - 4.00%	517,000	-	38,500	478,500	38,000	440,500
Total schools					4,744,795	-	947,803	3,796,992	704,483	3,092,509
Sewer:										
Refunding bond	560,032	06/01/11	12/01/22	2.00 - 4.00%	197,966	-	44,351	153,615	44,351	109,264
Improvement bond	1,280,000	07/17/18	07/15/38	3.00 - 4.00%	1,280,000	-	-	1,280,000	73,773	1,206,227
Clean water note	9,091,656	02/28/02	03/31/21	2.00%	1,461,872	-	522,318	939,554	522,318	417,236
Total sewer					2,939,838	-	566,669	2,373,169	640,442	1,732,727
Total bonds and notes					27,001,872	795,000	2,432,318	25,364,554	2,627,318	22,737,236
Premiums					607,060	168,134	77,859	697,335	-	697,335
Total bonds, notes and related liabilities					27,608,932	963,134	2,510,177	26,061,889	2,627,318	23,434,571
Capital lease obligations					38,872	-	25,682	13,190	13,190	-
Net pension liability					3,383,100	1,772,132	2,236,166	2,919,066	-	2,919,066
Net OPEB liability					26,467,762	3,545,765	7,571,579	22,441,948	-	22,441,948
Compensated absences					973,986	36,094	112,269	897,811	134,672	763,139
Termination benefits					219,948	112,084	69,175	262,857	88,678	174,179
Total long-term obligations					\$ 58,692,600	\$ 6,429,209	\$ 12,525,048	\$ 52,596,761	\$ 2,863,858	\$ 49,732,903

Town of Thomaston, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

G. Changes in long-term obligations (continued)

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

The following is a summary of bond and note maturities:

Fiscal Year Ended June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2020	\$ 2,105,000	\$ 765,206	\$ 522,318	\$ 13,919
2021	2,045,000	691,481	417,236	3,397
2022	1,900,000	626,031	-	-
2023	1,890,000	562,081	-	-
2024	1,880,000	500,762	-	-
2025	1,870,000	439,025	-	-
2026	1,465,000	380,975	-	-
2027	1,460,000	337,025	-	-
2028	1,445,000	294,200	-	-
2029	1,445,000	251,725	-	-
2030	1,365,000	209,050	-	-
2031	1,010,000	166,963	-	-
2032	1,010,000	135,976	-	-
2033	1,010,000	105,176	-	-
2034	675,000	73,285	-	-
2035	590,000	52,901	-	-
2036	315,000	38,194	-	-
2037	315,000	27,562	-	-
2038	315,000	16,538	-	-
2039	315,000	5,513	-	-
Total	<u>\$24,425,000</u>	<u>\$5,679,669</u>	<u>\$ 939,554</u>	<u>\$ 17,316</u>

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**G. Changes in long-term obligations (continued)****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	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 43,228,960	\$ 19,194,393	\$ 24,034,567
Schools	86,457,920	3,796,992	82,660,928
Sewers	72,048,266	1,433,615	70,614,651
Urban renewal	62,441,831	-	62,441,831
Pension deficit	57,638,613	-	57,638,613

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation, \$134,490,097.

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.

**3. Authorized/unissued bonds**

The amount of authorized, unissued bonds is 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	100,000	625,000
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	540,000	60,000
Payloader	150,000	130,000	20,000
Dump truck	194,900	150,000	44,900
Refunding bonds	7,000,000	6,455,000	545,000
Phase I roadway improvements	3,270,000	2,701,000	569,000
Hickory hill road	283,000	283,000	-
Road design	212,000	212,000	-
Phase II Thomaston track facility	2,350,000	2,350,000	-
Fire truck	769,000	769,000	-
WPCA sewer lines	1,390,000	1,280,000	110,000
<b>Total</b>	<b>\$ 64,957,867</b>	<b>\$ 58,247,462</b>	<b>\$ 6,710,405</b>

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**G. Changes in long-term obligations (continued)**

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

**4. Capital leases**

The Town is committed under capital leases for 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.

Vehicles totaling \$73,705, net of accumulated depreciation of \$16,651 are recorded under the leases. This year, \$7,084 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.

Year Ending June 30	
2020	\$ 13,981
Less amount representing interest	<u>(791)</u>
Present value of minimum lease payments	<u>\$ 13,190</u>

**5. 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 2019. The benefits were paid from the General Fund Board of Education department.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**H. Fund Balances**

Fund balances are composed of the following:

	General Fund	Debt Service	Small Cities	Capital or Nonrecurring	Other Governmental Funds	Total
Nonspendable:						
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ 170,200	\$ 170,200
Restricted:						
Cemetery maintenance	-	-	-	-	71,570	71,570
School lunch operations	-	-	-	-	198,659	198,659
Public safety	-	-	-	-	21,403	21,403
Library operations	-	-	-	-	13,574	13,574
Park maintenance	-	-	-	-	37,909	37,909
Other	-	-	-	-	18,504	18,504
Housing rehabilitation	-	-	950,170	-	-	950,170
Sewer operations	-	-	-	-	144,282	144,282
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>950,170</b>	<b>-</b>	<b>505,901</b>	<b>1,456,071</b>
Committed:						
Public safety - EMS	-	-	-	-	322,402	322,402
Cemetery maintenance	-	-	-	-	425,609	425,609
Other	-	-	-	-	242,693	242,693
Recreation programs	-	-	-	-	46,339	46,339
Approved CNR projects	-	-	-	-	600,712	600,712
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,637,755</b>	<b>1,637,755</b>
Assigned:						
Subsequent year's budget	140,000	-	-	-	-	140,000
Future debt service payments	-	1,061,834	-	-	-	1,061,834
<b>Total assigned</b>	<b>140,000</b>	<b>1,061,834</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,201,834</b>
Unassigned:	4,200,492	-	-	(679,013)	(11,100)	3,510,379
<b>Total</b>	<b>\$ 4,340,492</b>	<b>\$ 1,061,834</b>	<b>\$ 950,170</b>	<b>\$ (679,013)</b>	<b>\$ 2,302,756</b>	<b>\$ 7,976,239</b>

The amount of restricted net position, which was restricted by enabling legislation, totaled \$359,775.

**I. Deficit fund balances**

The transfer station fund had a deficit fund balance at year end of \$11,100.

The deficit will be reduced or eliminated in future years as amounts are received from charges for services and transfers from the general fund.

## Town of Thomaston, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019****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 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.

**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.

**V. Pensions and other post-employment benefit plans****A. Pension plan****1. Plan description****a. 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.

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

Town of Thomaston, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

A. Pension plan (continued)

b. Plan membership

At January 1, 2019, pension plan membership consisted of the following:

Active members	58
Terminated employees entitled to benefits	19
Retirees, disabled employees, and beneficiaries receiving benefits	<u>76</u>
Total	<u>153</u>

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

2. Benefit provisions

Normal retirement	Hired before 1/1/1998: Age 55 with 10 years credited service Hired after 1/1/1998: Age 65 with 25 years credited service
Normal retirement (Police)	Age 50 with 10 years credited service
Benefit calculation	2% of final average compensation per year of service to a maximum of 50%
Benefit calculation (Police)	2.25% of final average compensation per year of service to a maximum of 67.5%
Early retirement service requirement	25 years of credited service
Service connected disability amount	2% of final average compensation per year of service, paid as an annuity and reduced by compensation payments
Non-service connected disability service requirement	10 years

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Pension plan (continued)****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.

The average active member contribution rate was 5.2% of annual base compensation, and the Town's average contribution rate was 19.38% of annual payroll.

**4. Investments****a. 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 is the Board's adopted asset allocation policy:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed income	40%
Domestic equity	35%
International equity	20%
Real estate	<u>5%</u>
Total	<u><u>100.0%</u></u>

**b. Concentrations**

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

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**A. Pension plan (continued)****c. Rate of return**

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 as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.24%
Domestic equity	6.31%
International equity	7.14%
Real estate	6.00%
Cash	2.25%

The weighted average expected rate of return is 7.00%.

**d. Annual money-weighted rate of return**

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**5. Net pension liability**

Total pension liability	\$ 21,140,634
Plan fiduciary net position	<u>18,221,568</u>
Net pension liability	<u>\$ 2,919,066</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.19%</u>

Town of Thomaston, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

A. Pension plan (continued)

6. 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 normal
Asset valuation method	Fair value
Post-retirement increases	None
Inflation	2.20%
Salary increase	4.00%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Blue Collar Mortality projected using fully generational improvements from 2006 based on assumptions from the 2018 Social Security Administration Trustee's Report

7. Changes from prior year

a. Changes in assumptions

The mortality assumption was updated to better reflect anticipated experiences and was based on RP-2014 blue collar mortality projected using fully generational improvements from 2006 based on assumptions from the 2018 social security administration trustee's report.

b. Changes in benefit terms

There were no changes in benefit terms.

8. 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**  
**As of and for the Year Ended June 30, 2019**

**A. Pension plan (continued)****9. Changes in the net pension liability**

The Town's net pension liability was measured at June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2018	\$ 20,720,083	\$ 17,336,983	\$ 3,383,100
Service cost	296,619	-	296,619
Interest	1,432,379	-	1,432,379
Differences between expected and actual experience	(151,278)	-	(151,278)
Changes in assumptions	(48,888)	-	(48,888)
Contributions - employer	-	685,000	(685,000)
Contributions - member	-	147,029	(147,029)
Net investment income	-	1,203,971	(1,203,971)
Benefit payments, including refunds of member contributions	(1,108,281)	(1,108,281)	-
Administrative expenses	-	(43,134)	43,134
Net change	420,551	884,585	(464,034)
Balance at June 30, 2019	\$ 21,140,634	\$ 18,221,568	\$ 2,919,066

**10. 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
	Net pension liability	5,130,639	2,919,066

Town of Thomaston, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

A. Pension plan (continued)

11. Pension expense and deferred outflows of resources and deferred inflows of resources

For the fiscal year, the Town recognized pension expense of \$195,931. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Inflows of Resources
Differences between expected and actual experience	\$ (344,564)
Changes in assumptions	(68,368)
Net difference between projected and actual earnings on pension plan investments	(112,844)
Total	\$ (525,776)

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

Year Ending June 30	
2020	\$ (310,888)
2021	(211,336)
2022	(6,832)
2023	3,280
Total	\$ (525,776)

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 is also 5 years.

B. Connecticut State Teachers' Retirement System

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/trb](http://www.ct.gov/trb).

## Town of Thomaston, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019**B. Connecticut State Teachers' Retirement System (Continued)****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 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 annual average salary.

**Pre-Retirement Death Benefit:** The Plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

**3. Contributions****State of Connecticut**

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 January 1, 2018, each teacher is required to contribute 7% of their salary for the pension benefit.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Connecticut State Teachers' Retirement System (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>21,241,051</u>
Total	<u><u>\$ 21,241,051</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net pension liability.

During the year the Town recognized pension expense and revenue of \$2,052,900 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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%.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**B. Connecticut State Teachers' Retirement System (continued)****Long-term expected rate of return**

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap U.S. equities	21.00%	5.80%
Developed non-U.S. equities	18.00%	6.60%
Emerging markets (non-U.S.)	9.00%	8.30%
Real estate	7.00%	5.10%
Private equity	11.00%	7.60%
Alternative investments	8.00%	4.10%
Core fixed income	7.00%	1.30%
High yield bonds	5.00%	3.90%
Emerging market bond	5.00%	3.70%
Inflation linked bond fund	3.00%	1.00%
Cash	6.00%	0.40%
Total	<u>100.0%</u>	

**6. Discount rate**

The discount rate used to measure the total pension liability was 8.00%. 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 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, 2018.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefits Plan****1. Plan description****a. Plan administration**

The Town administers two single-employer, post-retirement healthcare plans: Town (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 is accounted for in a trust. The Board of Education plan is not currently accounted for in a trust. The Town plan does not issue a stand-alone financial report.

**b. Plan membership**

As of July 1, 2018 for Town and Board of Education, the plans' membership consisted of:

	<u>Town</u>	<u>Board of Education</u>
Active members	22	137
Retirees, disabled employees, and beneficiaries receiving benefits	<u>43</u>	<u>22</u>
Total	<u><u>65</u></u>	<u><u>159</u></u>

**2. Benefit provisions**

The Town plan provides for medical and dental benefits for all eligible retirees and their spouses. The Board of Education plan provides medical, dental and life insurance benefits to eligible retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Benefits are provided by a third party insurer and the full cost of benefits is covered by the plan.

**3. Contributions****a. Employer contributions**

The Town's recommended contributions are actuarially determined on an annual basis using the entry age normal method. The Town and Board of Education's total plan contributions were \$642,715 and \$221,641, respectively.

**b. Employee contributions**

There are no employee contributions to the Town and Board of Education plans.

