

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of the
TOWN OF THOMASTON,
CONNECTICUT

YEAR ENDED

JUNE 30, 2016

PREPARED BY:

THE FINANCE DEPARTMENT

TRACY A. DECKER, FINANCE DIRECTOR

TOWN OF THOMASTON, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2016

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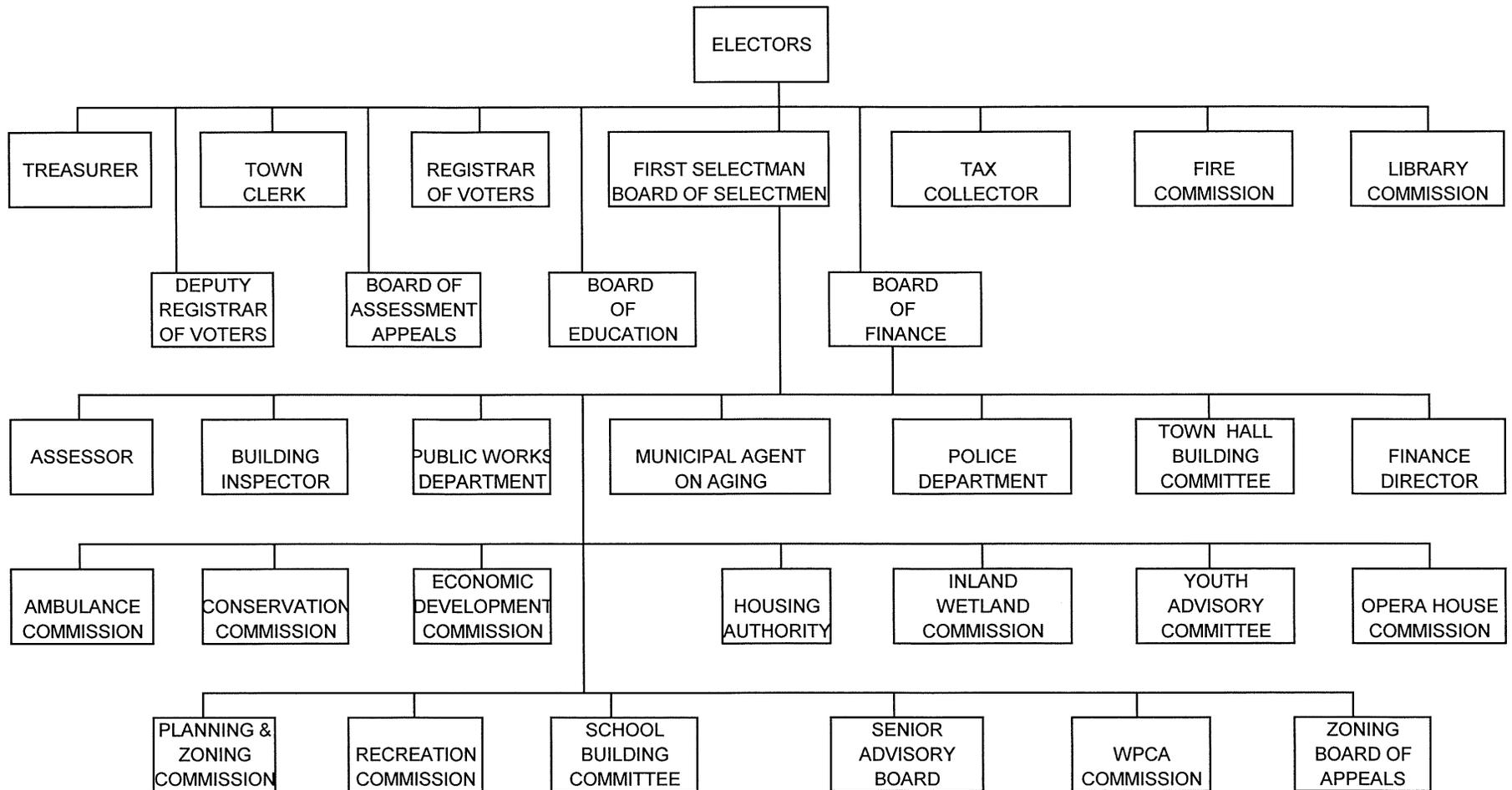
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Introductory Section

TOWN OF THOMASTON, CONNECTICUT

ORGANIZATIONAL CHART





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

December 7, 2016

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, 2016.

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

The Town of Thomaston's financial statements have been audited by CohnReznick LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Thomaston for the fiscal year ended June 30, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Town of Thomaston

The Town of Thomaston, located in Litchfield County, is a suburb consisting of 12 square miles and located 10 miles south of Torrington, Connecticut, 23 miles west of Hartford, Connecticut, with a population of 7,863. The Town is easily accessible by an excellent highway system. Route 8, a four-lane State highway, provides north-south interstate connections from Bridgeport to Winsted, where it meets Route 44 and continues north to the Massachusetts border. Interstate 84, the major east-west highway through Connecticut, is located just 11 miles south of the Town. Intra-town traffic is served by U.S. Route 6 and State routes 254, 109, and 262, which pass through the Town. Air transport is available at the Oxford Regional, New Haven-Tweed and Bradley International Airports.

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

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

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

Local Economy and Major Initiatives

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

Local Economy

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

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

The Town of Thomaston has made changes in its Plan of Development that permits the creation of an industrial park located on Reynolds Bridge Road adjacent to an area already zoned and in use by many small to medium size manufacturers. 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.

During this past year, a portion of the Town of Thomaston was deemed an enterprise zone allowing businesses in the Town to apply for both property and income tax incentives.

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

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

The Economic Development Commission's mission is to organize and promote sound economic growth in Thomaston by stimulating the expansion of existing 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. In 2007, a tax incentive program was established in order to attract, retain, and expand qualified businesses, to create employment opportunities, and to promote responsible economic growth to ensure Thomaston's future as a desirable community in which to live and work. Four developers have since taken advantage of this ordinance.

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

The Department of Economic and Community Development approved the reallocation of certain Small Cities federal funds the Town holds, which will benefit low to moderate income families and Americans with Disabilities. \$300,000 has been reallocated for housing rehabilitation for those who qualify. Many taxpayers have taken advantage of this program. Additionally, \$811,485 was allocated for ADA, roof and masonry repairs and improvements at Grove Manor, a senior housing complex.

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

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

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

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

Long-Term Financial Planning

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

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

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

The Town approved funds for various projects as follows: \$600,000 for a fire truck, \$145,000 for a pay-loader, \$150,000 for a dump truck, \$625,000 for WPCA phosphorous upgrades and \$1,390,000 for WPCA sewer line repairs and replacement in the "web" area of Town.

Relevant Financial Position

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

Awards and Acknowledgements

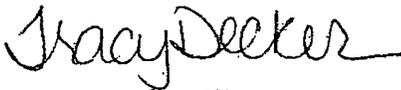
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Thomaston for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the twelfth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Tracy Decker". The signature is written in a cursive, flowing style.

Tracy A. Decker, CPA
Finance Director

TOWN OF THOMASTON, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2016

BOARD OF SELECTMEN

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

BOARD OF FINANCE

George Seabourne, Chairman
Stephen R. Turner
Michael S. Madow
Luke Freimuth
Thomas Duffany
Richard Sileo

TOWN DEPARTMENTS

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

AUDITORS

CohnReznick LLP



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Thomaston
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Financial Section

Independent Auditor's Report

Board of Finance
Town of Thomaston, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and other post-employment benefit schedules on pages 12 through 23 and pages 72 through 80, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2016, on our consideration of the Town of Thomaston, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Thomaston, Connecticut's internal control over financial reporting and compliance.

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

Hartford, Connecticut
December 7, 2016



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

Management's Discussion and Analysis
Year Ended June 30, 2016

As management of the Town of Thomaston, we offer readers of the Town of Thomaston's financial statements this narrative overview and analysis of the financial activities of the Town of Thomaston for the fiscal year ended June 30, 2016.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$32,560,235 (*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 \$6,562,121.
- The Town's total net position decreased by \$243,581. The Town's total liabilities increased by \$1,075,045 primarily as a result of the \$584,469 increase in the net pension liability and net OPEB liability of \$1,176,484, offset by the reduction in other long-term debt of \$685,908. This was offset by the net increase in total assets of \$450,103 due primarily to the issuance of \$2,115,000 of additional bond anticipation notes for two WPCA projects, of which approximately \$600,000 is recorded as construction in progress and the balance in investments.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,756,606, a decrease of \$410,540 in comparison with the prior year. This was mostly due to expenditures in the Capital Non-Recurring fund for equipment and sewer line repairs that were financed through short term bond anticipation notes and have not been permanently financed yet.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,340,323, an increase of \$333,140 in comparison with the prior year. This represents 13.1% of total general fund revenues.

Overview of the Basic Financial Statements

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

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

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

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

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

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

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

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

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

The Town maintains 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, debt service, small cities and the capital or nonrecurring, 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 nonmajor governmental funds is provided in the combining statements in Schedules 4 and 5 of this report.

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. The Town's combined net position decreased by 0.7% from a year ago – decreasing from \$32,803,816 to \$32,560,235.

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.

Summary Statement of Net Position

	2016	2015
Current and other assets	\$ 12,345,606	\$ 10,980,355
Capital assets (net)	62,913,820	63,828,968
Total assets	75,259,426	74,809,323
Total deferred outflows of resources	1,766,872	1,368,814
Long-term liabilities outstanding	36,765,003	37,626,590
Other liabilities	7,485,096	5,548,464
Total liabilities	44,250,099	43,175,054
Total deferred inflows of resources	215,964	199,267
Net position:		
Net investment in capital assets	38,387,002	35,802,178
Restricted	735,354	631,821
Unrestricted	(6,562,121)	(3,630,183)
TOTAL NET POSITION	\$ 32,560,235	\$ 32,803,816

A portion of the Town's net position (2.3%) 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.

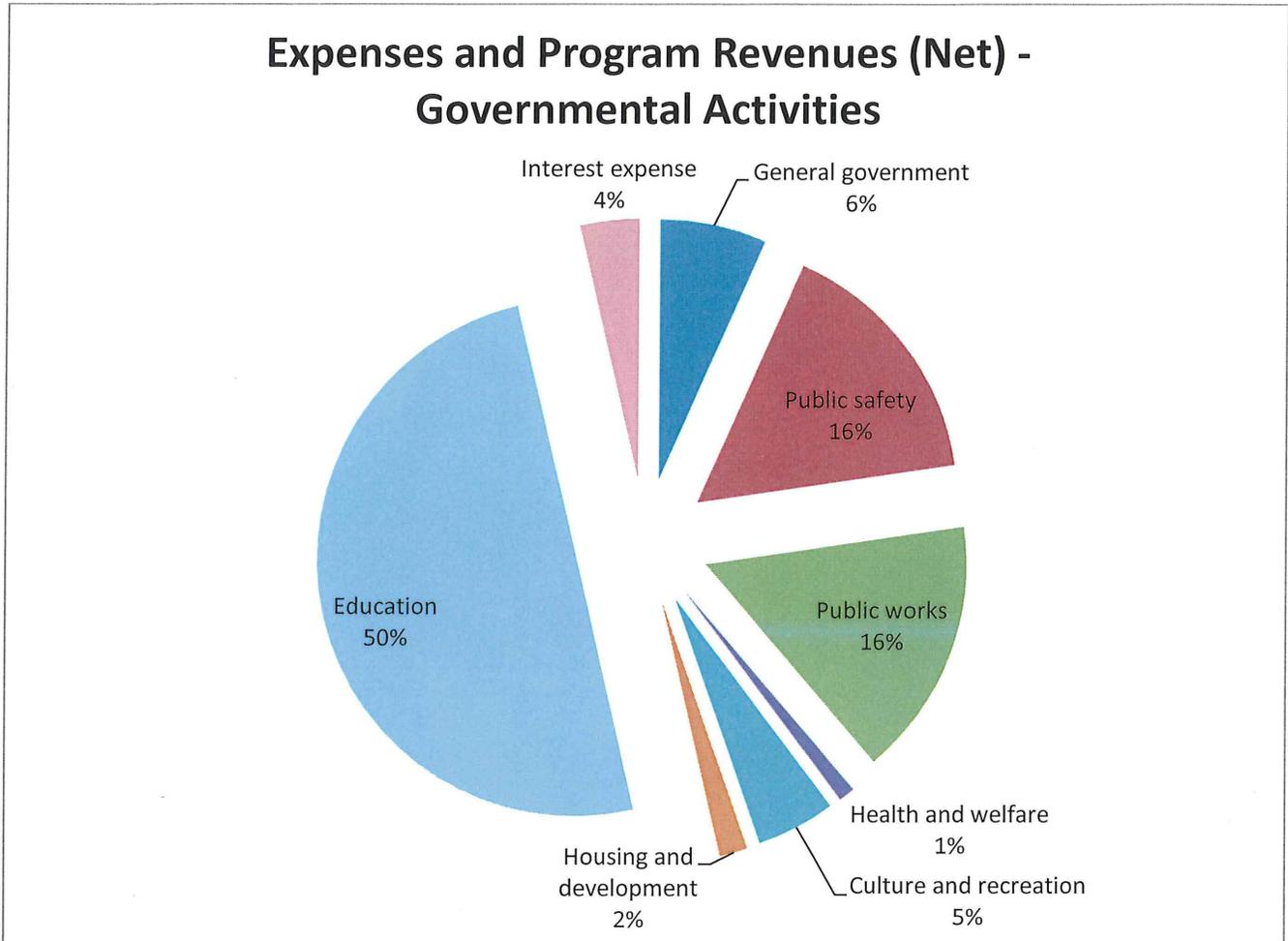
Governmental activities. Governmental activities decreased the Town's net position by \$243,581. Key elements of this decrease are as follows:

Statement of Changes in Net Position

	2016	2015
<u>REVENUES:</u>		
Program revenues:		
Charges for services	\$ 2,074,260	\$ 2,019,546
Operating grants and contributions	8,923,066	8,450,907
Capital grants and contributions	605,945	2,230,932
General revenues:		
Property taxes	18,347,627	18,156,595
Grants and contributions not restricted to specific programs	516,623	521,843
Investment income	62,240	34,434
Miscellaneous	65,734	30,314
TOTAL REVENUES	30,595,495	31,444,571
<u>EXPENSES:</u>		
General government	1,417,021	1,468,054
Public safety	3,326,695	3,164,883
Public works	4,781,865	4,907,857
Health and welfare	209,795	203,022
Culture and recreation	1,084,776	1,034,470
Housing and development	787,911	460,058
Education	18,527,836	17,988,363
Interest expense	703,177	675,831
TOTAL EXPENSES	30,839,076	29,902,538
(INCREASE) DECREASE IN NET POSITION	(243,581)	1,542,033
NET POSITION - JULY 1	32,803,816	31,261,783
NET POSITION - JUNE 30	\$ 32,560,235	\$ 32,803,816

- Operating grants and contributions increased by \$472,159 (5.6%) due to increases in the on-behalf amount for the Town's allocable share of the pension expense for the State Teachers' Retirement Plan, Special Education Excess cost grant and a new Clean Water grant.
- Capital grants and contributions decreased by \$1,624,987 (72.8%) due to school construction grant funds received for the school roofs and the STEAP grant for the first phase of the track and tennis court project at Nystroms Park received in 2015.
- Expenses increased by \$936,538 (3.1%) due primarily to increases in education expenses and housing and development due to improvements made at a senior housing complex.