Teachers who no longer work for the Board of Education are allowed by State Statute to participate in the Town's group medical insurance plan until they formally begin receiving benefits from the State Teachers' Retirement Plan. These teachers are required to contribute the cost of the insurance to the Town.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefits Plan (continued)****4. Investments****a. Investment policy**

The OPEB plans' policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Town's Retirement Board 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 for the Town Plan:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. large cap	26.75%
Fixed income	35.00%
Short duration	5.00%
International developed	16.00%
U.S. mid/small cap	8.25%
Real estate	5.00%
International emerging	4.00%
Cash	<u>0.00%</u>
 Total	 <u>100.00%</u>

**b. Concentrations**

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

**c. Rate of return**

The long-term expected rate of return on OPEB 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 OPEB 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 OPEB plan's investment policy) are as follows:

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefits Plan (continued)**

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap	6.20%
Fixed income	3.05%
Short duration	4.60%
International developed	6.95%
U.S. mid/small cap	6.65%
Real estate	6.00%
International emerging	7.90%
Cash	1.95%

Inflation is estimated to be 2.20%.

**d. Annual money-weighted rate of return**

The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 4.02% for the Town OPEB Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**5. Net OPEB liability – Town Plan**

The components of the net OPEB liability were as follows:

	<u>Town Plan</u>
Total OPEB liability	\$ 16,001,266
Plan fiduciary net position	<u>339,221</u>
Net OPEB liability	<u>\$ 15,662,045</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.12%</u>

**6. Net OPEB liability – Board of Education Plan**

The Board of Education OPEB liability of \$6,779,903 was measured as of June 30, 2019, and was determined by an actuarial as July 1, 2018.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefits Plan (continued)****7. Actuarial methods and significant assumptions**

The total OPEB liability for the plans was determined based upon a July 1, 2018 actuarial valuation using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Discount rate - Town (blended)	4.80%
Discount rate - Board of Education	3.51%
Investment rate of return	6.00%, net of pension plan investment expense, including inflation
Projected healthcare cost increases:	
Inflation	2.20%
Initial	8.00%
Ultimate	4.50%
Mortality rate	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019

The discount rate was based on the Standard and Poors municipal bond 20 year high grade index as of the measurement date.

**8. Changes from prior year****a. Changes in assumptions**

The Town's plan had the following changes in assumptions:

- The discount rate decreased from 5.20% to 4.80% for the Town Plan and decreased from 3.87% to 3.51% for the Board of Education Plan since the prior measurement date.
- The healthcare cost rates decreased to the initial rate of 8.00% and an ultimate rate of 4.50% since the prior measurement date.
- The inflation rate decreased from 2.25% to 2.20% since the prior measurement date.
- Mortality rates were updated to use SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019.

**b. Changes in benefit terms**

There were no changes in benefit terms.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefits Plan (continued)****9. Discount rate**

The final equivalent discount rate used to measure the total OPEB liability was 4.80% for the Town Plan. For the Town Plan, the projection of cash flows used to determine the discount rate assumed that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Town Plan's long-term real rate of return is expected to be 6.00%, but the plan investments are insufficient to pay for future benefits. Therefore, the 20 year tax exempt general obligation municipal bond rate as of June 30, 2019 of 3.51% is used once the plan assets are exhausted resulting in the final equivalent rate of 4.80%.

The Board of Education plan has no plan assets and therefore the discount rate used to measure the total OPEB liability is the 20 year tax exempt general obligation municipal bond rate as of June 30, 2019 of 3.51%.

**10. Changes in the net OPEB liability**

The Town's net OPEB liability was measured at June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018. The changes in net OPEB liability for each plan for the fiscal year were as follows:

Town Plan	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2018	\$ 21,196,039	\$ 291,530	\$ 20,904,509
Service cost	216,810	-	216,810
Interest	1,091,922	-	1,091,922
Differences between expected and actual experience	(6,504,575)	-	(6,504,575)
Changes in assumptions	840,426	-	840,426
Contributions - employer	-	864,356	(864,356)
Net investment income	-	23,452	(23,452)
Benefit payments, including refunds of member contributions	(839,356)	(839,356)	-
Administrative expenses	-	(761)	761
Net change	(5,194,773)	47,691	(5,242,464)
Balance at June 30, 2019	\$ 16,001,266	\$ 339,221	\$ 15,662,045

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefits Plan (continued)****Board of Education Plan**

Balance at July 1, 2018	<u>\$ 5,563,253</u>
Service cost	226,046
Interest	220,611
Differences between expected and actual experience	588,466
Changes in assumptions	360,723
Contributions - employer	
Benefit payments, including refunds of member contributions	<u>(179,196)</u>
Net change	<u>1,216,650</u>
Balance at June 30, 2019	<u><u>\$ 6,779,903</u></u>

**11. Sensitivity of the net OPEB liability to changes in the discount rate**

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

<u>Net OPEB Liability</u>	<u>1% Decrease 3.80%</u>	<u>Current Discount Rate 4.80%</u>	<u>1% Increase 5.80%</u>
Town Plan	<u>\$ 18,018,892</u>	<u>\$ 15,662,045</u>	<u>\$ 13,757,295</u>
		<u>Current Discount Rate 3.51%</u>	<u>1% Increase 4.51%</u>
<u>OPEB Liability</u>	<u>1% Decrease 2.51%</u>		
Board of Education Plan	<u>\$ 7,795,031</u>	<u>\$ 6,779,903</u>	<u>\$ 5,946,432</u>

**12. Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate**

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

<u>OPEB Liability</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town Plan (net)	<u>\$ 13,748,180</u>	<u>\$ 15,662,045</u>	<u>\$ 18,007,950</u>
Board of Education Plan (total)	<u>\$ 5,890,447</u>	<u>\$ 6,779,903</u>	<u>\$ 7,880,211</u>

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefit Plan (continued)****13. Other Post-Employment Benefit Plan expense and deferred outflows of resources and deferred inflows of resources**

For the fiscal year the Town recognized OPEB expense of (\$1,965,569) for the Town and \$256,833 for the Board of Education. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Town Plan</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Description of Outflows/Inflows</u>		
Differences between expected and actual experience	\$ -	\$ (3,252,287)
Changes in assumptions	420,213	-
Net difference between projected and actual earnings on plan investments	-	(5,289)
Total	<u>\$ 420,213</u>	<u>\$ (3,257,576)</u>
Net amount of deferred inflows and outflows		<u>\$ (2,837,363)</u>
 <u>Board of Education Plan</u>		
<u>Description of Outflows/Inflows</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 504,399	\$ (911,820)
Changes in assumptions	309,191	(497,084)
Total	<u>\$ 813,590</u>	<u>\$ (1,408,904)</u>
Net amount of deferred inflows and outflows		<u>\$ (595,314)</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years for the Town plan. Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of active and inactive participants, which was 2 years for the Town Plan and 7 years for the Board of Education Plan.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**C. Other Post-Employment Benefit Plan (continued)**

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

Year Ending June 30,	Town Plan	Board of Education Plan
2020	\$ (2,833,638)	\$ (189,824)
2021	(1,564)	(189,824)
2022	(1,009)	(189,824)
2023	(1,152)	(189,821)
2024	-	28,384
Thereafter	-	135,595
Total	<u>\$ (2,837,363)</u>	<u>\$ (595,314)</u>

**D. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan****1. Plan description**

Teachers, principals, superintendents, supervisors and professional employees at State schools of higher education if they choose to be covered that are currently receiving a retirement or disability benefit are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**2. Benefit provisions**

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

- **Normal Retirement:** Eligibility - 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.
- **Early Retirement:** Eligibility - 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.
- **Proratable Retirement:** Eligibility - Age 60 with 10 years of Credited Service.
- **Disability Retirement:** Eligibility - 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.
- **Termination of Employment:** Eligibility - 10 or more years of Credited Service.

## Town of Thomaston, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019****D. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****Retiree health care coverage**

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

**Survivor health care coverage**

Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

**3. Contributions****State of Connecticut**

Per Connecticut General Statutes Section 10-183z, 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 State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Town of Thomaston, Connecticut

Notes to Financial Statements  
As of and for the Year Ended June 30, 2019

**D. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)**

**Employer (School Districts)**

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

**Employees**

Each member is required to contribute 1.25% of their annual salary.

**4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB**

The Town reports no amounts for its proportionate share of the net OPEB 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 OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>4,246,205</u>
Total	<u><u>\$ 4,246,205</u></u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$56,957 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care cost trend rate	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.87%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

## Town of Thomaston, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019****D. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)**

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

**Changes in assumptions and inputs**

As a result of the experience study for the five-year period ending June 30, 2015:

- The payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase.
- The demographic assumptions of salary growth, payroll growth, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
- The discount rate has been increased from 3.56% to 3.87% based upon the increase in the municipal bond index.

Additionally, the assumed initial per capita health care costs, the assumed rates of healthcare inflation used to project the per capita costs, and the participation assumptions have been revised.

**Long-term expected rate of return**

The long-term expected rate of return on OPEB 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 OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 3.00%.

## Town of Thomaston, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2019****D. Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan (continued)****Affordable Care Act (ACA)**

The impact of the Affordable Care Act (ACA) was addressed in this valuation. Review of the information currently available did not identify any specific provisions of the ACA that are anticipated to significantly impact results. While the impact of certain provisions such as the excise tax on high-value health insurance plans beginning in 2020 (if applicable), mandated benefits and participation changes due to the individual mandate should be recognized in the determination of liabilities, overall future plan costs and the resulting liabilities are driven by amounts employers and retirees can afford (i.e., trend). The trend assumption forecasts the anticipated increase to initial per capita costs, taking into account health care cost inflation, increases in benefit utilization, plan changes, government-mandated benefits, and technological advances.

Given the uncertainty regarding the ACA's implementation (e.g., the impact of excise tax on high-value health insurance plans, changes in participation resulting from the implementation of state-based health insurance exchanges), continued monitoring of the ACA's impact on the Plan's liability will be required.

**6. Discount rate**

The discount rate used to measure the total OPEB liability was 3.87%. 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.

**7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate**

The Town's proportionate share of the net OPEB 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' OPEB 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, 2018.

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**E. Pension and Other Post-Employment Benefit Plan Statements**

Combining Statement of Fiduciary Net Position  
Pension And Other Post-Employment Benefit Trust Funds  
June 30, 2019

	<u>Pension Trust Fund</u>	<u>Other Post- Employment Benefit Trust Fund</u>	<u>Total</u>
<u>Assets</u>			
Investments:			
Mutual funds/exchange traded funds:			
Money market	\$ 315,973	\$ 1,765	\$ 317,738
Equity	10,766,189	189,296	10,955,485
Bond	6,253,930	131,558	6,385,488
Real estate investment trust	885,476	16,602	902,078
Total investments	<u>18,221,568</u>	<u>339,221</u>	<u>18,560,789</u>
Total assets	<u>18,221,568</u>	<u>339,221</u>	<u>18,560,789</u>
<u>Net Position</u>			
Retricted for:			
Pension benefits	18,221,568	-	18,221,568
OPEB benefits	-	339,221	339,221
Total net position	<u>\$ 18,221,568</u>	<u>\$ 339,221</u>	<u>\$ 18,560,789</u>

## Town of Thomaston, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2019**

**E. Pension and Other Post-Employment Benefit Plan Statements (continued)**

Combining Statement of Changes in Fiduciary Net Position  
Pension and Other Post-Employment Benefit Trust Funds  
For the Year Ended June 30, 2019

	Pension Trust Fund	Other Post- Employment Benefit Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 685,000	\$ 864,356	\$ 1,549,356
Employees	147,029	-	147,029
Total contributions	832,029	864,356	1,696,385
Investment income (loss):			
Change in fair value of investments	385,840	16,210	402,050
Interest and dividends	843,916	7,742	851,658
Total investment income (loss)	1,229,756	23,952	1,253,708
Less investment expenses	25,785	500	26,285
Net investment income (loss)	1,203,971	23,452	1,227,423
Total additions	2,036,000	887,808	2,923,808
Deductions:			
Benefits	1,108,281	839,356	1,947,637
Administration	43,134	761	43,895
Total deductions	1,151,415	840,117	1,991,532
Changes in net position	884,585	47,691	932,276
Net position - July 1, 2018	17,336,983	291,530	17,628,513
Net position - June 30, 2019	\$ 18,221,568	\$ 339,221	\$ 18,560,789