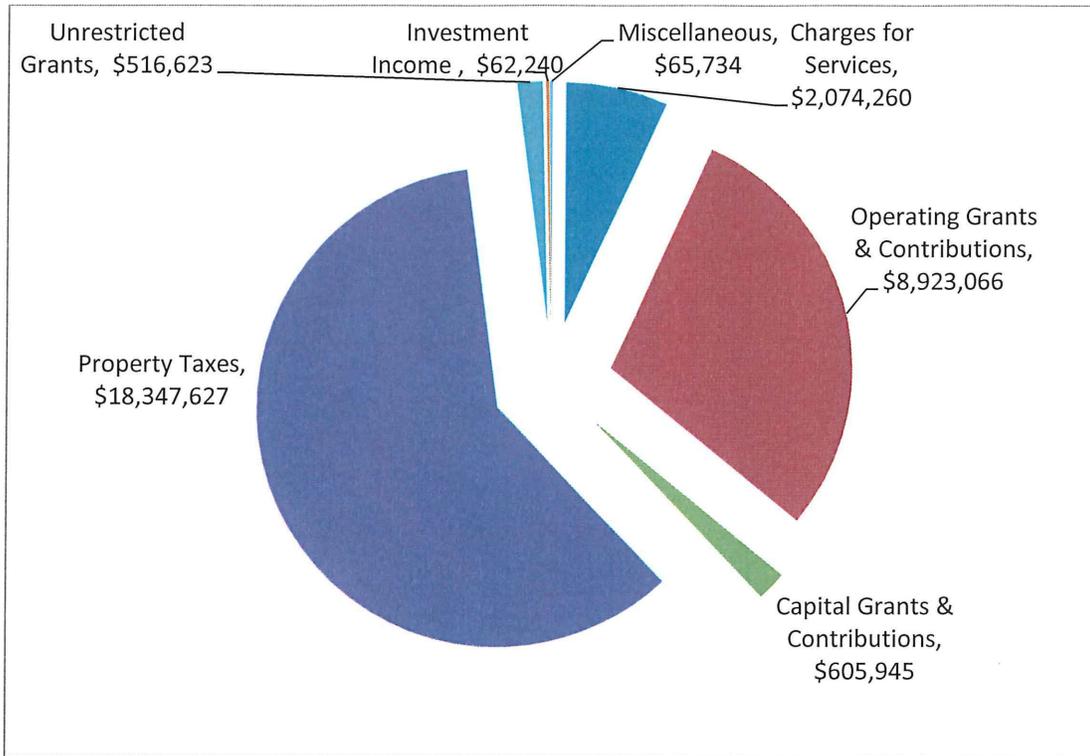
Expenses and Program Revenues (Net) - Governmental Activities



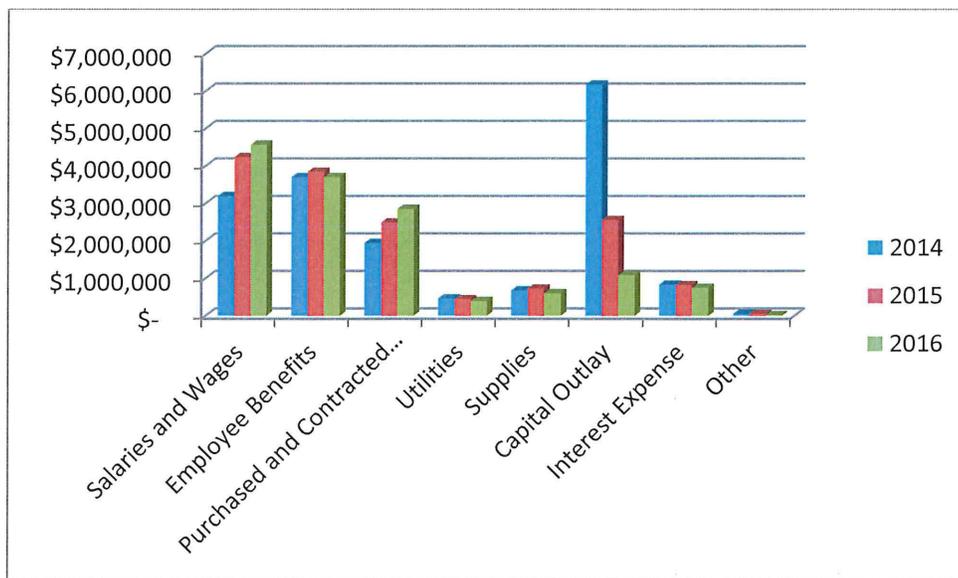
The above represents the percentage of net cost by function as presented in the statement of activities (Exhibit B). In most cases, the above chart represents the true cost of the departments because we have offset the costs by the revenues derived by those departments. For example, the net cost of Education of \$9,606,078 includes expenses of \$18,527,836 offset by charges for services of \$189,665, operating grants and contributions (including the Education Cost sharing grant) of \$8,619,362 and capital grants and contributions of \$112,731.

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 \$62,247 in Education due to School Construction Grants used for the repair and replacement of the school roofs, which were charged to Capital Outlay.

Revenues by Source - Governmental Activities



The chart above reflects the sources of revenue for the fiscal year, which provide the services the taxpayers of Thomaston receive. Property taxes of \$18,347,627 (60.0%) is the major source of revenue, followed by operating grants and contributions of \$8,923,066 (29.2%), charges for services of \$2,074,260 (6.8%) and capital grants and contributions of \$605,945 (2.0%). The remaining \$644,597 (2.0%) is made up of unrestricted grants and contributions, investment income, and miscellaneous income.



The above chart was derived directly from the classification of expenses in the Town's chart of accounts on a government-wide basis excluding the Board of Education operating budget and the education grant fund for fiscal years 2016, 2015 and 2014. The overall trend is level spending. The decrease in capital outlay is due to the ongoing multi-year road rehabilitation program and new roofs at the Town's three schools, which were substantially completed by 2014, and the communication system, which was completed in 2015.

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

Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,756,606. GASB 54 requires that fund balance be reported in one of five categories: nonspendable, restricted, committed, assigned or unassigned. The Town has a nonspendable balance of \$170,200 because it 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. \$1,361,668 has been restricted, \$1,016,604 has been committed and \$1,362,140 has been assigned, leaving a balance of \$2,845,994 as unassigned.

The total fund balances decreased by \$410,540. This is due primarily to expenditures in the Capital Nonrecurring fund that were funded by short-term notes recorded in the previous year.

The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,340,323. 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 12.3% of total general fund revenues.

The fund balance of the Town's general fund increased \$275,406 during the current fiscal year. The Town had budgeted the use of prior year fund balance of \$160,000 to balance the fiscal 2015-2016 budget.

Management's Discussion and Analysis (continued)

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

GENERAL FUND			
	2016	2015	Increase (Decrease)
REVENUES:			
Property taxes	\$ 18,477,767	\$ 18,337,484	\$ 140,283
Charges for services	328,567	365,467	(36,900)
Intergovernmental	8,198,506	8,030,707	167,799
Income from investments	16,030	9,846	6,184
Other	57,426	17,773	39,653
TOTAL REVENUES	27,078,296	26,761,277	317,019
EXPENDITURES:			
General government	3,628,834	3,690,634	(61,800)
Public safety	1,616,224	1,553,218	63,006
Public works	1,566,665	1,635,579	(68,914)
Health and welfare	85,307	84,315	992
Culture and recreation	448,276	426,054	22,222
Housing and development	144,739	138,100	6,639
Education	15,809,352	15,560,482	248,870
Capital outlay	2,125		2,125
TOTAL EXPENDITURES	23,301,522	23,088,382	213,140
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,776,774	3,672,895	103,879
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	8,308	-	8,308
Transfer in	39,736	15,000	24,736
Transfer out	(3,549,412)	(3,660,821)	111,409
NET OTHER FINANCING SOURCES (USES)	(3,501,368)	(3,645,821)	144,453
NET CHANGE IN FUND BALANCES	\$ 275,406	\$ 27,074	\$ 248,332

- Intergovernmental revenue increased by \$167,799 due to an increase in the on-behalf amount for the Town's allocable share of the pension expense for the State Teachers' Retirement Plan, an increase in the Special Education Excess cost grant and a Clean Water grant.
- Education expenditures increased by \$248,870 due to an increase in the on-behalf amount for the Town's allocable share of the pension expense for the State Teachers' Retirement Plan and budgeted increased spending.

Debt Service Fund. This fund accounts for financial resources to be used for current and future principal and interest payments for long-term debt. As part of the Town's Capital improvement policy, the Town committed to funding a minimum annual appropriation of \$2,800,000 into Debt Service to minimize a mill rate impact of an expected significant increase in debt service in future budget years. The assigned fund balance as of June 30, 2016 is \$1,259,874.

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 \$7,595, received back \$50,897 in loan principal repayments and wrote off \$10,251 as a bad debt for a property that was foreclosed. The ending loan balance was \$796,514 (net of an allowance for uncollectible loans). Restricted fund balance of \$992,505 is available for future loan assistance.

Capital or Nonrecurring Fund. This fund accounts for the financial revenues including resources from borrowing to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes. There are fifty-eight separate projects, a summary of which can be found in Note II.E. of the notes to financial statements. The capital projects fund's expenditures exceeded its revenue and other financing sources by \$809,164, primarily due to expenditures funded with short term borrowing.

General Fund Budgetary Highlights

Transfers from contingency of \$85,833 were made during the year as follows:

- \$19,950 Transferred to Capital or Nonrecurring for Hickory Hill Road engineering.
- \$ 7,860 Transferred to Capital or Nonrecurring for building repairs at the Thomaston Volunteer Ambulance Corp building.
- \$58,023 To help defray year end overruns.

The following summarizes the year end overruns:

Board of Selectmen	\$ 1,716
Elections	1,248
Treasurer	1,872
Computer Information Systems	11,756
Tax Assessor	3,474
Town Clerk	10,602
Emergency Management	1,176
Communications & Dispatch	4,966
Fire Protection	6,823
Street Lighting	4,907
Fire Hydrants	2,251
Minibus	564
Recreation	5,036
Public Library	1,050
Housing, Land Use & Develop.	<u>582</u>
Total	<u>\$58,023</u>

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets amounts to \$62,913,820 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, vehicles, machinery and equipment, sewer lines, roads, bridges, sidewalks and system storm drains. The total decrease in the Town's investment in capital assets for the current fiscal year was \$915,148 (1.4%). This decrease is due largely to fewer capital expenditures offset by increased depreciation. Only those assets which cost \$5,000 or more with a useful life exceeding one year are capitalized. Assets costing less than \$5,000 are expensed.

Capital Assets - Net

	2016	2015
Land	\$ 1,315,620	\$ 1,315,620
Construction in progress	1,421,416	6,634,773
Buildings	32,554,652	31,659,743
Land improvements	506,231	491,586
Machinery and equipment	6,839,708	3,253,321
Intangible assets	1,208	3,624
Vehicles	1,491,875	1,498,620
Infrastructure	18,783,110	18,971,681
TOTAL	\$ 62,913,820	\$ 63,828,968

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

- Roofing work continued at Black Rock School, Town Hall and the Fire House. Total costs capitalized were \$1,781,115 and construction in progress increased by \$26,561.
- The Town-wide Communication system was completed at a cost of \$3,950,263.
- New vehicles and equipment included a public works dump truck (\$150,197), two police cruisers (\$73,298), Sig Sauer guns (\$5,775) and a new file server at Town Hall (\$7,860).
- The fire department purchased several items including entrance doors (\$9,950), garage doors (\$24,382), paving (\$23,268) and a deck gun for a fire truck (\$7,925).
- Board of Education projects that were completed include a new boiler at Black Rock School (\$25,284) and a hot water tank (\$36,315) and retaining wall (\$19,996) at Thomaston High School.
- A stone building at the Hillside Cemetery was repointed at a cost of \$25,340.
- The construction of sewer lines on Kennedy Drive was completed for \$249,251.
- Additional items recorded as construction in progress include Phase I of the track & tennis project (\$128,701), the initial costs for the reconstruction of the Walnut Hill Bridge (\$70), sewer repair and reconstruction in the "web" area of town (\$476,735) and costs related to upgrades at the WPCA plant related to new phosphorous regulations (\$46,375).

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

Long-term and short-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$21,850,000. All debt is backed by the full faith and credit of the Town. The remainder of the Town's debt represents notes totaling \$2,475,710 funded by the State of Connecticut Clean Water Fund, bond anticipation notes of \$2,910,000 and unamortized bond premium of \$745,964.

**OUTSTANDING DEBT
LONG-TERM AND SHORT-TERM OBLIGATIONS**

	2016	2015
General obligation bonds	\$ 21,850,000	\$ 23,985,000
Notes	2,475,710	3,021,140
Bond anticipation notes	2,910,000	795,000
Bond premium	745,964	815,417
Total	\$ 27,981,674	\$ 28,616,557

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

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$129,768,989, which is significantly in excess of the Town's outstanding general obligation debt.

On November 5, 2015, the Town issued \$2,910,000 of bond anticipation notes for a fire truck (\$600,000), a pay-loader (\$145,000), a dump truck (\$150,000), WPCA phosphorous project (\$625,000) and WPCA sewer lines in the web area (\$1,390,000).

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town is currently 4.9%, which is a slight increase from a rate of 4.5% a year ago. The Town's rate is favorable compared to the State rate of 5.9% and the Hartford Labor Market rate of 6.3%. While Connecticut is still in line with the national average of 4.9%, the overall market has not seen significant upward movement and unemployment rates are expected to stay somewhat elevated through 2017.
- The Town is under even greater fiscal pressure from voter opposition in the tax levy. Voter opposition remains regardless of the fact that the Town has no control over its significant revenue sources other than property taxes. The Town faces cost increases from contractual obligations as well as fixed costs, and failed budgets will only result in loss of services, personnel and infrastructure improvements.

These factors were considered in preparing the Town's budget for the 2016-2017 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, 2016

<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 1,376,643
Investments.....	8,678,173
Receivables:	
Property taxes.....	129,139
Assessments/use charges.....	95,604
Loans.....	61,148
Intergovernmental.....	249,615
Other.....	104,451
Other assets.....	16,299
Total Current assets.....	<u>10,711,072</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments.....	114,430
Permanently restricted:	
Investments.....	<u>170,200</u>
Total Restricted assets.....	<u>284,630</u>
Receivables (net):	
Property taxes.....	179,656
Assessments/use charges.....	107,809
Loans.....	735,366
Intergovernmental.....	287,431
Notes.....	<u>39,642</u>
Total Receivables (net).....	<u>1,349,904</u>
Capital assets (net of accumulated depreciation):	
Land.....	1,315,620
Construction in progress.....	1,421,416
Buildings.....	32,554,652
Land improvements.....	506,231
Machinery and equipment.....	6,839,708
Intangible assets.....	1,208
Vehicles.....	1,491,875
Infrastructure.....	<u>18,783,110</u>
Total Capital assets (net of accumulated depreciation).....	<u>62,913,820</u>
Total Noncurrent assets.....	<u>64,548,354</u>
TOTAL ASSETS.....	<u>75,259,426</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding.....	353,961
Deferred outflow related to pensions.....	<u>1,412,911</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>1,766,872</u>

(Continued)

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2016

<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable.....	\$ 974,663
Accrued payroll.....	637,723
Accrued interest payable.....	118,918
Unearned revenue.....	36,791
Bond anticipation notes.....	2,910,000
Bonds and notes payable.....	2,491,854
Capital lease payable.....	23,024
Compensated absences.....	152,517
Other liabilities.....	139,606
	7,485,096
Total Current liabilities.....	
Noncurrent liabilities:	
Bonds and notes payable and related liabilities.....	22,579,820
Capital lease payable.....	24,405
Net pension liability.....	5,610,985
OPEB obligations.....	7,602,473
Compensated absences.....	864,261
Other liabilities.....	83,059
	36,765,003
Total Noncurrent liabilities.....	
TOTAL LIABILITIES.....	44,250,099
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflow related to pensions.....	215,964
<u>NET POSITION</u>	
Net investment in capital assets.....	38,387,002
Restricted for:	
Endowments:	
Nonexpendable.....	65,700
Expendable.....	42,860
Perpetual Care:	
Nonexpendable.....	104,500
Expendable.....	71,570
Housing and development.....	195,991
Sewer assessment.....	185,494
Other.....	69,239
Unrestricted.....	(6,562,121)
TOTAL NET POSITION.....	\$ 32,560,235

(Concluded)

See Notes to Financial Statements.

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF ACTIVITIES
 GOVERNMENTAL ACTIVITIES
 YEAR ENDED JUNE 30, 2016

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.....	\$ 1,417,021	\$ 145,299	\$ 3,000	\$ 1,160	\$ (1,267,562)
Public safety.....	3,326,695	219,899		17,937	(3,088,859)
Public works.....	4,781,865	1,378,548	251,674	50,965	(3,100,678)
Health and welfare.....	209,795	723	15,301		(193,771)
Culture and recreation.....	1,084,776	61,159	33,729	48,149	(941,739)
Housing and development.....	787,911	78,967		375,003	(333,941)
Education.....	18,527,836	189,665	8,619,362	112,731	(9,606,078)
Interest expense.....	703,177				(703,177)
TOTAL.....	\$ 30,839,076	\$ 2,074,260	\$ 8,923,066	\$ 605,945	\$ (19,235,805)
GENERAL REVENUES:					
Property taxes.....					\$ 18,347,627
Grants and contributions not restricted to specific programs.....					516,623
Investment income.....					62,240
Miscellaneous.....					65,734
TOTAL GENERAL REVENUES.....					18,992,224
CHANGE IN NET POSITION.....					(243,581)
NET POSITION - JULY 1, 2015.....					32,803,816
NET POSITION - JUNE 30, 2016.....					\$ 32,560,235

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TOWN OF THOMASTON, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	GENERAL	DEBT SERVICE	SMALL CITIES	CAPITAL OR NONRECURRING	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash.....	\$ 960,414	\$	\$ 200,019	\$	\$ 216,210	\$ 1,376,643
Investments.....	6,514,974	1,181,957		36,931	1,228,941	8,962,803
Receivables, net:						
Property taxes.....	353,338					353,338
Assessments/use charges.....					160,596	160,596
Loans.....			796,514			796,514
Intergovernmental.....			10,695		88,020	98,715
Other.....	79,316				25,135	104,451
Due from other funds.....	85,716	77,917		2,702,283	306,942	3,172,858
Other assets.....	7,057				9,242	16,299
TOTAL ASSETS.....	\$ 8,000,815	\$ 1,259,874	\$ 1,007,228	\$ 2,739,214	\$ 2,035,086	\$ 15,042,217
LIABILITIES						
Accounts payable.....	\$ 513,541	\$	\$ 14,723	\$ 315,167	\$ 131,232	\$ 974,663
Accrued payroll.....	566,167			557	70,999	637,723
Due to other funds.....	3,085,538				87,320	3,172,858
Unearned revenue.....				7,819	28,972	36,791
Bond anticipation notes.....				2,910,000		2,910,000
TOTAL LIABILITIES.....	4,165,246	-	14,723	3,233,543	318,523	7,732,035
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes.....	353,338					353,338
Unavailable revenue - sewer charges.....	39,642				160,596	200,238
TOTAL DEFERRED INFLOWS OF RESOURCES.....	392,980	-	-	-	160,596	553,576
FUND BALANCES						
Nonspendable.....					170,200	170,200
Restricted.....			992,505		369,163	1,361,668
Committed.....					1,016,604	1,016,604
Assigned.....	102,266	1,259,874				1,362,140
Unassigned.....	3,340,323			(494,329)		2,845,994
TOTAL FUND BALANCES.....	3,442,589	1,259,874	992,505	(494,329)	1,555,967	6,756,606
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,000,815	\$ 1,259,874	\$ 1,007,228	\$ 2,739,214	\$ 2,035,086	\$ 15,042,217

(Continued)

TOWN OF THOMASTON, CONNECTICUT

RECONCILIATION OF FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2016

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION (EXHIBIT A)
ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET DUE TO:

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$	6,756,606
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES
AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning capital assets.....		63,828,968
Current year additions (net of construction in progress).....		1,176,861
Depreciation expense.....		(2,068,637)
Disposal of assets.....		(23,372)

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

Property tax, sewer use and sewer assessment interest and lien accrual.....		155,274
School building grant receivable.....		438,331
Notes receivable.....		39,642
Allowance for doubtful accounts.....		(157,000)
Deferred charge on refunding.....		353,961
Deferred outflow related to pensions.....		1,412,911

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.....		553,576
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SOME LIABILITIES AND DEFERRED INFLOWS, INCLUDING BONDS PAYABLE, ARE NOT DUE
AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds and notes payable.....		(24,325,710)
Bond premiums.....		(745,964)
Capital lease obligations.....		(47,429)
Net pension liability.....		(5,610,985)
Net OPEB obligations.....		(7,602,473)
Compensated absences.....		(1,016,778)
Other liabilities.....		(222,665)
Accrued interest payable.....		(118,918)
Deferred inflow related to pensions.....		(215,964)

NET POSITION OF GOVERNMENTAL ACTIVITIES.....	\$	<u>32,560,235</u>
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(Concluded)

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	GENERAL	DEBT SERVICE	SMALL CITIES	CAPITAL OR NONRECURRING	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Property taxes.....	\$ 18,477,767	\$	\$	\$	\$	\$ 18,477,767
Charges for services.....	328,567			18,990	1,792,535	2,140,092
Intergovernmental.....	8,198,506		360,985	140,230	1,353,320	10,053,041
Contributions.....				48,480	100,212	148,692
Income from investments.....	16,030	1,944	254	55	9,803	28,086
Net change in fair value of investments.....					34,154	34,154
Other.....	57,426					57,426
TOTAL REVENUES.....	27,078,296	1,944	361,239	207,755	3,290,024	30,939,258
EXPENDITURES:						
Current:						
General government.....	3,628,834			45,726	4,100	3,678,660
Public safety.....	1,616,224			7,998	2,501	1,626,723
Public works.....	1,566,665			29,952	1,190,156	2,786,773
Health and welfare.....	85,307				67,440	152,747
Culture and recreation.....	448,276				93,074	541,350
Housing and development.....	144,739		487,873	26,146		658,758
Education.....	15,809,352			31,474	1,528,058	17,368,884
Debt service.....		3,429,658		29,958	623	3,460,239
Capital outlay.....	2,125			1,147,597	27,139	1,176,861
TOTAL EXPENDITURES.....	23,301,522	3,429,658	487,873	1,318,851	2,913,091	31,450,995
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	3,776,774	(3,427,714)	(126,634)	(1,111,096)	376,933	(511,737)
OTHER FINANCING SOURCES (USES):						
Capital lease.....				73,298		73,298
BAN premiums.....		19,591				19,591
Sale of capital assets.....	8,308					8,308
Transfers in.....	39,736	3,287,688		228,634	171,268	3,727,326
Transfers out.....	(3,549,412)				(177,914)	(3,727,326)
NET OTHER FINANCING SOURCES (USES).....	(3,501,368)	3,307,279	-	301,932	(6,646)	101,197
NET CHANGE IN FUND BALANCES.....	275,406	(120,435)	(126,634)	(809,164)	370,287	(410,540)
FUND BALANCES - JULY 1, 2015.....	3,167,183	1,380,309	1,119,139	314,835	1,185,680	7,167,146
FUND BALANCES - JUNE 30, 2016.....	\$ 3,442,589	\$ 1,259,874	\$ 992,505	\$ (494,329)	\$ 1,555,967	\$ 6,756,606

TOWN OF THOMASTON, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ (410,540)

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

Capital outlay.....	1,176,861
Depreciation expense.....	<u>(2,068,637)</u>
Total	<u>(891,776)</u>

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net position. In the Statement of Activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold... (23,372)

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.....	(155,339)
Notes receivable.....	(8,868)
Change in property tax, sewer use and sewer assessment receivable - accrual basis change.....	(147,878)
Change in property tax, sewer use and sewer assessment interest and lien revenue.....	(189,986)
Change in property tax and sewer use allowance for doubtful accounts.....	<u>150,000</u>
Total	<u>(352,071)</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:	
Capital lease obligations.....	(73,298)
Principal repayments:	
General obligation bonds.....	2,135,000
Notes payable.....	545,430
Capital lease.....	<u>50,396</u>
Total	<u>2,657,528</u>

(Continued)

TOWN OF THOMASTON, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

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

Amortization of bond premium.....	\$ 69,453
Pension expense.....	(584,469)
Net OPEB obligations.....	(1,176,484)
Compensated absences.....	(462)
Termination benefits.....	110,073
Accrued interest payable.....	(22,822)
Amortization of deferred charges on refunding.....	(39,986)
Deferred outflow of resources.....	438,044
Deferred inflow of resources.....	<u>(16,697)</u>
Total	<u>(1,223,350)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	<u>\$ (243,581)</u>

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 18,347,975	\$ 18,347,975	\$ 18,477,767	\$ 129,792
Charges for services.....	294,800	294,800	328,567	33,767
Intergovernmental.....	6,771,293	6,771,293	6,698,216	(73,077)
Income from investments.....	10,000	10,000	16,030	6,030
Other.....	10,000	10,000	57,426	47,426
TOTAL REVENUES.....	25,434,068	25,434,068	25,578,006	143,938
EXPENDITURES:				
Current:				
General government.....	3,838,284	3,783,119	3,628,834	154,285
Public safety.....	1,620,532	1,641,357	1,618,349	23,008
Public works.....	1,634,667	1,641,825	1,566,665	75,160
Health and welfare.....	89,761	90,325	85,307	5,018
Culture and recreation.....	442,190	448,276	448,276	-
Housing and development.....	145,110	145,692	144,739	953
Education.....	14,309,062	14,309,062	14,309,062	-
TOTAL EXPENDITURES.....	22,079,606	22,059,656	21,801,232	258,424
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	3,354,462	3,374,412	3,776,774	402,362
OTHER FINANCING SOURCES (USES):				
Appropriation of fund balance.....	160,000	160,000		(160,000)
Sale of capital assets.....			8,308	8,308
Transfers in.....	15,000	15,000	39,736	24,736
Transfers out.....	(3,529,462)	(3,549,412)	(3,549,412)	-
NET OTHER FINANCING SOURCES (USES).....	(3,354,462)	(3,374,412)	(3,501,368)	(126,956)
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	275,406	\$ 275,406
FUND BALANCE - JULY 1, 2015.....			3,167,183	
FUND BALANCE - JUNE 30, 2016.....			<u>\$ 3,442,589</u>	

TOWN OF THOMASTON, CONNECTICUTSTATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>				
Cash.....	\$	\$	\$ 1,267	\$ 377,633
Investments:				
Certificates of Deposit.....			6,573	4,374
Mutual Funds:				
Money Market.....	51,005	212		
Equity.....	8,576,760	112,980		
Bond.....	5,783,242	92,715		
Total Investments.....	14,411,007	205,907	6,573	4,374
Interest receivable.....	23,903	138		
Due from broker.....	220,000			
TOTAL ASSETS.....	14,654,910	206,045	7,840	382,007
<u>LIABILITY</u>				
Accounts payable.....	14,849	272		382,007
<u>NET POSITION</u>				
Net position restricted for pension benefits, other post-employment benefits and other purposes.....	\$ 14,640,061	\$ 205,773	\$ 7,840	\$ -

TOWN OF THOMASTON, CONNECTICUTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2016

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS:			
Contributions:			
Employer.....	\$ 800,000	\$ 685,657	\$
Employees.....	159,545		
Total contributions.....	959,545	685,657	-
Investment income (loss):			
Net change in fair value of investments.....	(209,177)	1,940	
Interest and dividends.....	365,874	4,452	31
Total investment income (loss).....	156,697	6,392	31
Less investment expenses.....	22,158	464	
Net investment income (loss).....	134,539	5,928	31
TOTAL ADDITIONS.....	1,094,084	691,585	31
DEDUCTIONS:			
Benefits.....	1,028,327	660,657	
Administration.....	35,932	596	
Awards.....			100
TOTAL DEDUCTIONS.....	1,064,259	661,253	100
CHANGES IN NET POSITION.....	29,825	30,332	(69)
NET POSITION - JULY 1, 2015.....	14,610,236	175,441	7,909
NET POSITION - JUNE 30, 2016.....	\$ 14,640,061	\$ 205,773	\$ 7,840

See Notes to Financial Statements.

TOWN OF THOMASTON, CONNECTICUTNOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**HISTORY AND ORGANIZATION**

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

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

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

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

Additionally, the Town reports the following fund types:

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town of Thomaston pension plan and the Connecticut State Teachers' Retirement System (TRS) have been determined on the same basis as they are reported by the Town of Thomaston pension plan 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 Net Position or Equity

1. Deposits and Investments

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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

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

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

2. Receivables and Payables

a. Interfunds

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

b. Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 38 percent of outstanding receivable balances and are calculated based upon prior collections.

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Restricted Assets

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

4. Capital Assets

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Deferred Outflows/Inflows of Resources (Continued)

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

6. Compensated Absences

All employees are granted vacation and sick time based upon contractual provisions. Employees are not permitted to carry vacation days from one calendar year to the next without prior approval. The Board of Education employees are paid vacation on a fiscal year basis and, therefore, unused vacation lapses at June 30. The Town employees are paid vacation on an anniversary date basis and, therefore, a liability for unused vacation has been recorded. Certified employees at the Board of Education may accumulate up to 165 days of unused sick time or 150 days for employees hired after June 30, 1998. Employees are one-third vested with 20 - 24 years of service and two-thirds vested with 25 or more years of service. Unused sick time does not accumulate for certified employees hired after July 1, 1992. A liability in the amount of \$368,142 and \$8,340 has been accrued for certified teachers and administrators, respectively, and \$222,665 has been accrued for severance payments for retirees.

For employees other than certified teachers, sick leave accrues at the rate of 1¼ days per month, cumulative to a maximum of one hundred days. Upon the death or pension retirement of an employee, the estate of, or such employee, shall receive a sum of money equal to the accumulated sick days times the rate of pay per day of such employee at the time of such death or retirement. Employees who resign or are terminated are not entitled to their unused sick days. Police officers hired after July 1, 2005 are entitled to 45 percent up to a maximum of 50 days; public works employees hired after January 1, 2006 are entitled to 50 percent up to a maximum of 50 days; and sewer and white collar employees hired after July 1, 2005 are not entitled to the benefit. A liability in the amount of \$84,673 has been accrued for non-certified Board of Education employees and \$555,623 for Town employees.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)****7. Net Position Flow Assumption**

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

8. Long-Term Obligations

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

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

9. Fund Equity and Net Position

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Fund Equity and Net Position (Continued)

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Use of Estimates

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

11. Comparative Data/Reclassifications

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to the annual Town Meeting at which taxpayer comments are obtained. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally adopted by vote at the annual Town budget meeting.
- The Board of Selectmen and the Board of Education are authorized to transfer budgeted amounts within departments. Transfers of budgeted amounts between departments must be approved by the Board of Finance.
- The Board of Finance can approve additional appropriations for a department, provided such additional appropriations do not exceed \$20,000. Appropriations in excess of \$20,000 must be approved by vote of a Town Meeting. There was no additional appropriation from fund balance during the year.
- Formal budgetary integration is employed as a management control device during the year.
- Except for encumbrance accounting and the on-behalf payment, the budget is prepared on the modified accrual basis of accounting.

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (continued)

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

B. Budget - GAAP Reconciliation

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

	<u>REVENUES</u>	<u>EXPENDITURES</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F	\$ 25,578,006	\$ 21,801,232
State Teachers' Retirement on-behalf amount.....	<u>1,500,290</u>	<u>1,500,290</u>
BALANCE, GAAP BASIS, EXHIBIT D	<u>\$ 27,078,296</u>	<u>\$ 23,301,522</u>

C. Donor-Restricted Endowments

The Town has received certain endowments for the maintenance of the Hillside Cemetery and fire department operation purposes. The amounts are reflected in net position as restricted for endowments. Investment income (including appreciation) is approved for expenditure by the individual Boards. The amount of appreciation (depreciation) included in restricted fund balance of the Hillside Cemetery Trust was \$70,075.

D. Capital Project Authorizations

The following is a summary of certain capital projects as of June 30, 2016:

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

E. Capital or Nonrecurring Project Authorizations

The following is a summary of capital or nonrecurring projects:

	PROJECT AUTHORIZATION	CURRENT YEAR EXPENDITURES	CUMULATIVE EXPENDITURES	BALANCE JUNE 30, 2016
Assessors revaluation.....	\$ 546,777	\$ 8,785	\$ 487,422	\$ 59,355
Beautification: Seth Thomas Park sign.....	625		171	454
BOE projects	440,721	112,069	411,882	28,839
Bradstreet House repairs.....	1,200			1,200
Christmas lights - reserve	12,000		10,000	2,000
Emergency shelter.....	9,371	2,414	8,698	673
Energy efficiency project.....	3,172,835	18,565	3,057,100	115,735
Fire Department projects.....	681,697	63,400	681,697	
Grove Manor: chimney swift roost.....	29,462	21,500	21,643	7,819
Highway Department projects	11,232,233	180,216	10,899,656	332,577
Housing for Economic Growth Grant.....	44,323	3,671	44,323	
K-9 donation reserves.....	10,082		9,904	178
Opera House renovation	55,395		51,604	3,791
Park bench wood repairs	1,125		889	236
Park & Recreation: Playground equipment....	18,106			18,106
Police Department projects	316,193	115,590	294,240	21,953
P&Z: Plan of conservation & development ...	52,545		52,545	
Roof replacement schools & town buildings ..	4,082,474	111,982	3,592,925	489,549
Skate park proceeds.....	1,090			1,090
Town-wide sick pay reserve.....	877,329		840,398	36,931
Track Committee	912,586	128,702	890,004	22,582
Town Hall projects	570,375	26,237	493,884	76,491
TVAC projects.....	29,925		13,533	16,392
WPCA projects	2,296,135	525,720	788,136	1,507,999
Reserve for 2016/2017 projects	53,703			53,703
Total	\$ 25,448,307	\$ 1,318,851	\$ 22,650,654	\$ 2,797,653

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

III. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At fiscal year end, \$4,441,106 of the Town's bank balance of \$5,580,056 (including certificates of deposit and money market funds) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,921,995
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>519,111</u>
Total amount subject to custodial credit risk.....	<u>\$ 4,441,106</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.

The Town's investments (including restricted investments) consisted of the following investment types and maturities. Specific identification was used to determine the maturities.

TYPE OF INVESTMENT	INVESTMENT MATURITIES (IN YEARS)			
	FAIR VALUE	N/A	LESS THAN 1	1-5 YEARS
Mutual Funds:				
Equity	\$ 9,057,356	\$ 9,057,356		\$
Bond	5,875,957			5,875,957
Money Market.....	51,217		51,217	
Certificates of Deposit	236,006		236,006	
Money Market Funds	2,990,407		2,990,407	
Pooled Fixed Income	5,291,049		5,291,049	
Common Stock.....	<u>88,672</u>	<u>88,672</u>		
TOTAL	<u>\$ 23,590,664</u>	<u>\$ 9,146,028</u>	<u>\$ 8,568,679</u>	<u>\$ 5,875,957</u>

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: Observable inputs other than quoted prices; and
- Level 3: Unobservable inputs

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

The Town had the following recurring fair value measurements:

	Amount	Quoted Market Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments by Fair Value Level				
<u>Mutual Funds</u>				
Money Market.....	\$ 51,217	\$ 51,217	\$	\$
Equity.....	9,057,356	9,057,356		
Bond.....	5,875,957	5,875,957		
Common Stock.....	<u>88,672</u>	<u>88,672</u>		
Total Investments by fair value level..	<u>15,073,202</u>	<u>\$ 15,073,202</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other Investments</u>				
Certificates of Deposit.....	236,006			
Pooled Fixed Income.....	5,291,049			
Money Market Funds.....	<u>2,990,407</u>			
Total Other Investments.....	<u>8,517,462</u>			
TOTAL INVESTMENTS.....	<u>\$ 23,590,664</u>			

Securities classified in Level 1 are valued using prices quoted in active markets for those securities.

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

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

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

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

<u>AVERAGE RATING</u>	<u>POOLED FIXED INCOME</u>	<u>BOND MUTUAL FUNDS</u>	<u>MONEY MARKET MUTUAL FUNDS</u>
AAA.....	\$ 5,291,049	\$ 2,999,283	\$ 51,217
A.....		800,660	
BBB.....		848,057	
BB.....		329,982	
B.....		553,012	
Below B.....		344,963	
TOTAL.....	<u>\$ 5,291,049</u>	<u>\$ 5,875,957</u>	<u>\$ 51,217</u>

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

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

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

B. Receivables

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

	<u>PROPERTY TAXES</u>		
	<u>TAXES</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>
Current Portion.....	<u>\$ 110,810</u>	<u>\$ 18,329</u>	<u>\$ 129,139</u>
Long-term Portion.....	\$ 242,528	\$ 87,128	\$ 329,656
Less Allowance for Uncollectibles.....	<u>(100,000)</u>	<u>(50,000)</u>	<u>(150,000)</u>
Net Long-term Portion	<u>\$ 142,528</u>	<u>\$ 37,128</u>	<u>\$ 179,656</u>

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

III. **DETAILED NOTES (CONTINUED)**

B. **Receivables (Continued)**

	<u>SEWER USE/ASSESSMENTS</u>			<u>CDBG LOANS</u>
	<u>CHARGES</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>	
Current Portion.....	\$ 72,895	\$ 22,709	\$ 95,604	\$ 61,148
Long-term Portion.....	\$ 87,701	\$ 27,108	\$ 114,809	\$ 835,366
Less Allowance for Uncollectibles.....	(5,500)	(1,500)	(7,000)	(100,000)
Net Long-term Portion	\$ 82,201	\$ 25,608	\$ 107,809	\$ 735,366

C. **Capital Assets**

Capital asset activity for the fiscal year was as follows:

	<u>BALANCE JULY 1, 2015</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE JUNE 30, 2016</u>
<u>Capital Assets, not being depreciated:</u>				
Land.....	\$ 1,315,620	\$	\$	\$ 1,315,620
Construction in progress	6,634,773	678,408	5,891,765	1,421,416
Total capital assets, not being depreciated	7,950,393	678,408	5,891,765	2,737,036
<u>Capital assets, being depreciated:</u>				
Buildings.....	41,901,108	1,840,788		43,741,896
Land improvements.....	1,398,500	43,264		1,441,764
Machinery and equipment.....	8,860,536	4,033,421	178,114	12,715,843
Intangible assets	24,165			24,165
Vehicles.....	3,658,356	223,495	116,391	3,765,460
Infrastructure	25,541,993	249,250		25,791,243
Total capital assets, being depreciated	81,384,658	6,390,218	294,505	87,480,371
Total capital assets.....	89,335,051	7,068,626	6,186,270	90,217,407
<u>Less accumulated depreciation for:</u>				
Buildings.....	10,241,365	945,879		11,187,244
Land improvements.....	906,914	28,619		935,533
Machinery and equipment.....	5,607,215	447,034	178,114	5,876,135
Intangible assets	20,541	2,416		22,957
Vehicles.....	2,159,736	206,868	93,019	2,273,585
Infrastructure	6,570,312	437,821		7,008,133
Total accumulated depreciation	25,506,083	2,068,637	271,133	27,303,587
Total capital assets, being depreciated, net	55,878,575	4,321,581	23,372	60,176,784
Capital Assets, net	\$ 63,828,968	\$ 4,999,989	\$ 5,915,137	\$ 62,913,820

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

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

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

General government	\$ 119,598
Public safety	239,664
Public works	863,418
Culture and recreation.....	52,154
Housing and development	1,130
Education	<u>792,673</u>
Total Depreciation Expense.....	<u>\$ 2,068,637</u>

Construction Commitments

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

<u>Project Description</u>	<u>Commitment</u>
Nystrom's track	\$ 7,000
WPCA – web project.....	377,315

D. Interfund Accounts

1. Interfund Payables and Receivables

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

	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
MAJOR FUNDS:			
GENERAL FUND:			
Debt Service Fund	General Fund	\$	\$ 77,917
Capital or Nonrecurring Fund.....	General Fund		2,700,679
Sewer Commission Usage Fund	General Fund		57,525
School Lunch Fund	General Fund	3,674	
Education Grant Fund	General Fund		64,609
Transfer Station Fund	General Fund	32,428	
Recreation Fund.....	General Fund		20,338
Gift Fund.....	General Fund		250
Capital Projects Fund.....	General Fund		164,220
Edith Kenea Park & Tree Fund.....	General Fund	1,197	
Hillside Cemetery Trust Fund	General Fund	<u>48,417</u>	
TOTAL GENERAL FUND		<u>85,716</u>	<u>3,085,538</u>
DEBT SERVICE FUND.....	General Fund	<u>77,917</u>	
CAPITAL OR NONRECURRING FUND:			
Capital or Nonrecurring Fund.....	General Fund	2,700,679	
Capital or Nonrecurring Fund.....	Capital Projects Fund	<u>1,604</u>	
TOTAL CAPITAL OR NONRECURRING FUND		<u>2,702,283</u>	-

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

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts (Continued)**

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

	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
NONMAJOR FUNDS:			
SPECIAL REVENUE FUND:			
Sewer Commission Usage Fund	General Fund	\$ 57,525	\$ 3,674
School Lunch Fund	General Fund		3,674
Education Grant Fund	General Fund	64,609	
Transfer Station Fund	General Fund		32,428
Recreation Fund	General Fund	20,338	
Gift Fund	General Fund	250	
		<hr/>	
TOTAL SPECIAL REVENUE FUNDS		142,722	36,102
		<hr/>	
CAPITAL PROJECTS FUND:			
Capital Projects Fund	General Fund	164,220	
Capital Projects Fund	Capital or Nonrecurring		1,604
		<hr/>	
TOTAL CAPITAL PROJECTS FUND		164,220	1,604
		<hr/>	
PERMANENT FUNDS:			
Edith Kenea Park & Tree Fund	General Fund		1,197
Hillside Cemetery Trust Fund	General Fund		48,417
		<hr/>	
TOTAL PERMANENT FUNDS		-	49,614
		<hr/>	
TOTAL NONMAJOR FUNDS		306,942	87,320
		<hr/>	
GRAND TOTAL		\$ 3,172,858	\$ 3,172,858
		<hr/>	

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

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

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts (Continued)**

2. **Interfund Transfers**

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

	<u>CORRESPONDING FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
MAJOR FUNDS:			
GENERAL FUND:			
Debt Service Fund	N/A	\$	\$ 3,287,688
Capital or Nonrecurring Fund	N/A		228,634
Communication System	N/A	24,736	
EMS Fund	N/A	15,000	
Capital Projects Fund	N/A		7,090
Hillside Cemetery Trust Fund	N/A		26,000
TOTAL GENERAL FUND		<u>39,736</u>	<u>3,549,412</u>
DEBT SERVICE FUND	General Fund	<u>3,287,688</u>	
CAPITAL OR NONRECURRING FUND	General Fund	<u>228,634</u>	
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Sewer Commission Usage Fund	Capital Projects Fund		138,178
EMS Fund	General Fund		15,000
Communication system	General Fund		<u>24,736</u>
TOTAL SPECIAL REVENUE FUNDS		<u>-</u>	<u>177,914</u>
CAPITAL PROJECTS FUND:			
Capital Projects Fund	Sewer Commission Usage Fund	138,178	
Capital Projects Fund	General Fund	<u>7,090</u>	
TOTAL CAPITAL PROJECTS FUND		<u>145,268</u>	<u>-</u>
PERMANENT FUNDS:			
Hillside Cemetery Trust Fund	General Fund	<u>26,000</u>	
TOTAL NONMAJOR FUNDS		<u>171,268</u>	<u>177,914</u>
GRAND TOTAL		<u>\$ 3,727,326</u>	<u>\$ 3,727,326</u>

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

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

III. **DETAILED NOTES (CONTINUED)**

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

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

Short-term obligation activity for the fiscal year was as follows:

PURPOSE	BALANCE JULY 1, 2015	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2016
Ambulance	\$ 50,000		\$ 50,000	\$ -
Capital or Nonrecurring	745,000	2,910,000	745,000	2,910,000
Total	\$ 795,000	\$ 2,910,000	\$ 795,000	\$ 2,910,000

The BANs carry an interest rate of 1.50% and mature in August 2016. In August, 2016, the Town issued bond anticipation notes in the amount of \$2,910,000 with a coupon rate of 1.5% and a true interest cost of .899% maturing May 2017.

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

1. **Summary of Changes**

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

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2015	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2016	CURRENT PORTION
<u>BONDS/NOTES</u>									
General Purpose:									
Refunding bond	\$ 417,938	02/05/10	08/15/18	1.50-3.00%	\$ 173,160	\$	\$ 44,400	\$ 128,760	\$ 43,660
Refunding bond	140,008	12/21/10	12/01/22	2.00-4.00	86,283		13,406	72,877	11,693
Improvement bond	4,570,571	05/01/13	05/01/33	2.00-4.00	4,083,521		239,049	3,844,472	235,691
Improvement bond	5,725,000	11/01/14	11/01/34	3.00-4.00	5,725,000		290,000	5,435,000	290,000
Refunding bond	5,809,500	05/19/15	02/01/30	3.00-4.00	5,809,500		432,000	5,377,500	382,500
Total General Purpose					15,877,464	-	1,018,855	14,858,609	963,544
Schools:									
Refunding bond	2,402,062	02/05/10	08/15/18	1.50-3.00	996,840		255,600	741,240	251,340
Refunding bond	6,244,960	12/21/10	12/01/22	2.00-4.00	3,848,587		597,970	3,250,617	521,537
Improvement bond	2,164,429	05/01/13	05/01/33	2.00-4.00	1,971,479		100,951	1,870,528	104,309
Improvement bond	300,000	11/01/14	11/01/34	3.00-4.00	300,000		60,000	240,000	60,000
Refunding bond	645,500	05/19/15	02/01/30	3.00-4.00	645,500		48,000	597,500	42,500
Total Schools					7,762,406	-	1,062,521	6,699,885	979,686
Sewer:									
Clean water	1,077,413	04/30/97	04/30/16	2.00	53,505		53,505	-	-
Clean water	9,091,656	02/28/02	03/31/21	2.00	2,967,635		491,925	2,475,710	501,854
Refunding bond	556,000	12/21/10	12/01/22	2.00-4.00	345,130		53,624	291,506	46,770
Total Sewer					3,366,270	-	599,054	2,767,216	548,624
TOTAL BONDS/NOTES					27,006,140	-	2,680,430	24,325,710	2,491,854
PREMIUMS					815,417		69,453	745,964	
TOTAL BOND/NOTES AND RELATED LIABILITIES					27,821,557	-	2,749,883	25,071,674	2,491,854
CAPITAL LEASE OBLIGATIONS					24,527	73,298	50,396	47,429	23,024
NET PENSION LIABILITY					5,026,516	1,642,621	1,058,152	5,610,985	
NET OPEB OBLIGATIONS					6,425,989	2,032,203	855,719	7,602,473	
COMPENSATED ABSENCES					1,016,316	159,492	159,030	1,016,778	152,517
TERMINATION BENEFITS (SEVERANCE)					332,738	53,576	163,649	222,665	139,606
TOTAL LONG-TERM OBLIGATIONS					\$ 40,647,643	\$ 3,961,190	\$ 5,036,829	\$ 39,572,004	\$ 2,807,001

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

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

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

FISCAL YEAR	BONDS		NOTES		STATE REIMBURSEMENT	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2017	\$ 1,990,000	\$ 683,494	\$ 501,854	\$ 44,926	\$ 144,907	\$ 5,993
2018	1,940,000	615,769	511,984	34,796	142,451	3,717
2019	1,910,000	549,406	522,318	24,462	139,995	1,268
2020	1,620,000	487,481	532,861	13,919		
2021	1,560,000	430,731	406,693	3,397		
2022	1,415,000	384,681				
2023	1,405,000	340,131				
2024	1,395,000	298,212				
2025	1,385,000	255,875				
2026	980,000	214,800				
2027	975,000	185,400				
2028	965,000	157,050				
2029	965,000	128,975				
2030	965,000	99,500				
2031	610,000	69,413				
2032	610,000	50,426				
2033	610,000	32,126				
2034	275,000	13,235				
2035	275,000	4,467				
TOTALS	\$21,850,000	\$ 5,001,172	\$ 2,475,710	\$ 121,500	\$ 427,353	\$ 10,978

2. Statutory Debt Limitations

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

CATEGORY	DEBT LIMIT	NET	
		INDEBTEDNESS	BALANCE
General purpose	\$ 41,711,461	\$17,768,609	\$ 23,942,852
Schools.....	83,422,922	6,272,532	77,150,390
Sewers	69,519,101	291,506	69,227,595
Urban renewal.....	60,249,888		60,249,888
Pension deficit.....	55,615,281		55,615,281

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

2. Statutory Debt Limitations (Continued)

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$129,768,989.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$427,353 for bond principal is reflected as deductions in the computation of net indebtedness.

3. Capital Leases

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

Phone system and vehicles totaling \$255,361, net of accumulated depreciation of \$60,099, are recorded under the leases. This year, \$21,783 was included in depreciation expense.

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments as of June 30, 2016:

Year Ending <u>June 30,</u>	
2017	\$ 25,869
2018	25,869
Less amount representing interest	<u>(4,309)</u>
Present value of minimum lease payments	<u>\$ 47,429</u>

4. Termination Benefits

The Board of Education provides severance benefit payments to eligible former employees. Benefits are paid annually based on the retirement agreement for each employee and are payable through 2019. The benefits were paid from the General Fund Board of Education Department.

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

III. **DETAILED NOTES (CONTINUED)**

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

5. **Authorized/Unissued Bonds**

The amount of authorized, unissued bonds is \$8,196,505, as follows:

PROJECT	BONDING AUTHORIZATION	PREVIOUSLY BONDED	AUTHORIZED BUT UNISSUED
Wastewater Treatment plant system upgrade....	\$ 13,291,607	\$ 13,117,462	\$ 174,145
Black Rock School renovations.....	6,530,000	6,400,000	130,000
Altair Avenue Bridge project.....	220,000	106,572	113,428
Public works trucks.....	324,460	309,316	15,144
Refunding bonds.....	9,000,000	6,945,000	2,055,000
Seven Year Road Program.....	10,674,500	10,674,112	388
WPCA Upgrade – Phosphorus effluent limits.....	725,000	100,000	625,000
Ambulance I.....	80,000	80,000	-
Ambulance II.....	75,000	75,000	-
Communication system.....	3,975,000	3,475,000	500,000
Municipal building roofs.....	3,998,400	2,250,000	1,748,400
Fire truck.....	600,000		600,000
Payloader.....	150,000		150,000
Dump truck.....	150,000		150,000
Refunding bonds.....	7,000,000	6,455,000	545,000
WPCA sewer lines.....	1,390,000		1,390,000
TOTAL.....	<u>\$ 58,183,967</u>	<u>\$ 49,987,462</u>	<u>\$ 8,196,505</u>

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.

6. **Prior Years Advance Refunding**

In prior years, the Town has defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements. At fiscal year end, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$6,290,000.

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

III. **DETAILED NOTES (CONTINUED)**

G. **Restricted Net Position**

The amount of restricted net position, which was restricted by enabling legislation, was \$239,336.

H. **Fund Balances**

Fund balances are composed of the following:

	GENERAL FUND	DEBT SERVICE	SMALL CITIES	CAPITAL OR NON- RECURRING	NONMAJOR FUNDS	TOTAL
<u>NONSPENDABLE:</u>						
Permanent fund principal.....	\$	\$	\$	\$	\$ 170,200	\$ 170,200
<u>RESTRICTED:</u>						
Cemetary maintenance.....					71,570	71,570
School lunch operations.....					46,131	46,131
Library operations.....					15,397	15,397
Park maintenance.....					41,936	41,936
Other.....					8,635	8,635
Revolving loan program.....			992,505			992,505
Sewer assessment.....					185,494	185,494
TOTAL RESTRICTED.....	-	-	992,505	-	369,163	1,361,668
<u>COMMITTED:</u>						
Fire department - training.....					10,866	10,866
Public safety - EMS.....					96,370	96,370
Cemetary maintenance.....					362,401	362,401
Other.....	-				14,145	14,145
Recreation programs.....					21,623	21,623
Approved CNR projects.....					511,199	511,199
TOTAL COMMITTED.....	-	-	-	-	1,016,604	1,016,604
<u>ASSIGNED:</u>						
Subsequent year's budget.....	102,266					102,266
Future debt service payments.....		1,259,874				1,259,874
TOTAL ASSIGNED.....	102,266	1,259,874	-	-	-	1,362,140
<u>UNASSIGNED</u>	3,340,323			(494,329)	-	2,845,994
TOTAL.....	\$ 3,442,589	\$ 1,259,874	\$ 992,505	\$ (494,329)	\$ 1,555,967	\$ 6,756,606

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

IV. OTHER INFORMATION

A. Risk Management

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

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

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

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

B. Commitments and Litigation

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

C. Pension Plan

1. Plan Description

Plan Administration

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

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

IV. **OTHER INFORMATION (CONTINUED)**

C. **Pension Plan (Continued)**

1. **Plan Description (Continued)**

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

Plan membership

At January 1, 2016, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	68
Inactive plan members entitled to but not yet receiving benefits.....	20
Active plan members	<u>68</u>
Total	<u>156</u>

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

2. **Benefit Provisions**

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

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

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

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

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

2. Benefit Provisions (Continued)

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

3. Contributions

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

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

The average active member contribution rate was 4.7% of annual base compensation, and the Town's average contribution rate was 20.9% of annual payroll.

4. Investments

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

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

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

5. Concentrations

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

6. Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.83%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

7. Net Pension Liability

The components of the net pension liability were as follows:

Total pension liability	\$ 20,251,046
Plan Fiduciary net position	<u>(14,640,061)</u>
Net pension liability	<u>\$ 5,610,985</u>
Plan fiduciary net position as percentage of the total pension liability	<u>72.29%</u>

8. Actuarial Assumptions

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

Actuarial cost method	Entry age
Asset valuation method	Fair value
Post-retirement increases	None
Inflation	2.25%
Salary increase	4.00%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality rates	Based on the RP 2014+ Mortality with social security generational improvement scale from 2006

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

8. Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	6.85%
International Equity	7.48%
Fixed Income	3.36%
Real Estate	6.35%
Cash	0.00%

The weighted average expected rate of return is 7.26%.