\*\*\*\*\*

---

## **Required Supplementary Information**

---

## Town of Thomaston, Connecticut

## Required Supplementary Information

**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>					
Property taxes.....	\$ 19,655,857	\$ -	\$ 19,655,857	\$ 20,033,981	\$ 378,124
Charges for services.....	319,841	-	319,841	384,991	65,150
Intergovernmental.....	6,401,820	304,060	6,705,880	6,421,693	(284,187)
Income from investments.....	40,000	-	40,000	95,954	55,954
Other.....	5,000	-	5,000	46,427	41,427
<b>Total revenues.....</b>	<b>26,422,518</b>	<b>304,060</b>	<b>26,726,578</b>	<b>26,983,046</b>	<b>256,468</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government.....	3,857,532	(87,866)	3,769,666	3,618,591	151,075
Public safety.....	1,861,948	24,549	1,886,497	1,792,809	93,688
Public works.....	1,776,626	56,240	1,832,866	1,814,952	17,914
Health and welfare.....	95,514	3,597	99,111	97,085	2,026
Culture and recreation.....	445,894	3,480	449,374	445,564	3,810
Housing and development.....	148,567	19,500	168,067	152,572	15,495
Education.....	14,863,394	304,060	15,167,454	14,863,394	304,060
<b>Total expenditures.....</b>	<b>23,049,475</b>	<b>323,560</b>	<b>23,373,035</b>	<b>22,784,967</b>	<b>588,068</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>3,373,043</b>	<b>(19,500)</b>	<b>3,353,543</b>	<b>4,198,079</b>	<b>844,536</b>
<b>Other financing sources (uses):</b>					
Appropriation of fund balance.....	100,000	19,500	119,500	-	(119,500)
Sale of capital assets.....	-	-	-	12,670	12,670
Transfers in.....	15,000	-	15,000	15,000	-
Transfers out.....	(3,488,043)	-	(3,488,043)	(3,488,043)	-
<b>Net other financing sources (uses).....</b>	<b>(3,373,043)</b>	<b>19,500</b>	<b>(3,353,543)</b>	<b>(3,460,373)</b>	<b>(106,830)</b>
<b>Net change in fund balance.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>737,706</b>	<b>\$ 737,706</b>
Fund balance - July 1, 2018.....				3,602,786	
Fund balance - June 30, 2019.....				<u>\$ 4,340,492</u>	

**Reconciliation to Exhibit D**

	Revenues	Expenditures
Budgetary Basis - RSI-1	\$ 26,983,046	\$ 22,784,967
State Teachers' pension on behalf amount	2,052,900	2,052,900
State Teachers' OPEB on behalf amount	56,957	56,957
<b>GAAP Basis - Exhibit D</b>	<b><u>\$ 29,092,903</u></b>	<b><u>\$ 24,894,824</u></b>

**Town of Thomaston, Connecticut**  
**Required Supplementary Information**

**Schedule of Revenues and Other Financing Sources**  
**Budget and Actual (Budgetary Basis) - General Fund**  
**For the Year Ended June 30, 2019**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Property taxes:					
Taxes.....	\$ 19,342,394	\$ -	\$ 19,342,394	\$ 19,630,173	\$ 287,779
Prior year taxes.....	175,000	-	175,000	230,136	55,136
Interest and lien fees.....	100,000	-	100,000	132,804	32,804
Housing authority in lieu of taxes.....	24,752	-	24,752	27,309	2,557
Telecommunications property tax.....	13,711	-	13,711	13,559	(152)
<b>Total property taxes.....</b>	<b>19,655,857</b>	<b>-</b>	<b>19,655,857</b>	<b>20,033,981</b>	<b>378,124</b>
Charges for services:					
Building permits.....	50,000	-	50,000	74,051	24,051
Conveyance tax.....	45,000	-	45,000	51,212	6,212
Special duty police reimbursements.....	55,000	-	55,000	76,387	21,387
Accident reports.....	500	-	500	244	(256)
Gun permits.....	5,000	-	5,000	3,403	(1,597)
Vendor permits.....	500	-	500	-	(500)
Zoning and land use fees.....	10,000	-	10,000	9,916	(84)
Recreation - Nystroms.....	3,675	-	3,675	4,043	368
Fingerprinting.....	500	-	500	90	(410)
Town of Litchfield - sewer upgrade.....	7,928	-	7,928	7,928	-
Dam patrol.....	16,944	-	16,944	19,062	2,118
Alarm violations.....	1,500	-	1,500	-	(1,500)
Parking fines.....	1,750	-	1,750	170	(1,580)
Dog fines and fees.....	3,500	-	3,500	4,784	1,284
Rent of tower.....	83,000	-	83,000	94,270	11,270
Rent of tower - Town of Plymouth.....	12,244	-	12,244	17,181	4,937
Rent of Opera House.....	15,000	-	15,000	15,000	-
PA 09-229 LOCIP project funding.....	7,800	-	7,800	7,250	(550)
<b>Total charges for services.....</b>	<b>319,841</b>	<b>-</b>	<b>319,841</b>	<b>384,991</b>	<b>65,150</b>
Intergovernmental:					
Property tax relief - state owned property.....	19,583	-	19,583	19,583	-
Property tax relief - Veterans' exemption.....	15,773	-	15,773	14,515	(1,258)
Property tax relief - totally disabled.....	857	-	857	949	92
Property tax relief - municipal stabilization grant.....	395,346	-	395,346	395,346	-
Property tax relief - manufacturing.....	-	-	-	4,302	4,302
Federal PILOT - land authorization.....	1,557	-	1,557	1,625	68
LOCIP.....	62,430	-	62,430	62,155	(275)
Special education excess cost.....	-	304,060	304,060	-	(304,060)
Education cost sharing.....	5,525,825	-	5,525,825	5,531,400	5,575
School construction grants.....	141,262	-	141,262	141,262	-
Mashantucket Pequot.....	16,872	-	16,872	16,872	-
Town aid road.....	222,315	-	222,315	222,351	36
Elderly services transportation grant.....	-	-	-	11,333	11,333
<b>Total intergovernmental.....</b>	<b>6,401,820</b>	<b>304,060</b>	<b>6,705,880</b>	<b>6,421,693</b>	<b>(284,187)</b>
Income from investments.....	40,000	-	40,000	95,954	55,954
Other:					
Recycling rebates.....	-	-	-	102	102
Miscellaneous.....	5,000	-	5,000	46,325	41,325
<b>Total other.....</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>46,427</b>	<b>41,427</b>
<b>Total revenues.....</b>	<b>26,422,518</b>	<b>304,060</b>	<b>26,726,578</b>	<b>26,983,046</b>	<b>256,468</b>
Other financing sources:					
Appropriation of fund balance.....	100,000	19,500	119,500	-	(119,500)
Sale of capital assets.....	-	-	-	12,670	12,670
Transfers in:					
EMS Fund.....	15,000	-	15,000	15,000	-
<b>Total other financing sources.....</b>	<b>115,000</b>	<b>19,500</b>	<b>134,500</b>	<b>27,670</b>	<b>(106,830)</b>
<b>Total revenues and other financing sources.....</b>	<b>\$ 26,537,518</b>	<b>\$ 323,560</b>	<b>\$ 26,861,078</b>	<b>\$ 27,010,716</b>	<b>\$ 149,638</b>

Town of Thomaston, Connecticut  
Required Supplementary Information

General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2019

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
General government:					
Board of Selectmen.....	\$ 119,485	\$ -	\$ 119,485	\$ 117,807	\$ 1,678
Elections.....	25,850	1,639	27,489	27,489	-
Board of Finance.....	2,250	-	2,250	802	1,448
Treasurer.....	192,802	-	192,802	190,532	2,270
Computer information systems.....	51,185	-	51,185	37,825	13,360
Independent audit.....	57,425	-	57,425	56,500	925
Legal.....	100,000	-	100,000	90,956	9,044
Tax collector.....	116,065	-	116,065	114,011	2,054
Tax assessor.....	133,019	1,767	134,786	134,786	-
Board of Assessment Appeals.....	1,000	-	1,000	1,000	-
Insurance.....	449,772	4,758	454,530	454,530	-
Town Hall operations and maintenance.....	224,084	-	224,084	209,982	14,102
Town Clerk.....	53,247	-	53,247	40,479	12,768
Probate court.....	4,101	-	4,101	4,100	1
Social security.....	239,000	-	239,000	229,761	9,239
Unemployment expense.....	-	845	845	845	-
Pension - Town employees.....	474,980	3,125	478,105	478,105	-
Pension - Volunteer Firefighters and Ambulance.....	126,000	-	126,000	121,580	4,420
Medical / life insurance.....	720,654	-	720,654	682,029	38,625
Retirees medical insurance.....	658,770	-	658,770	617,715	41,055
Council of governments.....	2,949	-	2,949	2,863	86
CT Conference of Municipalities.....	4,894	-	4,894	4,894	-
Contingency.....	100,000	(100,000)	-	-	-
<b>Total general government.....</b>	<b>3,857,532</b>	<b>(87,866)</b>	<b>3,769,666</b>	<b>3,618,591</b>	<b>151,075</b>
Public safety:					
Police.....	1,196,886	-	1,196,886	1,118,254	78,632
Emergency management.....	14,405	-	14,405	11,761	2,644
Communications and dispatch.....	328,474	17,437	345,911	345,911	-
Fire protection.....	183,566	-	183,566	183,454	112
Fire marshal.....	26,947	-	26,947	26,619	328
Ambulance.....	69,800	-	69,800	62,129	7,671
Tree removal.....	15,000	7,112	22,112	22,112	-
Animal control.....	26,870	-	26,870	22,569	4,301
<b>Total public safety.....</b>	<b>1,861,948</b>	<b>24,549</b>	<b>1,886,497</b>	<b>1,792,809</b>	<b>93,688</b>
Public works:					
Highways.....	603,296	23,951	627,247	627,247	-
Town aid road.....	222,315	-	222,315	222,315	-
Snow and ice removal.....	144,550	49,091	193,641	193,641	-
Street lighting.....	40,000	(22,116)	17,884	3,620	14,264
Fire hydrants.....	199,000	176	199,176	199,176	-
Solid waste and recycling.....	529,465	5,138	534,603	534,603	-
Groundwater remediation.....	38,000	-	38,000	34,350	3,650
<b>Total public works.....</b>	<b>1,776,626</b>	<b>56,240</b>	<b>1,832,866</b>	<b>1,814,952</b>	<b>17,914</b>

(Continued)

Town of Thomaston, Connecticut  
Required Supplementary Information

General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2019

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Health and welfare:					
Medical services.....	\$ 4,508	\$ -	\$ 4,508	\$ 3,261	\$ 1,247
Torrington Area Health District.....	41,621	-	41,621	41,621	-
Northwest Regional Mental Health Board.....	835	-	835	835	-
Social services.....	19,434	18	19,452	19,452	-
Elderly nutrition.....	6,654	-	6,654	6,654	-
Susan B. Anthony project.....	2,000	-	2,000	2,000	-
Central Naugatuck Valley Regional Action Council....	779	-	779	-	779
Minibus.....	17,886	3,293	21,179	21,179	-
Veterans' administration.....	1,797	286	2,083	2,083	-
Total health and welfare.....	95,514	3,597	99,111	97,085	2,026
Culture and recreation:					
Recreation programs.....	114,554	3,480	118,034	118,034	-
Memorial day.....	1,750	-	1,750	1,750	-
Public library.....	329,590	-	329,590	325,780	3,810
Total culture and recreation.....	445,894	3,480	449,374	445,564	3,810
Housing and development:					
Conservation commission.....	1,795	-	1,795	1,795	-
Economic development commission.....	1,900	-	1,900	1,530	370
Housing, land use and development.....	144,072	19,500	163,572	148,447	15,125
Brownfields.....	800	-	800	800	-
Total housing and development.....	148,567	19,500	168,067	152,572	15,495
Education.....	14,863,394	304,060	15,167,454	14,863,394	304,060
Total expenditures.....	23,049,475	323,560	23,373,035	22,784,967	588,068
Other financing uses:					
Transfers out:					
Debt service fund.....	3,000,000	-	3,000,000	3,000,000	-
Debt service fund (education).....	206,140	-	206,140	206,140	-
Hillside cemetery trust fund.....	26,000	-	26,000	26,000	-
Capital or nonrecurring.....	246,903	-	246,903	246,903	-
Seth Thomas/Bradstreet house.....	8,000	-	8,000	8,000	-
Social service crisis fund.....	1,000	-	1,000	1,000	-
Total other financing uses.....	3,488,043	-	3,488,043	3,488,043	-
Total expenditures and other financing uses.....	\$ 26,537,518	\$ 323,560	\$ 26,861,078	\$ 26,273,010	\$ 588,068

(Concluded)

**Town of Thomaston, Connecticut****Notes to Required Supplementary Information****Budgets and Budgetary Accounting  
June 30, 2019**

The Town operates under State statutes for budgetary precedures.

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.

This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

- The Town does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.

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.

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.

There were \$19,500 additional appropriations from fund balance during the year.

Formal budgetary integration is employed as a management control device during the year.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

**Town of Thomaston, Connecticut**  
**Required Supplementary Information**

**Town Retirement Plan**  
**Last Six Years (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><u>Schedule of Changes in Net Pension Liability</u></b>						
Total pension liability:						
Service cost	\$ 296,619	\$ 321,322	\$ 357,930	\$ 387,724	\$ 363,897	\$ 401,270
Interest	1,432,379	1,420,327	1,407,359	1,365,722	1,295,503	1,269,639
Differences between expected and actual experience	(151,278)	(419,938)	(414,928)	(110,825)	(265,689)	(19,597)
Changes of assumptions	(48,888)	(38,197)	(92,172)	-	607,611	-
Benefit payments, including refunds of member contributions	<u>(1,108,281)</u>	<u>(1,064,984)</u>	<u>(1,007,682)</u>	<u>(1,028,327)</u>	<u>(1,015,713)</u>	<u>(1,059,644)</u>
Net change in total pension liability	420,551	218,530	250,507	614,294	985,609	591,668
Total pension liability - July 1	<u>20,720,083</u>	<u>20,501,553</u>	<u>20,251,046</u>	<u>19,636,752</u>	<u>18,651,143</u>	<u>18,059,475</u>
Total pension liability - June 30 (a)	<u>\$ 21,140,634</u>	<u>\$ 20,720,083</u>	<u>\$ 20,501,553</u>	<u>\$ 20,251,046</u>	<u>\$ 19,636,752</u>	<u>\$ 18,651,143</u>
Plan fiduciary net position:						
Contributions - employer	\$ 685,000	\$ 775,000	\$ 790,000	\$ 800,000	\$ 830,000	\$ 924,999
Contributions - member	147,029	157,619	175,704	159,545	167,530	153,778
Net investment income	1,203,971	1,186,593	1,739,088	134,539	366,071	1,902,564
Benefit payments, including refunds of member contributions	(1,108,281)	(1,064,984)	(1,007,682)	(1,028,327)	(1,015,713)	(1,059,644)
Administrative expenses	<u>(43,134)</u>	<u>(25,324)</u>	<u>(29,092)</u>	<u>(35,932)</u>	<u>(35,337)</u>	<u>(31,839)</u>
Net change in plan fiduciary net position	884,585	1,028,904	1,668,018	29,825	312,551	1,889,858
Plan fiduciary net position - July 1	<u>17,336,983</u>	<u>16,308,079</u>	<u>14,640,061</u>	<u>14,610,236</u>	<u>14,297,685</u>	<u>12,407,827</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 18,221,568</u>	<u>\$ 17,336,983</u>	<u>\$ 16,308,079</u>	<u>\$ 14,640,061</u>	<u>\$ 14,610,236</u>	<u>\$ 14,297,685</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ 2,919,066</u>	<u>\$ 3,383,100</u>	<u>\$ 4,193,474</u>	<u>\$ 5,610,985</u>	<u>\$ 5,026,516</u>	<u>\$ 4,353,458</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.19%</u>	<u>83.67%</u>	<u>79.55%</u>	<u>72.29%</u>	<u>74.40%</u>	<u>76.66%</u>
Covered payroll	<u>\$ 3,029,570</u>	<u>\$ 3,171,283</u>	<u>\$ 3,369,027</u>	<u>\$ 3,415,672</u>	<u>\$ 3,309,461</u>	<u>\$ 3,285,183</u>
Net pension liability as a percentage of covered payroll	<u>96.35%</u>	<u>106.68%</u>	<u>124.47%</u>	<u>164.27%</u>	<u>151.88%</u>	<u>132.52%</u>
<b><u>Schedule of Investment Returns</u></b>						
Annual money weighted rate of return, net of investment expense	<u>6.40%</u>	<u>6.33%</u>	<u>12.71%</u>	<u>0.83%</u>	<u>1.89%</u>	<u>15.34%</u>

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

**Town of Thomaston, Connecticut**  
**Required Supplementary Information**

**Town Retirement Plan**  
**Schedule of Contributions**  
**Last Ten Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contributions	\$ 587,272	\$ 585,540	\$ 657,455	\$ 714,209	\$ 741,399	\$ 734,912	\$ 824,021	\$ 852,964	\$ 820,223	\$ 882,428
Contributions in relation to the actuarially determined contribution	<u>685,000</u>	<u>775,000</u>	<u>790,000</u>	<u>800,000</u>	<u>830,000</u>	<u>924,999</u>	<u>895,000</u>	<u>913,000</u>	<u>946,555</u>	<u>1,015,078</u>
Contribution excess (deficiency)	<u>\$ 97,728</u>	<u>\$ 189,460</u>	<u>\$ 132,545</u>	<u>\$ 85,791</u>	<u>\$ 88,601</u>	<u>\$ 190,087</u>	<u>\$ 70,979</u>	<u>\$ 60,036</u>	<u>\$ 126,332</u>	<u>\$ 132,650</u>
Covered payroll	<u>\$ 3,029,570</u>	<u>\$ 3,171,283</u>	<u>\$ 3,369,027</u>	<u>\$ 3,415,672</u>	<u>\$ 3,309,461</u>	<u>\$ 3,285,183</u>	<u>\$ 3,381,120</u>	<u>\$ 3,805,200</u>	<u>\$ 3,838,262</u>	<u>\$ 4,122,857</u>
Contributions as a percentage of covered payroll	<u>22.61%</u>	<u>24.44%</u>	<u>23.45%</u>	<u>23.42%</u>	<u>25.08%</u>	<u>28.16%</u>	<u>26.47%</u>	<u>23.99%</u>	<u>24.66%</u>	<u>24.62%</u>

**Town of Thomaston, Connecticut**  
**Notes to Required Supplementary Information**

**Town Retirement Plan**  
**Schedule of Contributions**  
**Last Six Years (1)**

	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.20%	2.25%	2.25%	2.25%	3.00%	3.00%
Salary Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment Rate of Return	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Mortality Rate	RP-2014 Total mortality table projected using fully generational improvements from 2006 based on assumptions from the 2018 Social Security Administration Trustee's Report	RP 2014+ mortality with social security generational improvements, based on assumptions from the 2017 Social Security Administration Trustee's Report.	RP-2014+ mortality with social security generational improvement scale from 2006.	Police, public works, WPCA and highway members - RP-2014 blue collar mortality with social security generational improvement scale from 2006. All other members - RP-2014 total mortality with social security generational improvement scale from 2006.	Police, public works, WPCA and highway members - RP-2014 blue collar mortality with social security generational improvement scale from 2006. All other members - RP-2014 total mortality with social security generational improvement scale from 2006.	N/A

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

N/A - Not Available

## Town of Thomaston, Connecticut

## Required Supplementary Information

Connecticut State Teachers' Retirement System  
Last Five Years (3)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
--	-------------	-------------	-------------	-------------	-------------

**Schedule of Proportionate Share of the Net Pension Liability**

Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>21,241,051</u>	<u>21,209,807</u>	<u>22,376,509</u>	<u>18,724,328</u>	<u>17,306,889</u>
Total	<u>\$ 21,241,051</u>	<u>\$ 21,209,807</u>	<u>\$ 22,376,509</u>	<u>\$ 18,724,328</u>	<u>\$ 17,306,889</u>
Town's covered payroll	(2) N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>57.69%</u>	<u>55.93%</u>	<u>52.86%</u>	<u>59.50%</u>	<u>61.50%</u>

**Schedule of Contributions**

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

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

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

(3) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

**Town of Thomaston, Connecticut**  
**Notes to Required Supplementary Information**  
**Connecticut State Teachers' Retirement System**  
**Schedule of Contributions**  
**Last Five Years (1)**

	2019	2018	2017	2016	2015
Changes of Benefit Terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Investment Rate of Return	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	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.	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.

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

**Town of Thomaston, Connecticut**  
**Required Supplementary Information**  
**Town Other Post-Employment Benefit Plan**  
**Last Three Years (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Schedule of Changes in Net OPEB Liability and Related Ratios</u></b>			
Total OPEB Liability:			
Service cost	\$ 216,810	\$ 205,034	\$ 219,329
Interest	1,091,922	1,202,380	1,175,639
Difference between expected and actual experience	(6,504,575)	(1,847,217)	2,266,952
Changes in assumptions	840,426	999,754	(196,530)
Benefit payments, including refunds of member contributions	<u>(839,356)</u>	<u>(844,480)</u>	<u>(875,766)</u>
Net Change in Total OPEB Liability	(5,194,773)	(284,529)	2,589,624
Total OPEB Liability - July 1	<u>21,196,039</u>	<u>21,480,568</u>	<u>18,890,944</u>
Total OPEB Liability - June 30 (a)	<u>16,001,266</u>	<u>21,196,039</u>	<u>21,480,568</u>
Plan Fiduciary Net Position:			
Contributions - employer	864,356	869,480	900,766
Net investment income	23,452	18,083	18,590
Benefit payments, including refunds of member contributions	(839,356)	(844,480)	(875,766)
Administrative expenses	<u>(761)</u>	<u>(500)</u>	<u>(416)</u>
Net Change in Fiduciary Net Position	47,691	42,583	43,174
Plan Fiduciary Net Position - July 1	<u>291,530</u>	<u>248,947</u>	<u>205,773</u>
Plan Fiduciary Net Position - June 30 (b)	<u>\$ 339,221</u>	<u>\$ 291,530</u>	<u>\$ 248,947</u>
Net OPEB Liability - June 30 (a)-(b)	<u>\$ 15,662,045</u>	<u>\$ 20,904,509</u>	<u>\$ 21,231,621</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.12%</u>	<u>1.38%</u>	<u>1.16%</u>
Covered payroll	<u>\$ 1,253,499</u>	<u>\$ 2,770,895</u>	<u>\$ 2,664,322</u>
Net OPEB liability as a percentage of covered payroll	<u>8.00%</u>	<u>13.26%</u>	<u>12.55%</u>

**Schedule of Investment Returns**

Annual money weighted rate of return, net investment expense	<u>4.02%</u>	<u>3.49%</u>	<u>3.97%</u>
--	--------------	--------------	--------------

(1) These schedules are intended to present information for 10 years.  
Additional years will be presented as the information becomes available.

Town of Thomaston, Connecticut

Required Supplementary Information

Town Other Post-Employment Benefit Plan  
Schedule of Contributions  
Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contributions	\$ 1,215,346	\$ 1,211,597	\$ 1,151,113	\$ 1,558,534	\$ 1,480,136	\$ 1,249,797	\$ 1,225,729	\$ 1,059,036	\$ 1,045,568	\$ 1,071,050
Contributions in relation to the actuarially determined contribution	<u>864,356</u>	<u>869,480</u>	<u>900,766</u>	<u>685,657</u>	<u>631,108</u>	<u>652,571</u>	<u>607,716</u>	<u>514,196</u>	<u>582,499</u>	<u>499,864</u>
Contribution excess (deficiency)	<u>\$ (350,990)</u>	<u>\$ (342,117)</u>	<u>\$ (250,347)</u>	<u>\$ (872,877)</u>	<u>\$ (849,028)</u>	<u>\$ (597,226)</u>	<u>\$ (618,013)</u>	<u>\$ (544,840)</u>	<u>\$ (463,069)</u>	<u>\$ (571,186)</u>
Covered payroll	<u>\$ 1,253,499</u>	<u>\$ 2,770,895</u>	<u>\$ 2,664,332</u>	<u>\$ 2,546,003</u>	<u>\$ 2,471,848</u>	<u>\$ 2,310,927</u>	<u>\$ 2,243,618</u>	<u>\$ 2,400,858</u>	<u>\$ 2,330,960</u>	<u>N/A</u>
Contributions as a percentage of covered payroll	<u>68.96%</u>	<u>31.38%</u>	<u>33.81%</u>	<u>26.93%</u>	<u>25.53%</u>	<u>28.24%</u>	<u>27.09%</u>	<u>21.42%</u>	<u>24.99%</u>	<u>N/A</u>

N/A - Not Available

**Town of Thomaston, Connecticut**  
**Notes to Required Supplementary Information**  
**Town Other Post-Employment Benefit (OPEB) Plan**  
**Schedule of Contributions**  
**Last Six Years (1)**

	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	January 1, 2018	January 1, 2016	January 1, 2016	January 1, 2014	January 1, 2014	January 1, 2012
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Projected unit credit	Projected unit credit	Projected unit credit
Amortization Method	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level dollar	Level dollar	Level dollar
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value	Fair value	N/A
Inflation	2.20%	2.25%	3.50%	3.00%	3.00%	N/A
Salary Increases	4.00%	N/A	N/A	N/A	N/A	N/A
Investment Rate of Return - Town	6.00%	7.00%	5.60%	5.33%	5.33%	5.33%
Investment Rate of Return - Board of Education	3.51%	3.87%	3.56%	4.50%	4.50%	4.50%
Mortality Rate	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2019	SOA RPH-2016 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2016	SOA RPH-2016 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2016	N/A	N/A	N/A

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

N/A - Not Available.

## Town of Thomaston, Connecticut

## Required Supplementary Information

Board of Education Other Post-Employment Benefit Plan  
Last Three Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Schedule of Changes in Total OPEB Liability</u></b>			
Total OPEB liability:			
Service cost	\$ 226,046	\$ 256,700	\$ 342,342
Interest	220,611	220,059	205,769
Difference between expected and actual experience	588,466	(513,843)	(933,922)
Changes in assumptions	360,723	(236,655)	(562,365)
Benefit payments, including refunds of member contributions	<u>(179,196)</u>	<u>(173,960)</u>	<u>(174,221)</u>
Net change in total OPEB liability	1,216,650	(447,699)	(1,122,397)
Total OPEB liability - July 1	<u>5,563,253</u>	<u>6,010,952</u>	<u>7,133,349</u>
Total OPEB liability - June 30*	<u>\$ 6,779,903</u>	<u>\$ 5,563,253</u>	<u>\$ 6,010,952</u>
Covered payroll	<u>\$ 7,783,056</u>	<u>N/A</u>	<u>N/A</u>
Total OPEB liability as a percentage of covered payroll	<u>114.80%</u>	<u>N/A</u>	<u>N/A</u>

(1) This schedule is intended to present information for 10 years.  
Additional years will be presented as they become available.