9. Discount Rate

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

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

10. Changes in the Net Pension Liability

The Town's net pension liability was measured at June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2015	\$ 19,636,752	\$ 14,610,236	\$ 5,026,516
Service cost	387,724		387,724
Interest	1,365,722		1,365,722
Differences between expected and actual experience	(110,825)		(110,825)
Contributions - employer		800,000	(800,000)
Contributions - member		159,545	(159,545)
Net investment income		134,539	(134,539)
Benefit payments, including refunds of member contributions	(1,028,327)	(1,028,327)	-
Administrative expenses		(35,932)	35,932
Net change	614,294	29,825	584,469
Balance at June 30, 2016	\$ 20,251,046	\$ 14,640,061	\$ 5,610,985

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

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

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 7,546,884	\$5,610,985	\$ 3,844,001

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

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

For the fiscal year, the Town recognized pension expense of \$962,959. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 215,964
Changes in assumptions	303,805	-
Net difference between projected and actual earnings on pension plan investments	<u>1,109,106</u>	<u>-</u>
Total	<u>\$ 1,412,911</u>	<u>\$ 215,964</u>
Net amount of deferred inflow and outflow excluding Town contributions subsequent to measurement date		<u>\$ 1,196,947</u>

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

Year Ending June 30:	
2017	\$ 367,499
2018	367,497
2019	282,016
2020	<u>179,935</u>
Total	<u>\$1,196,947</u>

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

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

2. Benefit Provisions

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

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

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

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

3. Contributions

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

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

IV. OTHER INFORMATION (CONTINUED)

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

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

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

Town’s proportionate share of the net pension liability	\$	-
State’s proportionate share of the net pension liability associated with the Town		<u>18,724,328</u>
Total	\$	<u>18,724,328</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2016, the Town has no proportionate share of the net pension liability.

For the fiscal year, the Town recognized pension expense and revenue of \$1,500,290 for on-behalf amounts for the benefits provided by the State.

5. Actuarial Assumptions

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

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

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

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

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

IV. OTHER INFORMATION (CONTINUED)

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

5. Actuarial Assumptions (Continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Core fixed income	7.0%	1.3%
Inflation linked bond fund	3.0%	1.0%
Emerging market bond	5.0%	3.7%
High yield bonds	5.0%	3.9%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Cash	<u>6.0%</u>	0.4%
Total	<u>100.0%</u>	

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

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

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

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

8. Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2015.

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

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

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

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

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefits Plan (Continued)

3. Benefit Provisions and Contributions

a. Benefit Provisions

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

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town and Board of Education's total plan contributions were \$685,657 and \$170,062, respectively.

c. Employee Contributions

There are no employee contributions to the plans.

4. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015 was as follows:

ACTUARIAL VALUATION DATE JULY 1, 2015	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIAL ACCRUED LIABILITY (AAL)	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
Town	\$ 150,661	\$20,242,358	\$20,091,697	0.7%	\$2,546,003	(789.1%)
Board of Education	\$ -	\$5,298,411	\$ 5,298,411	0.0%	\$ 7,280,013	(72.8%)

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

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefits Plan (Continued)

5. Actuarial Methods and Assumptions

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

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

Valuation Date	July 1, 2015
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	21 years open
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Investment rate of return - Town	5.33%
Investment rate of return - Board of Education	4.50%
Healthcare cost trend rate:	
Initial	9.00%
Ultimate	4.50%
Inflation rate:	3.00%

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

The changes in the NOO were as follows:

	<u>Town</u>	<u>Board of Education</u>
Annual required contribution	\$ 1,558,534	\$ 444,515
Interest on net OPEB obligation	226,979	97,536
Adjustment to annual required contribution	<u>(202,976)</u>	<u>(92,385)</u>
Annual OPEB cost	1,582,537	449,666
Contributions made	<u>(685,657)</u>	<u>(170,062)</u>
Change in net OPEB obligation	896,880	279,604
Net OPEB obligation - July 1, 2015	<u>4,258,513</u>	<u>2,167,476</u>
Net OPEB obligation - June 30, 2016	<u>\$ 5,155,393</u>	<u>\$ 2,447,080</u>

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefits Plan (Continued)

7. Three Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
TOWN			
2016	\$1,582,537	43.3%	\$5,155,393
2015	1,499,246	42.1%	4,258,513
2014	1,265,452	51.6%	3,390,375
BOARD OF EDUCATION			
2016	\$ 449,666	37.8%	\$2,447,080
2015	460,774	33.9%	2,167,476
2014	418,349	44.9%	1,862,722

F. Reclassification of Fund Balance

The Communication System Fund was reported as a major fund in the prior year and was reclassified to be a nonmajor fund in the current year financial statements. The fund had a fund balance at June 30, 2015 of \$26,535, resulting in a change to this year's total nonmajor beginning fund balance from \$1,159,145 to \$1,185,680.

**Required
Supplementary
Information**

TOWN OF THOMASTON, CONNECTICUT

TOWN OF THOMASTON RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY

LAST THREE YEARS (1)

	2016	2015	2014
Total pension liability:			
Service cost.....	\$ 387,724	\$ 363,897	\$ 401,270
Interest	1,365,722	1,295,503	1,269,639
Differences between expected and actual experience.....	(110,825)	(265,689)	(19,597)
Changes of assumptions.....	-	607,611	
Benefit payments, including refunds of member contributions...	(1,028,327)	(1,015,713)	(1,059,644)
Net change in total pension liability.....	614,294	985,609	591,668
Total pension liability - July 1.....	19,636,752	18,651,143	18,059,475
Total pension liability - June 30 (a)	<u>\$ 20,251,046</u>	<u>\$ 19,636,752</u>	<u>\$ 18,651,143</u>
Plan fiduciary net position:			
Contributions - employer	\$ 800,000	\$ 830,000	\$ 924,999
Contributions - member.....	159,545	167,530	153,778
Net investment income	134,539	366,071	1,902,564
Benefit payments, including refunds of member contributions...	(1,028,327)	(1,015,713)	(1,059,644)
Administrative expenses.....	(35,932)	(35,337)	(31,839)
Net change in plan fiduciary net position.....	29,825	312,551	1,889,858
Plan fiduciary net position - July 1.....	14,610,236	14,297,685	12,407,827
Plan fiduciary net position - June 30.....	<u>\$ 14,640,061</u>	<u>\$ 14,610,236</u>	<u>\$ 14,297,685</u>
Net pension liability - June 30 (a)-(b).....	<u>\$ 5,610,985</u>	<u>\$ 5,026,516</u>	<u>\$ 4,353,458</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

TOWN OF THOMASTON RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET PENSION LIABILITY

LAST THREE YEARS (1)

	2016	2015	2014
Total pension liability.....	\$ 20,251,046	\$ 19,636,752	\$ 18,651,143
Plan fiduciary net position.....	<u>(14,640,061)</u>	<u>(14,610,236)</u>	<u>(14,297,685)</u>
Net pension liability.....	<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>72.29%</u>	<u>74.40%</u>	<u>76.66%</u>
Covered-employee payroll.....	<u>\$ 3,415,672</u>	<u>\$ 3,309,461</u>	<u>\$ 3,285,183</u>
Net pension liability as a percentage of covered-employee payroll.....	<u>164.27%</u>	<u>151.88%</u>	<u>132.52%</u>

SCHEDULE OF INVESTMENT RETURNS
LAST THREE YEARS (1)

	2016	2015	2014
Annual money weighted rate of return, net investment expense.....	<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

TOWN OF THOMASTON RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS

LAST 10 YEARS

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION EXCESS (DEFICIENCY)	COVERED-EMPLOYEE PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
2016	\$ 741,209	\$ 800,000	\$ 58,791	\$ 3,415,672	23.42%
2015	741,399	830,000	88,601	3,309,461	25.08%
2014	734,912	924,999	190,087	3,285,183	28.16%
2013	824,021	895,000	70,979	3,381,120	26.47%
2012	852,964	913,000	60,036	3,805,200	23.99%
2011	820,223	946,555	126,332	3,838,262	24.66%
2010	882,428	1,015,078	132,650	4,122,857	24.62%
2009	880,798	753,078	(127,720)	4,311,802	17.47%
2008	703,728	719,078	15,350	4,158,634	17.29%
2007	728,462	692,000	(36,462)	3,945,508	17.54%

TOWN OF THOMASTON, CONNECTICUT

TOWN OF THOMASTON RETIREMENT SYSTEM

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2016

Changes of benefit terms	2016- effective July 1, 2016, the white collar, highway and non-union contribution rate will increase to 6.5%
Changes of assumptions	2015 - The mortality table for police, public works, WPCA and highway members has been updated to RP-2014 blue collar mortality with social security generational improvement scale from 2006. The mortality table for all other members and beneficiaries has been update to the RP-2014 total mortality with social security generational improvement scale from 2006.
Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of January 1, 2016, six months prior to the end of the fiscal year in which contributions are reported

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

Actuarial Cost Method	Entry age
Amortization Method	Level dollar, 20 years closed
Asset Valuation Method	Fair value of assets on the measurement date adjusted for a five year phase in of gains and losses of plan assets
Inflation	2.25%
Salary Increases	4.00%, average, including inflation
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation

TOWN OF THOMASTON, CONNECTICUT

TOWN OF THOMASTON OTHER POST-EMPLOYMENT BENEFIT PLANS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

LAST SEVEN YEARS

TOWN PLAN						
ACTUARIAL VALUATION DATE JULY 1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIAL ACCRUED LIABILITY (AAL)	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
2015	\$ 150,661	\$ 20,242,358	\$ (20,091,697)	0.7%	\$ 2,546,003	-(789.1)%
2014	146,570	19,190,331	(19,043,761)	0.8%	2,471,848	-(770.4)%
2013	93,552	15,904,480	(15,810,928)	0.6%	2,310,927	-(684.2)%
2012	85,194	15,644,587	(15,559,393)	0.5%	2,243,618	-(693.5)%
2011	82,105	12,841,107	(12,759,002)	0.6%	2,400,858	-(531.4)%
2010	-	12,662,763	(12,662,763)	0.0%	2,330,960	-(543.2)%
2009	-	14,302,699	(14,302,699)	0.0%	2,794,282	-(511.9)%

BOARD OF EDUCATION PLAN						
ACTUARIAL VALUATION DATE JULY 1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIAL ACCRUED LIABILITY (AAL)	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
2015	\$ -	\$ 5,298,411	\$ (5,298,411)	0.0%	\$ 7,280,013	-(72.8)%
2014	-	5,404,325	(5,404,325)	0.0%	7,067,974	-(76.5)%
2013	-	5,064,158	(5,064,158)	0.0%	7,458,734	-(67.9)%
2012	-	5,308,995	(5,308,995)	0.0%	7,241,489	-(73.3)%
2011	-	5,153,488	(5,153,488)	0.0%	7,846,462	-(65.7)%
2010	-	5,278,926	(5,278,926)	0.0%	7,617,924	-(69.3)%
2009	-	5,382,969	(5,382,969)	0.0%	7,874,313	-(68.4)%

TOWN OF THOMASTON, CONNECTICUT

TOWN OF THOMASTON OTHER POST-EMPLOYMENT BENEFIT PLANS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS

LAST EIGHT YEARS (1)

TOWN PLAN

ACTUARIAL VALUATION DATE JULY 1,	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
2015	\$ 1,558,534	\$ 685,657	44.0%
2014	1,480,136	631,108	42.6%
2013	1,249,797	652,571	52.2%
2012	1,225,729	607,716	49.6%
2011	1,059,036	514,196	48.6%
2010	1,045,568	582,499	55.7%
2009	1,071,050	499,864	46.7%
2008	1,026,727	475,073	46.3%

BOARD OF EDUCATION PLAN

ACTUARIAL VALUATION DATE JULY 1,	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
2015	\$ 444,515	\$ 170,062	38.3%
2014	456,347	156,020	34.2%
2013	414,469	188,015	45.4%
2012	434,272	181,447	41.8%
2011	495,837	159,683	32.2%
2010	514,993	164,335	31.9%
2009	534,839	186,177	34.8%
2008	507,023	171,098	33.7%

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

TOWN OF THOMASTON, CONNECTICUT

TOWN OF THOMASTON OTHER POST-EMPLOYMENT BENEFIT PLANS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2016

Changes of benefit terms	None
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Changes of assumptions	None
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The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Projected Unit Credit
-----------------------	-----------------------

Amortization Method	Level dollar
---------------------	--------------

Remaining Amortization Period	21 years open
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Asset Valuation Method	Fair Value
------------------------	------------

Investment Rate of Return - Town	5.33%
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Investment Rate of Return - Board of Ed	4.50%
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Healthcare Inflation rate - Initial	9.00%
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Healthcare Inflation rate - Ultimate	4.50%
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Inflation rate	3.00%
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TOWN OF THOMASTON, CONNECTICUT

STATE TEACHERS' RETIREMENT SYSTEM

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

LAST TWO YEARS (3)

		2016		2015
Town's proportion of the net pension liability		0.00%		0.00%
Town's proportionate share of the net pension liability		\$ -		\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town		18,724,328		17,306,889
Total		\$ 18,724,328		\$ 17,306,889
Town's covered-employee payroll	(2)	N/A	(2)	N/A
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		0.00%		0.00%
Plan fiduciary net position as a percentage of the total pension liability		0.00%		0.00%

SCHEDULE OF CONTRIBUTIONS
LAST TWO YEARS (3)

		2016		2015
Contractually required contribution (1)	(1)	\$ -	(1)	\$ -
Contributions in relation to the contractually required contribution		-		-
Contribution deficiency (excess)		\$ -		\$ -
Town's covered-employee payroll	(2)	N/A	(2)	N/A
Contributions as a percentage of covered-employee payroll		0.00%		0.00%

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

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

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

TOWN OF THOMASTON, CONNECTICUT

STATE TEACHERS' RETIREMENT SYSTEM

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2016

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

Supplemental Schedules

General Fund

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

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Taxes.....	\$ 17,912,175	\$ 17,912,175	\$ 17,986,651	\$ 74,476
Prior year taxes.....	275,000	275,000	302,142	27,142
Interest and lien fees.....	125,000	125,000	152,469	27,469
Housing authority in lieu of taxes.....	16,973	16,973	19,339	2,366
Telecommunications property tax.....	18,827	18,827	17,166	(1,661)
TOTAL PROPERTY TAXES.....	18,347,975	18,347,975	18,477,767	129,792
CHARGES FOR SERVICES:				
Building permits.....	50,000	50,000	69,996	19,996
Conveyance tax.....	35,000	35,000	42,379	7,379
Special duty police reimbursements.....	60,000	60,000	52,868	(7,132)
Accident reports.....	300	300	275	(25)
Gun permits.....	4,000	4,000	13,685	9,685
Vendor permits.....	300	300	190	(110)
Zoning and land use fees.....	7,500	7,500	8,971	1,471
Minibus fares.....	500	500	723	223
Recreation - Nystroms.....	3,500	3,500	3,675	175
Other licenses, fees and permits.....	1,000	1,000	822	(178)
Fingerprinting.....	-	-	755	755
Town of Litchfield - Sewer upgrade.....	8,867	8,867	8,867	-
Dam patrol.....	16,733	16,733	16,733	-
Parking fines.....	1,000	1,000	410	(590)
Dog fines and fees.....	3,500	3,500	7,790	4,290
Rent of Tower.....	87,600	87,600	77,768	(9,832)
Rent of Opera House.....	15,000	15,000	15,000	-
PA 09-229 LOCIP project funding.....	-	-	7,660	7,660
TOTAL CHARGES FOR SERVICES.....	294,800	294,800	328,567	33,767
INTERGOVERNMENTAL:				
Property tax relief - state owned property.....	37,477	37,477	4,638	(32,839)
Property tax relief - circuit breaker.....	61,434	61,434	61,831	397
Property tax relief - Veterans' exemption.....	13,990	13,990	12,053	(1,937)
Property tax relief - totally disabled.....	1,042	1,042	877	(165)
Property tax relief - Municipal grant in aid.....	395,346	395,346	395,346	-
Federal PILOT - land authorization.....	1,513	1,513	1,641	128
LOCIP.....	53,187	53,187	-	(53,187)
Education cost sharing.....	5,737,258	5,737,258	5,744,184	6,926
School construction grants.....	155,339	155,339	155,339	-
School transportation.....	49,127	49,127	58,687	9,560
Special education excess.....	-	-	8	8
Mashantucket Pequot.....	41,872	41,872	40,237	(1,635)
Town Aid Road.....	223,708	223,708	223,375	(333)
TOTAL INTERGOVERNMENTAL.....	6,771,293	6,771,293	6,698,216	(73,077)

(Continued)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
INCOME FROM INVESTMENTS.....	\$ 10,000	\$ 10,000	\$ 16,030	\$ 6,030
OTHER:				
Recycling rebates.....	5,000	5,000	2,807	(2,193)
Miscellaneous.....	5,000	5,000	54,619	49,619
TOTAL OTHER.....	10,000	10,000	57,426	47,426
TOTAL REVENUES.....	25,434,068	25,434,068	25,578,006	143,938
OTHER FINANCING SOURCES:				
Appropriation of fund balance.....	160,000	160,000		(160,000)
Sale of capital assets.....		-	8,308	8,308
Transfers in:				
Communication System.....		-	24,736	24,736
EMS Fund.....	15,000	15,000	15,000	-
Total Transfers in.....	15,000	15,000	39,736	24,736
TOTAL OTHER FINANCING SOURCES.....	175,000	175,000	48,044	(126,956)
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 25,609,068	\$ 25,609,068	\$ 25,626,050	\$ 16,982