\* There are no assets that are being accumulated in a trust that meets the criteria in GASB 75 to pay benefits

N/A - Not Available.

## Town of Thomaston, Connecticut

## Required Supplementary Information

Board of Education Other Post-Employment Benefit Plan  
Schedule of Contributions  
Last Ten Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contributions	N/A	\$ 548,111	\$ 548,111	\$ 444,515	\$ 456,347	\$ 414,469	\$ 434,272	\$ 495,837	\$ 514,993	\$ 534,839
Contributions in relation to the actuarially determined contribution	<u>179,196</u>	<u>173,960</u>	<u>174,221</u>	<u>170,062</u>	<u>156,020</u>	<u>188,015</u>	<u>181,447</u>	<u>159,683</u>	<u>164,335</u>	<u>186,177</u>
Contribution excess (deficiency)	<u>N/A</u>	<u>\$ (374,151)</u>	<u>\$ (373,890)</u>	<u>\$ (274,453)</u>	<u>\$ (300,327)</u>	<u>\$ (226,454)</u>	<u>\$ (252,825)</u>	<u>\$ (336,154)</u>	<u>\$ (350,658)</u>	<u>\$ (348,662)</u>
Covered payroll	<u>\$ 7,783,056</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 7,280,013</u>	<u>\$ 7,067,974</u>	<u>\$ 7,458,734</u>	<u>\$ 7,241,489</u>	<u>\$ 7,846,462</u>	<u>\$ 7,617,924</u>	<u>N/A</u>
Contributions as a percentage of covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>2.34%</u>	<u>2.21%</u>	<u>2.52%</u>	<u>2.51%</u>	<u>2.04%</u>	<u>2.16%</u>	<u>N/A</u>

N/A - Not Available

## Town of Thomaston, Connecticut

## Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan  
Last Two Years (3)

	<u>2019</u>	<u>2018</u>
<b><u>Schedule of Proportionate Share of the Net OPEB Liability</u></b>		
Town's proportion of the net OPEB liability	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>4,246,205</u>	<u>5,459,175</u>
Total	<u>\$4,246,205</u>	<u>\$5,459,175</u>
Town's covered payroll	(2) <u>N/A</u>	<u>N/A</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.49%</u>	<u>1.79%</u>

**Schedule of Contributions**

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

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

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

(3) These schedules are intended to present information for 10 years.  
Additional years will be presented as they become available.

Town of Thomaston, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan  
 Schedule of Contributions  
 Last Two Years (1)

	2019	2018
Changes of Benefit Terms	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2016
Actuarial methods and assumptions used to determine contribution rates:		
Actuarial Cost Method	Entry age normal	Entry age normal
Amortization Method	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value
Inflation	2.75%	2.75%
Healthcare Inflation Rate	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return	3.00%	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

---

# **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  
Report of Tax Collector  
For the Year Ended June 30, 2019

97

Grand List Year	Uncollected Taxes July 1, 2018	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2019
			Additions	Deductions			Net Taxes Collected	Interest & Liens	Total	
2003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 992	\$ 992	\$ -
2004	-	-	-	-	-	-	-	660	660	-
2005	-	-	-	-	-	-	-	43	43	-
2006	-	-	-	-	-	-	-	121	121	-
2007	-	-	-	-	-	-	-	3,686	3,686	-
2008	8,031	-	-	-	-	8,031	599	1,053	1,652	7,432
2009	8,308	-	-	-	197	8,111	593	955	1,548	7,518
2010	8,727	-	-	-	863	7,864	932	1,363	2,295	6,932
2011	11,840	-	166	818	145	11,043	671	616	1,287	10,372
2012	23,956	-	2	917	1,677	21,364	582	1,038	1,620	20,782
2013	22,931	-	-	202	1,363	21,366	643	758	1,401	20,723
2014	28,549	-	532	2,070	1,340	25,671	4,237	2,530	6,767	21,434
2015	58,200	-	1,215	2,379	515	56,521	25,176	8,105	33,281	31,345
2016	<u>284,349</u>	<u>-</u>	<u>4,094</u>	<u>10,613</u>	<u>229</u>	<u>277,601</u>	<u>197,116</u>	<u>37,422</u>	<u>234,538</u>	<u>80,485</u>
Total Prior Years	454,891	-	6,009	16,999	6,329	437,572	230,549	59,342	289,891	207,023
2017	<u>-</u>	<u>19,947,711</u>	<u>40,787</u>	<u>93,822</u>	<u>23</u>	<u>19,894,653</u>	<u>19,626,694</u>	<u>73,462</u>	<u>19,700,156</u>	<u>267,959</u>
Total	<u>\$ 454,891</u>	<u>\$ 19,947,711</u>	<u>\$46,796</u>	<u>\$ 110,821</u>	<u>\$ 6,352</u>	<u>\$ 20,332,225</u>	<u>\$ 19,857,243</u>	<u>\$ 132,804</u>	<u>\$ 19,990,047</u>	<u>\$ 474,982</u>

---

# Other Governmental Funds

---

## Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted, committed, or assigned 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 Funds

To account for the receipt and expenditures of Federal and State education grants, local grants, donations, student athletes "pay to play" and school field trips.

### 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 operations of the Town transfer station.

# Other Governmental Funds (Continued)

---

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

### Thomaston Opera House

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

### Public Library Funds

To account for the grants and donations received by the public library as well as revenue and expenditures for other library sponsored activities (programs, bus trips, etc).

### Public Safety Funds

To account for the revenues and expenditures associated with fire marshal fees and permits, substance abuse grants and to account for the revenues associated with the Town's participation in the Statewide Narcotics Task Force.

### Recreation Funds

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

### Gift Fund

To account for the revenues and expenditures associated with various donations and grants, such as the clock tower restoration, Citizen Emergency Response Team (CERT), Beautification fund, Greenway Committee and Tri-Centennial Committee.

### 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 Projects Fund**

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

## Other 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  
Other Governmental Funds  
June 30, 2019

Special Revenue Funds

	Sewer Commission Usage Fund	Sewer Commission Assessment & Appropriation Fund	School Lunch Fund	Education Funds	Town Clerk Preservation Fund	Transfer Station Fund	Thomaston Opera House	Public Library Funds	Public Safety Funds	Recreation Funds
<u>Assets</u>										
Cash.....	\$ 128	\$ 2,610	\$ 171,688	\$ 625,179	\$ 8,334	\$ -	\$ 1,029	\$ 17,574	\$ 18,572	\$ 25,417
Investments.....	-	141,672	-	-	-	7,183	-	-	2,831	-
Receivables:										
Sewer charges.....	127,613	-	-	-	-	-	-	-	-	-
Intergovernmental.....	-	-	25,977	-	-	-	-	-	-	-
Other.....	-	-	-	26,308	-	-	-	-	-	-
Due from other funds.....	33,053	-	-	5,604	8,500	-	-	-	-	26,474
Other .....	-	-	9,242	-	-	-	-	-	-	-
Total assets.....	<u>\$ 160,794</u>	<u>\$ 144,282</u>	<u>\$ 206,907</u>	<u>\$ 657,091</u>	<u>\$ 16,834</u>	<u>\$ 7,183</u>	<u>\$ 1,029</u>	<u>\$ 17,574</u>	<u>\$ 21,403</u>	<u>\$ 51,891</u>
<u>Liabilities</u>										
Accounts payable.....	\$ 24,015	\$ -	\$ 2,644	\$ 27,227	\$ -	\$ 3,889	\$ -	\$ -	\$ -	\$ 115
Accrued payroll.....	9,166	-	-	13,664	-	70	-	-	-	-
Due to other funds.....	-	-	5,604	353,479	-	8,770	-	4,000	-	-
Unearned revenue.....	-	-	-	74,205	-	5,554	-	-	-	6,466
Total liabilities.....	<u>33,181</u>	<u>-</u>	<u>8,248</u>	<u>468,575</u>	<u>-</u>	<u>18,283</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>6,581</u>
<u>Deferred Inflows of Resources</u>										
Unavailable revenue - sewer charges.....	<u>127,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>										
Nonspendable.....	-	-	-	-	-	-	-	-	-	-
Restricted.....	-	144,282	198,659	-	16,834	-	-	13,574	21,403	-
Committed.....	-	-	-	188,516	-	-	1,029	-	-	45,310
Unassigned.....	-	-	-	-	-	(11,100)	-	-	-	-
Total fund balances.....	<u>-</u>	<u>144,282</u>	<u>198,659</u>	<u>188,516</u>	<u>16,834</u>	<u>(11,100)</u>	<u>1,029</u>	<u>13,574</u>	<u>21,403</u>	<u>45,310</u>
Total liabilities, deferred inflows of resources and fund balances.....	<u>\$ 160,794</u>	<u>\$ 144,282</u>	<u>\$ 206,907</u>	<u>\$ 657,091</u>	<u>\$ 16,834</u>	<u>\$ 7,183</u>	<u>\$ 1,029</u>	<u>\$ 17,574</u>	<u>\$ 21,403</u>	<u>\$ 51,891</u>

(Continued)

Town of Thomaston, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2019

66

	Special Revenue Funds			Capital Projects Fund	Permanent Funds				Total Other Governmental Funds	
	Gift Fund	Social Services Crisis Fund	EMS Fund	Total Special Revenue Funds	Edith Kenea Park and Tree Fund	Fire Department Trust Fund	Hillside Cemetery Trust Fund	Total Permanent Funds		
<b>Assets</b>										
Cash.....	\$47,073	\$ 2,195	\$ -	\$ 919,799	\$ 5,696	\$ -	\$ -	\$ 24,300	\$ 24,300	\$ 949,795
Investments.....	4,511	148	282,402	438,747	493,073	89,106	17,370	644,496	750,972	1,682,792
Receivables:										
Sewer charges.....	-	-	-	127,613	-	-	-	-	-	127,613
Intergovernmental.....	-	-	-	25,977	-	-	-	-	-	25,977
Other.....	-	-	40,000	66,308	-	-	-	-	-	66,308
Due from other funds.....	250	-	-	73,881	103,547	-	-	-	-	177,428
Other.....	-	-	-	9,242	-	-	-	-	-	9,242
Total assets.....	<u>\$51,834</u>	<u>\$ 2,343</u>	<u>\$ 322,402</u>	<u>\$1,661,567</u>	<u>\$ 602,316</u>	<u>\$ 89,106</u>	<u>\$ 17,370</u>	<u>\$ 668,796</u>	<u>\$ 775,272</u>	<u>\$ 3,039,155</u>
<b>Liabilities</b>										
Accounts payable.....	\$ -	\$ -	\$ -	\$ 57,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,890
Accrued payroll.....	-	-	-	22,900	-	-	-	887	887	23,787
Due to other funds.....	-	-	-	371,853	1,604	1,197	-	66,230	67,427	440,884
Unearned revenue.....	-	-	-	86,225	-	-	-	-	-	86,225
Total liabilities.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,868</u>	<u>1,604</u>	<u>1,197</u>	<u>-</u>	<u>67,117</u>	<u>68,314</u>	<u>608,786</u>
<b>Deferred Inflows of Resources</b>										
Unavailable revenue - sewer charges.....	-	-	-	127,613	-	-	-	-	-	127,613
<b>Fund Balances</b>										
Nonspendable.....	-	-	-	-	-	50,000	15,700	104,500	170,200	170,200
Restricted.....	-	-	-	394,752	-	37,909	1,670	71,570	111,149	505,901
Committed.....	51,834	2,343	322,402	611,434	600,712	-	-	425,609	425,609	1,637,755
Unassigned.....	-	-	-	(11,100)	-	-	-	-	-	(11,100)
Total fund balances.....	<u>51,834</u>	<u>2,343</u>	<u>322,402</u>	<u>995,086</u>	<u>600,712</u>	<u>87,909</u>	<u>17,370</u>	<u>601,679</u>	<u>706,958</u>	<u>2,302,756</u>
Total liabilities, deferred inflows of resources and fund balances.....	<u>\$51,834</u>	<u>\$ 2,343</u>	<u>\$ 322,402</u>	<u>\$1,661,567</u>	<u>\$ 602,316</u>	<u>\$ 89,106</u>	<u>\$ 17,370</u>	<u>\$ 668,796</u>	<u>\$ 775,272</u>	<u>\$ 3,039,155</u>

(Concluded)

Town of Thomaston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended June 30, 2019

Special Revenue Funds

	Sewer Commission Usage Fund	Sewer Commission Assessment & Appropriation Fund	School Lunch Fund	Education Funds	Town Clerk Preservation Fund	Transfer Station Fund	Thomaston Opera House	Public Library Funds	Public Safety Funds	Recreation Funds
Revenues:										
Charges for services.....	\$ 1,367,077	\$ 15,235	\$ 180,492	\$ -	\$ 3,372	\$ 25,105	\$ -	\$ -	\$ 330	\$ 34,787
Intergovernmental.....	-	-	174,867	1,051,693	4,500	-	-	2,377	-	-
Contributions.....	-	-	-	71,824	-	-	800	20,011	19,835	-
Income from investments.....	-	3,609	-	-	8	458	-	5	23	1
Net change in fair value of investments.....	-	-	-	-	-	-	-	-	-	-
Total revenues.....	<u>1,367,077</u>	<u>18,844</u>	<u>355,359</u>	<u>1,123,517</u>	<u>7,880</u>	<u>25,563</u>	<u>800</u>	<u>22,393</u>	<u>20,188</u>	<u>34,788</u>
Expenditures:										
Current:										
General government.....	-	-	-	-	743	-	-	-	-	-
Public safety.....	-	-	-	-	-	-	-	-	28,196	-
Public works.....	1,263,530	-	-	-	-	31,182	-	-	-	-
Health and welfare.....	-	-	-	-	-	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-	-	-	27,123	-	45,715
Education.....	-	-	308,736	1,084,920	-	-	-	-	-	-
Capital outlay.....	-	-	-	-	-	-	-	-	-	-
Total expenditures.....	<u>1,263,530</u>	<u>-</u>	<u>308,736</u>	<u>1,084,920</u>	<u>743</u>	<u>31,182</u>	<u>-</u>	<u>27,123</u>	<u>28,196</u>	<u>45,715</u>
Excess (deficiency) of revenues over expenditures...	<u>103,547</u>	<u>18,844</u>	<u>46,623</u>	<u>38,597</u>	<u>7,137</u>	<u>(5,619)</u>	<u>800</u>	<u>(4,730)</u>	<u>(8,008)</u>	<u>(10,927)</u>
Other financing sources (uses):										
Transfers in.....	-	-	-	-	-	-	-	-	-	8,000
Transfers out.....	(103,547)	(95,619)	-	-	-	-	-	-	-	-
Net other financing sources (uses).....	<u>(103,547)</u>	<u>(95,619)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
Net change in fund balances.....	-	(76,775)	46,623	38,597	7,137	(5,619)	800	(4,730)	(8,008)	(2,927)
Fund balances, July 1, 2018.....	-	221,057	152,036	149,919	9,697	(5,481)	229	18,304	29,411	48,237
Fund balances, June 30, 2019.....	<u>\$ -</u>	<u>\$ 144,282</u>	<u>\$ 198,659</u>	<u>\$ 188,516</u>	<u>\$ 16,834</u>	<u>\$ (11,100)</u>	<u>\$ 1,029</u>	<u>\$ 13,574</u>	<u>\$ 21,403</u>	<u>\$ 45,310</u>

(Continued)

Town of Thomaston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue Funds			Total Special Revenue Funds	Capital Projects Fund	Permanent Funds				Total Other Governmental Funds
	Gift Fund	Social Services Crisis Fund	EMS Fund		Capital Projects	Edith Kenea Park and Tree Fund	Fire Department Trust Fund	Hillside Cemetery Trust Fund	Total Permanent Funds	
Revenues:										
Charges for services.....	\$ -	\$ -	\$ 60,000	\$ 1,686,398	\$ 10,207	\$ -	\$ -	\$ 22,790	\$ 22,790	\$ 1,719,395
Intergovernmental.....	-	-	-	1,233,437	-	-	-	-	-	1,233,437
Contributions.....	14,398	22,406	-	149,274	28,901	-	-	1,300	1,300	179,475
Income from investments.....	73	4	4,821	9,002	7,052	524	376	29,060	29,960	46,014
Net change in fair value of investments.....	-	-	-	-	-	-	-	18,719	18,719	18,719
Total revenues.....	14,471	22,410	64,821	3,078,111	46,160	524	376	71,869	72,769	3,197,040
Expenditures:										
Current:										
General government.....	-	-	-	743	-	-	-	-	-	743
Public safety.....	-	-	-	28,196	-	-	-	-	-	28,196
Public works.....	6,754	-	-	1,301,466	61,010	-	-	-	-	1,362,476
Health and welfare.....	-	21,911	-	21,911	-	-	-	61,027	61,027	82,938
Culture and recreation.....	10,407	-	-	83,245	13,300	140	-	-	140	96,685
Education.....	-	-	-	1,393,656	-	-	-	-	-	1,393,656
Capital outlay.....	-	-	-	-	59,598	-	-	-	-	59,598
Total expenditures.....	17,161	21,911	-	2,829,217	133,908	140	-	61,027	61,167	3,024,292
Excess (deficiency) of revenues over expenditures...	(2,690)	499	64,821	248,894	(87,748)	384	376	10,842	11,602	172,748
Other financing sources (uses):										
Transfers in.....	-	1,000	-	9,000	103,547	-	-	26,000	26,000	138,547
Transfers out.....	-	-	(15,000)	(214,166)	-	-	-	-	-	(214,166)
Net other financing sources (uses).....	-	1,000	(15,000)	(205,166)	103,547	-	-	26,000	26,000	(75,619)
Net change in fund balances.....	(2,690)	1,499	49,821	43,728	15,799	384	376	36,842	37,602	97,129
Fund balances, July 1, 2018.....	54,524	844	272,581	951,358	584,913	87,525	16,994	564,837	669,356	2,205,627
Fund balances, June 30, 2019.....	\$51,834	\$ 2,343	\$ 322,402	\$ 995,086	\$ 600,712	\$ 87,909	\$ 17,370	\$ 601,679	\$ 706,958	\$ 2,302,756

(Concluded)

**Town of Thomaston, Connecticut**  
**Sewer Commission Usage Fund**  
**Schedule of Sewer Use Charges Receivable**  
**For the Year Ended June 30, 2019**

102

Fiscal Year	Uncollected Balance July 1, 2018	Current Year Charges	Corrections		Adjusted User Charges Collectible	Collections			Uncollected Balance June 30, 2019
			Additions	Deductions		Use Charges	Interest and Liens	Total	
2006	\$ -	\$ -	\$ 143	\$ -	\$ 143	\$ 143	\$ 93	\$ 236	\$ -
2007	-	-	638	-	638	638	1,201	1,839	-
2008	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2012	276	-	-	-	276	276	57	333	-
2013	325	-	-	-	325	325	346	671	-
2014	687	-	-	-	687	687	393	1,080	-
2015	1,989	-	-	-	1,989	1,378	1,127	2,505	611
2016	5,164	-	-	-	5,164	3,406	1,785	5,191	1,758
2017	34,605	-	-	-	34,605	27,565	10,060	37,625	7,040
2018	89,329	-	-	-	89,329	61,207	13,837	75,044	28,122
Total Prior Years	132,375	-	781	-	133,156	95,625	28,899	124,524	37,531
2019	-	1,321,311	10	-	1,321,321	1,231,239	10,913	1,242,152	90,082
<b>Total</b>	<b>\$ 132,375</b>	<b>\$ 1,321,311</b>	<b>\$ 791</b>	<b>\$ -</b>	<b>\$ 1,454,477</b>	<b>\$ 1,326,864</b>	<b>\$ 39,812</b>	<b>\$ 1,366,676</b>	<b>\$ 127,613</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.

## **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.

**Town of Thomaston, Connecticut**  
**Private-Purpose Trust Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2019**

	<u>Leander Smith Award</u>	<u>Peppie Wagner Fund</u>	<u>Seth Thomas Prize Fund</u>	<u>Total</u>
<u>Assets</u>				
Cash.....	\$ -	\$ 869	\$ -	\$ 869
Investments.....	<u>5,659</u>	<u>-</u>	<u>1,109</u>	<u>6,768</u>
Total assets.....	<u>5,659</u>	<u>869</u>	<u>1,109</u>	<u>7,637</u>
<u>Net Position</u>				
Net position restricted for individuals.....	<u>\$ 5,659</u>	<u>\$ 869</u>	<u>\$ 1,109</u>	<u>\$ 7,637</u>

**Town of Thomaston, Connecticut**  
**Private-Purpose Trust Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2019**

	Leander Smith Award	Peppie Wagner Fund	Seth Thomas Prize Fund	Total
Additions:				
Income from investments.....	\$ 75	\$ -	\$ 23	\$ 98
Net position, July 1, 2018.....	5,584	869	1,086	7,539
Net position, June 30, 2019.....	\$ 5,659	\$ 869	\$ 1,109	\$ 7,637

---

# 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.

Town of Thomaston, Connecticut

Net Position by Component  
Last Ten Years  
(Unaudited)

June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net investment in capital assets.....	\$ 39,632,659	\$ 38,688,922	\$ 32,655,352	\$ 38,387,002	\$ 35,802,178	\$ 32,848,325	\$ 32,134,289	\$ 32,469,999	\$ 30,913,796	\$ 25,851,843
Restricted for:										
Endowments:										
Nonexpendable.....	65,700	65,700	65,700	65,700	95,700	95,700	95,700	95,700	95,700	200,200
Expendable.....	39,579	37,525	42,860	42,860	13,170	13,502	13,329	12,772	12,593	1,823
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	71,570	71,570	71,570	71,570	40,894
Housing and development.....	950,170	73,768	-	195,991	169,072	183,242	317,089	233,177	183,905	212,196
Public safety.....	21,403	29,411	-	-	-	38,365	58,365	58,365	120,000	90,000
Sewer operations.....	144,282	221,057	206,985	185,494	130,651	177,277	173,322	168,203	189,889	237,002
Education.....	198,659	152,036	99,382	46,131	-	-	-	-	-	-
Library.....	13,574	18,304	9,860	15,397	-	-	-	-	-	-
Other.....	16,834	10,991	7,272	7,744	47,158	25,960	25,909	41,023	112,944	77,495
Unrestricted.....	<u>(22,451,889)</u>	<u>(26,102,210)</u>	<u>(19,669,339)</u>	<u>(6,562,121)</u>	<u>(3,630,183)</u>	<u>(2,296,658)</u>	<u>1,418,992</u>	<u>260,607</u>	<u>1,823,160</u>	<u>7,399,655</u>
Total net position.....	<u>\$ 18,807,041</u>	<u>\$ 13,371,574</u>	<u>\$ 13,594,142</u>	<u>\$ 32,560,268</u>	<u>\$ 32,803,816</u>	<u>\$ 31,261,783</u>	<u>\$ 34,413,065</u>	<u>\$ 33,515,916</u>	<u>\$ 33,628,057</u>	<u>\$ 34,215,608</u>

Town of Thomaston, Connecticut

Changes in Net Position  
Last Ten Years  
(Unaudited)

For the Year Ended June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
General government.....	\$ 1,009,995	\$ 1,509,908	\$ 1,417,618	\$ 1,417,021	\$ 1,468,054	\$ 1,662,601	\$ 1,718,977	\$ 1,792,675	\$ 1,668,332	\$ 1,737,840
Public safety.....	2,100,352	3,716,219	3,558,258	3,326,695	3,164,883	2,817,840	2,531,191	2,645,588	2,350,689	2,429,014
Public works.....	3,697,513	5,217,983	5,126,370	4,781,865	4,907,857	4,523,074	4,590,427	4,264,949	4,297,830	4,258,496
Health and welfare.....	174,134	233,960	222,395	209,795	203,022	189,646	142,874	82,192	102,826	86,991
Culture and recreation.....	678,631	1,098,082	1,015,466	1,084,776	1,034,470	856,538	873,818	849,888	1,054,447	1,224,333
Housing and development.....	249,609	276,818	544,178	787,911	460,058	384,582	255,635	208,886	235,491	351,387
Education.....	19,180,664	19,875,111	19,401,777	18,527,836	17,988,363	17,715,754	18,236,951	17,893,897	18,141,755	17,516,144
Interest.....	882,574	647,763	750,391	703,177	675,831	778,821	695,454	1,011,416	655,789	777,173
Total expenses.....	<u>27,973,472</u>	<u>32,575,844</u>	<u>32,036,453</u>	<u>30,839,076</u>	<u>29,902,538</u>	<u>28,928,856</u>	<u>29,045,327</u>	<u>28,749,491</u>	<u>28,507,159</u>	<u>28,381,378</u>
Program revenues:										
Charges for services:										
General government.....	188,285	150,294	153,730	145,299	149,298	143,897	132,663	112,966	34,561	46,806
Public safety.....	194,083	300,032	203,715	219,899	243,508	158,884	144,636	178,532	157,914	148,106
Public works.....	1,434,453	1,345,075	1,363,837	1,378,548	1,314,456	1,216,145	1,207,400	1,174,669	1,167,243	1,155,344
Health and welfare.....	-	209	859	723	473	444	596	915	755	885
Culture and recreation.....	48,830	41,976	62,326	61,159	54,212	50,645	55,195	51,091	156,737	354,639
Housing and development.....	94,449	60,709	61,176	78,967	68,995	69,425	57,044	55,659	41,689	57,543
Education.....	180,492	184,912	205,641	189,665	188,604	213,589	221,288	243,921	273,660	297,431
Operating grants and contributions.....	9,681,796	9,207,222	9,596,263	8,923,066	8,450,907	8,781,136	9,515,488	8,860,269	8,342,648	8,437,791
Capital grants and contributions.....	838,130	540,038	115,622	605,945	2,230,932	655,034	299,942	386,186	564,196	311,838
Total program revenues.....	<u>12,660,518</u>	<u>11,830,467</u>	<u>11,763,169</u>	<u>11,603,271</u>	<u>12,701,385</u>	<u>11,289,199</u>	<u>11,634,252</u>	<u>11,064,208</u>	<u>10,739,403</u>	<u>10,810,383</u>
Net expenses.....	<u>(15,312,954)</u>	<u>(20,745,377)</u>	<u>(20,273,284)</u>	<u>(19,235,805)</u>	<u>(17,201,153)</u>	<u>(17,639,657)</u>	<u>(17,411,075)</u>	<u>(17,685,283)</u>	<u>(17,767,756)</u>	<u>(17,570,995)</u>
General revenues:										
Property taxes.....	20,081,678	19,473,610	18,906,623	18,347,627	18,156,595	18,118,289	17,679,388	16,785,654	16,549,427	16,452,886
Grants and contributions not restricted to specific programs.....	453,192	562,109	680,052	516,623	521,843	517,874	509,956	691,072	457,793	500,552
Income from investments.....	167,124	134,586	86,423	62,240	34,434	64,153	47,706	49,314	89,062	90,133
Other.....	46,427	88,936	56,172	65,734	30,314	31,362	71,174	47,102	83,923	94,033
Total general revenues.....	<u>20,748,421</u>	<u>20,259,241</u>	<u>19,729,270</u>	<u>18,992,224</u>	<u>18,743,186</u>	<u>18,731,678</u>	<u>18,308,224</u>	<u>17,573,142</u>	<u>17,180,205</u>	<u>17,137,604</u>
Change in net position.....	<u>\$ 5,435,467</u>	<u>\$ (486,136)</u>	<u>\$ (544,014)</u>	<u>\$ (243,581)</u>	<u>\$ 1,542,033</u>	<u>\$ 1,092,021</u>	<u>\$ 897,149</u>	<u>\$ (112,141)</u>	<u>\$ (587,551)</u>	<u>\$ (433,391)</u>