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Board of Selectmen.....	\$ 113,011	\$ 114,727	\$ 114,727	\$ -
Elections.....	22,273	23,521	23,521	-
Board of Finance.....	2,400	2,400	1,820	580
Treasurer.....	181,109	182,981	182,981	-
Computer information systems.....	34,217	45,973	45,973	-
Independent audit.....	55,025	55,025	51,025	4,000
Legal.....	95,000	95,000	74,814	20,186
Tax collector.....	112,592	112,592	112,066	526
Tax assessor.....	121,859	125,333	125,333	-
Board of Assessment Appeals.....	3,150	3,150	3,000	150
Insurance.....	410,345	410,345	398,332	12,013
Town Hall operations and maintenance.....	204,218	204,218	195,944	8,274
Town Clerk.....	53,535	64,137	64,137	-
Probate court.....	4,083	4,083	4,083	-
Social security.....	220,000	220,000	213,763	6,237
Unemployment expense.....	5,000	5,000	1,762	3,238
Pension - Town employees.....	586,165	586,165	583,010	3,155
Pension - Volunteer Firefighters and Ambulance.....	116,000	116,000	111,185	4,815
Medical / life insurance.....	734,973	734,973	668,572	66,401
Retirees medical insurance.....	655,572	655,572	645,029	10,543
Council of governments.....	2,863	2,863	2,863	-
CT Conference of Municipalities.....	4,894	4,894	4,894	-
Contingency.....	100,000	14,167	-	14,167
TOTAL GENERAL GOVERNMENT.....	3,838,284	3,783,119	3,628,834	154,285
PUBLIC SAFETY:				
Police.....	999,749	999,749	992,928	6,821
Emergency management.....	10,920	12,096	12,096	-
Communications and dispatch.....	292,654	297,620	297,620	-
Fire protection.....	150,503	157,326	157,326	-
Fire marshal.....	26,717	26,717	25,822	895
Ambulance.....	67,675	75,535	71,007	4,528
Tree removal.....	10,000	10,000	8,850	1,150
Animal control.....	62,314	62,314	52,700	9,614
TOTAL PUBLIC SAFETY.....	1,620,532	1,641,357	1,618,349	23,008
PUBLIC WORKS:				
Highways.....	526,099	526,099	501,087	25,012
Town Aid Road.....	223,708	223,708	221,994	1,714
Snow and ice removal.....	143,550	143,550	122,464	21,086
Street lighting.....	64,250	69,157	69,157	-
Fire hydrants.....	171,000	173,251	173,251	-
Solid waste and recycling.....	493,860	493,860	478,008	15,852
Groundwater remediation.....	12,200	12,200	704	11,496
TOTAL PUBLIC WORKS.....	1,634,667	1,641,825	1,566,665	75,160

(Continued)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
HEALTH AND WELFARE:				
Medical services.....	\$ 7,115	\$ 7,115	\$ 3,028	\$ 4,087
Torrington Area Health District.....	42,065	42,065	42,065	-
Northwest Regional Mental Health Board.....	854	854	854	-
Social services.....	18,173	18,173	17,943	230
Elderly nutrition.....	3,800	3,800	3,800	-
Susan B. Anthony project.....	2,000	2,000	2,000	-
Central Naugatuck Valley Regional Action Council...	787	787	787	-
Minibus.....	13,967	14,531	14,531	-
Veterans' administration.....	1,000	1,000	299	701
TOTAL HEALTH AND WELFARE.....	89,761	90,325	85,307	5,018
CULTURE AND RECREATION:				
Recreation programs.....	102,095	107,131	107,131	-
Memorial Day.....	1,750	1,750	1,750	-
Public Library.....	338,345	339,395	339,395	-
TOTAL CULTURE AND RECREATION.....	442,190	448,276	448,276	-
HOUSING AND DEVELOPMENT:				
Conservation Commission.....	1,795	1,795	1,740	55
Economic Development Commission.....	2,000	2,000	1,102	898
Housing, Land Use and Development.....	139,715	140,297	140,297	-
Brownfields.....	1,600	1,600	1,600	-
TOTAL HOUSING AND DEVELOPMENT.....	145,110	145,692	144,739	953
EDUCATION.....	14,309,062	14,309,062	14,309,062	-
TOTAL EXPENDITURES.....	22,079,606	22,059,656	21,801,232	258,424
OTHER FINANCING USES:				
Transfers out:				
Debt Service Fund.....	2,800,000	2,800,000	2,800,000	-
Debt Service Fund (Education).....	487,688	487,688	487,688	-
Hillside Cemetery Trust Fund.....	26,000	26,000	26,000	-
Capital or Nonrecurring	208,684	228,634	228,634	-
Seth Thomas/Bradstreet House.....	7,090	7,090	7,090	-
TOTAL OTHER FINANCING USES.....	3,529,462	3,549,412	3,549,412	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 25,609,068	\$ 25,609,068	\$ 25,350,644	\$ 258,424

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
REPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2016

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2015	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS			UNCOLLECTED TAXES JUNE 30, 2016
			ADDITIONS	DEDUCTIONS			NET TAXES COLLECTED	INTEREST & LIENS	TOTAL	
2000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468	\$ 468	\$ -
2001	-	-	-	-	-	-	-	530	530	-
2002	6,829	-	-	-	6,829	-	-	210	210	-
2003	45,340	-	-	-	12,103	33,237	33,237	17,168	50,405	-
2004	14,661	-	-	-	14,661	-	-	-	-	-
2005	23,732	-	-	-	22,573	1,159	1,159	629	1,788	-
2006	12,469	-	-	-	11,471	998	998	1,450	2,448	-
2007	12,453	-	-	-	10,884	1,569	1,569	2,159	3,728	-
2008	15,530	-	-	48	57	15,425	6,141	1,811	7,952	9,284
2009	14,066	-	-	-	231	13,835	4,608	1,815	6,423	9,227
2010	35,226	-	-	679	519	34,028	23,757	2,355	26,112	10,271
2011	66,045	-	113	2,048	6,450	57,660	39,980	7,105	47,085	17,680
2012	71,311	-	1,370	8,649	1,825	62,207	27,249	9,997	37,246	34,958
2013	236,641	-	2,446	9,064	5,964	224,059	165,015	32,695	197,710	59,044
Total Prior Years	554,303	-	3,929	20,488	93,567	444,177	303,713	78,392	382,105	140,464
2014		18,357,771	17,663	76,417	4,967	18,294,050	18,081,176	75,146	18,156,322	212,874
TOTAL	\$ 554,303	\$ 18,357,771	\$ 21,592	\$ 96,905	\$ 98,534	\$ 18,738,227	\$ 18,384,889	\$ 153,538	\$ 18,538,427	\$ 353,338

Nonmajor Governmental Funds

Special Revenue Funds

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

Sewer Commission Usage Fund

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

Sewer Commission Assessment & Appropriation Fund

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

School Lunch Fund

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

Education Grant Fund

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

Town Clerk Preservation Fund

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

Transfer Station Fund

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

Fire Marshal Fund

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Neighborhood Assistance Program

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

Thomaston Opera House

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

Public Library

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

Recreation Fund

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

Public Safety

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

Gift Fund

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

Social Services Crisis Fund

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

EMS Fund

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

Communication System Fund

To account for the full replacement of the Town-wide radio communication system

Capital Project Funds

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Permanent Funds

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

Edith Kenea Park and Tree Fund

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

Fire Department Trust Fund

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

Hillside Cemetery Trust Fund

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

TOWN OF THOMASTON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	SPECIAL REVENUE FUNDS										
	SEWER COMMISSION USAGE FUND	SEWER COMMISSION ASSESSMENT & APPROPRIATION FUND	SCHOOL LUNCH FUND	EDUCATION GRANT FUND	TOWN CLERK PRESERVATION FUND	TRANSFER STATION FUND	FIRE MARSHAL FUND	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE	PUBLIC LIBRARY	RECREATION FUND
<u>ASSETS</u>											
Cash.....	\$ 546	\$ 79,375	\$ 25,103	\$	\$ 7,711	\$	\$ 1,699	\$ 807	\$ 1,285	\$ 15,397	\$
Investments.....		106,119				46,239					
Receivables:											
Assessments/use charges.....	160,596										
Intergovernmental.....			18,665	69,355							
Other.....				25,135							
Due from other funds.....	57,525			64,609							20,338
Other assets.....			9,242								
TOTAL ASSETS.....	\$ 218,667	\$ 185,494	\$ 53,010	\$ 159,099	\$ 7,711	\$ 46,239	\$ 1,699	\$ 807	\$ 1,285	\$ 15,397	\$ 20,338
<u>LIABILITIES</u>											
Accounts payable.....	\$ 34,395	\$	\$ 2,888	\$ 89,948	\$	\$ 2,627	\$	\$	\$	\$	\$
Accrued payroll.....	23,676		317	43,522		364					
Due to other funds.....			3,674			32,428					
Unearned revenue.....				22,640		6,332					
TOTAL LIABILITIES.....	58,071	-	6,879	156,110	-	41,751	-	-	-	-	-
<u>DEFERRED INFLOWS OF RESOURCES</u>											
Unavailable revenue - sewer charges.....	160,596										
<u>FUND BALANCES</u>											
Nonspendable.....											
Restricted.....		185,494	46,131		7,711					15,397	
Committed.....				2,989		4,488	1,699	807	1,285		20,338
TOTAL FUND BALANCES.....	-	185,494	46,131	2,989	7,711	4,488	1,699	807	1,285	15,397	20,338
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 218,667	\$ 185,494	\$ 53,010	\$ 159,099	\$ 7,711	\$ 46,239	\$ 1,699	\$ 807	\$ 1,285	\$ 15,397	\$ 20,338

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(Continued)

TOWN OF THOMASTON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	SPECIAL REVENUE FUNDS				TOTAL SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	PERMANENT FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	PUBLIC SAFETY	GIFT FUND	SOCIAL SERVICES CRISIS FUND	EMS FUND			EDITH KENEA PARK AND TREE FUND	FIRE DEPARTMENT TRUST FUND	HILLSIDE CEMETERY TRUST FUND	TOTAL PERMANENT FUNDS	
<u>ASSETS</u>											
Cash.....	\$	\$ 4,806	\$ 1,465	\$	\$ 138,194	\$ 51,294	\$	\$	\$ 26,722	\$ 26,722	\$ 216,210
Investments.....	8,360		147	96,370	257,235	298,237	93,133	16,624	563,712	673,469	1,228,941
Receivables:											
Assessments/use charges.....					160,596					-	160,596
Intergovernmental.....					88,020					-	88,020
Other.....					25,135					-	25,135
Due from other funds.....		250			142,722	164,220				-	306,942
Other assets.....					9,242					-	9,242
TOTAL ASSETS.....	\$ 8,360	\$ 5,056	\$ 1,612	\$ 96,370	\$ 821,144	\$ 513,751	\$ 93,133	\$ 16,624	\$ 590,434	\$ 700,191	\$ 2,035,086
<u>LIABILITIES</u>											
Accounts payable.....	\$	\$	\$	\$	\$ 129,858	\$ 948	\$	\$	\$ 426	\$ 426	\$ 131,232
Accrued payroll.....					67,879				3,120	3,120	70,999
Due to other funds.....					36,102	1,604	1,197		48,417	49,614	87,320
Unearned revenue.....					28,972					-	28,972
TOTAL LIABILITIES.....	-	-	-	-	262,811	2,552	1,197	-	51,963	53,160	318,523
<u>DEFERRED INFLOWS OF RESOURCES</u>											
Unavailable revenue - sewer charges.....					160,596						160,596
<u>FUND BALANCES</u>											
Nonspendable.....					-		50,000	15,700	104,500	170,200	170,200
Restricted.....					254,733		41,936	924	71,570	114,430	369,163
Committed.....	8,360	5,056	1,612	96,370	143,004	511,199			362,401	362,401	1,016,604
TOTAL FUND BALANCES.....	8,360	5,056	1,612	96,370	397,737	511,199	91,936	16,624	538,471	647,031	1,555,967
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.	\$ 8,360	\$ 5,056	\$ 1,612	\$ 96,370	\$ 821,144	\$ 513,751	\$ 93,133	\$ 16,624	\$ 590,434	\$ 700,191	\$ 2,035,086

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS										
	SEWER COMMISSION USAGE FUND	SEWER COMMISSION ASSESSMENT & APPROPRIATION FUND	SCHOOL LUNCH FUND	EDUCATION GRANT FUND	TOWN CLERK PRESERVATION FUND	TRANSFER STATION FUND	FIRE MARSHAL FUND	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE	PUBLIC LIBRARY	RECREATION FUND
REVENUES:											
Charges for services.....	\$ 1,301,410	\$ 54,000	\$ 188,905	\$ 164,360	\$ 2,494	\$ 31,361	\$ 620	\$ 500	\$ 5,065	\$ 48,775	
Intergovernmental.....			164,360	1,152,597	3,000				28,351		
Contributions.....				45,871				312			
Income from investments.....		843			7	51	2	1	1		
Other.....											
TOTAL REVENUES.....	1,301,410	54,843	353,265	1,198,468	5,501	31,412	622	1	813	33,416	48,775
EXPENDITURES:											
Current:											
General government.....					4,100						
Public safety.....							111				
Public works.....	1,163,232					26,924					
Culture and recreation.....										36,411	43,940
Education.....			329,590	1,198,468							
Capital outlay.....											
TOTAL EXPENDITURES.....	1,163,232	-	329,590	1,198,468	4,100	26,924	111	-	-	36,411	43,940
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	138,178	54,843	23,675	-	1,401	4,488	511	1	813	(2,995)	4,835
OTHER FINANCING SOURCES (USES):											
Transfers in.....											
Transfers out.....	(138,178)										
NET OTHER FINANCING SOURCES (USES).....	(138,178)	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	-	54,843	23,675	-	1,401	4,488	511	1	813	(2,995)	4,835
FUND BALANCES, JULY 1, 2015.....	-	130,651	22,456	2,989	6,310	-	1,188	806	472	18,392	15,503
FUND BALANCES, JUNE 30, 2016.....	\$ -	\$ 185,494	\$ 46,131	\$ 2,989	\$ 7,711	\$ 4,488	\$ 1,699	\$ 807	\$ 1,285	\$ 15,397	\$ 20,338

(Continued)

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS	PERMANENT FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	PUBLIC SAFETY	GIFT FUND	SOCIAL SERVICES CRISIS FUND	EMS FUND	COMMUNICATION SYSTEM FUND	TOTAL SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	EDITH KENEA PARK AND TREE FUND	FIRE DEPARTMENT TRUST FUND	HILLSIDE CEMETERY TRUST FUND	TOTAL PERMANENT FUNDS	
REVENUES:												
Charges for services.....	\$	\$	\$	\$ 107,000	\$	\$ 1,735,065	\$ 25,829	\$	\$	\$ 31,641	\$ 31,641	\$ 1,792,535
Intergovernmental.....						1,325,022	28,298				-	1,353,320
Contributions.....		1,160	15,301			90,995	9,217				-	100,212
Income from investments.....	15	4	3	152		1,079	677	140	124	7,783	8,047	9,803
Net change in fair value of investments.....						-				34,154	34,154	34,154
TOTAL REVENUES.....	15	1,164	15,304	107,152	-	3,152,161	64,021	140	124	73,578	73,842	3,290,024
EXPENDITURES:												
Current:												
General government.....						4,100					-	4,100
Public safety.....	2,390					2,501					-	2,501
Public works.....						1,190,156					-	1,190,156
Health and welfare.....			14,265			14,265				53,175	53,175	67,440
Culture and recreation.....						80,351	12,149	574			574	93,074
Education.....						1,528,058					-	1,528,058
Debt service.....				623		623					-	623
Capital outlay.....					1,799	1,799				25,340	25,340	27,139
TOTAL EXPENDITURES.....	2,390	-	14,265	623	1,799	2,821,853	12,149	574	-	78,515	79,089	2,913,091
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(2,375)	1,164	1,039	106,529	(1,799)	330,308	51,872	(434)	124	(4,937)	(5,247)	376,933
OTHER FINANCING SOURCES (USES):												
Transfers in.....						-	145,268			26,000	26,000	171,268
Transfers out.....				(15,000)	(24,736)	(177,914)	-				-	(177,914)
NET OTHER FINANCING SOURCES (USES).....	-	-	-	(15,000)	(24,736)	(177,914)	145,268	-	-	26,000	26,000	(6,646)
NET CHANGE IN FUND BALANCES.....	(2,375)	1,164	1,039	91,529	(26,535)	152,394	197,140	(434)	124	21,063	20,753	370,287
FUND BALANCES, JULY 1, 2015.....	10,735	3,892	573	4,841	26,535	245,343	314,059	92,370	16,500	517,408	626,278	1,185,680
FUND BALANCES, JUNE 30, 2016.....	\$ 8,360	\$ 5,056	\$ 1,612	\$ 96,370	\$ -	\$ 397,737	\$ 511,199	\$ 91,936	\$ 16,624	\$ 538,471	\$ 647,031	\$ 1,555,967

(Concluded)

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TOWN OF THOMASTON, CONNECTICUT

SEWER COMMISSION USAGE FUND
 SCHEDULE OF SEWER USE CHARGES RECEIVABLE
 YEAR ENDED JUNE 30, 2016

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FISCAL YEAR	UNCOLLECTED BALANCE JULY 1, 2015	CURRENT YEAR BILLING	CORRECTIONS		ADJUSTED USER CHARGES COLLECTIBLE	COLLECTIONS			UNCOLLECTED BALANCE JUNE 30, 2016
			ADDITIONS	DEDUCTIONS		USE CHARGES	INTEREST & LIENS	TOTAL	
2004	\$ 235	\$ -	\$ -	\$ -	\$ 235	\$ -	\$ -	\$ -	\$ 235
2005	235	-	-	-	235	-	-	-	235
2006	295	-	-	-	295	-	-	-	295
2007	462	-	-	-	462	-	-	-	462
2008	2,055	-	-	-	2,055	1,098	802	1,900	957
2009	5,048	-	-	-	5,048	2,884	2,119	5,003	2,164
2010	7,479	-	-	-	7,479	4,557	3,515	8,072	2,922
2011	12,910	-	-	-	12,910	8,078	6,254	14,332	4,832
2012	22,375	-	-	-	22,375	14,389	8,449	22,838	7,986
2013	50,382	-	8	-	50,390	32,760	12,877	45,637	17,630
2014	96,731	-	932	-	97,663	57,284	15,475	72,759	40,379
Total Prior Years	198,207	-	940	-	199,147	121,050	49,491	170,541	78,097
2015	-	1,210,349	-	10,266	1,200,083	1,117,584	12,856	1,130,440	82,499
TOTAL	\$ 198,207	\$ 1,210,349	\$ 940	\$ 10,266	\$ 1,399,230	\$ 1,238,634	\$ 62,347	\$ 1,300,981	\$ 160,596

Fiduciary Funds

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

Pension Trust Fund

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

OPEB Trust Fund

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

Private-Purpose Trust Funds

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

Leander Smith Award

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

Peppie Wagner Fund

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

Seth Thomas Prize Fund

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

Agency Funds

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

FIDUCIARY FUNDS (CONTINUED)

Agency Funds (Continued)

School Activities Fund

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

High School Athletic Council

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

Athletic Pay to Participate

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

Public School Internal Account

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

Public Library Staff Fund

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

Join Against Insensible Lawlessness

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

Class Reunions

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

Christmas Lights Fund

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

Police Recreation and Educational Fund

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

Railroad Museum Commission

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

FIDUCIARY FUNDS (CONTINUED)

Agency Funds (Continued)

Recreation Commission

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

Thomaston Police Explorers

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

Car Show

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

TRIAD

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

Christmas Committee

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

Noah Rogozinski Playground Fund

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

Substance Abuse Prevention Fund

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

Greenway Committee

To account for donations received for improvements and maintenance for greenway walking trail.