**Town of Thomaston, Connecticut**  
**Governmental Funds**  
**Fund Balances**  
**Last Ten Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund:										
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,932	\$ -
Assigned.....	140,000	100,000	675,000	102,266	160,000	250,000	315,000	84,533	153,207	350,000
Unassigned.....	<u>4,200,492</u>	<u>3,502,786</u>	<u>2,956,906</u>	<u>3,340,323</u>	<u>3,007,183</u>	<u>2,890,109</u>	<u>2,701,438</u>	<u>2,240,778</u>	<u>1,766,537</u>	<u>1,626,920</u>
Total general fund.....	<u>4,340,492</u>	<u>3,602,786</u>	<u>3,631,906</u>	<u>3,442,589</u>	<u>3,167,183</u>	<u>3,140,109</u>	<u>3,016,438</u>	<u>2,325,311</u>	<u>2,170,676</u>	<u>1,976,920</u>
All other governmental funds:										
Nonspendable.....	170,200	1,051,114	170,200	170,200	1,050,267	1,279,423	1,305,819	1,306,788	1,366,650	1,303,437
Restricted.....	1,456,071	614,662	1,393,058	1,361,668	531,621	509,916	659,584	585,110	690,901	573,765
Committed.....	1,637,755	1,560,187	1,210,838	1,016,604	1,037,766	930,964	2,520,150	558,852	3,047,788	5,578,523
Assigned.....	1,061,834	921,708	916,931	1,259,874	1,380,309	1,086,043	1,179,720	363,589	309,413	112,784
Unassigned.....	<u>(690,113)</u>	<u>(5,481)</u>	<u>(2,274,592)</u>	<u>(494,329)</u>	<u>-</u>	<u>(109,805)</u>	<u>(2,505,405)</u>	<u>(1,980,505)</u>	<u>(179,998)</u>	<u>203,085</u>
Total all other governmental funds....	<u>3,635,747</u>	<u>4,142,190</u>	<u>1,416,435</u>	<u>3,314,017</u>	<u>3,999,963</u>	<u>3,696,541</u>	<u>3,159,868</u>	<u>833,834</u>	<u>5,234,754</u>	<u>7,771,594</u>
Grand total.....	<u>\$7,976,239</u>	<u>\$7,744,976</u>	<u>\$5,048,341</u>	<u>\$6,756,606</u>	<u>\$7,167,146</u>	<u>\$6,836,650</u>	<u>\$6,176,306</u>	<u>\$3,159,145</u>	<u>\$7,405,430</u>	<u>\$9,748,514</u>

Town of Thomaston, Connecticut

Governmental Funds  
Changes in Fund Balances  
Last Ten Years  
(Unaudited)

For the Year Ended June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues:</b>										
Property taxes.....	\$ 20,033,981	\$ 19,357,281	\$ 18,880,582	\$ 18,477,767	\$ 18,337,484	\$ 18,134,271	\$ 17,943,306	\$ 16,932,230	\$ 16,858,253	\$ 16,525,756
Charges for services.....	2,154,081	2,071,836	2,143,933	2,140,092	2,064,253	1,864,263	1,826,482	1,817,625	1,840,244	2,048,914
Intergovernmental.....	10,864,252	10,156,081	10,451,748	10,053,041	11,090,040	10,023,755	9,815,369	9,730,818	9,496,291	9,380,430
Contributions.....	250,129	299,456	91,089	148,692	275,701	109,013	684,800	129,773	46,019	67,190
Income from investments.....	148,405	113,408	55,553	28,086	20,924	19,144	47,709	49,314	89,061	90,133
Net change in fair value of investments.....	18,719	21,178	30,870	34,154	13,510	45,009	-	-	-	-
Other.....	46,427	88,936	55,369	57,426	30,314	31,361	79,912	47,104	83,923	94,033
<b>Total revenues.....</b>	<b>33,515,994</b>	<b>32,108,176</b>	<b>31,709,144</b>	<b>30,939,258</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>Expenditures:</b>										
<b>Current:</b>										
General government.....	3,740,840	3,873,266	3,814,056	3,678,660	3,737,170	3,517,321	3,412,749	3,343,498	3,390,754	3,250,801
Public safety.....	1,861,910	1,703,190	1,768,195	1,626,723	1,618,411	1,562,456	1,506,881	1,536,180	1,345,780	1,489,274
Public works.....	3,320,887	3,154,183	3,049,696	2,786,773	2,995,295	3,000,019	2,758,011	2,686,572	2,637,989	2,658,236
Health and welfare.....	180,023	174,465	170,466	152,747	153,566	150,984	126,396	64,551	88,257	72,358
Culture and recreation.....	542,749	589,386	513,582	541,350	532,772	504,198	502,030	494,639	623,821	863,441
Housing and development.....	161,703	152,173	417,337	658,758	319,731	294,715	159,504	115,834	145,477	280,865
Education.....	18,424,641	19,007,633	18,394,057	17,368,884	16,903,635	17,181,062	17,361,746	17,148,470	16,781,904	16,623,775
<b>Debt service:</b>										
Principal.....	2,225,753	2,172,164	2,321,469	2,445,679	2,246,275	2,174,261	1,777,286	1,604,385	1,663,002	1,788,959
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	1,014,560
Capital outlay.....	2,787,469	5,487,777	2,007,611	1,176,861	2,399,439	6,258,365	5,842,077	4,960,660	3,176,564	2,385,154
<b>Total expenditures.....</b>	<b>34,260,535</b>	<b>37,328,797</b>	<b>33,471,029</b>	<b>31,450,995</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>Excess (deficiency) of revenues over expenditures.....</b>	<b>(744,541)</b>	<b>(5,220,621)</b>	<b>(1,761,885)</b>	<b>(511,737)</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>Other financing sources (uses):</b>										
Capital lease.....	-	33,947	39,758	73,298	-	54,085	127,645	-	-	-
Issuance of bonds (BANS).....	795,000	7,620,000	-	-	-	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.....	168,134	-	13,059	19,591	618,251	12,384	218,178	16,200	406,061	229,088
Sale of capital assets.....	12,670	-	803	8,308	-	-	-	-	-	-
Transfers in.....	3,702,209	3,428,503	3,410,476	3,727,326	3,843,788	3,679,843	3,247,341	3,059,313	3,113,769	2,928,843
Transfers out.....	(3,702,209)	(3,428,503)	(3,410,476)	(3,727,326)	(3,843,788)	(3,679,843)	(3,247,341)	(3,059,313)	(3,113,769)	(2,928,843)
<b>Net other financing sources (uses).....</b>	<b>975,804</b>	<b>7,653,947</b>	<b>53,620</b>	<b>101,197</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>Net change in fund balances.....</b>	<b>\$ 231,263</b>	<b>\$ 2,433,326</b>	<b>\$ (1,708,265)</b>	<b>\$ (410,540)</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>Debt service as a percentage of noncapital expenditures.....</b>	<b>10.30%</b>	<b>10.01%</b>	<b>10.55%</b>	<b>11.05%</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>

**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	
		Net Assessed Value	Estimated Actual Value	Net Motor Vehicle Assessed Value	Net Personal Property Assessed Value	Total Assessed Value	Estimated Actual Value	Net Assessed Value			Estimated Actual Value
2019	2017	\$ 454,543,240	\$ 649,347,486	\$ 60,190,394	\$ 49,362,638	\$ 109,553,032	\$ 156,504,331	\$ 564,096,272	\$ 805,851,817	70.00%	35.79
2018	2016	451,278,920	644,684,171	57,862,428	38,534,860	96,397,288	137,710,411	547,676,208	782,394,582	70.00%	35.05
2017	2015	450,597,961	643,711,373	57,313,798	38,226,764	95,540,562	136,486,517	546,138,523	780,197,890	70.00%	34.07
2016	2014	448,599,342	640,856,203	55,901,286	35,731,216	91,632,502	130,903,574	540,231,844	771,759,777	70.00%	33.63
2015	2013	447,896,489	639,852,127	54,890,395	31,130,613	86,021,008	122,887,154	533,917,497	762,739,281	70.00%	33.63
2014	2012	449,149,304	641,641,863	54,777,754	35,497,126	90,274,880	128,964,114	539,424,184	770,605,977	70.00%	33.13
2013	* 2011	449,210,250	641,728,929	53,773,376	35,292,409	89,065,785	127,236,836	538,276,035	768,965,765	70.00%	32.83
2012	2010	534,078,455	762,969,221	49,779,666	31,009,992	80,789,658	115,413,797	614,868,113	878,383,018	70.00%	26.98
2011	2009	531,306,915	759,009,879	48,395,826	28,115,433	76,511,259	109,301,799	607,818,174	868,311,678	70.00%	26.54
2010	2008	530,861,248	758,373,211	49,207,621	32,209,631	81,417,252	116,310,360	612,278,500	874,683,571	70.00%	26.28

\* Revaluation performed

Town of Thomaston, Connecticut

Principal Property Taxpayers  
Current Year and Nine Years ago  
(Unaudited)

Taxpayer	2019			2010		
	(1) Assessment	Rank	Percent of Net Taxable Grand List	(1) Assessment	Rank	Percent of Net Taxable Grand List
Connecticut Light & Power Co.	\$ 18,983,130	1	3.37%	\$ 5,841,600	2	0.95%
Albea (formerly Rexam)	9,435,280	2	1.67%	6,049,928	1	0.99%
Yankee Gas Services Company	3,985,950	3	0.71%	2,640,410	9	0.43%
Thomaston Savings Bank	3,858,590	4	0.68%	3,362,750	4	0.55%
Connecticut Water Company	3,446,300	5	0.61%	3,900,240	3	0.64%
Summit Corp of America	3,333,700	6	0.59%	3,207,354	5	0.52%
Thomaston Valley Village	3,137,750	7	0.56%	N/A	N/A	-
Tyler Properties	2,933,160	8	0.52%	2,944,667	7	0.48%
GLC Associates One, LLC	2,723,340	9	0.48%	3,081,500	6	0.50%
Subs Realty (formerly Oneglia)	2,172,730	10	0.39%	N/A	N/A	-
WL Real Estate Company	-	N/A	-	2,824,520	8	0.46%
Whyco Technologies, Inc.	-	N/A	-	2,517,740	10	0.41%
Totals	<u>\$ 54,009,930</u>		<u>9.58%</u>	<u>\$ 36,370,709</u>		<u>5.93%</u>

Source: Town Assessor Department.

(1) The net taxable grand list: \$564,096,272 \$612,278,500

N/A - Not available and/or not applicable.

**Table 7**

**Town of Thomaston, Connecticut**  
**Tax Rates, Levies and Cash 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			
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	Current Delinquent Balance
2019	35.79	2017	\$ 19,894,653	\$ 19,626,694	98.7%	\$ -	\$ 19,626,694	98.7%	\$ 267,959
2018	35.05	2016	19,320,944	19,036,595	98.5%	230,549	19,036,595	98.5%	80,485
2017	34.07	2015	18,744,659	18,537,433	98.9%	175,881	18,537,433	98.9%	31,345
2016	33.63	2014	18,294,050	18,081,176	98.8%	191,440	18,272,616	99.9%	21,434
2015	33.63	2013	18,080,787	17,844,146	98.7%	215,918	18,060,064	99.9%	20,723
2014	33.13	2012	17,879,100	17,614,927	98.5%	243,391	17,858,318	99.9%	20,782
2013 *	32.83	2011	17,645,073	17,364,941	98.4%	269,760	17,634,701	99.9%	10,372
2012	26.98	2010	16,626,776	16,324,968	98.2%	294,876	16,619,844	100.0%	6,932
2011	26.54	2009	16,462,140	16,192,962	98.4%	261,660	16,454,622	100.0%	7,518
2010	26.28	2008	16,070,948	15,687,137	97.6%	376,379	16,063,516	100.0%	7,432

111

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)**

<u>Year Ended June 30</u>	<u>General Obligation Bonds (1)</u>	<u>Clean Water Notes</u>	<u>Premiums</u>	<u>Capital Lease Obligation</u>	<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Debt per Capita</u>
2019	\$ 24,425,000	\$ 939,554	\$ 697,335	\$ 13,190	\$ 26,075,079	0.28%	\$ 3,328
2018	25,540,000	1,461,872	607,060	38,872	27,647,804	0.27%	3,516
2017	19,860,000	1,973,856	676,512	50,132	22,560,500	0.33%	2,970
2016	21,850,000	2,475,710	745,964	47,429	25,119,103	0.29%	3,296
2015	23,985,000	3,021,140	815,417	24,527	27,846,084	0.24%	3,624
2014	25,545,000	3,566,374	608,756	84,890	29,805,020	0.22%	3,791
2013	21,290,000	4,100,821	664,948	91,120	26,146,889	0.25%	3,336
2012	16,000,000	4,624,694	582,448	-	21,207,142	0.31%	2,659
2011	17,425,000	5,138,202	632,036	-	23,195,238	N/A	2,941
2010	18,715,000	5,641,550	353,311	-	24,709,861	N/A	3,168

(1) Includes permanently financed bond anticipation notes.

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

Note: There is no overlapping debt.

N/A - Information not available.

## Town of Thomaston, Connecticut

**Ratios 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
2019	7,836	\$ 564,096,272	\$ 26,061,889	4.62%	\$ 3,326
2018	7,863	547,676,208	27,608,932	5.04%	3,511
2017	7,595	546,138,523	22,510,368	4.12%	2,964
2016	7,621	540,231,844	25,071,674	4.64%	3,290
2015	7,683	533,917,497	27,821,557	5.21%	3,621
2014	7,862	539,424,184	29,720,130	5.51%	3,780
2013	7,838	538,276,035	26,055,769	4.84%	3,324
2012	7,975	614,868,113	21,207,142	3.45%	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

**Sources:**

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

**Town of Thomaston, Connecticut**  
**Schedule of Debt Limitation**  
**Connecticut General Statutes, Section 7-374 (b)**  
**As of and for the Year Ended June 30, 2019**  
**(Unaudited)**

Total tax collections (including interest and lien fees) for prior year					<u>\$ 19,212,871</u>
<b>Debt Limitation:</b>	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
2 1/4 times base.....	\$43,228,960	\$ -	\$ -	\$ -	\$ -
4 1/2 times base.....	-	86,457,920	-	-	-
3 3/4 times base.....	-	-	72,048,266	-	-
3 1/4 times base.....	-	-	-	62,441,831	-
3 times base.....	-	-	-	-	57,638,613
Total Debt Limitation.....	<u>43,228,960</u>	<u>86,457,920</u>	<u>72,048,266</u>	<u>62,441,831</u>	<u>57,638,613</u>
Indebtedness:					
Bonds payable.....	19,194,393	3,796,992	1,433,615	-	-
Debt Limitation in excess of outstanding debt.....	<u>\$24,034,567</u>	<u>\$82,660,928</u>	<u>\$70,614,651</u>	<u>\$62,441,831</u>	<u>\$57,638,613</u>
The total net indebtedness above amounts to:					<u>\$ 24,425,000</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u>\$ 134,490,097</u>

Note: There is no overlapping debt.

## 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
2019	\$ 134,490,097	\$ 24,425,000	\$ 110,065,097	18.16%
2018	131,863,949	31,751,390	100,112,559	24.08%
2017	131,863,949	27,377,554	104,486,395	20.76%
2016	127,094,254	24,477,554	103,876,768	19.26%
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%

**Town of Thomaston, Connecticut**  
**Demographic and Economic Statistics**  
**Last Ten Years**  
**(Unaudited)**

Year Ended June 30	(1) Population	(2) Personal Income	(2) Median Age	(2) Education Level in Years of Schooling	(3) School Enrollment	(4) Unemployment Percentage
2019	7,836	\$ 65,901	44	High School 37% Some College 32%	877	4.3%
2018	7,863	65,901	43	High School 37% Some College 32%	897	3.9%
2017	7,595	67,191	43	High School 37% Some College 32%	897	3.9%
2016	7,621	73,679	44	High School 35% Some College 36%	895	4.9%
2015	7,683	67,426	43	High School 35% Some College 35%	856	4.5%
2014	7,862	64,982	43	High School 35% Some College 35%	941	5.8%
2013	7,838	66,197	44	High School 35% Some College 58%	1,004	8.0%
2012	7,975	66,197	44	High School 35% Some College 58%	1,010	8.5%
2011	7,887	(5)	(5)	(5)	1,114	8.2%
2010	7,801	(5)	(5)	(5)	1,186	8.6%

**Sources:**

- (1) 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	2019			2010		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Albea (formerly Rexam)	343	1	8%	140	2	3%
State of Connecticut	N/A	2	-	100	7	2%
Thomaston Savings Bank	227	3	5%	138	3	3%
Town of Thomaston	199	4	4%	295	1	6%
Ward Leonard Electric, Inc.	177	5	4%	134	4	3%
UniMetal/ Quality Rolling & Deburring	130	6	3%	75	9	2%
Stewart Eyelets for Industry, Inc.	121	7	3%	104	5	2%
Summit Corporation of America	82	8	2%	76	8	2%
WHYCO Chromium, Inc.	38	9	1%	37	10	1%
Stevens Co., Inc.	<u>36</u>	10	<u>1%</u>	<u>104</u>	6	<u>2%</u>
Total	<u>1,353</u>		<u>31%</u>	<u>1,203</u>		<u>26%</u>
Total Town Employment	<u>4,483</u>			<u>4,654</u>		

Source: Annual Town survey.

N/A - Company did not respond or information was unavailable, but number of employees in prior years supports ranking.

**Town of Thomaston, Connecticut**  
**Full-Time Equivalent Employees by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

Function / Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Government:</b>										
Selectmen.....	2.7	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Elections.....	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Treasurer.....	4.0	4.0	3.9	3.9	3.9	3.0	3.0	3.9	3.9	2.9
Tax Collector.....	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.9
Assessor/Assessment appeals.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Town Hall maintenance.....	1.3	1.4	1.3	1.3	1.5	1.5	1.4	1.5	1.0	1.0
Town Clerk.....	1.4	1.6	1.7	1.7	1.7	1.7	1.5	1.7	1.6	1.6
<b>Public Safety:</b>										
Police officers.....	12.7	13.0	13.5	13.3	13.1	13.4	11.6	11.7	11.4	12.3
Dispatch.....	4.9	5.0	4.5	4.8	4.9	4.5	4.8	4.0	4.6	4.7
Fire Marshal.....	3.0	3.0	0.7	0.1	0.1	0.1	0.1	0.6	0.6	0.6
Animal control.....	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.1	1.1	1.1
<b>Public Works:</b>										
Highway.....	8.7	8.6	7.2	8.0	7.0	7.0	8.0	6.0	7.0	8.1
Solid waste and recycling.....	0.2	0.2	0.2	0.3	0.2	0.2	0.3	0.2	0.2	0.2
Sewer plant.....	7.0	6.4	7.0	6.0	7.0	7.0	7.0	5.0	7.0	7.0
Hillside Cemetery.....	2.2	2.0	1.8	1.9	1.8	1.7	1.9	1.7	1.5	1.0
<b>Health and Welfare:</b>										
Social services.....	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0
Minibus.....	0.4	0.3	0.2	0.4	0.2	0.2	0.4	0.4	0.4	0.4
Veterans administration.....	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
<b>Culture and Recreation:</b>										
Recreation.....	2.2	1.6	1.6	1.8	2.0	1.6	1.6	3.5	2.4	2.3
Public library.....	6.1	5.9	5.7	6.8	6.1	5.4	6.1	5.8	5.8	6.2
Opera House.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5
<b>Housing and Development:</b>										
Housing, land use & development.	2.5	2.5	2.3	2.5	2.5	2.1	2.1	2.5	2.0	2.3
Education.....	135.0	132.0	158.5	141.7	136.5	162.8	163.5	165.9	164.1	160.7
<b>Total.....</b>	<b>199.0</b>	<b>194.5</b>	<b>217.1</b>	<b>201.5</b>	<b>195.6</b>	<b>219.3</b>	<b>220.0</b>	<b>221.0</b>	<b>220.1</b>	<b>220.3</b>

Source: Actual payroll data.

**Town of Thomaston, Connecticut**  
**Operating Indicators by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

Function / Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Public Safety:</b>										
<b>Fire:</b>										
Emergency responses.....	304	336	298	270	265	239	266	436	367	268
Fires extinguished.....	27	29	30	38	39	26	17	43	26	27
<b>Police:</b>										
Incidents.....	31,252	35,892	36,136	35,807	39,126	37,715	32,646	33,503	33,523	33,299
Accidents.....	362	309	296	307	353	347	195	217	230	206
Physical arrests.....	317	367	380	385	629	565	236	258	161	165
Traffic violations.....	2,014	1,544	1,201	922	898	853	841	949	952	1,001
<b>Public Works:</b>										
Street resurfacing (miles).....	3.0	0.0	0.0	0.0	3.0	2.0	0.0	0.0	0.0	0.0
Streets rebuilt (miles).....	0.0	2.2	0.0	0.0	0.0	0.0	4.86	4.86	4.31	3.12
<b>Parks and Recreation:</b>										
Athletic field permits issued.....	41	44	31	38	42	40	41	46	51	44
Number of recreation programs.....	33	29	29	34	32	34	36	34	29	27
<b>Health and Welfare:</b>										
Number of elderly serviced.....	N/A	98	98	146	109	86	N/A	N/A	N/A	N/A
Number of families serviced.....	N/A	274	274	185	162	150	N/A	N/A	N/A	N/A
Number of disabled serviced.....	N/A	82	82	98	87	60	N/A	N/A	N/A	N/A
<b>Library:</b>										
Total print items.....	38,571	38,982	39,253	39,327	40,285	40,885	40,637	41,243	40,137	42,804
Total non-print items.....	7,347	7,370	7,102	7,060	6,876	6,291	5,991	5,775	8,095	6,366
Circulation.....	47,725	52,652	58,218	63,700	70,396	75,418	80,528	80,371	86,380	95,354
Interlibrary borrows.....	2,328	2,331	2,698	3,497	3,346	3,605	3,537	3,662	3,210	3,429
Interlibrary loans.....	2,353	2,513	2,068	2,259	2,275	2,427	3,003	3,391	3,467	3,298
<b>Education:</b>										
<b>Enrollment:</b>										
High School.....	376	405	428	408	417	412	438	460	518	559
Middle School.....	189	190	205	216	206	237	256	227	256	267
Elementary School.....	280	280	264	271	233	292	310	323	340	360
<b>Total.....</b>	<b>845</b>	<b>875</b>	<b>897</b>	<b>895</b>	<b>856</b>	<b>941</b>	<b>1,004</b>	<b>1,010</b>	<b>1,114</b>	<b>1,186</b>
<b>Sewer Fund:</b>										
Average daily sewage treatment (million gallons).....	1.174	0.898	0.810	0.834	0.980	0.989	0.924	0.871	0.937	0.992
Residential customers.....	2,767	2,679	2,635	2,635	2,635	2,700	2,695	2,619	2,613	2,600
Commercial and industrial customers.....	131	75	134	131	129	128	130	130	128	134
Manhole repair as part of I/I reduction.....	3	4	-	20	6	9	42	48	80	80
<b>Solid Waste &amp; Recycling:</b>										
MIRA/CRRA tonnage (annual).....	4,623	4,372	2,534	2,400	2,462	2,506	3,069	3,817	4,226	4,284

SOURCES: Various Town Departments.

N/A - Data not available.

**Town of Thomaston, Connecticut**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

120

Function / Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Government:</b>										
Election voting machines.....	2	2	2	2	2	2	2	2	2	2
Vehicles.....	1	1	1	1	1	2	2	2	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	11	11	11	11	8	8	10	10
Fire trucks.....	4	4	4	4	5	5	7	7	7	7
Ambulances.....	2	2	2	2	2	2	2	2	2	2
Other emergency vehicles.....	5	5	5	5	5	6	6	6	6	6
<b>Public Works:</b>										
<b>Miles of Streets:</b>										
Paved.....	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.00	41.00
Accepted.....	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.00	41.00
Private.....	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
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
<b>Miles of Sewer:</b>										
Storm.....	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25
Sanitation.....	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50
Dump trucks.....	9	9	9	10	10	10	10	10	10	10
Other public works vehicles & heavy equipment.....	28	28	28	28	28	28	27	27	27	27
<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	1	1	1	1	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	4	4	4	4	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
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
Tennis courts.....	6	6	6	6	6	3	3	3	3	3
Tracks.....	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.