Tri-centennial Committee

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

TOWN OF THOMASTON, CONNECTICUT

PRIVATE-PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2016

	LEANDER SMITH AWARD	PEPPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
<u>ASSETS</u>				
Cash.....	\$	\$ 1,267	\$	\$ 1,267
Investments.....	5,515		1,058	6,573
TOTAL ASSETS.....	5,515	1,267	1,058	7,840
<u>NET POSITION</u>				
Net Position Held in Trust.....	\$ 5,515	\$ 1,267	\$ 1,058	\$ 7,840

TOWN OF THOMASTON, CONNECTICUT

PRIVATE-PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 YEAR ENDED JUNE 30, 2016

	LEANDER SMITH AWARD	PEPPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
ADDITIONS:				
Investment income.....	\$ 20	\$ 2	\$ 9	\$ 31
DEDUCTIONS:				
Awards.....	100			100
CHANGES IN NET POSITION.....	(80)	2	9	(69)
NET POSITION, JULY 1, 2015.....	5,595	1,265	1,049	7,909
NET POSITION, JUNE 30, 2016.....	\$ 5,515	\$ 1,267	\$ 1,058	\$ 7,840

TOWN OF THOMASTON, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2016

	BALANCE JULY 1, 2015	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2016
<u>ASSETS</u>				
CASH:				
School Activities Fund.....	\$ 101,109	\$ 80,697	\$ 69,460	\$ 112,346
High School Athletic Council.....	5,438	17,284	9,519	13,203
Athletic Pay to Participate.....	34,063	16,611	50	50,624
Public School Internal Account.....	98,331	36,217	22,082	112,466
Public Library Staff Fund.....	1,954	3,620	2,786	2,788
Join Against Insensible Lawlessness.....	5,301	6	-	5,307
Class Reunions.....	825	1	-	826
Christmas Lights Fund.....	18,046	19,696	11,820	25,922
Police Recreation and Educational Fund.....	4,922	1,000	897	5,025
Railroad Museum Commission.....	3,301	1,229	760	3,770
Recreation Commission.....	14,131	57,269	52,483	18,917
Thomaston Police Explorers.....	1,762	3,486	2,200	3,048
Car Show.....	13,740	11,680	19,903	5,517
TRIAD.....	1,820	1	-	1,821
Christmas Committee.....	5,943	1,330	2,349	4,924
Noah Rogozinski Playground Fund.....	6,504	7	-	6,511
Substance Abuse Prevention Fund.....	1,850	-	1,285	565
Greenway Committee.....	-	4,053	-	4,053
TOTAL CASH.....	319,040	254,187	195,594	377,633
INVESTMENTS:				
Tri-centennial Committee.....	4,330	44	-	4,374
TOTAL ASSETS.....	\$ 323,370	\$ 254,231	\$ 195,594	\$ 382,007
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
School Activities Fund.....	\$ 101,109	\$ 80,697	\$ 69,460	\$ 112,346
High School Athletic Council.....	5,438	17,284	9,519	13,203
Athletic Pay to Participate.....	34,063	16,611	50	50,624
Public School Internal Account.....	98,331	36,217	22,082	112,466
Public Library Staff Fund.....	1,954	3,620	2,786	2,788
Join Against Insensible Lawlessness.....	5,301	6	-	5,307
Class Reunions.....	825	1	-	826
Christmas Lights Fund.....	18,046	19,696	11,820	25,922
Police Recreation and Educational Fund.....	4,922	1,000	897	5,025
Railroad Museum Commission.....	3,301	1,229	760	3,770
Recreation Commission.....	14,131	57,269	52,483	18,917
Thomaston Police Explorers.....	1,762	3,486	2,200	3,048
Car Show.....	13,740	11,680	19,903	5,517
TRIAD.....	1,820	1	-	1,821
Christmas Committee.....	5,943	1,330	2,349	4,924
Noah Rogozinski Playground Fund.....	6,504	7	-	6,511
Substance Abuse Prevention Fund.....	1,850	-	1,285	565
Greenway Committee.....	-	4,053	-	4,053
Tri-centennial Committee.....	4,330	44	-	4,374
TOTAL LIABILITIES.....	\$ 323,370	\$ 254,231	\$ 195,594	\$ 382,007

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 (1)
(UNAUDITED)

	FISCAL YEAR ENDED									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net investment in capital assets.....	\$ 38,387,002	\$ 35,802,178	\$ 32,848,325	\$ 32,134,289	\$ 32,469,999	\$ 30,913,796	\$ 25,851,843	\$ 25,467,102	\$ 27,183,637	\$ 25,534,737
Restricted for:										
Endowments:										
Nonexpendable.....	65,700	95,700	95,700	95,700	95,700	95,700	200,200	200,200	200,200	200,200
Expendable.....	42,860	13,170	13,502	13,329	12,772	12,593	1,823	1,109	425	1,314
Perpetual Care:										
Nonexpendable.....	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500
Expendable.....	71,570	71,570	71,570	71,570	71,570	71,570	40,894			
Public safety.....			38,365	58,365	58,365	120,000	90,000	60,000	30,000	
Housing and development.....	195,991	169,072	183,242	317,089	233,177	183,905	212,196			
Sewer assessment.....	185,494	130,651	177,277	173,322	168,203	189,889	237,002	211,000	217,229	212,929
Other.....	69,239	47,158	25,960	25,909	41,023	112,944	77,495			
Unrestricted.....	(6,562,121)	(3,630,183)	(2,296,658)	1,418,992	260,607	1,823,160	7,399,655	8,605,088	7,105,859	8,715,089
TOTAL NET POSITION.....	\$ 32,560,235	\$ 32,803,816	\$ 31,261,783	\$ 34,413,065	\$ 33,515,916	\$ 33,628,057	\$ 34,215,608	\$ 34,648,999	\$ 34,841,850	\$ 34,768,769

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

TABLE 2

TOWN OF THOMASTON, CONNECTICUT

CHANGES IN NET POSITION
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EXPENSES:										
General government.....	\$ 1,417,021	\$ 1,468,054	\$ 1,662,601	\$ 1,718,977	\$ 1,792,675	\$ 1,668,332	\$ 1,737,840	\$ 1,667,898	\$ 1,697,981	\$ 1,493,290
Public safety.....	3,326,695	3,164,883	2,817,840	2,531,191	2,645,588	2,350,689	2,429,014	2,403,832	2,205,660	2,252,002
Public works.....	4,781,865	4,907,857	4,523,074	4,590,427	4,264,949	4,297,830	4,258,496	4,345,216	3,953,285	3,785,089
Health and welfare.....	209,795	203,022	189,646	142,874	82,192	102,826	86,991	142,079	176,275	174,341
Culture and recreation.....	1,084,776	1,034,470	856,538	873,818	849,888	1,054,447	1,224,333	1,418,346	1,404,087	1,372,057
Housing and development.....	787,911	460,058	384,582	255,635	208,886	235,491	351,387	271,461	197,298	255,595
Education.....	18,527,836	17,988,363	17,715,754	18,236,951	17,893,897	18,141,755	17,516,144	17,620,403	19,045,383	16,011,966
Interest expense.....	703,177	675,831	778,821	695,454	1,011,416	655,789	777,173	718,142	760,841	823,502
TOTAL EXPENSES.....	30,839,076	29,902,538	28,928,856	29,045,327	28,749,491	28,507,159	28,381,378	28,587,377	29,440,810	26,167,842
PROGRAM REVENUES:										
Charges for services:										
General government.....	145,299	149,298	143,897	132,663	112,966	34,561	46,806	47,646	113,248	145,710
Public safety.....	219,899	243,508	158,884	144,636	178,532	157,914	148,106	158,988	130,819	198,027
Public works.....	1,378,548	1,314,456	1,216,145	1,207,400	1,174,669	1,167,243	1,155,344	1,161,218	1,154,767	1,108,832
Health and welfare.....	723	473	444	596	915	755	885	1,816	1,866	1,938
Culture and recreation.....	61,159	54,212	50,645	55,195	51,091	156,737	354,639	411,361	393,855	454,209
Housing and development.....	78,967	68,995	69,425	57,044	55,659	41,689	57,543	61,149	56,508	69,453
Education.....	189,665	188,604	213,589	221,288	243,921	273,660	297,431	330,850	312,213	328,342
Operating grants and contributions.....	8,923,066	8,450,907	8,781,136	9,515,488	8,860,269	8,342,648	8,437,791	8,348,877	10,403,236	6,813,623
Capital grants and contributions.....	605,945	2,230,932	655,034	299,942	386,186	564,196	311,838	715,950	555,629	307,086
TOTAL PROGRAM REVENUES.....	11,603,271	12,701,385	11,289,199	11,634,252	11,064,208	10,739,403	10,810,383	11,237,855	13,122,141	9,427,220
NET EXPENSES.....	(19,235,805)	(17,201,153)	(17,639,657)	(17,411,075)	(17,685,283)	(17,767,756)	(17,570,995)	(17,349,522)	(16,318,669)	(16,740,622)
GENERAL REVENUES:										
Property taxes.....	18,347,627	18,156,595	18,118,289	17,679,388	16,785,654	16,549,427	16,452,886	16,444,961	15,506,863	16,066,609
Grants and contributions not restricted to specific programs...	516,623	521,843	517,874	509,956	691,072	457,793	500,552	514,848	399,510	779,885
Investment income.....	62,240	34,434	64,153	47,706	49,314	89,062	90,133	89,454	228,647	520,009
Miscellaneous.....	65,734	30,314	31,362	71,174	47,102	83,923	94,033	107,408	256,730	34,198
TOTAL GENERAL REVENUES.....	18,992,224	18,743,186	18,731,678	18,308,224	17,573,142	17,180,205	17,137,604	17,156,671	16,391,750	17,400,701
CHANGE IN NET POSITION.....	\$ (243,581)	\$ 1,542,033	\$ 1,092,021	\$ 897,149	\$ (112,141)	\$ (587,551)	\$ (433,391)	\$ (192,851)	\$ 73,081	\$ 660,079

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

	FISCAL YEAR ENDED JUNE 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
GENERAL FUND:										
Nonspendable.....	\$	\$	\$	\$	\$	\$ 250,932	\$	\$	\$	\$
Committed.....										
Assigned.....	102,266	160,000	250,000	315,000	84,533	153,207	350,000	273,000	250,000	1,185,800
Unassigned.....	3,340,323	3,007,183	2,890,109	2,701,438	2,240,778	1,766,537	1,626,920	1,554,869	1,743,007	1,553,554
TOTAL GENERAL FUND.....	3,442,589	3,167,183	3,140,109	3,016,438	2,325,311	2,170,676	1,976,920	1,827,869	1,993,007	2,739,354
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable.....	170,200	1,050,267	1,279,423	1,305,819	1,306,788	1,366,650	1,303,437	1,351,772	1,326,688	1,326,955
Restricted.....	1,361,668	531,621	509,916	659,584	585,110	690,901	573,765	728,726	1,252,866	964,020
Committed.....	1,016,604	1,037,766	930,964	2,520,150	558,852	3,047,788	5,578,523	780,549	899,188	919,398
Assigned.....	1,259,874	1,380,309	1,086,043	1,179,720	363,589	309,413	112,784			
Unassigned.....	(494,329)		(109,805)	(2,505,405)	(1,980,505)	(179,998)	203,085	(488,523)	1,137,653	2,240,330
TOTAL ALL OTHER GOVERNMENTAL FUNDS	3,314,017	3,999,963	3,696,541	3,159,868	833,834	5,234,754	7,771,594	2,372,524	4,616,395	5,450,703
GRAND TOTAL.....	\$ 6,756,606	\$ 7,167,146	\$ 6,836,650	\$ 6,176,306	\$ 3,159,145	\$ 7,405,430	\$ 9,748,514	\$ 4,200,393	\$ 6,609,402	\$ 8,190,057

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

	FISCAL YEAR ENDED JUNE 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUES:										
Property taxes.....	\$ 18,477,767	\$ 18,337,484	\$ 18,134,271	\$ 17,943,306	\$ 16,932,230	\$ 16,858,253	\$ 16,525,756	\$ 16,138,322	\$ 15,488,705	\$ 16,027,666
Charges for services.....	2,140,092	2,064,253	1,864,263	1,826,482	1,817,625	1,840,244	2,048,914	2,164,402	2,125,660	2,259,932
Intergovernmental.....	10,053,041	11,090,040	10,023,755	9,815,369	9,730,818	9,496,291	9,380,430	9,627,289	11,424,372	8,247,795
Contributions.....	148,692	275,701	109,013	684,800	129,773	46,019	67,190	155,075	129,857	93,471
Income from investments.....	28,086	20,924	19,144	47,709	49,314	89,061	90,133	117,301	260,567	520,007
Net change in fair value of investments.....	34,154	13,510	45,009					(39,572)		
Other.....	57,426	30,314	31,361	79,912	47,104	83,923	94,033	107,409	268,748	86,115
TOTAL REVENUES.....	30,939,258	31,832,226	30,226,816	30,397,578	28,706,864	28,413,791	28,206,456	28,270,226	29,697,909	27,234,986
EXPENDITURES:										
Current:										
General government.....	3,678,660	3,737,170	3,517,321	3,412,749	3,343,498	3,390,754	3,250,801	3,096,831	3,176,283	3,149,242
Public safety.....	1,626,723	1,618,411	1,562,456	1,506,881	1,536,180	1,345,780	1,489,274	1,470,060	1,513,799	1,419,646
Public works.....	2,786,773	2,995,295	3,000,019	2,758,011	2,686,572	2,637,989	2,658,236	2,710,550	2,754,083	2,548,694
Health and welfare.....	152,747	153,566	150,984	126,396	64,551	88,257	72,358	98,539	118,260	120,849
Culture and recreation.....	541,350	532,772	504,198	502,030	494,639	623,821	863,441	1,021,600	1,045,793	1,002,376
Housing and development.....	658,758	319,731	294,715	159,504	115,834	145,477	280,865	228,556	153,805	200,834
Education.....	17,368,884	16,903,635	17,181,062	17,361,746	17,148,470	16,781,904	16,623,775	16,536,919	18,514,871	15,397,354
Debt service:										
Principal.....	2,445,679	2,246,275	2,174,261	1,777,286	1,604,385	1,663,002	1,788,959	1,556,043	1,650,416	1,699,680
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.....	1,176,861	2,399,439	6,258,365	5,842,077	4,960,660	3,176,564	2,385,154	2,957,302	1,304,774	2,408,022
TOTAL EXPENDITURES.....	31,450,995	31,920,854	35,657,941	34,461,240	32,969,349	30,868,108	30,427,423	30,690,960	31,246,644	28,961,257
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(511,737)	(88,628)	(5,431,125)	(4,063,662)	(4,262,485)	(2,454,317)	(2,220,967)	(2,420,734)	(1,548,735)	(1,726,271)
OTHER FINANCING SOURCES (USES):										
Capital lease.....	73,298		54,085	127,645						143,000
Issuance of bonds (BANS).....			6,025,000	6,735,000			7,520,000	2,820,000		
Issuance of refunding bonds.....		6,455,000				6,945,000				
Payment to refunding bond escrow.....		(6,654,127)				(7,239,828)	(2,800,000)			
Premiums.....	19,591	618,251	12,384	218,178	16,200	406,061	229,088	11,725		
Sale of capital assets.....	8,308									
Transfers in.....	3,727,326	3,843,788	3,679,843	3,247,341	3,059,313	3,113,769	2,928,843	400,038	687,897	3,538,490
Transfers out.....	(3,727,326)	(3,843,788)	(3,679,843)	(3,247,341)	(3,059,313)	(3,113,769)	(2,928,843)	(400,038)	(687,897)	(3,538,490)
NET OTHER FINANCING SOURCES (USES).....	101,197	419,124	6,091,469	7,080,823	16,200	111,233	7,769,088	11,725	-	143,000
NET CHANGE IN FUND BALANCES.....	\$ (410,540)	\$ 330,496	\$ 660,344	\$ 3,017,161	\$ (4,246,285)	\$ (2,343,084)	\$ 5,548,121	\$ (2,409,009)	\$ (1,548,735)	\$ (1,583,271)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....	11.43%	11.05%	10.85%	9.76%	9.40%	9.67%	10.02%	9.27%	8.88%	10.22%

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		
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
2009	2007	530,980,243	758,543,204	51,973,790	30,347,036	82,320,826	117,601,180	613,301,069	876,144,384	70.00%	26.28
2008	* 2006	532,561,507	760,802,153	50,779,210	32,014,158	82,793,368	118,276,240	615,354,875	879,078,393	70.00%	24.99
2007	2005	308,951,670	441,359,529	52,393,145	34,173,746	86,566,891	123,666,987	395,518,561	565,026,516	70.00%	39.62

* Revaluation performed

TABLE 6

TOWN OF THOMASTON, CONNECTICUTPRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TAXPAYER	2016			2007		
	(1) ASSESSMENT	RANK	PERCENT OF NET TAXABLE GRAND LIST	ASSESSMENT	RANK	PERCENT OF NET TAXABLE GRAND LIST
Albea (formerly Rexam)	\$ 8,922,130	1	1.65%	\$ 2,477,020	5	0.63%
Connecticut Light & Power Co.	8,545,620	2	1.58%	4,556,520	2	1.15%
Yankee Gas Services Company	3,458,470	3	0.64%	2,367,190	7	0.60%
Thomaston Savings Bank	3,177,330	4	0.59%	2,096,800	9	0.53%
Connecticut Water Company	2,898,720	5	0.54%	3,233,466	3	0.82%
GLC Associates One, LLC	2,800,280	6	0.52%	2,451,440	6	0.62%
Summit Corp of America	2,464,210	7	0.46%	7,419,623	1	1.88%
Tyler Properties	2,395,303	8	0.44%	1,289,440	15	0.33%
Subs Realty (formerly Oneglia)	2,283,820	9	0.42%	2,903,600	4	0.73%
W L Real Estate Company	<u>2,170,000</u>	10	<u>0.40%</u>	<u>1,854,470</u>	10	<u>0.47%</u>
Totals	<u>\$ 39,115,883</u>		<u>7.24%</u>	<u>\$ 30,649,569</u>		<u>7.76%</u>

Source: Town Assessor Department.

(1) The net taxable grand list as of October 1, 2014 totaled \$540,231,844

TOWN OF THOMASTON, CONNECTICUT

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

YEAR ENDED JUNE 30	(1) (2) TOTAL TAX RATE IN MILLS	GRAND LIST OF OCTOBER 1,	TOTAL ADJUSTED TAX LEVY	NET CURRENT TAX COLLECTIONS	PERCENT OF CURRENT LEVY COLLECTED	TOTAL COLLECTIONS TO DATE			
						COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENTAGE OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
2016	33.63	2014	\$ 18,294,050	\$ 18,081,176	98.8%	\$ -	\$ 18,081,176	98.8%	\$ 212,874
2015	33.63	2013	18,080,787	17,844,146	98.7%	177,597	18,021,743	99.7%	59,044
2014	33.13	2012	17,879,100	17,614,927	98.5%	229,215	17,844,142	99.8%	34,958
2013 *	32.83	2011	17,645,073	17,364,941	98.4%	262,452	17,627,393	99.9%	17,680
2012	26.98	2010	16,626,776	16,324,968	98.2%	291,537	16,616,505	99.9%	10,271
2011	26.54	2009	16,462,140	16,192,962	98.4%	259,951	16,452,913	99.9%	9,227
2010	26.28	2008	16,070,948	15,687,137	97.6%	374,527	16,061,664	99.9%	9,284
2009	26.28	2007	16,017,616	15,511,321	96.8%	506,295	16,017,616	100.0%	-
2008 *	24.99	2006	15,325,961	14,907,955	97.3%	418,006	15,325,961	100.0%	-
2007	39.62	2005	15,758,093	15,384,998	97.6%	373,095	15,758,093	100.0%	-

Source: Town Audit Reports.

* Revaluation performed

(1) There are no overlapping of tax rates.

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

TOWN OF THOMASTON, CONNECTICUT

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

YEAR ENDED JUNE 30	GENERAL LONG-TERM DEBT OUTSTANDING					TOTAL	PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS/BOND ANTICIPATION NOTES	PREMIUMS	CLEAN WATER NOTES	CAPITAL LEASE PAYABLE				
2016	\$ 21,850,000	\$ 745,964	\$ 2,475,710	\$ 47,429	\$ 25,119,103	0.29%	\$ 3,296	
2015	23,985,000	815,417	3,021,140	24,527	27,846,084	0.24%	3,624	
2014	25,545,000	608,756	3,566,374	84,890	29,805,020	0.22%	3,791	
2013	21,290,000	664,948	4,100,821	91,120	26,146,889	0.25%	3,336	
2012	16,000,000	582,448	4,624,694	-	21,207,142	0.31%	2,659	
2011	17,425,000	632,036	5,138,202	-	23,195,238	N/A	2,941	
2010	18,715,000	353,311	5,641,550	-	24,709,861	N/A	3,168	
2009	12,410,000	134,374	6,134,939	122,009	18,801,322	0.36%	2,421	
2008	13,645,000	144,525	6,618,567	240,811	20,648,903	N/A	2,641	
2007	14,880,000	154,676	7,092,626	421,704	22,549,006	N/A	2,846	

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

N/A Information not available.

TABLE 9**TOWN OF THOMASTON, CONNECTICUT**

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

YEAR ENDED JUNE 30	(1) POPULATION	(2) NET ASSESSED VALUE	(3) LONG-TERM DEBT AND RELATED LIABILITIES	RATIO OF BONDED DEBT/NOTES TO NET ASSESSED VALUE	DEBT PER CAPITA
2016	7,621	\$ 540,231,844	\$ 25,119,103	4.65%	\$ 3,296
2015	7,683	533,917,497	27,846,084	5.22%	3,624
2014	7,862	539,424,184	29,805,020	5.53%	3,791
2013	7,838	538,276,035	26,146,889	4.86%	3,336
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
2009	7,766	613,301,069	18,801,322	3.07%	2,421
2008	7,818	615,354,875	20,648,903	3.36%	2,641
2007	7,922	395,518,561	22,549,006	5.70%	2,846

Sources:

(1) CT Health Department.

(2) Town Assessor's Department.

(3) From Table 8.

TOWN OF THOMASTON, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
 CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)
 YEAR ENDED JUNE 30, 2016
 (UNAUDITED)

Total tax collections (including interest and lien fees) for current year and Base For Debt Limitation Computation.....						<u>\$ 18,538,427</u>
DEBT LIMITATION:	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT	
2 1/4 times base.....	\$ 41,711,461	\$	\$	\$	\$	
4 1/2 times base.....		83,422,922				
3 3/4 times base.....			69,519,101			
3 1/4 times base.....				60,249,888		
3 times base.....						55,615,281
TOTAL DEBT LIMITATION.....	41,711,461	83,422,922	69,519,101	60,249,888		55,615,281
INDEBTEDNESS:						
Bonds payable.....	14,858,609	6,699,885	291,506			
Bond anticipation notes.....	2,910,000					
Less: School building grants.....		(427,353)				
TOTAL INDEBTEDNESS.....	17,768,609	6,272,532	291,506	-		-
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT	\$ 23,942,852	\$ 77,150,390	\$ 69,227,595	\$ 60,249,888		\$ 55,615,281
The total net indebtedness above amounts to:						<u>\$ 24,332,647</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:						<u>\$ 129,768,989</u>

(1) There is no overlapping debt.

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

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
2016	\$ 129,768,989	\$ 24,332,647	\$ 105,436,342	18.75%
2015	128,082,052	24,205,284	103,876,768	18.90%
2014	126,610,372	25,993,009	100,617,363	20.53%
2013	125,550,264	24,245,997	101,304,267	19.31%
2012	117,980,709	18,686,529	99,294,180	15.84%
2011	118,368,957	16,296,459	102,072,498	13.77%
2010	114,583,798	17,452,561	97,131,237	15.23%
2009	112,410,347	15,826,028	96,584,319	14.08%
2008	107,773,680	12,089,494	245,797,526	4.69%
2007	111,579,636	13,177,964	98,401,672	11.81%

TABLE 12

TOWN OF THOMASTON, CONNECTICUT

DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(2) PERSONAL INCOME	(5) PER CAPITA INCOME	(2) MEDIAN AGE	EDUCATION LEVEL IN YEARS OF SCHOOLING	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT PERCENTAGE
2016	7,621	\$ 73,679	(5)	44	High School 35% Some College 36%	895	4.9%
2015	7,683	67,426	(5)	43	High School 35% Some College 35%	856	4.5%
2014	7,862	64,982	(5)	43	High School 35% Some College 35%	941	5.8%
2013	7,838	66,197	(5)	44	High School 35% Some College 58%	1,004	8.0%
2012	7,975	66,197	(5)	44	High School 35% Some College 58%	1,010	8.5%
2011	7,887	(5)	(5)	(5)	(5)	1,114	8.2%
2010	7,801	(5)	(5)	(5)	(5)	1,186	8.6%
2009	7,766	67,558	(5)	(5)	(5)	1,216	9.4%
2008	7,818	(5)	(5)	(5)	(5)	1,259	6.3%
2007	7,922	(5)	(5)	(5)	(5)	1,295	4.5%

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

(2) Connecticut Economic Resource Center, Inc.

(3) Thomaston Board of Education.

(4) Connecticut Labor Department - Research and Statistics.

(5) Information not available.

TABLE 13

TOWN OF THOMASTON, CONNECTICUT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EMPLOYER	2016			2007		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT
Albea (formerly Rexam)	383	1	9%	400	1	9%
State of Connecticut	N/A	2	N/A	87	8	2%
Town of Thomaston	202	3	5%	262	2	6%
Thomaston Savings Bank	183	4	4%	117	4	3%
Ward Leonard Electric, Inc.	145	5	3%	142	3	3%
Stewart Eyelets for Industry, Inc.	120	6	3%	95	6	2%
UniMetal/ Quality Rolling & Deburring	144	7	3%	88	7	2%
Summit Corporation of America	61	8	1%	102	5	2%
Stevens Co., Inc.	37	9	1%	67	10	2%
WHYCO Chromium, Inc	38	10	1%	79	9	2%
TOTAL	<u>1,313</u>		<u>30%</u>	<u>1,439</u>		<u>33%</u>
Total Town Employment	<u>4,458</u>			<u>4,359</u>		

SOURCE: Annual Town survey.

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

TOWN OF THOMASTON, CONNECTICUT

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

FUNCTION / PROGRAM	FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
GENERAL GOVERNMENT:										
Selectmen.....	2.2	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	0.3	0.3	0.3
Treasurer.....	3.9	3.9	3.0	3.0	3.9	3.9	2.9	3.3	3.5	3.3
Tax Collector.....	2.0	2.0	2.0	2.0	2.0	2.0	1.9	2.0	2.0	2.0
Assessor/Assessment appeals.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	2.3
Town Hall maintenance.....	1.3	1.5	1.5	1.4	1.5	1.0	1.0	1.1	1.0	0.8
Town Clerk.....	1.7	1.7	1.7	1.5	1.7	1.6	1.6	1.7	1.7	1.7
PUBLIC SAFETY:										
Police officers.....	13.3	13.1	13.4	11.6	11.7	11.4	12.3	12.5	13.2	13.4
Inmate supervision.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dispatch.....	4.8	4.9	4.5	4.8	4.0	4.6	4.7	4.8	5.1	5.0
Fire Marshall.....	0.1	0.1	0.1	0.1	0.6	0.6	0.6	0.6	0.6	0.6
Animal control.....	1.1	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.2	1.2
PUBLIC WORKS:										
Highway.....	8.0	7.0	7.0	8.0	6.0	7.0	8.1	8.8	9.0	8.6
Solid waste and recycling.....	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.3	0.3
Sewer plant.....	6.0	7.0	7.0	7.0	5.0	7.0	7.0	7.0	7.0	6.9
Hillside Cemetery.....	1.9	1.8	1.7	1.9	1.7	1.5	1.0	1.6	1.3	1.5
HEALTH AND WELFARE:										
Social services.....	0.5	0.5	0.5	0.0	0.0	0.0	0.0	1.0	1.7	1.5
Minibus.....	0.4	0.2	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Veterans administration.....	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
CULTURE AND RECREATION:										
Recreation.....	1.8	2.0	1.6	1.6	3.5	2.4	2.3	2.4	2.8	3.1
Public library.....	6.8	6.1	5.4	6.1	5.8	5.8	6.2	6.2	7.4	6.6
Opera House.....	0.0	0.0	0.0	0.0	0.0	0.0	2.5	4.0	3.7	3.7
HOUSING AND DEVELOPMENT:										
Housing, land use & development...	2.5	2.5	2.1	2.1	2.5	2.0	2.3	2.3	2.1	1.9
EDUCATION.....	141.7	136.5	162.8	163.5	165.9	164.1	160.7	161.1	180.8	195.0
TOTAL.....	201.5	195.6	219.3	220.0	221.0	220.1	220.3	225.7	248.9	262.4

SOURCE: Actual payroll data.

TOWN OF THOMASTON, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
GENERAL GOVERNMENT										
PUBLIC SAFETY:										
Fire:										
Emergency responses.....	270	265	239	266	436	367	268	240	338	360
Fires extinguished.....	38	39	26	17	43	26	27	40	57	29
Police:										
Incidents.....	35,807	39,126	37,715	32,646	33,503	33,523	33,299	34,946	35,162	35,191
Accidents.....	307	353	347	195	217	230	206	248	216	262
Physical arrests.....	385	629	565	236	258	161	165	257	155	198
Traffic violations.....	922	898	853	841	949	952	1,001	867	922	742
PUBLIC WORKS:										
Street resurfacing (miles).....	0.0	3.0	2.0	0.0	0.0	0.0	0.0	2.38	5.00	0.0
Streets rebuilt (miles).....	0.0	0.0	0.0	4.86	4.86	4.31	3.12	0.66	1.14	1.14
PARKS AND RECREATION:										
Athletic field permits issued.....	38	42	40	41	46	51	44	55	55	76
Number of recreation programs.....	34	32	34	36	34	29	27	26	25	27
HEALTH AND WELFARE:										
Number of elderly serviced.....	146	109	86	N/A	N/A	N/A	N/A	N/A	1,012	1,410
Number of families serviced.....	185	162	150	N/A	N/A	N/A	N/A	N/A	2,612	2,650
Number of disabled serviced.....	98	87	60	N/A	N/A	N/A	N/A	N/A	626	672
LIBRARY:										
Total print items.....	39,327	40,285	40,885	40,637	41,243	40,137	42,804	44,541	46,260	46,533
Total non-print items.....	7,060	6,876	6,291	5,991	5,775	8,095	6,366	11,578	8,221	7,652
Circulation.....	63,700	70,396	75,418	80,528	80,371	86,380	95,354	93,826	89,305	92,997
Interlibrary borrows.....	3,497	3,346	3,605	3,537	3,662	3,210	3,429	3,432	2,408	1,984
Interlibrary loans.....	2,259	2,275	2,427	3,003	3,391	3,467	3,298	3,289	2,392	2,308
EDUCATION:										
Enrollment:										
High School.....	408	417	412	438	460	518	559	547	582	600
Middle School.....	216	206	237	256	227	256	267	278	296	298
Elementary Schools.....	271	233	292	310	323	340	360	391	381	397
Total.....	895	856	941	1,004	1,010	1,114	1,186	1,216	1,259	1,295
SEWER FUND:										
Average daily sewage treatment (million gallons).....	0.834	0.98	0.989	0.924	0.871	0.937	0.992	0.982	0.864	1.067
Residential customers.....	2,635	2,635	2,700	2,695	2,619	2,613	2,600	2,600	2,594	2,587
Commercial & Industrial Customers.....	131	129	128	130	130	128	134	131	136	130
Manhole repair as part of I/I reduction.....	20	6	9	42	48	80	80	62	6	8
SOLID WASTE & RECYCLING:										
CRRA tonnage (annual).....	2,400	2,462	2,506	3,069	3,817	4,226	4,284	4,724	4,961	5,024
SOURCES: Various Town Departments.										
N/A - Data not available.										

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

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
GENERAL GOVERNMENT:										
Election voting machines.....	2	2	2	2	2	2	2	2	2	2
Vehicles.....	1	1	2	2	2	1	1	1	1	1
PUBLIC SAFETY:										
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	8	8	10	10	10	10	10
Fire trucks.....	4	5	5	7	7	7	7	7	7	7
Ambulances.....	2	2	2	2	2	2	2	2	2	2
Other emergency vehicles.....	5	5	6	6	6	6	6	6	6	6
PUBLIC WORKS:										
Miles of Streets:										
Paved.....	41.25	41.25	41.25	41.25	41.25	41.00	41.00	41.00	41.00	41.00
Accepted.....	41.25	41.25	41.25	41.25	41.25	41.00	41.00	41.00	41.00	41.00
Private.....	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.03	0.03	0.03
State Highway.....	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89
Miles of Sidewalks.....	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88
Miles of Sewer:										
Storm.....	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.00	95.00	85.50
Sanitation.....	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50
Dump trucks.....	10	10	10	10	10	10	10	10	10	9
Other public works vehicles & heavy equipment.....	28	28	28	27	27	27	27	27	27	26
HEALTH AND WELFARE:										
Minibus.....	1	1	1	1	1	1	1	1	1	1
CULTURE AND RECREATION:										
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	3	3	3	3	3	3	3	3
Soccer fields.....	3	3	3	3	3	3	3	3	3	3
Nature areas.....	1	1	1	1	1	1	1	1	1	1
Picnic areas.....	1	1	1	1	1	1	1	1	1	1
Playgrounds.....	4	4	7	7	7	7	7	7	7	7
Public beach.....	1	1	1	1	1	1	1	1	1	1
Public greens.....	3	3	3	3	3	3	3	3	3	3
Tennis courts.....	6	6	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
EDUCATION:										
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.